

Welcome to OGSLP's Higher Education Opportunity Act Training

By Rick Edington, Laura
Weiss, Mary Heid,
and Kim Elston



Higher Education Opportunity Act

- ◆ P.L. 110-315 Signed by President on August 14, 2008
- ◆ Unless otherwise noted in law, most provisions effective August 14, 2008
 - Dear Colleague Letter
 - Negotiated Rulemaking
- ◆ OGSLP staff working with industry groups to gather more information!





HEOA Updates: Required Disclosures NSLDS Information Military Issues

Mary Heid

Director for Policy,
Compliance & Training



Lender Disclosures

Before Disbursement

Rights and Responsibilities

Separate Notification

Before Repayment



Lender Disclosures

- ☑ During Repayment
 - Income sensitive repayment exclusive disclosure no longer required
- ☑ Deferment
- ☑ Forbearance
- ☑ Borrower Having Difficulty Making Payments
- ☑ Delinquency



Lender Disclosures

- ✓ Loan Sale
- ✓ Special Disclosure Rules on PLUS loans and Unsubsidized Loans
- ✓ Consolidation Loans
- ✓ Cost of Disclosures



In-School Deferment NSLDS

- ◆ May grant in-school deferment based on NSLDS information if requested by the school

 **START HERE
GO FURTHER**
FEDERAL STUDENT AID

National Student Loan Data System (NSLDS)

[Sign-Up Information](#) [System Requirements](#) [News & Events](#) [Change Password](#) [FAQ](#) [Download Help](#) [Contact Us](#) [Help](#)

[Hurricane Information](#)

NSLDS PROFESSIONAL ACCESS
National Student Loan Data System

Enter Login Details

This system is LIMITED to approved use by AUTHORIZED personnel. Access by others is prohibited and unauthorized.

Username:

Password:

LOGIN



Military Benefits

Servicemembers Civil Relief Act Reduction
in Interest



**Title IV
Interest
Rate
Reduced
to
6%**



Military Benefits



Reconsolidation to DL
at 0% interest accrual



Special Military Cost of Attendance Considerations



Military housing or a basic allowance for housing to receive an allowance for board, but not for room, when determining the cost of attendance.



Special Military Expected Family Contribution Considerations

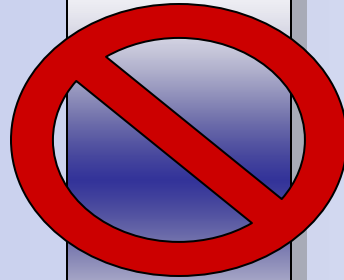


Military or basic housing allowance
excluded from taxable income in
EFC calculation.



Military Benefits

VA Benefits*



EFC

* Removed from the definition of “other financial assistance” in need analysis



Military Benefits



- ◆ Readmission requirements
 - Prohibits discrimination with respect to readmission against students who serve in the uniformed services.




Military Benefits

States are required to provide active duty armed forces and family in-state tuition at public institutions.



Questions





HEOA Updates:
Prohibited Inducements
Preferred Lender Lists
Income Based Repayment
PLUS Loans
Loan Forgiveness

Laura Weiss
Policy Specialist



Prohibited Inducements

- ◆ HEOA adds new prohibited inducements and actions to the November 1, 2007 final regulations
- ◆ Loss of eligibility takes effect after notice and opportunity for a hearing with ED
- ◆ Payments include payments for referrals and processing or finder fees



Prohibited Inducements

- ◆ Adds the following to the inducements list:
 - Prizes
 - Stock or other securities
 - Travel
 - Entertainment expenses
 - Tuition payment or reimbursement
 - The provision of information technology equipment at below-market value
 - Additional financial aid funds



Prohibited Inducements

- ◆ Clarification regarding unsolicited mailings:
 - ✓ Are specified as postal or electronic means
 - ✗ Cannot be mailed to students, or family members of students, in secondary or postsecondary schools
 - ✓ Still can be mailed to students or borrowers who have previously received FFELP loans from the lender



Additional Prohibited Inducements

- ◆ Consulting arrangements
- ◆ Compensation
- ◆ School functions
- ◆ Payment to student



Prohibited Inducements

- ◆ Revises permitted activities:
 - Not a violation for a lender to provide technical assistance to institutions of higher education comparable to the kinds of technical assistance provided to institutions of higher education by ED



Preferred Lender Lists

- ◆ Institutions that have entered a preferred lender arrangement, must annually compile, maintain, and make available to students (and families) attending the school a list of lenders for Title IV or private loans that the school promotes, recommends, endorses in accordance with the arrangement.



Preferred Lender Lists

- ◆ The school must disclose the method and criteria for selecting lenders with the most beneficial terms to the borrowers including:
 - Payment of loan fees for borrower,
 - Competitive interest rates or terms,
 - Quality servicing, or
 - Additional benefits beyond the standard terms.
- ◆ The school shall exercise care in preparing the list without prejudice and with the sole benefit of the borrowers in mind.



Preferred Lender Lists

- ◆ The list for Federal Loans must include at least three unaffiliated lenders.
- ◆ The list for private education loans must include at least two unaffiliated lenders.
- ◆ Each list must disclose the details of any affiliations between any of the lenders on the list.



Preferred Lender Lists

- ◆ Schools shall not deny borrower's right to choose a lender not included on list
- ◆ Schools shall not delay certification because of borrower's choice of lender



Income Based Repayment Plan

◆ Background

- College Cost Reduction and Access Act (CCRAA)



Income Based Repayment Plan - HEOA Changes

- ◆ FFELP lenders must offer the Income Based Repayment (IBR) plan
 - Adds exception to the \$600 annual payment requirement for IBR plan
- ◆ Revises the statute giving ED the authority to require defaulted FFELP borrowers whose loans are assigned to ED the ability to repay their loans under IBR plan in addition to ICR plan



Income Based Repayment Plan - HEOA Changes

~~LOAN IN
DEFAULT~~

REHABILITATED
LOAN

LOAN IN
DEFAULT AVERSION



**INCOME BASED
REPAYMENT PLAN**



PLUS Loans – Extenuating Circumstances for Credit

- ◆ Extenuating circumstances for credit:
 - Corrects specific criteria for extenuating circumstances as stipulated in the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)
 - Effective July 1, 2008
 - For debts **other than a mortgage loan or medical bill**, adverse credit reverts back to the regulatory requirements that were in place prior to ECASLA



PLUS Loans

- ◆ Extenuating circumstances for credit:
 - For mortgage loans and medical bills, the 180 days extenuating circumstance is still in place for the period January 1, 2007 to December 31, 2009.



PLUS Loans – Repayment Start Date Option Removed

Final
Disbursement

Repayment begins w/in 60 days
Effective July 1, 2008

Removes the optional “deferred repayment start date” on Parent PLUS loans established by ECASLA



PLUS Loan Deferment – Borrower Eligibility

- ◆ Deferment eligibility:
 - Parent PLUS and Graduate PLUS loan **borrowers** with loans first disbursed on or after July 1, 2008
 - Can defer loan repayment based on –
 - At least half-time enrollment at an eligible school



PLUS Loan Deferment

– Borrower Eligibility

- ◆ Can defer loan repayment based on –
 - Enrollment in an eligible graduate fellowship program
 - Enrollment in a rehabilitation training program for disabled individuals
 - Active duty or qualifying National Guard duty status during a war, national emergency, or other military operation
 - Unemployment for up to three years
 - Economic hardship status for up to three years
- ◆ Change is loan specific and not borrower specific



PLUS Loans

- Eligibility Based on Student

- ◆ Parent PLUS loan deferment eligibility based on **student's circumstances**:
 - New deferment eligibility for Parent PLUS loans
 - Upon parent request, can defer while student for whom the parent acquired the loan is enrolled at an eligible school at least half-time
 - Parent borrower needs to initiate – “opt in”



PLUS Loans

- Eligibility Based on Borrower

- ◆ Parent PLUS loan post-enrollment deferment eligibility based on **borrower's circumstances** :
 - New post-deferment deferment period for Parent PLUS loans
 - Upon borrower request, can defer loan for the six-month period immediately following the date on which the borrower ceased to be enrolled at an eligible school at least half-time
 - Can receive more than once



PLUS Loans

- Eligibility Based on Student

- ◆ Parent PLUS loan post-enrollment deferment eligibility based on **student's circumstances**:
 - New post-deferment deferment period for Parent PLUS loans
 - Upon parent request, can defer loan for the six-month period immediately following the date on which the student for whom the parent acquired the loan ceased to be enrolled at an eligible school at least half-time
 - Can receive more than once



PLUS Loans – Grad PLUS

Deferment Eligibility

- ◆ Graduate PLUS loan post-enrollment deferment eligibility:
 - New post-deferment deferment period for Graduate PLUS loans
 - Can defer loan for the six-month period immediately following the date on which the borrower ceased to be enrolled at an eligible school at least half-time
 - No language stipulating that it has to be requested separately
 - Can receive more than once



PLUS Loans

- ◆ PLUS loan capitalization of interest:
 - Interest that accrues during any of the deferment periods listed above, upon agreement by the borrower and lender, be paid monthly, quarterly, or capitalized by the lender no more frequently than quarterly
 - Back to the way it was prior to ECASLA



PLUS Loans

- ◆ PLUS repayment period start date:
 - Interest that accrues during any of the deferment periods listed above, upon agreement by the borrower and lender, be paid monthly, quarterly, or capitalized by the lender no more frequently than quarterly
 - Back to the way it was prior to ECASLA



Loan Forgiveness Programs

- ◆ Teacher Loan Forgiveness Program
 - Amended to allow:
 - Forgiveness for teachers employed in a qualifying location as well as a school
 - Forgiveness for special education teachers qualify if they are employed by an educational service agency
 - No double benefits for service in areas of national need, DL public service loan forgiveness, or DL teacher loan forgiveness
 - Effective August 14, 2008



Loan Forgiveness Programs

- ◆ Child Care Provider Loan Forgiveness is replaced by the Loan Forgiveness for Service in Areas of National Need
 - » New program for both FFEL and DL
 - » Effective 8/14/08
 - » Stafford loans, Grad PLUS loans, and Consolidation loans
 - » Borrowers employed full-time in specified areas of national need



Loan Forgiveness Programs

- ◆ Loan Forgiveness for Service in Areas of National Need
 - Forgiveness up to \$2,000 per year not to exceed five years for a total of \$10,000
 - First come-first served basis, subject to the availability of funds
 - No refunds of payments
 - No double benefits for the same service under FFEL and DL Teacher Loan Forgiveness Programs, Loan Repayment for Civil Legal Assistance Attorneys, and DL Public Service Loan Forgiveness



Loan Forgiveness Programs

- ◆ Loan Forgiveness for Service in Areas of National Need
 - Defaulted borrowers, parent PLUS loans, and Consolidation loans that paid off a parent PLUS loan are not eligible
 - Authorized for 2009 through 2014, contingent on the appropriation of funds by Congress



Loan Forgiveness Programs

- ◆ New forgiveness program for civil legal assistance attorneys – Loan Repayment for Civil Assistance Attorneys
 - Effective August 14, 2008
 - Must be a civil assistance attorney continually licensed to practice law



Loan Forgiveness Programs

- ◆ Loan Repayment for Civil Assistance Attorneys
 - Loan forgiveness up to \$6,000 a year not to exceed \$40,000
 - First come-first served basis, subject to the availability of funds
 - FFEL and DL Stafford loans, Grad PLUS loans, Consolidation loans, and Perkins loans
 - Defaulted loans, parent PLUS loans, and Consolidation loans that paid off parent PLUS loans are not eligible



Loan Forgiveness Programs

- ◆ Loan Repayment for Civil Assistance Attorneys
 - Authorized for 2009 through 2014, contingent on the appropriation of funds by Congress
 - No double benefits for the same service under DL Teacher Loan Forgiveness Programs and Loan Forgiveness for Service in Areas of National Need



Loan Forgiveness Programs

- ◆ ED will make payments on behalf of the borrower to the loan holder
- ◆ Borrower must enter into a written agreement with ED
 - Agree to be employed for 3 years
 - If agreement is broken, borrower must repay the payments made by ED
 - ED may recover funds by any means allowed under law
 - ED may waive the right to recover the amount owed by the borrower



Total and Permanent Disability Discharge

- ◆ Adds a new condition for total and permanent disability discharge
 - All borrowers who are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months will be eligible for discharge
- ◆ Effective July 1, 2010



Total and Permanent Disability Discharge

- ◆ Allows ED to develop safeguards in the administration of new discharge condition to prevent fraud and abuse
- ◆ Authorizes ED to establish regulations requiring the reinstatement of, and resumption of collection activities, on any loan discharged under new discharge condition, if the borrower receives a new Title IV loan or earns income in excess of the poverty line
- ◆ Allows reinstatement for any reason ED deems appropriate



Total and Permanent Disability Discharge – VA Documentation

- ◆ Acceptance of Veterans Affairs (VA) documentation


A borrower who has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition and who provides documentation of such determination to ED, shall be considered permanently and totally disabled

- ◆ Borrower will not be required to present additional supporting documentation
- ◆ Effective August 14, 2008



Questions





HEOA Updates: Student and School Eligibility Issues

Kim Elston

Senior Regulatory
Compliance Specialist



Ability to Benefit

- ◆ Pre-HEOA requirements for providing Title IV assistance to a student without a high school diploma or equivalent:
 - Student was homeschooled
 - Student meets the requirements of an ED-approved process prescribed by the state.
 - Student has passed an ability to benefit test approved by ED.



Ability to Benefit (cont.)

- ◆ Effective 8/14/08, HEOA expands the ability to benefit provisions to include a student who has successfully completed 6 credit hours or the equivalent applicable to a degree or certificate offered by the school.



Students With Intellectual Disabilities

- ◆ Effective 8/14/08, students with intellectual disabilities who are enrolled and making satisfactory progress in a comprehensive transition and post-secondary program for students with intellectual disabilities are eligible for Pell grants, FSEOG, and FWS.
 - Students in such programs are *not* eligible for Title IV loans.



Independent Student Definition

- ◆ HEOA amends the dependency status changes enacted by CCRAA to clarify that when an orphan, individual in foster care, or emancipated minor attains the age of majority, such a student is still considered an independent student.



Professional Judgment

- ◆ Effective 8/14/08, HEOA expands circumstances warranting the exercise of professional judgment to include:
 - nursing home expenses
 - dependent care costs
 - dislocated worker status of the student.



Professional Judgment

- ◆ Effective 8/14/08, schools are permitted to offer an unsubsidized Stafford loan to a dependent student without parental completion of the FAFSA if the school verifies that the parent(s) does not provide financial support and refuses to file the FAFSA.



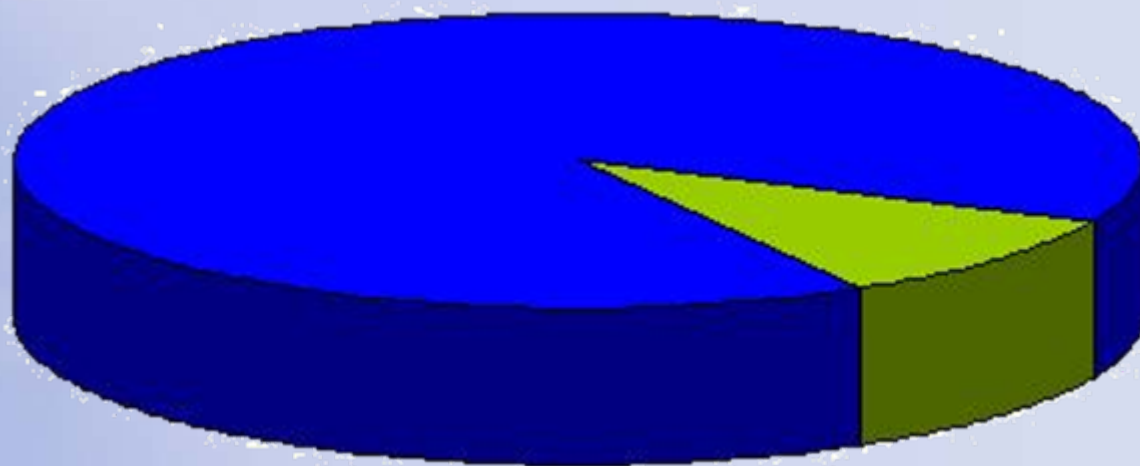
90/10 Rule Changes

- ◆ HEOA changes the 90/10 rule from an institutional eligibility requirement for proprietary schools to a Program Participation Agreement requirement for proprietary schools.



90/10 Rule Changes

- ◆ The school must derive at least 10% of its revenues from sources other than Title IV funds.



90/10 Rule Changes – Institutional Aid

- ◆ For institutional loans made between 7/1/08 and 6/30/12, the school must use the net present value of the loan during the applicable fiscal year, accounted for on an accrual basis. Loans must be:
 - Evidenced by enforceable promissory notes
 - Issued at intervals related to the school's enrollment periods
 - Subject to regular loan repayments and collections.



90/10 Rule Changes – Institutional Aid

- ◆ Institutional loans made on or after 7/1/12 will again be accounted for on a cash basis, excluding payments received on loans made during the 7/1/08 – 6/30/12 period.
- ◆ For institutional scholarships, only those *in the form of monetary aid or tuition discounts based on academic achievement or financial need* disbursed during each fiscal year from an established restricted account containing funds from an outside source may be included as revenue.



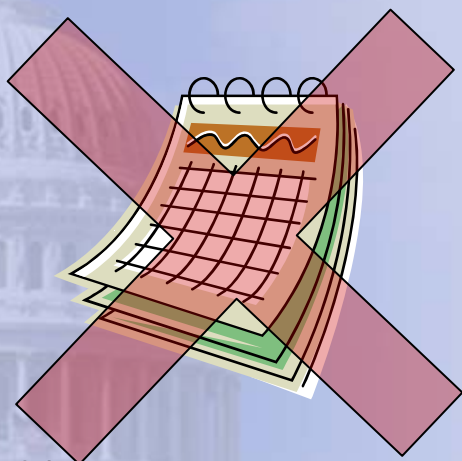
90/10 Rule Changes – Additional Unsubsidized Loans

- ◆ From 7/1/08 to 7/1/11, allows the school to treat the increased unsubsidized loan funds received under ECASLA as revenue from non-Title IV sources.



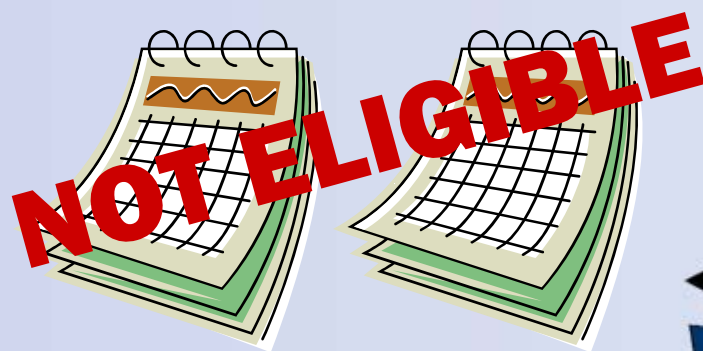
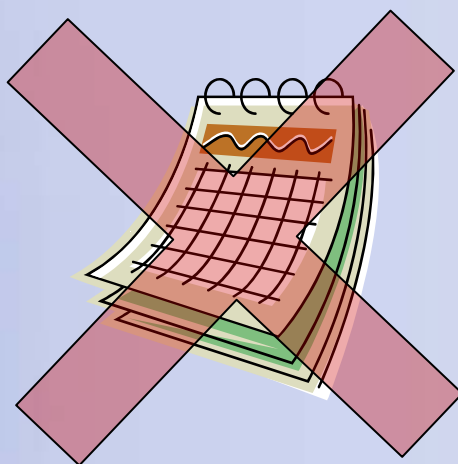
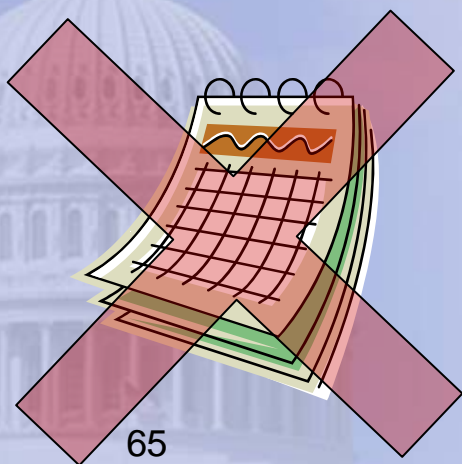
90/10 Rule Changes - Sanctions

- ◆ If a school fails to meet the 90/10 requirement in one institutional fiscal year, the school's Title IV eligibility becomes provisional for the following two institutional fiscal years.



90/10 Rule Changes - Sanctions

- ◆ If a school fails to meet the 90/10 requirement in two consecutive institutional fiscal years, the school will lose Title IV eligibility for at least the two following institutional fiscal years.



Questions





HEOA Updates:

PLUS Loan Auction Pilot

Cohort Default Rates

FAFSA Simplification & Model Offer Form

School Disclosures

Entrance and Exit Counseling

Code of Conduct

Private Loan Changes

Pell Grants

Consumer Education

Rick Edington

Director for School/Lender Services,
Default Prevention & Outreach



Competitive Loan Auction Pilot Program – PLUS Loans

- ◆ Part of the College Cost Reduction and Access Act (CCRAA)
- ◆ Effective July 1, 2009
- ◆ HEOA adds:
 - ✓ Requirement for prequalification process in order for lenders to participate including lender commitment agreement
 - ✓ Sanctions for the lender that wins the bid and fails to enter into an agreement or to comply with the agreement



Competitive Loan Auction Pilot Program – PLUS Loans

◆ Sanctions:

- Penalty in the amount of additional costs to ED in obtaining another PLUS lender (includes the increase in special allowance payments)
 - Reducing payments otherwise due from ED, or
 - Reducing payments due that lender from any other federal agency, pursuant to section 3716 of Title 31



Competitive Loan Auction Pilot Program – PLUS Loans

◆ Sanctions:

- Prohibiting the lender from bidding in other auctions
- Limitation, suspension, or termination of the lender's participation in the FFEL Program
- Any other enforcement action ED is authorized to take under the FFEL Program



Competitive Loan Auction Pilot Program – Guarantees

- Federal PLUS loans guaranteed by a FFEL Program guarantor
- Insurance on loans is 99% except for
 - Exempt claims (100%)
 - Lender of Last Resort (100%)



Competitive Loan Auction Pilot Program – Evaluation

- ◆ Requires ED and the Secretary of Treasury to jointly conduct an evaluation of the pilot program to determine:
 - Extent of savings generated
 - Number of lenders that participated and extent of generated competition
 - Number and volume of loans made under the pilot in each state



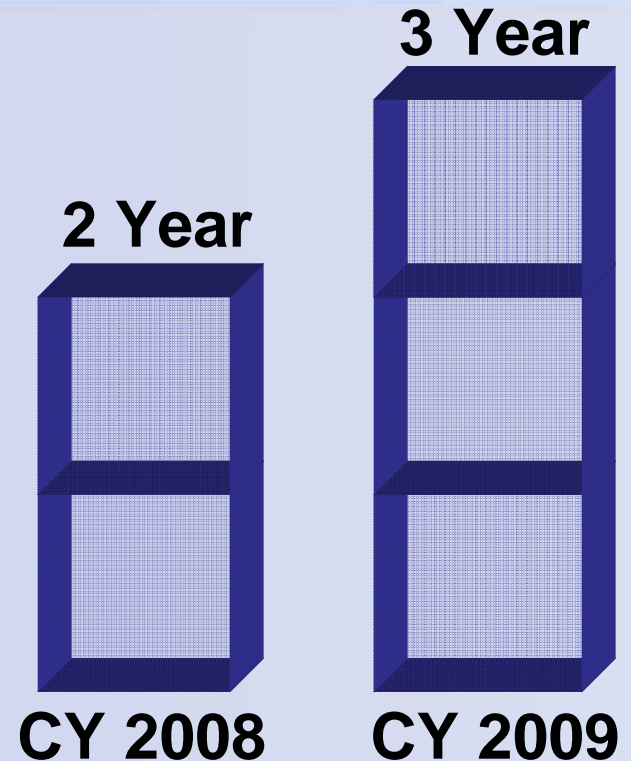
Competitive Loan Auction Pilot Program – Timelines

- ◆ ED and Secretary of Treasury must submit to the authorizing committee not later than:
 - 9/1/2010 – preliminary report of initial evaluation findings
 - 9/1/2012 - an interim report of findings
 - 9/1/2013 – a final report of findings
- ◆ Reports will include ED's recommendations for improving the operation and administration of the auction program and of other Title IV Part B loan programs



Cohort Calculations, Benefits & Sanctions

**Change from
2 to 3 year
calculation
methodology in
Cohort Year (CY)
2009**

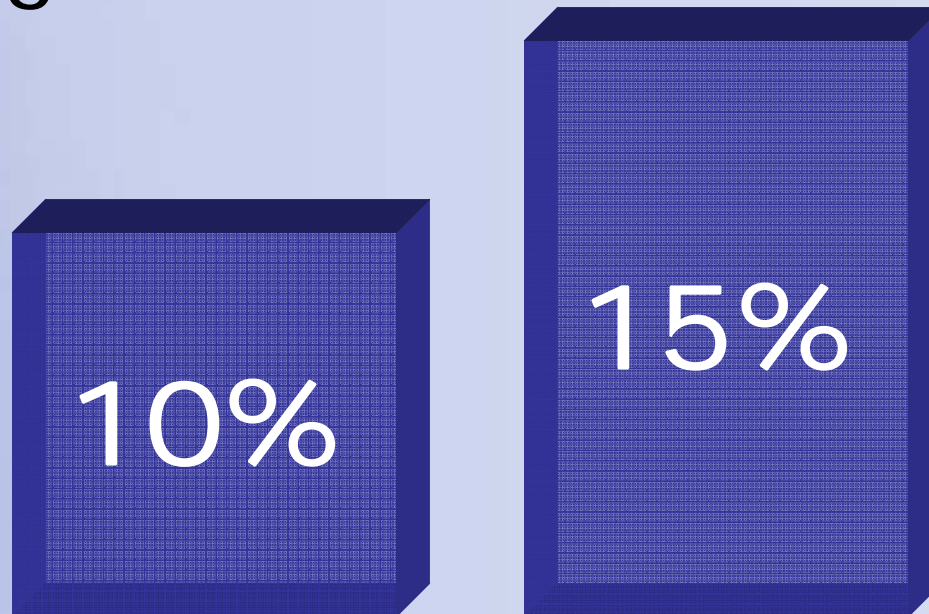


Now includes students who default before the end of the SECOND fiscal year following the fiscal year they entered repayment



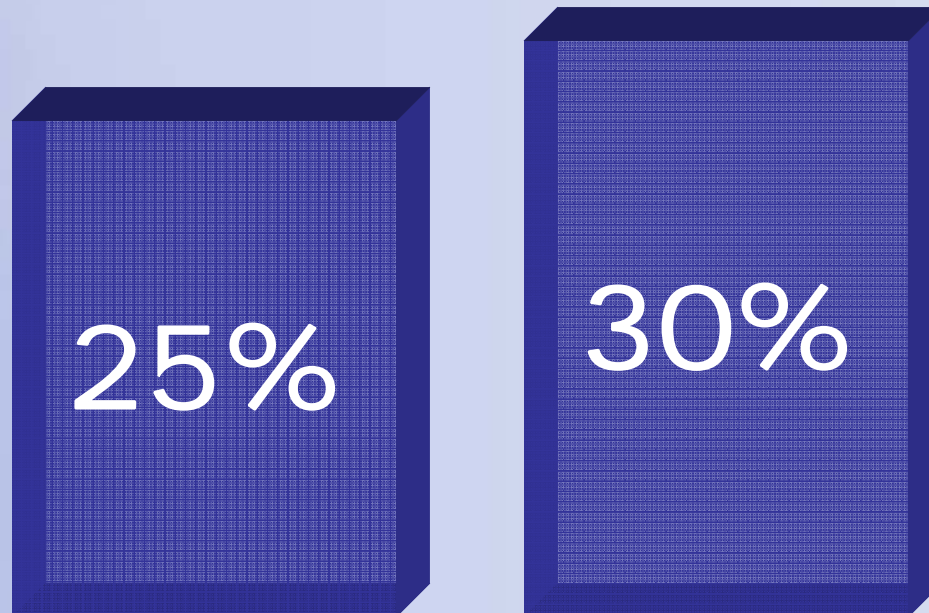
Cohort Calculations, Benefits & Sanctions

- ◆ Threshold rate changed from 10 percent to 15 percent for delayed delivery and multiple disbursement
- ◆ Beginning 10/1/2011



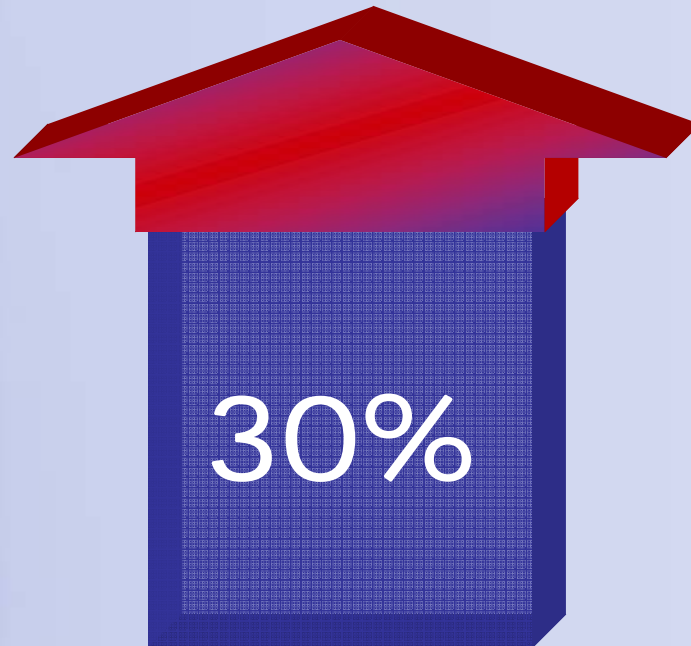
Cohort Calculations, Benefits & Sanctions

- ◆ Loss of eligibility threshold rate raised from 25 percent to 30 percent
 - Beginning on or after fiscal year 2012



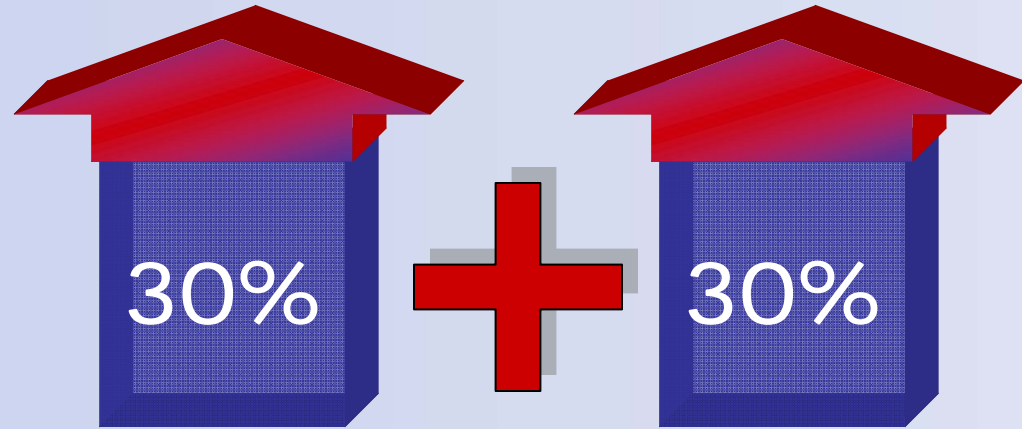
Cohort Calculations, Benefits & Sanctions

- ◆ Schools with rates of 30 percent or higher must develop a task force to develop and submit plan to reduce their rate to ED



Cohort Calculations, Benefits & Sanctions

- ◆ If an institution's rate is equal to or greater than 30% for two consecutive years, the task force must re-evaluate the plan.



These schools may also file an exceptional mitigating circumstances appeal



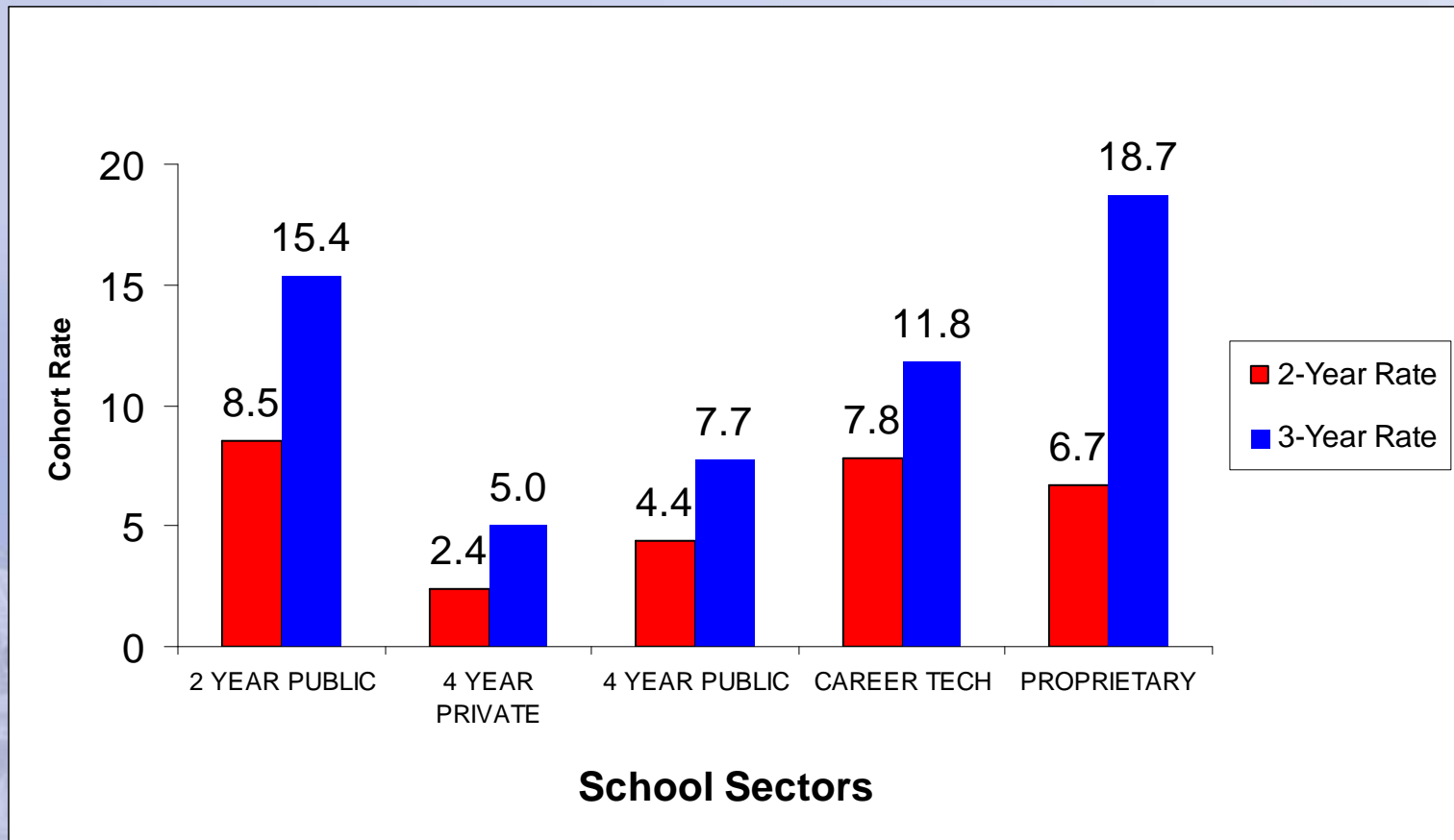
Cohort Calculations- Benefits & Sanctions

◆ Participation Rate

- Increases the participation rate index threshold from 0.0375 to 0.0625.
 - Institutions with a participation rate index equal to or less than 0.0625 for the 3 most recent years are not subject to ineligibility due to high default rates.
- ## ◆ Fiscal years beginning on or after October 1, 2011



2006 Cohort Rate Comparison



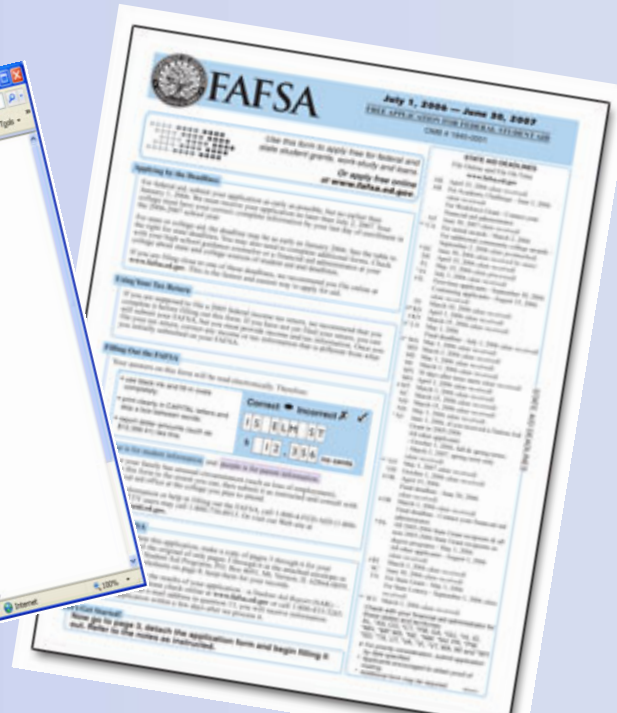
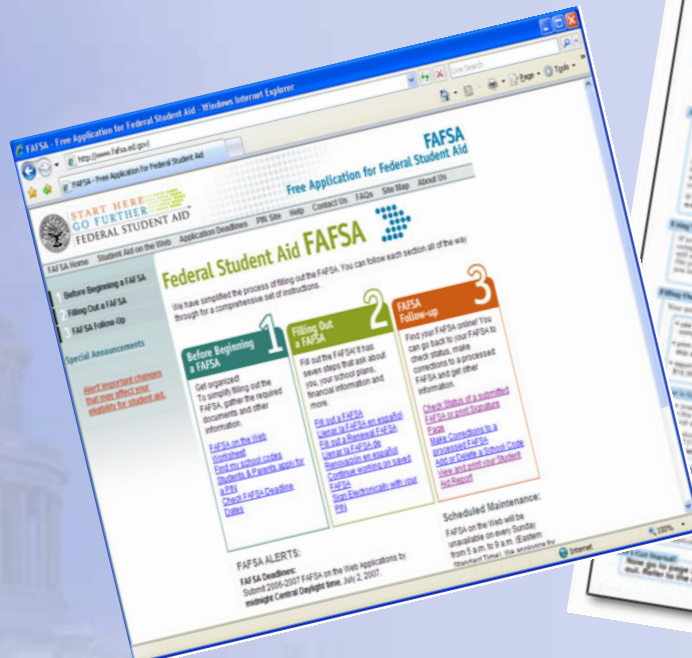
Cohort Rates- Lifetime Rates

- ◆ Annually, ED must publish list of current and “lifetime” cohort default rates by school type
- ◆ Must include percentage of loan-receiving students (former and current) who enter repayment during that fiscal year and who defaulted before the end of the succeeding fiscal year
- ◆ For cohort rates calculated for Fiscal Year 2009 and beyond



FAFSA

- ◆ FAFSA forms will still be available in both paper and electronic formats.
- ◆ An EZ-FAFSA will also be developed.



FAFSA- Early Application Demonstration Program

- ◆ By August 14, 2010, ED shall implement an early application “demonstration” program enabling dependent students who wish to participate:
 - To complete an application two years prior to the year the student plans to enroll.
 - By no later than one year prior to planned enrollment, receive information on eligibility for Pell Grants, Federal student loans, and State and institutional financial aid.



FAFSA Simplification



ED shall continue to examine how and when the IRS can provide ED with income and other data needed to compute an EFC or to pre-populate the electronic FAFSA.



FAFSA Simplification

- ◆ ED shall continue to examine whether FAFSA data elements needed to determine eligibility, but not expected EFC, can be reduced without adverse effect.
 - Examples: Citizenship status, driver's license



Model Institution Financial Aid Offer Form

- ◆ ED shall convene a group tasked to make recommendations to improve financial aid offer forms. Group shall consist of:
 - Students
 - Families of students
 - Secondary school guidance counselors
 - Representatives of institutions of higher education
 - Nonprofit consumer groups



Model Institution Financial Aid Offer Form

- ◆ ED must include in their report to the Congressional Education Committees a model form that includes:
 - ✓ Cost of attendance
 - ✓ Amount of aid that does not have to be repaid
 - ✓ Types/Amounts of loans for which student is eligible
 - ✓ Net amount the student will have to pay for the year
 - ✓ Where additional information on the financial aid offered may be found
 - ✓ Any other information determined necessary by ED



School Disclosures – ED Report

- ◆ ED is required to provide schools prior to the beginning of each award year with a list of all reports and disclosures the school is required to complete or submit under the Act.
- ◆ List must include
 - ✓ Due Date
 - ✓ Required recipients
 - ✓ Method of transmittal or dissemination
 - ✓ Description of contents
 - ✓ References to the statutory, regulatory or guidance that authorizes the report of disclosure, and
 - ✓ Any other information that is pertinent to the content or distribution of the report or disclosure.



School Disclosures - For Prospective or Enrolled Students

- ◆ New disclosure requirements for prospective or enrolled students:
 - Any plans to improve academic programs.
 - The terms and conditions of loans the students receive, including Perkins loans.
 - Policies and sanctions related to copyright infringement.
 - The student body diversity at the institution
 - Types of four-year programs in which graduates are enrolled.



School Disclosures - For Prospective or Enrolled Students

- Placement and employment information for students.
- Fire safety reports
- Retention rates
- Vaccination policies
- Law enforcement authority of campus security personnel and their working relationship with other law enforcement agencies.



School Disclosures - For Prospective or Enrolled Students

- Policies that encourage accurate and prompt reporting of crimes.
- Additional reporting of four crimes
- Emergency response policies and annual tests
- Transfer of credit policies
- Missing person procedures
- Notices concerning penalties for drug violations.
- Upon request of the victim, or next of kin, must provide results of any disciplinary proceedings against the perpetrator.



School Disclosures – For Entering Students

- ◆ For students entering the institution:
 - The completion or graduation rates of full-time, undergraduate students who are seeking a certificate or degree, segmented by various statistically significant subgroups.
 - Two-year schools will be aided by ED in fulfilling this requirement.
- ◆ Date of enactment for most schools, Academic year 2011-2012 for two-year, degree granting institutions

School Disclosures- New Transfer of Credit Policies Provision

- ◆ Schools must publish policies on acceptance of credits from other institutions, and shall include, at a minimum:
 - Criteria used by the institution
 - A list of institutions with which the reporting institution has an articulation agreement.



Schools- Private Loan Disclosures

- ◆ Schools are required, upon request of a student for a private education loan, to provide the new Truth in Lending disclosure form and the information required to complete the form, to the extent they have the information.
- ◆ Specifies “private education loan” has the meaning given in section 140 of Truth in Lending Act (TILA).
- ◆ Trigger Date: Subject to regulation by the Federal Reserve Board in consultation with the Secretary of Education



Entrance Counseling

- ◆ Each institution shall provide to first-time borrowers at or prior to first disbursements:
 - Comprehensive, easy-to-read information on the terms and conditions of the loan



Entrance Counseling – Delivery

- ◆ Information may be provided:
 - During an in person counseling session,
 - On a separate written form that is signed by the borrower and returned, or
 - Online with borrower acknowledgement of receipt.



Entrance Counseling – New Information Required

- ◆ Effect of accepting the loan on eligibility for other forms of financial aid
- ◆ Explanation of how interest accrues and is capitalized if not paid
- ◆ Option to pay interest rather than allowing it to capitalize
- ◆ School's definition of half-time enrollment during regular and summer terms
- ◆ Consequences of not maintaining at least half-time enrollment



Entrance Counseling- New Information Required

- ◆ Importance of contacting appropriate school offices if borrower withdraws
- ◆ Obligation to repay full loan amount even if borrower doesn't complete program within regular completion time
- ◆ Likely consequences of default, including debt collection procedures



Entrance Counseling- New Information Required

- ◆ Information on NSLDS and how borrowers can access loan records
- ◆ Name and contact information for person to contact with questions about rights and responsibilities or loan terms and conditions



Entrance Counseling – New Information Required

- ◆ Revises sample repayment info to provide such information based upon:
 - A range of levels of indebtedness of borrowers of subsidized or unsubsidized Stafford loans and as appropriate, graduate borrowers of unsubsidized Stafford loans or Grad PLUS loans; or
 - The average cumulative indebtedness of other borrowers in the same program as the borrower, at the same school



Exit Counseling

- ◆ Mandates exit counseling for Grad PLUS borrowers
- ◆ Establishes a single counseling standard for both Stafford and Grad PLUS borrowers
- ◆ Encourages use of interactive counseling including tests and quizzes



Exit Counseling- New Information Required

- ◆ Available repayment plans and description of different plan features
- ◆ Sample information showing anticipated monthly payments
- ◆ Differences in interest paid and total payments for each plan
- ◆ General description about loan forgiveness
- ◆ Copy of ED provided information- 485(d)



Exit Counseling- New Information Required

- ◆ Explanation that borrowers may prepay loans, pay each loan on a shorter schedule, and change repayment plans
- ◆ Deferment and forbearance information
- ◆ Impact of loan consolidation
- ◆ General description of tax benefits that may be available



Exit Counseling- New Information Required

- ◆ NSLDS and how to access loan data
- ◆ Information on federal delinquent debt collection practices
- ◆ Interactive counseling with tests encouraged



Schools- Code of Conduct

- ◆ Required by schools participating in Title IV loan programs and applies to the institution's officers, employees, and agents.
 - ✓ Prohibits conflict of interest with the responsibility of the officer, employee, or agent, and
 - ✓ Includes provisions already mentioned in the HEA.
 - ✓ Must be published prominently on the school's website
 - ✓ All officers, employees and agents must be informed of the code on an annual basis



Schools- Code of Conduct

- ◆ Prohibits the following:
 - Revenue sharing agreements
 - Receipt of gifts above a nominal value
 - Pre-packaging of first-time borrowers with a specific lender
 - Opportunity pool loans
 - Lenders providing staffing assistance



Schools- Code of Conduct

- ◆ Contracting arrangements with lenders and guarantors prohibited with the following exceptions:
 - Officer or employee not employed in financial aid (or with no financial aid responsibility) can be paid for board service of guarantor, lender or servicer.
 - School employees not employed in financial aid, but with responsibilities including educational loans, can serve on boards if they recuse themselves from decisions affecting loans at the institution.
 - Staffing services on a short-term, non-recurring basis during an emergency, if approved by the Secretary.



Schools- Code of Conduct

- ◆ Exceptions to Gift ban include:
 - Standard materials and programs that are loan related
 - Professional development training/materials
 - Favorable loan terms, if provided to all students
 - Entrance and exit counseling services, if school controls the process and counseling does not promote products or services of lender
 - Philanthropic gifts, if not given to secure loan volume
 - State grants or scholarships



Schools- Code of Conduct

- ◆ Schools may serve on lender or guarantor advisory boards
 - No compensation allowed
 - Reimbursement of reasonable expenses
 - Boards must disclose reimbursement of expenses on annual basis to Secretary



Prohibited Inducements- New Provisions

- ◆ Prohibits the offering of stock or other securities and tuition payment or reimbursement in return for loan volume
- ◆ Codifies that technical assistance comparable to that provided by ED is acceptable
- ◆ Allows guarantors to perform exit counseling



Early Awareness of Financial Aid Eligibility Campaign

- ◆ Provides for implementation of a system to provide students and families with early awareness of financial aid availability
- ◆ Secretary is to coordinate with states, institutions of higher education, secondary schools, early intervention and outreach programs and other agencies involved in student financial assistance and college access.



Early Awareness of Financial Aid Campaign

- ◆ ED required to develop a public awareness campaign designed to increase national awareness of financial aid available under Title IV
- ◆ No later than 2 years after date of enactment (August 14, 2010)



Private Loans- School Disclosures

- ◆ Schools participating in Preferred Lender Arrangements must disclose on Website and informational materials that describe educational loans:
 - The maximum amount of Title IV grant and loan aid available
 - Statement that school must process a FFELP loan from any lender student selects
 - Other information to be provided by Secretary within 18 months of enactment



Additional School Requirements- Private Loans

- ◆ Schools must inform prospective borrowers that they may qualify for loans or other Title IV assistance; and
- ◆ The terms and conditions of Title IV loans may be more favorable than private loans
- ◆ Information regarding private loans must be presented in a manner that distinguishes them from Title IV loans



Additional School Requirements- Private Loans

- ◆ Private loan applicants are required to complete and sign a self-certification form.
- ◆ Schools must provide borrowers with the following information:
 - Cost of attendance, estimated financial assistance and expected family contribution



College Navigator Website

COLLEGE Navigator

English [Español](#)

Name of School

States (use map for more than 1 state)

No Preference

Alabama

Alaska



ZIP Code

Miles from

Programs/Majors 0 Items

Level of Award

Certificate

Associate's

Bachelor's

Advanced

Institution Type

Public

4-year

Private

2-year or less

MORE SEARCH OPTIONS

[Guide Me](#) | [Clear Search](#)

NEW!
Enrollment, Financial aid, & Graduation/
Retention data have been updated



BEGIN your SEARCH

your source for college information



FIND THE RIGHT COLLEGE *for you...*

- » Begin your Search from the search menu or choose [Guide Me](#)
- » Refine your search by selecting *More Search Options* to use additional search criteria.
- » Build a list of schools using *My Favorites* for side-by-side comparisons.
- » Pinpoint school locations with an *interactive map*.
- » Export search results into a *spreadsheet*.
- » Save your session including search options, results, and favorites.

» | ADDITIONAL RESOURCES

Preparing for your Education
Find out what you need to do to prepare for education beyond high school. [» GO](#)

Financial Aid
Apply for Federal Student Aid on FAFSA. [» GO](#)

Careers
Deciding on a career? Consult the Occupational Outlook Handbook from bls.gov. [» GO](#)



College Navigator Website

- ◆ ED will provide data on site for most recent academic year, including:
 - Numbers of applicants admitted and enrolled
 - Number of full/part-time students
 - Cohort default rate
 - Cost of attendance figures
 - Average amounts of aid awarded by program type
 - Average annual tuition and fees for first-time, full-time undergraduates
 - And MUCH more!



Pell Grants – Maximum Annual Limits

\$6,000 for AY 2009-2010

\$6,400 for AY 2010-2011

\$6,800 for AY 2011-2012

\$7,200 for AY 2012-2013

\$7,600 for AY 2013-2014

\$8,000 for AY 2014-2015



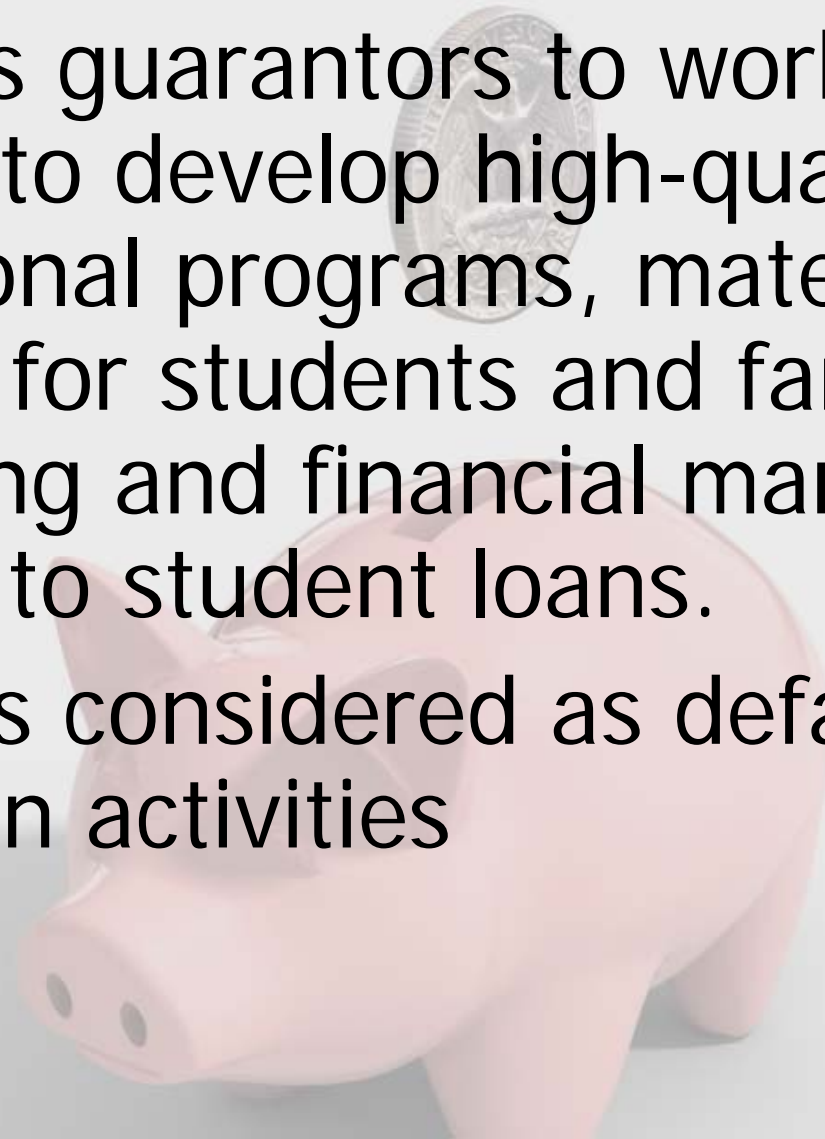
Pell Grants


- ◆ \$400 minimum eliminated
- ◆ Minimum award set at 10% of authorized amount
- ◆ Allows students to receive two awards per award year to permit accelerated degrees for associate and bachelor degree programs




Guarantors- Consumer Education Information

- ◆ Requires guarantors to work with schools to develop high-quality educational programs, materials and training for students and families in budgeting and financial management relating to student loans.
- ◆ Activities considered as default reduction activities







Oklahoma Money Matters (OKMM)
is OGSLP's financial education
program.

A green highway sign with white text is mounted on a metal structure. The sign is rectangular with rounded corners and a white border. The text is centered and reads: "The average worker admits to spending 21 hours per month handling personal finance issues while on the job." The sign is set against a clear blue sky. The metal structure supporting the sign has several black brackets along its bottom edge.

The average worker admits to
spending 21 hours per month
handling personal finance issues
while on the job.

A green highway sign with white text is mounted on a metal structure. The sign is rectangular with rounded corners and a white border. The text is centered and reads: "Eating lunch out each weekday can add up to a yearly cost of \$1,700." The background is a clear blue sky.

Eating lunch out each weekday
can add up to a yearly cost of
\$1,700.

A green highway sign with white text is mounted on a metal structure. The sign is rectangular with rounded corners and a white border. The text is centered and reads: "Americans spend \$1.22 for every dollar they earn." The background is a clear blue sky.

Americans spend \$1.22 for every dollar they earn.

A large green highway sign with rounded corners and a white border, mounted on a metal structure with five visible brackets. The sign is set against a clear blue sky. The text on the sign is white and centered.


15 million Americans use
payday lenders each month.




Need financial education resources?

- Budgeting
- Consumer Credit
- Savings


OKMM can help!



OKMM can help you develop new financial education programs or enhance your current initiatives.



OKMM staff can provide train-the-trainer support or conduct personal finance workshops for your students or employees.



We can develop customized financial literacy content and tools for your Web site.



Student Financial Services

[SWOSU](#) > [Administration](#) > [Student Financial Services](#) > [Money Management](#) > [Dawg Dollars](#)

Navigate:

SFS Home
Applying for Aid
General Information
Grants
Scholarships
Federal Work Study
Loans
Forms
Policies
Statement of Ethical Principles
Staff
Money Management

Dawg Dollars

Welcome to *Dawg Dollars*, your source for money management tips and information to keep you out of the financial dog house. Whether you're attending class to become a teacher or earning a degree in finance, you can build financial success starting here at SWOSU.

Use the links on the right to explore a variety of areas related to your financial well-being. With a little work and dedication, you can become a successful manager of your money—no bones about it!

Topics

- ▶ [Home](#)
- ▶ [Budgeting](#)
- ▶ [Credit](#)
- ▶ [Debt](#)
- ▶ [Identity Theft](#)
- ▶ [Savings](#)
- ▶ [Scams](#)
- ▶ [Student Loans](#)
- ▶ [Resources](#)

School Codes:

Weatherford: 003181
Sayre: E00540

Student Financial Services
100 Campus Drive
Weatherford, OK 73096
Phone: (580) 774-3786
Fax: (580) 774-7066
sfs@swosu.edu

This information presented in cooperation with Oklahoma Money Matters, the financial education outreach initiative of the Oklahoma Guaranteed Student Loan Program. For more information about OKMM, visit www.oklahomamoneymatters.org or call 1-800-970-OKMM.



 **Student Financial Services**

[SWOSU](#) > [Administration](#) > [Student Financial Services](#) > [Money Management](#) > [Put a Leash on Credit](#)

Navigate:[SFS Home](#)[Applying for Aid](#)[General Information](#)[Grants](#)[Scholarships](#)[Federal Work Study](#)[Loans](#)[Forms](#)[Policies](#)[Statement of Ethical Principles](#)[Staff](#)[Money Management](#)**School Codes:**

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Put a Leash on Credit

Ever been short on cash and asked a buddy to spot you? Well, simply put, that's the role of credit: to provide funds today that must be repaid at a later date. Unlike borrowing from your pals, however, you'll pay – in the form of interest - for the privilege of using other forms of credit!

In today's society, access to credit is a must. Few of us could buy a car, home or other big-ticket item without it. Maintaining a solid credit rating and payment history will ensure your ability not only to obtain credit in the future, but to qualify for a lower interest rate. If you don't have a credit history, how do you get one?

Building a Doggone Good Credit History

Building a good **credit history** is one of the smartest things you can do. If you're at least 18 years old and have a regular source of income, you're well on your way! However, you must demonstrate that you're a good risk before lenders will extend credit to you.

Can't qualify for a low interest rate credit card from a major credit card issuer? You may want to consider the following alternatives to establish a credit rating:

- apply for a credit card issued by a local store. Often, local businesses are more willing to extend credit to someone with no credit history.
- apply for a secured credit card. Basically, this type of card requires you to save the money first as collateral for your line of credit. Your credit line will be a percentage of your deposit, typically from 50 to 100 percent of your account balance. Bear in mind that some secured credit cards charge application and processing fees, and many carry a higher interest rate than traditional, non-secured cards.

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Keep Your Paws Off: How to Avoid Identity Theft

"Identity theft occurs when your personal information is stolen and used without your knowledge to commit fraud or other crimes."

Did you know that one-third of **identity theft** victims are under the age of 30, and the majority are college students?

As a student, you can take special precautions to make sure your personal information doesn't fall into the hands of would-be thieves. If you live in a community setting, like a dorm, fraternity or sorority, keep your personal papers, such as your birth certificate, Social Security card, transcripts, FAFSA form or other documents with personal information, in a fire-proof lock box. These are relatively inexpensive to purchase and available from a variety of stores.


Instead of tossing documents that include sensitive information in your wastebasket, use a cross-cut shredder to destroy them. It's also a good idea to keep your passwords secret. If you must write them down to remember them, store them in the lock box with your other sensitive items.

Here are a few other tips to keep you safe from identity theft:

- Don't carry your Social Security card in your wallet or have your number printed on checks.
- Don't give out personal information over the phone unless you initiated the contact.
- Don't use obvious passwords, like your name, birth date or mother's maiden name.
- Be on the lookout for bills that don't arrive as usual.
- Keep an eye out for charges to your account that you didn't make.

Topics

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We'll connect you with financial education providers in your area and help you promote your services and activities.

Visit us online at
www.OklahomaMoneyMatters.org

\$KMM
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TIPS OF THE TRADE

Ready, Set ... FAFSA!

Need money for college? Fill out the Free Application for Federal Student Aid—known as the FAFSA—to find out if you're eligible for financial aid, including federal grants and student loans. Here are some tips to assist you during this process.

Start early. It's best to complete the FAFSA as soon as possible after Jan. 1 during your senior year of high school. Complete a new form every year during college to make sure you still qualify.

Get organized. You'll need to gather important personal and financial information, such as income tax records, current bank statements and your Social Security number, which will be used to determine your eligibility.

Call on Mom and Dad. If you're a dependent student, you'll need records from your parents, as well.

Just do it. Even if you think you aren't eligible for aid, fill out the FAFSA

MORE MONTH THAN MONEY?

PAYMENT DUE

Hot Off the Press - OKMM's [Winter 2007 Newsletter](#)

Financial Aid Awareness Week

Gov. Brad Henry has proclaimed February 24 through March 1 as "Financial Aid Awareness Week." Looking for financial aid resources? Visit the Oklahoma Guaranteed Student Loan Program's Web site, www.ogsip.org, for information about grants, scholarships and federal student loans to help you pay for college.

President Creates New Financial Literacy Council

On January 22, 2008, President Bush signed an executive order establishing the President's Advisory Council on Financial Literacy for the purpose of keeping America competitive and assisting the American people in understanding and addressing financial matters. [<More>](#)

What is New?

October 23, 2008 Final Rules

◆ CCRAA:

- Economic Hardship Deferment
- Military Service Deferment and Post-Active Duty Student Deferment
- Income-Based Repayment (IBR) Plan
- Public Service Loan Forgiveness
- Eligible Not-For-Profit Holder definition



What is New?

October 23, 2008 Final Rules

◆ HEOA

- IBR Plan exclusion of defaulted loans
- Public Service Organization definition
- Government employee definition



Resources

- ◆ OGSLP Policy, Compliance, and Training (PCT) Department
405-234-4432 or pct@ogslp.org
- ◆ OGSLP Legislation Web page -
<http://www.ogslp.org/Schools-Lenders/Legislation.shtml>
- ◆ U.S. Department of Education - Higher Education
Opportunity Act Website -
<http://www.ed.gov/policy/highered/leg/hea08/index.html>
- ◆ Servicemembers Civil Relief Act - Military Orders Tracking
Website - <https://www.dmdc.osd.mil/scra/owa/home>



Questions

