Subsidized Usage Limit Applies (SULA): Misunderstandings & Misreporting

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Virginia W Hagins
https://cvent.me/GVVNDX

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Consequence: Eligibility Loss

- Borrower loses eligibility for additional Direct Subsidized Loans when borrower has received Direct Subsidized Loans for 150% of their current academic program

Generally measured in time, not dollars.

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

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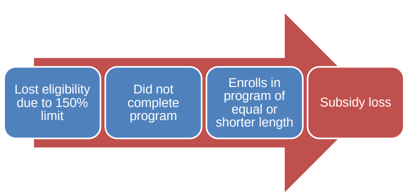
Consequence: Interest Subsidy Loss



Based on enrollment, not borrowing, or requesting aid.

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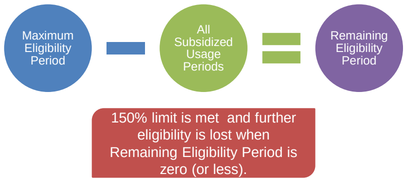
Determining When Eligibility is Lost



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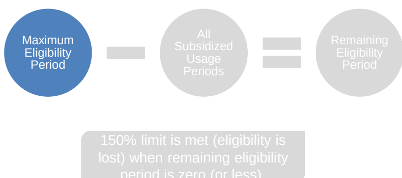
Maximum Eligibility Period (MEP)



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Maximum Eligibility Period

- Maximum eligibility period is 150% of the published length of borrower's current or upcoming academic program
  - ✓Varies by program
  - ✓Multiply published length of program by 1.5
  - ✓Two exceptions – bachelor's completion and special admission associate degree programs
  - ✓Measured in academic years or portions
  - ✓ED will calculate using school-reported information

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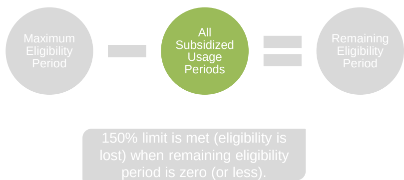
Subsidized Usage Period (SUP)



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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 up/down to nearest tenth of a year
- Includes only periods when Direct Subsidized Loan received
- ED will calculate using school-reported information
- Two exceptions

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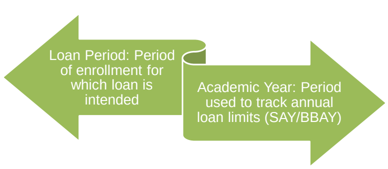
Calculating Subsidized Usage Period

$$Subsidzied\ Usage\ Period = \frac{Days\ in\ the\ Loan\ Period}{Days\ in\ the\ Academic\ Year}$$



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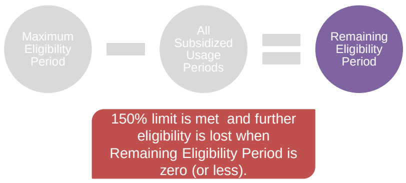
Determining When Limit Is Met



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Remaining Eligibility Period (REP)

- How much eligibility a borrower has left under the 150% limit
- Accounts for Direct Subsidized Loans received for all enrollment in all programs (except teacher certification programs)
- Eligibility lost when remaining eligibility is zero or less
- ED will calculate using school-reported information

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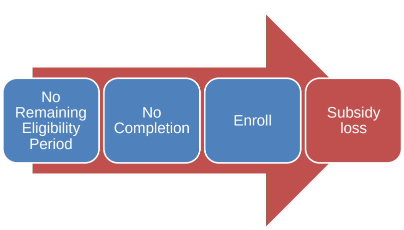
Loss of Interest Subsidy



Subsidy loss is effective on the date of the triggering enrollment.

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Enrollment Types & Subsidy Loss

1	2	3
Student lost eligibility	Student lost eligibility	Student had remaining eligibility
Enrolled at least ½ time in same undergraduate program	Enrolled at least ½ time in an undergraduate program of equal or lesser length	Student enrolled at least ½ time in shorter undergraduate program where usage ≥ maximum

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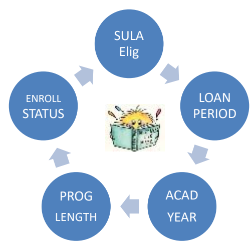
Misunderstandings & Misreporting



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All Prior Subsidized Usage Counts

Student just began in our program but the loan rejected (edit 206). How can the student have run out of eligibility already?

- Regardless of the program or school, or even if the student completed the prior program, all prior subsidized usage counts against the current MEP
- There is just one exception – usage from non-credential teacher certification programs calculated separately

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New Loans Despite Loss of Subsidy

Since the student has a loss of subsidy on a loan, does that mean no more subsidized loans can be awarded?

- Not necessarily because the student may now be in a longer program with a higher MEP and thus, more eligibility for subsidized loans

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No More Subsidized Eligibility – *at this time*

REP is too low for another subsidized loan so can we no longer worry about awarding subsidized loans?

- Things change so having no additional subsidized eligibility may not be permanent
  - student could return less than full-time
  - student could enroll in a longer program
  - an update/correction may be made on a prior loan
  - a prior loan could go through a closed school discharge
  - using the 120-day rule student could return a full disbursement to the school

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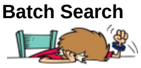
Accepted then Rejected

If the loan origination record was accepted, then how come it's now rejecting when I submit actual disbursements?

- That question is usually followed with a … *grrr!*
- ***Something changed*** – usually the enrollment status was reported as less than full-time in the origination, full-time on the actual disbursement
- But we also sometimes see a shorter program length reported on the actual disbursement
- Best tool to see what was *actually* sent – **COD Batch Search**



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Serial Loans

Can schools report a series of single-term loans instead of a single subsidized loan for the entire academic year?

- Yes, but in addition to the increased workload;
  - would still need to do multiple disbursements for each loan (unless default rate warranted single disbursements)
  - COD rounds at the loan level, not the academic year level
    - 4 SUPs: 0.25 X 4 = ***1.2 years*** (each 0.25 first rounds to 0.3)
    - 3 SUPs: 0.33 X 3 = ***0.9 year*** (each 0.33 first rounds to 0.3)

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PPSD is *not* the Loan Period Start Date

All the loan's Payment Period Start Dates (PPSDs) are the same (usually the loan period begin date)

- PPSD should be the first day of each *term* or *payment period*
- School's reported PPSDs:
  - fall start: 9/10/17 disbursement: full-time PPSD: 9/10
  - winter start: 1/10/18 disbursement: three quarters time PPSD: **9/10**
  - spring start: 3/10/18 disbursement: half-time PPSD: **9/10**
- COD calculates this SUP: **1.0 year**
- Correct SUP: **0.8 year**

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Enrollment as of the *Disbursement* Date

Reporting the enrollment status as of the census date instead of the disbursement date

Report enrollment status as of the *disbursement* date

- fall disbursement date: 9/10/17 (enrollment this date was half-time)
- school census date: 9/20/17 (enrollment this date was full-time)
- incorrect enrollment status reported to COD: **full-time**
- **result:** inaccurate subsidized usage calculation (in this example student is overcharged usage)

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Loan Period Dates

Loan period dates do not coincide with dates of terms/payment periods

fall term: 9/**10**/18 – 12/15/18 spring term: 1/10/19 – 5/**20**/19
incorrect loan period reported: 9/**20**/18 – 5/**10**/19
SUP: 0.9 year

- Why did the school report this? Because REP = 0.9 year
- School shaved off days from the beginning/ending of the loan period until the SUP did not exceed the REP

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Academic Year Dates

Incorrectly reported academic year dates impact SUP and annual loan limit calculations

- In addition to causing headaches for transfer students with annual loan limits
- It is a basic element of a loan's subsidized usage calculation:
  SUP = length of loan period ÷ length of academic year
- The academic year you report should be the period used to track annual loan limits
- Regulatory minimum is 26 weeks or 30 weeks
- A single-term academic year is never correct

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Reporting Summers

Misreporting summer can impact a loan's subsidized usage

- This pertains to scheduled academic year reporting with summer headers or trailers
- Report summer as part of the academic year only if:
  - you require summer enrollment, or
  - a summer disbursement is made (and retained)

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When to Add (or ***Subtract***) a Summer

Scheduled Academic Year schools with a summer header or trailer reporting summer in academic year though no summer disbursement was made and summer enrollment not required

- Disbursements made: fall, winter, spring
- Loan period: fall-winter-spring
- Academic year: fall-winter-spring-**summer**
- SUP = length of LP ÷ length of AY = 3 terms/4 terms = **~0.75 year**
- SUP should be **1.0 year**
- **Update the academic year to remove summer**

When to ***Add*** (or Subtract) a Summer

Fall-spring loan awarded, later a summer loan added but failed to update the fall-spring loan's academic year to include summer

Wrong:
001 loan SUP = fall-spring / **fall-spring** = 2/2 = **1.0 year**
002 loan SUP = summer / fall-spring-summer = 1/3 = **0.3 year**
Right: **Update the academic year to add summer**
001 loan SUP = fall-spring / **fall-spring-summer** = 2/3 = **0.7 year**
002 loan SUP = summer / fall-spring-summer = 1/3 = **0.3 year**

Published Program Length

Since when is 24 months not 2 years?

- **Since your academic year is not 52 weeks long**
- If you have a Weeks Programs Academic Year of 30 weeks
- Then a 24-month program converts to 3.428 years
- A 2-year program has a MEP of 3.0 years
- But a 3.428-year program has a MEP of **5.1 years**
- Have you been awarding over 3.0 years of subsidized loans?
  - **those loans will need to be removed**
  - **cannot be retroactively replaced with unsubsidized loans**

Reporting Published Program Length

What to report to COD and NSLDS

- If published, (catalog, website, promotional materials) report to COD and NSLDS ***what was published***
- If not published and it's an associate or bachelor's degree program, report ***2 years or 4 years***, respectively, unless the academic design of the program makes it longer or shorter than typical
- For all other programs where school has not published the program length, it is based on the school's determination of how long, in weeks, months, or years, the program is designed for a ***full-time student to complete***

EA #17 4/20/2015

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Loan Updates

When do loans need to be updated?

- If you added summer to the academic year of the 001 loan (slide 26) but the student doesn't get that summer disbursement after all (or receives it but it is later zeroed out) – be sure to go back in and remove the summer
- On any loan if a disbursement is not made
  - Pending disbursement must be zeroed out
- Reduce the loan amount to the total amount disbursed
- Shorten the loan period so only terms/payment periods with a disbursement made and retained are included
- Loan update timing is under the 15-day reporting requirement

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Remaining Eligibility Less than 1.0 Year

- Still may be able to award another subsidized loan
- Are any loans already on the system which when corrected/updated will free up subsidized eligibility?
- If loan was rejected (edit 206), may be able to reconfigure and resubmit it (single term loan, etc.)
- Reducing the loan period, if appropriate (next slide), is usually a necessary step
- If loan limit exception triggered, the loan amount will need to be reduced below the annual limit (any amount will stop the exception from triggering – e.g. $1)
- Were the enrollment statuses & program length correctly reported?

EA #20 10/19/2015

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Minimum Loan Period

- Credit-hour, standard term or non-standard term SE9W* programs: **minimum loan period is the term**
- Clock-hour, non-term or non-standard term NSE9W* programs: **minimum loan period is the lesser of:**
  - length of the program
  - remaining portion of the program
  - academic year
  - remaining period to "finish out" the academic year of the transfer student

*SE9W: Substantially Equal terms at least 9 Weeks in length
*NSE9W: Non SE9W

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Reducing the Loan Amount for Edit 206

- Loan limit exception is the second step in COD's calculation of a loan's subsidized usage
  - but the enrollment exception is the third step (slide 8)
  - may not have to reduce the loan amount if the enrollment exception would take the SUP down to the REP or less
  - but if you do need to reduce the loan amount – a reduction of ***any amount*** less than the annual loan limit will keep the exception from triggering
    - don't multiply the REP by the annual loan limit [**common mistake**]
    - but don't exceed need for the (new) loan period of course

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Record Rejected at COD

- Whether it was SULA edit-206 or any other reject (i.e. loan fee)
- COD treats a rejected record as if it was never sent
- So if the loan was never accepted at COD, it doesn't need to be inactivated at COD
- Sending in zeroed out disbursements (and loan amount) on a loan they don't have will just get that one rejected too (doesn't do much for your attitude either)
- You can still see what you sent that got rejected – but only in Batch Search (think of it as the front porch where packages are delivered before being allowed in the front door)

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Common Misreporting to NSLDS

- Most common reporting problems include the following fields:
  - Program Status Effective Date
  - Program Begin Date
  - Published Program Length
- Two common reporting scenarios that cause Loss of Subsidy (LOS):
  - Incorrect data or improper gaps in enrollment
  - Enrollment information reported by other schools

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Program Effective Date

- The Program Status Effective Date is the *earliest* date when the student's program status first took effect
  - The student’s status is critical to determining borrower’s eligibility to retain subsidy on their loans
  - The Program Status Effective Date should remain the same as long as the student stays enrolled in the same enrollment status

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Program Effective Date

- Advancing the Program Status Effective Date using the existing status is considered a correction to previously reported records
- Do not advance the Program Status Effective Date unless the student’s enrollment status changed since the last reporting

NORTH SOUTH UNIVERSITY - 06789900

1 CIP Code: 090902 Title: Public Relations/Image Management.
Credential Level: 03 - Bachelor's Degree Published Prog. Length in Yrs.: 4.0 Special Program Indicator: N
Prog. Begin Date: 04/27/2016 Reported Program Length: 4.0 Years Weeks in Academic Year: 0.0

Reported By	Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Latest Cert. Method	Times Certified	Latest Date Received	Current
School	06789900	Full Time	01/01/2018	Active	01/01/2018	05/04/2018	School Batch	11	09/06/2018	Current
School	06789900	Full Time	08/16/2017	Inactive	08/25/2017	12/15/2017	School Batch	5	01/04/2018	Not Current
School	06789900	Full Time	01/01/2017	Inactive	01/20/2017	05/05/2017	School Batch	5	05/18/2017	Not Current
School	06789900	Full Time	10/14/2016	Inactive	11/21/2016	12/16/2016	School Batch	2	01/09/2017	Not Current
School	06789900	Full Time	08/16/2016	Inactive	08/27/2016	10/14/2016	School Batch	3	11/04/2016	Not Current
School	06789900	Full Time	04/27/2016	Inactive	05/05/2016	05/05/2016	School Batch	1	05/16/2016	Not Current

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Program Begin Date

- The Program Begin Date is the date the student first began attending the program being reported
  - The Program Begin Date is important because it helps establish the start of the student's Maximum Eligibility Period (MEP)
  - If a student withdraws from the program and later returns to the exact same program, the school is not required to report a newer Program Begin Date

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Program Begin Date

- The Program Begin Date is the date the student started in the program of study and does *not* change based on a new term date

NORTH SOUTH UNIVERSITY - 06789900

1
CIP Code: 141901 | Title: Mechanical Engineering.
Credential Level: 03 - Bachelor's Degree | Published Prog. Length in Yrs.: 4.0 | Special Program Indicator: N
Prog. Begin Date: 01/04/2016 | Reported Program Length: 4.0 Years | Weeks in Academic Year: 0.0

Reported By	Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Latest Cert. Method	Times Certified	Latest Date Received	Current
School	06789900	Graduated	05/05/2018	Active	06/26/2018	06/26/2018	School Batch	1	07/04/2018	Current
School	06789900	Full Time	01/01/2018	Active	01/01/2018	05/04/2018	School Batch	6	05/15/2018	Not Current
School	06789900	Full Time	08/16/2017	Inactive	08/25/2017	12/15/2017	School Batch	5	01/04/2018	Not Current
School	06789900	Full Time	01/01/2017	Inactive	01/20/2017	05/06/2017	School Batch	6	08/04/2017	Not Current
School	06789900	Full Time	08/16/2016	Inactive	08/27/2016	12/16/2016	School Batch	5	01/09/2017	Not Current
School	06789900	Full Time	01/04/2016	Inactive	01/21/2016	05/05/2016	School Batch	5	05/16/2016	Not Current
School	06789900	Full Time	08/16/2015	Inactive	08/28/2015	12/15/2015	School Batch	5	01/09/2016	Not Current
School	06789900	Full Time	01/01/2015	Inactive	03/24/2015	05/08/2015	School Batch	3	06/05/2015	Not Current

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Published Program Length

- Schools have the option to report the Published Program Length (PPL) in Weeks, Months or Years. See Electronic Announcement #17 (4/20/15) for what length is appropriate to report
- When the PPL is reported in Months or Weeks, NSLDS uses a conversion based on the 'Weeks in Programs Academic Year' (WPAY) field to determine the Published Program Length in Years
- Conversion formula if schools report in Months: PPLY = (PPLM X 30) / (WPAY X 7) and if schools report in Weeks: PPLY = PPLW / WPAY
  - 4 years = 4 PPLY X 150% = 6.0 MEP
  - 48 months = (48 PPLM x 30)/(32 WPAY x 7) = 6.428 PPLY X 150% = 9.642 MEP
  - 208 weeks = 208 PPLW /32 = 6.5 PPLY X 150% = 9.75 MEP

NORTH SOUTH UNIVERSITY - 06789900

1
CIP Code: 270101 | Title: Mathematics, General.
Credential Level: 03 - Bachelor's Degree | Published Prog. Length in Yrs.: 6.428 | Special Program Indicator: N
Prog. Begin Date: 10/26/2017 | Reported Program Length: 48.0 Months | Weeks in Academic Year: 32.0

Reported By	Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Latest Cert. Method	Times Certified	Latest Date Received	Current
School	00116400	Full Time	01/29/2018	Active	02/14/2018	05/23/2018	School Batch	8	09/05/2018	Current

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Reporting Continuous Enrollment

- A student is considered to be <u>continuously enrolled</u> during a period of non-required attendance (ex. summer) if the student is expected to return for the next regularly scheduled term:
  - There is no reason for the school to believe that the student will not enroll on an at least half time basis for the next regularly scheduled term; and
  - The student was enrolled at least half time at the end of the previous regularly scheduled term
- If the student does not return for the next regularly scheduled term, the school should report the borrower as withdrawn based on their last date of attendance

NORTH SOUTH UNIVERSITY - 06789900

1 CIP Code: 450401 | Credential Level: 03 - Bachelor's Degree | Prog. Begin Date: 03/20/2014 | Title: Criminology | Published Prog. Length in Yrs.: 4.0 | Reported Program Length: 4.0 Years | Special Program Indicator: N | Weeks in Academic Year: 0.0

Reported By	Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Latest Cert. Method	Times Certified	Latest Date Received	Current
School	06789900	Full Time	08/28/2018	Active	08/21/2018	08/21/2018	School Batch	1	09/06/2018	Current
School	06789900	Less than Half	05/14/2018	Active	05/14/2018	07/27/2018	School Batch	3	08/08/2018	Not Current
School	06789900	Full Time	05/15/2017	Active	05/19/2017	07/31/2017	School Batch	3	08/04/2017	Not Current
School	06789900	Half Time	01/17/2017	Active	02/03/2017	03/31/2017	School Batch	3	04/06/2017	Not Current
School	06789900	Full Time	05/18/2015	Active	05/18/2015	06/22/2015	School Batch	2	07/09/2015	Not Current
School	06789900	Half Time	01/28/2015	Active	01/31/2015	03/16/2015	School Batch	3	04/09/2015	Not Current
School	06789900	Full Time	08/25/2014	Active	11/21/2014	11/21/2014	School Batch	1	12/11/2014	Not Current

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Reporting Students not Enrolled in a Program

- If a student is not seeking a credential at your school then the student should not have program-level enrollment reported on their behalf.
  - Examples include: Visiting Students, Transient Students, and other non-degree seeking courses
- Schools are permitted to report campus-level enrollment for these types of students

EAST WEST COMMUNITY COLLEGE - 00123400

1 CIP Code: 240102 | Credential Level: 01 - Undergraduate Certificate or Diploma | Prog. Begin Date: 05/07/2018 | Title: General Studies. | Published Prog. Length in Yrs.: 0.5 | Reported Program Length: 15.0 Weeks | Special Program Indicator: N | Weeks in Academic Year: 30.0

Reported By	Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Latest Cert. Method	Times Certified	Latest Date Received	Current
School	00123400	Full Time	05/16/2018	Active	05/16/2018	08/07/2018	School Batch	8	09/18/2018	Current

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SULA Inquiry and Calculator

COD Website
- Go to Person Search
- Bring up the student
- Direct Loan
- View Undergraduate Usage History

SULA Inquiry
- Student-specific questions
- Over 4,000 researched to date

SULA Calculator
- Won't send, remove or harm any loans on the system

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Training Feedback

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

- All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- To register, please go to: https://cvent.me/GVVNDX

Ask A Fed goes online!

FSA has implemented a new resource to assist Financial Aid Administrators obtain guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email. Please send your inquiries about Title IV regulations to AskAFed@ed.gov

The Ask A Fed email box is staffed every business day by a team of FSA Training Officers and they are ready to assist schools with their questions.