HIGHER EDUCATION ASSISTANCE GROUP, Inc. ~ A Financial Aid and Higher Education Consulting Group

HEAG NEWSLETTER

SPRING 2018 VOLUME 10, ISSUE 2

Inside this Issue

Achieve a Higher Standard... with HEAG!

Message from Milton

All of us are exciting and ask you to join us in welcoming Joanne Dashiell as Executive Director of the Higher Education Assistance Group. Joanne comes with a wealth of experience and at a very crucial time for you all. One of the major challenges with managing a financial aid office is that, as you know, one processing year ends as another begins bringing with it the concomitant challenges in terms of staffing and compliance. I encourage you to reach out to Joanne with any of your needs or to simply discuss the myriad challenges you face. To all of you good luck with the 2018-2019 processing year and to Joanne welcome!

~ Milton Kerstein, President

MEET HEAG'S NEW EXECUTIVE DIRECTOR – JOANNE DASHIELL

The Higher Education Assistance Group, Inc. (HEAG)is pleased to announce that **Joanne Dashiell** has joined the firm as Executive Director. Joanne has over 15 years of experience in higher education working with, and for colleges and universities in a financial services capacity.

"As a former financial aid administrator for a multi-campus institution, Joanne understands the challenges our clients face every day," said HEAG's President, Milton Kerstein. "Her passion for higher education and experience developing programs will allow HEAG to continue expanding our services to schools across the United States."

Additionally, Joanne was the Manager of Student and Parent Education Services at the Massachusetts Educational Financing Authority (MEFA) and managed several programs and teams at American Student Assistance (ASA) where she was responsible for developing training and educational programs. She has extensive experience in business operations and providing support to hundreds of colleges and university clients.

"I'm excited to join HEAG's team of compliance experts. With my business and higher education experience, I will be focused on ensuring that HEAG is providing clients with the highest level of customer service," commented Joanne.

Joanne is a member of the Massachusetts Association of Student Financial Aid Administrators (MASFAA), the Eastern Association of Student Financial Aid Administrators (EASFAA) and has served on the Board of the Massachusetts Educational Opportunity Association (MEOA). She holds a B.S. and a Masters in Business Administration, both from the University of Maine.

Contact Joanne: jdashiell@heag.us or 617.928.1975

GOOD NEWS REGARDING STUDENT LOANS FOR THOSE ATTENDING COMMUNITY COLLEGE

Have we reached peak student loan borrowing at U.S. community colleges? Borrowing trends are reversing as many states have spent more on students by making community college tuition less expensive, sometimes even free. HEAG has covered the topic in the past (https://heag.us/tuition-free-college-programs/) when Rhode Island became the fourth state to offer free community college to its residents. Partnerships

CONTINUED ON PAGE 2

Good News Regarding Student Loans for Those Attending Community College

FROM PAGE 1

with businesses that need to recruit new hires studying particular trades has also led to localized tuition programs. Are these practices responsible for the dip we see in student loans?

Among community colleges, a lower percentage of full-time students took financial aid loans in 2015-16 than in 2010-11, 21% vs. 25%, according to the National Center for Education Statistics' "The Condition of Education 2018." At public two-year colleges, the average annual loan amounts were 11% lower in 2015-16 ($4,700) than in 2010-11 ($5,300). Students taking on debt at two-year schools unfortunately had doubled over the past decade, so numbers showing that it has lowered is a good thing. Even for statisticians, it can be difficult to calculate accurate figures, with many students having attended more than one school over the course of earning a degree. Some states count total debt while others may only use data from one institution.

Default rates are still the biggest concern. Students who are not making payments on their loans are overwhelmingly those that never graduated. Thirty-eight percent of two-year college students who started to repay their loans in 2009 defaulted within five years. This is often in line with low retention and graduation rates seen at the two-year public schools.

States need to continue investing in their own workforce and keep tuition rates as low as possible in the community college arena. If borrowing rates settle in the 10%-15 range nationwide at two-year public insitutions, they will be in line with what they were prior to The Great Recession and continue to drive down overall default rates with fewer students exposed to that possibility. The federal government also needs to honor its promise of providing increases in Pell grants each year moving forward. A combined effort of low/free tuition along with federal grant eligibility for low-income enrollees can definitely help continue the trend of those attempting to get a public Associate's degree or certificate from becoming indebted without the ability to repay.

References:

http://www.ccdaily.com/2018/05/taking-fewer-loans-lower-amounts/?platform=hootsuite

https://nces.ed.gov/pubs2018/2018144.pdf

http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/05/10/the-student-debt-crisis-at-state-community-colleges

THE LIFE OF A FINANCIAL AID CONSULTANT

People often ask me, "what's it like to be a financial aid consultant"? This is not an easy question to answer because the position is constantly changing. It's a job that is prone to be unpredictable; I may not know where I will be from one week to the next. One day, I can be assisting in a busy university financial aid office and the next I may be working from home on a report that is accessible on the school's network via a VPN login. There are very few dull moments. Financial aid consultants have to be flexible and adapt to shifting client needs.

The Higher Education Assistance Group (HEAG) has financial aid consultants located throughout the United States. I am based in HEAG's home office and with more than 75 colleges in the Boston area, many of my assignments are local. Sometimes I will travel. I have had the opportunity to work in seven different states as a consultant. HEAG matches financial aid consultants with assignments based on our skill-set, software experience and the school's needs. This allows me to hit the ground running when I start a new assignment. Besides getting familiar with the school's financial aid packaging protocol, there is very little training involved up front. That's one of the things I like about my job; I am able to have an immediate impact.

HEAG's assignments can range from serving as an interim Financial Aid Director or assisting during periods of peak demand, to responding to an unsatisfactory audit or an ED Program Review. HEAG offers Compliance Reviews, Business Process Reviews along with staffing and audit determination help. There isn't anything related to a school's Title IV awarding that we haven't tackled previously for another client.

But wait, there's more! HEAG can handle typical day-to-day work and have brought in teams of consultants to perform verification on thousands of files or just one consultant to review a handful, depending on the size of the school. I am currently working on the front lines in a financial aid office, answering phones and emails from both prospective and current students. Next week, I could be awarding those same students and going over the award with them in-person, ensuring a high level of customer service throughout the entire process. One thing all financial aid professionals have in common is a love for education and helping students obtain their degree. There isn't a day that goes by where I don't learn something new related to how a specific school handles their aid process. It is a part of the reason I enjoy my job so much and why I have been consulting for five years with HEAG.

Contact us to learn how HEAG's financial aid consultants can help with your staffing or processing needs.

Jeff Megargell
Senior Financial Aid Consultant

CONSUMER FINANCIAL PROTECTION BUREAU LOSING STUDENT LOAN WATCHDOG

The CFPB is losing a division that oversaw student loan servicers, debt collectors and predatory lenders for former and current college students. The Office of Students and Young Consumers is being folded into a broad "financial education" sector within the department. This is not the first office that Interim Director, Mick Mulvaney, has consolidated during his tenure. In February, the fair lending division was folded into CFPB's consumer education office. The closing office was not without controversy, battling the nation's largest student lender, Navient, as well as suing Corinthian Colleges. It is unknown at this time if either of these investigations will continue or if the same amount of people will be assigned to the cases being pursued. The lawsuit with Navient currently remains pending.

The changes coming to the CFPB are not without their critics. "The Office of Students and Young Consumers has been instrumental in uncovering rampant lending abuses and deceptive practices that make it difficult for borrowers to manage their education debt responsibly," said Suzanne Martindale, senior attorney for Consumers Union. "It makes no sense to eliminate this critical office at a time when millions of Americans need a watchdog working to make sure lenders and loan servicers are following the law and treating them fairly."

It is still unknown as to who students should officially contact at the CFPB for student loan issues going forward. It's likely that one of the current departments will pick up the slack, but the agency has not yet announced anything as of this article, including contact info for the financial education sector mentioned earlier. While other markets have recovered from the 2008 financial crisis, concerns in the student loan market have only become more prevalent. Roughly 4.6 million Americans are in default on their student loans as the end of 2017, according to the Department of Education, more than double what it was in 2013. That's more than 10 percent of the total 42.8 million Americans who currently have a student loan outstanding backed by the Department of Education. Students having issues are encouraged to continue contacting the lender ombudsmen assigned to their loan servicer. There is also still a formal complaint option (link: https://feedback.studentaid.ed.gov/s/?language=en_US) on the Department of Education's website.

If income-driven repayment plans weren't the magic bullet to fix the increasing student loan defaults plaguing many borrowers, taking away agencies that could assist them certainly doesn't seem the right path to take either. HEAG will continue to update you as we learn more about the situation and potential solutions brought about by the CFPB and Department of Education to help student loan borrowers.

References:

https://www.consumerreports.org/student-loans/what-shutdown-of-cfpbs-student-loan-watchdog-means-for-borrowers/

http://www.siouxlandproud.com/news/watchdog-agency-signals-less-focus-on-student-loan-abuses/1169693419

WHAT ARE COMPLETION GRANTS? ANOTHER LOOK.

Some college students get extremely close to graduation day and when that happy moment of walking across the stage to receive their diploma should be around the corner they run into a snag. They learn they have to pay their tuition balance to zero in order to get their degree.

Finding the funds to cover their balance may not be easy. They may not have enough cash or even credit to pay the bill. Credit may tighten on a potential new private student loan and they can be denied. Or worse yet, they may have completely run out of federal Pell grants and/or federal Direct loans because of transferring between a few different colleges, leaving them one semester short.

Some schools are looking at ways to make sure small balances do not prevent students from receiving their degree. The idea of "completion grants" came about a few years ago and continue to gain in popularity as funds grow to support the grants.

Over the past two years, the Coalition of Urban Serving Universities (USU) and the Association of Land-grant Universities (APLU) have been working to implement completion grants across nine public research universities in six states. Read their report here: "Foiling the Drop-out Trap: Completion Grant Practices for Retaining and Graduating Students."

The lowest income student population is always at the most risk of dropping out for a variety of reasons. To help these students graduate, some universities are targeting students with unmet need and balances under $1000 in their final semester.

Increasing completion rates and lowering student loan default rates are the ultimate goal of these niche grant programs. This proactive approach and helping the most at-risk student populations is an exciting new development in financial aid.

References:

https://evolllution.com/attracting-students/retention/one-step-to-rethinking-financial-aid-completion-grants/

https://www.chronicle.com/article/Completion-Grants-Are/235389

2018–19 COD SYSTEM PEAK PROCESSING REMINDERS

IFAP News - Posted June 18, 2018

In late June 2018, we will begin a peak processing period for the 2018–19 Award Year. To assist schools with planning and processing, we remind you of the following:

Origination and disbursement responses are processed throughout the day and are often sent to schools within hours. During this peak period, batch processing may take longer. In the unlikely event batch processing takes longer than 24 hours, the Common Origination and Disbursement (COD) School Relations Center will contact affected schools on the next business day.

Note: Mondays and Tuesdays are the heaviest processing days. If a school has system flexibility in the scheduling of batch submissions, it may want to consider sending data later in the week.

All system-generated responses are processed once a day at 2:30 a.m. Eastern time (ET) for activity that occurred the preceding day. As with batches, in the unlikely event system-generated response processing takes longer than 24 hours, the COD School Relations Center will contact affected schools on the next business day. This includes the following system-generated responses:

- Booking Notification (BN)
- Credit Status (CS)
- Entrance Counseling, Exit Counseling, and Financial Awareness Counseling (EC)
- Negative Disbursement (ND)
- Origination Fee and Interest Rebate Percentage (OF)
- Payment to Servicing (PS)
- PLUS Request Acknowledgement (SP)
- Promissory Note (PN)
- Subsidized Usage Limit Applies (SULA) Calculation Acknowledgement (SU)
- TEACH Grant Agreement to Serve (AT)
- TEACH Grant Counseling (AC)

Most schools may submit actual disbursement records (Disbursement Release Indicator (DRI) equals "True") up to seven calendar days in advance of the disbursement date. This applies to all award types (including Federal Pell Grant awards). For more information, COD System business rules for disbursement processing are found in Volume II, Section 1 of the 2018–2019 COD Technical Reference.

Thank you for your patience and understanding during this peak processing period.

Contact Information

If you have questions, contact the COD School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

GAINFUL EMPLOYMENT ELECTRONIC ANNOUNCEMENT # 116 – ANNOUNCEMENT OF APPLICABLE GE COMPLIANCE DATES

IFAP News - Posted June 18, 2018

Today, in the Federal Register, the Department announced it will allow additional time, until July 1, 2019, for institutions to comply with the requirements of the Gainful Employment (GE) regulations in 34 CFR 668.412 (d) and (e) and invites comment on this action.

34 CFR 668.412 (d) and (e) requires institutions to:

1. Include the disclosure template, or a link thereto, in their GE program promotional materials; and
2. Directly distribute the disclosure template to prospective students.

The Department intends to develop proposed regulations that would replace the GE regulations. As part of this rulemaking process, the Department continues to evaluate the efficacy of these disclosures to students and the implementation of these requirements.

Consistent with previous announcements, institutions must comply with the requirements in 34 CFR 668.412(a), (b), and (c) to post disclosures on their GE program web pages using the approved disclosure template provided by the Department. The deadline for these actions was April 6, 2018.

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.