



# 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!

### EDE Software Problems Are Real - Your Weber Rep Is Not Misleading You

In recent weeks we have experienced situations with the transmission of loan originations to COD being corrupted. The process is as follows: 1. Your Weber payment representative originates the loan in the Weber system and internally sends it to EDE (the Department of Education vendor software); 2. The EDE software accepts the data and forwards it to COD to originate a payment, 3. When the payment is accepted the Weber payment representative draws down the funds from G5 and they are sent to the institution's federal bank account.

Now, that all sounds very simple, but the hang up sometimes occurs when the data becomes corrupted in the EDE software. We have an opportunity to influence how the EDE software functions on the "receiving side" (Weber sends and EDE receives the data) as Weber is a beta test site for that function. We are able to see where the EDE software has malfunctioned and can request to have it repaired. But we have no influence over the sending side of EDE (where EDE sends data it has received to forward to COD). If in the process between receiving and sending there is any data corruption COD then rejects the submission.

The Weber & Associates team then needs to research each individual student who has been rejected and resubmit the loan. Sometimes a batch is submitted and rejected, then the Weber representative makes no changes and resubmits the batch and it is successful. Who knows why? It is indeed frustrating for all of us. Please be patient with us while we attempt to solve these situations.



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

## Question of the Month



**Q: Can a Financial Aid Administrator refuse to originate a Direct Loan or originate a Direct Loan for less than maximum eligibility?**

A: Yes. On a case-by-case basis, a financial aid administrator may refuse to originate the loan for an individual borrower, or you may originate a loan for an amount less than the borrower's maximum eligibility. However, you may NOT limit borrowing by students or parents on an across-the-board or categorical basis. Similarly, you may originate a loan for an amount less than the borrower's maximum eligibility. However, you must ensure that these decisions are made on a case-by-case basis, and do not constitute a pattern or practice that denies access to borrowers because of race, sex, color, income,

## U.S. Department of ED Announces Regulatory Requirements Related to Gainful Employment Programs

Please note that with the exception of the disclosure requirements in 34 CFR 668.412, **all** of the provisions in the GE regulations are effective July 1, 2015.

The Dear Colleague Letter (DCL) GEN-15-12 dated June 30, 2015 provides an overview of the regulatory provisions that apply to educational programs that are required to prepare students for gainful employment in a recognized occupation.

This DCL, which is 15 pages long, lists the various requirements including information required to be reported to ED, that are now effective. While the major provisions of the GE regulations are listed including detailed summaries, the DCL provides only an overview of the GE requirements. Detailed information is available in the final regulations. See the Gainful Employment information section on the right hand side of the IFAP home page

## Reminder: The State Authorization Regulations are Now Effective!

The enforcement of these State authorization requirements for institutions was previously stayed from July 1, 2011, to July 1, 2015, to allow States and institutions to prepare for implementation.

In order to be eligible to participate in Title IV programs, an institution must be legally authorized by a State to provide a postsecondary education program, **AND** the State must have a process to review and act upon student complaints about that institution. See the Q's & A's in DCL GEN 11-05 for guidance regarding the criteria for meeting "State oversight and approvals".

Institutions that have obtained sufficient State authorization during the periods when the extensions were in place will have that status confirmed when they are reviewed by Department staff in the ordinary course of business, including when an institution applies to the Department for re-certification for eligibility for Title IV aid, for additional locations or programs, or other matters requiring such review.

Institutions located in States where agencies are still putting in place a sufficient State authorization process may have their current status continued for a reasonable period to permit a State process to become final. Institutions whose State authorizing agency has a sufficient process but declines to authorize the institution will have their status resolved when the institutions are reviewed by Department staff in the ordinary course of business.

religion, national origin, age, or handicapped status. Also note that your school cannot engage in a practice of originating FSA Loans only in the amount needed to cover the school charges, nor limit Direct Unsubsidized borrowing by independent students. When you make a decision not to originate a loan or to reduce the amount of the loan, you must document the reasons and provide the explanation to the student in writing.

**References:** HEA Sec. 479(A)(c), 34 CFR 685.301 (a)(8), DCL GEN-11-07, 2015-2016 FSA Handbook pages 3-90

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

**-Helen Keller**

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

The U.S. Department of Education urges you to contact your State authorizing agency to ensure that the necessary process is in place to meet these requirements and that your State has a compliant complaint system. If you have questions, please contact your Regional FSA School Participation Division.

## **ED Instructed to Increase School Penalties for Incentive Compensation Violations**

In a memorandum, dated June 2, 2015, Under Secretary of Education Ted Mitchell has instructed Federal Student Aid (FSA) staff to recover all of the Title IV funds received by an institution during a period of time in which it violated the incentive compensation ban under section 487(a)(20) of the Higher Education Act of 1965, as amended, and 668.14(b)(22).

Schools that participate in the HEA Title IV student financial aid programs **may not** provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any individual or entity engaged in recruiting or admission activities or in making decisions about awarding FSA program funds. Specific examples of what constitutes a violation are provided in 2014 – 2015 FSA Handbook on pages 3-42 – 45 in Volume 2, Chapter 3.

The memorandum repeals prior guidance that had been in effect since 2002 that limited penalties for incentive compensation violations to monetary fines, which in most cases would be a more lenient penalty. The memorandum states that fines and administrative actions to limit, suspend, revoke, deny, or terminate the institution's eligibility to participate in the Title IV programs are also possible enforcement actions, in addition to recovery of Title IV funds.