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Subject: UPDATED Guidance for interruptions of study related to Coronavirus (COVID-19)

The Department appreciates that postsecondary institutions and their students face unique and urgent circumstances as a result of the novel coronavirus disease (COVID-19) pandemic. This guidance provides updated information that expands upon the Department's [March 5, 2020, guidance](#) and provides additional regulatory flexibilities due to the lawful declaration of the COVID-19 national emergency.

On March 13, 2020, the President of the United States declared that a national emergency concerning the COVID-19 outbreak began on March 1, 2020, as stated in "Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak," Proclamation 9994 of March 13, 2020, *Federal Register* Vol. 85, No. 53 at 15337-38. The Department considers this declaration to be equivalent to a federally declared major disaster, as defined in The Robert T. Stafford Disaster Relief and Emergency Assistance Act in 42 U.S.C. § 5122(2) (Stafford Act) and provides the following information about additional emergency flexibilities and regulatory relief for institutions of higher education and their students.

In addition, on March 27, 2020, President Trump signed the [Coronavirus Aid, Relief, and Economic Security Act \(CARES Act\)](#), Pub. L. No. 116-136, which provides flexibilities beyond those captured in this document. The Department is reviewing the Act and intends to provide additional guidance on the Department's [COVID-19 webpage](#) in the near future.

Finally, as with the March 5, 2020, guidance, this guidance document is a general statement of policy under the Administrative Procedure Act issued to advise the public prospectively of the manner in which the Department proposes to exercise its discretionary power and enforcement discretion as a result of, and in response to, the duly declared COVID-19 pandemic national emergency. The Department does not intend for this policy statement to create a legally binding standard affirmatively determining any member of the public's legal rights and obligations *for which noncompliance may form an independent basis for action*. As required by the Administrative Procedure Act, the Department will afford members of the public a fair opportunity to argue for lawful approaches other than those put forward in this guidance, to argue for a modification or rescission of its terms, or both. To suggest another lawful approach or to argue for a modification or rescission of any of the flexibilities or provisions hereof, please email the Department's Regulatory Reform Officer at COVID-19@ed.gov and reference in the subject line "Attn: Regulatory Reform Officer."

We recommend that institutions document in their records, as contemporaneously as possible, any actions taken as a result of COVID-19, including those actions described in this document.

Effective Period of Guidance

Although our March 5, 2020, guidance applied to students who had already begun their current term, more recent guidance from President Trump and the Centers for Disease Control and Prevention (CDC) suggests that social distancing may be required for a longer period. We thus extend those flexibilities to any payment period or term beginning between March 5, 2020, and June 1, 2020, inclusive.

Unless otherwise specifically stated in this guidance document, the emergency flexibilities set forth below remain effective until and through June 30, 2020, unless the payment period crossover extends over award years and is attached to the 2019-2020 award year. In that case the effective date is through the end of the crossover payment period.

The Department will extend the effective period of its guidance if circumstances warrant an extension and will inform the public of such an extension at the appropriate time. As we continue to monitor the COVID-19 emergency and CDC guidance, the Department will adjust dates as necessary.

Accommodating Students Whose Enrollment is Disrupted by COVID-19

In our March 5, 2020 guidance, we explained that our goal is to work with institutions seeking to accommodate students and continue their education despite interruptions caused by COVID-19. This remains unchanged, as we believe institutions know best how to protect their students, faculty, and staff.

Academic Calendars - Standard vs. Non-standard Terms

We understand that some students may have been recalled from travel abroad programs or experiential learning opportunities after the semester began. Therefore, institutions may offer courses to those students on a schedule that would otherwise cause the program to be considered a non-standard term or a nonterm program, if doing so enables those students to complete the term. If an institution utilizes this flexibility, it can continue to disburse aid based on its original academic calendar. These flexibilities will also be provided to institutions or their additional locations or programs that must temporarily cease academic instruction or extend scheduled breaks as a result of COVID-19.

Approved Leaves of Absence

For students who wish to take an approved leave of absence due to COVID-19-related concerns or limitations (such as interruption of a travel-abroad program), the Department will permit them to take such leave for the purposes of Title IV fund eligibility, even if the student notifies the institution of his or her request after the date that the leave of absence has begun. In such a case, the institution may retain the Title IV funds for that student to apply when the student resumes enrollment.

Normally, institutions are not permitted to put students on a leave of absence during the suspension of coursework, including clinicals or internships/externships; however, if the coursework suspension results from of COVID-19, in this limited circumstance the Department

will permit the institution to put the student on an approved leave of absence until the institution can resume coursework or can find another placement for the student.

Enrollment Status Changes

We do not have the statutory authority to waive the requirement that institutions award or disburse Title IV funds based on a student's actual enrollment status. For example, assuming an institution defines full-time enrollment as 12 credit hours, when a full-time student enrolled for 12 credit hours drops or withdraws from three credits, that student is now enrolled at three-quarter time status; however, for Direct Loans, the institution must only confirm at least half-time enrollment status as of the time of disbursement. It is not necessary to recalculate a student's Direct Loan eligibility based on changes in enrollment status that occur after the institution originates a Direct Loan. For enrollment status changes that occur after an institution's established Pell Grant recalculation (census) date, we do not require recalculation. The student must have begun attendance in all courses comprising the enrollment status on which the Pell Grant payment was based.

Distance Education

Approval to Offer Distance Education

Because of the COVID-19 national emergency, and as an emergency measure to accommodate students, the Department provides broad approval to institutions to use distance learning modalities without going through the standard Department approval process, even if the institution would normally be required to seek Departmental approval for the use or expansion of distance learning programs. At this time, this flexibility applies only to payment periods that overlap with the Department's March 5, 2020, guidance or that begin on or between March 5 and June 1, 2020. If an institution chooses to continue offering a new program or using distance education in a manner requiring the Department's approval after that point, it may be required to obtain approval under the Department's and its accrediting agency's applicable policies and procedures.

We also continue to permit accrediting agencies to waive their distance education review requirements; however, we encourage accreditors promptly to develop new policies and procedures for providing rapid approval of distance education programs for institutions working to accommodate students whose enrollment is otherwise interrupted as a result of COVID-19. Accrediting agencies should document the process by which their decision-making body decided to waive or provide expedited review of distance education programs. This flexibility is not available for clock-hour courses that lead to licensure if the licensing body will not accept distance learning courses or hours or give credit for them toward the number of hours a student must complete.

For the purpose of Title IV of the Higher Education Act of 1965, as amended (HEA), distance learning does not require the use of sophisticated learning management systems or online platforms, although accreditors may have additional standards included in their review of distance learning programs; however, accreditors may waive those standards for schools implementing distance learning programs solely for the purpose of allowing currently enrolled students to complete a term interrupted by COVID-19 closures. To meet the Department's

requirements for providing distance education, an institution must communicate to students through one of several types of technology – including email or by telephone – described under 34 CFR § 600.2, and instructors must initiate substantive communication with students, either individually or collectively, on a regular basis. In other words, an instructor may use email to provide instructional materials to students enrolled in the instructor’s class, use chat features to communicate with students, set up conference calls to facilitate group conversations, engage in email exchanges, or require students to submit work electronically that the instructor will evaluate.

The Department asks institutions to review the “[FERPA and Virtual Learning Related Resources](#)” resource list, the March 30, 2020 webinar, and related materials from the Department’s Student Privacy Policy Office (SPPO). As educators and students move to virtual learning due to the need for social distancing during the COVID-19 pandemic, SPPO has identified resources that discuss virtual learning, and the Family Educational Rights and Privacy Act (FERPA). These resources include toolkits, letters, and Q&As on information security best practices, the use of the school official exception under FERPA, classroom observations, and the use of emails, videos, and other virtual learning tools. SPPO has also issued a FERPA and COVID-19 FAQ on the health or safety emergency exception under FERPA at <https://studentprivacy.ed.gov/resources/ferpa-and-coronavirus-disease-2019-covid-19>. For additional resources on FERPA, please read SPPO’s website at <https://studentprivacy.ed.gov>.

Institutions may provide distance learning temporarily to accommodate students as a result of a COVID-19 interruption, including in cases where students began attendance in classes offered in a brick-and-mortar setting but were transitioned to a distance education format in the middle of the term. This includes students who are enrolled at a U.S institution but are participating in a study abroad experience in a foreign country. In such a case, the student may participate in distance education provided by either their home institution or their foreign host institution. In these cases, to enable students to complete the current term, we will treat institutions that were properly accredited and authorized by states as being approved by these agencies to offer distance education and will accept the accreditation and state authorization of the institution for the programs in which those students were enrolled prior to the interruption due to COVID-19.

Institutions may also enter into consortium agreements with other Title IV institutions so that students can complete courses at other institutions but allow their home institution to award credit. Where accrediting agencies require students to complete a final number or percentage of credits in residence at the institution, accrediting agencies may also waive that requirement for students impacted by COVID-19 without objection from the Department.

The Department urges institutions to study the Department’s March 17, 2020, [guidance to accrediting agencies](#), which permits accreditors to engage in virtual site visits of institutions or programs currently under review, scheduled for renewal of recognition, or in a show-cause or probationary status. This guidance also permits accrediting agencies to extend accreditation terms or provide additional good cause extensions, including if the institution or program has otherwise exhausted all regularly-provided good cause extensions, to enable institutions and programs to continue serving students during COVID-19 related interruptions of regular campus operations.

Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act

Post-secondary institutions working to move programs to a distance learning format in order to continue serving students during a COVID-19 interruption may have concerns about their ability to ensure that instructions and materials meet the requirements of Section 504 of the Rehabilitation Act of 1973 (Section 504), and, for public institutions, Title II of the Americans with Disabilities Act. The Department recognizes that in this unique and ever-changing environment, these exceptional circumstances may affect how education, including needed accommodations for students with disabilities, is provided. Institutions should not decline to provide distance instruction, at the expense of most students, to address matters pertaining to accommodations for students with disabilities. Rather, institutions must make decisions that take into consideration the health, safety, and well-being of all their students and staff. Additionally, the Department understands that, during this national emergency, postsecondary institutions may not be able to provide services in the same manner as they typically would for the rest of the academic year.

Postsecondary students with disabilities must receive academic adjustments, auxiliary aids and services, and reasonable modifications to policies, practices, and procedures, where doing so would not impose an undue burden nor cause a fundamental alteration. Some academic adjustments, auxiliary aids and services, and reasonable modifications in the postsecondary context, can be provided online, while some cannot. Whether an institution serves students in a brick-and-mortar or an online environment, the institution must ensure that students with disabilities have an equal opportunity to access educational programs, consistent with protecting the health and safety of the student and those providing that education to the student.

Where possible, instructors should work to accommodate students with disabilities, such as by using audio technology to read documents to students who are visually impaired. It may be appropriate to make other academic adjustments and reasonable accommodations through virtual means, such as online or telephonically.

Postsecondary students with disabilities typically work with their disability services' coordinators through an interactive process to determine appropriate academic adjustments, auxiliary aids and services, and modifications.

With respect to issues concerning website accessibility and online education, the Department urges institutions to consult its Office for Civil Rights (OCR) webinar available [here](#) or as a link on the Department's coronavirus webpage, <https://www.ed.gov/coronavirus>. If you have questions for OCR or want to request additional information or technical assistance, you may contact OCR's Outreach, Prevention, Education and Non-discrimination (OPEN) Center at OPEN@ed.gov.

Foreign Schools

Pursuant to section 3510 of the CARES Act, the Secretary permits any part of an otherwise eligible program at a foreign institution to be offered via distance education, if the applicable

government authorities in the country in which the foreign institution is located have declared a public health emergency, major disaster or emergency, or national emergency related to COVID-19. Retroactive to March 1, 2020, institutions may use this flexibility for the duration of such emergency or disaster and the following payment period for purposes of title IV of the HEA. The term “foreign schools” are those institutions located outside of the United States that participate in the Title IV Direct Loan program and award their credentials to U.S. students. This term excludes study-abroad programs in which a foreign institution provides instruction to a student who remains a degree-seeking student from the student’s domestic U.S. institution. Students in this category have always been permitted to engage in distance learning.

The Secretary also permits foreign institutions to enter into written arrangements with institutions located in the United States that participate in the Federal Direct Loan Program for the purpose of allowing a student of the foreign institution who is a Federal Direct Loan borrower to take courses from the American institution. For the purpose of this provision, foreign public or nonprofit institutions may only enter into written arrangements with public or nonprofit institutions in the United States. Foreign medical, nursing, and veterinary institutions that are for-profit may enter into written arrangements with U.S. public, nonprofit, or for-profit institutions.

At a later date, the Department will provide guidance to institutions on how to comply with the reporting requirements under the CARES Act applicable to institutions under section 3510.

Return of Title IV Funds (R2T4) and Reporting Requirements (34 C.F.R. § 668.22)

Institutional Charges, Refunds, and R2T4 Calculations

The CARES Act makes significant changes to the requirements and flexibilities surrounding R2T4. The Department is currently reviewing the implications of the Act and will provide appropriate guidance as soon as possible.

General Provisions (all Title IV Programs)

Academic Year (§ 668.3)

The Department is authorized to approve a reduced academic year if an institution offering credit-hour programs is unable to offer at least 30 weeks of instruction during its academic year. If an institution determines it will temporarily cease providing instruction, extend a break, or otherwise reduce the length of its term in a manner that results in fewer than 30 weeks of instruction in the academic year as the result of COVID-19 disruptions, it should send an email to CaseTeams@ed.gov to request a temporary reduction in the length of its academic year. The request must:

- Identify each educational program or programs for which the institution requests a reduction and the requested number of weeks of instructional time for those programs (institutions are permitted to request the waiver for all programs); and

- Demonstrate good cause for the requested reductions (which would include disruptions related to COVID-19).

Institutions should include in the subject line of the email the institution's name, OPEID, and the state where the main campus is located. The request will be reviewed and forwarded to the appropriate School Participation Division, which will communicate its final determination to the institution.

Agreements to Permit Study at Another Institution (§ 668.5)

If an institution is unable to continue to provide a student's eligible program because of COVID-19, it may enter into a written agreement with another institution (such as one that has a larger number of courses or programs available through distance learning than the home school can provide) to enable the student to continue his or her academic program while receiving Title IV assistance.

Compliance audits and audited financial statements (§ 668.23)

The Office of Management and Budget (OMB) has extended its due date for submission of the single audit to the Federal Audit Clearinghouse. The Department will provide additional guidance on this extension.

Institutional Participation (§ 668.26(a)(1))

The temporary cessation of educational instruction due to the urgent circumstances created by the COVID-19 pandemic will not result in a loss of institutional eligibility or participation.

Campus Security Reporting and Equity in Athletics Disclosures (§ 668.41)

The Department will provide appropriate guidance as it continues to monitor the COVID-19 national emergency.

Notifications Regarding an Immediate Threat to Health or Safety (§ 668.46)

The Clery Act and its implementing regulations require institutions to notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on campus. The Department does not interpret the statutory language as requiring institutions to give regular, on-going updates on COVID-19 or to proactively identify positive COVID-19 cases within the campus community. The Department also does not interpret the statutory language to apply to positive COVID-19 cases among individuals who are not attending classes, working, or residing on campus or to require notifications to such individuals.

An institution may satisfy the emergency notification requirements of the Clery Act and § 668.46 as follows: (1) provide students and employees a single notification through the regular means of communicating emergency notifications informing them about COVID-19 and necessary health and safety precautions, as well as encouraging them to obtain information from health care providers, state health authorities, and the CDC's [COVID-19 website](#); or (2) create a banner at the top of the institution's homepage containing that same information, including a statement about the global pandemic and a link to the CDC's website.

Cash Management (34 C.F.R. Part 668, Subpart K)

Institutions must comply with the cash management regulations unless unable to do so due to COVID-19 disruptions. Where an institution is unable to comply, it should document the reason(s) for instances where it is unable to comply and retain the documentation in its records. These include, but are not limited to, the following regulatory requirements:

- Borrower Requests for Loan Cancellation (§ 668.165(a)(4)(ii))
- Excess Cash (§ 668.166)
- Notices and Authorizations (§§ 668.165(a)(3) and 668.165(b)(4)(iii))

Need Analysis

Any aid (in the form of grants or low-interest loans) received by victims of an emergency from a federal or state entity for the purpose of providing financial relief is not counted as income for calculating a family's Expected Family Contribution (EFC) under the Federal Methodology or as estimated financial assistance for packaging purposes.

Professional Judgment

Section 479A of the HEA gives an institution's financial aid administrator (FAA) the authority to use professional judgment to make adjustments on a case-by-case basis to the cost of attendance or to the values of the items used in calculating the EFC to reflect a student's special circumstances. The Department encourages FAAs to use professional judgment to reflect more accurately the financial need of students and families affected by the COVID-19 pandemic. In making case-by-case determinations, the FAA must obtain and retain in the affected student's file documents that supporting and substantiating the reasons for any adjustment.

Institutions must make and document professional judgment determinations on a case-by-case basis without regard to how broadly an event may affect its student population. The use of professional judgment in the Federal Methodology need analysis is discussed in the Federal Student Aid Handbook. Additionally, FAAs must report to the Central Processing System (CPS) as a "correction" transaction and with the "PJ" indicator any professional judgment decisions that affect a student's eligibility for a Federal Pell Grant.

Satisfactory Academic Progress (SAP) (§ 668.34)

The CARES Act provides additional flexibilities to institutions regarding the calculation of SAP. An institution of higher education may, as a result of a qualifying emergency, exclude from the quantitative component of the calculation any attempted credits that were not completed by such student without requiring an appeal by such student. The Department intends to provide additional guidance regarding how to implement these additional flexibilities.

Verification (Part 668 Subpart E).

Verification Status Code "W" Warning and "Deobligation" Process Postponed

Typically in April, FSA initiates a warning and "deobligation" process for student records reported with a verification status code of "W" under which schools are warned that Pell Grant disbursements to students with this code will be regarded as "overawards" and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the Common Origination and Disbursement (COD) System. Approximately two weeks following this

warning, we systematically reduce the affected disbursements. The warning and “deobligation” process is also repeated each July and October. Given the occurrence of this April deadline during the COVID-19 pandemic, we are canceling the April 2020 warning and “deobligation” process to allow schools additional time to perform internal reviews and to avoid the “deobligation” of otherwise eligible Pell Grant awards. We will re-evaluate the process scheduled for July 2020 and October 2020 as we approach those dates.

For those borrowers in verification groups V4 or V5, the flexibilities listed below apply if the institution is unable to receive the required documents in person or by mail (e.g., qualified staff are not on campus to complete this task or students are not able to mail documents). These flexibilities also apply if the applicant or student is unable to provide the required documents in person or cannot provide notarized documents by mail.

We suspend the in-person submission and notary requirements for V4 and V5 verification. The institution may allow an applicant or student to submit copies of the required verification documents electronically to the institution. This may occur by uploading a photo of the documents (including from a smartphone), PDF, or other similar electronic document through a secure school portal, by email, etc.

We also recognize that forms of identification (such as a driver’s license) may expire with no real and reasonable opportunity for renewal due to social distancing requirements. Institutions may accept a copy of an expired document if it expired after March 1, 2020.

Further, the Department waives the requirements under § 668.57(b) and (c) that a dependent student submit a statement signed by one of the student’s parents when no responsible parent can provide the required signature. In such a situation, the institution must note and retain an explanation of why neither of the student’s parents was available to provide such a statement.

Federal Student Aid Program Information

Federal Pell Grant, Iraq and Afghanistan Service Grant, and Teacher Education Assistance for College and Higher Education (TEACH) Grant Programs

Deadline for Reporting Initial Disbursement Records (Federal Pell Grant § 690.83 and TEACH Grant § 686.37)

Generally, an institution must submit to the Department a Federal Pell Grant, Iraq and Afghanistan Service Grant, or TEACH Grant disbursement record for a student not later than 15 calendar days after the institution makes a disbursement to the student or becomes aware that a disbursement needs to be adjusted.

For the Federal Pell Grant program, if the institution becomes aware that previously reported payments or expected payments for a student are no longer accurate, the institution must submit an accurate disbursement record for that student no later than 15 calendar days after becoming aware of the need to make the change. The institution should promptly contact its School Participation Division if it is unable to meet these deadlines.

Additional deadline details are included in the deadline date notice published annually in the Federal Register. For the TEACH Grant Program, an institution must submit to the Department subsequent disbursement records, including adjustments and cancellation records not later than 15 calendar days following the date of the disbursement, adjustment, or cancellation. The appropriate School Participation Division will address any concerns about the deadlines for submitting disbursement records (including adjustments and cancellations) for the TEACH Grant Program on a case-by-case basis.

Final Federal Reporting Deadlines

Upon an institution's request, the Department will extend the deadline for reporting final Federal Pell Grant payments if the institution is unable to meet the published deadline. An affected institution should make the request as soon as possible by submitting a request via the Common Origination and Disbursement (COD) website (<http://www.cod.ed.gov>) or by contacting the COD School Relations Center at 1-800-474-7268.

All Federal Student Loans Held by the Federal Government—Zero Interest and Suspension of Payments

In response to the COVID-19 national emergency, President Trump announced that zero interest would accrue on student loans held by federal government agencies for at least 60 days beginning on March 13, 2020.

The CARES Act extended the interest reprieve and implemented an automatic forbearance until September 30, 2020, for any borrower with a student loan held by the Department. The Department published frequently asked questions ([FAQs](#)) with responses for borrowers on its [studentaid.gov website](http://studentaid.gov).

All Federal Student Loans Not Held by the Federal Government—Zero Interest and Suspension of Payments

Federal Family Education Loan (FFEL) Program lenders and institutions who hold Perkins loans may provide the same zero interest and cessation of payments benefits to the loans they hold on a voluntary basis. Borrowers of these loans should contact their servicer (or the institution if paying the institution directly) for additional information.

William D. Ford Federal Direct Loan (Direct Loan) Program/FFEL Program

Borrowers in In-School Loan Status (§ 685.207) and In-School Deferment Status (§ 685.204)

The Department will continue to report to the National Student Loan Data System (NSLDS) as “in-school” for the loan status of each borrower who was in an “in-school” status on the date the borrower’s attendance at the institution was interrupted due to the COVID-19 national emergency. The Department will continue the borrower in that loan status until the institution reports the borrower as withdrawn. (Please also see above section ***Enrollment Status Changes*** for information about required reporting.).

Submission of Direct Loan Payment Data (§ 685.301(c))

This regulation requires an institution to submit Direct Loan payment data in accordance with procedures and deadlines established through a notice published in the [Federal Register](#). An institution that is unable to meet the requirements specified in the Federal Register Notice must contact its School Participation Division to discuss its concerns.

Collection of Defaulted Loans

The CARES Act requires the Department of ED to cease collection activities on all defaulted loans, including administrative wage garnishment and the Treasury Offset Program until September 30, 2020.

Satisfactory Repayment Arrangements (§ 685.102)

The Department will not treat any payment the borrower fails to make as a missed payment in the stream of six consecutive, on-time voluntary full monthly payments required to re-establish his or her eligibility for assistance under Title IV of the HEA. If the Department does not extend the effective period for the temporary relief provided by this guidance, the required sequence of qualifying payments resumes at the point at which it was discontinued.

The Department will not treat any payment the borrower fails to make as a missed payment in the stream of three consecutive, on-time voluntary full monthly payments required to establish eligibility to consolidate a defaulted loan. If the Department does not extend the effective period for the temporary relief provided by this guidance, the required sequence of qualifying payments resumes at the point at which it was discontinued.

Payments to Rehabilitate Defaulted Loans (§ 685.211(f))

The Department will not treat any payment the borrower fails to make as a missed payment in the stream of nine on-time monthly payments within ten months for purposes of rehabilitating the defaulted loan through September 30, 2020 as directed in the CARES Act.

FFEL Program: Lenders and Guaranty Agencies and Loans held by the Department Satisfactory Repayment Arrangements (§ 682.200(b))

The FFEL loan holder should not treat any payment the borrower fails to make as a missed payment in the stream of six consecutive, on-time voluntary full monthly payments required to re-establish his or her eligibility for assistance under Title IV of the HEA.

A FFEL loan holder should not treat any payment a borrower fails to make as a missed payment in the stream of three consecutive, on-time voluntary full monthly payments required to establish eligibility to consolidate a defaulted loan.

Borrowers in In-School Loan Status (§ 682.209(a)) and In-School Deferment Status (§ 682.210)

The loan holder should continue to report to NSLDS as “in-school” the loan status of each borrower who was in an “in-school” status on the date the borrower’s attendance at the institution was interrupted due to the COVID-19 national emergency. The loan holder should continue the borrower in that loan status until the institution reports the borrower as withdrawn.

Collection of Defaulted Loans (§ 682.410)

Guaranty agencies must stop collection activities on defaulted loans until September 30, 2020, on all federally held loans. Collection activities must resume at the end of the period at the point at which they were discontinued. The guaranty agency must document in the loan file why it suspended collection activities on the loan and is not required to obtain evidence of the borrower's status while collection activities have been suspended.

Payments to Rehabilitate Defaulted Loans (§ 682.405)

The FFEL loan holder should not treat any payment the borrower fails to make as an interruption in the nine on-time voluntary full monthly payments within ten months for purposes of rehabilitating the defaulted loan.

General Campus-Based Program Issues

Allocation Reduction Due to Under-Utilization (§ 673.4(d)(3))

The CARES Act makes changes to provisions relating to the allocation of campus-based program funding. The Department intends to provide additional guidance on the allocation reduction due to under-utilization.

Filing Deadline for Fiscal Operations Report and Application to Participate (FISAP)

The Department will issue appropriate guidance as it continues to monitor the COVID-19 national emergency.

Federal Work Study (FWS)

The Department's March 5, 2020, guidance regarding FWS payments aligns with flexibilities provided under the Stafford Act, which permits FWS students to receive FWS, even if they are unable to work their scheduled hours or must perform their work in a different way (such as online rather than at a facility) as a result of COVID-19 interruptions, provided the institution is continuing to provide educational services and is paying its faculty and staff. As explained in the March 5, 2020, guidance, for students enrolled and performing FWS at a campus that must temporarily cease providing instruction due to COVID-19, for a FWS student who is employed by an employer that temporarily or permanently closes as a result of COVID-19, or for students quarantined and unable to travel to campus or their jobsite, the institution may continue paying the student Federal work-study wages during that cessation.

Payments may be made in an amount equal to or less than the amount of FWS wages those students would have been paid had they been able to complete the work obligation necessary to receive FWS funds.

An institution may pay a student enrolled at an eligible institution who:

- Received an FWS award for the award period during which a COVID-19 related interruption occurred on the campus;
- Earned FWS wages from the institution for that award period; and
- Was prevented from fulfilling his or her FWS obligation for all or part of the award period due to a COVID-19 related interruption.

This flexibility applies only to students who have begun their FWS job prior to the declaration of the national emergency and may not exceed one academic year.

The CARES Act provides additional flexibility for institutions to provide emergency grants from their remaining Supplemental Educational Opportunity Grant (SEOG) allocations, which include grants to students who would have otherwise received FWS wages had they started their job prior to the national emergency. The Department will issue guidance on the use of remaining SEOG allocations.

The CARES Act also allows the Secretary to waive the non-federal share in certain circumstances. The Secretary will consider this waiver authority and will issue guidance on this issue.

Community Service Requirements (§ 675.18(g))

An institution must use at least seven percent of the total amount of its FWS Federal funds granted for an award year to compensate students employed in community service. In addition, the institution must ensure that it includes at least one project for tutoring children in reading or one project for family literacy in providing community service. The HEA provides that a waiver of one or both community service requirements may be granted if the Secretary determines that enforcing the requirements would cause hardship for students at the institution. The Department considers the inability of an institution to expend at least seven percent of its total FWS Federal allocation for community service and/or to have at least one project for tutoring children in reading or family literacy due to the COVID-19 national emergency as an appropriate basis for a waiver. An institution must submit a request for a waiver along with a statement that explains the reason for its inability to comply with one or both of the community service requirements. An affected institution should request a waiver as soon as possible by using the annually published waiver submission guidelines or by contacting the Campus-Based Call Center at 1-800-848-0978.

Flexibility in Making Certain FWS Payments (§ 675.18(i))

As explained above, the CARES Act provides additional opportunities for institutions to award grants to students using reallocated SEOG funds. The Department will publish guidance on how to administer grants made from reallocated SEOG funds.

Federal Perkins Loan Program

Borrowers in Repayment (§ 674.33)

The Department authorizes institutions to grant forbearance, for a period not to exceed three months, to a Federal Perkins Loan borrower who is in repayment and who is unable to make payments due to a COVID-19 related interruption.

For an institutionally held Perkins Loan, interest accrues during any period of forbearance. A borrower may request this forbearance orally or in writing and is not required to submit documentation to be considered eligible for this forbearance. An institution must document the forbearance in the borrower's file. To receive forbearance beyond the three-month period, the borrower must make a request to the institution and provide supporting documentation. (At the

expiration of the three-month period, the institution should examine the borrower's situation to determine potential eligibility for an economic hardship deferment or unemployment deferment, as appropriate.) This period of forbearance is counted toward the three-year maximum limit on the number of years of forbearance that may be granted to a borrower.

Collection of Defaulted Loans (Part 674, Subpart C—Due Diligence)

The institution may stop collection activities through September 30, 2020 upon notification by the borrower, a member of the borrower's family, or another reliable source that the borrower has been affected by the COVID-19 national emergency. Collection activities must resume when the period ends. The institution must document in the loan file why it suspended collection activities on the loan and is not required to obtain evidence of the borrower's status while collection activities have been suspended.

Satisfactory Repayment Arrangements on Defaulted Loans (§ 674.2)

An institution should not treat any scheduled payment the borrower fails to make as a missed payment in the stream of six on-time, consecutive, monthly payments required for the borrower to make satisfactory repayment arrangements on a defaulted Perkins Loan and to re-establish their eligibility for assistance under Title IV of the HEA. If the Department does not extend the effective period for the temporary relief provided by this guidance, the required sequence of qualifying payments resumes at the point at which it was discontinued.

Payments to Rehabilitate Defaulted Loans (§ 674.39)

An institution should not treat any scheduled payment the borrower fails to make as a missed payment in the stream of nine on-time, consecutive, monthly payments required for the borrower to rehabilitate the defaulted loan. If the Department does not extend the effective period for the temporary relief provided by this guidance, the required sequence of qualifying payments resumes at the point at which it was discontinued.

Conclusion

We encourage school communities to take all appropriate steps to ensure the health and well-being of students, faculty, and staff. If you have questions about the information provided in this guidance document or you are encountering a scenario that we have not addressed, please email the Department at COVID-19@ed.gov. In response to questions from the postsecondary community, the Department has also established [FAQs](#) that we will update periodically.

We established the webpage <https://www.ed.gov/coronavirus> to provide general information for school communities, including links to information posted by the CDC and Prevention, and as the location for the Department's guidance. We encourage institutions to refer frequently to these informational resources.