Introduction

This volume of the Federal Student Aid (FSA) Handbook discusses how to calculate, award, and disburse aid under the various Title IV student financial aid programs.

COVID-19 GUIDANCE AND WAIVERS

The U.S. Department of Education (the Department) recognizes that the ongoing COVID-19 pandemic has created many unique challenges for postsecondary institutions. The Department has provided a variety of special guidance and regulatory flexibilities due to the President’s declaration of the COVID-19 national emergency on March 13, 2020. In addition, Congress has passed legislation offering relief from certain statutory requirements related to the Title IV, HEA programs. For COVID-19 related guidance, including waivers and exemptions of normally applicable Title IV rules, please see the following webpages:

- The Department of Education’s COVID-19 Information and Resources for Schools and School Personnel:
  

- Office of Postsecondary Education COVID-19 Title IV FAQ:
  
  https://www2.ed.gov/about/offices/list/ope/covid19faq.html

  Significant COVID-19 provisions relevant to Volume 3 include flexibilities provided to institutions related to the administration of the Campus-Based programs. For more detail on these Campus-Based flexibilities, see the Electronic Announcements of April 3, 2020 and May 15, 2020.

PROGRAM AND SYSTEMS INFORMATION ONLINE

The materials available on the Department’s Information for Financial Aid Professionals (IFAP) website (ifap.ed.gov) include:

Software:

- EDE Suite (EDExpress, Direct Loan Tools, SSCR)
- EDconnect

Comments? Questions?
If you have any comments or questions regarding the FSA Handbook, please contact Research and Publications via email at fsaschoolspubs@ed.gov.
Technical References and User Guides for:

- Central Processing System (CPS)
- Common Origination and Disbursement (COD) System

Other documents and guidance:

- Federal Registers
- Electronic Announcements
- Dear Colleague Letters
- FSA Assessment modules

**RECENT CHANGES**

Throughout Volume 3, we have revised and reorganized the text in many places to improve clarity and eliminate duplicative or outdated information. Here are some of the other significant changes to Volume 3 for the 2020-21 award year:

**Chapter 1**

- Updated guidance on what can be considered a “standard term.”
- Revised the discussion and examples of payment periods in clock-hour and non-term credit-hour programs for greater clarity.

**Chapter 2**

- Reorganized the discussion of cost of attendance (COA) components for greater clarity.
- Clarified that the miscellaneous personal expenses COA component may include an allowance for costs incurred by a student for a prior learning assessment.
- Restored guidance on charging for full program costs at the start of a program that was inadvertently dropped from the 2019-20 Federal Student Aid Handbook.

**Chapter 3**

- Updated Pell award amounts throughout chapter.
- Clarified guidance on how to certify eligible students for aid under the Children of Fallen Heroes Scholarship Act.
- Clarified guidance on using the same Pell Grant formula for all years of a student’s program.
Chapter 4

- Updated sequester-required reductions for TEACH Grant awards.
- Updated links for accessing the Teacher Cancellation Low-Income (TCLI) Directory and the Nationwide List of teacher shortage areas.

Chapter 5

- Revised the presentation of information on annual and aggregate loan limits for greater clarity.
- Expanded guidance on who qualifies as a parent for purposes of taking out a Direct PLUS Loan on behalf of a dependent undergraduate student.
- Expanded guidance on Direct Unsubsidized Loan eligibility for dependent students whose parents have ended financial support.
- Expanded guidance on awarding increased Direct Unsubsidized Loan amounts to dependent students whose parents are unable to obtain Direct PLUS Loans.
- Clarified guidance on loan limits for students who change programs at the same school during the same academic year.
- Removed “Review of the Direct Loan Process” section at the end of the chapter, as this contained obsolete information and/or operational information that is outside the scope of Chapter 5.

Chapter 6

No substantive changes.

Chapter 7

- Added text to more clearly explain how eligibility for need-based vs. non-need-based aid is determined.
- Removed duplicative guidance on NCAA considerations and TEACH Grant overawards that repeats information covered elsewhere in the Handbook.
- Revised and simplified general packaging examples for greater clarity.
- Added example of packaging aid for a student whose parent or guardian died as result of military service in Iraq or Afghanistan.
- Revised examples of packaging AmeriCorps benefits and vocational rehabilitation benefits for greater clarity.