

## American Student Assistance

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### Local Contacts:

<b>Professional Services Consultant</b>	Martie Adler madler@amsa.com 407-865-5767
<b>Business Development Manager</b>	Ken Garrett kgarrett@amsa.com 404-885-6028



100 Cambridge Street, Suite 1600  
Boston, MA 02114

Phone: (800) 999-9080



Federal Regulations for the  
Administration of Financial Aid

## The A to Zs of Written Policy Requirements

*Session Description:* In this session, participants will actually review the regulatory requirements for policies that must be provided to consumers in written format. At the end of this session, all participants will know exactly what is required, how and when the information must be provided, and have materials to take back to the office to be used as a checklist to insure compliance.

The information in this workbook was taken from both the Common Manual and the FSA 2007-2008 Handbook. Participants are advised that all regulatory compliance at their institution is their responsibility in terms of policy, procedures, interpretation, and compliance. This handout is simply a guide.

Presented by: Martie Adler, Professional Services Consultant  
American Student Assistant

## Requirements

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### Overview Information

A school participating in any Title IV program must provide annually (the school must prepare or revise the information for each **award year** in which it participates in any Title IV program) – to all enrolled students (and prospective students upon request) – specific student consumer information. The information must be made available to prospective students prior to the student’s enrolling or entering into any financial obligation with the school.

A school is also required to provide to enrolled students, each year, a list of the information it must disseminate and the procedures for the student to obtain the information. **Schools must provide this notice through a one-on-one distribution.** The school may either prepare the materials or use a *U.S. federal Department of Education* publication such as *“Funding Your Education Beyond High School”*. The school is also required to provide a notice of student rights under FERPA (though not an individual notice).

Each school is responsible for the accuracy and completeness of its student consumer information. For prospective students, an internet web site may be used. For enrolled students, either an internet or intranet web site may be used (if it is reasonably accessible to them).

The school’s written student consumer information and related reports must adhere to regulatory requirements, as outlined in Subpart D of the General Provisions (34CFR 668.41-668.48).

There are other disclosure requirements (i.e. Perkins program specific, students chosen for verification, etc) that can be found in the FSA Handbook (2007-2008) Volume 2, Chapter 6.

### Professional Services at ASA

We are a team of experienced consultants and professional trainers committed to our non-profit mission of ensuring student financial success!

### Presenter

Martie Adler is a Professional Services Consultant with American Student Assistance (ASA), a FFELP guarantor. Martie has a diverse background in the higher education industry that spans over twenty-eight years, and has held a variety of executive level positions in financial aid, financial services, and student loan operations. Martie provides consultative services in the areas of: financial aid, default management, regulatory compliance, and organizational development. Martie received her B.S. and M.S. degrees from Purdue University in organizational development and training.

## Must-See Resources

- Federal Student Aid Handbook 2007-2008, Volume 2, Chapter Six
- FFELP Common Manual
- Federal Regulations—34CFR 668.41 through 668.48
- Assessing your school's compliance:  
[www.ifap.ed.gov/qahome/qaassessments/consumerinformation.html](http://www.ifap.ed.gov/qahome/qaassessments/consumerinformation.html)
- Consumer Information from the Department:  
Students: [studentaid.ed.gov](http://studentaid.ed.gov)  
FAAs: [fsa4schools.ed.gov](http://fsa4schools.ed.gov)
- EADA on the Web:  
<http://surveys.ope.ed.gov/athletics>

## General Information about the School

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Upon request, a school must make readily available to enrolled and prospective students information regarding the school and its administration and academic standards. The following information must be included:

- Consumer information concerning the school.
- The names of associations, agencies, and/or governmental bodies that accredit, approve, or license the school and its programs, and the licensing or certification requirements.
- Any financial assistance available to students attending the school.
- The school's completion or graduation rate and its transfer-out rate.
- Information regarding the school and its administration and academic standards. It must include:  
The cost of attending school as defined below.  
  
Tuition and fees charged to full and part-time students.  
Estimated costs for necessary books and supplies.  
Estimates of typical costs for room and board.  
Estimates of transportation costs for students.  
Any additional costs for a particular program in which a student is enrolled or expresses an interest.
- Any refund policy with which the school is required to comply for the return of unearned tuition and fees or other refundable charges paid to the school.
- The requirements and procedures for officially withdrawing from the school.
- A summary statement of the requirements for the return of Title IV loan or grant funds when a student withdraws from the school.



## Campus Security

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By **October 1** of each year, a school must publish and distribute its annual security report. It must be distributed to all enrolled students and current employees in one of two ways.

Either directly by publications and mailings, including giving each individual a copy, or direct mailing to each individual through the U.S. Postal Service, campus mail, or electronic mail, or a combination of these methods.

If the school chooses to fulfill this requirement by posting the annual security report on an Internet or Intranet Web site, an individual notice must be distributed to each student and current employee that includes:

- A statement of the report's availability,
- A list and brief description of the information contained in the report,
- The exact electronic address of the Internet or Intranet Web site at which the report is posted, and
- A statement saying the school will provide a paper copy upon request.

Upon request, a school must provide its annual campus security report to a prospective student or prospective employee. Because of this requirement, it must be listed in the list of written policy requirements.

## Financial Assistance Information

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- The procedures (including deadlines) and forms a student must use to apply for financial assistance when attending the school.
- The need-based and non need-based U.S. financial aid that is available to students.
- Other need-based and non need-based public, school, and private aid programs that is available.
- How financial assistance eligibility is determined and the criteria used in determining the amount of a student's award.
- How the school distributes aid among students.
- A school must give applicants selected for verification a written statement explaining the documents required for verification, student responsibilities, and school notification methods. (See Handbook page 2- 69)

**NOTE:** the school must have someone available during normal operating hours to help persons obtain consumer information.

## Title IV Specific Student Consumer Information

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A school's student consumer information must include a description of student rights and responsibilities specifically addressing financial assistance under the Title IV programs. The information must contain:

- The rights and responsibilities of students receiving financial aid.
- The criteria for continued student eligibility under each program.
- How and when the student will receive their financial assistance payments.
- The criterion for measuring satisfactory academic progress (SAP).
- The criterion that must be met by a student who has failed to maintain SAP to reestablish eligibility for financial aid.
- The general terms and conditions applicable to any employment provided to a student as part of their aid package (i.e. federal work-study).
- For any loan that a student has received, information on: the terms of the loan, sample repayment schedule, interest rate, importance of repayment, exit counseling requirement, and all other pertinent repayment dates and data.
- Provisions for cancellation, deferment, or forgiveness for FFELP loans.

**NOTE:** The Stafford and PLUS MPN includes all of these requirements. It is recommended that the school, at the very least, summarize the requirements in their student consumer information materials.

## Drug and Alcohol Abuse Prevention Information

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Schools that participate in the FSA programs must provide information to its students, faculty, and employees to prevent drug and alcohol abuse. In addition, a school that participates in the Campus-Based programs must have a drug-free awareness program for its employees that includes a notice to its employees of unlawful activities and the actions the school will take against an employee who violates these prohibitions. (See Volume 2, Chapter 3)

Information that must be included in drug prevention materials for students:

- Information on preventing drug and alcohol abuse.
- Standards of conduct that clearly prohibit the unlawful possession, use, or distribution of drugs and alcohol by students or employees on the school's property, or as part of the school's activities.
- A description of the sanctions under local, state, and federal law for unlawful possession, use, or distribution of illicit drugs and alcohol
- A description of any drug and alcohol counseling, treatment, or rehabilitation programs available to students and employees.
- A description of the health risks associated with the use of illicit drugs and alcohol
- A clear statement that the school will impose sanctions on students and employees for violations of the standards of conduct, a description of these sanctions, up and including expulsion, termination of employment, and referral for prosecution.

The school may include this information in its publications, provided that they are distributed to each student and employee. The school must use a method that will reach every student and employee. These materials must be distributed annually. New enrolled students or newly hired employees must also be given these materials if annual distribution has already taken place.

## Graduation and Completion Rates

### Student Athlete Specific Information

Schools that participate in an FSA program and offer athletically related student aid, must provide the potential student athlete—and their parents, high school coach, and guidance counselor—information on:

- completion or graduation rates for student athletes.
- transfer-out rates for student athletes.

The school also must submit the report used to provide this information to the students to the Department by **July 1** of each year. Schools can refer to 34 CFR 668.41(b) and (f) and 668.48 for information on these disclosure requirements.

The regulations provide for waiving the disclosure of completion or graduation rate and transfer-out rate calculations (to coaches and guidance counselors only) as follows:

A school's responsibility may be satisfied if all of the following criteria are met:

- v The school is a member of a national collegiate athletic association.
- v The association compiles data on behalf of its member schools, which the Department determines is comparable to those required in 34 CFR 668.48.
- v The association distributes the data to all secondary schools in the U.S.

The Equity in Athletic Disclosure Act (EADA) requires any coeducational institution of higher education that participates in an FSA program and has an intercollegiate athletic program to prepare an annual EADA report. The EADA requires schools to publish this report by **October 15** and make it available upon request to students, prospective students, and the public in easily accessible places. The EADA report must be summarized, and its availability described in the one-on-one disclosure to all students and prospective students discussed earlier. (Details can be found on pages 2-74, 75 in the FSA Handbook).

## Title IV Specific Student Consumer Information

### Entrance Counseling Requirements

A school must ensure that entrance counseling is conducted with each student borrower who is obtaining their **FIRST** Stafford loan for attendance at that school – unless the student previously received a Stafford, SLS, or Federal Direct Stafford loan for attendance at another school.

Entrance Counseling must be provided before the first disbursement of a loan is released, and may be conducted: in person, electronically, or via an audio-visual presentation. The school remains responsible for ensuring that each student borrower completes the entrance counseling and receives the counseling materials. The school must insure that there is an individual available, who has expertise in Title IV programs, to answer any questions a student borrower may have.

**NOTE:** For all of the Title IV Specific Student Consumer Information, be sure that the student signs indicating receipt of the information—specifically for entrance and exit counseling—and keep it in the student's file.

Further details can be found on pages 2-76, 77, 78, 79, 80, 81 of the FSA 2007-2008 Hand-

## Title IV Specific Student Consumer Information

### Exit Counseling Requirements

A school must ensure that exit counseling is conducted shortly before any Stafford loan borrower ceases enrollment on at least a half-time basis. The counseling may be conducted in person, electronically, or via audio-visual presentation. The school remains responsible for ensuring that each student borrower completes the exit counseling and receives the counseling materials. The school must insure that there is an individual available, who has expertise in Title IV programs, to answer any questions a student borrower may have.

If a student borrower withdraws without the school's prior knowledge, or fails to complete the required exit counseling, the school must ensure that exit counseling is provided through **interactive** electronic means or by mailing written materials to the student borrower within 30 days after learning that the student did not complete the exit counseling. (Sending the student an email instructing them to complete an on-line exit interview is NOT sufficient. The school must have some means of insuring that the student has received the information).

## Graduation and Completion Rates

### Student Right-To-Know Disclosures

Student Right-to-Know disclosures must be made by **July 1** of each year. This Act requires schools to disclose:

1. Completion or graduation rates and, if applicable, transfer-out rates for a specific cohort of the general student body. This cohort is of certificate or degree-seeking, full-time, first-time undergraduate students.
2. For schools that offer athletically related student aid, completion or graduation rates and, if applicable, transfer-out rates of students receiving athletically related student aid.

- The information on completion, graduation rates and, if applicable, transfer-out rates must be made available by July 1 of each year and is defined in the FSA 2007-2008 Handbook, pages 2-70, 71.
- The school must also report this information to the Department every spring through the IPEDS web site.
- Schools must disseminate the information on completion or graduation and, if applicable, transfer-out rates to enrolled and prospective students upon request, through appropriate publications, mailings, or electronic media.