



October 22, 2008

Dear President:

In light of the destruction caused by Hurricanes Gustav and Ike, Federal Student Aid would like to remind schools of the various federal student aid waivers and flexibilities that can lessen the storms' impact on schools, students, and former students. We also want to provide you with information on how students and parents can obtain additional information on assistance available to those impacted by the hurricanes.

The most comprehensive listing of disaster assistance and guidance is provided in Dear Colleague Letter GEN-04-04, which can be accessed at <http://www.federalstudentaid.ed.gov/disaster/index.html>. In this letter, we highlight several provisions from GEN-04-04.

Also, as indicated in GEN-04-04, should further relief be necessary, institutions are encouraged to contact their Federal Student Aid School Participation Team representative. For a list of School Participation Team contacts, see the link above.

School Operational Issues

Length of Academic Year – A school located in a FEMA-declared disaster area and, as a direct result of the disaster, was temporarily closed for a period of time that impacts the length of its academic year, should promptly contact its School Participation Team to discuss the specifics of their situation.

Lost Records - The Secretary recognizes that records and documentation that institutions are required to keep on file may no longer be available or legible because of a disaster. Affected institutions are required to attempt to reconstruct financial aid records lost because of a disaster, but will not be held responsible for records and documentation that, because of disaster damage, cannot be reconstructed. The institution must document that the records were lost due to a disaster.

Pell Grant End of Year Reporting - Upon an institution's request, we will grant an extension of the reporting deadline for final Federal Pell Grant, Academic Competitiveness Grant and the National Science and Mathematics Access to Retain Talent (SMART) Grant payments for the 2007-08 award year if the institution was unable to meet the published deadline of September 30, 2008, because of the disaster. Affected institutions should make such a request, as soon as they are able, by one of the following two methods:

830 First St. N.E., Washington, DC 20202
www.FederalStudentAid.ed.gov
1-800-4-FED-AID

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- Submit a request via the COD Web site (<http://www.cod.ed.gov>) on the "Request Post Deadline Processing" screen located on the left hand side of the menu under the School tab.
- Contact the COD School Relations Center at 800-474-7268.

Fiscal Operations Report and Application to Participate (FISAP) - Upon an institution's request, we will grant an extension to the FISAP reporting deadline of October 1, 2008, if the school was not able to file its FISAP because of the disaster. Affected institutions should make a request for assistance as soon as they are able by contacting the Campus-Based Call Center at 877-801-7168.

Student Status Confirmation Reports (SSCR) - If an institution is unable to complete and return a SSCR to the National Student Loan Data System (NSLDS) according to the established schedule as a direct result of a disaster, it must contact NSLDS Customer Service at 800-999-8219 to modify its reporting schedule. An institution using the National Student Clearinghouse should contact the Clearinghouse to see if its enrollment data submission schedule needs to be adjusted.

Student Eligibility

Professional Judgment - The Secretary encourages a school's financial aid administrator (FAA) to use professional judgment in order to reflect more accurately the financial need of students and families affected by a disaster. The FAA still must make adjustments on a "case-by-case" basis and clearly document the student's file with the reasons for any adjustment. The use of professional judgment in federal need analysis is discussed in the Federal Student Aid Handbook.

Satisfactory Academic Progress - In situations where a student fails to meet the institution's satisfactory academic progress standards due to a disaster, the institution should apply the exception provision of "other special circumstances" contained in 668.34(c)(3) of the regulations.

Return of Title IV Funds Calculations - If a student withdraws because of a disaster, the institution must perform the Return of Title IV Funds calculations in accordance with §668.22, as it must for any student who withdraws. The appropriate School Participation Team will address concerns about the deadlines and time frames that are part of the Return of Title IV Funds requirements on a case-by-case basis.

Need Analysis - No special aid received by victims of a disaster from the federal government or from a state, for the purpose of providing financial relief, will be counted as income, other resources, or other financial assistance for the purpose of calculating a family's Expected Family Contribution (EFC).

Verification - The Secretary will not enforce the verification requirements during the award year for those applicants selected for verification whose records were lost or destroyed because of a disaster.

Borrower Concerns (Perkins, Direct Loan, FFEL)

Borrowers Still In-School – Any borrower who was in an "in-school" status at the time of a disaster and was unable to complete course requirements or enroll in classes, should continue to be placed in an "in-school" status during the period of disaster-related nonattendance until such time as the borrower withdraws or re-enrolls in the next regular enrollment period, whichever is earlier. This guidance does not affect the way an institution should report a borrower's enrollment status on its Student Status Confirmation Report.

Borrowers in Repayment – Lenders are authorized to grant forbearance for a period not to exceed three months, upon request of the borrower who was in repayment at the time of a disaster but is unable to continue to repay the loan due to the disaster.

Contact Phone Numbers

Both the Central Processing System (CPS) and the COD System have help desks ready to provide any additional technical assistance that may be needed.

- CPS/SAIG Technical Support: 800-330-5947
- COD School Relations Center: 800-474-7268 for Grants or 800-848-0978 for Direct Loans

Additional Information

Additional information is available for schools coping with a natural disaster at <http://www.ifap.ed.gov/disaster.html>.

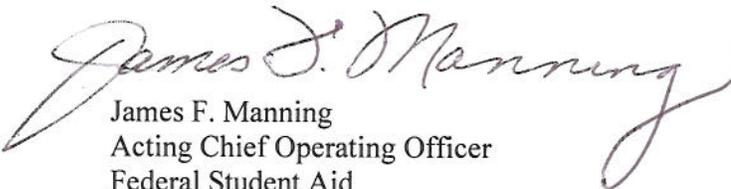
Students and parents can find disaster related information and assistance at <http://www.federalstudentaid.ed.gov/disaster/index.html>.

Schools are encouraged to post this Web link on their school financial aid Web site or provide the Web site to students directly. In addition, schools can refer students and parents to existing phone numbers and call centers:

- Federal Student Aid Information Center: 800-4-FED-AID (800-433-3243)
- Direct Loan Servicing Center, for borrowers with Direct Loans: 800-848-0979
- Federal Student Aid Ombudsman: 877-557-2575
- For student or parent borrowers with a Federal Family Education Loan (FFEL) Program loan, schools should direct them to their lender.

Please let us know how we can help and do not hesitate to call us for assistance. We are ready to work with your school and your students to help you recover from the storms. For further assistance or questions about the information in this letter, please contact Sue O'Flaherty at 202-377-3393 or sue.oflaherty@ed.gov.

Sincerely,



James F. Manning
Acting Chief Operating Officer
Federal Student Aid

cc: Financial Aid Administrator