Sources and Citations Appendix D

Precertification Training References

Session 1: Introduction to the Workshop and Training Materials

Regulations, 34 CFR 668.14–Program Participation Agreement

NASFAA's pamphlet, "On Choosing, Using, and Appraising a Student Financial Aid Consultant"

Session 2: Overview of the Title IV Programs

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Programs, and the Federal Supplemental Educational Opportunity Grant Program
- 674 Federal Perkins Loan Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant
- 682 Federal Family Education Loan (FFEL) Program
- 685 William D. Ford Federal Direct Loan Program
- 690 Federal Pell Grant Program

The Student Guide, 1997-98

The 1997-98 Federal Student Financial Aid Handbook, Chapters 4-8, Chapter 10, and Chapter 11

Session 3: Institutional Eligibility

Regulations, 34 CFR Parts:

- 600.4 Institution of higher education
- 600.5 Proprietary institution of higher education
- 600.6 Postsecondary vocational institution
- 602 Secretary's Procedures and Criteria for Recognition of Accrediting Agencies
- 668 Student Assistance General Provisions
  - ◊ 668.8 Eligible program
  - ◊ 668.9 Relationship between clock hours and semester, trimester, or quarter hours in calculating Title IV, HEA program assistance
  - ◊ 668.12 Application procedures
  - ◊ 668.13 Certification procedures
  - ◊ 668.14 Program Participation Agreement
  - ◊ 668.15 Factors of financial responsibility
  - ◊ 668.16 Standards of administrative capability
  - ◊ 668.25 Contracts between an institution and a third-party servicer
  - ◊ 668.26 End of an institution's participation in Title IV, HEA programs

- ◊ 668-Subpart G—Fine, Limitation, Suspension, and Termination Proceedings

Higher Education Amendments (HEA) of 1965, as amended

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 4: School Responsibilities

Regulations, 34 CFR Part 668—Student Assistance General Provisions:

- 668.15 Factors of financial responsibility
- 668.16 Standards of administrative capability
- 668.17 Default reduction measures
- 668.22 Institutional refunds and repayments
- 668.23 Compliance audits and audited financial statements
- 668.24 Record retention and examinations
- 668.44 Institutional information
- 668.82 Standard of conduct
- 668.83 Emergency action
- 668.84 Fine proceedings
- 668 Subpart D—Student Consumer Information Services
- 668 Subpart G—Fine, Limitation, Suspension, and Termination Proceedings
- 668 Subpart K—Cash Management

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 5: Title IV Reporting Requirements

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 674 Perkins Loan Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
- 682 Federal Family Education Loan (FFEL) Program
- 685 William D. Ford Federal Direct Loan Program
- 690 Federal Pell Grant Program

DCL-GEN-96-5, 96-7, and 96-17 (contain process and procedures for Student Status Confirmation Reports [SSCRs])

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Session 6: Student Eligibility

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.15 Factors of financial responsibility
  - ◊ 668.19 Financial aid transcript
  - ◊ 668.32 Student eligibility—general
  - ◊ 668.33 Citizen and residency requirements

- 674 Federal Perkins Loan Program
  - ◊ 674.9 Student eligibility
- 675 Federal Work-Study Program
  - ◊ 675.9 Student eligibility
- 676 Federal Supplemental Educational Opportunity Grant Program
  - ◊ 676.9 Student eligibility
- 682 Federal Family Education Loan (FFEL) Program
  - ◊ 682.201 Eligible borrowers
- 685 William D. Ford Federal Direct Loan Program
  - ◊ 685.200 Borrower eligibility
- 690 Federal Pell Grant Program
  - ◊ 690.6 Duration of student eligibility

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 7: Satisfactory Academic Progress

Regulations, 34 CFR Part 668

- 668 Student Assistance General Provisions
  - ◊ 668.16 Standards of administrative capability
  - ◊ 668.32 Student eligibility—general
  - ◊ 668.34 Satisfactory progress

The 1997-98 Federal Student Financial Aid Handbook, Chapters 2 and 3

Session 8: Cost of Attendance, Expected Family Contribution, and Need

HEA, Section 472

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2, Section 2

Session 9: Overview of Refunds/ Repayments

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.21 Treatment of Federal Perkins Loan, FSEOG, and Federal Pell Grant program funds if the recipient withdraws, drops out, or is expelled before his or her first day of class
  - ◊ 668.22 Institutional refunds and repayments
  - ◊ Appendix A

The 1997-98 Federal Student Financial Aid Handbook, Chapter 3

Session 10: Overview of Overpayments and Overawards

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 673 General Provisions for the Federal Perkins Loan Program, Federal Work-Study Programs, and Federal Supplemental Educational Opportunity Grant Program
- 690 Federal Pell Grant Program

1997-98 Verification Guide

The 1997-98 Federal Student Financial Aid Handbook, Chapters 2, 4, 5, 7, 10, and 11

Session 11: Evaluation and Inspector General Presentation

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.23 Compliance audits and audited financial statements
  - ◊ 668.24 Record retention and examinations

ED's *Audit Guide*

The 1997-98 Federal Student Financial Aid Handbook, Chapter 3, Section 7

Session 12: The Free Application for Federal Student Aid

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 690 Federal Pell Grant Program

Action Letter #5, November 1996, (describes the 1997-98 application processing system)

Title IV Institutional Code List

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 13: Paper and Electronic Applications

DCL-GEN-96-13, July 1996 (describes using NSLDS to fulfill FAT requirements)

Action Letter #4, November 1996 (describes TIV WAN)

The 1997-98 Federal Student Financial Aid Handbook, Chapters 4-10

Session 14: Federal Output Documents

Regulations, 34 CFR Part 690—The Pell Grant Program

Action Letter #3, October 1996, (provides initial draft of the 1997-98 ISIR layout and description)

Other References:

- *The 1997-98 EDExpress User's Guide*
- *FAFSA Express*
- *The 1997-98 Federal Student Financial Aid Handbook*, Chapter 4

Session 15: Verification

Regulations, 34 CFR Part 668, Subpart E

1997-98 Verification Guide

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 16: Need Analysis

HEA, Part A, Section 401, and Part F

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 17: Professional Judgment

HEA, Section 479A

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 18a and 18b: Calculating Pell Grant Award Amounts

Regulations, 34 CFR Part 690—Federal Pell Grant Program, Subpart F—Determination of Federal Pell Grant Awards

The 1997-98 Federal Student Financial Aid Handbook, Chapter 4

Session 19: Packaging

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
  - ◊ 673.5 Overaward
  - ◊ 673.6 Coordination with BIA Grants
- 674 Federal Perkins Loan Program
  - ◊ 674.9 Student eligibility
  - ◊ 674.10 Selection of students for loans
  - ◊ 674.12 Loan maximums
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
  - ◊ 676.20 Minimum and maximum FSEOG award

The 1997-98 Federal Student Financial Aid Handbook, Chapter 2

Session 20: Pell Grant Overawards

Regulations, 34 CFR Part 690—Federal Pell Grant Program

The 1997-98 Federal Student Financial Aid Handbook, Chapter 4

Session 21: The Payment Data, Institutional Payment Summary, and Related Reports

Regulations, 34 CFR 690—The Federal Pell Grant Program

Action Letter #4, November 1996, (describes the telecommunications services provided by TIV WAN and the procedures for an institution to enroll for 1997-98)

The 1997-98 Federal Student Financial Aid Handbook, Chapter 4

Session 22: The Campus-Based Programs

Regulations, 34 CFR Parts:

- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
- 674 Federal Perkins Loan Program
- 675 Federal Work Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program

The 1997-98 Federal Student Financial Aid Handbook, Chapters 5-8

Session 23: Disbursing Campus-Based Awards

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.164 Disbursing funds
- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
  - ◊ 673.5 (b) Awarding and disbursement

The 1997-98 Federal Student Financial Aid Handbook, Chapters 6, 7, and 8

Session 24: The William D. Ford Federal Direct Loan Program and The Federal Family Education Loan Program

Regulations, 34 CFR Part 682—The Federal Family Education Loan (FFEL) Program

Regulations, 34 CFR Part 685—William D. Ford Federal Direct Loan Program

The 1997-98 Federal Student Financial Aid Handbook, Chapters 10 and 11

Session 25: Disbursing Funds from the William D. Ford Federal Direct Loan Program Direct and the Federal Family Education Loan Program

Regulations, 34 CFR Part 682, Subpart F—Requirements, Standards, and Payments for Participating Schools

Regulations, 34 CFR Part 682, Subpart C—Requirements, Standards, and Payments for Direct Loan Program Schools

The 1997-98 Federal Student Financial Aid Handbook, Chapters 10 and 11

Session 26: Campus-Based and Direct Loan/FFEL Overawards and Overpayments

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
- 673 General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Program, and the Federal Supplemental Educational Opportunity Grant Program
- 675 Federal Work-Study Program
- 676 Federal Supplemental Educational Opportunity Grant Program
- 682 Federal Family Education Loan (FFEL) Program

The 1997-98 Federal Student Financial Aid Handbook, Chapters 5, 6, 7, 8, 10, and 11

Session 27: Refund and Repayment Calculations

Regulations, 34 CFR Parts:

- 668 Student Assistance General Provisions
  - ◊ 668.21 Treatment of Pell Grant, FSEOG, and Federal Perkins Loan Program funds if the recipient withdraws, drops out, or is expelled before his or her first day of class.
  - ◊ 668.22 Institutional refunds and repayments
  - ◊ 668.22 Appendix A

Session 28: Financial Aid Administrator Presentation and Wrap Up

No references

The Legislative, Regulatory, and Policymaking Processes

Title IV student financial aid administration is affected by both the legislative (Congress) and executive branches (specifically, the U.S. Department of Education) of the federal government. A school that understands how the process works can be actively involved in the way federal financial aid programs operate. There are several important steps in the legislative process.

How a Bill Becomes a Law

An idea is drafted into a bill by one or more members of Congress. It is presented to be examined by appropriate congressional committees that hear testimony about the bill and its possible effects, then alter or rewrite the bill. The committees that deal with postsecondary education issues are:

- The Senate Committee on Labor and Human Resources,
- The House Committee on Economic and Educational Opportunities, and
  - ◊ the Subcommittee on Postsecondary Education, Training, and Life-Long Learning.

If the bill is passed by both houses of Congress (by majority vote), it becomes law the day it is signed by the President. However, many laws incorporate specific subsequent effective dates.

Laws are numbered in two parts, as in the following example:

P.L. 101 - 12

"P.L." stands for Public Law. "101" designates that the law was passed by the 101st Congress. "12" indicates that the law was the 12th law to be passed by that Congress.

Further divisions of the law are numbered according to the following structure:

Title [Title IV]

Part [Part A]

Subpart [Subpart 1]

Section [Section 413]

subsection [subsection (a)]

paragraph [paragraph (1)]

subparagraph [subpargraph (A)]

division [division (i)]

clause [clause (I)]

All current laws become part of the U. S. Code. The laws governing Title IV student aid programs are found in the Higher Education Act (HEA), which is designated in the U. S. Code as 20 USC 1070.

Laws governing the management of Title IV programs are usually reauthorized every five to six years.

Types of Legislation

There are two types of legislation significant to student aid administration:

(1) Authorizing Legislation, which

- ◊ establishes programs,
- ◊ specifies program purpose, and
- ◊ sets spending ceilings.

(2) Appropriating Legislation, which

- ◊ assigns dollar amounts and
- ◊ designates the time period for the amount.

Generally, legislation affecting student aid programs is a reauthorization of or an amendment to the Higher Education Act (HEA). However, other laws may affect student aid, as will be discussed shortly.

Because the annual federal funding year differs from school award and academic years, Title IV programs are forward funded. For example, Title IV funds were appropriated in fall 1996 for the 1997 fiscal year. Those funds couldn't be used until July 1997, the beginning of the 1997-98 award year.

Why ED Regulates

A law may not be specific; it may need interpretation through regulations. In fact, some laws specifically direct that clarifying regulations be issued. Conversely, sometimes law prohibits issuing regulations for a law. Regulations do not change the law; they merely explain and specify its intent, and, sometimes, set forth procedures. Regulations are often issued in response to changes in departmental policies or procedures and to combat administrative problems and program abuse.

Types of Regulations

Regulations generally go through two stages: NPRM (Notice of Proposed Rulemaking) and Final Regulations. An NPRM is a proposal; it notifies the public that regulations are about to be issued and it offers the public an opportunity to comment on those regulations. (Occasionally, ED will publish a Request for Comment, to solicit public comments prior to developing proposed regulations.)

The comment period for an NPRM varies, but is normally 30 to 60 days. After the comment period, Final Regulations are developed and issued. These final regulations are usually effective 45 days after being issued, or are assigned a specific effective date. According to the "master calendar" in the HEA, all regulations must be issued by December 1 to take effect on July 1 of the next award year. This means that for a regulation to take effect on July 1, 1998, it must have been published by December 1, 1997.

Interim Final Regulations sometimes are published when quick action is needed.

Final regulations have the force of law. Regulatory violations may lead to administrative action against a school and/or required repayment of funds.

All final regulations are published in the *Federal Register* and become part of the Code of Federal Regulations (CFR). All Title IV regulations are found in Title 34 of the CFR. Within 34 CFR, each major program and each of the general requirements has a specific Part designation number:

1. Institutional Eligibility—**600**
2. Student Assistance General Provisions—**668**
3. General Provisions for the Federal Perkins Loan Program, the Federal Work-Study Loan Program, and the Federal Supplemental Educational Opportunity Grant Program—**673**
4. Federal Perkins Loan Program—**674**
5. Federal Work-Study Program—**675**
6. Federal Supplemental Educational Opportunity Grant—**676**
7. Federal Family Education Loan (FFEL) Program—**682**
8. William D. Ford Federal Direct Loan Program—**685**
9. Federal Pell Grant Program—**690**

Further divisions of the CFR are numbered according to the following structure:

Part [such as Part 668]

Subpart [such as Subpart A]

Section [such as 668.3]

Subsection [such as 668.3(a)]

Paragraph [such as 668.3(a)(I)]

Subparagraph [such as 668.3(a)(I)(i)]

Notices

Sometimes ED will publish Notices in the *Federal Register*. These are official notifications of action to be taken by ED or by the public.

Policy Interpretation

As a result of public questions, school administrative problems, and internal procedural changes, it is sometimes necessary for ED to more specifically interpret regulatory language. These interpretations are official policy and represent the departmental position on an issue. Policy interpretations cannot supersede or override the law.

Disseminating Information

Policy is regularly disseminated to the public by ED through one or more of the following publications, which are sent to every participating Title IV school.

1. *Federal Register* reprints
2. "Dear Colleague" letters (DCLs)—DCLs are designated, according to subject matter, as follows:
   a. Announcement—**ANN**
   b. General (applies to all programs)—**GEN**
   c. Campus-based programs—**CB**
   d. Pell Grant Program—**P**
   e. Federal Family Education Loan (FFEL) Program
      - Guaranty Agencies—**G**,
      - Schools—**S**, and
      - Lenders—**L**
   f. Federal Direct Loan Program—**DL**
   g. Limited Distribution (to special audiences)—**LD**
   h. State (SSIG)—**SG**
3. Q & A Letters
4. Annual Office of Postsecondary Education (OPE) publications

OPE publications and documents are also posted on the SFA bulletin board service (BBS).

The School's Role and Responsibility

It is a school's responsibility to know how to understand, use, and act on information contained in OPE's regular mailings.

On receiving any document or publication from OPE, school staff should:

1. Read and / or study the information carefully.
2. Act on the information as necessary.
3. Distribute the information to all involved offices or individuals.
4. File the document or publication for easy reference and future use.

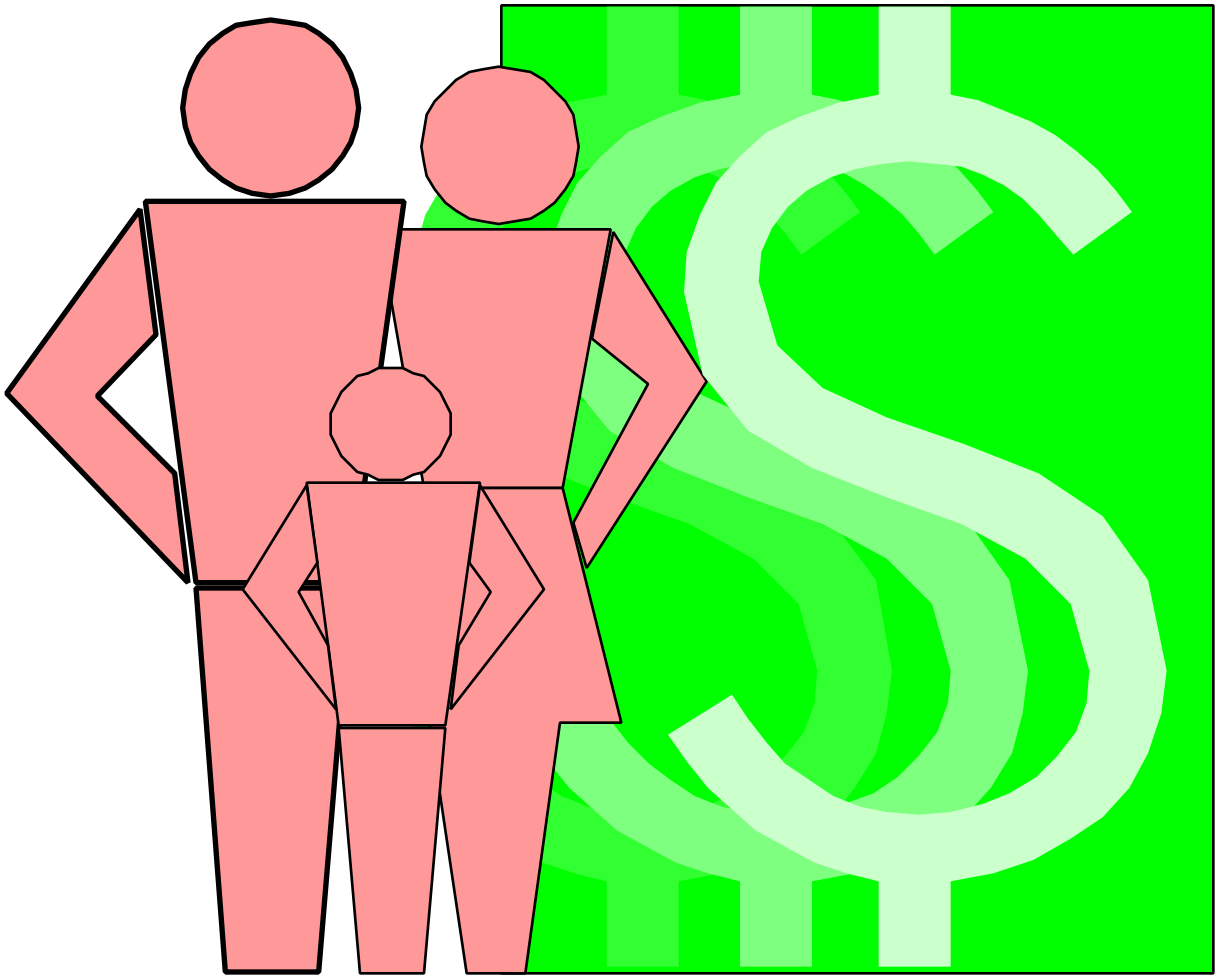
Additionally, schools participating in Title IV programs have several opportunities to affect the administration of federal student financial aid:

1. Testimony and comment before congressional committees.
2. Written comment to NPRMs.

3. Participation in professional associations that are involved in the federal student financial aid process.

4. Contact with local representatives in Congress.

Sources and Citations



Appendix D

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education