

DISASTER RELIEF

Guidance for Helping Title IV Participants
affected by a Major Disaster

Overview

Administration of Title IV aid

- A brief overview of the [Dear Colleague Letter GEN 17-08](#)

General Guidance for Disasters including:

- General Provisions
- Institutional Charges, Refunds, and Return of Title IV Funds Calculations
- Pell and TEACH Grant Programs
- Campus-Based Program Issues

Overview

General Guidance for Disasters (cont'd)

- Federal Perkins Loan Program
- Direct Loan Program/FFEL Program: Institutions
- Direct Loan Program: Department of Education (ED)
- FFEL Program: Lenders and Guaranty Agencies and FFEL Purchased Loans held by ED (FFEL Program)
- Frequently Asked Questions

Resources for Institutions and Students

Administration of Title IV aid

DCL GEN 17-08 supersedes prior disaster relief guidance

Regulatory relief applies to those located in federally declared disaster areas designated for “Individual Assistance”

Regulatory relief also applies to: institutions, guaranty agencies and servicers located in disaster areas

Additional Help

Contact the School Participation Division (SPD) to discuss:

- Plans to reopen and impact on students
- Closures for a period of time that impacts the length of an academic year
- Questions about R2T4 deadlines and time frames (§668.22)
- Post-Withdrawal Disbursements (§668.22(a)(5) and (6))
- Perkins Borrowers in Initial or Post-Deferment Grace Periods (§674.42)
- Collecting Defaulted Perkins Loans (Part 674, Subpart C)
- Submitting Direct Loan Payment Data (§685.301(c))

General Provisions

Institutional Participation (§668.26(a)(1))

- Closure due to a natural disaster does not automatically result in a loss of eligibility or participation in the Title IV programs

Agreements to Permit Study at Another Institution (§668.5)

- When unable to provide a program, written agreements are encouraged

General Provisions

Campus Security Reporting (§668.46)

- If an institution is unable to provide appropriate crime statistics data to ED or publish its Annual Security Report, contact the Campus Safety Help Desk at 1-800-435-5985 or e-mail campussafetyhelp@westat.com

Equity in Athletics Disclosures (§668.47)

- If an institution is unable to provide appropriate data for its Equity in Athletics Disclosure Report, contact the EADA help desk at 888-233-5421 or email at eadahelp@westat.com

General Provisions

Cash Management (Part 668, Subpart K)

- ED will work with institutions to address specific problems related to specific cash management requirements including:
 - Borrower Requests for Loan Cancellation (§668.165(a)(4)(ii))
 - Credit Balances (§668.164(h))
 - Excess Cash (§668.166)
 - Notices and Authorizations (§§668.165(a)(3) and 668.165(b)(4)(iii))

General Provisions

Lost Student Records (§668.24)

- For records an institution is required to keep that are no longer available, it:
 - must attempt to preserve and reconstruct
 - will not be penalized for inability to reconstruct
 - must document efforts to preserve and reconstruct
 - must document what records it could not reconstruct

General Provisions

Need Analysis

- Any aid received by victims of a disaster from a Federal or State entity for the purpose of providing financial relief is not counted as income for calculating a family's Expected Family Contribution (EFC) under the Federal Methodology or as Estimated Financial Assistance (EFA) for packaging purposes

General Provisions

Professional Judgment

- FAAs may adjust Cost of Attendance (COA) or the values of items used in calculating the EFC on a case by case basis to reflect special circumstances
 - may more accurately reflect the financial need of students and families affected by a disaster
- Obtain and maintain documentation and, if necessary, report updates to the Central Processing System (CPS)

General Provisions

Satisfactory Academic Progress (SAP) (§668.34)

- If a student fails to meet SAP, an institution may find that because of "other special circumstances" the student is nevertheless meeting its standards
- An institution must document in the student's file that failure to maintain SAP was due to a disaster

General Provisions

Verification (Part 668 Subpart E)

- ED will not enforce the verification requirements for selected applicants whose verification records were lost or destroyed because of a disaster
- For these students, Verification Status Code "S" may be used to report a Federal Pell Grant disbursement
- ED waives the requirement that a dependent student submit a statement signed by one of the student's parents when no responsible parent can provide the required signature

Institutional Charges, Refunds and R2T4

Institutions must perform R2T4 if a student withdraws, and any Title IV aid disbursed that is in excess of the amount earned must be returned to the programs

This may benefit the student by reducing the student's loan debt

Institutional Charges, Refunds and R2T4

Institutional Charges and Refunds (§668.22)

- Institutions can provide a full refund of tuition, fees, and other institutional charges or provide a credit in a comparable amount against future charges for students who withdraw from school
- Institutions should consider providing easy and flexible re-enrollment options to these students
- Before making a refund of institutional charges, institutions must perform the required R2T4 calculation based on the institutional charges originally assessed

Institutional Charges, Refunds and R2T4

Institutional Charges and Refunds (§668.22)

- ED does not expect that an institution would return funds to the Federal programs and also provide a refund of those same funds to the student
- Do not include the number of days in numerator or denominator for R2T4 calculations where the disaster resulted in an unscheduled break

Institutional Charges, Refunds and R2T4

Leaves of Absence (§668.22(d))

- A leave of absence that meets the definition of an approved Title IV leave of absence generally applies only to clock hour or non-term programs
- A student can request a leave of absence without doing so in writing, and request for the leave of absence does not have to be made before the leave of absence starts

Institutional Charges, Refunds and R2T4

Waiver of Title IV Grant Overpayments (§668.22(h)(5))

- ED has waived the amount of a student's Title IV grant overpayment if the student withdrew from the institution because of a major disaster
- Waiver authority remains in effect until it is specifically withdrawn by ED
- See the DCL GEN 17-08 for more detail and reporting requirements

Pell and TEACH Grant Programs

Deadline for Reporting Initial Disbursement Records (Pell §690.83 and TEACH §686.37)

- Institutions can make the request to extend the deadline for reporting final Pell Grant payments by submitting a request via the Common Origination and Disbursement (COD) Web site (<http://www.cod.ed.gov>) or by contacting the COD School Relations Center at 1-800-474-7268

Disaster Relief and COD Reporting

Do not report to COD updated changes to payment period start dates, loan period (award) begin dates, or loan academic year beginning dates

If you have not yet submitted Direct Loan and Grant data for the 17-18 award year, submit the records with the dates that you would have started if not affected by a natural disaster

Disaster Relief and COD reporting

COD reconciliation outreach for current unsubstantiated funds and prior year balances will be held

You may receive system generated correspondence from COD

Make every effort to report disbursements timely for funds already drawn. If reporting is delayed, communication is key

If you need assistance, please contact your primary COD, CSR or COD reconciliation coordinator

General Campus-Based Program Issues

Allocation Reduction Due to Under-Utilization (§673.4(d)(3))

- ED has waived the requirement that if an institution returns more than 10 percent of its allocation under the FWS or FSEOG programs for an award year, the institution's allocation for the program in question for the second succeeding award year is reduced by the amount unexpended
- Affected institutions should make the waiver request by contacting the Campus-Based Call Center at 1-877-801-7168

General Campus-Based Program Issues

Filing Deadline for Fiscal Operations Report and Application to Participate (FISAP)

- If an institution is having trouble filing its complete FISAP by the published deadline, request assistance by contacting the Campus-Based Call Center at 1-877-801-7168

Federal Work-Study (FWS) Program

Community Service Requirements (§675.18(g))

- ED waived the requirement that considers the failure of an institution to expend at least seven percent of its total FWS Federal allocation for community service and/or to have at least one project for reading tutoring of children or family literacy
- An affected institution should request a waiver by using the annually published waiver submission guidelines, or by contacting the Campus-Based Call Center at 1-877-801-7168

Federal Work-Study (FWS) Program

Community Service (§675.2)

- Institutions are encouraged to employ their FWS students in cleanup and relief efforts for the communities affected by a disaster. These efforts are considered to be part of the institution's community services activities under the FWS Program

Flexibility in Making Certain FWS Payments (§675.18(i))

- An institution in an area affected by a major disaster may only make payments to disaster-affected students for the period of time in which the students were prevented from fulfilling their FWS obligations due to the disaster. The period of time may not exceed the award period

Federal Perkins Loan Program

Reporting Student Enrollment Status (§674.16(j))

- If unable to report, institutions should contact NSLDS Customer Service at 1-800-999-8219 to modify the reporting schedule
- Communicate with any third party servicers as needed

Federal Perkins Loan Program

Borrower's Loan Status (§674.31)

- If a Perkins Loan borrower who was in an "in-school" status on the date the borrower's attendance at the institution was interrupted, the institution should continue to report that borrower's status to NSLDS as "in-school"
- The institution should continue the borrower in that status until the borrower withdraws or fails to resume attendance on at least a half-time basis in the next regular enrollment period, whichever is earlier

Federal Perkins Loan Program

Borrowers in Repayment (§674.33)

- Institutions are authorized to grant forbearance, for a period not to exceed three months, to a Federal Perkins Loan borrower who is in repayment at the time of a disaster and who is unable to make payments due to the disaster

Collection of Defaulted Loans (Part 674, Subpart C)

- The institution may stop collection activities for three months upon notification by the borrower, or another reliable source that the borrower has been affected by a disaster

Federal Perkins Loan Program

Satisfactory Repayment Arrangements on Defaulted Loans (§674.2) and Payments to Rehabilitate Loans (§674.39)

- During the time a borrower is affected, an institution should not treat any scheduled payment the borrower fails to make as a missed payment in the stream of:
 - six on-time, consecutive, monthly payments for the borrower to make satisfactory repayment arrangements on a defaulted Perkins Loan and to re-establish his or her eligibility for Title IV aid
 - nine on-time, consecutive, monthly payments required for the borrower to rehabilitate the defaulted loan

Direct Loan/FFEL Program

Reporting Student Enrollment Status (§§685.309(b) and 682.610(c))

- If unable to report a student's enrollment status to NSLDS under the established schedule, contact NSLDS Customer Service at 1-800-999-8219 to modify the reporting schedule

Direct Loan/FFEL Program

Satisfactory Repayment Arrangements (§§685.102 and 682.200(b))

- During the time a borrower is affected by a disaster, ED and the FFEL loan holder will allow extra time to make up a missed payment if the borrower missed a payment in the stream of:
 - six consecutive, on-time voluntary full monthly payments
 - three consecutive, on-time voluntary full monthly payments
 - (§685.211(f)) or (§682.405) nine on-time monthly payments within 10 months for purposes of rehabilitating the defaulted loan

Direct Loan Program: ED

Borrowers With In-School Loan Status and In-School Deferment Status (§685.204)

- ED will continue to report to NSLDS as "in-school" the loan status of each borrower who was in an "in-school" status on the date the borrower's attendance at the institution was interrupted due to a disaster
- This will continue until an institution reports the borrower as withdrawn

Direct Loan Program: ED

Borrowers in Repayment (§685.205)

- For a borrower in repayment who is affected by a disaster, ED will grant an administrative forbearance if requested

Collection of Defaulted Loans

- ED will stop collection activities for three months upon notification by the borrower or another reliable source that the borrower has been affected by a disaster

FFEL Program

Borrowers With In-School Loan Status (§682.209(a)) and In-School Deferment Status (§682.210)

- The loan holder should continue to report to NSLDS as "in-school" the loan status of each borrower who was in an "in-school" status on the date the borrower's attendance at the institution was interrupted due to a disaster until the institution reports the borrower as withdrawn

FFEL Program

Borrowers in Repayment (§682.211)

- The FFEL loan holder is authorized to grant an administrative forbearance for a period of up to three months

Collection of Defaulted Loans (§682.410)

- The guaranty agency is authorized to stop collection activities for three months upon notification by the borrower, or another reliable source that the borrower has been affected by a disaster

Frequently Asked Questions

Q: If a school delays the start of class, does the 30-day loan disbursement delay begin when the school originally planned to start or when the school actually starts class?

A: We allow the institution to use the original first day of class to calculate the 30 day delay if they are required to delay

Frequently Asked Questions

Q: Many students received credit balance disbursements prior to the start of school, but have now withdrawn for a variety of reasons related to a natural disaster. What is the school's responsibility in returning the funds that the student received?

A: Institutions must:

- Follow the provisions in §668.21 and return any Title IV funds credited to the student's account
- Return any grant funds that were disbursed to the student
- Notify the loan servicer immediately that the student will not begin attendance (the institution is not responsible for returning loan funds)

Resources

For Institutions:

- Regional SPDs:
 - <https://ifap.ed.gov/ifap/helpContactInformationDetailedList.jsp?contactname=School%20Participation%20Division>
- Telephone Assistance: 1-844-348-4082 or 1-800-433-7327
- Online Assistance:
 - harveyrelief@ed.gov or IrmaRelief@ed.gov
 - fsa.customer.support@ed.gov
 - <https://www.ed.gov/hurricane-help>

For Students:

- Online Assistance:
 - harveyrelief@ed.gov or IrmaRelief@ed.gov
 - www.studentaid.gov
 - <https://www.ed.gov/hurricane-help>
- Telephone Assistance: 1-800-4FED-AID (1-800-433-3243)