



Department of Education Update

COHEAO Mid-Year Conference

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U. S. Department of Education
July 31, 2017

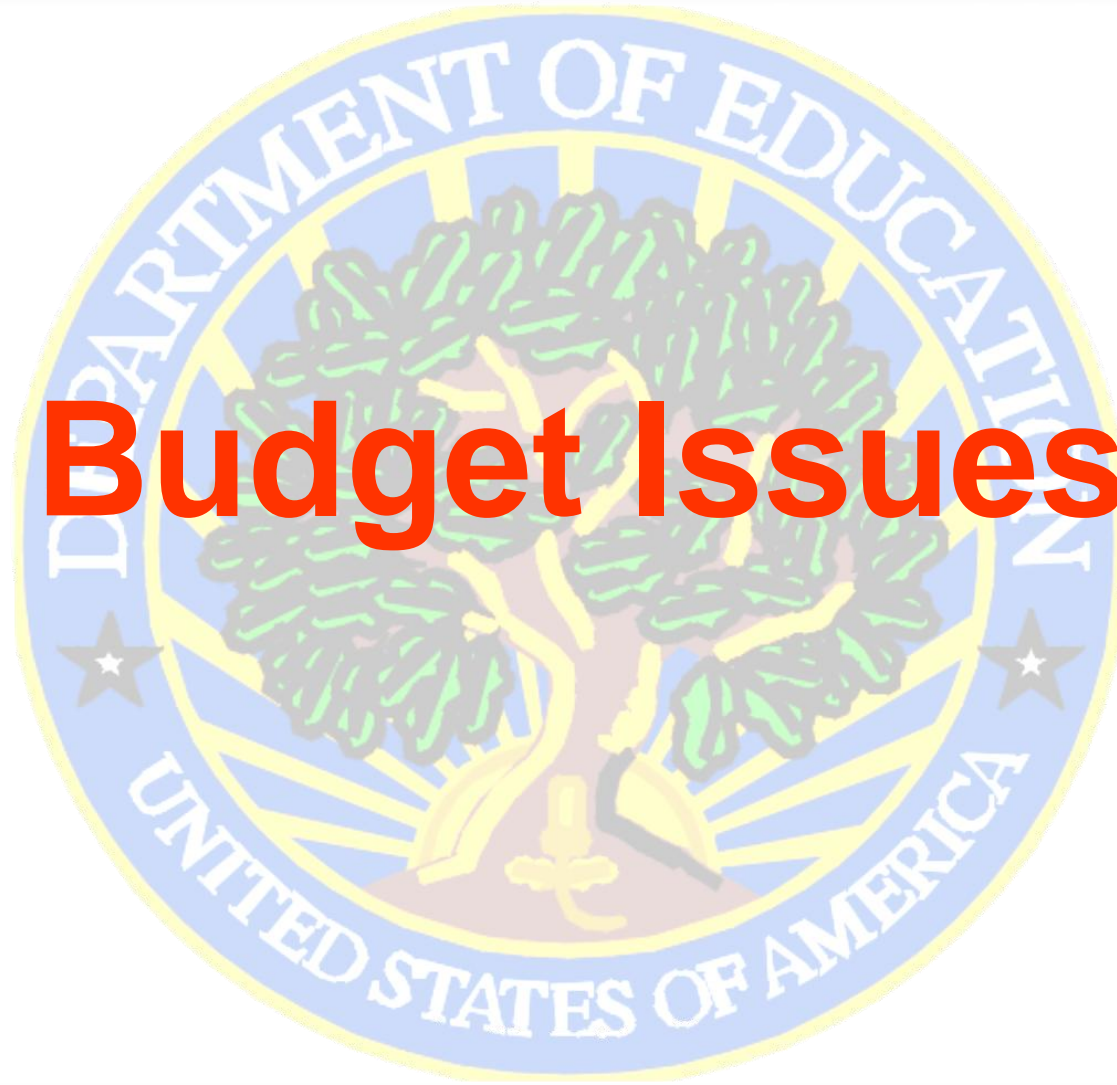


- Budget Issues
- Recent Legislation
- Regulatory Activity
- Perkins Loan Issues
- Perkins Loan Program Forms
- Dear Colleague Letters





Budget Issues





- Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017
 - Funded the gov't through Dec. 9, 2016
- Further Continuing and Security Assistance Appropriations Act
 - Funded the gov't through April 28, 2017



- Consolidated Appropriations Act, 2017
 - Funds the gov't through September 30, 2017
 - Reinstates year-round Pell starting in AY 2017-18



- Consolidated Appropriations Act, 2017
 - Directs ED to allocate new student loan accounts to student loan servicers on the basis of their performance compared to all loan servicers utilizing common metrics, and on their capacity to process new and existing accounts



- Consolidated Appropriations Act, 2017
 - Allows borrowers who are consolidating student loans to select from any eligible student loan servicer to service their new Consolidation Loan, no later than Sept. 30, 2017



- FY 2018 Budget Proposal
 - Student Financial Assistance Overview
 - Continue to help make college more affordable
 - Reinstate incentives to help accelerate student completion rates
 - Reduce complexity of student financial assistance programs



- FY 2018 Budget Proposal
 - Pell Grants
 - Fully fund Pell Grants
 - Maximum award of \$5,920
 - Support year-round Pell Grant eligibility to help incentivize students to complete their degrees faster



- FY 2018 Budget Proposal
 - Campus-Based Programs
 - Reform student eligibility in the Federal Work-Study program to ensure funds go to undergraduate students who would benefit the most
 - Eliminate FSEOG, which is largely duplicative of Pell and does not deliver need-based aid in the most targeted way



- FY 2018 Budget Proposal
 - Campus-Based Programs
 - Federal Perkins Loan Extension Act of 2016 extended Perkins through Sept. 30, 2017
 - No additional extension is proposed
 - No new Perkins Loans in Fiscal Year 2018



- FY 2018 Budget Proposal
 - Consolidate 5 existing IDR plans into one repayment plan for new borrowers that would—
 - Set monthly payment at 12.5% of discretionary income
 - Eliminate standard repayment cap
 - Calculate payment amounts for married borrowers filing separately based on both incomes



- FY 2018 Budget Proposal
 - Consolidate 5 existing IDR plans into one repayment plan for new borrowers that would—
 - Forgive remaining debt after 15 years of repayment for borrowers with undergraduate debt only
 - Forgive remaining debt after 30 years of repayment for borrowers with any graduate debt



- FY 2018 Budget Proposal
 - Reduce student loan subsidies by eliminating
 - Subsidized Stafford Loans
 - Public Service Loan Forgiveness
 - Payment of Account Maintenance Fees to guaranty agencies
 - Proposals would apply to loans originated on or after July 1, 2018, except for students who borrowed first loans before July 1, 2018, and are borrowing to complete their current course of study



- FY 2018 Budget Proposal
 - Iraq and Afghanistan Service Grants
 - \$499,000 for 2017-18 Award Year
 - Average award of \$5,375

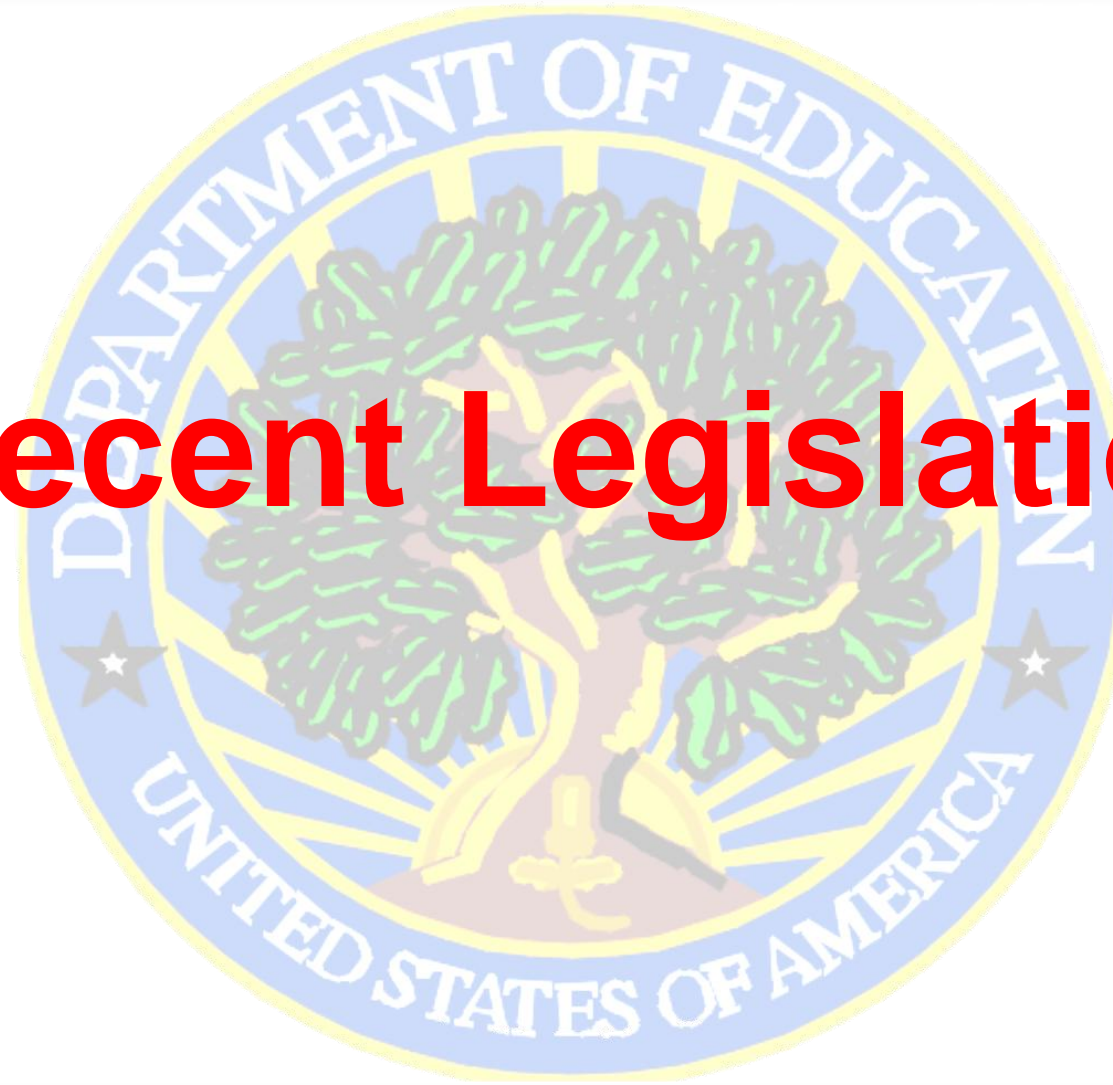




- FY 2018 Budget Proposal
 - TEACH Grant Program
 - \$24.6 million for 2017-18 award year
 - Maximum award of \$4,000



Recent Legislation





- Federal Perkins Loan Program Extension Act of 2015
 - Enacted on December 18, 2015
 - Extended the Perkins Loan program through September 30, 2017
 - Eliminated grandfathering of students after the new expiration date
 - Prohibits any further extensions of the Perkins Loan Program under GEPA



Regulatory Activity

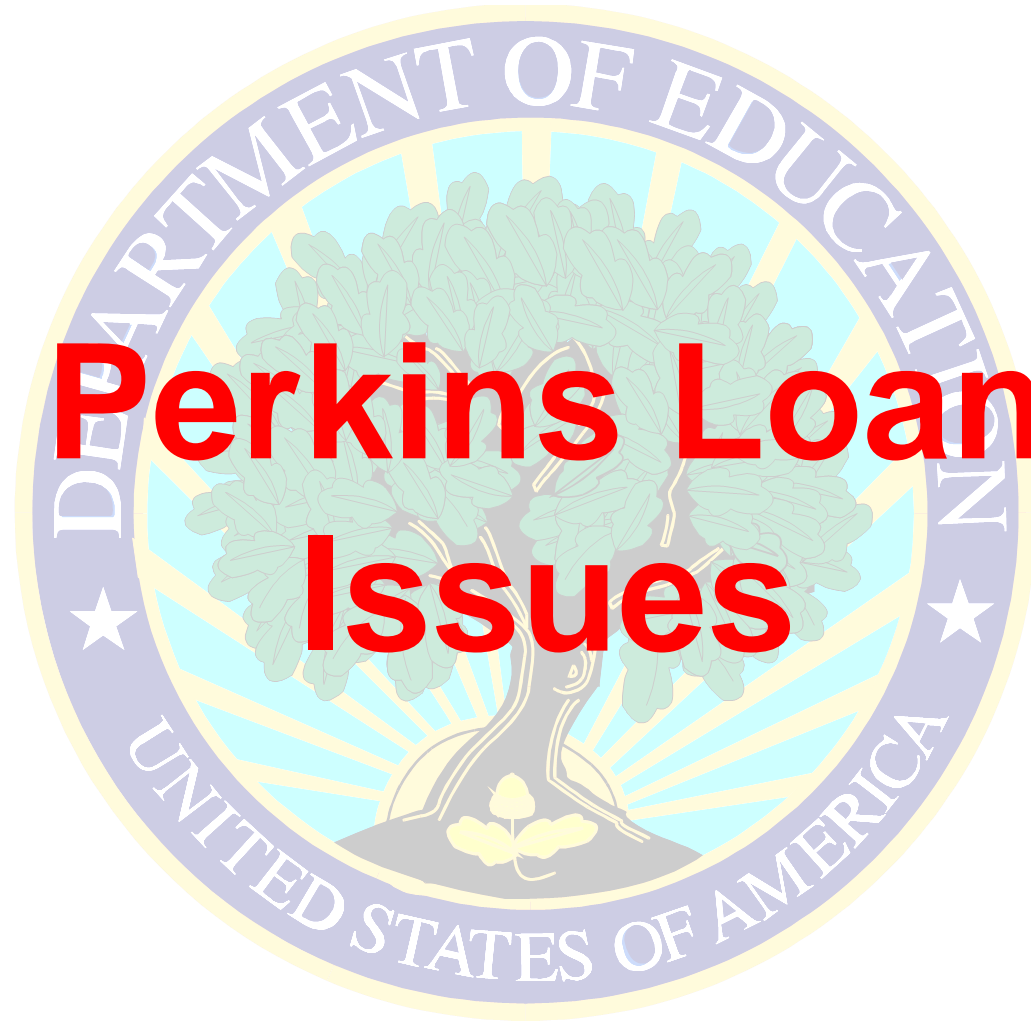




- Borrower Defenses
 - Final regulations published on November 1, 2016
 - Procedural rule published on January 19, 2017



- Teacher Preparation
 - Final regulations published Oct. 31, 2016
 - Congressional Review Act resolution of disapproval signed into law on March 27, 2017
 - Federal Register Notice removing Part 612 of the teacher preparation regulations published on May 9, 2017
 - Electronic Announcement posted to IFAP on May 18, 2017



Perkins Loan Issues



- Perkins Wind-down Key Dates
 - Schools may not award Perkins Loans to grad students after **Sept. 30, 2016**
 - Schools may not make subsequent disbursements to grad students after **June 30, 2017**
 - Schools may not award Perkins Loans to undergraduates after **Sept. 30, 2017**
 - Schools may not make subsequent disbursements to undergraduates after **June 30, 2018**



- Additional borrower eligibility and disclosure requirements:

- DCL GEN-15-03

<https://ifap.ed.gov/dpcletters/GEN1503.html>

- Perkins Loans Questions and Answers

<http://www.ifap.ed.gov/cbp/PerkinsFAQ.html>

- 2016-17 FSA Handbook

<https://ifap.ed.gov/fsahandbook/1617FSAHbkVol6.html>



- Excess Liquid Capital
 - DCL GEN-15-19 (published Sept. 29, 2015)
 - Electronic Announcement (published June 24, 2016)
 - Electronic Announcement (published August 1, 2016)



- **Excess Liquid Capital**
 - E-mail notification to schools with estimated ELC, based on FISAP information
 - Formula used 2015-2016 data reported on the most recent FISAP
 - Process for requesting adjustment
 - Deadline to return Federal share was November 17, 2016



- Excess Liquid Capital
 - Official letter
 - ELC determined to be in Revolving Fund
 - Federal share
 - Institutional share
 - Deadline to return funds
 - Instruction for remitting payment
 - ELC Adjustment Request Process and deadline



Perkins Loan Program Forms





- Deferment Forms
 - DL/FFEL/Perkins deferment forms (OMB Control #1845-0018):
 - In-school
 - Graduate fellowship
 - Rehabilitation training program
 - Economic hardship
 - Unemployment
 - Only these versions of the forms may be provided to borrowers as of June 1, 2016



- Deferment Forms
 - DL/FFEL/Perkins Military Service Deferment form (OMB Control #1845-0080)
 - Revised version of the form posted to IFAP on April 17, 2017
 - Only the revised version of the form may be distributed to borrowers as of July 1, 2017



- Forbearance Forms
 - DL/FFEL/Perkins forbearance forms (OMB Control #1845-0031):
 - Mandatory Forbearance Request (student loan debt burden)
 - General Forbearance Request (other acceptable reasons)
 - Only these versions of the forms may be provided to borrowers as of July 1, 2016



Dear Colleague Letters





- Changes to 2016-17 and 2017-18 Verification Requirements (GEN-17-04)
 - Published April 4, 2017

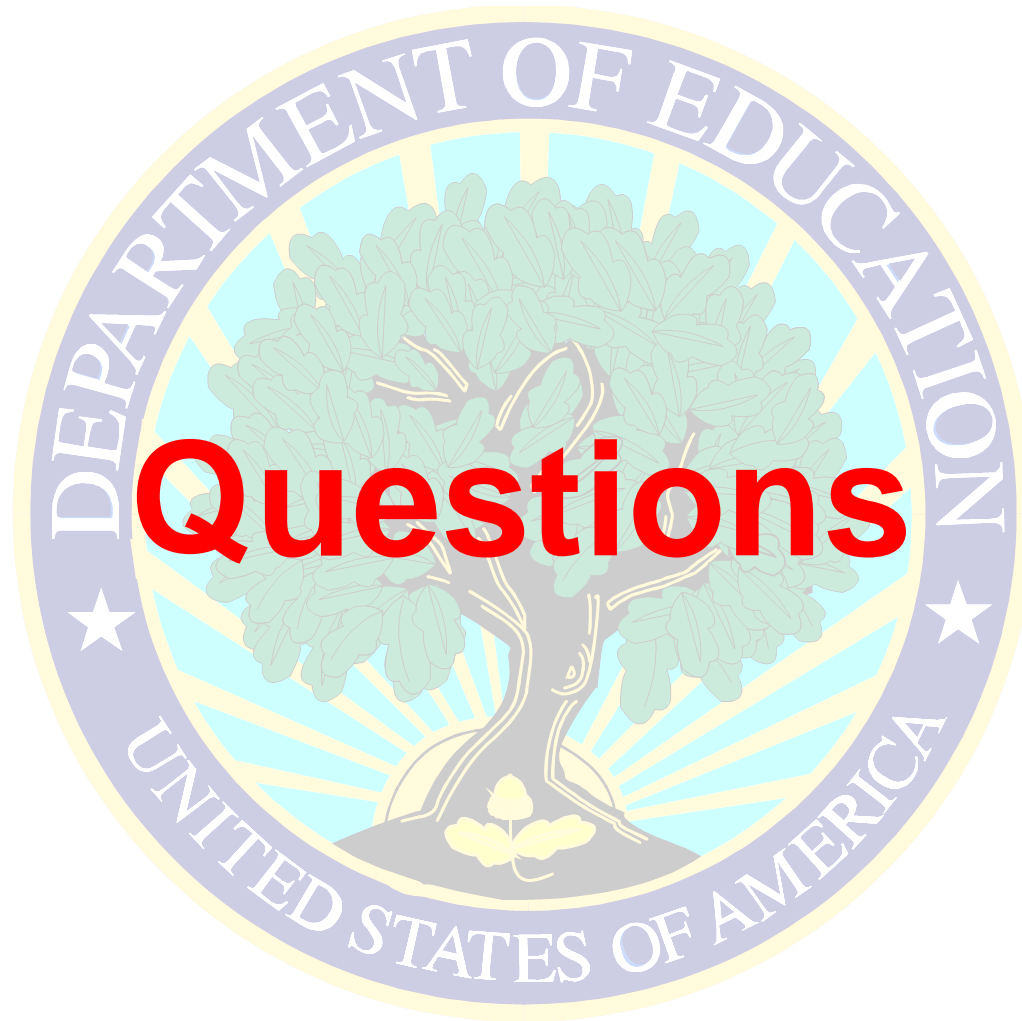
Electronic Announcements posted on May 3, 2017 and March 19, 2017 provide information on the status of IRS Data Retrieval Tool.



- Withdrawal of DCL GEN 15-14 with subject line: “Repayment Agreements and Liability for Collection Costs on FFEL Loans”

(GEN-17-02)

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Questions

CONTACT INFORMATION



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