# Federal Update

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# Today's Topics

- President's FY '05 Budget
- Default Rates
- Application Statistics
- FAFSA on the WEB and FAA Access
- ISIR Data Mart
- System Requirements
- Recent Letters
- Student Aid on the WEB
- Return of Title IV Aid DCL
- Things to Remember
- Summary

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# President's Budget
# FY' 05
# (2005-2006)

# Title IV Program Budgets Appropriations

| Program | FY 2003 (AY 03-04 | FY 2004 (AY 04-05 | FY 2005* (AY 05-06) |
|---|---|---|---|
| Pell Grant | $ 11,364,646,000 | $ 12,006,738,000 | $ 12,863,000,000 |
| (Max Award) | $4,050 | $4,050 | $4,050 |
| FSEOG | $ 760,028,000 | $ 770,455,000 | $ 770,455,000 |
| FWS | $ 1,004,428,000 | $ 998,502,000 | $ 998,502,000 |
| Perkins | $ 99,350,000 | $ 98,764,000 | $ - |
| (Cancellations) | 67,061,000 | 66,665,000 | 66,665,000 |
| LEAP | $ 66,565,000 | $ 66,172,000 | $ - |

*President's FY 05 Budget Submission

# Title IV Program Budgets Aid Available

| Program | FY 2003 (AY 03-04 | FY 2004 (AY 04-05 | FY 2005* (AY 05-06) |
|---|---|---|---|
| Pell Grant | $ 12,680,000,000 | $ 13,042,000,000 | $ 12,803,000,000 |
| (Max Award) | $4,050 | $4,050 | $4,050 |
| FSEOG | $ 962,000,000 | $ 975,000,000 | $ 975,000,000 |
| FWS | $ 1,203,000,000 | $ 1,196,000,000 | $ 1,196,000,000 |
| Perkins | $ 1,201,000,000 | $ 1,263,000,000 | $ 1,137,000,000 |
| LEAP | $ 170,000,000 | $ 169,000,000 | $ - |
| Loans | $ 45,760,000 | $ 52,197,000,000 | $ 56,917,000,000 |
| TOTAL | $ 61,976,000,000 | $ 68,842,000,000 | $73,028,000,000 |

# Title IV Programs Scope of Enterprise

| | |
|---|---|
| Annual Number of Applicants | 13 Million |
| Annual Number of Students Aided | 8 Million |
| Annual Total Funds Available | $73 Billion |
| New Consolidation Loans | $32 Billion |
| Customer Service Calls | 34 Million |
| Pieces of Mail Sent | 41 Million |
| Total Loan Portfolio | $321Billion |
| Total Borrowers | 27Million |

# FY 2005 Budget Request Programmatic Changes

- Disbursement Relief for Low Default Rate Schools
- Increased Teacher Loan Forgiveness
- Retain Current Variable Interest Rates
- Increase Loan Limits for 1st Year Students
- Broaden Repayment Options
- Required Insurance Fee
- Lender Special Allowance Payments

# FY 2005 Budget Request Programmatic Changes

- $33 Million for "Enhanced Pell Grants"
- Address Campus-Based Formula Issues
- FWS Community Service Reserve
- Address Needs of Distance Learners
- Modify "Drug Eligibility" Rule
- Reserve $3 Billion for Other Changes

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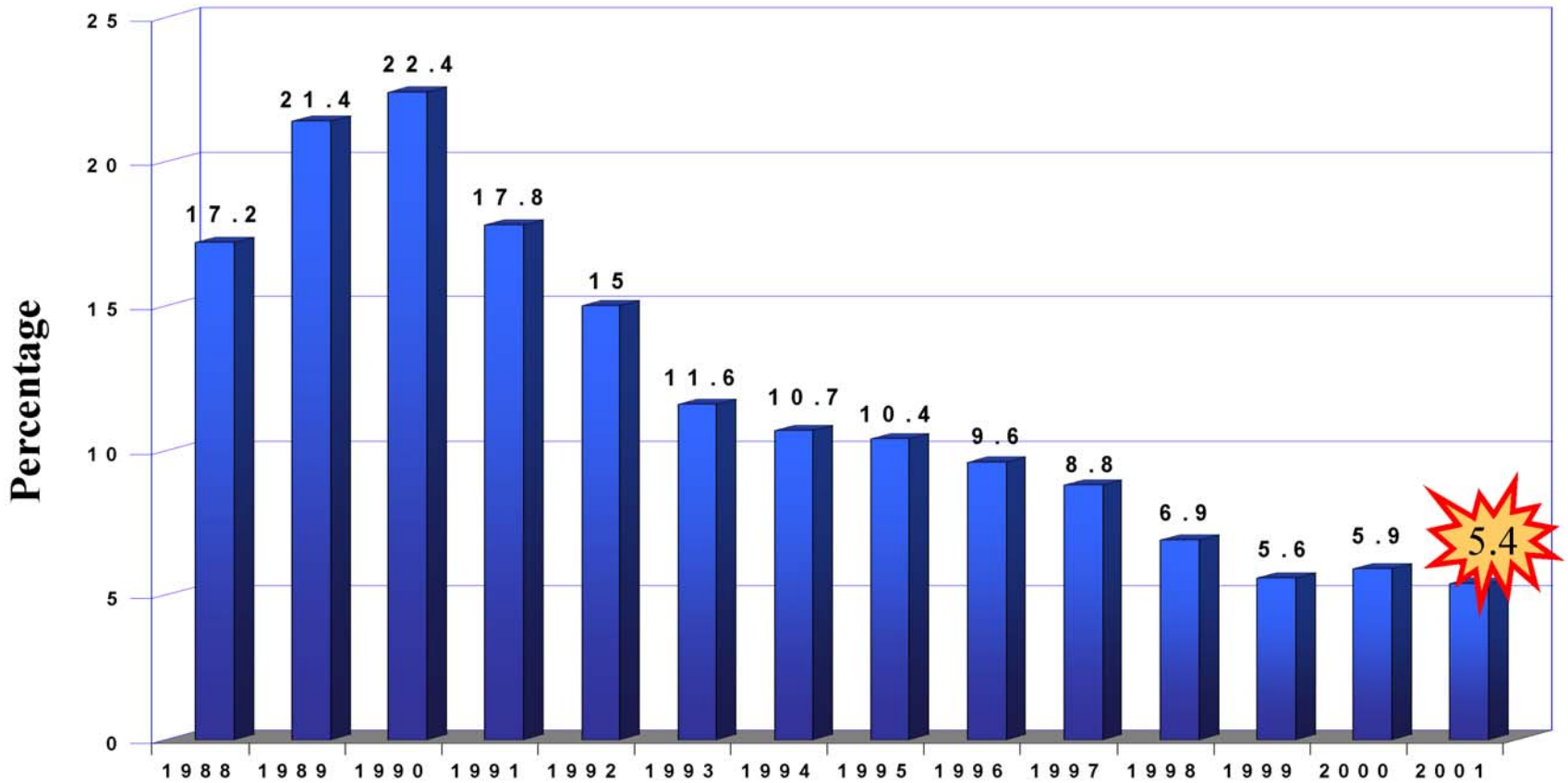
# Loan Default Rates

# National Student Loan Default Rates

| Issued date: | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|



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# Default Rate by Sector (FY 1999-2001)

| School Type | FY 1999 | FY 2000 | FY 2001 |
|---|---|---|---|
| Public – 2 Year | 8.8% | 9.2% | 8.6% |
| Public – 4 Year | 4.6% | 4.8% | 4.4% |
| Private – 2 Year | 6.6% | 6.9% | 6.8% |
| Private – 4 Year | 3.7% | 3.8% | 3.3% |
| Proprietary | 9.3% | 9.4% | 9.0% |
| Foreign | 2.2% | 2.6% | 2.3% |
| National Rate | 5.6% | 5.9% | 5.4% |

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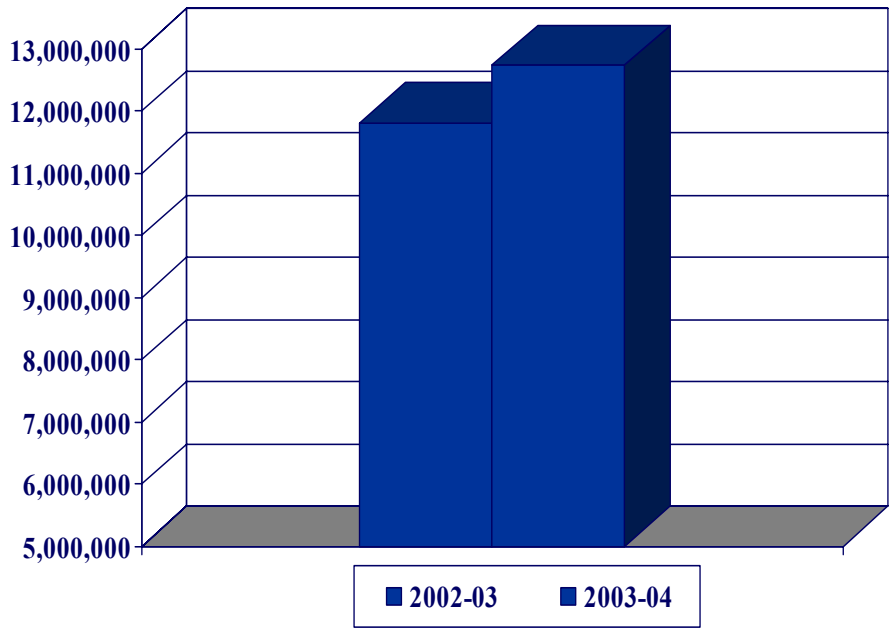
# Application Statistics

# Application Processing Statistics
# FAFSAs Processed
## 2002-2003 vs 2003-2004

- **11,807,775**

  **2002-03** FAFSAs processed as of March 24, 2003
- **12,731,128**

  **2003-04** FAFSAs processed as of March 21, 2004



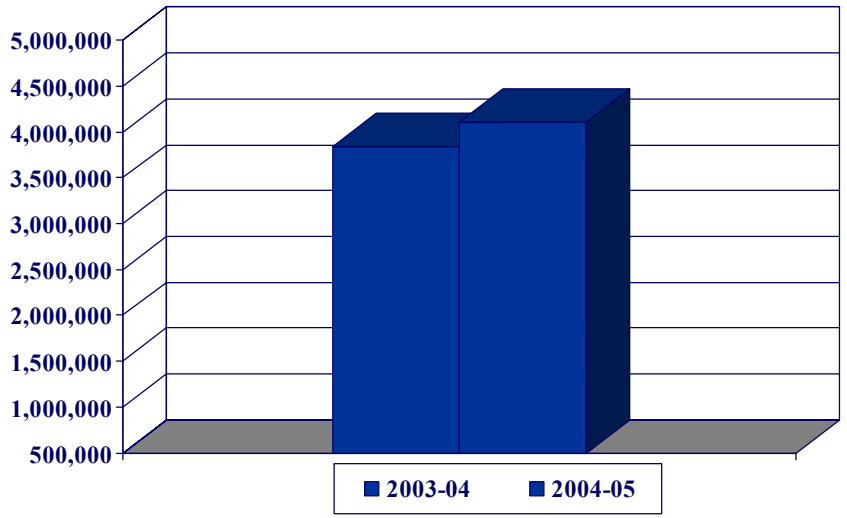

**That's a 7.8% increase!**

# Application Processing Statistics
# FAFSAs Processed
## 2003-2004 vs 2004-2005

- **3,843,119**

  **2003-04** FAFSAs processed as of March 21, 2003
- **4,105,311**

  **2004-05** FAFSAs processed as of March 21, 2004




**That's a 6.8% increase!**

# Application Processing Statistics
## Electronic Volume
## 2002-2003 vs 2003-2004

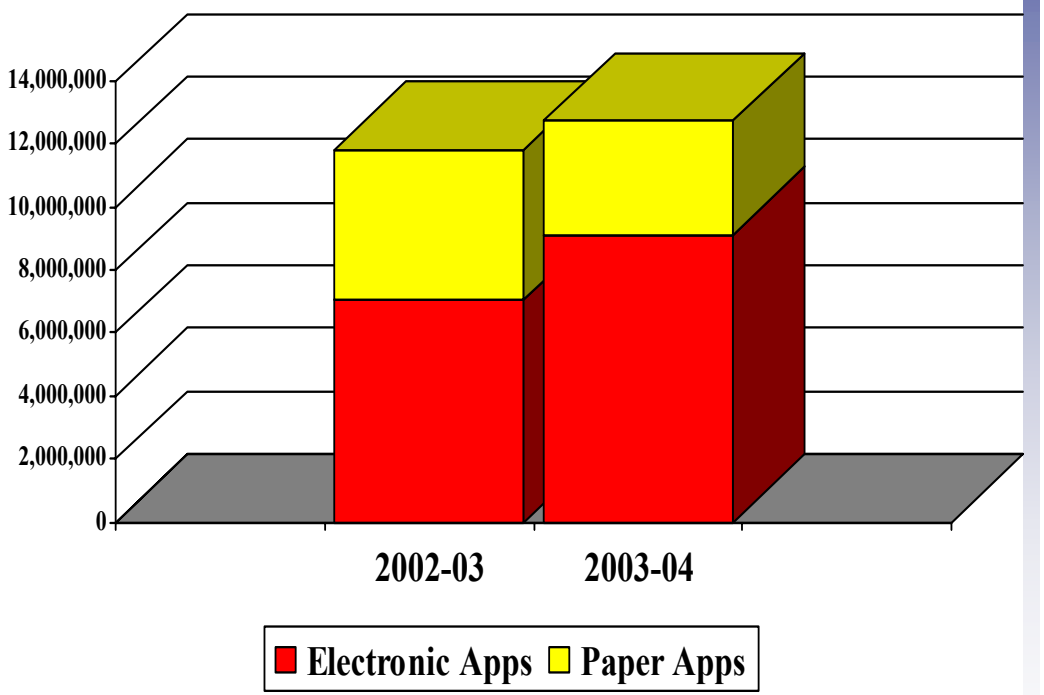
- 7,027,484

  2002-03 FAFSAs filed electronically as of March 21, 2003

  60% of all Apps
- 9,130,515

  2003-04 FAFSAs filed electronically as of March 21, 2004

  72% of all Apps




**That's a 30% increase!**

# Application Processing Statistics
## Electronic Volume
## 2003-2004 vs 2004-2005

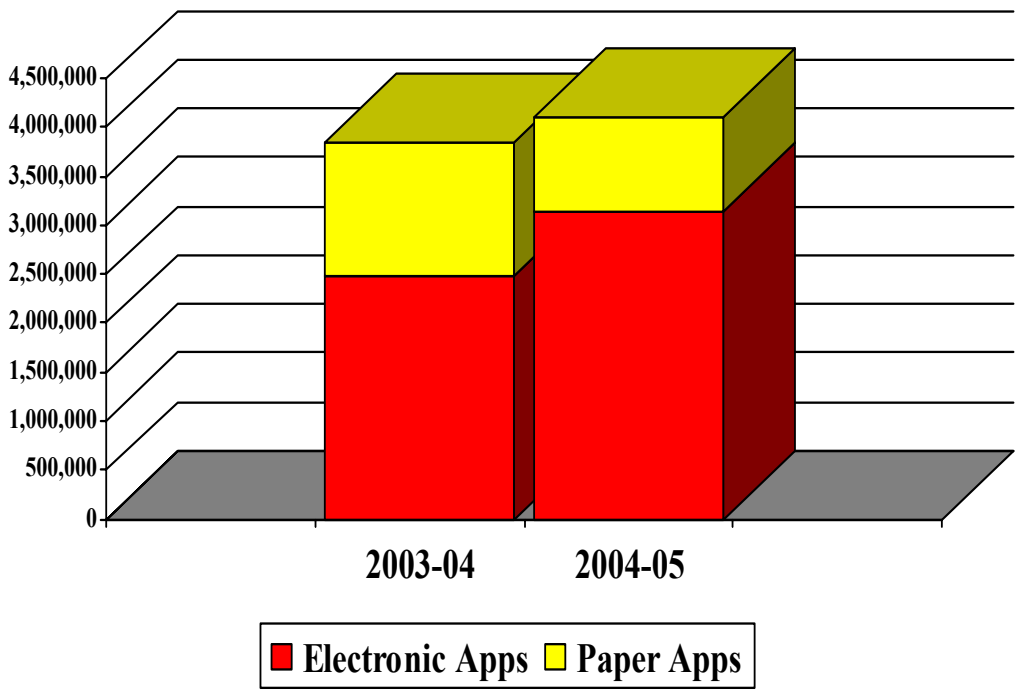
- 2,490,692

  2003-04 FAFSAs filed electronically as of March 21, 2003

  65% of all Apps
- 3,143,632

  2004-05 FAFSAs filed electronically as of March 21, 2004

  77% of all Apps




**That's a 30% increase!**

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# FAFSA on the WEB
# And
# FAA Access

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# FAFSA on the Web
## www.fafsa.ed.gov

- Apply
- Reapply
- Go to PIN Web site
- Check status of FAFSA
- View SAR information
- Make corrections
- Spanish version

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# Spanish FAFSA on the Web

- Spanish FAFSA on the Web includes Spanish versions of -
  - Pre-Application Worksheet
  - Student and Parent Worksheets A, B, and C
  - Student and Parent Income Estimator Worksheet
  - Drug Conviction Worksheet

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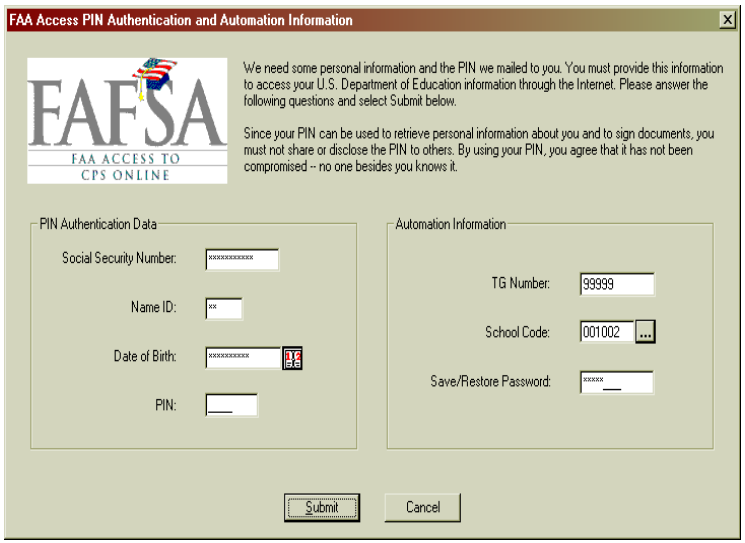
# FAA Access to CPS Online

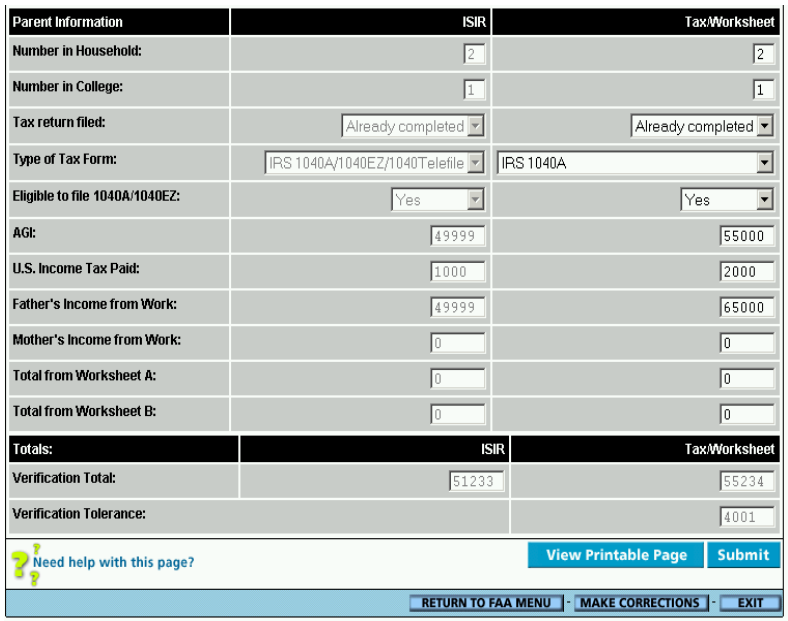
- Implemented in May 2001
- Enhanced each year
- Current version allows FAAs to -
  - View students' SAR information
  - Enter and submit FAFSA and Renewal FAFSA data
  - Correct applicant data

# EDExpress and FAA Access to CPS Online




- In 2004-05, EDExpress will interface directly with FAA Access to CPS Online through an embedded browser
  - Clicking on FAFSA Tab in EDExpress will take you to FAA Access Application Entry
  - All application and correction entry will be done in FAA Access

# FAA Access to CPS Verification Worksheet



| Parent Information | ISIR | Tax/Worksheet |
|---|---|---|
| Number in Household: | 2 | 2 |
| Number in College: | 1 | 1 |
| Tax return filed: | Already completed | Already completed |
| Type of Tax Form: | IRS 1040A/1040EZ/1040Telefile | IRS 1040A |
| Eligible to file 1040A/1040EZ: | Yes | Yes |
| AGI: | 49999 | 55000 |
| U.S. Income Tax Paid: | 1000 | 2000 |
| Father's Income from Work: | 49999 | 65000 |
| Mother's Income from Work: | 0 | 0 |
| Total from Worksheet A: | 0 | 0 |
| Total from Worksheet B: | 0 | 0 |

| Totals: | ISIR | Tax/Worksheet |
|---|---|---|
| Verification Total: | 51233 | 55234 |
| Verification Tolerance: | | 4001 |

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RETURN TO FAA MENU - MAKE CORRECTIONS - EXIT

- Includes new Verification Worksheet
  - Calculates tolerances
  - Displays total "net" error
  - Gives option to create FAA Correction

# Demonstration Sites

- On December 7, 2003, FAFSA on the Web and FAA Access demonstration sites were made available
  - To access sites, go to http://fafsademo.test.ed.gov
  - Enter:
    - User Name: eddemo
    - Password: fafsatest
- Click on FOTW or FAA Access buttons at bottom of screen to access demo site
- Available until next December

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# ISIR DATA MART

# ISIR Datamart

- ISIR Datamart will store 2004-05 ISIR data for retrieval and distribution to authorized users
- New feature in FAA Access to CPS Online allows users to request ISIRs from Datamart
  - For specific students
  - By date

# ISIR Datamart

- Options for receiving ISIRs --
  - Daily
  - By request
- Sign up through Participation Management System
  - Default is daily receipt (like current system)
  - May change option at any time
  - Users who select daily receipt can also use Datamart to request ISIRs

# ISIR Datamart
## Query Options

- SSN/Name ID
- Date range for receipt date or processed date
- Transaction number: first, last, all, specific, or greater than X
- Institution code
- Grade level
- Dependency status
- Eligibility status
- State of legal residence or state of college
- EFC range
- Verification status
- Veteran status
- Combination of these fields

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# ISIR Datamart
## "Pushed" ISIRs

- Certain ISIRs automatically "pushed" regardless of option selected by institution
  - EFC changes
  - SAR C Code changes

  - System-generated transactions –
    - NSLDS post-screening
    - INS automated secondary confirmation
    - Reprocessing

# ISIR Datamart

- "Must See" ISIRs
  - Schools must look at all "pushed" ISIRs
  - School must request ISIRs for all enrolled students
- Types of Message Classes
  - Daily ISIRs
  - ISIRs requested through Datamart
  - ISIRs "pushed" by CPS
  - Errors

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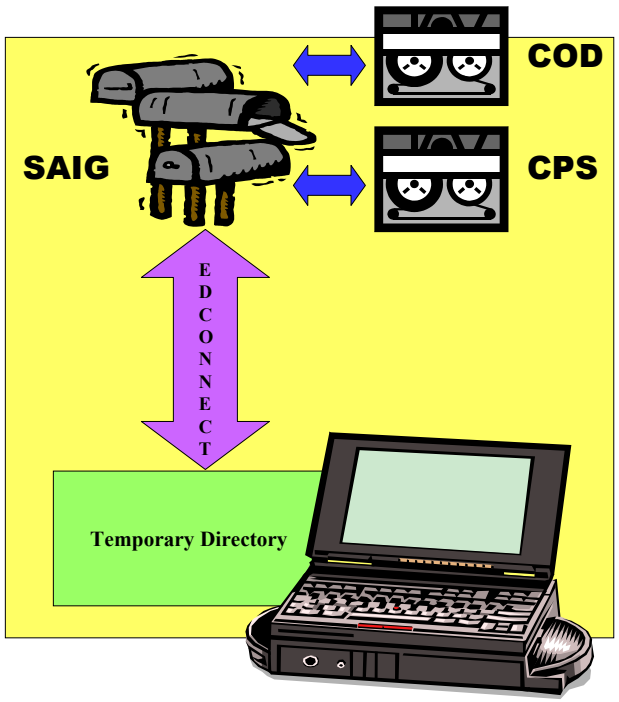
# System Requirements

# System Requirements

- Dear Partner Letter—
  - Minimum and Optimal Requirements for Desktop PC – XML
    - –ISIRs
    - –COD
    - –DL
  - Sometime in April
  - For 2005-2006 Processing
  - Letter to School CEO???

# Minimum and Optimal PC Requirements for the 2005-06 Award Year




| Minimum Configuration | Optimum Configuration |
|---|---|
| IBM or fully IBM – compatible PC | Intel/AMD compatible processor |
| 1.2 GHz (processor speed) | Intel Pentium 4 Processor – 2.80 GHZ/333 MHZ |
| 512 MB RAM | 1 GB SDRAM |
| 60 GB Hard Drive | 80 GB Hard Drive |
| 56 Kbps Modem (that meets or is upgradeable to V.90 standard) | DSL Line or Higher Speed |
| **All Configurations** | |
| 3.5"/1.44 MB Diskette Drive | 3.5"/1.44 MB Diskette Drive |
| Monitor and video card capable of Super Video Graphics Adapter (SVGA) (800x600) resolution (small fonts only) or higher | Monitor and video card capable of Super Video Graphics Adapter (SVGA) (800x600) resolution (small fonts only) or higher |
| Windows compatible Keyboard with Microsoft compatible mouse | Windows compatible Keyboard with Microsoft compatible mouse |
| Laser printer capable of printing on standard paper (8.5" x 11") | Laser printer capable of printing on standard paper (8.5" x 11") |
| 48x CD-ROM Drive or higher with sound board (*Recommended CD-RW drive) | 48x CD-ROM Drive or higher with sound board (*Recommended CD-RW drive) |

## Operating System Information

FSA does support:
- Windows 2000
- Windows XP Professional

FSA will continue support until July 1, 2006:
- Windows 98
- Windows 98SE
- Windows ME

FSA does not support:
- Windows 95
- Windows XP Home

Note:

The optimum configuration described above is recommended and is readily available at modest prices. However, if your school will not send or receive more than 4,000 records (ISIR or COD) in a batch the minimum configuration will suffice.

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# LETTERS

# Recent Letters

- 2003-2004 Deadline Date Fed Reg Notice
- CB-04-05 (Mar) 2004-2005 FWS Community Service Waiver Requests
- CB-04-04 (Mar) 2004-2005 Final Awards
- CB-04-03 (Mar) 2005-06 FISAP Changes
- CB-04-02 (Jan) Work Colleges
- CB-03-14 (Aug) Perkins Master Prom Note
- CB-03-13 (Aug) Perkins eMPN

# Recent Letters

- GEN-04-04 (Feb) Disaster Letter
- GEN-04-03 (Feb) Return of Title IV Aid
- GEN-04-02 (Jan) Education Savings
- GEN-03-13 (Nov) Consolidation Loan App
- GEN-03-12 (Oct) NSLDS Calculations
- GEN-03-11 (Sep) Student Aid on the Web
- GEN-03-08 (Jul) Long-Term Debt
- GEN-03-07 (May) Dependency Overrides

# Student Aid On the WEB

Student Aid on the Web - Welcome - Microsoft Internet Explorer provided by US Department of Education

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**www.studentaid.ed.gov**

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FSA

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*Student Aid on the Web*

Preparing | Choosing | Applying | Funding | Attending | Repaying

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**Search FSA**

GO

Advanced Search

**If you attend...**

- Graduate School
- College
- Junior/High School
- Elementary School

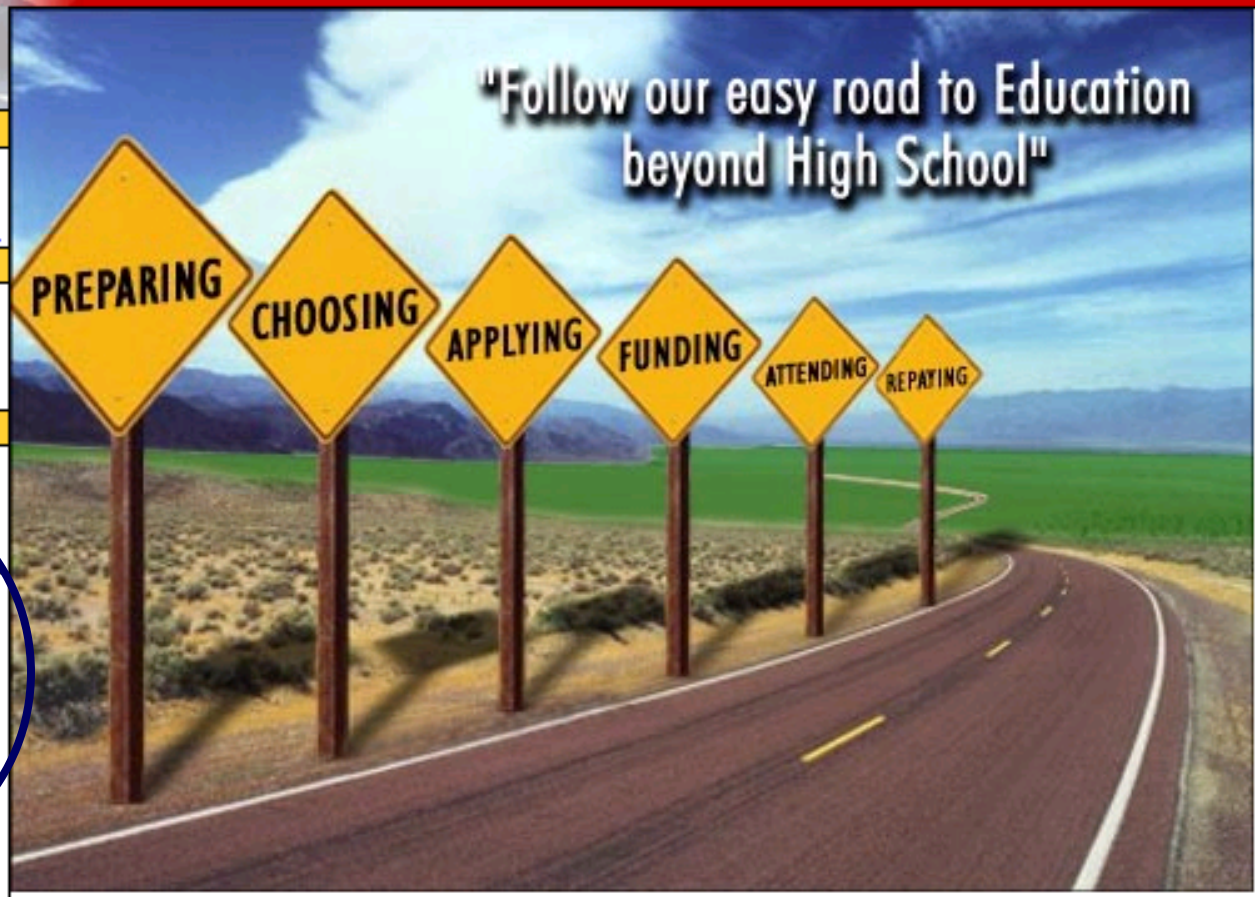
**If you are a(n)...**

- Returning Student
- International Student
- Parent
- Counselor

My FSA

Get Your PIN

FAFSA

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English | Español

**Site Resources**

- About Us
- Contact Us
- FAQ's
- Forms
- Link to Us
- Publications
- Site Map
- Survey
- Technical Help

**Announcements**

- FSA For Students Portal
- Federal Student Loan Interest Rates

Internet

Student Aid on the Web - College Finder - Microsoft Internet Explorer provided by US Department of Education

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Welcome, Adam!

U.S. Department of Education

## College Finder

Type → Setting → Academics → Campus Life → Your Results

Location · Size · Cost · Student Body

**Site Resources**

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Contact Us
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Technical Help

**Search FSA**

GO

Advanced Search

**MyFSA**

Introduction
Applications
Colleges
Profile
Financial Aid
Event Calendar
Careers
Planner Output
Add New Bookmark
Access Bookmarks
Logout

**If you attend...**

Graduate School
College
Junior/High School
Elementary School

**If you are a(n)...**

Returning Student
International Student
Parent
Counselor

Get Your PIN

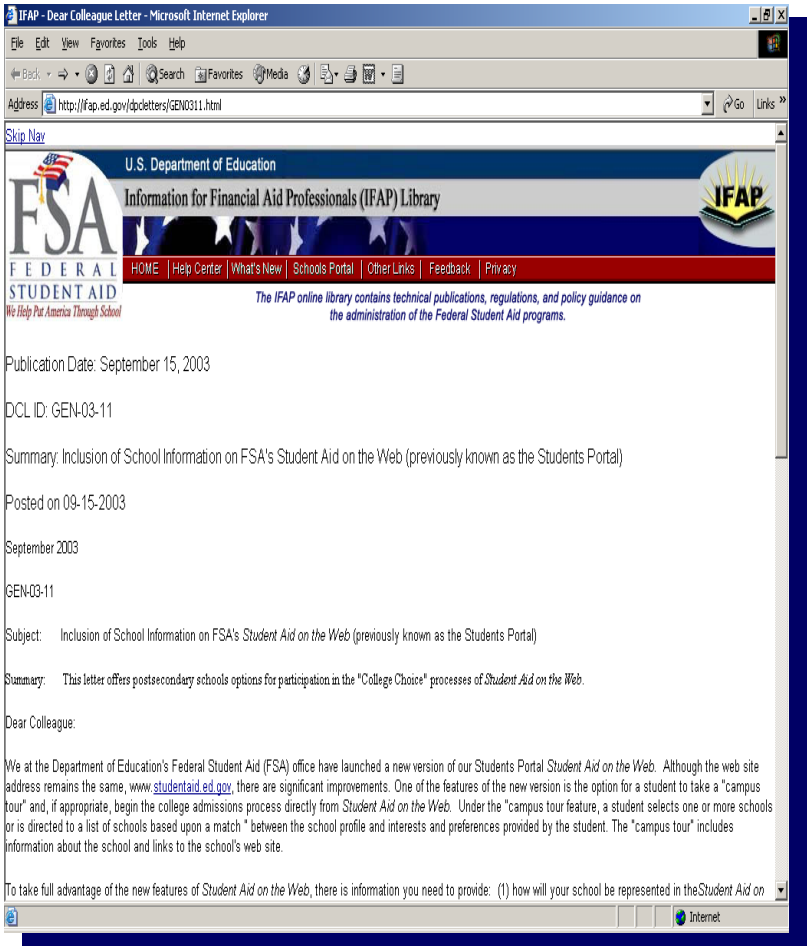
FAFSA

1 - 31 of 31 possible matches.
They are listed in order of best match, then alphabetically.

| College | Apply | Campus Tour | Add to MyFSA |
|---|---|---|---|
| Charles Stewart Mott Community College (100%) | APP INFO | | |
| Grand Rapids Community College (100%) | APP INFO | | |
| Kellogg Community College (100%) | APP INFO | | |
| Lansing Community College (100%) | APP INFO | | |
| Muskegon Community College (100%) | APP INFO | | |
| Wayne County Community College (100%) | APP INFO | | |
| Alpena Community College (94%) | APP INFO | | |
| Bay de Noc Community College (94%) | APP INFO | | |
| Delta College (94%) | APP INFO | | |
| Glen Oaks Community College (94%) | APP INFO | | |
| Gogebic Community College (94%) | APP INFO | | |
| Henry Ford Community College (94%) | APP INFO | | |
| Jackson Community College (94%) | APP INFO | | |

Internet

# Dear Colleague Letter GEN-03-11


IFAP - Dear Colleague Letter - Microsoft Internet Explorer

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Address http://ifap.ed.gov/dpcletters/GEN0311.html

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Information for Financial Aid Professionals (IFAP) Library

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IFAP

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*The IFAP online library contains technical publications, regulations, and policy guidance on the administration of the Federal Student Aid programs.*

Publication Date: September 15, 2003

DCL ID: GEN-03-11

Summary: Inclusion of School Information on FSA's Student Aid on the Web (previously known as the Students Portal)

Posted on 09-15-2003

September 2003

GEN-03-11

Subject: Inclusion of School Information on FSA's *Student Aid on the Web* (previously known as the Students Portal)

Summary: This letter offers postsecondary schools options for participation in the "College Choice" processes of *Student Aid on the Web*.

Dear Colleague:

We at the Department of Education's Federal Student Aid (FSA) office have launched a new version of our Students Portal *Student Aid on the Web*. Although the web site address remains the same, www.studentaid.ed.gov, there are significant improvements. One of the features of the new version is the option for a student to take a "campus tour" and, if appropriate, begin the college admissions process directly from *Student Aid on the Web*. Under the "campus tour feature, a student selects one or more schools or is directed to a list of schools based upon a match " between the school profile and interests and preferences provided by the student. The "campus tour" includes information about the school and links to the school's web site.

To take full advantage of the new features of *Student Aid on the Web*, there is information you need to provide: (1) how will your school be represented in the*Student Aid on*

Internet

## Inclusion of School Information on FSA's Student Aid on the Web

## Publication Date September 15, 2003

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# Return of Title IV Aid

# Dear Colleague Letter (GEN-04-03)

- Title IV Credit Balances
- Aid That Could Have Been Disbursed
- Verification
- No Passing Grades
- Non-Term Programs
- Date of Determination that Student Withdrew
- Treatment of LEAP Funds

# Simply Stated

- Student earns Title IV aid awarded for the period at same ratio as time enrolled in period.
- If a recipient of Title IV aid withdraws the institution must calculate the amount of Title IV aid earned and unearned.

# Dear Colleague Letter (GEN-04-03)

## Aid That Could Have Been Disbursed

- Old Policy -- Aid must have been able to have been disbursed during period. Did not include:
  - Second loan disbursement.
  - Loan within first 30 days.
- New Policy – All aid for period, if basic rules for late disbursement were met before the student withdrew (see next slide).
  - However, if limitations apply, that aid may not be used to make a Post-Withdrawal Disbursement.

# Aid That Could Have Been Disbursed

- Remember -- Student earns Title IV aid at same ratio as time enrolled in payment or enrollment period.
- Total Aid and Payment Period Must Match – Apples to Apples
- If total aid greater, amount earned will be greater and amount unearned will be less. (See next slides)
- Smaller amount to be returned or post-withdrawal disbursement.

# Conditions for a Late Disbursement

- All Student Aid (including Pell) - ED processed SAR/ISIR with official EFC (not needed for PLUS)
- FFEL/Direct Loan - Institution certified or originated the loan
- Perkins/FSEOG-Institution made the award

# Limitations on Making a Late Disbursement

- No second or subsequent disbursements of FFEL/Direct Loan, unless student completed period
- No FFEL/Direct Loan if student did not complete the 30-day delay period, if applicable
- No additional Pell Grant if first payment period not completed.
- For Pell Grant need a valid SAR/ISIR by the deadlines in the Federal Register

# Aid That Could Have Been Disbursed

## Old Rule – Period of Enrollment Basis

Length of Period = 900 hours

Aid for Period = $6,000

Disbursed = $3,000

Not Disbursed = $3,000

Student Withdrew after 300 hours

Student Completed 33.3% of period

Amount Earned = $1,000 (1/3% x $3,000)

Amount to be Returned = $2,000 ($3,000 - $1,000)

# Aid That Could Have Been Disbursed

## New Rule – Period of Enrollment Basis

Length of Period = 900 hours

Aid for Period = $6,000

Disbursed = $3,000

Not Disbursed = $3,000

Student Withdrew after 300 hours

Student Completed 33.3% of period

Amount Earned = $2,000 (1/3% x $6,000)

Amount to be Returned = $1,000 ($3,000 - $2,000)

# Aid That Could Have Been Disbursed

## New Rule – Payment Period Basis

Length of Period = 100 days

Aid for Period = $4,000

Disbursed = $800 (Pell)

Not Disbursed = $3,200 (Loan)

1st Time Student Withdrew after 25 days

Student Completed 25% of period

Amount Earned = $1,000 (25% x $4,000)

Amount of PWD = $200 ($800 less $1,000)

No Disbursement Can Be Made Because of 30 Day Rule

# ED's free R2T4 Software on the Web

Sign up for R2T4 OTW

- Signup via SAIG Enrollment website
  - https://www.fsawebenroll.ed.gov/PMEnroll/
- The R2T4 Web Application will be available via FAA Access
  - https:fafsa.ed.gov/faa/faa.htm
- Set up a simple school profile one or two popular programs and academic calendar; do not try to build costs for each program.
- Track post-withdrawal disbursement notification.

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# Things to Remember

# Things to Remember

- NSLDS Enrollment Reporting – SSCR
- NSLDS Transfer Monitoring
- Return of Title IV Aid Transactions
- Release of Credit Balances
- Use of eNotes
- Reporting of Foreign Gifts (DCL-95-12)
- Uncashed Checks

# Thanks