
Introduction to Volume 2

This volume of the Federal Student Aid Handbook comprises topics pertaining to colleges' general obligations in administering the Title IV student aid programs: institutional and program eligibility, administrative requirements, audits, record keeping, program reviews, and providing information to the public are all explained.

Throughout the Handbook we use “college,” “school,” and “institution” interchangeably unless some more specific use is given. Similarly, “student,” “applicant,” and “aid recipient” are synonyms. “Parents” in this volume refers to the parents of dependent students, and “you” refers to the primary audience of the Handbook: financial aid administrators at colleges. “We” indicates the United States Department of Education (Department, ED), and “federal student aid” and “Title IV aid” are synonymous terms for the financial aid offered by the Department.

We appreciate any comments that you have regarding the Federal Student Aid Handbook. We revise and clarify the text in response to questions and feedback from the financial aid community, so please contact us at fsaschoolspubs@ed.gov to let us know how to improve the Handbook so that it is always clear and informative.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR), and the Higher Education Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol:

NEW

When the text represents a clarification rather than a change, it is indicated with:

Clarification

When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:

Reminder

If we want to point out a bit of helpful information, we indicate it with:

TIP

Finally, if we want to draw your attention to something, we indicate it with:

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Notes on Active Links

At the top of each page you will find links to the Federal Student Aid Glossary and Appendices, the Code of Federal Regulation (CFR), and Dear Colleague Letters (DCL).

[Glossary](#) [CFR](#) [DCL](#)

Major Changes

Chapter 2—Program Eligibility, Written Arrangements, & Distance Education

- ◆ We remind schools that they must accurately report their programs' published length.
- ◆ We clarify state requirements and program length for GE programs.
- ◆ We clarify our guidance on rounding.
- ◆ We clarify our guidance on state requirements and credit-hour to clock-hour conversions.
- ◆ We provide an update example on clock-hour to credit-hour conversions.

Chapter 3—FSA Administrative & Related Requirements

- ◆ We remind schools of language that must be included in all contracts between schools and third-party servicers.

Chapter 4—Audits, Standards, Limitations, & Cohort Default Rates

- ◆ We reorganized the material in the section on the 90/10 rule on pages 82 and 83 and added guidance to the last paragraph of that section on schools that switch from a proprietary to a nonprofit or public status.

Chapter 5—Updating Application Information

- ◆ We remind schools that they must update their contact information in IPEDS and on their e-App.

Chapter 6—Consumer Information and School Reporting

- ◆ We have revised and clarified the requirements for TEACH Grant exit counseling.
- ◆ In the margin of page 140 we updated the civil penalty to \$57,317 for violation of the obligation to comply with the consumer information requirements. This is to account for inflation, as explained in the *Federal Register* of February 1, 2019.

Chapter 7—Record Keeping, Privacy, & Electronic Processes

- ◆ We updated the margin note on page 199 about sharing FAFSA data to reflect the provisions of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019.

Chapter 8—Program Reviews, Sanctions, & Closeout

- ◆ As we did on page 140 of Chapter 6, we updated the fine on page 214 to \$57,317 for statutory or regulatory violations by a school.