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THE WEBER REPORT

Weber & Associates, Inc. Newsletter

February, 2017



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Hello,

Welcome to The Weber Report. We are pleased to share with you important news and information to help you with your financial aid management. Thanks for the opportunity to share our expertise with you!

The Case In Favor Of The Direct Loan Program

The following is an opinion article written by Dr. Harry V. Weber President and Founder of Weber & Associates, Inc.

There has been talk among higher education and political figures regarding the federal student loan programs and whether the loans should be federally funded, as they are with the Federal Direct Student Loan Program, or if they should be funded by private commercial banks. Having been involved with the Federal Direct Student Loan (FDSL) for the past eight years and the former Federal Family Education Loan (FFEL) program for over twenty years I feel well qualified to express my opinions as to the benefits and failures of each program.

Federal Direct Student Loans – The major advantage, from the perspective of institutions and students, is one simple word - ACCESS. When comparing the FDSL program to the former FFEL program access to loan funds is a major factor. With the FDSL program access to the availability of loan funds is available to all eligible students studying in an approved program and attending an approved eligible institution. There is no discrimination against students enrolled in short term (less than four year) institutions. There is no discrimination against programs the lenders are not familiar with such as cosmetology, barbering, and message therapy, because the lenders fear higher default rates than with the more traditional students with which they are familiar.

Participants in the FDSL program, after meeting all of the student eligibility requirements, have direct access to student funds within days rather than weeks with the former bank loan programs. From a historical perspective, institutions participating in the FFEL program were often unable to find a lender that would make loans to their students. In some states the for-profit sector institutions were subject to special rules imposed by the state guaranty agency and banks which would not serve their students.

With the FDSL program institutions can request funds, make payments, pay loan cancellations and refunds all with singular entities within the FDSL agencies. Institutions can manage their records and report disbursements and refunds to balance their institution's account without



For more information about how our financial aid processing and management services can help your institution, please contact us today.

Give us a call:
888-857-8690

Weber Good News Club!

Do you have exciting news happening at your school that you would like to share? Tell us your news and we will share your good news in our newsletter and will also share it on our social media accounts so others can read about your school! To get your good news shared please contact Harry Weber at: [click here](#) or Amanda Ellis-Johnson at: [click here](#). We look forward to sharing your news!

having to contact multiple agencies. While keeping the fund in balance for each year may sometimes be an administrative headache due to interest round offs, late posting of refunds by G-5, or incorrect overpayment of a refund, the balancing system puts the institution or its third-party service in charge of actions necessary to bring the fund in balance. Being in charge of the balancing system with FDSL is far better than it was being done by the bank making the loan and the institution having no knowledge of the balancing of the fund.

With the FDSL program there are no special arrangements between large institutions and lenders when institutions favor lenders and even would sometimes set up special accounts for students which could have fees paid by students for the account. We said it before and we will say it again, with FDSL every institution and every student is treated equally.

From the government perspective the U.S. Department of Education does not have to pay the banks fees or special incentives to participate in the loan programs. They do not have to pay interest subsidies to the banks and they do not have to invest large amounts of seed money in the guaranty agencies.

From an institution perspective, efforts to obtain banks to serve their students are not necessary. Institutions do not have to experience the indignity of banks refusing to lend to their students and the indignity associated with having their institution being discriminated against because of what and who they are.

Hopefully the lawmakers and officials making decisions about the future of the student loan programs will take these discussions seriously when reevaluating the student loan program's future.

Staying In Compliance With SURE

First, we want to help you stay in compliance with these regulations for reporting your students' information to NSLDS. We are working diligently to improve our systems to provide better clarity and information for you. One of the big initiatives is to ensure that all our schools are in compliance by having at least 90% of their students certified with a program. This not only affects NSLDS reporting but could possibly affect their loan subsidies for SULA. This means that you need to regularly review and update your students' enrollment information. We see many types of errors from NLSDS reporting and want to help you minimize these as much as possible. The most common error codes that we see are Error Code 26 and 33.

Error Code 26 Anticipated Completion Date

1. Definition: Anticipated Completion Date (ACD) must be greater than Certification Date when school reports Enrollment Status Code of 'A', 'F', 'Q', 'H', or 'L'.
 - 'F' (full-time)
 - 'Q' (three-quarter time)
 - 'H' (half-time)
 - 'L' (less than half-time)
 - 'A' (leave of absence)
1. Why we see them:
 1. Most of the time this happens when someone forgets to update this date and the roster is certified.



REMINDER: DID YOU SEND YOUR MONTHLY BANK STATEMENT?

Weber & Associates Emails...Are You Reading Them?



Please make a habit of reading Weber & Associates emails. Failure to do so may cause you to miss something important! If someone at your school needs to be enrolled to receive emails from Weber & Associates please submit a request through your VFAO Support Site.

- Simply put, this date can't be in the past for a student that is currently attending this program. When we send out the rosters to NSLDS this date must be in the future.

Error Code 33 Enrollment Effective Date / Anticipated Completion Date

- Definition: Anticipated Completion Date must be greater than or equal to Enrollment Status Effective Date for Enrollment Status of 'A', 'F', 'Q', 'H', and 'L'.
- Why we see them:
 - The enrollment status effective date is updated but the anticipated completion date isn't.
 - Simply put, this means that the date that you expect them to complete the program must be the same as or later than the latest enrollment status update.

Typically, we will see these two error codes together. Most of the time this means that someone forgot to update this student's information. Once it's updated we will send it out with the next roster, and it will clear up this error.

Help us help you stay in compliance by keeping these dates updated. Also, please let us know if there's a better way that we can help you with your NSLDS reporting. We want to make sure that SURE is helping you.

You can find your NSLDS reports on the top of your SURE page on the VFAO.

If you're having trouble updating your students' information or would like us to investigate an issue, please contact us.

VFAO SUPPORT:

VFAO Support Site: [click here](#)

VFAO Support Email: [click here](#)

VFAO Support Phone: 855-865-VFAO (8326)

NASFAA Reports On Executive Order

In Today's news from NASFAA on January 31, 2017 it is reported that President Trump has issued executive orders that seek to scale back federal regulations. As stated in the order "for every regulation created, departments and agencies must identify two rules or regulations that can be repealed – a move Trump repeatedly promised he would act on during his campaign".

This could be good news for those who feel that they have been over-regulated during the past few years. As we learn more in this a very active new year we will keep you informed. Thanks NASFAA for the news.

Pell Lifetime Eligibility And How It Has Changed Over The Years

"The Best Preparation for Tomorrow is Doing Your Best Today"

- H. Jackson Brown Jr.

WEBER 2017 SPRING WORKSHOP DATES AND LOCATIONS!

Weber & Associates, Inc. is pleased to announce the dates and locations for our upcoming 2017 Spring workshops.

Greenville, SC -
Weber & Associates, Inc. Office
86 Brookfield Oaks Drive
Greenville, SC 29606
Phone: 888-857-8690
April 9-10

Webinar #1 - April 17-18

Ft. Lauderdale, FL -
City College
2000 W/ Commercial Blvd.
Fort Lauderdale, FL 33309
April 27-28

Lexington, KY -
Embassy Suites

Pell eligibility is one of the most important components to consider when preparing to package a student's aid. In determining eligibility, there are several factors for you to consider, including whether or not that student has received a Bachelor's Degree in the past, or the Expected Family Contribution (EFC) for that student. Outside of this, you must also understand the Pell Lifetime Eligibility Used (LEU) for that student and whether or not they are eligible for any additional Pell grants, and how determining this has changed over the past several award years.

Pell LEU: A Brief History

Currently and since the 12/13 award year, all students are restricted to a 600% lifetime Pell cap. Before the 12/13 award year, the eligibility for Pell was slightly more complex than this. Starting with the Higher Education Opportunity Act (HEOA) in the 2009-2010 award year, restrictions on Pell eligibility came in to focus, which impacted exactly how much lifetime Pell a student could receive. Before the HEOA (the 08-09 award year and before), there was no lifetime limit for a student receiving the Pell Grant, only an Award Year limit of 100% of the student's scheduled award (Full-Time schedule with corresponding EFC/Cost of Attendance amount). Beginning in the 2009-2010 award year, Pell LEU restrictions looked like this:

2009-2010: HEOA Section 401

- 1) The HEOA limits the period of time that a student may receive a Pell Grant to 18 semesters or the equivalent (900%). This provision only applies to students who receive a Pell Grant for the first time on or after July 1, 2008.
- 2) Two Pell Awards (200%) introduced for one award year. Students may now potentially receive up to two consecutive Pell Grant Scheduled Awards during a single award year.

2010-2011:

- 1) Two Pell Grant Scheduled Awards in an award year continue
- 2) LEU field in COD up to 900% for students who receive a Pell Grant for the first time on or after July 1, 2008.
- 3) No restrictions on those who first received Pell prior to July 1, 2008.

2011-2012:

- 1) Second Pell Grant Scheduled Award is repealed, effective for the 2011-12 award year. (HEOA Sec 401(b)(5) repealed)
- 2) Maximum Lifetime Pell eligibility for students who receive a Pell Grant for the first time on or after July 1, 2008 remains at 900%

2012-2013: HEA Section 401(c), Consolidated Appropriations Act of 2012

- 1) Maximum Lifetime Pell eligibility for all students now set at 12 Semesters (600% LEU in COD). No limitations.

How do I determine if a student has met their eligibility?

To determine a student's eligibility for Pell, you must identify the SAR comment codes on the student's ISIR, in congruence with the Grant information listed for that student on NSLDS. The SAR comment codes on the ISIR will help you determine where the student currently sits regarding their Pell limits. SAR comment code 346 serves as a warning to alert you that a student is closing in on their Pell eligibility. SAR comment code 347 goes even further, by alerting you that a student has

1801 Newton Pike
Lexington, KY 40511
Phone: 859-455-5000
May 7-8

Riverside, CA -
Riverside County Office of
Education
2100 E. Alessandro Blvd.
Riverside, CA 92508
May 11-12

Webinar #2 - May 15-16
More information coming soon!

If you have any questions please contact
Amanda Ellis-Johnson at: 888-857-8697
or by email [click here](#)

equaled or exceeded their Pell eligibility. In order to determine if this student actually has closed in on, met, or exceeded their eligibility refer to the Pell LEU history listed above and reference that against the student's Grant History in NSLDS.

What tools and resources are available to help me understand Pell eligibility?

Calculating Awards & Packaging (Volume 3 of Federal Student Aid Handbook) [click here](#)

Dear Colleague Letter GEN-13-14 (May 16, 2013) [click here](#)

What To Expect In The Early Days Of The New Administration

The following is an opinion article written by Dr. Harry V. Weber President and Founder of Weber & Associates, Inc.

Having been involved in student financial assistance through the transition of new presidential administrations going back to the first Nixon presidency what I see is, as it has been in the past, wait and see. The new president Donald J. Trump has said little about federal student assistance in his campaign and during the early days of his presidency, but he is known for surprises so we'll just have to join the wait and see crowd.

What we do know is that in the first week in office an executive order was issued to freeze all new and pending regulations until they could be reviewed by his new cabinet and their executive appointees. What we also know from past experience and from current bureaucratic conditions, is that administrative decisions and answers to technical questions not normally answered in the Student Aid Handbook, seem to draw to a halt while the bureaucrats determine what the new administrative positions are and what the philosophical positions of the President and new Secretary of Education will be.

Over the years we have seen Washington as the center for all operations followed by subsequent administrations decentralizing and making the regional offices the center of decisions making. Again, we'll just have to wait and see.

The functions of the day-to-day operation in the HEA Title IV programs will remain uninterrupted and unchanged. The major areas to be observant of are potential Executive Orders issued and Congressional proposals for the reauthorization of The Higher Education Act which is due in 2017.

Unusual Tax Exemptions In Verification

When performing verification on a student's file, it is important to know the rules for verification, while also remembering the exception to those rules. For students selected for V1, V5, or V6 Verification, one of the more crucial components in determining that student's eligibility is the

ability to verify tax information. For tax-filing students who are not able to or choose simply not to use the IRS Data Retrieval Tool, the requirement then becomes submission of an IRS Tax Transcript for that tax year. But what if the student does not have a filing transcript, and in your review you have determined that they should? The next step for you to take in this scenario is to determine if the student was exempt from filing taxes in that tax year. These exceptions to the rule will help you in determining that student's eligibility and being able to package a student you may very well have believed to be previously ineligible for aid.

Native American Treaties and Filing U.S. Taxes

As a general rule, the IRS stipulates that Native Americans are subjected to the same tax laws as any other U.S. Citizen would be. However, the IRS does recognize certain exemptions as it pertains to Native Americans and tax law. These exemptions apply only to particular tribes and are listed only in specific treaties within that tribe(s). Again, this is a very specific exemption and should not be used for all Native American students as a whole. The Application and Verification Guide states that Financial Aid professionals are not to be confused with tax professionals. If you have a situation where it appears as though a student may (or may not be) exempt due to belonging to a tribe with a specific treaty, it is imperative for you to seek the guidance of a tax professional on this matter to determine what exactly is that student's responsibility as it pertains to filing taxes.

Puerto Rico Tax Exemption

Much like the Native American exemption, this exemption is not a one size fits all kind of scenario. All Puerto Rican students/all Puerto Rican tax filers are not eligible for this exemption. The Puerto Rican Tax Exemption is in regards to those with investment/business income in Puerto Rico. This exemption does not cover all investment/business income, much like it does not cover all Puerto Rican tax filers, so again the use of a tax professional in this scenario is necessary. This exemption allows a qualified student to record their Adjusted Gross Income for that year under their Untaxed Income (since they had a tax exemption) which dramatically shapes how that student's Adjusted Gross Income will be calculated.

What tools and resources are available to help me determine tax exemptions?

IRS Bulletin 2006-15 (Native American Tax Exemptions) [click here](#)

IRS Revenue Rulings [click here](#)

Application and Verification Guide [click here](#)

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