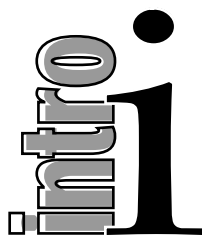


Archived Information



Introduction

The Federal Student Financial Aid Handbook explains the policies and procedures required in the proper administration of the Student Financial Assistance (SFA) Programs. Defined in law, in regulation, or as guidance from the U.S. Department of Education (ED), these policies and procedures facilitate the effective operation of the federal processing system and of the reporting systems for individual programs. The Introduction for Chapter 1 lists the SFA Programs and contains a brief discussion of the contents and structure of this handbook. Chapter 1 contains two sections: General Program Information and References and Resources.

Schools should understand the context in which the information in this handbook is given. The preamble to the General Provisions regulations published April 29, 1994 (34 CFR–Part 668) clarifies that guidance issued from ED in the form of manuals, handbooks, other publications, and “Dear Colleague” letters **does not** have the same legal force as regulations issued pursuant to formal rulemaking. Such guidance **does**, however, constitute a useful foundation for measuring how reasonable a school’s (or a third-party servicer’s) conduct is. Accordingly, school actions that conflict with guidance from ED may be determined to be improper if the actions indicate that the school did not make a good faith effort in administering the SFA Programs. Schools may be subject to penalties for such actions.

Actions that conflict with ED guidance may be determined to be improper

THE STUDENT FINANCIAL ASSISTANCE (SFA) PROGRAMS

The term “Student Financial Assistance (SFA) Programs” refers to programs administered by ED’s Office of Postsecondary Education (OPE). The specific programs listed below and on the following page are authorized by Title IV of the Higher Education Act of 1965, so they are often collectively referred to as the Title IV programs.) The SFA Programs comprise the

- ◇ Federal Pell Grant Program,
- ◇ William D. Ford Federal Direct Loan (Direct Loan) Program,

- ◇ Federal Family Education Loan (FFEL) Program,
- ◇ Federal Perkins Loan (Perkins Loan) Program,
- ◇ Federal Work-Study (FWS) Program,
- ◇ Federal Supplemental Educational Opportunity Grant (FSEOG) Program, and
- ◇ State Grant and Scholarship Programs.

These programs are covered individually in Section 1 of this chapter, beginning on page 5.

HOW THE SFA PROGRAMS ARE COVERED IN THE HANDBOOK

This publication consists of 11 chapters that cover the SFA Programs from the vantage point of the school's financial aid administrator. Chapter 1 provides a general introduction. Chapters 2 and 3 cover eligibility issues. Chapters 4 through 11 are program-specific. Each chapter title and purpose are covered below.

Chapter 1—Introduction and General Program Information

This chapter provides general information and references.

Chapter 2—Student Eligibility and Financial Need

This chapter addresses general student eligibility requirements (such as citizenship, satisfactory progress, financial need, and packaging) that apply to all the SFA Programs. Most of these requirements are based on the General Provisions regulations (34 CFR-Part 668).

Chapter 3—Institutional Eligibility and Administrative Requirements

This chapter explains school and program eligibility requirements that are common to all the SFA programs. These requirements are based on the Institutional Eligibility regulations (34 CFR-Part 600) and on the General Provisions regulations (34 CFR-Part 668). Chapter 3 also covers the general participation requirements, such as the use of financial aid transcripts and the NSLDS, refund and repayment procedures, recordkeeping and administrative procedures, and cash management requirements.

Chapter 4—Federal Pell Grant Program

This chapter explains how to calculate Pell Grant payments and how to report payments to ED.

Chapter 5—Campus-based Programs (Common Elements)

This chapter provides general information common to the three campus-based programs (Perkins, FWS, and FSEOG), while specific requirements for each campus-based program are covered in **chapters 6 through 8**.

Chapters 6—Federal Perkins Loan Program

Chapter 7—Federal Work-Study Program

Chapter 8—Federal Supplemental Educational Opportunity Grant Program

These chapters cover the campus-based programs individually.

Chapter 9—State Grant Programs

This chapter discusses the state grant and scholarship programs (SSIG, Byrd, Douglas, and NEISP).

Chapter 10—Federal Family Education Loan Programs

This chapter covers the FFEL Program (Federal Stafford and Federal PLUS).

Chapter 11—William D. Ford Federal Direct Loan Program

This chapter covers the William D. Ford Federal Direct Loan Program (Direct Stafford and Direct PLUS).

OTHER USEFUL CONTACTS WITHIN THE DEPARTMENT

Your school may come into contact with several other offices within the Department of Education. These offices include the Office of Special Education and Rehabilitative Services (OSERS), the Office of Vocational And Adult Education (OVAE), and the Office of Bilingual Education and Minority Languages Affairs (OBEMLA). Two other Department offices you may have contact with are the Office of Inspector General (OIG) and the Office for Civil Rights (OCR).

***New payment
system will
take effect
during
1997-98***

When your school requests funds from the Department for the Federal Pell Grant, FSEOG, FWS, Perkins Loan, or the Direct Loan Program, the request is handled through the ED Payment Management System (ED/PMS, which is located with the Office of the Chief Financial Officer. Please note that ED/PMS will be replaced during the 1997-98 year by the Education Department's Central Automated Processing System (EDCAPS). More information on EDCAPS will be provided to schools at a later date.