
Introduction



This volume of the Federal Student Aid Handbook discusses the eligibility requirements for students and parent borrowers and your responsibilities to ensure that recipients qualify for their aid awards.

SOURCES OF INFORMATION

There are many factors that you must consider when reviewing a student's application for aid from the FSA programs, such as whether the student is a U.S. citizen or permanent resident, whether the student is making satisfactory academic progress, and whether the student has a defaulted FSA loan. To answer these questions you receive information about the student from several different sources, including the Department of Education's Central Processing System (CPS) for financial aid applications and the National Student Loan Data System (NSLDS).

Throughout the year the Department provides updates to schools in the form of Dear Partner/Colleague Letters. These letters and other information, such as Federal Register notices and announcements containing system updates and technical guidance, are available on the *Information for Financial Aid Professionals* (IFAP) website (www.ifap.ed.gov).

Schools using software from the Department also receive other materials that explain how the software operates, such as technical references, which are available on the FSA Download website (see the margin). The FSA Handbook doesn't cover the operation of specific pieces of software. Schools using third-party software should consult the vendor's reference materials for technical guidance.

RECENT CHANGES

The biggest change to this volume for 2007–08 is the addition of a new Chapter 6, *ACG and National SMART Grant Eligibility* (the former Chapter 6 became Chapter 7). Two new Title IV grants, the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant, were created as a result of the Higher Education Reconciliation Act of 2005 (HERA), Pub. L. 109-171, enacted on February 8, 2006. Some of the other changes listed below relate to the HERA and some do not.

Program and systems information online

www.fsadownload.ed.gov

Software:

- Direct Loan Tools
- EDconnect
- EDExpress for Windows
- SSCR for Windows

Technical References and User Guides for:

- CPS (ISIR, Summary of Changes, Renewal FAFSA Process Guides, etc.)
- COD
- Electronic Data Exchange
- EDExpress Packaging

www.ifap.ed.gov

- Federal Registers
- Electronic Announcements
- Dear Partner/Colleague Letters
- FSA Assessment modules:
Student Eligibility—
www.ifap.ed.gov/qahome/qaassessments/studentelig.html

Satisfactory Academic Progress—
www.ifap.ed.gov/qahome/qaassessments/sap.html

On page 4 we noted two things about remedial coursework (if it is to be paid for with Title IV funds): that it cannot be below the educational level that would allow the student to pursue her program after one year of the coursework and that it cannot use direct assessment of student learning in lieu of credit or clock hours. On the same page we transferred some text from Volume 2 pertaining to ESL classes.

We noted on the top of page 5 that the same restriction above regarding remedial coursework and direct assessment also applies to teacher certification coursework. We added a phrase to the bullet at the bottom of page 5 about the acceptability of foreign high school diplomas, and we amended the sidebar note regarding valid diplomas to indicate that state departments of education do not have oversight of all high schools.

There is a new ability-to-benefit test entry on page 9: the ESL Placement Test. Also, the CELSA passing scores were raised from 90 to 97.

As well as adding the new grants mentioned previously, the HERA brought changes to the drug conviction eligibility criterion and to the treatment of telecommunications courses, which are explained on pages 12 and 15 respectively.

Chapter 2 has a few updates. Victims of human trafficking and their close relatives have been added as a category of eligible noncitizens; see the pertinent text on pages 21, 23, and 24. The G-845 form has replaced the G-845S; the differences between the two are reflected in the instructions on using the form found on pages 27–33. In the margin of page 27 we noted that the USCIS is gradually reducing the number of its field offices that are processing the G-845 form, and we give instructions on determining the field office that you will send the form to. We also noted in the margin of that page that the purpose of the G-845 is to determine the student's immigration status; you must use that information along with the guidance in Chapter 2 to determine if a student is eligible for Title IV aid.

On page 71 we specified the loan limits for preparatory coursework because they did not increase as did the other loan limits, and we added a margin note on taking preparatory coursework at a different school from the one offering the program the student is preparing for.

On page 75 there is a new sidebar note stating that the requirement that a student must meet the general eligibility criteria applies to all the component funds of the LEAP Program.

If you have any comments regarding the FSA Handbook, please contact Research and Publications via e-mail at fsaschoolspubs@ed.gov.