150% Direct Subsidized Loan Limit
ILASFAA
Fall Workshop
October 24, 2014

Agenda

- Definitions and calculations
- Common Origination and Disbursement
- National Student Loan Data System
- Special provisions

Definitions and Calculations
**Department Responsibilities**

- ED/FSA will calculate and inform students and institutions
  - CPS – Codes and comments on SARs and ISIRs
  - NSLDS – New borrower
  - NSLDS – Subsidized Usage Period
  - NSLDS – Loss of subsidy indicator
  - COD – Reports to schools
  - COD – Editing and enforcement
  - Direct Loan Servicers – Loss of subsidy benefits

**Subsidized Usage Period**

- Subsidized Usage Period – The period of time for which a borrower receives a Direct Subsidized Loan
  - Calculated on loan-by-loan basis
  - With one exception, not related to amount of loan
  - Measured in academic years and rounded up or down to the nearest tenth of a year
  - Includes only periods when Direct Subsidized Loan was received
  - COD will calculate based on school-provided information

**Calculating Subsidized Usage Period**

- Number of days in the loan period divided by number of days in the loan’s academic year
  - Loan period – Beginning and ending dates of period covered by loan
  - Academic year – Beginning and ending dates of the academic year used for annual loan limit progression
  - Either a Scheduled Academic Year (SAY) or a Borrower Based Academic Year (BBAY)
  - Likely not the same as the Title IV academic year because of breaks and summers
Annual Loan Limit Exemption

Only circumstance where dollars are considered is when a student receives a Direct Subsidized Loan in the amount of the annual loan limit.

Can only occur for standard-term programs or for non-standard-term programs with terms that are substantially equal and are each at least nine weeks in length.

Loan Period and Academic Year

- Academic year is the period to which the annual loan limit applies.
- For credit-hour programs using standard or non-standard SE9W terms, this is the calendar period in terms of SAY or BBAY.
- For clock-hour or non-term credit-hour programs or credit hours using non-standard NSE9W terms, this corresponds to the period of time required for borrowers to complete the coursework in a Title IV academic year.

Academic Year Requirements

1. Title IV academic year must be defined
   a. Credit hour minimum of 24 semester/36 quarter credits and 30 weeks of instruction
   b. Clock hour minimum of 900 clock hours and 26 weeks of instruction
2. Academic year used to determine Direct Loan annual loan limits
   a. Scheduled academic year (SAY)
   b. Borrower-based academic year (BBAY)
   - Subsidized usage period usually based on second definition.
Credit Hour Academic Year

- Program is standard term credit hour
- Academic year: 30 weeks, 24 semester hours, SAY (Fall 2013 and Spring 2014)
- Borrower enrollment is Spring semester 2014
- Loan period is Spring semester 2014
- Academic year begins on first day of the fall 2013 semester and ends on last day of the spring 2014 semester
  - An academic year that corresponds to a term is never correct

Academic Year Calculation

- For programs that are less than an academic year in length schools must determine how long it would take a student to complete an academic year
  - Example – program is 700 clock hours offered over 32 weeks of instructional time and students attend 22 clock hours per week
    - Academic year is 26 weeks and 900 hours
    - Loan period is beginning and end of 32-week program
    - Academic year is from the start of the program though the later of completion of 26 weeks of instruction or 900 clock hours

Loan Period and Academic Year Reporting

- For all loans, schools must –
  - Correctly report to COD the academic year and loan period dates
  - Update dates as necessary
  - Applies to all borrowers with loans with first disbursement dates on or after July 1, 2013
- Guidance and examples
  - DCL GEN-13-13 posted May 10, 2013
  - 150% Loan Limit Webinar #1 recording posted to IFAP under DCL ANN-13-08
## Updating Loan Period – Possible Reasons

- Student does not enroll for a payment period covered by the originally reported loan period
- Student withdraws from a payment period and all loan funds associated with the payment period are returned (R2T4)
- Student cancels all of a disbursement of a loan that is attributable to a payment period
- Student is not otherwise eligible for a loan for a payment period covered by the loan period

## Updating Academic Year

- If you have terms and use Scheduled Academic Year (SAY) academic year must be updated if –
  - Student attends a program for which summer is not a required term and
  - Attends summer
  - Receives a loan for summer
  - Academic year must be updated to include summer
  - See DCL GEN-13-13 for examples

## Updating Academic Year

- Student in a clock-hour, non-term or non-standard NSE9W term program is not progressing to the next payment period as scheduled
- If updating loan period or academic year is required as a result of an R2T4 calculation, update COD within 15 days of date of R2T4 calculation
- If updating due to slow progression, update at end of loan period or withdrawal date
Maximum Eligibility Period

- Maximum eligibility period is 150% of the published length of the borrower’s current or upcoming educational program
  - Varies by program
  - Multiply published length of program by 1.5
  - Measured in academic years or portions
  - ED will calculate using school-reported information

Reporting Program Length

- Reported to both COD and NSLDS
- Report program length as published in catalog or part of any federal, state or accreditor requirement
  - Including Gainful Employment disclosures
- If program length not published
  - Use program length reported to IPEDS for on-time completion
  - Determine and report using definition of normal time in 34 CFR 668.41(a)

Options for Reporting Program Length

- Schools may report program length is weeks, months or years
  - Associate’s degree programs should be two years
  - Bachelor’s degree programs should be four years
  - Exception for five-year Bachelor’s degree programs
- If program length is reported in weeks or months, weeks in the defined Title IV academic year must also be reported
Converting Months or Weeks to Years

If the published length of the program is measured in months or weeks, ED will convert the school reported months or weeks to years (or portions of years) –

\[
\frac{\text{Days in Academic Program}}{\text{Days in Title IV Academic Year}} = \text{Program Length}
\]

Month = 30 days
Week = 7 days

- This is the exception where the Title IV defined academic year is used

Program Length Calculations - Months

- When program length is measured in months
  - Credit hour school defines its Title IV academic year as 30 weeks: 210 days
  - Program A’s published length is 7 months: 210 days
    - 210 days divided by 210 days = 1.0 years
  - Program B’s published length is 15 months: 450 days
    - 450 days divided by 210 days = 2.1 years
  - Program C’s published length is 12 months: 360 days
    - 360 days divided by 210 days = 1.7 years

Program Length Calculations - Weeks

- When program length is measured in weeks
  - Clock hour school defines its Title IV academic year as 26 weeks: 182 days
  - Program A’s published length is 18 weeks: 126 days
    - 126 days divided by 182 days = 0.69 years, round to 0.7
  - Program B’s published length is 35 weeks: 245 days
    - 245 days divided by 182 days = 1.35 years, round to 1.4
  - Program C’s published length is 48 weeks: 336 days
    - 336 days divided by 182 days = 1.85 years, round to 1.9
Calculation Example

- 900 clock hour Medical Assistant program
  - Program begins September 1, 2014 and ends May 1, 2015
  - Loan period has same start and end dates
    - Academic year in COD loan record begins September 1, 2014 and ends May 1, 2015
    - Loan period and academic year in COD loan record are 34 calendar weeks
  - Published length – 10 months
    - 10 X 30 = 300 days
  - Defined academic year - 30 weeks
    - 30 X 7 = 210 days

Calculation Example

- 900 clock hour Medical Assistant program
- Published program length – 10 months
  - 10 X 30 = 300 days
- Program’s defined academic year - 30 weeks
  - 30 X 7 = 210 days
- COD calculated program length
  - 300 ÷ 210 = 1.4285 years, or 1.4 years
- COD calculated maximum eligibility period
  - 1.43 X 150% = 2.145 years, or 2.1 years

Effect of Returned Loan Funds

If a student for whatever reason asks the school to return all of their subsidized loan funds for a payment period, would that impact the student’s Subsidized Usage Period calculation?

Result depends on timing of the return
- Within 120 days from date of disbursement
  - Would impact subsidized usage calculation
  - Considered a pre-payment to the loan servicer
  - Would NOT impact Subsidized usage calculation
- After 120 days from date of disbursement
Returning Loan Funds

When a student withdraws, can a school voluntarily return all subsidized loan funds for a payment period in order to preserve the student’s subsidized eligibility?

Yes, however:
- Must be done within 120 days of the date of disbursement,
- Must have borrower’s written consent,
- Cannot require borrower to repay any school charges that were paid but as a result of the return are unpaid, and
- Cannot assess the borrower a fee

Common Origination and Disbursement

COD Role
- Each time school submits an origination or disbursement record COD will:
  - Calculate Subsidized Usage Periods, including the new loan
  - Inform school of borrower’s Maximum Eligibility, Subsidized Usage, and Remaining Eligibility periods
- COD will also inform borrower in disclosure statement
COD Reporting Requirements

Existing
- Loan Period Dates
- Academic Year Dates

New for 2014-2015
- CIP
- Credential Level
- Program Length
- Length of Title IV Academic Year
- Special Programs flag
- Enrollment Status (full, half, three-quarter)
- Payment Period Begin Date

COD Award-Level Response to Schools

- Calculated Published Program Length Years
  - Will be recalculated if incoming program length or weeks in the academic year changes
- Maximum Subsidized Eligibility Period
  - Equal to 150% of the calculated published program length in academic years
- Actual Subsidized Usage Period
  - Returned when the loan has at least one actual disbursement
- Anticipated Subsidized Usage Period
  - Returned when the loan has only anticipated disbursements

COD Award Level Response to Schools

- Remaining Actual Subsidized Eligibility Period
  - Returned when at least one disbursement is actual
  - Equals maximum eligibility period minus sum of actual usage periods
- Remaining Anticipated Subsidized Eligibility Period
  - Returned only when all disbursements are anticipated
  - Equals maximum eligibility period minus the sum of anticipated usage periods
Direct Subsidized Loan Usage Change Report

• Generated weekly and available in school’s Direct Loan newsbox on the COD reporting website
• Generated for change in value of any of these tags –
  - Maximum Subsidized Eligibility Period
  - Actual Subsidized Usage Period
  - Actual Noncredential Teacher Cert Subsidized Usage Period
  - Anticipated Subsidized Usage Period
  - Anticipated Noncredential Teacher Cert Subsidized Usage Period

National Student Loan Data System

NSLDS Professional Access
National Student Loan Data System

NSLDS Role

• NSLDS determines when continued or new enrollment results in loss of interest subsidy benefits
  - If yes, NSLDS will notify federal loan servicer that borrower is responsible for accruing interest
  - Federal loan servicer will notify borrower of interest responsibility
• NSLDS also determines if a loan is protected against interest subsidy loss
Enrollment Reporting & Eligibility

- Maximum Eligibility Period (MEP) – Calculated by NSLDS based on Program-Level Enrollment Reporting
- Subsidized Usage Period (SUP) – Calculated by COD and sent to NSLDS
- Remaining Eligibility Period (REP) – Calculated by NSLDS

NSLDS recalculates REP with every enrollment report received

New NSLDS Reporting Requirements

- Schools will be required to report enrollment to NSLDS at a minimum of every 60 days
  - Schools will receive rosters every 60 days
  - Schools must respond to rosters within 15 days of receipt
- Schools must report enrollment information for all students on the roster
  - All programs in which the student was enrolled must be reported
  - Must report graduation status timely and accurately to protect interest subsidy

NSLDS Rosters

Who NSLDS will put on your roster:
- Students who received Title IV Aid at your school (COD)

Who you must add to your roster:
- Students with Title IV aid from another school (ISIR) who will be receiving aid at your school

Who you should add to your roster:
- Students with Title IV aid from another school who will not be receiving aid at your school

NSLDS will add Title IV students to your enrollment roster when Transfer Student Monitoring (TSM) and Financial Aid History (FAH) is requested
New NSLDS Reporting Requirements

- All schools must report using new file layouts no later than October 1, 2014
- Batch reporting and spreadsheet uploading were available to use the new formats July 1, 2014
  - Notify NSLDS of school preference
  - Schools that wait until after July 1, 2014 to begin reporting the new file layouts must report program level enrollment information retroactively to July 1, 2014
- See Dear Colleague Letter GEN-14-07 published April 14, 2014

Enrollment Reporting

- Previous – single record type
  - One record per student
  - Permanent address was optional
  - No program-level information or e-mail address
- Now – multiple record types
  - Multiple records per student
  - Permanent address is mandatory
  - Program-level data required
  - E-mail address is optional

NSLDS Record Type Reporting

<table>
<thead>
<tr>
<th>Campus-Level</th>
<th>Program-Level (new)</th>
<th>E-mail (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certifying 8-digit OPEID</td>
<td>Classification of Instructional Program (CIP) Code</td>
<td>Student E-mail Address</td>
</tr>
<tr>
<td>“Move To” 8-digit OPEID</td>
<td>Program Credential Level</td>
<td></td>
</tr>
<tr>
<td>Student Name, SSN, and DOB</td>
<td>Published Program Length</td>
<td></td>
</tr>
<tr>
<td>Student Physical Address</td>
<td>Publish Program Length Measurement (Years, Months, Weeks)</td>
<td></td>
</tr>
<tr>
<td>Student Phone Number</td>
<td>Weeks Title IV Academic Year</td>
<td></td>
</tr>
<tr>
<td>Certification Date</td>
<td>Special Program Indicator</td>
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</tr>
<tr>
<td>Enrollment Status</td>
<td>Program Enrollment Status</td>
<td></td>
</tr>
<tr>
<td>Enrollment Status Effective Date</td>
<td>Program Enrollment Status Effective Date</td>
<td></td>
</tr>
<tr>
<td>Anticipated Completion Date</td>
<td>Student’s Program Begin Date</td>
<td></td>
</tr>
<tr>
<td>Term Begin and End Dates</td>
<td></td>
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</tr>
</tbody>
</table>
**Campus-Level Fields**

- **OPE ID**
  - An institution’s unique eight-digit Office of Postsecondary Education ID (OPEID) of the location for which the enrollment is certified
  - Referred to as “Enrollment School Code” in COD
- **Certification Date**
  - Date enrollment is certified by school
- **Enrollment Status Effective Date**
  - Date student’s enrollment status took effect

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**Campus-Level Fields**

- **Enrollment Status**
  - Overall enrollment at the location
  - Values include:
    - F - Full-Time
    - Q - Three-Quarter Time
    - H - Half-Time
    - L - Less Than Half-Time
    - A - Leave Of Absence
    - G - Graduated
    - W - Withdrawn
    - D - Deceased
    - X - Never Attended
    - Z - Record Not Found

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**Campus-Level Fields**

- **Move To OPEID**
  - An institution’s unique eight-digit OPEID of the school location to which student enrollment is being moved
  - Only available to the NSLDS Enrollment Administration group
  - Optional field
- **Program Indicator**
  - Report ‘Y’ if the student is enrolled in at least one program
  - Report ‘N’ only if the student is not enrolled in any program at your location
Campus-Level Fields

- Anticipated Completion Date (ACD)
  - Date when student is expected to graduate or separate
- Term Begin and End Dates
  - Dates on which the current term began and ended
  - Optional fields
- Student Permanent Address
  - Required, except for enrollment status 'X' or 'Z'
- Student Phone Number
  - Optional field

Program Information

- Program information is required for all programs in which a student is enrolled unless the Program Indicator is set to 'No'
- Program information is not required for:
  - Students enrolled at deferment only schools
  - Students not enrolled in a program
- Students in non-Title IV eligible programs must still have program-level information reported
- Students with undeclared majors must have program-level information reported

Program-Level Information

- Enrollment rosters generated by NSLDS will have program information reported by school to COD
  - If student on roster in one program and has changed to another program, report withdrawn for first program and add second program to roster
  - Report as Never Attended (X) if student never attended program
Reporting Major Program of Study

- Student must be enrolled in a defined course of study to receive Title IV aid
  - Students with undeclared majors are in a program of study and therefore must have a CIP Code associated with their enrollment
  - Many schools classify students with undeclared majors in a “General Studies” (240102) or “Liberal Arts and Sciences” (240101) program
- Schools must report on the program(s) associated with the student’s major
  - Do not report a minor as a separate program

Reporting Program-Level Enrollment

- Dear Colleague Letter GEN-14-17 revised guidance from July 2014 webinars
- Report active enrollment status based on total number of credit or clock hours in which the student is enrolled
  - Regardless of the number of credits applicable to the programs being reported

Program-Level Fields

- Program Credential Level
  - Values include:
    - 01 - Undergraduate Certificate or Diploma Program
    - 02 - Associate’s Degree
    - 03 - Bachelor’s Degree
    - 04 - Post Baccalaureate Certificate
    - 05 - Master’s Degree
    - 06 - Doctoral Degree
    - 07 - First Professional Degree
    - 08 - Graduate / Professional Certificate
    - 09 - Non-Credential Program (Preparatory Coursework / Teacher Certification)
Program-Level Fields

• Published Program Length
  - Length of the instructional program in years, months, or weeks as published by the school in catalog or other official publications
• Published Program Length Measurement
  - Unit of measure for the length of the instructional program as published by the school
    - Values include: ‘Y’ Years, ‘M’ Months, ‘W’ Weeks
• Weeks in Title IV Academic Year
  - Total number of weeks of instruction in the program’s defined Title IV academic year
    - Required only when program length measurement is ‘W’ or ‘M’

Program-Level Fields

• Program Begin Date
  - Date the student began attending the program
• Special Program Indicator
  - Report when student’s program is:
    - A - Special Admission Associate Degree Program
    - B - Bachelor’s Degree Completion Program
    - U - Preparatory Coursework Undergraduate Program
    - P - Preparatory Coursework Graduate Professional Program
    - T - Non-Credential Teacher Certification Program
    - N - Not Applicable

Program-Level Fields

• Program Enrollment Status
  - Enrollment status for each program
    - Values include:
      F - Full-Time
      Q - Three-Quarter Time
      H - Half-Time
      L - Less Than Half-Time
      A - Leave Of Absence
      G - Graduated
      W - Withdrawn
      D - Deceased
      X - Never Attended
      Z - Record Not Found
• Program Enrollment Effective Date
  - Effective date for the enrollment reported by the school
E-mail Address

Schools can report students’ e-mail information to NSLDS

Student Email

- Student E-mail Address
- Can report multiple e-mail addresses
- One e-mail address per record type 003
- Optional field

NSLDS Changes

- New Loan Type – D0
  - Identifies Direct Subsidized Loan where 150% Subsidized Usage Limit Applies (SULA)
  - NSLDS treats similar to existing D1 loan type
  - Included in calculation of annual and maximum aggregates
- CPS was not ready to process D0 loan types until processing begins for 14-15 FAFSAs
  - NSLDS will convert D0 to D1 when transferring loan data to CPS for 13-14
  - Some D1 loans on CPS outputs during this period will actually be D0 loan types

NSLDS Updates

- School Portfolio Report
  - Update to include Subsidized Usage Limit Applies (SULA) flag
    - Y = Borrower subject to 150% Direct Subsidized Loan limit provision
    - N = Borrower not subject to 150% loan limit provision
    - Blank = Not reported by servicer or not applicable
  - D0 loan type added to report output as an option for the loan type field.
Other Changes to NSLDS

- Modify professional access and student view to display 150%-related information
- Modify reports available to schools to include 150%-related information
- Pass information about student's current Subsidized Usage Period and whether the student has lost interest subsidy to CPS, for inclusion on the SAR/ISIR

Special Provisions

Enrollment Types - No Subsidy Loss

- Enrollment that cannot lead to subsidy loss
  - In a graduate or professional program
  - In preparatory coursework necessary for enrollment in a graduate or professional program
  - In a teacher certification program where school does not award an academic credential
  - Less than half time
Preparatory Coursework

For Enrollment in an Undergraduate Program
- Maximum Eligibility Period is 150% of program for which coursework is preparing for
- Subsidized Usage Periods count against maximum eligibility
- Enrolling could result in loss of interest subsidy

For Enrollment in a Grad/Professional Program
- Maximum Eligibility Period is 150% of program for which borrower most recently received Direct Subsidized Loan
- Subsidized Usage Periods count against maximum eligibility
- NOT possible to lose interest subsidy by enrolling

Bachelor’s Completion Exception
- Bachelor’s degree-completion programs will have Maximum Eligibility Period of 6 years
- Implemented by reporting program length as 4 years
- Only admit students who have completed associate degree or 2 years of prior coursework

Special Admission Associate Exception
- Special admission associate degree programs have Maximum Eligibility Period of 6 years
- Implemented by reporting program length as 4 years
  - Only admit students who have completed associate degree or 2 years of prior coursework
  - Admits student on a competitive basis (no open enrollment)
  - Prepares students for occupation requiring licensure from state (for example, Nursing)
Non-Credential Teacher Certification
Programs
• Special provisions apply to programs that do not lead to a degree/certificate at the institution but lead to state credential that is required for teaching
• Subsidized usage periods from non-teacher certification programs do not count against maximum eligibility period for teacher certification program
• Subsidized usage periods from teacher certification programs apply only to Maximum Eligibility Period for teacher certification programs

Non-Credential Teacher Certification
Programs
• Borrower cannot lose interest subsidy by enrolling
• Loans received for other undergraduate enrollment do not lose subsidy upon enrollment in teacher certification program
• Loans received for teacher certification program can never lose subsidy, even upon enrollment in regular undergraduate program

Resources and References
• Interim final regulations published in Federal Register May 16, 2013
• Final regulations published in Federal Register January 17, 2014
• Dear Colleague Letter
  - GEN-13-13, May 10, 2013
  - GEN-14-17, August 29, 2014
• IFAP 150% Subsidized Direct Loan Information
Questions?

E-mail: 150Percent-Questions@ed.gov
Subject: Include organizational affiliation

Training Evaluation

To ensure quality training, we ask all participants to complete an online evaluation for each session

• Go to https://s.zoomerang.com/s/ByronScott
  - Evaluation form is specific to Byron Scott
• Feedback is a tool to help us improve our training and to listen to our customers

Please provide any comments regarding this training or the trainer to:
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