

“COVID-19 and Federal Student Aid: As It Stands” Webinar Transcript

Recorded June 12, 2020

Note: This webinar was recorded with the best information and guidance that was available at the time. The recording and related handouts reflect the discussion that occurred during the webinar; however, some information may have changed since publication. For the latest guidance and resources on the coronavirus and its impact on financial aid, please refer to [NASFAA's COVID-19 Web Center](#).

Margot O'Meara:

Welcome, everyone. Thanks for joining us for the COVID-19 and Federal Student Aid: As It Stands webinar. My name is Margot O'Meara. I'm the webinar producer here at NASFAA. I'm going to be kicking us off with just a few housekeeping notes.

Margot O'Meara:

If you lose audio or it appears that your slides aren't advancing during the webinar, just refresh your browser. That will normally solve any issues that you encounter. If it doesn't, feel free to reach out to me in the Q&A box for assistance. This is also where you will submit your questions during the presentation.

Margot O'Meara:

The webinar is being recorded. The archive will be available later this afternoon, just in case you miss any of the presentation due to technical issues.

Margot O'Meara:

There are several resources in the handouts and resources widget today, located over to the left of your slides. Be sure to download those [inaudible 00:00:55] mention them throughout the presentation. We did do a very last minute reordering of the slides, so the handout won't match exactly, but all of the slides are included in that handout, just in a different order.

Margot O'Meara:

A certificate of attendance will be available to download 60 minutes into the presentation. The certificate is located down below your slides. We'll also remind you to download that before the webinar ends.

Margot O'Meara:

Finally, a friendly reminder to please complete the survey to provide your feedback. It will launch automatically at the end of the webinar, or you can click the icon to provide your feedback prior to the end. With that, I will turn things over to Justin. Justin, take it away.

Justin Draeger:

Thanks, Margot. Thank you, everybody, for joining us today. I think, if I'm keeping track correctly, this is our fifth COVID-related webinar that, with the support and assistance of NASFAA members, we were making open and free to the public.

Justin Draeger:

To date, of the four webinars we've already had, we've had over 40,000 registrants. Our webinars, after the fact, live, have been viewed almost 8,000 times. We've had 5,700 questions asked in these webinars. Our AskRegs Knowledgebase team have answered over 2,500 questions. Our COVID Web Center has received around a half a million views all in the last two and a half months.

Justin Draeger:

All of this is to say, I want to give a big thanks, right off the bat, to the NASFAA team, who you see before you today, and a lot of people behind the scenes who are helping make all of this happen. I also want to offer a thanks to the NASFAA board of directors, who act as our sounding board, and help us sort through a lot of the issues that you all are facing. I want to thank each one of you for joining us and participating in these webinars, and helping us think through many of the issues that we're trying to help you resolve.

Justin Draeger:

Joining me today in the webinar, Karen McCarthy, our director of policy analysis, Jill Desjean, our policy analyst here at NASFAA, David Futrell, who's our Knowledgebase and AskRegs manager at NASFAA.

Justin Draeger:

We're going to mix things up a little bit. The agenda you see before you will match the handouts that you have, but because an interim final rule was published just late yesterday, we are going to put that right at the very top of the agenda and tackle that first and foremost.

Justin Draeger:

Just as a reminder, we do have a COVID-19 Web Center, that's nasfaa.org/COVID19. That's where we're keeping all of our articles, all of our statements, all of our Q&As, and all of our webinars and notes. Please go ahead and check that page out. Bookmark that if you need to. Those resources, again, are being supported and subsidized by NASFAA members, and being made available publicly for the public good.

Justin Draeger:

All right. Let's shift our attention to student eligibility, which was the main topic in a preview of an interim final rule that was released by the Department of Education just last night.

Justin Draeger:

As a reminder, we have a whole chronology that goes along with student eligibility. Where we started was that, when Congress wrote the law, and as many folks on Capitol Hill and the House and Senate have affirmed, when Congress drafted this law, they did not tie CARES Act emergency grant funding to Title IV eligibility. The department released contracts that you had to sign in order to get your funds that didn't mention anything around student eligibility.

Justin Draeger:

Eventually, April 21st, if I remember correctly, is the date where the department first announced that students who received emergency grants needed to meet Title IV requirements. Then the department came out thereafter and said they wouldn't actually enforce that guidance. Happening separately are

legal battles from community colleges in California and the state attorney general in Washington, who are challenging the Department of Education's interpretation that students must be Title IV eligible.

Justin Draeger:

If you're getting lost in all of this, you're not alone. Because of that, NASFAA created a timeline that is available on our website, was published in Today's News yesterday and today, that will help you sort out when the department released initial guidance or changing guidance.

Justin Draeger:

My advice would be to download that timeline, and put that right in your policies and procedures manual, and make sure you keep up to date as this unfolds further with additional dates. Put the updated version in your policies and procedures just because when you disbursed aid, and the guidance that was available at that time, will be dependent on the exact dates that you made decisions and disbursed.

Justin Draeger:

I'm going to walk through some of that in just a moment with this interim final rule that came out last night. The one thing I want to say about our timeline is that the interim final rule, the effective date of that rule is not known as of at least an hour ago when I last looked, because the department released a preview, but the interim final rule will take effect when it is officially published in the Federal Register. NASFAA will notify members of that in Today's News, when it is actually published. The department, as a courtesy, provided a preview so that schools could prepare for that interim final rules implementation.

Justin Draeger:

So what did the interim final rule said? Well, it said what the department said originally, which is they want students who receive emergency grants under the CARES Act to be Title IV eligible.

Justin Draeger:

They point out that DACA and other undocumented students are not eligible regardless of the interim final rule because of existing legislation that we've talked about in webinars previously and in our podcast Off The Cuff. There is an existing law that would prohibit undocumented students from receiving public benefits. They point out an interim final rule, those students are set aside, unfortunately, as a category unto themselves.

Justin Draeger:

Then they talk about the reasoning why they want all emergency grant recipients to be Title IV eligible. I won't go into all of that reasoning here today, because ultimately if we're focused on implementation, the fact is it's an interim final rule. The rule will take effect when it's published. Schools will need to adhere to it unless it's overturned by a court, or the department changes its guidance.

Justin Draeger:

There's two pieces here I want to highlight. The one on this slide here is about eligibility for graduated or withdrawn students. If you had students who were enrolled at the time that the president declared an emergency, experienced a COVID-related expense, and they've since left school because the term has ended, can you pay those students?

Justin Draeger:

That is not explicitly answered in the interim final rule. The question that we are looking at for schools is, if you wanted to pay those students, now they've already gone, do you have enough, reading in between the lines, to do a risk assessment and decide whether you want to pay those students?

Justin Draeger:

What I want to point out is, in the interim final rule, it says, and I'm quoting, "As described in this preamble, the eligibility requirements clarified in this final rule allows students to know if they are eligible to such funds from the institution." Then they say, "Limiting eligibility to Title IV students who were enrolled and making SAP in on-campus programs during this time," et cetera, et cetera, et cetera.

Justin Draeger:

The department does use past language as opposed to present, so they say, who were enrolled. Now, I want to be clear here. This doesn't explicitly answer the question that you could give money now to students who have withdrawn or graduated, but did experience the disruption. But I do think that if I were on campus, I would make my legal council and president aware that this is not explicitly answered. I would try to make the case that if we have students that we believe experienced disruptions, and have expenses associated with those, that we would be accepting some risk in making this determination based on language that's used in the interim final rule. Again, the department does not say explicitly either way. That's a risk assessment that will have to be done on campus.

Justin Draeger:

The other thing that I want to talk about related to student and Title IV eligibility here is the interim final rule requires that students be fully compliant with section 484 of the Higher Education Act. If I'm looking at section 484, there is a list of things that students would have to meet in order to be eligible for these emergency grants. Everything from not be enrolled in elementary or secondary school, they have to have their high school diploma, they have to be maintaining SAP, they can't owe an overpayment or refund on Title IV grants, not be in default, have to be a citizen or permanent resident, et cetera, et cetera, et cetera. It's all the things that are in student eligibility.

Justin Draeger:

I would just say here that if I was a school, and in the interim final rule, it says schools can create their own applications, that students would have to then attest under penalty of perjury that they meet these criteria, I would say that's, again, a risk assessment that each institution is going to have to do. The department clearly said that you can create your application to reaffirm that the student meets all of the eligibility criteria in section 484 for students who did not or cannot complete a FAFSA.

Justin Draeger:

The only one in here that I see that the school might want to proactively do is take care of the SAP requirement, that certainly schools can run their own SAP requirements. Otherwise, the student is attesting that they meet all of the other criteria.

Justin Draeger:

What's also unanswered in the interim final rule is whether if a school has conflicting information, like for example, let's say a previous FAFSA filed in a previous year shows that they were in default on a

student loan, what the school's responsibility would be at this point for a student who attests that they meet all of the eligibility criteria.

Justin Draeger:

This is not without risk, but again, that's risk assessment that's going to have to be done on campus. If I were an aid director, I'd be putting myself in the position as trusted advisor to my president and legal counsel, explaining to them the risks, and making recommendations with those risks outlined.

Justin Draeger:

The other thing I want to highlight, which is, whether the department intended it or not, in the interim final rule, it does mention that they have to be compliant with section 484, which is student eligibility, but then ED states that students need to be enrolled in an eligible program to receive the funds.

Justin Draeger:

That is not tied to section 484. This has been an unanswered question. We don't know if they were using that casually. Certainly NASFAA will be following up in our comments to the interim final rule. But I wanted to highlight that the department does use the language about students needing to be enrolled in an eligible program. So for schools that are doing programs that aren't currently Title IV eligible, that would be something I would want to take a look at in light of the fact that department put that language in that interim final rule. That's on page 18 of the interim final rule, by the way.

Justin Draeger:

Those are some updates on the interim final rule. I suppose we'll have some questions that we can get to when we get to the Q&A. In the meantime, look out in Today's News. We'll let you know when the Federal Register is actually published. That will be the effective date.

Justin Draeger:

The final point that I'm going to cover here today is around a separate funding bill for COVID-19. I'm just highlighting for you that Congress is working on a fourth stimulus bill that will include something with higher education. It's a little early to figure out exactly what will be in it, because the House has provided an opening salvo in this debate that will happen between the House and the Senate. While I can certainly, during the Q&A, go through the provisions that are in the House Democratic bill, at this point, the House and the Senate aren't expected to start serious negotiations until early July.

Justin Draeger:

Suffice it to say, the House Democratic bill would roll back all the emergency grant tie to student aid. It would roll back all of those requirements, to allow the school to determine student eligibility. With all the changes in this program, I'm not sure a forced stimulus bill that makes even more changes is a blessing or a curse at this point, but NASFAA will continue to advocate for what's in the best interest of students and the schools that are serving them. Happy to talk about that more when we get to the Q&A.

Justin Draeger:

With that, let me turn it over to David. David, I think you're going to talk to us about some R2T4 scenarios, which is probably the topic we've gotten the most amount of questions about.

David Futrell:

By far and understandably so. Yeah. Before we get started, I want to acknowledge that there was a great deal of confusion after the last webinar about R2T4. So we solicited questions before this webinar, and we've dedicated a fair amount of time to R2T4 using scenarios, which I think answers a lot of the questions that we received, but not every single one.

David Futrell:

This time around, I want to start with, what do we mean by R2T4 waiver? Under the CARES Act, the actual CARES Act waives the requirement for the school or the student to return Title IV funds when the student withdraws due to COVID-19. So the point here is all about unearned aid, and not having to return the unearned aid, or reinstating the unearned aid that was already returned by the school.

David Futrell:

Unfortunately, the spring term is over now, and most R2T4s have actually been done already. Unearned aid has already been returned to the department in a lot of cases. So now you have to redisburse those unearned funds back to the student after the fact. The semester's over. You shouldn't be looking at R2T4s now, except for your [inaudible 00:16:19] people. Now you have to go back and revisit those R2T4 calculations just to read disburse aid, not to redo or reverse any R2T4 calculations.

David Futrell:

If you think about it, ideally, all of this should have been done, but the CARES Act was passed late. We got guidance on the CARES Act later. So it's after the semester is over, and now I have to go back and look at these.

David Futrell:

Now let's look at one of the most controversial or confusing aspects of those provisions. That is the March 13th date. The R2T4 waiver, if you choose to implement it, and we'll talk about choosing to implement it in a minute, but if you choose to implement the R2T4 waiver, it only applies to the payment period that includes March 13th, 2020. It applies to all students who withdrew because of the COVID-19 epidemic for the entire payment period.

David Futrell:

There are students who might've withdrawn in January because of COVID-19. Certainly some students might've withdrawn in February when it really hit. It certainly hit before the March 5th guidance from the department. So you got to think about it in terms of this epidemic was going on in November and December of last year, and came to the US around January, February. That's when it really hit, and someone might've withdrawn before March 13th because of it. You got to keep that in mind when you're choosing to implement the R2T4 waiver.

David Futrell:

The fact that it applies to the entire payment period is intended to assist students and schools by recouping those money that you've already returned. Remember, it's not just about money that you've already returned for the student. It's about money you already returned for the school. The schools are getting money back in this case too. But we certainly do understand that there's a lot more work for you

now if you choose to implement the waiver. Unfortunately, if the payment period does not include March 13th, the R2T4 waiver cannot apply.

David Futrell:

Got a few questions on this. If you had a quarter or non-term payment period that started after March 13th, these rules don't apply to you. The R2T4 waiver doesn't apply to you that is. For these students, regular R2T4 rules still apply, and unearned Title IV aid must be returned under normal R2T4 rules.

David Futrell:

We have certainly reached out to the department, and we've asked them to relax this provision to include folks who withdrew or whose program started after March 13th, or the quarter started after March 13th. We're reached out to the department to try and get that relaxed some, and get those included in this benefit. But for now, that's not the case, so you have to proceed under normal rules.

David Futrell:

Now let's talk about implementing that waiver. Schools are not required to implement this waiver, but we certainly do encourage them to do it, because it allows the students and schools to recoup that money. But that said, you can choose whether you implement the waiver or not.

David Futrell:

For example, some schools have implemented and might implement the waiver only for those students who withdrew after March 13th. That's a choice. You can say anybody after February 1st, when it really did start hitting the US population. That's your choice.

David Futrell:

But once you choose to implement the waiver, we do not believe it's appropriate to start splitting up what you do after that. If you reimburse aid for some students, you reimburse aid for all students. If you disburse new aid for some students, you disburse that new aid to all students. If you reimburse to some students, you should also disburse new aid to those students. So once you choose to implement the waiver, we believe it's appropriate to implement it all or nothing for the students for the entire payment period, or the smaller population that you choose to implement the waiver for.

David Futrell:

Now some schools had formal withdrawal procedures in place already. On that form, or however they had notified the university or college, if the form indicates why they withdrew, and it indicates that they did not withdraw because of COVID-19, you do not have to do anything. You do not have to go back and revisit those students, because you already know that they were not COVID-related withdrawals.

David Futrell:

Now, if you knew the student withdrew for other reasons that are not related to COVID-19, you do not apply the waiver. You do not reverse the R2T4 calculation, and you don't report them as COVID-related withdrawals later.

David Futrell:

Because this is a confusing concept from our last webinar, I want to look into a couple of scenarios. Before I do that, I want to point out that we do not know when the R2T4 reporting process will become available. We checked this week, and the department said it has been delayed by a month or two, quote unquote a month or two. So we don't know when it's coming. So can't help you there when I go through these scenarios.

David Futrell:

Let's start with Arya. Arya's school chooses to implement the R2T4 waiver for the entire payment period, including March 13, so the spring term that has March 13th in it. Arya officially withdrew from the spring term on January 20th, before the school moved from ground-based instruction to distance learning due to COVID-19.

David Futrell:

The school does not require official withdrawals to indicate why they withdrew. The financial aid office promptly did an R2T4 calculation under normal rules. All aid had been disbursed except for a spring direct loan disbursement, which was the second disbursement on her fall-spring direct loan. The school already returned the school's and Arya's unearned aid. Does the R2T4 waiver apply to Aria?

David Futrell:

It depends on why Arya withdrew. Remember, the school has chosen to implement this, so they have to look at her and find out why she withdrew during the spring term. As I just indicated, the waiver applies, even though she officially withdrew before March 13th and before the disruption of operations on campus.

David Futrell:

The school does not have to ask Arya why she withdrew if during the payment period and due to COVID-19, the school moved students from ground-based instruction to distance learning, or closed campus housing or campus facilities, or experienced any other interruptions in instruction. Now for these specific circumstances, the school can assume she was a COVID-related withdrawal, because again, this school moved from ground-based instruction to distance learning. In this case, she does not have to provide a written statement indicating why she withdrew. You may make this assumption. It's a broad flexibility, so you don't have to ask every single student. You can make assumptions in broad categories.

David Futrell:

In this case, because we assume she was a COVID-related withdrawal, because of those reasons on the screen, you should do these things in this order. You should redispurse all of her Title IV aid that was previously returned to ED, student and parent aid. Something new from the last time, that we've confirmed with the department, is that you also disburse all aid for which Arya was eligible during the payment period. This includes aid that could have been disbursed from the original calculation and her second direct loan disbursement. The spring disbursement on her loan is a disbursement you were not allowed to make under normal R2T4 rules, but now you can. Then you make the required adjustments.

David Futrell:

Wait a minute, just a quick note. Some of you are probably thinking that doesn't make any sense, but ED does say do it anyway. According to ED, the CARES Act allows the student to keep this aid despite the

late disbursement regulations. The CARES Act is broad and doesn't limit it that way, so the department is saying, "Hey, give them all their aid back, and disburse any aid that they couldn't get before."

PART 1 OF 4 ENDS [00:26:04]

David Futrell:

Then, remembering what I said earlier about implementing a piecemeal. You've chosen to implement the R2T4 waiver, and now you are re-disbursing aid. If you chose to implement the waiver, you have to re-disburse the aid and disburse all new aid. You can't do one and not the other. You make the required adjustments in COD, you credit the student's ledger account with those new funds and the funds that have been restored and you request any necessary funds from G5.

David Futrell:

Now, number three, we don't know how you make these adjustments in COD, so if you have trouble there, we don't think it's as complicated as some folks are making it, but we can't say for sure. You'll need to contact COD for assistance on those. This is the big piece. You re-disburse and disburse aid as if the previous R2T4 calculation never happened. You ignore all posts withdraw disbursement and late disbursement rules.

David Futrell:

So that means you don't need permission to make a late post withdrawal disbursement. And you don't need to be doing this within 180 days, although we probably should. Keep that big concept in mind as you move forward. Do not reverse and redo the previous R2T4 calculation. This is important, and it was a point of confusion the last time around. So want to make it very clear here, do not reverse and redo any R2T4 calculation. Unless the R2T4 calculation was done incorrectly the first time. You always have to fix an incorrect R2T4 calculation, but for this purpose, you don't redo the R2T4 calculation. The reporting that you do later when the system becomes available will be based on that original R2T4 calculation. Of the goal here is not to have schools redoing every single art to do for calculation during the term, it's just about re-disbursing aid or disbursing new aid.

David Futrell:

All right. When the department does make that reporting process available, you will report those withdrawals COVID-related withdrawals to ED, and ED will cancel the direct loan and teach grant disbursements of the entire payment period. That includes March 13th. It's just the disbursement. This is not a forgiveness of the entire loan. It's just for cancellation of the spring disbursement, and it will be for student and parent loans. And when you report this information, the department will exclude any subsidized loan usage from SULA, and Pell Grant payment lifetime limits like LEU. When the reporting becomes available, the department will proceed with taking those steps. Now, what if Arya was in an exclusively online program that did not experience a disruption in operations?

David Futrell:

In this case, the school has to get an attestation from Arya indicating why she withdrew and that she withdrew due to COVID related reasons. And the school needs this attestation before re-disbursing or disbursing aid. Like I indicated on the previous slides. That attestation can be a written statement, like we're all familiar with that's mailed in or faxed in. It can be an email attachment. It can be a phone call.

I'm sorry, it can be a text or an email, but because this is related to re-disbursing aid, we don't think that attestation can be a phone call, but that's your choice. Probably not though.

David Futrell:

Okay. So what if Arya does not provide the attestation by the school's deadline or indicates her withdrawal was not related to COVID? You do not re re disburse or redo the R2T4. You don't reverse the R2T4 calculation. You don't re-disburse aid. She does not you do not report Arya as a COVID related withdrawal. And she's not eligible for cancellation and Pell lifetime benefits.

David Futrell:

All right, so let's talk about Sansa. Sister Sansa received all F's. So the aid office reviewed classes after the end of the spring term. Professors reported that she did not actually earn any of those F grades. So she unofficially withdrew. A lot of schools are doing that right about now over the last couple of weeks. The school can choose to assign always the school can choose to assign the term midpoint or the last date of attendance in an academically related activity. As a withdrawal date, that's always been a choice under existing rules. So the school has Sansa's attestation that she did withdraw due to COVID-19. And the school is now doing the R2T4 calculation for the first time. So does the waiver apply to Sansa? Yes.

David Futrell:

R2T4 waiver applies to all withdrawals during the payment period or the select, the group of students that you've selected to apply the waiver to. So blast all withdrawals, not just official withdrawals, and, but the withdrawal does have to be due to COVID-19 issue. And in this case, Sansa withdrew sometime during the spring term, we don't know exactly when. So in this case, the school takes the following steps. It disburses any remaining Title IV aid disbursements for the payment period. And again, it includes all second and subsequent disbursements of direct loans that you normally would not have been able to make under regular R2T4 rules or regular cash management rules.

David Futrell:

You then perform the R2T4 calculation. Remember, this is the first time you're doing it. You ignore all late and post withdrawal disbursement rules. Again, these are this, these are exceptional rules and you get to ignore those. Except for new disbursements, make no adjustments to COD as a result of the drawl, except for new disbursements, make no adjustments to the amount of title IV aid credited to the student's ledger account. The calculation includes as aid disbursed all Title IV aid for which Sansa was eligible during the spring payment period.

David Futrell:

So that means somebody who did not complete verification, someone who did not complete citizenship, et cetera, would not have been eligible during the payment period. So you cannot include that aid in the calculation. You can include aid, state that could not be dispersed, but the student wasn't eligible during the payment period. So you can't make those disbursements. Now, what if Sansa had earned one of those one or all of those F grades by failing the coursework. So this is not like the other one we've been talking about a student who earns at least one F actually completes the class, but fails to fails to master the coursework. That student is not a withdrawal. They actually completed a course. So student completed the course is not a withdrawal. The R2T4 waiver does not apply. You do not report the student as withdrawal and the loan and teach grant disbursement cancellation, and other other benefits do not apply.

David Futrell:

Now, let's talk about withdrawals after the 60% point. We got a lot of questions about this. Jon officially withdrew from a nonterm clock-hour payment period, which included March 13. He withdrew after the 60% point. So he earned all of his Title IV aid. He indicated on his withdrawal form that his withdrawal was related to COVID-19. So what happens next for Jon? I don't know why the slides just skipping around on me. Okay. So in Jon's case, because he earned all of his aid, he doesn't have any unearned aid, the Title IV waiver does not apply. Here's the, here's where it gets to the sticky wick wicket on this one. The rest of this, we're not quite so sure about, and I know you guys are dying to know the answers, but we don't know yet. And there's a reason here. When there's a student withdraws after the 60% point, they earned all their aid.

David Futrell:

But as for reporting and direct learning to TEACH grant cancellations and lifetime eligibility benefits, we're not quite so sure. Section 35 08 of the cares act requires loan and teach grant cancellations and does not mention that it's based on R2T4 waiver or unearned aid. This is a case where the cares act seems pretty clear on this. It doesn't relate to loan cancellation to whether the student earned or didn't earn a Title IV aid for a during the payment period. However, under the reporting requirements, it only asks for reporting for based on earned and unearned aid and only reporting for those students. So, we're not quite so sure, based on the conflict in the regulation of the law and the guidance that the department issues and may on May 15th, we can't answer this question right now. So hang tight. We have a little bit of time obviously to, before the department requires the reporting start. So hang tight and we'll hope to have an answer for you before the reporting actually starts.

David Futrell:

What we do know at this time, though, what we do know at this time is that they don't get their loan and TEACH grant disbursements canceled if they withdrew for other reasons that are not related to COVID. So if the reasons were not related to COVID, it doesn't matter what the reporting requirements are. You're not going to be reporting them and they're not going to get any cancellation or Pell grant benefits because of it.

David Futrell:

Okay. SAP guidance. We didn't have time to cover SAP in the presentation today, but we do have a couple of AskRegs articles that address a fair amount of the issues related to SAP. And you can find those in the handout section of the platform. Now I'm going to turn it over to Jill to talk about some good news.

Jill Desjean:

Thanks, David. It's good news, but it's complicated. It is on the verification front. So as you may recall, back on April 3rd, the department of ED had waived the in person and notary requirements for the V4 and V5 identity documentation and statement of educational purpose requirements, as well as for the parent signature requirement for confirmation of household size and number of college there, and that guidance, they indicated that the guidance was effective through June 30th, 2020, unless a payment period crossover extended over award years and was attached to the 2019-20 award year as a trailer. In which case the guidance was to be effective through the end of that crossover payment period. That language appeared to imply that this flexibility applied only to the 19-20 award year. However, ED has

since verbally confirmed to NASFAA that the guidance is date specific and not award year specific. So that is good news.

Jill Desjean:

So what does date specific mean exactly? It essentially means that it is not limited to a single award year. So schools can use the flexibility for both 2019-20 and the 20-21 award years until either June 30th or until the end of the crossover payment period. That's attached to the 2019-20 award year. If the school has such a crossover period. Now here's where it gets complicated. ED does not specify exactly what needs to be done by these deadlines. So we're not certain if it's that the student just has to have submitted their verification documents by whichever deadline the school is using. The June of 30th or the end of their crossover payment period, or whether the school has to have actually completed the verification by that deadline? We don't know. So unfortunately schools still need to make a judgment call on this as to what ED intended here. And we're recommending that schools obviously document their interpretation in their policies and apply it consistently. Obviously the most conservative approach here would be to complete verification before the deadline.

Jill Desjean:

I have a couple of examples to demonstrate how this would work in practice. And so my first example applies to a school that either doesn't offer summer classes at all, or does offer summer classes, but not as a trailer to the 2019-20 award year. So there wouldn't be any class over period associated with the 19-20 year in the example that we're presenting here. So the deadline for these schools, a school in this situation would be to the deadline for the schools to use the verification flexibilities for either 2019-20 or 2020-21 would be June 30th, 2020, that's it because there's no crossover period to extend the date beyond. And again, the school needs to decide whether they would make June 30th, the deadline for submission of verification, documentation by the students or for the schools who have completed verification, but either way it should document it and apply it consistently.

Jill Desjean:

The second example I have for you is for a school that does offer a summer trailer, which is a crossover period and ends. This is just an example, August 15th, but it can be any date after June 30th. It would be a trailer to the 2019-20 award year, the verification deadline for a school with this kind of a situation for both 2019-20 and 2020-21 award years. The deadline would be the end of that crossover period, which in this example happens to be August 15. So again, the school would need to decide whether they'd make that deadline for submission of documents, for completion of verification, whatever they decide is their choice based on their interpretation of what ED has said so far, but they should document that and apply it consistently. And just to add a little bit more confusion to the *inaudible*, we talked about this on the last webinars as well.

Jill Desjean:

ED has granted other flexibilities related to V4 and V5 verification flexibility in their May 15th guidance. And that had to do with the verification of high school completion, allowing the student to submit a signed statement that they completed at high school, if they were unable to obtain a copy of their diploma due to COVID-19. That flexibility only that flexibility applies to both the 2019-20 and 2021 award years, 2019-20 and 2020-21 award years. Pardon me? Just like the stuff I talked about before, but applies until December 31st of this year, December 31st, 2020. So with the verification flexibilities that have been given, they've just been for these V4 and V5 groups, but they're, they're pretty complicated

in at least we've got some insurance now that they cover both award years, but there are still different dates involved. And then there's also this confusion about what exactly has to be done by certain dates. But I wanted to be sure that I mentioned that part as well. And now I'm going to let Karen talk to you guys about CARES act reporting, PJ, applicable dates of guidance and cost of attendance issues.

Margot O'Meara:

Thank you Jill. Hello everyone. It's good to be with you all. Yet again, Justin, we've actually had six webinars. This is our sixth time being here with everybody. I know they're all starting to run together a little bit. I want to talk about reporting requirements. We've received a lot of questions from all of you in response to our solicitation. For questions, people wanting to know are, when do we know about reporting that's required under CARES. And right now there are three different reporting requirements that you will eventually have to comply with if you are exercising the R2T4 flexibility. So again, it is a waiver. If you choose to exercise the waiver, then you will need to report to the department of ED. How you have used that waiver, or they have released to all of you, what you should be tracking in the meantime.

Margot O'Meara:

So you should set up some type of internal system so that when that reporting is released, you'll be able to comply at least a little bit more easily than otherwise. Unfortunately, as David mentioned, we asked the department just a few days ago, if they had any estimate on when that process would be released. And they said likely not for another one to two months. So in the meantime, just keep doing what you're doing. And hopefully we will see that on the shorter, rather than the two months end of the range. Over related to the grants the CARES grants, the students share and the institutional share, you will have to do reporting for both of these, the student share, you have likely already started to do some part of the reporting.

Margot O'Meara:

And the first part of the reporting, what they announced on May 6th is the posting on your institution's website. So if you have not yet done that, please check out the May 6th electronic announcement. In that electronic announcement, it says that they are currently working on a process for you to do in the future direct reporting to the department. The reporting requirements is that are that there's a the initial 30 day report and then subsequent to that every 45 days. So some of you may actually be coming up on that, that first 45 day report as well. And as of right now, you do not have any information on how the students share will be recorded into the department. And again, we don't have any updates. The institutional share just to put this on your radar, you will also be reporting about your use of the institutional share of the funding.

Margot O'Meara:

The only thing ED has not released really any type of guidance about that. Other than that, what you will be required to report that information was included in your certification agreement that your institution signed. The CARES act requires that the institutional share reporting happen quarterly. And that's all they say is quarterly. So you don't know when exactly the quarters will start to count if those will function like normally how we think of quarters January to March, April to June, or if it's quarterly, starting from when the CARES act was passed. We have no idea yet. Again, we do not have any updates from the department of ED. So for right now, take a look at the certification agreement to make sure

that you're aware of what you will eventually have to report, and we'll keep you posted as we learn more.

Margot O'Meara:

So moving on to professional judgment, we recently did a survey here at NASFAA to ask about what you're seeing now and what you expect to see in the future with regards to professional judgment requests. And we really wanted to quantify some of this and get to all of your feedback, both so that we can do advocacy here in Washington with whoever is most appropriate, which could be the department of education. It could be Congress or other stakeholders. And we also solicited what your needs are regarding professional judgment. How NASFAA can best serve you as we move into this period where everybody expects to see an increase in professional judgment requests. If you want to take a look at the data that we got back and what you all said, as far as your expected professional judgment requests and what you're seeing so far, we did release those results of the survey this week in today's news.

Margot O'Meara:

And if you miss that, you can take a look at it. We put a summary of the results in your webinar handout. So it's to the left of the handout. If you want to take a look at that. One particular key piece that we are working on right now with regards to professional judgment is the use of dear colleague letter, GEN 09-05. It is an old dear colleague letter back from 2009, which was issued during the time that we were in a recession here in this country. And if you are not familiar, don't remember it, it allows FAA's to have a blanket policy, to use a letter from a state unemployment agency or some other type of documentation to zero out income earned from work from somebody who's affected and to exclude any unemployment benefits from the calculation of income when you're doing that PJ.

Margot O'Meara:

So this, this letter would allow you to have a blanket policy to do this. So it gives you more authority than what you have now under PJ, you could certainly treat somebody who is unemployed in this way. The way that is laid out in 09-05, but under PJ rules, you have to do that on a case by case basis. And what the dear colleague letter did was allow you to have a policy so that you are going to treat everybody in this situation in the exact same way. So it allowed a little bit of a more streamlined PJ process.

Margot O'Meara:

We originally were told from the department that this letter is still in effect because it had not officially been rescinded. However, after we were told that we now see that this letter is marked as an archived historical document on SAP. So now it appears that it may not be in effect. So it is a little bit unclear. We are, we know that the department of ED is talking about it to consider if this will still be considered in effect. If they say it is not, we might pursue some other avenues perhaps with Congress to try to see if we can get some type of relief, similar to what is allowed here by this dear colleague letter.

Margot O'Meara:

So I wanted to talk really briefly about CARES act and upcoming terms because we have been getting questions really going all the way back to April. April is when we first raised this issue with the department where schools were asking, Hey, we are looking at what our plans are going to be for the fall. Can you tell me if any of these flexibilities will be extended into the fall? And right now, many of the flexibilities that ED has granted, and many of the CARES provisions either do not extend into the

summer or fall or it's unclear if they do. So, the word, especially that applies, the unclear applies often to the CARES provisions because the wording is so vague there. So it's unclear if the department will issue guidance saying, yes, yes, this is good for next year. Or they would interpret it not to apply to next year.

Margot O'Meara:

We have been back in April when we first raised the issue with the department, the response that we got then is that they were quite overwhelmed as everybody was with the most urgent issues that campuses were facing us. And what do we do right now to service students? And so they were trying to address that those very urgent questions that were coming in. And they said that they would be talking about the fall, but summer and fall at a later point. We raised the issue again with them earlier this week.

Margot O'Meara:

And they said, yes, their strategy has been kind of to, to operate in small chunks of time, based on the premise that nobody really knew how long the virus was going to be here and be affecting campus operations. And they said, now that now that it is clear that campus operations will continue to be affected by the pandemic, they are starting to have those discussions now about what types of flexibilities should be extended into the fall and which may not. And they are also going back to look at the language in CARES where it might not be exactly clear to determine if though if they can interpret it to extend into fall. So some of the.

PART 2 OF 4 ENDS [00:52:04]

Margot O'Meara:

It can interpret it to extend into fall. So, some of those examples of some of the items, the flexibilities that we have now that are a little unclear, or perhaps do not currently extend into the fall, one of the big ones that we've heard a lot is paying work study students who are not able to work. The law, the clear law the Department is relying on right now allows you to continue to pay non-working federal work study students only if they were working at the time of the emergency. And so, we've received questions about incoming students or students who did not have work study last year and perhaps might be awarded it for this upcoming year. They would not have been working, so they would not be eligible for the current flexibilities. I am hoping that the Department is looking at... They do have some kind of vague congressional authority under the old HEROES Act to offer additional flexibilities. So, we know that they are discussing whether they have that authority already or if that is something that would need further legislation from Congress.

Margot O'Meara:

Awarding of the emergency FSEOG, right now, the way that the CARES Act is worded is that it doesn't have any time qualifiers in there, but it says that emergency FSEOG can be awarded to cover expenses or unmet need as a result of a qualifying emergency. So, to us, that sounds like it could be interpreted to roll into the next year, but we don't yet know how the department might interpret that going forward. Verification, as Jill just mentioned, several verification things are in flux, and some of them do have endpoints that may not carry forward into the fall, so we need the department to look at that. And lastly, the other big one that we're hearing about are overlapping payment periods, specifically institutions.

Margot O'Meara:

The example that we're hearing about a lot of institutions that are interested in backing up the start date of their fall term, and perhaps that might back up into their summer, the end of their summer term, or their summer payment period. And when you have overlapping terms like that, the Department has currently allows those overlapping terms to still be treated as standard payment periods, but that authority only goes through June 30th or the end of an overlap, or the end of a crossover payment period there. So, they have not said that you can treat a summer term overlapping with the fall as a standard term just yet, and we know that there's a lot of interests on campuses in setting up their fall terms like that. So, we did flag that as a specific example for them to consider. So, we will be keeping track of all of this and letting you all know, as we here at the Department, extending flexibilities or continued talk of additional future legislation that might clarify any of these.

Margot O'Meara:

Cost of Attendance, very briefly we wanted to flag for you because we've had questions about cost of attendance for the upcoming year and that some institutions, depending on what their plans are for the fall term specifically, may need to take a look at their cost of attendance and how they have that set up. So, one of the big examples that we're hearing about our room and board allowances based on institutions' plans for whether or not they might be opening residence halls or not opening, where their students may be living. And that may be different for this upcoming fall than what the institution had previously planned.

Margot O'Meara:

For some of your institutions who are moving to distance ed, or will be staying with distance ed, in the fall, as a reminder, if you are not used to constructing cost of attendance for distance ed, the Higher Education Act states that "no distinction shall be made with respect to the mode of instruction in determining costs. So, we just want to give you a reminder about that, that it is not appropriate to not have a living allowance for students who are learning solely via distance education. Back in the spring, when so many schools shifted to distance ed, you were not adjusting COA, so people didn't really have that distance ed COA in mind, but now that schools are making plans for the fall, we just wanted to flag that reminder for you as you are constructing your COAs.

Margot O'Meara:

And lastly, if you are doing things a little bit differently this coming fall because of your school's plans, we wanted to flag a resource that is available to NASFAA members, which is our monograph number 24, developing the cost of attendance. There's not a lot of guidance out there from the Department on developing the COA, primarily because COA cannot be regulated by the Department, so they are prohibited from providing a lot of guidance. So, this monograph might provide some best practices, different options and ideas for you in constructing your cost of attendance. That monograph is also included, or a link to it, in your webinar handout so that you don't have to search for it on the NASFAA website.

Margot O'Meara:

And I'm going to turn it back over to Jill really quickly, who's going to talk a little bit more about the timeline that Justin mentioned at the top of the hour.

Jill Desjean:

Thanks Karen. Yeah, so as Justin mentioned, NASFAA has developed a timeline of COVID-19 related legislation and guidance, and you can see the full graphic at [NASFAA.org/COVID-19](https://www.nasfaa.org/COVID-19). Look in the resources section on that page and you'll see the full graphic. We just have a little snippet here. We came up with this idea as we struggled ourselves, and heard the same from our members, with the piecemeal changing and sometimes even contradictory guidance that's been issued over the past three months, that institutions have been dealing with the impacts of the novel Coronavirus disease. There've been, by my count, 14 pieces of guidance related to COVID-19 and student financial aid over this past three months stretch and I think eight changes to previously published guidance, so it's an awful lot to keep up with and to be able to figure out even where to find things.

Jill Desjean:

So, what we tried to do here was to list out each piece of legislation and guidance that's been issued to date to parse out just a couple of the key elements that were included in each of those documents and to know where you can see from this key, that you can see on the slide, where if it was brand new guidance, if there's changed guidance, and if it was both, and if the new or changed guidance actually contradicted something that happened that was issued before or had the potential to place an institution retroactively out of compliance. And a good example of that would be this whirlwind of guidance we've had regarding the Title IV eligibility requirements to receive CARES emergency student grants.

Jill Desjean:

So, we hope institutions will find this helpful and more quickly locating where a certain element of guidance resides, tracking compliance with this ever-changing guidance and being able to identify maybe dates where your institution was in compliance with guidance that was affected at the time, even if it has since changed. And that should be helpful for you with respect to audits, program reviews, any other sort of accountability measures that are in effect.

Jill Desjean:

And finally, we hope this will be helpful to you in advocating for resources for your office. As your staff is dealing with all of this, this could be an opportunity to show them your administration how hard your staff is working to advocate for more resources, training, staff, whatever it may be. And as Justin mentioned earlier, we recommend that you add this timeline to your office as PMP for reference. I think Justin's going to be taking over from me.

Justin Draeger:

Hey, Jill, thanks. Just as a reminder for folks who want to join up with their peers and talk through some of these operational issues and implementation issues, you can register for that online at [NASFAA.org/letstalk](https://www.nasfaa.org/letstalk). You'll be placed into a future meeting with other colleagues and peers, along with some of NASFAA's Blue Icon staff.,And they talk through many of the challenges that that you're facing.

Justin Draeger:

With that, I think it's time to get into questions, and I think, officially, we were supposed to end at 15 minutes past the hour, but I think we'll hang on and go a little longer than that to get through as many questions as we can. The first couple are about the interim final rule, so let me hit those first. There's one here. Let me see. Yes. This person says, "Maybe it's just that my head is about to explode, but what

does the final rule mean in the context of the 'we won't enforce this' statement that the department made? Does this final rule mean they will now enforce it?"

Justin Draeger:

So, understandably, this is very confusing, but the interim final rule that is about to be published by the department will return as of the date that that publication is made live and published in the federal register. From that point forward, the Department will be enforcing that in order for students to receive emergency CARES Act grants, they will need to be Title IV, eligible either by having, in a practical way, a FAFSA on file or they'll need to attest, under penalty of perjury, that they meet the title four eligibility requirements. So, yes, it is a 180, again, and puts us back to where we began on April 21st, and the Department is now saying, through a rule, that students have to be Title IV eligible to receive these funds.

Justin Draeger:

There's a subsequent question built in here that's not being asked, which is what happens if I just dispersed aid, let's say, today or yesterday or Wednesday? The answer is that if you dispersed aid to non-Title IV students in the last few days, this rule had not been published, and so the Department has said they would not enforce their "preliminary guidance" until this interim final rule is published. This is where it goes back to the timeline Jill was just talking about. What you did is going to be dependent on these dates when the Department is publishing some of this guidance. So, understandably, very confusing, but yes, that's what it means. It means that at different times, different guidance was applicable. All right, next question.

Justin Draeger:

"Regarding CARES Act funding, we need to know once and for all from the Department if we can award these financial aid emergency grants to students in break periods. We have students on summer break who are still in need of funding, and we would prefer not to make them wait until fall when they are enrolled in classes again to receive funds." So, the answer here is not quite... It's not explicitly outlined by the Department of Education. If I were to look at this, I would try to draw parallels to things like is the student enrolled? And that is a question that, really, you as the institution have to answer. If the student is expected to come back in the summer or the fall, and for your purposes, they are currently enrolled, then they are currently enrolled. That's how I would look at it. But a school is going to have to make that determination in the absence of explicit federal guidance.

Justin Draeger:

Going back to something we talked about earlier, if a student has left your institution, and in the last term they did experience this COVID-related expense, and now it's past, that term has ended, there again the school's going to have to make a determination because we don't have explicit guidance from the Department of Education. And I would point back to that interim final rule language, where the Department is using past language as it talks about student eligibility for emergency grants, and then making your own administration aware of the fact that there is not explicit guidance and you as the institution are going to have to make some sort of determination there.

Justin Draeger:

All right, next question. This is about federal unemployment benefits. "Are the \$600 federal unemployment benefits to be included in AGI on the recipient's 2020 federal income tax return? And how our school's handling this item on PJs? Jill, do you want to tackle this one?"

Jill Desjean:

Sure. Unemployment benefits are generally taxable, and while taxation falls out of our wheelhouse, we are not aware of an exception for this additional \$600 in unemployment benefits that came out of COVID-19 relief legislation. So, we're assuming that there'll be included in the AGI just like other unemployment benefits. As far as what schools are doing on PJs, certainly feel free to ask your colleagues, with the caveat of course that one school does with respect to PJ doesn't necessarily apply to what another does or should do. Financial aid administrators have really broad authority with respect to how they use PJ. Some may be adjusting the AGI, the data element in the federal methodology, to exclude that in an unemployment benefit, while others may not. It's important to remember that PJ needs to be completed on a case by case basis.

Jill Desjean:

When you're considering using PJ, you have to evaluate the students and/or their families' circumstances as a whole. Family circumstances are not ever the same, and so you have to make a determination based on their individual circumstances when you're deciding what to do generally, but with respect to the \$600 of unemployment benefits that the question references.

Jill Desjean:

Karen just talked about this, I believe, this applicability of the Dear Colleague Letter, GEN-09-05, which granted schools this blanket authority to zero out both income and unemployment benefits as a broad policy, versus on a case by case basis. It is, as Karen mentioned, really confusing about whether it is still applicable. It is archived, but there is plenty of archive guidance that is still in effect. So, archiving doesn't necessarily mean not in effect anymore. There also is another Dear Colleague Letter, Gen-11-04, that is active, and that refers to GEN-09-05 as active until further notice. And the Department has referenced that subsequent guidance as recently as last year.

Jill Desjean:

So, the only reason we have question to wonder whether it is in effect or not, aside from the fact that it's been archived, is that we've also heard through separate channels that the Department does not consider it to still be active. So, we've got an active inquiry out there, but schools can still exclude unemployment benefits from AGI using PJ on a case by case basis. The question that's out there right now with respect to GEN-09-05 is whether you can have a blanket policy, so for now, the conservative approach would be to assume that it's not active and to only do exclude the unemployment income on a case by case basis. And if we hear official word that that Dear Colleague Letter 09-05 is still effective, schools might have the ability to treat groups of students and families who are receiving unemployment benefits in the same way.

Justin Draeger:

Okay. Thanks, Jill. Next question here is back to the emergency grants. "If the grant funds are to be distributed in the remaining spring semester and a FAFSA is used as the basis for eligibility, does it have to be at 19-20 FAFSA or can it be a 20-21 FAFSA? And if it's 20-21, can it be distributed prior to the fall semester start?" The interim final rule that the department previewed last night include some language.

And this language is not in the preamble. It's actually under estimated burden, but the Department says, "It will be easier for students who have successfully completed a FAFSA and received a valid student aid report or institutional or [inaudible 01:08:27] for the 19-20 or 20-21 award years to receive an emergency financial aid grant because they've already demonstrated their eligibility under Title IV." So, I would use that even though it's under a section having to do with burden estimates in the interim final rule. The Department is signaling that 19-20, 20-21, bottom line you have something that's confirming student eligibility criteria.

Justin Draeger:

All right, next question. "Is there anything in print from the Department that states that colleges can include students who did not apply for financial aid or meet the Title IV eligibility requirements, such as high school students who are dually enrolled and/or continuing ed students?" Karen, you want to tackle this one?

Margot O'Meara:

Sure. I can. So, there are two different groups here, the people who did not apply for financial aid, and I think Justin has covered them fairly well in terms of the Title IV eligibility. The second group, those who do not meet Title IV eligibility and we know it, and the example are high school students or continuing education students, this part is actually pretty clear, because the dually enrolled and continuing ed students are not in a degree or certificate program. And both of those are clearly addressed in section 484 of the AGA.

Margot O'Meara:

So, this means that students that are dually enrolled or continuing ed students would not be eligible for the student emergency grants. However, this part is section 484. So, as we've been talking about, right now where things stand is the Department is not going to enforce the 484 requirements window, and so whenever they release their interim final rule, from that point forward, the 484, we will assume will be enforced. So, up until now, I mean, technically they are not eligible, but the Department will not be enforcing. And once that final rule comes out, compliance with that will no longer be optional.

Justin Draeger:

And Karen, since it's so infrequent that I get to expand on anything you said, I'll just say, instead of when the department releases it, it's when it's published in the federal register, since they did provide a preview on their CARES Act page.

Margot O'Meara:

Yes. Yes. I'm sorry. Yeah. To me, releasing means it's in the federal register, but you are correct. They kind of unofficially released it yesterday, but yeah, that's not official.

Justin Draeger:

Okay.

Margot O'Meara:

Yes, thank you, Justin.

Justin Draeger:

All right, next question. "Can the school refund unused meal plan charges from the student portion of CARES, or must the school refund then reimburse itself from the institutional portion of CARES?" Jill, do you want to try to tackle this one?

Jill Desjean:

Yeah. So, institutions cannot reimburse themselves for meal plan refunds from the student portion of the HEERF. Those funds must be used for direct emergency grants to students. Schools can, however, provide a refund to a student and then reimburse themselves from the institutional portion of the HEERF funds.

Justin Draeger:

Okay. Thank you. This question is kind of lengthy, and Jill, I think I'm going to send this your way. What they're getting at here is how people determine how schools determined which students to give this to. So, do they have a predefined group of people that they didn't use an application? Did they use an application or maybe they did a hybrid. And their question is, any suggestions? They are having some internal debate, it sounds like, and they want to be compliant and wondering if they could use a hybrid method, an application for some and block grants to others.

Jill Desjean:

Yeah. So, the CARES Act doesn't specify a method by which institutions should distribute these emergency student grants. The only requirement is that the funds be used for emergency financial aid grants to students, for their expenses related to the disruption of campus operations due to Coronavirus. Awarding these funds to certain pre-identified student populations, as is posted in the question, like Pell Grant recipients, for instance, is compliant with the intent of CARES. The Department, in its March 9th cover letter, when they announced the availability of these student emergency grant funds, also reiterated there that institutions broad discretion as to how they can distribute these funds, and even states that a school could choose to award these funds to all of their students if they chose. So, certainly, having a policy that you identified a group of students and gave them all X amount of dollars to cover their expenses related to the disruption of campus operations due to Coronavirus would be appropriate, as would using an application, if that's the way you decided to do it, and a hybrid approach would also work out.

Jill Desjean:

Each institution's students are going to be differently impacted by COVID-19, and each individual student at a campus is going to be differently impacted by COVID-19. But it's likely that most institutions are going to be able to find some way to identify groups of students who've incurred expenses that had something to do with the disruption of campus operations. If they were on campus and they had to move off, there would be some sort of living expenses. If they were commuting and using resources on the campus that they now need to use at home, their utility bills will go up, and that's an expense related to the disruption. There are certainly ways to be able to identify groups, and it is certainly within the intent of the CARES Act and in line with ED's guidance on this, for schools to do either application only, block grants, or some combination of both.

Justin Draeger:

Okay. Continuing down the road of CARES grants for a few minutes, "If my school will not spend the full amount of either the student or the institutional share, how does the school return the funds? And if a school is new to Title IV funding in 19-20, but as students in need now, how do they apply for funding? David, do you want to try to tackle this one?"

David Futrell:

Sure. Well, as we understand the grants.gov process, we're not experts on the grants.gov process, but as we understand it, you're only supposed to be drawn down HEERF funds as you spend them. And you have one year to spend those funds after your school sends the certification and agreement when it first applied for those funds. You have to develop your own application process. We have an AskRegs article that will help. It's called What Factors Do We Consider When Awarding Higher Education Emergency Relief Fund Grants to Students? And that's in the COVID-19 webinar under the HEERF grants to students section. So, be sure to go check there to discuss what your application process might be. And there's also our article about how do we apply for the higher education grants on grants.gov. You'll have to read the resources in that AskRegs article, again, in our web center, and contact the grants.gov with any questions on how to apply for grants.gov grants.

Justin Draeger:

Okay. David, let me stick with you for a second. A question here, "Is the amount of institutional CARES funds we will be allowed to use equal to the amount of student CARES funds we expand?" And I think what they're getting at here is like, is it proportional? If we don't spend all the student portion, can we keep all the institutional portion?"

David Futrell:

We're not aware of any interdependencies on spending the funds. You had to submit the certification for grant funding before you submitted your certification for institutional funding, but we don't know of any interdependencies on the amount you can spend for one and whether you don't spend it in the other would have an impact.

Justin Draeger:

Okay.

David Futrell:

Yeah.

Justin Draeger:

Karen, I'm going to keep trying to go through these questions. If you see questions that you'd want to surface at the top because they're being asked multiple times by multiple people, could you cut in after I get through with this question and see what other ones that are surfacing?"

Margot O'Meara:

Sure. I can try.

Justin Draeger:

Okay. This question, I think... Let me see here. Yeah. This one I'm going to try to see if you can tackle, Jill. "Is the amount of institutional CARES... Oh, excuse me. No, this person is, "I've gotten conflicting answers to this question. If a new direct loan is originated before September 30, is the interest rate zero?" And from what this person's read, the 0% interest rate on ED owned loans only applies to those who are in a grace repayment status, but some are saying that it also applies to unsub loans and in-school deferment. So, can you shine any light on this?

Jill Desjean:

A little. I can answer that we don't know if new loans will carry the interest waiver. We've asked ED, but we haven't heard yet. We're also not positive if the interest waiver applies to federally held loans that are in an in-school status. We have heard second hand, someone said, the Department said, that the interest waiver does include those borrowers who are in-school deferment, but we've heard nothing directly from ED on this and we only say official things once we've officially heard them. We realized students are asking about this. This is a super important question for them. Our advice is just to have them contact their servicer, unfortunately. And just wanted to clarify because it is-

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Jill Desjean:

Unfortunately, and just wanted to clarify, because it refers to an interest rate of zero it's, it's a picky point, but it's important to note the interest rate is not zero. These loans do still carry their original interest rates. It's just that the accrual of the interest is suspended between March 13th and September 30th of this year. So same impact to the student. They're not paying interest for these six-ish months, but it is not that the, so that if they just looked up their account online, they would probably see an interest rate of whatever, you know whatever interest rate is assigned to their loans, not zero. And that's not because they're necessarily being charged an interest rate it's that the interest accrual is being suspended.

Justin Draeger:

Okay. Thank you, Jill, Karen, anything that you're seeing that's rising to the top? Or I can keep plowing through the questions I'm seeing in front of me here.

Justin Draeger:

And you might be muted--

Margot O'Meara:

Okay yeah, I'm here. No, I was just clicking back and forth. One person asked this question, which I don't think we covered in is a really important point. The interim final rules. Is there a comment period, any type of delay before they go into effect for the department to collect public comment?

Justin Draeger:

Yeah. You want to tackle that or would you like me to Karen?

Margot O'Meara:

You can go ahead. I'll keep sifting through questions.

Justin Draeger:

Yeah so the department has to go through negotiated rulemaking, except when Congress says they don't. And with the Cares Act emergency grants, Congress did provide a waiver to two federal agencies having to go through negotiated rulemaking. So normally we'd have a proposed rule, a comment period, and then rules would take effect. In this case, this is an interim final rule, which means it's not a proposed rule. It will carry the force of law. Once it is published, they will be regulation. There will be a 30 day comment period. And then the department will issue final rules. But unlike a proposed rule, this rule is taking effect on publication through the federal register. Any others that you see there, Karen? Or do you want me to call through the [crosstalk 01:20:10] I have.

Margot O'Meara:

Kind of a broad question. Do we have any advice for how schools might proceed in this interim period before the interim final rules come out in the federal register? Should they be trying to hurry and rush and get some of these emergency grants out the door in the meantime?

Justin Draeger:

Well, I think that's certainly a logical place that I would go if I was on campus and I were about to disperse funds. And I am afraid that some of these funds would be going to non-Title IV eligible students, because right now the department has considered its current guidance, not enforceable. Once this interim final rule comes out, those will regulations that carry the force of law. Unless again, they are overturned by a court of law or the department alters them in a final rule. So if you were on the cusp of dispersing funds and you, right now the department has said, this is preliminary guidance that's not enforceable. And that will be the case until the interim final rule takes effect. So you'd be cutting it pretty sharp, but I understand why it's pretty close, but I understand why a school might go there.

Justin Draeger:

Can I ask a R2T4 question here, Karen?

Margot O'Meara:

Sure. I hope you're not asking me, you're going to raise the question and ask David right?

Justin Draeger:

No this one's for David. I'm most interested in R2T4 for issues. I think that probably goes for a lot of NASFAA members today and how the COVID-19 waivers should be implemented my director and this person, hasn't to reverse all previously processed R2T4s because ED's guidance seems fluid and changeable, and we want to proceed since it benefits our students, but we're concerned that any steps we take could be deemed out of compliance. And so they're just wondering how schools are implementing this waiver and what NASFA's confidence level is regarding the R2T favor, what guidance and whether it's likely to be changed in the future.

David Futrell:

Yeah. So I'm going to look into my crystal ball now and say, we worked hard since the last webinar to obtain clarifications related to the R2T4 waiver. And those clarifications are included in the scenarios, Arya and Sansa. We can never say whether ED is going to be issuing any further guidance, but we don't see any coming. And we believe it's kind of stable now. And that you should go ahead and proceed with

making those changes. This is your institutional risk assessment. So it's after the term you're going into summer. You're letting them drag on even longer. So you have to decide what is the amount of risk you're going to take on. If you don't start doing these based on existing ED guidance. Remember you are not reversing or redoing R2T4 calculations. You're only re-dispersing aid that was already returned or dispersing new aid, depending upon the circumstances.

David Futrell:

So we are still trying to figure out whether people who went through after the 60% point will qualify for loan cancellation and Pell LEU waivers, but we're not there yet. And we have a little bit more time to get those answers, but we don't anticipate other guidance at this time.

Justin Draeger:

All right, let me stick with R2T4 there for just a second David. A student registered in three consecutive five week classes for spring, student completed the first two week five week sessions, but then withdrew during the last five weeks session. So this is the withdrawal for R2T4 purposes, but would this qualify for the waiver if they withdrew from the last session because of COVID-19 circumstances?

David Futrell:

So when you're implementing the R2T4 waiver for unearned aid, there are no special rules for modules. When a school combines modules to create a term or semester, what they have is a semester. The payment period is a semester. All of this, R2T4 guidance applies to the entire semester. So you have to go and look at the you know, find the handbook and decide whether they're a withdrawal, and in this case, the student is withdrawal. So the student is a withdrawal for the entire payment period. You find out whether she was she or he was COVID related. And if COVID related, you can apply the R2T4 waiver just because they withdrew from the last session.

Justin Draeger:

Okay. Thank you. Karen, I'm going to send this next one to you. Does the same student eligibility criteria outlined in the interim final rule, apply to the emergency funds for HBCUs, minority serving institutions, and institutions serving low income students if the institution chooses to use them for emergency grants for students?

Margot O'Meara:

Yes. So these are the separate pots of money that are applicable only to specific types of institutions. So this does not affect all of the institutions that are listening to the webinar today. So I don't want anybody to panic there. We did get this question in advance, which allowed us some time to do some digging into the wording of the final rules. And it does refer back to references in the Cares Act that are references to these particular pots of money. So our understanding is that yes, the same rules would apply to those pots of money as well.

Justin Draeger:

Okay. Thank you. A question here is, do we need to be concerned if we awarded per the department's guidance originally and only awarded to Title IV students who filed the FAFSA, I'll go ahead and take a stab at that, which is no. You would have been taking the most conservative approach, and in fact a lot of schools did this. And if you only focused your emergency grants on folks who you had a valid FAFSA for, or receive Title IV funds, then they would meet the eligibility criteria that the department has gone

back and forth on, and that is currently being argued in law. So there is nothing that would prohibit you from doing that. You wouldn't need to change anything that I can see in the future. Let me go back here and keep going. Karen, if you see any, please go ahead.

Margot O'Meara:

Yeah, I was just hoping, David, can you confirm, there are a lot of people asking for confirmation that using the flexibilities is optional. There are a lot of people concerned asking if they are required to go back to make disbursements or pull back money that they had sent back earlier. Can you restate that?

David Futrell:

Yeah, the Cares Act does not require it and the department hasn't required it. So it is an option of the institution to do so. So you can either choose to implement the waiver, again related to unearned aid and re-dispersing or dispersing aid for the entire payment period, or you can limit it to everybody after March 13th, but that's your choice. But once you choose to implement it, we think you should implement it consistently to all students in your category, the category that you're implementing. So if you choose March 13th to implement this for everybody after March 13th, we think you should apply the guidance consistently to everyone after March 13th. You should check with them to find out if there were a COVID related withdrawal and you should re-disperse aid and disperse any new aid because of your choice to implement the waiver to that set of students. So you don't have to do it at all, but if you do all the electronic announcement rules.

Jill Desjean:

Can I ask a quick followup to that? David, can you also confirm, there also some questions. Can you review when schools are required to get the attestation from the students that their withdrawal was COVID related and when they are not, and they can assume.

David Futrell:

All right, this is on a slide for Arya. If the school, I'm trying to try to find the notes, to make sure I get all three of the circumstances, correct. If the school moves students from ground-based instruction to distance learning, if the school closed campus housing or campus facilities, if the school experienced the interruptions in instruction due to COVID-19 during that payment period, anytime during that payment period, you may assume the student was a COVID related withdrawal. And you do not need to get an attestation or written statement from the student in those cases. If the program went from did not go from online, if it was a purely online program that never had a change in instruction and students continued right on through as if nothing was happening, those students would have to provide an attestation and give you the reason why they withdrew and whether or not it was COVID related. Outside of those two categories, if in doubt, get an attestation or written statement or an email statement or a text statement from the student to find out why they withdrew.

Justin Draeger:

Okay. Thanks, David, let me ask you another R2T4 question. Have there been any deadlines set to complete R2T4 calculation reversals and draw funds down for returns that had been previously processed for the payment period? And if not, do we think that there will be?

David Futrell:

There have not been any deadlines set in anything we can find. That would have been the March 3rd electronic announcement, the March 5th, the April 3rd or the May 15th electronic announcements. So we don't know, ED has not set any deadlines that we know of. We think that you should proceed promptly now that we have relatively stable guidance. Some schools are overwhelmed and can't, we're not going to ask the department either. We're afraid to ask the department for an answer here, because if they give a deadline, it's going to affect different schools differently. Schools that are overwhelmed and can't get all this done on the same schedule as others are going to be impacted a little harder than those that have enough staff and can process these more promptly. So we're trying to avoid going there.

Justin Draeger:

All right. Thank you, Karen, for schools that haven't spent all of their money, how long can they reasonably distribute these funds? Looking out into the coming terms?

Margot O'Meara:

Yeah, so I think, I think this came up a little bit earlier in the certification and agreement that you signed, it says that you must distribute to the greatest extent practicable actually, you must distribute the grants by one year from the date that you're signing it. The Cares Act itself actually says that the funds are available through September 30th, 2021. So not this coming September, the following one. So there's a little bit of a discrepancy there that we have asked the department about, and haven't gotten an answer. But the shortest period of time there, is the one year from the date that you signed the certification. So even if that's the period that they end up going with, you have at least until that time.

Justin Draeger:

All right thanks Karen. Jill, I'm going to send this next one to you. Can students who started after the date that the President declared a national emergency, can they receive funds because of COVID related expenses?

Jill Desjean:

Yes, they can. As long as they incurred expenses that were related to the disruption of campus operations due to COVID-19, they can receive the student emergency grants from the Cares Act.

Justin Draeger:

Okay. Karen, let me send the next one to you. Guidance on federal work study for students to begin working as of seven, one 20 for the 2021 aid year. Are there parameters on when and how many hours they can work? Is there a limit to the number of student employees in a given area? Are department supervisors are required or responsible for social distancing? How do we implement that?

Margot O'Meara:

Yeah. So this would be like completely outside of the Title IV realm, if there were any particular guidance. So we have not seen anything, there's nothing, no special guidance. Related to federal work study working conditions, anything at all. You will want to check with your human resources department though, or something similar as this would be really a matter of employment law. And there may, there may be COVID related rules that are in place that apply to all employees, but there's nothing specific to federal work study.

Justin Draeger:

So Jill, I think this next one is for you. And I know we're past time, so we'll just get through a couple more and then try to wrap this up. We want to get through as many as we can here. But is there information on how suspended payments impact SAP arrangements to clear a defaulted loan?

Jill Desjean:

Unfortunately, there is not information available as of yet. We do know that suspended loan payments count toward loan rehabilitation, but ED has not yet said if the same is true with respect to satisfactory repayment arrangements. And while we're on the topic of loans, generally, I wanted to clarify something that I said before about the zero per cent interest rate. I think I pretty confidently declared. So if they look it up on their service or website, they won't see zero. One of our colleagues on TRA is currently repaying their loans and their interest rate does show as zero. So it is still a suspension. Your interest rate has not been changed to zero. You still have the underlying interest rate but during the suspension, at least for some servicers you may see a student's interest rate reflected as zero. So I just wanted to clarify that and thank our colleague in TRA for sharing that with me.

Justin Draeger:

Thank you. Let's say a student doesn't actually cash their emergency grant check. How do we handle those funds? David, do you want to try to tackle this one?

David Futrell:

All right. I had notes on this one. Basically we're not accounting officials and so we're not absolutely certain on this one. Because there might be accounting or business rules that will prevent those funds from escheating. But we understand as we understand it, Title IV funds can not escheat to a state in any circumstances. And that the school would either have to cancel the check and return the funds to the department or re-award those funds to other students who might be eligible for them. So we don't think so, but you might want to check with NACUBO, if you have further questions on that one.

Justin Draeger:

All right, thanks David. There are a lot more questions in here that we just didn't have time to get to. I'm going to do two more and then we'll wrap up. And I would ask schools if you're still around, please fill out the survey after the webinar. That really does drive quite a bit of what we plan for the future, including whether, you know we weigh if we should continue offering these. Okay, next question. Karen, this one's going to be for you. The person is asking, do you have to adjust the living part of COA if we're moving to a hybrid model that is, part online part in person?

Margot O'Meara:

Yeah. Let me make sure. Okay. You, I would not say that you have to adjust. I do think that institutions that are making plans to do this, and we've heard that it's a pretty common change that schools are considering for the upcoming fall, that we recommend that you revisit your cost of attendance to take a look at it and see if you want to adjust. You can, the living part of your cost of attendance you have a lot of flexibility in developing, so it may be that you take a look at it and you determine that even though there'll be online for part of it, their living expenses would not change. So there would be no change to your cost of attendance. Or there may be some circumstance in which you would want to make an adjustment to your cost of attendance. Either way I think it's a good practice to go back and take a look at it and talk about it on your campus.

Margot O'Meara:

And then I would also document whatever decision you make so that you don't have say an auditor or somebody coming in behind and saying, well, Hey, this fall, you switched to two weeks of distance and you didn't make a change. So did you look at it? What's your justification for that? So make sure that you document any decisions you have, especially if you're not making any changes, just so that it's clear that you did take a look at it and you did make a thoughtful decision not to make an adjustment.

Justin Draeger:

All right. Thanks Karen. Last question. And I think this one has broader applicability, but this is about timeframes. What if we, thinking of student eligibility, what if we didn't know that a student wasn't making SAP at the time of the grant payment to the student, but now that spring grades are in, we found out the student isn't making SAP. What do they do there? Anybody want to weigh in? Let me start. And then I'll see, the team can correct me. Well the first thing is the interim final rule has to be published in the federal register to take effect. So if you're asking this question today, we have a preview of the interim final rule. It will be made public in the federal register and become effective that date. But if we pretend we're past that date, I think there's a broader question here about what schools knew and didn't know at what time in terms of student eligibility. Karen, David, Jill, I'd welcome your input.

Margot O'Meara:

Yeah I would say, this is Karen, that even once we get into the rules being applicable, this would be completely fine at the time that you made the disbursement. As far as you knew the student was eligible. There is somebody at the Department of Ed said that a really long time ago, you know what you know when you know it. And I think that would apply to the similar types of circumstances. You didn't know at the time you made a disbursement, you found out information later that that changed. And also specifically with this question in terms of SAP, the SAP status is moving forward at that point. So at the time that you reviewed, you determined a student is not making SAP. They lose their eligibility moving forward. So any disbursements that you made prior to that time would have been okay.

Justin Draeger:

Thanks Karen. And thank you everyone else for all the questions you submitted. We tried to stay after to answer as many as we could. We know there are still outstanding ones out there. Please check the nasfaa.org COVID-19 web center. Stay tuned through today's news, where we continue to update and publish questions that come in via ask regs. Please remember to download your certificate of attendance. If you are using this for your CFAA and credentialed learning. And then also just a reminder, please complete the survey. Thank you everybody for joining us, we'll stay in touch.

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