
Introduction to Volume 4

The purpose of this publication is to provide participating schools with guidance on how to request, disburse, manage and report on the use of Federal Student Aid funds.

Here, we provide a summary of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended:

Throughout this volume, new information is indicated with the following symbol:



When the text represents a clarification rather than a change, it is indicated with this symbol:



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with:



or



Finally, if we want to point out a bit of helpful information we indicate it with:



Major Changes

Chapter 1 – The MPN and the Stafford/PLUS Loan Process

- ☛ We explain that in November 2007, the Department published regulations that modified the responsibilities a school must satisfy before certifying a PLUS loan application for a graduate or professional student, and we describe those responsibilities.
- ☛ We explain that before releasing the first disbursement of a Graduate/Professional PLUS loan to a borrower who has not previously had a PLUS loan, a school must conduct entrance counseling.
- ☛ We describe the conditions a school must meet if it chooses to provide prospective borrowers with a list of *Preferred Lenders*.

Chapter 2 — Disbursing Federal Student Aid Funds

- ☛ We describe the new deadlines for loan notification and explain how the affirmative confirmation process may satisfy some of the requirements for notification.
- ☛ We describe the new timeframes for returning funds from loans cancelled by students.
- ☛ We explain that a school may now use current-year funds to satisfy prior award year charges for tuition and fees, room, or board (and with permission, educationally related charges) for a total of not more than \$200.
- ☛ We describe the new requirements and deadlines for returning Title credit balances not successfully delivered to students.
- ☛ We describe the requirements a school must satisfy when a school opens a bank account on behalf of a student or parent, establishes a process the student or parent follows to open a bank account, or similarly assists the student or parent in opening a bank account.
- ☛ We explain how the new payment period definitions have modified the timing of disbursements.
- ☛ We explain that the provisions for making a late, late disbursement has been eliminated and provide the new maximum timeframe for making a late disbursement.

Chapter 3 – Requesting and Managing FSA Funds

- ☛ We explain that beginning with the 2008-2009 award year schools will not receive an initial CFL for the ACG and National SMART Grant programs.
- ☛ We describe the new Excess Cash rules.
- ☛ We explain the new regulations governing the recovery of unclaimed Title IV credit balances and the timeframe for returning unclaimed funds.

