

The SULA Ghoul-a



150!
Subsidy Loss!
Reporting!

Zack Goodwin
U.S. Department of Education
NHASFAA Conference, October 30, 2015

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Agenda

- 150% overview:
Subsidized Usage Limit Applies (SULA)
- Common Origination and Disbursement (COD)
reporting and functionality
- National Student Loan Data System (NSLDS)
reporting and functionality
- Resources



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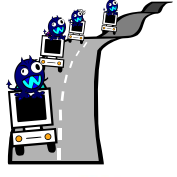
150% Overview



Background

Public Law 112-141 established a limit to how many years a student may receive subsidized loans

- Results in additional incentive to complete programs in a timely manner
- Estimated net budget impact of \$3.9 billion in savings over 10 years (FY 2013-2023)



Scope

Applies to first-time borrowers as of July 1, 2013

- Student who has no outstanding balance on a FFEL or Direct Loan when receiving a Direct Loan on/after July 1, 2013

Example A



Example B



Overview

When borrower has received Direct Subsidized Loans for 150% of the length of their current academic program, borrower loses eligibility for additional subsidized loans

Generally measured in time, not dollars

If eligibility is lost, borrower is still eligible for Direct Unsubsidized Loans

Determining When Eligibility is Lost



150% limit is met and further eligibility is lost when Remaining Eligibility Period is zero (or less)

Maximum Eligibility Period

Maximum eligibility period is 150% of published length of borrower's academic program

- Varies by program
- Multiply published length of program by 1.5
- Measured in academic years or portions thereof
- ED will calculate using school-reported information



Converting Months/Weeks to Years

If program's published length is in months or weeks, ED will convert to academic years (or portions of years)

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

Month = 30 days
Week = 7 days

Maximum Eligibility Period Exceptions

The final regulations allow for 2 specific exceptions when determining Maximum Eligibility Period:

- Special admission Associate programs (Indicator "A")
- Bachelor's degree-completion programs (Indicator "B")

These changes came as a result of public comments on the interim final regulations

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Subsidized Usage Period

A Subsidized Usage Period is the period of time for which a borrower receives a Direct Subsidized Loan

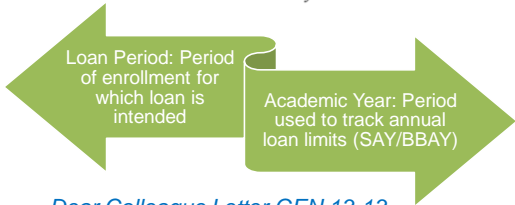
- Calculated loan-by-loan
- Measured in academic years or portions
- Rounded to the nearest 10% of a year
- Includes only periods when Direct Subsidized Loan received
- ED will calculate using school-reported information from COD



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Calculating Subsidized Usage Period

$$\text{Subsidized Usage Period} = \frac{\text{Days in Loan Period}}{\text{Days in Academic Year}}$$



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Example: Loan Period/Academic Year

Determining Loan Period & Academic Year

- Program: 2 years, credit hours, standard terms
- Academic year: 30 weeks, 24 semester hours, SAY (Fall 2014 and Spring 2015)
- Borrower enrollment: Spring semester 2015
- Loan period: Spring semester 2015
- Academic year: Begins on first day of the fall 2014 semester. Ends on last day of the spring 2015 semester.

An academic year that corresponds to a single term is never correct!



Example: Usage

Program is semester-based. Scheduled academic year includes the fall and spring semesters. Student receives subsidized loan for fall semester only.

$$\text{Subsidized Usage Period} = \frac{\text{Days in Loan Period}}{\text{Days in Academic Year}}$$

	Begin Date	End Date	Number of Days
Loan Period	August 25, 2014	December 19, 2014	117
Academic Year	August 25, 2014	May 15, 2015	264

$$\text{Subsidized Usage Period} = \frac{117}{264} = 0.44 \text{ Years} \xrightarrow{\text{Round}} 0.40 \text{ Years}$$



Exception: Full Annual Loan Limit

When a student receives a Direct Subsidized Loan for entire annual loan limit, this would be the only situation in which dollars are considered in determining subsidized usage:

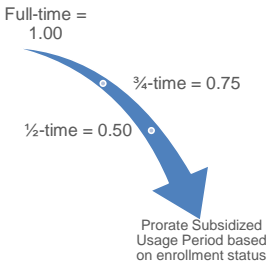


Can only occur for standard-term programs or for non-standard-term programs that are substantially equal and are each at least nine weeks in length



Exception: Enrollment Status

- Calculated subsidized usage period is prorated by enrollment status
- Proration occurs before rounding
- Clock hour programs do not prorate for enrollment status



Updating Loan Periods

Because the loan period is a key element in determining Subsidized Usage Period, it is critical that it is correct. The initially reported loan period needs to be updated when:

- 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 subsidized loan that is attributable to a payment period

Updating Loan Periods

- Student is otherwise not eligible for a subsidized loan for a payment period covered by the loan period
- The student (in clock-hour programs, non-term programs, and non-standard term NSE9W programs) is not progressing to the next payment period as scheduled

150% Electronic Announcement #16

Updating Academic Years

Academic years are also a key factor in determining subsidized usage, and need to be updated when:

- Student is attending a program for which summer is not a "required" term, attends summer, and receives a loan for summer
- The student (in clock-hour programs, non-term programs, and non-standard term NSE9W programs) is not progressing to the next payment period as scheduled

Remaining Eligibility Period

How much eligibility a borrower has remaining under the 150% subsidy limit

- Accounts for Direct Subsidized Loans received for all enrollment in all programs (except teacher certification programs)
- Subsidized eligibility lost when remaining eligibility is zero or less
- ED will calculate using school-reported information



Preparatory Coursework

<p>For Enrollment in an Undergraduate Program</p> <ul style="list-style-type: none"> Maximum Eligibility Period is 150% of program for which coursework is preparing Subsidized Usage Periods count against maximum eligibility Enrolling could result in loss of interest subsidy 	<p>For Enrollment in a Grad/Professional Program</p> <ul style="list-style-type: none"> 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
--	--

Set COD Special Programs flag to "U" Set COD Special Programs flag to "P"

Teacher Certification Programs

Programs that do not lead to a degree/certificate from the school, but lead to state credential that is required for teaching

Non-teacher certification programs:

Subsidized Usage Periods do not count against maximum eligibility period for teacher certification programs

Teacher certification programs:

Subsidized Usage Periods do not count against maximum eligibility period for other programs

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Example: Remaining Eligibility

- Student receives 2 years of Direct Subsidized Loans while enrolled in a 2-year program
- Student transfers to a 4-year bachelor's program

Maximum Eligibility Period

=

All Subsidized Usage Periods

=

Remaining Eligibility Period

	After year 2 of 2-year program	Upon transfer to 4-year program
Maximum Eligibility Period	3 Years	6 Years
All Subsidized Usage Periods	2 Years	2 Years
Remaining Eligibility Period	1 Year	4 Years

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Example: Eligibility Less Than One Year

- In some circumstances, a school may originate a Direct Subsidized Loan for a student with a Remaining Eligibility Period between 0 and 1 years
 - Particular attention must be paid to applicable minimum loan periods
 - The loan period, academic year, enrollment status, and loan amount must result in a Subsidized Usage Period that is equal to or less than the student's Remaining Eligibility Period

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Which Interest Is the Borrower's?



Subsidy loss is not retroactive to the date of disbursement or from the date of the loss of eligibility. Loss of subsidy begins the date of the enrollment that caused the loss of subsidy.

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Enrollment Types: No Subsidy Loss

- Enrollment in a graduate or professional program
- Enrollment in preparatory coursework necessary for enrollment in a graduate or professional program
- Enrollment in a teacher certification program where school does not award an academic credential
- Enrollment less than 1/2 time

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Teacher Certification Programs

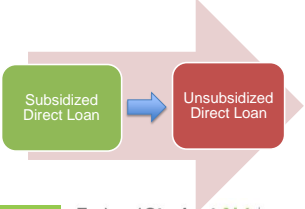
- Loans received for other undergraduate enrollment do not lose subsidy upon enrollment in teacher certification program
- Loans received for teacher certification program can never lose subsidy, even upon enrollment in regular undergraduate program

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Reminder: Unsubsidized Loan Eligibility

A student may only be awarded an unsubsidized loan (base or additional amount) for a loan period if the student has been awarded the *full* amount of their subsidized loan eligibility



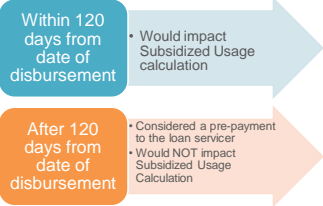
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Can Eligibility Be Preserved?

If a student 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?

The answer would depend upon the timing of the return:



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COD Reporting and Functionality



COD Updates: Effective March 29, 2015

Subsidized Usage Calculator

- Users may enter loan data and estimate the students' subsidized usage based upon the information entered and the loans existing on the COD System
 - Allows the user to model potential impacts to the student's subsidized usage and eligibility
 - Actions taken via the Subsidized Usage Calculator will not result in changes to the student's loans in COD



*NSLDS
Reporting
and
Functionality*

Academic Success and Outcomes

- Currently, the Department uses information from IPEDS to respond to information requests about borrower academic success (e.g., graduation).
 - The Administration and Congress want more insight into academic success, specific to individual Title IV recipients
 - The Consolidated Appropriations Act of 2014 directed the Education Department to report information on Pell Grant recipients' academic success (graduation) to Congress

*Dear Colleague Letter GEN-14-07
New requirements effective October 1, 2014*

Who is on the Enrollment Roster?

NSLDS will include:

Students who receive Title IV at your school

School adds:

Students with Title IV aid from another school who receive aid at your school

Students with Title IV aid from another school who will not receive aid at your school

NSLDS Reporting Requirements

Three record 'levels' for each student:

- Campus-level record
- Program-level record
- Email address

Campus-Level Record Type 001

Campus-Level

- Student SSN
- 8-digit OPEID
- Student Name and DOB
- Certification Date
- Enrollment Status Effective Date
- Enrollment Status
- Anticipated Completion Date (ACD)
- Term Begin and End Dates
- Student Permanent Address
- Student Phone Number
- Move To OPEID
- Program Indicator

Campus-Level Fields

- 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
 - Can be used by "deferment only" schools
 - Should not be used for undeclared majors

Program-Level Record Type 002

Program-Level
<ul style="list-style-type: none"> • Classification of Instructional Programs (CIP) Code • CIP Year • Program Credential Level • Published Program Length • Published Program Length Measurement • Weeks in Title IV Academic Year • Program Begin Date • Special Program Indicator • Program Enrollment Status • Program Enrollment Effective Date

Program-Level Fields

- Special Program Indicator
 - Special admission associate programs (A)
 - Bachelor's degree completion programs (B)
 - Preparatory coursework for undergraduate program (U)
 - Preparatory coursework for graduate program (P)
 - For preparatory coursework, CIP code is reported for the program for which the student is *preparing*
 - Credential level is reported as 99

Active Enrollment Status

When reporting enrollment status to NSLDS, schools must report the student's "active enrollment status" based on the total number of hours in which the student is enrolled at the institution, whether or not all credits apply to the academic program(s) being reported

This represents a change from guidance previously issued in the 150% subsidy limit webinar series

Dear Colleague Letter GEN-14-17



E-mail Address Record Type 003

Student E-mail
<ul style="list-style-type: none"> • Student E-mail Address • Can report multiple e-mail addresses • One e-mail address per record type 003 • Optional field



How Often Do I Report to NSLDS?

- School determines how often NSLDS sends rosters
 - Can be no less frequent than every 60 days

- School must respond to a roster within 15 days of receipt



- Timeliness of third-party servicer reporting is the responsibility of the school



Graduated Status

If a student's graduation status is effective *after* the end of a loan period or academic year:

- A 'W' status should be reported, then updated to 'G' when the graduation is effective
 - This prevents a loss of interest subsidy being applied to the student's loan(s) incorrectly, based on assumed continuous enrollment up to the effective graduation date
 - Applies only to students with no remaining eligibility

*150% Electronic Announcement #19
Updated October 8, 2015*



Billy – August 2014

Billy Campus-Level	Program 1 - History Program-Level	Program 2 - Math Program-Level
<ul style="list-style-type: none"> • OPEID: 06789900 • Certification Date: 20150825 • Enrollment Status Effective Date: 20140925 • Enrollment Status: F • ACD: 20180610 • Term Begin Date: 20150825 • Term End Date: 20151215 • Program Indicator: Y 	<ul style="list-style-type: none"> • OPEID: 06789900 • CIP Code: 540101 • Program Credential Level: 03 • Published Program Length: 004000 • Published Program Length Measurement: Y • Program Begin Date: 20140925 • Special Program Indicator: N • Enrollment Status: F • Enrollment Effective Date: 20150825 	<ul style="list-style-type: none"> • OPEID: 06789900 • CIP Code: 270101 • Program Credential Level: 03 • Published Program Length: 004000 • Published Program Length Measurement: Y • Program Begin Date: 20140925 • Special Program Indicator: N • Enrollment Status: F • Enrollment Effective Date: 20150825



Billy – October 2014

Billy Campus-Level	Program 1 - History Program-Level	Program 2 - Math Program-Level
<ul style="list-style-type: none"> • OPEID: 06789900 • Certification Date: 20151015 • Enrollment Status Effective Date: 20140925 • Enrollment Status: F • ACD: 20180610 • Term Begin Date: 20150825 • Term End Date: 20151215 • Program Indicator: Y 	<ul style="list-style-type: none"> • OPEID: 06789900 • CIP Code: 540101 • Program Credential Level: 03 • Published Program Length: 004000 • Published Program Length Measurement: Y • Program Begin Date: 20140925 • Special Program Indicator: N • Enrollment Status: F • Enrollment Effective Date: 20150825 	<ul style="list-style-type: none"> • OPEID: 06789900 • CIP Code: 270101 • Program Credential Level: 03 • Published Program Length: 004000 • Published Program Length Measurement: Y • Program Begin Date: 20140925 • Special Program Indicator: N • Enrollment Status: W • Enrollment Effective Date: 20151003




Billy – December 2014

- After two consecutive W's are reported, the Math program drops from the roster
- Continue to report on the History program

NSLDS Functionality

- Modified professional and student views to display 150%-related information
- Modified reports available to schools to include 150%-related information
- Information passed to CPS about student's current Subsidized Usage Period and whether the student has lost interest subsidy, for inclusion on the SAR/ISIR
- Direct Loan servicers informed of borrowers' enrollment and loss of interest subsidy

Future Updates

- Student contact information will be mandatory
- Compliance measurements/Letters to schools
 - Focus on roster completion, including program-level
 - Report all Title IV students attending your school 

150% Electronic Announcement #17
- NSLDS Enrollment Reporting Guide
Just updated October 2015!

We Appreciate Your Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation:

- <https://www.surveymonkey.com/s/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to joann.borel@ed.gov.



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- | | |
|---------------------------------|---|
| <i>Campus Based Call Center</i> | <i>eZ-Audit</i> |
| <i>COD</i> | <i>School Eligibility Service Group</i> |
| <i>CPS/SAIG</i> | <i>Foreign Schools Participation Division</i> |
| <i>NSLDS</i> | <i>Research and Customer Care Center</i> |
| <i>G5</i> | <i>Nelnet Total & Permanent Disability Team</i> |