

Inside this Issue

1 Meet Colleen King, HEAG's New Executive Director

**Teck Talk Corner:
Maximizing New Year Roll**

2 Changes to Definition of Marriage and Effects on Financial Aid

Establishment of IFAP Information Page and FAQs for Direct Subsidized Loan Limit

3 Recent Additions to The HEAG Team

HEAG to Exhibit at the 94th Annual AACC Conference

4 Education Department Announcing Changes to FAFSA Form

Increase to Direct Loan Origination Fees

5 Is Your Institution Ready to Package 2014-2015 Awards?

Achieve a Higher Standard... with HEAG!

Message from Milton

"I want to take this opportunity to wish you all a very Happy New Year. As with every new year there come new challenges. Among this year's challenges is the recent focus on the high cost of college. At the same time, you should expect an increased focus on compliance with the financial aid regulations as well. As in the past, all of us at HEAG are committed to assisting you all with your Title IV compliance needs. Good luck in the coming year."

Best Regards,

- *Milton Kerstein, President*

MEET COLLEEN KING, HEAG'S NEW EXECUTIVE DIRECTOR

It is our pleasure to introduce Colleen King as HEAG's newly appointed Executive Director. Having served as a consultant with HEAG prior to this appointment, Colleen brings more than 13 years of extensive experience within financial aid offices. She has held the positions of Director of Financial Aid at Anna Maria College, Assistant Director of Financial Aid/Financial Aid Counselor at Nichols College and, more recently, Assistant Director of Financial Aid at Assumption College. She is skilled in a number of financial aid management and reporting systems, most notably Ellucian (formerly Datatel), and she has assisted schools with various aid issues including maintaining Title IV compliance,

creating a formal policies and procedures manual, and streamlining business and communication processes. Colleen holds a bachelor's as well as a master's degree in business administration, both from Nichols College in Dudley, MA.

Within her role Colleen will be responsible for client services, central office administration, marketing, and business development in the New England region.

We are pleased to have Colleen as the newest member of the HEAG executive team. If you would like to contact her, she can be reached via email at cking@heag.us or via phone at 617.928.1975.

TECH TALK CORNER



Maximizing New Year Roll

Whether you are a PowerFAIDS school preparing for the parm roll or a Banner school ready to begin new year roll, we all start to prepare for the new year in similar ways. The more I travel the country, the more feedback I've been getting that this past year has been a challenging year. It is essential to many schools that we find creative ways to manage the increased demand for financial aid resources without increasing workloads. A great time to maximize how we utilize our financial aid software is when setting up the system for the next awarding cycle.

The College Board has already released 19.0 and is about to release 19.1, and we want you to be prepared for its delivery. Ellucian has already delivered its new year functionality for both Banner and Colleague schools. When you are setting up your system, regardless of the platform, it is necessary to consider what enhancements or baseline functionality will help you improve communication, maximize process, and set your office up for future improvements.

CONTINUED ON PAGE 3

CHANGES TO DEFINITION OF MARRIAGE AND EFFECTS ON FINANCIAL AID

By **Brittany Barker**, HEAG's Southeastern Regional Director
bbarker@heag.us

Per the Supreme Court ruling in December 2013, Section 3 of the Defense of Marriage Act has been deemed unconstitutional [referred to as the Windsor Decision]. Prior to this ruling, all references to "marriage" and "spouse" by the Department of Education applied to state-recognized marriages between a man and a woman only. Invalidating this piece of legislation allows for all marriages, whether they are same- or opposite-sex, to be recognized for financial aid purposes. Whether the institution of the student's attendance is in a state that recognizes same-sex marriages or not will no longer factor in to whether a given marriage is recognized – instead, the Department is applying a new rule: "place of celebration." Essentially, this means that if the state in which the marriage was celebrated recognizes the marriage, then it will also be recognized for Title IV purposes, regardless of where the couple lives or where the student attends school. However, it is important to note that this ruling applies to marriages only, not to domestic partnerships, civil unions, etc.

How will this change affect the FAFSA?

The student and/or parents completing the FAFSA will need to take note of this change, as it will determine both dependency status and requirements for financial information included on the FAFSA.

For example, previously a student who was not yet 24 years old, had not acquired a bachelor's degree, had zero dependents, but was married to a same-sex partner would have been considered a dependent student, and would therefore have provided parental information while excluding his/her spouse. With the current ruling, the student would be considered independent, requiring spousal, but not parental, information.

Does this matter if a student has submitted FAFSAs in previous years?

Yes. If a student, or the student's parents, were unable to select "married" as the student's status due to the previous mandate, they will now have the option to make a correction to the 2013-2014 FAFSA if they believe it would be advantageous for them to do so. However, the married couple must have been married at the time of the previous submission, as the correction is not a change to the status, but rather an acknowledgement of what was already so.

Will changes made to a 2013-2014 FAFSA affect a student's financial aid package?

Yes. If a family opts to make the correction to the 2013-2014 application reflecting the true marital status at the time of submission, and if such a change affects the student's EFC and therefore their financial aid package, institutions are required to update the student's financial aid package accordingly.

Is it optional for married same-sex couples to identify as married or unmarried for 2014-2015 forward?

No. Beginning with 2014-2015, it is mandatory for all married couples to identify as such on the FAFSA.

Where can I go for additional guidance or details?

You may view the Dear Colleague Letter for the original Department of Education announcement. To speak with someone about the guidance provided, institutions may contact the staff at the Federal Student Aid's Research and Customer Care Center at 1.800.433.7327 from 9:00am to 5:00pm Eastern time, Monday through Friday, or via email at fsa.customer.support@ed.gov. For questions specific to adjustments made to the FAFSA, institutions may call 1.800.433.3243 or refer to studentaid.gov.

ESTABLISHMENT OF IFAP INFORMATION PAGE AND FAQ'S FOR DIRECT SUBSIDIZED LOAN LIMIT

December 20, 2013

By: **Jeff Baker**, Director, Policy Liaison and Implementation, Federal Student Aid



We have established on our Information for Financial Aid Professionals (IFAP) website a special 150% Direct Subsidized Loan Limit Information Page where we will post communications and other information related to the 150% requirements. This was done to ensure that all institutions have easy access to the most current information on the 150% Direct Subsidized Loan Limit and the Department's implementation plans.

The Information Page will include links to Federal Register notices including the

regulations, a section for Dear Colleague Letters and Electronic Announcements, a section on Training including webinars, other Resources, and a listing of Frequently Asked Questions, the first set of which is now available.

The 150% Limit Information Page can be accessed either by clicking on the words "Information Page" in the 150% Direct Subsidized Loan Limit Info box on the right hand side of the IFAP home page or by going directly to <http://www.ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo>.

We hope this special information page is useful and provides easy accessibility to important information about the 150% limit.

RECENT ADDITIONS TO THE HEAG TEAM

HEAG is proud to introduce the newest members of the full-time consultant team: Jeffrey Megargell and Karyn Wright-Moore. Both consultants have been very busy, providing onsite and remote services to clients in various locations across the eastern United States.

Jeffrey Megargell began working in financial aid in 1996 as a federal work-study student while an undergraduate at Bloomsburg University of Pennsylvania, where he graduated with a BA in communications and a concentration in interpersonal management. He then continued on in the higher education profession, becoming a financial aid officer at the New England Institute of Art. After five years with NEIA, Jeff transitioned into director roles at the Salter School, ITT Technical Institute and American Career Institute. Jeff's strengths lie in technical staff training, superior customer service and proficiency with numerous financial aid software platforms such as FAME, CARS, CLASS and Populi. He prides himself on assisting schools with ensuring software is utilized to its utmost capabilities and remains completely effective in subsequent award years. Jeff is currently a member of the Technology Committee with MASFAA, where he helps manage and create content for the social media pages of the organization.

Karyn Wright-Moore's career spans more than 25 years of work as a higher education professional, with expertise in areas affecting the compliant delivery of federal student aid programs. Karyn started her career in higher education in 1985 as an entry-level financial aid counselor while attending college in Los Angeles, CA. After earning her degree (with help from a part-time job in financial aid) and working in financial aid for 12 years, she married and moved to New Jersey to continue her career. She has served as Director of Financial Aid, Campus Executive Director, Compliance Officer, Vice President of Financial Aid, Vice President of Operations and, finally, Higher Education Consultant. More importantly, she has maintained her functional level of knowledge and expertise, most often preferring to base operations at the campus level to support and mentor financial aid staff, students and their families. Karyn has worked in public, private, proprietary and non-profit institutions. She has been the financial aid subject-matter expert for implementation and/or upgrade initiatives for the four most popular SIS systems: Banner, PeopleSoft, CampusVue and Datatel. She describes her passion for financial aid as "designing solutions to master the perfect moving target."

TECH TALK CORNER

continued from page 1

A great way to get the biggest bang for your buck is to look at how self-service options can help students retrieve pertinent information from your office while interacting with your staff remotely. All three school-based softwares have their own respective self-service portals (Colleague – Web Advisor, Banner – Banner Self-Service, PowerFAIDS – Net Partner) that allow you to inform students of outstanding financial aid requirements, allow you to display financial aid awards and their terms and conditions, and allow students to accept or decline all or portions of their financial aid awards. In many cases the setup does not require someone with expert IT knowledge, although that does help. The key to setting up your self-service portal correctly is to think about how your process can reach students in the most effective manner possible. It is understandable that much of our communication is reactive, as we wait for students to complete a CSS Profile or a FAFSA application before we start engaging them about the financial aid process.

While self-service is just one of the improvements financial aid offices can make this year, there are many other avenues right at your fingertips. If you need guidance or support in setting up your self-service portal, it is crucial to know that there are options out there for you. Each software vendor provides a listserv where you can engage thousands of your closest colleagues. If you have exhausted that option and have limited IT resources, there are companies like HEAG that can provide you with on-campus or remote support.

Ray

Raymond Nault-Hix, *Vice President*
Higher Education Assistance Group, Inc.

HEAG TO EXHIBIT AT THE 94TH ANNUAL AACC CONFERENCE



"Great Expectations: Implementing a 21st-Century Student Success Agenda"

April 5-8, 2014, Washington, DC

HEAG will be attending and exhibiting at the upcoming American Association of Community Colleges annual conference in April. The Executive Team will be there to promote and discuss HEAG's current service offerings. The team is excited to meet with community college executives from across the country. If you'll be attending the conference, make sure to stop by the HEAG booth and say hello!

EDUCATION DEPARTMENT ANNOUNCES CHANGES TO FAFSA FORM TO MORE ACCURATELY AND FAIRLY ASSESS STUDENTS' NEED FOR AID

APRIL 29, 2013

Contact: Press Office, (202) 401-1576, press@ed.gov

Today the U.S. Department of Education announced that beginning with the 2014-2015 federal student aid form, the Department will—for the first time—collect income and other information from a dependent student's legal parents regardless of the parents' marital status or gender, if those parents live together.

The 2014-2015 Free Application for Federal Student Aid, or FAFSA, will provide a new option for dependent applicants to describe their parents' marital status as "unmarried and both parents living together." Additionally, where appropriate, the new FAFSA form will also use terms like "Parent 1 (father/mother/stepparent)" and "Parent 2 (father/mother/stepparent)" instead of gender-specific terms like "mother" and "father."

"All students should be able to apply for federal student aid within a system that incorporates their unique family dynamics," said U.S. Secretary of Education Arne Duncan. "These changes will allow us to more precisely calculate federal student aid eligibility based on what a student's whole family is able to contribute and ensure taxpayer dollars are better targeted toward those students who have the most need, as well as provide an inclusive form that reflects the diversity of American families."

The FAFSA has long been constructed to collect information about a student's parents only if the parents are married. As a result, the FAFSA has excluded income and other information from one of the student's legal parents (biological or adoptive) when the parents are unmarried, even if those parents are living together. Gender-specific terms also fail to capture income and other information from one parent when a student's parents are in a same-sex marriage under state law but not federally recognized under the Defense of Marriage Act.

The information provided on the FAFSA is used in the calculation of the student's expected family contribution (EFC), which determines a student's eligibility for

federal need-based student aid as well as for many state, institutional and private aid programs. It is critical that both of a dependent student's parents help pay, to the extent they are able, for the educational expenses of their child. Collecting parental information from both of a dependent student's legal parents will result in fair treatment of all families by eliminating longstanding inequities based on parents' relationship with each other rather than on their relationship with their child.

The collection of information from both of a dependent student's parents is statutorily supported in the Higher Education Act (HEA), which generally includes the terms "parent" and "parents" and not terms like "mother," "father," or "spouse." This change will not impact the longstanding and statutorily required provision that when a dependent student's parents are divorced, only information on the parent that the student resided with for the greater portion of the 12 months preceding the date of completing the FAFSA is to be reported.

The collection of FAFSA information for both of a dependent student's unmarried parents when both parents are living together will not impact the majority of federal student aid applicants, either because they are independent students, or because they are dependent students whose legal parents are married to each other or are unmarried and do not live with the other parent. While most students will be unaffected, the eligibility of some dependent students will change. In most of these instances, the amount of need-based Title IV federal student aid these students will receive will decrease because of the additional income and other resources used in the calculation of the student's EFC. In a small number of instances, the student would be eligible for more aid because the offset for an additional person in the parents' household, a factor in calculating the EFC, will exceed the income of the second parent.

The Department will publish these changes this week in the Federal Register for public comment as part of the draft 2014-2015 FAFSA. For more information about federal student aid, visit the Department's website: studentaid.ed.gov.

INCREASE TO DIRECT LOAN ORIGINATION FEES

As of October 1, 2013, the automatic budget cuts associated with sequestration have impacted the Federal Direct Loans' origination fees. Previously, the Department of Education published interest rates for loans disbursed prior to July 1, 2013 under the William D. Ford Direct Student Loan Program. Since loans prior to July 1, 2006 have a variable interest, the Department of Education is under statutory authority to recalculate the Direct Loan interest accordingly. However, the increases due to the sequester override these calculations.

Starting with all loans where the first disbursement was made on or after December 1, 2013, the loan origination fees will be 1.072% for Direct

Subsidized and Unsubsidized Loans and 4.288% for Direct Graduate and Parent PLUS Loans. For all loans whose first disbursement was made prior to December 1, 2013, they will continue to have the lower origination fees of 1.051% for Direct Subsidized and Unsubsidized Loans and 4.204% for any subsequent disbursements made.

For more information about the student loan interest rates, review Dear Colleague Letter GEN-13-22 (Thursday, October 17, 2013).

IS YOUR INSTITUTION READY TO PACKAGE 2014-2015 AWARDS?



Nationwide, institutions are gearing up for the upcoming 2014-2015 awarding season. As enrollment pressures mount, so does the pressure that Financial Aid Offices are under to provide comprehensive financial aid packages to both current and prospective students. Since financial aid administrators are also simultaneously counseling students and their families, conducting file review, and following up on missing information, they can very easily struggle to keep up with the competing demands.

HEAG offers a number of services to assist institutions during this peak period:

- Assistance with file review, verification, awarding, and loan processing.
- Automation of your school-based software in a number of key areas including:
 - Auto-packaging and Tracking
 - Self-service implementation and evaluation
 - Pell and Direct Loan management
 - Satisfactory Academic Progress (SAP).

Our consultants have experience with all financial aid management systems such as Banner, Datatel, PowerFAIDS, and Department of Education software, to name a few. Likewise, they are equipped to support your office onsite, or remotely.

Contact HEAG today at 617.928.1975 or at admin@heag.us to learn more about our services and schedule our availability.

About The Higher Education Assistance Group

The Higher Education Assistance Group, Inc.(HEAG) is a comprehensive higher education and financial aid consulting group located in Wellesley, Massachusetts. In operation since 1989, we provide comprehensive financial aid consulting support to private, public and proprietary institutions. We provide administrative and professional consulting services in the areas of program regulatory compliance, financial aid processing and verification, interim staffing and technology. With over 25 years of experience, we have a proven track record of satisfied school clients.