



# WEBER & ASSOCIATES

## THE WEBER REPORT

Weber & Associates, Inc. Newsletter

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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!

### ED to Begin Notifying College Presidents of Non-Compliance with 150% Reporting

NASFAA has learned that the Department of Education (ED) could begin sending notifications to Chief Executive Officers (e.g., president, chancellor, owners) of institutions not in compliance with 150 percent reporting requirements as early as this week. Notifications will be sent to schools that have not sent any enrollment reports to NSLDS or have not included enrollment reporting at the program level. Schools have been required to report enrollment, including program-level student enrollment information, to NSLDS in one of the new formats since responding to the first enrollment reporting roster generated on or after October 1, 2014. More information about these requirements is available in Dear Colleague Letters and in the Electronic Announcement titled "**Reminder of Program-Level Reporting Requirement**" posted to the IFAP Web site on September 26, 2014.

### Loan Counseling and Flexibilities

The U.S. Department of Education (ED) recently issued DCL GEN-15-06 which provides guidance for schools to use to assist student loan borrowers to better understand and manage their debt. This letter discusses the statutory and regulatory requirements for entrance counseling as well as institutions' flexibility to augment that counseling.

This letter also supports ED's belief that parent PLUS Loan borrowers should have access to the same important information as do student



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### Question of the Month



**Q: May an institution's entrance counseling policies provide that, as a condition for receiving a Direct Loan, the student must undergo counseling that includes additional information beyond what is required by statute and regulations and/or provided in the Department's online counseling?**

A: Yes. An institution may include in its required entrance counseling additional content beyond what is required by the statute and regulations and included in the Department's online counseling on the Student Loans website [click here](#). The additional content may be provided to the student through the

borrowers. Therefore, ED will be releasing a new parent PLUS Loan specific counseling tool this summer that will include a repayment calculator where the borrower can get an estimate of monthly repayment amounts.

ED hopes institutions will encourage their parent PLUS Loan borrowers to use the calculator, and that institutions will provide to all of their parent borrowers similar information that they provide to their student borrowers on loan repayment options and responsibilities. Additional information related to the student loan counseling requirements and the kinds of flexibility schools have are included in the above referenced Dear Colleague Letter.

## FY 2016 Sequester Required Changes to the Title IV Student Aid Programs

The U.S. Department of Education (ED) recently provided information regarding sequester required changes to loan fees in the Direct Loan Program where the first disbursement is on or after October 1, 2015. In previous guidance ED provided institutions with information on the effect of the across-the-board budget cuts known as sequestration on the Title IV student financial aid programs. Because the Budget Control Act of 2011 (the sequester law) remains in effect, sequester-required changes for Federal fiscal year 2016 (FY 2016) will be required effective October 1, 2015. In the chart below, information is provided on the implementation of sequester-required changes to Direct Loan fees. Note that for FY 2016, Direct Loan fees will be **decreased by 0.005 percent** for Direct Subsidized/Unsubsidized Loans and **0.020 percent** for Direct PLUS Loans.

#### Direct Loan Program

The terms of the sequester **decrease the loan fees** charged to Direct Loan borrowers for Direct Subsidized, Direct Unsubsidized and Direct PLUS loans. For loans where the first disbursement is made on or after October 1, 2015 and before October 1, 2016 –

- The loan fee for Direct Subsidized Loans and for Direct Unsubsidized Loans is 1.068%. For example, the fee on a \$5,500 loan will be \$58.74.
- The loan fee for Direct PLUS Loans (for both parent borrowers and graduate and professional student borrowers) is 4.272%. For example, the fee on a \$10,000 PLUS Loan will be \$427.20.

The following chart shows the sequester-required loan fees for FY 2015 and FY 2016.

Direct Loan Fees for FY 2015 and FY 2016			
Loan Type	Impacted Loans	Loan Fee Percent	Fee Example
Direct Subsidized Loans and Direct	FY 2015 First disbursed on or	1.073	\$59.01 on a \$5,500 loan

institution's own website or other electronic means, as part of an in-person individual or group presentation, through the distribution of written materials, or through other methods. However, in all instances, the amount and scope of the additional material must be reasonable as to time, effort, and relevance to the student's borrowing decision, and may not be administered in a manner that unreasonably impedes a student's ability to borrow.

**"Alone we can do so little; together we can do so much."**

**-Helen Keller**

**REMINDER: DID YOU SEND YOUR MONTHLY BANK STATEMENT?**

Unsubsidized Loans	after October 1, 2014 and before October 1, 2015		
	FY 2016 First disbursed on or after October 1, 2015 and before October 1, 2016	1.068	\$58.74 on a \$5,500 loan
Direct PLUS Loans (Parent and Grad/Prof Student)	FY 2015 First disbursed on or after October 1, 2014 and before October 1, 2015	4.292	\$429.20 on a \$10,000 loan
	FY 2016 First disbursed on or after October 1, 2015 and before October 1, 2016	4.272	\$427.20 on a \$10,000 loan

*Loan fee calculations that result in more than two decimal places must be truncated (not rounded) to two digits after the decimal point (cents).*

As a reminder, the amount of the loan fee for a loan is determined by the date of the first disbursement of the loan. Any subsequent disbursements, even if made on or after the relevant October 1, have the same loan fee percentage that applied to the first disbursement of that loan.

## FSA ID will Replace the Federal Student Aid PIN

As the Department of Education (ED) announced in an April 13, 2015 electronic announcement the FSA ID will be implemented on **May 10, 2015**. The FSA ID will replace the Federal Student Aid PIN as the credential with which students, parents, and borrowers authenticate their identity to access their federal student aid information online and electronically sign Federal Student Aid documents. **As part of the implementation, ED needs your assistance.**

During the registration process, users will be asked to confirm their e-mail address. ED expects that many users will register with their school e-mail account. In order to ensure that these users receive all e-mail notifications regarding the FSA ID, ED asks that you forward this request to your Technology Support Organization and ask them to "white-list" the following domain: [fsaid.ed.gov](http://fsaid.ed.gov). By adding [fsaid.ed.gov](http://fsaid.ed.gov) to the list of trusted domain addresses used by your organization, the

chances that FSA ID-related e-mail messages are blocked or identified as spam will be reduced.

Note that the Department of Education has already contacted the majority of commercial e-mail providers to request that fsaid.ed.gov be added as a trusted domain. This request is specifically for postsecondary institutions using the .edu domain.

Thank you for your assistance as ED completes this important upgrade.