SULA Update

2018 WFAA Annual Conference

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- **SULA Overview**
- **Misunderstandings & Misreporting to COD**
  - *Remaining eligibility less than 1.0 year*
  - *Closing out the award year*
- **Misunderstandings & Misreporting to NSLDS**
  - *Loss of subsidy*
- **Resources**

Subsidized Usage Limit Applies

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SULA Overview

MEP - sum SUP = REP

A time limitation, not dollar amount limit

Maximum Eligibility Period

- Maximum Eligibility Period (**MEP**) – 150% of the published program length
  - schools report the published program length
  - COD and NSLDS will then calculate the MEP

Maximum Eligibility Period

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- COD and NSLDS first convert the length to years if not already reported that way

  - reported in years: we use what you report
  - reported in months: converted to years
  - reported in weeks: converted to years

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Converting to Years

Conversion Formulas

- **PPLY** = (PPLM X 30) ÷ (WPAY X 7)
- **PPLY** = PPLW ÷ WPAY

Legend

- **PPLY**: Published Program Length in Years
- **PPLM**: Published Program Length in Months
- **PPLW**: Published Program Length in Weeks
- **WPAY**: Weeks Programs Academic Year
- **COD**: Common Origination & Disbursement
- **NSLDS**: National Student Loan Data System

Subsidized Usage Period

- Subsidized Usage Period (**SUP**) – the amount of subsidized eligibility a loan uses

- COD follows these steps, in order, to calculate a SUP:
  1. SUP = length of loan period ÷ length of academic year
  2. *Loan limit exception:* if loan amount is at the annual limit ignore the SUP from above and set it to 1.0 year
  3. *Enrollment exception:* if enrollment is three quarters time or half-time multiply SUP by .75 or .5, respectively

Important

Subsidized Usage Period

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Other Impacts on the SUP

- Overlapping loan periods - COD counts loan period days only once and will allocate overlapping days evenly across loans

- Full disbursement returned within 120 days - Update the loan period and amount and corresponding subsidized usage will be removed

- Closed school loan discharge - removes subsidized usage (but paid off loan does not)

GRAB BAG

LET COD DO THE SULA CALCULATIONS

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Remaining Eligibility Period

- Remaining Eligibility Period (**REP**) is the difference between the program's MEP and the sum of SUPs from *all* prior loans

  - if the loan's SUP exceeds the REP it will reject (edit code 206)
  - may be able to re-configure the loan to reduce the SUP
  - otherwise, REP cannot be used at this time
    - can still award unsubsidized

Remaining
Eligibility
Period

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Who Does What?

- ## System of record
  - **COD** runs edits on incoming records to block loans/disbursements that would exceed the MEP

    Edit 206 loan reject?

    Welcome to the
    Common Origination & Disbursement Web Site

  - **NSLDS** determines eligibility to retain the interest subsidy on loans already awarded

    Loss of subsidy (LOS)?

    NSLDS PROFESSIONAL ACCESS
    National Student Loan Data System

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Loss of Subsidy

- Will only trigger if all three of these conditions are present at the same time

  (but only need to be present for as little as one day)

| Important | 1. Remaining Eligibility Period $<= 0$ | 2. No Completion | 3. Triggering Enrollment | **Loss of Subsidy** |

All Prior Subsidized Usage Counts

Student just began in our program but the loan rejected (edit 206). How can the student have run out of eligibility already?

- Regardless of the program or school, or even if the student completed the prior program, all prior subsidized usage counts against the current MEP

- There is just one exception – usage from non-credential teacher certification programs calculated separately

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New Loans Despite a Loss of Subsidy

Since the student has a loss of subsidy on a loan does that mean no more subsidized loans can be awarded?

- Not necessarily because the student may enroll in a longer program with a higher MEP and thus more eligibility for subsidized loans

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REP is too low for another subsidized loan so can we no longer worry about awarding subsidized loans?

- Things change so having no additional subsidized eligibility may not be permanent

    - student could return less than full-time
    - student could enroll in a longer program
    - an update/correction may be made on a prior loan
    - a prior loan could go through a closed school discharge
    - using the 120-day rule student could return a full disbursement to the school

Accepted then Rejected

If the loan origination record was accepted then how come it's now rejecting when I submit actual disbursements?

- That question is usually followed with a … *grrr!*
- ***Something changed*** – usually the enrollment status was reported as less than full-time in the origination, full-time on the actual disbursement
- But we also sometimes see a shorter program length reported on the actual disbursement
- Best tool to see what was *actually* sent – **COD Batch Search**

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Serial Loans

Can schools report a series of single-term loans instead of a single subsidized loan for the entire academic year?

- Yes, but in addition to the increased workload;
  - would still need to do multiple disbursements for each loan (unless default rate warranted single disbursements)

  - COD rounds at the loan level, not the academic year level
    - 4 SUPs: 0.25 X 4 = **1.2 years** (each 0.25 first rounds to 0.3)
    - 3 SUPs: 0.33 X 3 = **0.9 year** (each 0.33 first rounds to 0.3)

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All the loan's Payment Period Start Dates (PPSDs) are the same (usually the loan period begin date)

- PPSD should be the first day of each *term* or *payment period*
- School's reported PPSDs:
  - fall start: 9/10/17   disbursement: full-time   PPSD: 9/10
  - winter start: 1/10/18   disbursement: three quarters time   PPSD: **9/10**
  - spring start: 3/10/18   disbursement: half-time   PPSD: **9/10**
- COD calculates this SUP: **1.0 year**
- Correct SUP: **0.8 year**

Reporting the enrollment status as of the census date instead of the disbursement date

Report enrollment status as of the *disbursement* date

- fall disbursement date: 9/10/17   (enrollment this date was half-time)
- school census date: 9/20/17   (enrollment this date was full-time)
- incorrect enrollment status reported to COD: **full-time**
- **result:** inaccurate subsidized usage calculation (in this example student is overcharged usage)

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What if the disbursement occurs <u>after</u> the term?

- If the disbursement for the previous term occurs during the next term:
  - still report the enrollment status as of the date of that disbursement

Fall term – FT	Winter term – HT

DISB   DISB
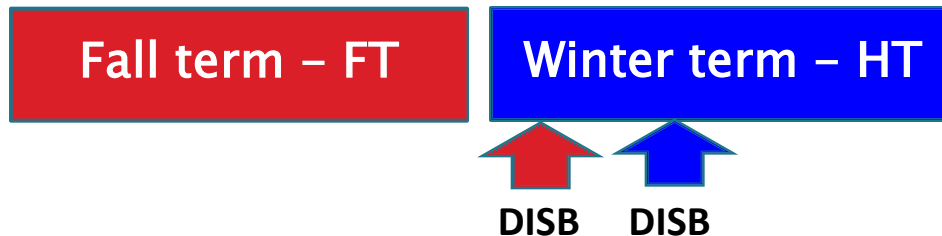
report enrollment for fall disb as HT because that's what it was at time of disb

- But if a late disbursement:
 - report the most recent half-time+ enrollment

Spring term

FT   TQT   LTHT
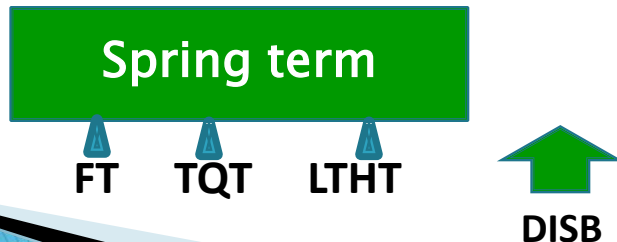
DISB

report enrollment for spring disb as TQT because that's the most recent HT+ enrollment

Degree Completion Programs

Misreported program length for students in Bachelor's Degree Completion Program or Special Admission Associate's Degree Program

EA #8
1/17/2014

If these programs qualify they should be reported as 4-year programs
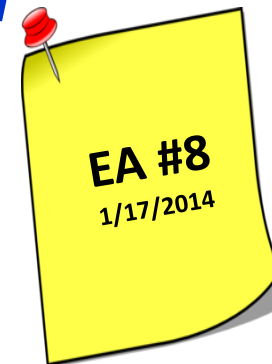
- Programs are being reported to COD and NSLDS as 2 years, resulting in loans rejected by COD for exceeding the MEP and in loss of subsidy determinations at NSLDS
    - *BTW*, just because a student is completing a bachelor's degree does not make it a Bachelor's Degree Completion Program

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Loan Period Dates

Loan period dates do not coincide with dates of terms/payment periods

fall term: 9/**10**/18 – 12/15/18   spring term: 1/10/19 – 5/**20**/19

incorrect loan period reported: 9/**20**/18 – 5/**10**/19

SUP: 0.9 year

- Why did the school report thus? Because REP = 0.9 year
- School shaved off days from the beginning/ending of the loan period until the SUP did not exceed the REP

Make sure no "middle term" is part of the loan period if there is no disbursement that term

- Loan period reported: fall-**winter**-spring
- Academic year reported: fall-winter-spring
- Fall disbursement amount: $1166
- Winter disbursement amount: **$0**
- Spring disbursement amount: $1167
- Student is charged a full year's subsidized usage
- This should be a fall-only loan (fa-winter-spg academic year)
- And a spring-only loan (fa-winter-spring academic year)
  - *Will probably have a different loan fee*

Academic Year Dates

Incorrectly reported academic year dates impact SUP and annual loan limit calculations

- In addition to causing headaches for transfer students with annual loan limits
- It is a basic element of a loan's subsidized usage calculation:

SUP = length of loan period ÷ length of academic year

- The academic year you report should be the period used to track annual loan limits
- Regulatory minimum is 26 weeks or 30 weeks
- A single-term academic year is never correct

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For term-based schools academic year dates need to line-up with terms' dates

- Occasionally see academic years 7/1 – 6/30
- But since the **SUP = length of loan period ÷ length of academic year**
  - Most of the time schools correctly report the loan period when they do this
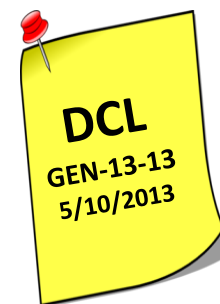 - But that results in a SUP that is smaller than it should be

Reporting Summers

Misreporting summer can impact a loan's subsidized usage

- This pertains to scheduled academic year reporting with summer headers or trailers
- Report summer as part of the academic year only if:
  - you require summer enrollment, or
  - a summer disbursement is made (and retained)

DCL
GEN-13-13
5/10/2013

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When to Add (or *Subtract*) a Summer

Scheduled Academic Year schools with a summer header or trailer reporting summer in academic year though no summer disbursement was made and summer enrollment not required

- Disbursements made: fall, winter, spring
- Loan period: fall-winter-spring
- Academic year: fall-winter-spring**-summer**
- SUP = length of LP ÷ length of AY = 3 terms/4 terms = **~0.75 year**
- SUP should be **1.0 year**
- **Update the academic year to remove summer**

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When to *Add* (or Subtract) a Summer

Fall-spring loan awarded, later a summer loan added but failed to update the fall-spring loan's academic year to include summer

Wrong:

001 loan SUP = fall-spring / **fall-spring** = 2/2 = **1.0 year**

002 loan SUP = summer / fall-spring-summer = 1/3 = **0.3 year**

Right: **Update the academic year to add summer**

001 loan SUP = fall-spring / **fall-spring-summer** = 2/3 = **0.7 year**

002 loan SUP = summer / fall-spring-summer = 1/3 = **0.3 year**
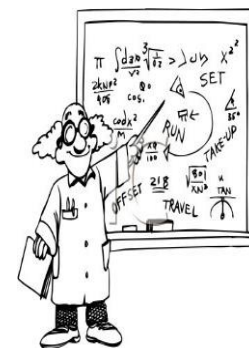
Published Program Length

Since when is 24 months not 2 years?

- **Since your academic year is not 52 weeks long**
- If you have a Weeks Programs Academic Year of 30 weeks
- Then a 24-month program converts to 3.428 years
- A 2-year program has a MEP of 3.0 years
- But a 3.428-year program has a MEP of **5.1 years**

- Have you been awarding over 3.0 years of subsidized loans?
  - **those loans will need to be removed**
  - **cannot be retroactively replaced with unsubsidized loans**

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Reporting Published Program Length

What to report to COD and NSLDS

- If published (catalog, website, promotional materials) report to COD and NSLDS *what was published*
- If not published and it's an associate or bachelor's degree program report *2 years or 4 years*, respectively, unless the academic design of the program makes it longer or shorter than typical
- For all other programs where school has not published the program length it is based on the school's determination of how long, in weeks, months, or years, the program is designed for a *full-time student to complete*

EA #17
4/20/2015

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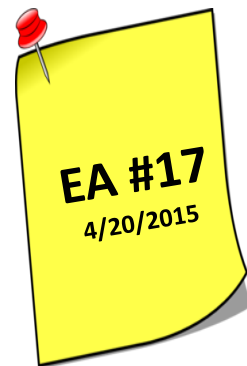
Loan Updates

When do loans need to be updated?

- If you added summer to the academic year of the 001 loan (slide 26) but the student doesn't get that summer disbursement after all (or receives it but it is later zeroed out) – *be sure to go back in and remove the summer*

- On any loan if a disbursement is not made that pending disbursement must be *zeroed out*

- Reduce the *loan amount* to the total amount disbursed

- Shorten the *loan period* so only terms/payment periods with a disbursement made and retained are included

- Loan update timing is under the *15-day reporting requirement*

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Using a Reference Chart

School uses a reference chart short-cut for loan counselors and automatically skips a subsidized loan when the REP gets below a certain point

- Are you sure you have all the facts?
  - accurate enrollment?
  - program length?
  - updates to other loans?
  - overlap with another loan period?
  - prior loan discharge comes through?
- We prefer you let COD run the calculations
  - either send the loan in
  - or run it through the SULA calculator

Remaining Eligibility Less than 1.0 Year

- Still may be able to award another subsidized loan
- Are any loans already on the system which when corrected/updated will free up subsidized eligibility?
- If loan was rejected (edit 206) may be able to reconfigure and resubmit it
- Reducing the loan period, if appropriate (next slide), is usually a necessary step
- If loan limit exception triggered the loan amount will need to be backed off the annual limit (by any amount will stop the exception from triggering)
- Were the enrollment statuses & program length correctly reported?

EA #20
10/19/2015

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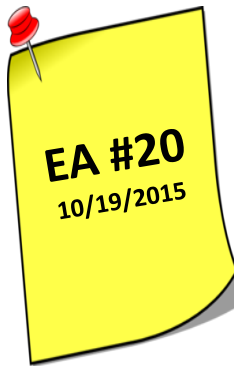
Minimum Loan Period

- Credit-hour, standard term or non-standard term SE9W* programs: **minimum loan period is the term**

- Clock-hour, non-term or non-standard term NSE9W* programs: **minimum loan period is the lesser of:**
  - length of the program
  - remaining portion of the program
  - academic year
  - remaining period to "finish out" the academic year of the transfer student

> *SE9W: substantially equal terms at least nine weeks in length
> *NSE9W: non SE9W

Reducing the Loan Amount for Edit 206

- Loan limit exception is the second step in COD's calculation of a loan's subsidized usage
  - but the enrollment exception is the third step (slide 8)
  - may not have to reduce the loan amount if the enrollment exception would take the SUP down to the REP or less
  - but if you do need to reduce the loan amount – a reduction of *any amount* less than the annual loan limit will keep the exception from triggering
    - don't multiply the REP by the annual loan limit [**common mistake**]
    - but don't exceed need for the (new) loan period of course

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Record Rejected at COD

- Whether it was SULA edit-206 or any other reject (i.e. loan fee)
- COD treats a rejected record as if it was never sent
- So if the loan was never accepted at COD it doesn't need to be inactivated at COD
- Sending in zeroed out disbursements (and loan amount) on a loan they don't have will just get that one rejected too (doesn't do much for your attitude either)
- You can still see what you sent that got rejected – but only in Batch Search (think of it as the front porch where packages are delivered before being allowed in the front door)

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SULA updates must be completed as you are processing loans

- 15-day reporting requirement prevails over program year closeout clean-up activities
- But certainly before you close the year all unused (pending) disbursements must be zeroed out (on all loan types)
- Loan amount reduced to the sum of the actual disbursements
- Loan periods to contain only terms/payment periods with disbursements
- Academic years correctly reported/updated

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SULA Adjustments Needed Report

- Report will be renamed **Discrepant Loan Data Report**
  - Adjustments for all loan types
  - Sent to schools when nearing the end of their award year loan processing (keys off latest loan period end date)
  - Identifies loans possibly/probably needing updates/corrections
  - Responsibility for correct reporting will continue to be on schools
  - Once closeout is confirmed COD will make updates it can that schools failed to in order to keep the student from being harmed
    - COD will not make corrections to academic year dates
    - COD does not know when a term/payment period ended, only when it began, so loan period shortening is an approximation

EA #24
6/29/2017

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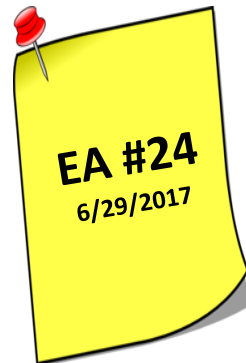
- Take a moment and check what award year is being displayed before clicking on the Balance Confirmation on the COD website

  - Remember that after a new award year is added to COD that award year becomes the default

  - On a couple of occasions when schools thought they were confirming closeout for one award year they didn't realize a different award year was displayed

  - COD then went in and zeroed out all their pending disbursements and reduced all the loan amounts to zero!

Uh oh.

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Re-opening a Closed-out the Award Year
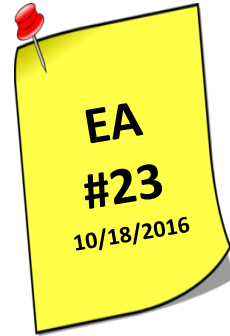
- Despite enhanced COD SULA processing and edits implemented in late 2016 – you may still occasionally need to re-open an award year (hopefully rarely)

- Request extended processing on the COD website (call COD for guidance if needed 800-848-0978)

- Be aware that a re-opened award year generates an automatic e-mail sent to the school president

- Some schools find it beneficial to give the president's office a heads-up that one is coming (may limit unnecessary freak-outs)

EA #23
10/18/2016

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- **Discrepant Loan Data Report**
  - COD release implementation 12/7 – 12/9/2018
  - Loans that are inactive will no longer display
  - Loans that have all the disbursements' Payment Period Start Dates (PPSD) the same will no longer display IF the loan period is shorter than the academic year
    - single-term loans where multiple disbursements would naturally have the same PPSD
  - Formatting/structure clean-up for ease of use
  - BTW, I tried but …

    you still have to zero out loans

    that never had an actual … *sorry*

SULA
NEW
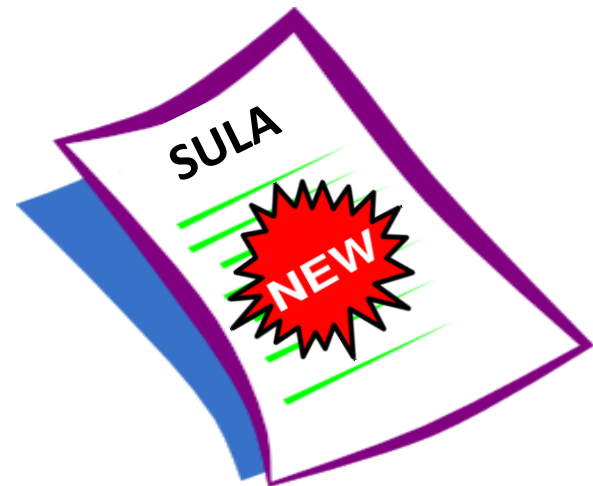
- **Remember the triggers for a LOS (slide 11):**
  - Remaining subsidized eligibility goes down to zero or less
  - No program completion/graduation
  - Enrollment continues in a program the same length or shorter

- All three conditions must be present for a LOS but they only need to be present a single day
- Almost all that I'm asked to research involve multiple programs
- If enrollment is in a longer program (loans awarded) and a shorter program
  - o if the longer program shows a withdrawal or LTHT enrollment
  - o the MEP of the shorter program will then steer subsidy eligibility

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- **Typical misreporting involving summers**
  - Student in a 4-year school during fall-winter-spring
  - Leaves for summer break and takes a class at local community college
  - 4-year school reports a withdrawal while the 2-year school reports student in a short program

- This combination often leads to an incorrect LOS
- If 4-year school expects student back in the fall should report spring's enrollment status for the summer
- If student was never actually accepted in a program and did not receive TIV aid 2-year school should have done campus-level reporting but not program-level reporting

EA (NSLDS) 4/20/2017

- **Typical misreporting involving enrollment status effective date**
  - School keeps updating the enrollment status effective date with each new certification date
  - Enrollment status should remain the date that enrollment status became effective
  - Otherwise it may appear a student was in a program beyond when they really withdrew or graduated

CIP Code: 240101					**Title:** Libe		
Credential Level: 01 - Undergraduate Certificate or Diploma Program				**Published Prog. Length in Yrs.:** 1.0			
Prog. Begin Date: 08/29/2015				**Reported Program Length:** 1.0			

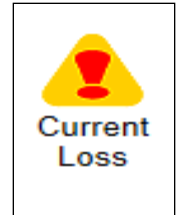| Reported By ID	Status	Eff. Date	Active	Earliest Cert.	Latest Cert.	Lates Met
	Withdrawn	06/19/2017	Active	06/19/2017	06/19/2017	Schoo

- The **Loss of Subsidy Effective Date** will help determine when a LOS triggered and knowing when will show you why

Loan Per. Beg. Date	Loan Per. End Date	Usage in Yrs.	Cum. Usage in Yrs.	Subsidy Status	Loss of Sub. Eff. Date	Usage at Loss in Yrs.
08/29/2017	12/15/2017	0.4	3.4	Loss of Subsidy	12/15/2017	3.4
08/30/2016	05/05/2017	1.0	3.0	Loss of Subsidy	12/15/2017	3.4
08/24/2015	05/21/2016	1.0	2.0	Loss of Subsidy	12/15/2017	3.4
08/18/2014	05/23/2015	1.0	1.0	Loss of Subsidy	12/15/2017	3.4

- The **Maximum Eligibility Timeline** displays a chronological history of student's subsidized usage and history

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NSLDS Reinstatement of Subsidy

- Unless there was misreporting then once a Loss of Subsidy is triggered on a loan it is permanent for that loan

Current Loss

- The law includes no appeal process

- But if misreporting caused the LOS then once reporting is corrected there will be a reinstatement of subsidy

Loss in Past

- This could take a few weeks to make its way from NSLDS to the loan servicer

- But accrued interest will be removed

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IFAP Home Page

Information Pages
- FAFSA and the IRS DRT
- Gainful Employment
- 150% Direct Subsidized Loan Limit
- Campus-Based Programs
- Cash Management
- Default Prevention
- Foreign Schools
- IPM System
- Loan Servicing and Collection
- HEAL Program
- MSURSD Catalog Reference Documents
- Cybersecurity Compliance
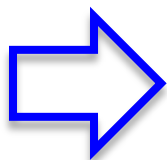
- Communications
  - Electronic Announcements
  - Dear Colleague Letters
  - Federal Register Notices including Regulations
- Frequently Asked Questions
- Training
- Resources

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COD Website

- Go to Person Search

- Bring up the student

- Direct Loan

- View Undergraduate Usage History

SULA Inquiry

- Student-specific questions

- Over 4,000 researched to date

SULA Calculator

- Won't send, remove or harm any loans on the system

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Any Questions?

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