
Introduction



This volume of the Federal Student Aid Handbook comprises topics pertaining to colleges' general obligations in administering the Title IV student aid programs: institutional and program eligibility, administrative requirements, audits, recordkeeping, program reviews, and providing information to the public are all explained.

Throughout the Handbook we use “college,” “school,” and “institution” interchangeably unless some more specific use is given. Similarly, “student,” “applicant,” and “aid recipient” are synonyms. “Parents” in this volume refers to the parents of dependent students, and “you” refers to the primary audience of the Handbook: financial aid administrators at colleges. “We” indicates the United States Department of Education (Department, ED), and “federal student aid” and “Title IV aid” are synonymous terms for the financial aid offered by the Department.

We appreciate any comments that you have regarding the Federal Student Aid Handbook. We revise and clarify the text in response to questions and feedback from the financial aid community, so please contact us at fsaschoolspubs@ed.gov to let us know how to improve the Handbook so that it is always clear and informative.

CHANGES FOR 2015–2016

On page 7 we amended the last margin note to reflect that the state authorization regulations are now fully in force.

We added a margin note on page 11 about students who are enrolled in an eligible career pathway program and who do not have a high school diploma or the recognized equivalent.

We added a paragraph on page 14 titled “Beginning to disburse funds” that explains when schools can disburse FSA program funds after they have become eligible to participate.

We rewrote the section on gainful employment (GE) programs on page 20 and added a new section on page 21 pertaining to certification requirements for GE programs.

Based on Dear Colleague Letter (DCL) GEN-14-23, we added to and amended the material on direct assessment programs beginning on page 23. We included information about competency-based education (CBE) programs generally, of which direct assessment programs are a type.

We added on page 26 a section on apprenticeships that are part of a Title IV-eligible program.

At the bottom of page 28, we rewrote for greater clarity the paragraph about the limits on how much of an educational program an ineligible school under a contractual agreement may provide.

On page 29 we added a margin note on internships and externships and the requirements of written arrangements.

Also on that page we added to the first bullet under “Types of study-abroad programs” a sentence clarifying that a written arrangement between a domestic institution and a foreign one is always a contractual agreement under which the former is the home school.

On page 30 we retitled an existing margin note on coursework at foreign schools and supplemented it with guidance from DCL GEN-14-20.

On page 51 we added to the margin note about two-factor authentication by mentioning that there is now a “soft” token available for users as well as the existing “hard” token/key fob. We recommend use of the soft token, which is an application that is downloaded to a user’s mobile device.

We added on page 52 a margin note and a paragraph in the body of the page about enrollment reporting at the program level.

On page 63 we removed references to *The Blue Book*, which was the FSA publication for school business officers, because it has been discontinued. The content of *The Blue Book* that was not already contained in the FSA Handbook has been incorporated in *Volume 4* and the appendices.

We removed paragraph (a)(6) from section 668.28 on page 66 because it was dated. For the same reason, we removed the section titled “Counting LEAP funds” on page 67.

Drawing on the information in DCL GEN-15-01, we added a margin note on page 70 about the failure of some third-party servicers to submit annual compliance audits, and we emphasized on page 151 that the Federal Trade Commission rules pertaining to an information security program apply to third-party servicers.

We updated the first bullet on page 84 under “Effect of cohort default rates.”

We added several pages beginning on page 84 that largely repeat the guidance in DCL GEN-15-12 pertaining to debt-to-earnings (D/E) rates of GE programs.

In *Chapter 6* on page 116 we added a margin note directing readers to see *Chapter 2* for information about the new requirement for schools to disseminate warnings when a GE program is at risk of losing Title IV eligibility due to failing and zone D/E rates.

On page 119 we added to the margin definitions for *domestic violence*, *dating violence*, and *stalking*.

We updated the margin note on page 120 regarding the Clery Act to indicate that final regulations were published in October 2014 and went into effect July 1, 2015. See DCL GEN-15-15 for a summary of the major changes implemented by these regulations.

Also in the margin of that page, we noted that the Departments of Justice and Education have online references to resources that might help schools with their sexual assault training and prevention and other obligations regarding sexual assault, domestic and dating violence, and stalking.

We added a margin note on page 127 mentioning the new loan counseling requirement for PLUS borrowers who have an adverse credit history but who qualify for a PLUS loan through obtaining a loan endorser or going through the process for reconsideration due to extenuating circumstances. We also noted in the body and the margin of page 130 that PLUS Loan counseling is available for parents and graduate students.

We updated page 158 to show that a program review report will be sent to a school within 75, not 60, days.

