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*Achieve a Higher Standard... with HEAG!*

## Message from Milton

I know that summer is a busy time in financial aid. I hope you were able to take some time off and enjoy some summer fun and leisure before the start of the September rush. At HEAG, we understand the numerous demands placed on you. To better serve you, HEAG has completely revamped our website to provide you with the tools, knowledge and services to help you do your job. Please check us out at [www.heag.us](http://www.heag.us). Do you like what we are doing? We would welcome hearing your comments at [mkerstein@heag.us](mailto:mkerstein@heag.us).

Best Regards,

*- Milton Kerstein, President*

## NEW WEBSITE ANNOUNCEMENT

The Higher Education Assistance Group, Inc. (HEAG) announces the launch of its new website, designed with a fresh user-friendly experience and impactful presentation of information regarding its services and solutions. Check us out at [www.heag.us](http://www.heag.us)!

In addition, now follow us on Facebook and/or Linked In! We recognize that your time is valuable and it's hard to keep up with regulatory changes, new and creative ways to meet your student's needs, and training opportunities. Our social media presence will now make it easier than ever to keep up to date with our fast-paced and demanding work environment. We hope you enjoy our new site at [www.heag.us](http://www.heag.us).



## FINANCIAL AID, THE LAW AND YOUR SCHOOL

Mar 30, 2011

By **Milton L. Kerstein, Esq.**

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In a recent matter, an SFAP assessment of liability was upheld by a Department of Education Administrative Judge pertaining to a proprietary school of higher education, which required the School to reimburse \$71,742 to the Department of Education.

On July 27, 2009, the proprietary school was issued a Final Audit Determination (FAD) by

the Office of Federal Student Aid (FSA), US Department of Education (ED). The FAD sought the return of \$71,742 in federal funds arising from two findings: the first in the amount of \$70,938 and the second in the amount of \$804.

The first alleged that the school failed to provide to the Department's Common Origination and Disbursement, Direct Loan and School Participation Team the necessary documentation and information to substantiate Federal Pell Grant & Federal Direct Loan funds drawn down by the school between 2007 and 2009. FSA currently

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allows three funding methods under which a school requests funds from the Department:

- The advance payment method;
- The reimbursement payment method; and
- The cash monitoring payment method.

The Department has sole discretion in determining the funding method a school uses to request FSA program funds.

Under the advance payment method (most common), the school must substantiate each drawdown of Pell and Direct Loan funds with actual disbursements submitted to and accepted by the COD system within 30 days. If ED believes that a school should be monitored more closely, it will assign them to either the reimbursement or cash monitoring payment method. Under both methods, the school must credit eligible students' accounts or make cash disbursements to eligible students before it may submit a request to ED for reimbursement. When requesting the reimbursement, the school may or may not need to provide additional documentation, depending on the method assigned.

The second finding alleged that the school failed to provide evidence that it refunded Title IV funds to a student who properly owed a refund documented in the audit report. Per both Regulation and sub-regulatory guidance, a school must pay any credit balance directly to the student or parent as soon as possible, but no later than 14 days after:

- The date the balance occurred on the student's account, if the balance occurred after the first day of class of a payment period, or
- The first day of classes of the payment period if the credit balance occurred on or before the first day of class of that payment period.

- FSA will allow a school to hold credit balances only if it obtains a voluntary authorization from the student (or parent, in the case of PLUS Loan).

The School appealed the FAD filed by FSA on January 27, 2010. An Order Governing Proceedings was issued on February 26, 2010, pursuant to which the School was required to file a brief and exhibits by March 5, 2010. Upon receipt of the school's briefs and exhibits, FSA's briefs and exhibits were due by April 9, 2010. The school did not file a brief and on April 20, 2010, FSA filed a Motion for Default Judgment. An Order to Show Cause was issued, which required the school to show cause and provide the judge reason to not issue a judgment against them for failure to prosecute their appeal by May 13, 2010. The school did not comply with this order.

After examining the FAD and noting the school's failure to comply with time limits and orders issued pursuant to this proceeding, Judge Richard I. Slippen concluded that the school failed to carry its burden of proof. The FAD was affirmed and the liability was upheld, requiring the School to pay \$71,742 to the Department of Education.

For current Title IV practitioners, this case offers a very fundamental caution. It is imperative that the financial aid administrator meet all time sensitive deadlines in terms of both the administration of the Title IV funds and those associated with the appeal process should SFAP allege a violation of the Title IV regulations.

*If you have any comments or questions, you may contact Milton L. Kerstein, Esq. via email at [mkerstein@kcl-law.com](mailto:mkerstein@kcl-law.com) or by telephone at 617-965-9698. This article was written with the assistance of Colleen King of the Higher Education Assistance Group, Inc..*

SUNGARD HIGHER EDUCATION

August 2011

**DATATEL**

SunGard Higher Education and Datatel today announced plans to strategically combine and operate as one company

focused exclusively on serving global education. We are excited about the wonderful opportunity this represents for customers and the company. The proposed combination of our businesses is subject to customary U.S. regulatory approval, and until then each company will continue with business as usual, serving customers' needs. Joining operations with Datatel is an exciting proposition because together, with 3,000 employees collectively serving you and more than 2,300 colleges, universities, institutions and foundations in 40 countries around the world, we can do more to help you succeed than we could do separately.

We will protect your investments in the solutions you rely on. We will continue to make significant investments to enhance the solutions of both companies, and we will continue to deliver on the development plans we have committed to you.

I imagine you have questions and want to assure you that we remain focused

on your success. I invite you to visit [www.sungardhe.com/combination](http://www.sungardhe.com/combination) for information about this announcement. This site includes a link to the press release, an on-demand presentation about the announcement from John Speer and Ron Lang, frequently asked questions, and other related materials. We will continue to provide information as it becomes available.

This would also be a great time to join the SunGard Higher Education Commons, if you haven't already, to connect with your peers and join the conversation. You can sign up for and visit the Commons at: <http://commons.sungardhe.com>

Please do not hesitate to contact your customer relationship team if you have any questions. From all of us at SunGard Higher Education, please know that we appreciate your business, and we recognize it is a privilege to serve you and the members of this amazing community. We look forward to many more years of productive partnership with you and your institutions.

Sincerely,  
**Michelle Reed, SVP**  
 SunGard Higher Education

# INTEREST RATES FOR STAFFORD AND PLUS LOANS EFFECTIVE JULY 1, 2011

## Fixed Rates:

### Direct Loan and FFEL Program Loans First Disbursed on/after July 1, 2006

NOTE: Effective July 1, 2010, the only loans that can be made are Direct Loans.

Loan Type	Fixed Rate for Loans First Disbursed Between July 1, 2010 and June 30, 2011	Fixed Rate for Loans First Disbursed Between July 1, 2011 and June 30, 2012
Subsidized Loans for undergraduate students	4.50	3.40
<b>Fixed Rate for Loans First Disbursed on or after July 1, 2006</b>		
Subsidized Loans for graduate and professional students	6.80	
Unsubsidized Loans for all students		
PLUS Loans (Direct Loan)	7.90	
PLUS Loans (FFEL)	8.50	

NOTE: Beginning with loans first disbursed on or after July 1, 2006, the interest rate on all Stafford Loans in both the FFEL Program and in the Direct Loan Program was fixed at 6.8 percent. That rate continues to apply to all unsubsidized Stafford Loans and to subsidized Stafford Loans for graduate and professional students. Starting with loans first disbursed between July 1, 2008 and June 30, 2009, the interest rate on subsidized Stafford Loans for undergraduate students was reduced to 6.0 percent, with additional reductions each year through June 30, 2012.

Generally, interest rates on Consolidation Loans are fixed rates calculated based on the weighted average of the loans being consolidated rounded up to the next higher 1/8 of one percent, not to exceed 8.25 percent.

# EDEXPRESS ONLINE TRAINING - RELEASE OF DIRECT LOAN TOOLS ONLINE TRAINING

Publication Date: August 1, 2011

DCL ID: ANN-11-16

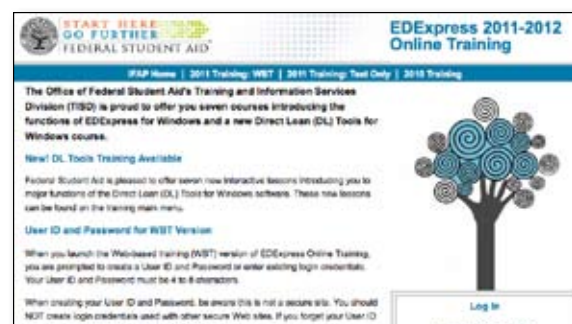
*Summary: This letter announces Federal Student Aid's release of the Direct Loan Tools Online Training module. This Web-based training provides information about using the DL Tools software for cash management, reconciliation, and software rebuilds.*

Dear Colleague:

We are pleased to announce our release of Direct Loan Tools Online Training, a Web-based training product that teaches users the basic skills needed to access and navigate the Direct Loan (DL) Tools software. This self-paced training consists of six lessons and is intended for financial aid and business office staff who use the DL Tools software for cash management, reconciliation, and software rebuilds. By using the software in a simulated environment, users will gain an understanding of the fundamental functions of the DL Tools software, including system setup, printing the School Account Statement (SAS) in a readable format, using the SAS to compare against internal cash and disbursement records, and how to use the Rebuild function.

The module is available on the Information for Financial Aid Professionals (IFAP) Web site at

<http://ifap.ed.gov/edexpress/1112index.html>.



We look forward to your use of Direct Loan Tools Online Training. If you have questions about this Web-based training product, please contact Bruce Honer at [bruce.honer@ed.gov](mailto:bruce.honer@ed.gov) or Mark Gerhard at [mark.gerhard@ed.gov](mailto:mark.gerhard@ed.gov).

Sincerely,

**Jana Hernandez**

Service Director, Operations

Federal Student Aid

# PROGRAM INTEGRITY QUESTIONS AND ANSWERS - RETAKING COURSEWORK

In order to ensure questions coming into the Department of Education about the Program Integrity Regulations are consolidated and easily accessible to interested parties, we have created this Web site containing questions and answers. We will update this list on a regular basis, therefore be sure to check back for any new information. You will also find links to various resources with additional guidance pertaining to the Program Integrity Issues. <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>

## Program Integrity Questions and Answers - Retaking Coursework

### Program Integrity Q&A

In addition to the following Q&As, please see the following resources for guidance related to Retaking Coursework:

Preamble to the final regulations (<http://www.gpo.gov/fdsys/pkg/FR-2010-10-29/pdf/2010-26531.pdf>) – published 10/29/2010

#### **RC-Q1: If a student receives an F in a course, how many times can a student receive aid to retake that course?**

RC-A1: You may include any repetition of the program in a student's enrollment status for a term as long as the student has never passed the course. If the student passes the course, you may include one repetition after passing the course. Any second or subsequent repetition of the passed course may not be included in the student's enrollment status for purposes of the title IV, HEA, programs. [Guidance issued 8/26/2011]

#### **RC-Q2: If a student gets an F the first time he or she takes a course and subsequently passes the course with a D, how many times can the student receive title IV funds to improve their D grade?**

RC-A2: Only once. [Guidance issued 8/26/2011]

**RC-Q3: A music student must participate in a specified number of years in band or orchestra. The student auditions with other students to be picked, and the selected students play in that ensemble for the entire year. The course number stays the same from semester to semester but the content, in this example, the music performed, changes each term. Does the fact that the course number does not change result in a student being considered to be retaking course work, and therefore ineligible for aid?**



RC-A3: The example provided deals with a program where all students are expected to enroll in a class on a continuing basis, and the recurring use of the same course number -- but not the same course content -- would not be considered to be retaking coursework. Course numbering is not determinative, as that numbering is established for the administrative convenience of the institution.

However, simply changing the syllabus for a course that is offered every term would not mean that students can receive aid repeatedly for the same course. The treatment described above for the specific example of participation in a band or orchestra would not be applicable where a student was retaking an individual class, regardless of whether the syllabus for the class was changed. [Guidance issued 8/26/2011]

RC-Q4: A graduate student must complete a dissertation writing course each term of enrollment. Is this subject to the restriction on repeating courses?

RC-A4: No. The new regulations related to retaking coursework only apply to the definition of full-time for undergraduate students. [Guidance issued 8/26/2011]

## HEAG CONSULTANT SPOTLIGHT - NANCY SABIN

**Nancy Sabin** retired from Northern Essex Community College in Haverhill, MA in 2011. Nancy held many positions at Northern Essex Community College including Director of Financial Aid, Registrar, Assistant Dean of Enrollment Services, and Veterans Certifying Official. In addition, she has worked since 1990 as an adjunct instructor at NECC providing instruction on all levels of software applications. She comes to HEAG with expertise in the Banner system and with comprehensive understanding of the Recruit, Admissions, Student and Financial Aid Modules. In addition, she brings

many years of financial aid experience working in a busy financial aid office. Nancy has worked with Veterans both on and off campus since 1976 assisting them in getting the benefits they deserve. As an active member of the financial aid community, Nancy has been involved in New England Banner User Group (NEBUG) and Massachusetts Association of Financial Aid Administrators (MASFAA). Nancy will be working on Banner and Financial Aid projects and senior level consulting assignments. She has a degree in Computer Information Science and a Master of Business Administration.



## NET PRICE CALCULATOR

Each institution must post a net price calculator on website by  
**October 29, 2011**

In accordance with the Higher Education Opportunity Act of 2008 (HEOA), by October 29, 2011, each postsecondary institution that participates in Title IV federal student aid programs must post a net price calculator on its website that uses institutional data to provide estimated net price information to current and prospective students and their families based on a student's individual circumstances. The net price calculator is required for all Title IV institutions that enroll full-time, first-time degree- or certificate-seeking undergraduate students.

Institutions may meet this requirement by using the U.S. Department of Education's Net Price Calculator template or by developing their own customized calculator that includes, at a minimum, the same elements as the Department's template.

## GAINFUL EMPLOYMENT

### Still got questions about Gainful Employment?

<http://www.ifap.ed.gov/GainfulEmploymentInfo/index.html>  
Information Page.

These Frequently Asked Questions provide information and operational guidance on the requirements of the new gainful employment regulations. Institutions must review the final regulations as published in the Federal Register on October 29, 2010, to ensure that they are in compliance with all of the GE Program requirements. The listing of Frequently Asked Questions will be updated periodically and include the date of the update. If you have questions that have not been addressed, please submit them to the GE Questions mailbox at [GE-Questions@ed.gov](mailto:GE-Questions@ed.gov).

## TECH TALK CORNER



### HEAG helps Victoria College with Direct Loan Reconciliation

Victoria College is a two year, community college located in Victoria, Texas. Victoria College reached out to HEAG for help with the Direct Loan reconciliation function as a first year participant in the program. Like many schools, the transition to the Direct Loan program was challenging. Victoria College was able to participate in HEAG's very popular Direct Loan Webinars. (More information on our webinars is provided on our website at [www.heag.us](http://www.heag.us)).

HEAG's webinar series is an excellent way to bring the training and the specialize expertise the school needs at the time they need it. In addition, the school got this information in a cost effective way –FREE.

After Victoria College participated in the webinars, HEAG continued to work with Victoria College through a series of remote processing options to put into practice their understanding of what to do. HEAG was able to train the school on how to reconcile the Direct Loan program using Direct Loan Tools and SunGard's Banner module, in a timely and cost effective way as well as produce results with greater accuracy in a dramatically shorter period of time.

### *About The Higher Education Assistance Group*

The Higher Education Assistance Group, Inc. is a comprehensive higher education consulting and financial aid consulting group located in Wellesley, Massachusetts. In operation since 1989 initially as a financial aid consulting firm, we have since grown and expanded to represent all areas of student services management. We continue to advance and evolve to meet the needs of our school clients. The Group provides exceptional administrative and professional management services to all student service fields, including Admissions, Financial Aid, Continuing Education, Bursar and Registrar offices at two and four year institutions, both public and proprietary. The Group's highly qualified team of consultants has spent decades in the field providing administrators with the tools, knowledge and support necessary to complete institutional objectives. We pride ourselves on assisting post secondary institutions to meet challenges such as program regulatory compliance, organizational structure, staffing needs, and technological support.