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# 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.*

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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](mailto: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 Assistance 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:



## 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 have clarified the Certification requirements for GE programs.
- ◆ We have added a discussion on schools contracting with providers of software platforms designed to support distance education programs.

### **Chapter 3—FSA Administrative & Related Requirements**

- ◆ We have added a graphic explaining Conflicting information between 2016–2017 and 2017–2018.
- ◆ We have expanded the discussion on Contracts between third party servicers.
- ◆ We have added a sidebar on Third-Party Servicers and Information Security and Third-Party Servicers and Privacy.

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

- ◆ We have added a sidebar explaining that a Single Audit Act audit that does not include a compliance audit does not meet the HEA audit requirement.

### **Chapter 5—Updating Application Information**

- ◆ We have clarified the conditions under which a school may and may not make changes to its educational programs without waiting for approval from ED.

### **Chapter 6—Consumer Information & School Reporting**

- ◆ We have revised and clarified the discussion on *Disclosures and Gainful Employment Programs*.
- ◆ We have revised and clarified the discussion on direct distribution of the disclosure template for GE programs to enrolled and prospective students.

### **Chapter 7—Record Keeping, Privacy, & Electronic Processes**

- ◆ We have added a discussion Higher Education Act Data Use Limitations and provided Guidance on the Use of Financial Aid Information for Program Evaluation and Research.
- ◆ We have added a discussion on protecting student information.