

# “COVID-19 and Federal Student Aid: What We Know” Webinar

## Q&A Segment Transcript — Recorded March 17, 2020

*\*\* Please note, to make it easier to scan and find questions while reading this transcript, we have highlighted each question below in yellow. \*\**

Justin Draeger:

Now let's get to what I think will be most valuable to folks, the questions and answers segment. We have already received a lot of questions so we're just going to try and tackle these to the extent that we can, in a systematic way.

Let me start with one that I think is getting a lot of attention. Karen, I'm going to pose this one to you, and it is: **If an institution is pro-rating housing and meal charges due to moving instruction online, what considerations need to be made for Title IV? I guess that will include things like cost of attendance adjustments, budgets, and estimated financial assistance if students are getting money back. Can you touch on that?**

Karen McCarthy:

Sure, I can. And this cost of attendance issue we've had a lot of questions about and we've been going back and forth with the Department [of Education] in hopes of sharing some information with all of you.

This topic is covered in the guidance that the Department plans to release in the very near future, so you will have this in writing, but they did confirm that if the institution refunds, or provides a waiver of any type of institutional charges, or even if you know that a student has moved off campus, and so their expenses may have changed, which would normally cause a change in their cost of attendance, the Department will not be requiring you to re-evaluate the student's cost of attendance. So, you do not need to make modifications to the cost of attendance at all. Therefore, you would not be required to make any changes to a student's financial aid package at all.

One thing I do want to flag is that, kind of the downstream implications, if you're providing a refund — and you'll need to work this all out; you should be working closely with your business office, because this will likely create credit balances for students, and you may be creating Title IV credit balances in some circumstances and the Department has not waived any of the requirements for Title IV credit balances — so you do need to follow the rules about holding on to credit balances, getting authorizations when you need to, as of right now. So definitely loop your business office into this and work with them if you are creating credit balances, what you're doing with all of that, to collect any needed authorizations, if you'd like to go that way.

Justin Draeger:

So, Karen, just to verify, cost of attendance adjustments do not need to be made in any of these scenarios?

Karen McCarthy:

Yes, and that will be released in the guidance that the Department will be issuing within the next day or so, so be on the lookout for that!

Justin Draeger:

And we'll publish that guidance in *Today's News* and make sure it is included on the [COVID-19 web center](#).

Let me move on here. The next question is: **The March 5, 2020 Electronic Announcement indicates that, in response to COVID-19, we can offer courses to students on a schedule that would otherwise be considered a nonstandard term while continuing to offer Title IV aid using a standard term academic calendar. Can those courses also overlap courses in our summer term without causing our programs to be treated as nonterm programs?**

Jill Desjean:

Yes, the Department is extending the flexibility described in the [Electronic Announcement from March 5](#) to schedules that would otherwise be nonterm as well. So, for example, an extended spring term that will overlap with a summer term. If an institution extends the length of a term to respond to COVID-19, causing the term to overlap a subsequent term, in this limited circumstance the institution may continue to consider its terms to be standard terms, allowing both the use of a scheduled academic year (SAY) for Direct Loan funds and Pell Grant Formula 1.

Justin Draeger:

So, if it pushes into the next term, they're good?

David Futrell:

Yes, overlapping payment periods are good here, and only here in this scenario.

Justin Draeger:

And that's automatically granted, the school just needs to document what they've done.

Alright, let's move on to our next question — sticking with our spring terms for just a minute.

**We have a school that says they've extended their spring term by several weeks in response to the COVID-19 outbreak. Most of their students have loan periods that end at the end of their spring term, so they no longer align. Does this mean they need to extend the loan period in the Common Origination and Disbursement System (COD)?**

David Futrell:

The great news for schools is no! Institutions that choose to extend terms that begin on or before June 1, 2020 as a result of COVID-19 outbreak are not required to change loan period end dates if the loan period was scheduled to end on the term end date. So, there's a condition attached to that, but loan period end dates do not have to be adjusted.

Justin Draeger:

And that will also be part of the forthcoming guidance from the Department of Education published in the next day or so.

David Futrell:

Correct, hot off the presses!

Justin Draeger:

Moving on, next question here is: **If a school closes for a time, thus causing changes to the length of its payment period for purposes of R2T4 calculations, are previous R2T4 calculations allowed to stand and should the school use the new payment period length moving forward? General guidance has been that schools don't have to redo R2T4 calculations that were done correctly at that time, does that still stand?**

David Futrell:

More good news here: that's correct! The institution is not required to redo any R2T4 calculations that were done correctly at the time. And this is consistent with the existing R2T4 guidance in Volume 5, Chapter 1 of the *FSA Handbook*.

Any R2T4 calculations that are performed after the school's action to close, or extend scheduled breaks, will need to be performed using the adjusted payment period dates, and will need to exclude any scheduled breaks of five or more consecutive days. So, like always, you exclude a scheduled break of five or more consecutive days, from both the denominator and the numerator in your R2T4 calculation. And this includes all extended breaks that fall within the payment period or period of enrollment being used in the R2T4 calculation due to the coronavirus.

Justin Draeger:

Alright, let me keep going here on R2T4 for just a second. **What would be the R2T4 impact of changing our academic calendar by moving up the end date of the spring semester? In this case, students would still be completing the semester; however, it would be shorter.**

Jill Desjean:

When you are ending the semester early you are also reducing the length of the academic year. To reduce the length of the academic year *[to less than 30 weeks]*, schools have to get permission from the School Participation Team, so they would need to reach out and let the school participation team know what their intention was, and our understanding from ED is that they can grant a reduction to as little as 26 weeks. If the reduction request is approved, no R2T4 calculations are required.

Justin Draeger:

Great, let's stick with R2T4 for just a second with study abroad. **Our institution has a student who was studying abroad in China. The student was forced to withdraw from their study abroad and return home. The program term in China does not align with our campus term**

**calendar. Which date range we should use for enrollment reporting and the date range that should be used in the R2T4 calculation?**

David Futrell:

So, we can only answer half of that question at the moment with certainty. The Department has told us for enrollment reporting, you report the dates of your home school academic calendar for enrollment reporting purposes. Those are the days that you have in COD as the beginning and ends of your terms.

We do not have a direct answer from the Department yet on a longstanding question about which dates to use for a study abroad program: home school or host school. We think you use the same dates that would be in your R2T4 calculation. We think you use the same dates that you used for payment periods and cash management, but we cannot say that for sure, so that's still an outstanding question with the Department. We're still trying to get an answer.

Justin Draeger:

And we'll publish that answer once we have it.

David Futrell:

I will most certainly post an AskRegs article to get that answer out.

Justin Draeger:

Thank you! We have a bit of a lengthy question here: **Under Length of Academic Year in the [\[Electronic Announcement\]](#), a temporary reduction in the length of an institution's academic year can be requested if an institution determines it will close as a result of a campus health emergency. Our students are currently in a one-week spring break and we extended the break by one week in order to prepare for all online instruction. After the additional week of break, we will resume with online classes. This extension of the break results in a 14-week spring semester and 29-week academic year.**

**Is the Department's guidance about requesting a shortened academic year only applicable for a closure or would an extended break resulting in a reduced academic calendar also qualify for the temporary reduction?**

Jill Desjean:

Yes, so an extended break, if they didn't add onto the end of this semester, would be the same as shortening/cutting off of the semester. So, either way, the institution would need to seek the Department's approval from the School Participation Division reducing the length of the academic year *[to less than 30 weeks]*.

Justin Draeger:

Alright, great!

David Futrell:

So basically, if you have two 15-week semesters and you extend your break in the spring semester and now it cuts some instruction time out of that spring semester, you might not have a 30-week academic calendar.

Justin Draeger:

Alright, next question: **If we delay the start of the spring term for a week, will we need to change disbursement dates and loan records?**

David Futrell:

If schools want to shorten their academic year [*to less than 30 weeks*], they must get permission from their School Participation Team and we do not know what the conditions of such an approval might be. If any of our participants have spoken to their School Participation Team, please let us know if ED imposed any requirements on your school. You can send that to [policy@nasfaa.org](mailto:policy@nasfaa.org). If you've gotten an approval, let us know what the conditions might be.

Justin Draeger:

Alright, thank you. Let's move on to our next question here, this one's regarding Distance Education: **The [EA published earlier this month](#) says this: "We are also permitting accreditors to waive their distance education review requirements for institutions working to accommodate students whose enrollment is otherwise interrupted as a result of COVID-19. We are currently limiting that permission to distance learning opportunities developed for the purpose of serving students who were already in attendance, but whose attendance was interrupted by COVID-19." We are wondering about the "already in attendance" piece. There are students who never began attendance this term because their study abroad program was canceled at the last minute and schools would like to be able to offer them distance ed, but it appears that is not permitted.**

Jill Desjean:

We ran that by the Department, and despite the language that seems to clearly say "already in attendance" they did indicate to us that it was their intention to extend all flexibilities related to distance including this accrediting agency waiver of the approval process, to students who never began their study abroad program. So that's what we've heard from ED.

Justin Draeger:

OK, thank you. **Is it possible for our study abroad students to retain their Title IV aid if the study abroad program switches those students into online courses provided by the foreign institution?**

David Futrell:

And the answer here is the glorious "It depends!" In financial aid we are very familiar with that concept. It depends on whether the U.S. institution has entered into a consortium or contractual agreement with the foreign school for this study abroad program, or whether the foreign school is a Title IV-eligible institution providing the online instruction to U.S. students. One is prohibited and one is not.

If the U.S. institution has entered into a written agreement with a foreign school and the study abroad program, and the foreign school converts students from residential classes to online classes during the payment period, the student remains eligible for Title IV funds, the student is not a withdrawal for R2T4, and we now know you do not have to adjust the cost of attendance.

If the foreign school is a Title IV-eligible institution, there is unfortunately a very specific statutory prohibition. A Title IV-eligible foreign school is prohibited from offering distance education to U.S. students, so remember Jill [Desjean] talked about this a little bit earlier, there is proposed legislation that might modify this, emphasis on might, might modify or eliminate this prohibition, but at the moment it's a statutory requirement that ED cannot waive.

**Justin Draeger:**

Alright thanks, David. Let's turn to Federal Work-Study for just a second. **Federal Work-Study Covid-19 provisions in the [March 5 EA](#) allow an institution or employer that has closed to continue to pay FWS students. If an institution shifts to online instruction, is that considered a closure? The EA isn't very clear on this. It refers to schools shifting to distance ed but then mentions closure, too, so we're not sure.**

**Jill Desjean:**

It was a little confusing because sometimes closure meant ceasing to offer instruction, sometimes it meant just a physical closure of the campus, while the school was still providing education in some other way. But yes, if students are unable to work due to classes being moved to a distance format, the EA guidance is applicable.

However, students who are not able to work due to a personal decision to remove themselves from campus or switch to distance education, are not eligible to be paid for any hours they do not actually work.

**Justin Draeger:**

Alright, thank you. Let's stick with Federal Work-Study for just a second. **If an off-campus employer is technically open, but is prohibiting FWS students from working, can those students still be paid? We're seeing this with community service jobs (YMCA's, health care settings, etc.) where they remain open but are banning all volunteers, including FWS workers. There is also concern that if these community service FWS workers can't work and can't be paid, some institutions may have difficulty meeting community service requirements.**

**David Futrell:**

So almost all students affected by the school's decision to close or go to online classes are able to be paid Federal Work-Study, this also includes off-campus employers who decide not to keep the students working. Students affected in this way may be paid FWS based on the hours they were scheduled to work, because this is a scenario addressed in [the EA](#) where students are unable to work. If institutions are able to continue paying these students, the concern about not meeting the 7% community service requirement should mostly be resolved as well. You're not always going to lose community service dollars if you continue to pay them for on-campus

or off-campus jobs, or for the off-campus community service job; it wouldn't necessarily mean a reduction in the ability to meet the 7% mark.

Justin Draeger:

OK, let's talk about remote work with Federal Work-Study. **If a Federal Work-Study student can do their work remotely, can they get paid?**

Jill Desjean:

Yes, they can. There is nothing in the Federal Work-Study (FWS) regulations or the [March 5, 2020 Electronic Announcement](#) that would prevent a student from working remotely and the unpublished Q&A from the Department today confirms that schools can allow students to work remotely.

Schools should think about other logistical things, like there may not be someone supervising the student's work if they're switching to remote work. Students might not have the technology to work remotely, but there's nothing saying that students can't work remotely if that is available to them. Schools should talk to human resources departments to make sure they're following their institutional procedures for teleworking, as well as to make sure all federal, state, and local employment conditions are followed.

We are not saying that schools must set students up to work remotely. This is the school's decision to make. They can still pay them for not working if they were unable to work.

Justin Draeger:

OK, thank you. **If the school determined that we are going to pay FWS students who are unable to work due to COVID-19, how much are we supposed to pay them?**

David Futrell:

We've received this question several times already! So, this is going to require some institutional discretion within some broad guidelines. According to ED, the student can be paid for the FWS hours they were scheduled to work for the term or nonterm period. By definition, scheduled hours are not necessarily the same as average hours, so keep that in mind. Per ED, timesheets are not required for students to receive FWS wages while unable to work. However, schools must maintain records of how payment was calculated, such as the determination of hours the student was scheduled to work. Of course, timesheets are one way to make this determination, but it's up to the institution how they document that. It might be a best practice to have the student's FWS supervisor sign off on whatever documentation that is used; however, there may be instances when the FWS supervisor is unavailable to do so, so there is some school discretion there.

Additionally, [GEN 17-08](#), the previously existing Dear Colleague Letter on federally declared disasters, states that payments may be made in an amount equal to or less than the amount of FWS wages those students would have been paid had they been able to complete the work obligation necessary to receive FWS funds. So the short way of saying that is, you can pay them

up to their work-study allotment if they were scheduled to work their full work-study allotment.

Justin Draeger:

And it's up to the school to document how they came up with that calculation, but it's at their discretion?

David Futrell:

That is correct, that's the extent to which the Department will go here so far.

Justin Draeger:

OK, thank you. Back to the community service: **What about FWS community service waiver requests. The 2019-20 waiver request process closed last April. Can ED re-open the waiver and consider new requests?**

Jill Desjean:

Schools apply proactively for the waiver, and the deadline to apply for a waiver for the 2019–20 year was April 2019; therefore, there is no action your school may take at this time. If a school feels that they need to apply for the waiver for the 2020–21 award year, they should complete the waiver by April 20, 2020. The Department has indicated it may provide additional information about community service waivers in the future.

And back to David [Futrell's] point earlier, it is possible that if schools continue paying their work-study students, they will not be facing this seven percent community service issue. But unfortunately, that requirement is statutory, that 7%, so ED can't do any kind of blanket waiver, they can't do anything right now to give schools relief for 19-20 without some kind of congressional action.

Justin Draeger:

Let's stick with Federal Work-Study for just another question here: **As a result of the coronavirus implications to institutions, many students will be unable to work on campus for a portion of the academic year and therefore unable to utilize their full FWS funds. Will there be any leniency for schools if they have to return unused FWS funds?**

David Futrell:

The answer here is maybe. There are existing annual waiver request processes within the campus-based programs, especially for Federal Work-Study. There's one for the community service waiver and another for the underuse penalty. The school would have to apply through that process when they've underused their FWS allotment. We expect that underuse waiver requests will receive appropriate consideration and leniency. Of course, NASFAA will continue to push for leniency.

Justin Draeger:

OK, next question here is: **When the [March 5 Electronic Announcement](#) referred to "approved leave of absence," does it mean a Title IV-approved leave of absence (LOA) per 668.22(d)?**



Jill Desjean:

Yes, we ran it by the Department, and they are referring to an approved Title IV LOA under 668.22(d). From [the EA](#): “The Department will permit students who wish to take an approved leave of absence for COVID-19-related concerns or limitations (such as interruption of a travel-abroad program), to take such leave, even if the student notifies the institution in writing after the approved leave of absence has begun. In such a case, the institution may retain those Title IV funds to apply when the student continues enrollment. If the student does not return to complete their program within 180 days, the school would then be expected to perform the Return of Title IV funds calculation based on the date on which the leave-of-absence began. Note that in term-based programs, if a student takes an approved leave of absence from a term-based program, the institution must ensure that the student is permitted to complete the coursework he or she began prior to the leave of absence.”

The only flexibility granted by ED in the [March 5 EA](#) with respect to LOAs was with respect to the requirement that students notify the institution in writing before the LOA begins.

This is something that was addressed in proposed legislation, so it’s possible that we may see more institutions being able to offer leave of absence, but right now there is not a ton of flexibility.

Justin Draeger:

So, we'll be waiting for Congress. We still have some additional questions coming on Federal Work-Study and I want to do one more then move on. This person, I think, is trying to summarize Federal Work-Study guidance in a nutshell, so the conclusion is: **If a student can work, then they should, but if they can't due to classes being converted to online (or whatever, like the student might be having COVID issues, or the school might be temporarily closed down, whatever the case may be), the assumption is that we would continue to pay them without them actually working. Correct?**

David Futrell:

That is correct, except when the student chooses not to work. If the school allows them to work, they must work to get their work-study funds. If it's not COVID related, and the student just opts not to do their Federal Work-Study job that is available, then they wouldn't be eligible to be paid.

Jill Desjean:

I might qualify, too, with the “if a student can work, then they should work,” but I’d say you don’t have to assess every single student’s situation. I think it’s safe to say that if an institution closes their campus, then you can assume none of the students will be able to work. If something is made possible for the students, through telework or something like that, then that’s something the schools can work out, but schools shouldn’t be thinking they have to force students who are able to work to work.

Justin Draeger:

There is no student-by-student assessment needed when there is mass campus-wide disruption.

David Futrell:

We do know of at least one school who is allowing a student to continue working under an appeals process, where they sent everyone else home. If they grant that student's appeal, the student is required to work the hours to get paid.

Justin Draeger:

And that's the institution's policy?

David Futrell:

Yes.

Justin Draeger:

This is a broad question I'll ask you to weigh in on: **What does SAP look like in the midst of COVID-19?**

Jill Desjean:

The [March 5 Electronic Announcement](#) does address SAP in that it considers COVID-19-related issues to be legitimate appeal reasons for students who fail SAP. That's pretty much all we have from the Department as far as guidance or flexibility, but again in that proposed legislation, the Senate [*Health, Education, Labor, and Pensions*] Committee was actually looking to expand that a little bit more, and to exclude from the SAP calculation attempted and earned credits this interrupted semester.

So again, that is proposed legislation and not happening yet, but there may be more to come as far as flexibility with SAP.

Justin Draeger:

Alright, **we have a school here that's considering going to online courses for the remainder of the semester and then offering a 50% refund on room, board, and fees. They're wondering if there's anything that would prohibit them from giving the refund as a credit for the next semester of enrollment? And if there are any other Title IV ramifications related to this?**

And Karen McCarthy, if you want to weigh in on this one I'd welcome that as well.

Karen McCarthy:

Yes, I'm happy to weigh in and take a break from sorting lots of questions coming in! On this one, you definitely want to be working with your business office. As I mentioned earlier in the response, they have not waived any of the requirements about Title IV credit balances.

If you have a Title IV credit balance, you need the authorization to hold on to that, and not release that credit balance. Some of these credit balances you're creating may not be Title IV

credit balances, in which case those rules would not apply, but as of right now, the Department has not waived those, which would mean if you have a Title IV credit balance you would not be able to roll that over into the next year because that is not allowed under the Title IV credit balance rules. I do think some of those details will get sorted out over the coming days. Since we were mostly focused on the COA question, I think the Title IV credit balance issue is a little bit farther downstream, so the questions are coming up as we're getting answers. We're continuing to bring up further questions. So, I do think there will be more to come on that, but for right now Title IV credit balance rules do still apply.

Justin Draeger:

Thank you, Karen [McCarthy]. **Question here about suspension of student loan payments, which is something that Congress has been talking about. This person is talking about if they suspend all student loan payments for their graduates who are pursuing PSLF, since a payment must be due to count as a qualifying payment. Do you think there might be an opt-out provision if this were to happen, so that they could continue to make payments and make progress on PSLF?**

Jill Desjean:

That seems reasonable.

Justin Draeger:

Yeah, so there'll be two questions that have to be answered here. One is, Congress is aware of these scenarios, where loan payments are counting towards loan forgiveness and there was a conversation... and I haven't seen the latest draft of the legislative text... but where they were saying that those sorts of waivers wouldn't count against them, that they could continue to be counted. Now we will have to watch the legislation and see if that is in there, but that's certainly been part of the discussion. If they were to do it and not make any sort of play towards these students whose PSLF might be delayed, then we're also talking about operationally can that happen with the servicers? Are they opting into payments that are actually waived? That would probably not be our preferred way to deal with this, but instead have Congress step in and say, these deferments should not derail the PSLF, or should not discontinue their PSLF, or provide any discontinuance of PSLF eligibility. So, we'll stay on top of that one.

**Another question here: is there a general email for the school participation team, if we need to request permission for a shortened to academic year?**

David Futrell:

No, there is not. There are phone numbers on the campus-based application site: <https://eligcert.ed.gov>. I don't think there is an email address provided there, though.

Justin Draeger:

Yeah, this is something we may be able to provide some additional details on, but David Futrell just pointed you in the right direction. I did hear from someone this morning, and this has not been confirmed with the Department by us, that they did contact their school participation

team about a shortened academic year and was referred to a COVID-19 email address over at the Department, so that very well could be something that the Department publishes just to sort of circumvent everybody calling into their school participation teams, so stay tuned for that.

Next question: **We normally run SAP at the end of each term. Can we elect to not run SAP for the spring term because of the COVID interruptions, and then assess SAP at the end of the next term attended? So, if the spring term courses cause the students not to meet SAP at that time, an appeal would obviously be granted, so could they just change their entire procedure?**

David Futrell:

You cannot at this time. The Department has not granted that capability, so current regulations still apply. We'll add that to our long list of questions, and wish for some leniency there.

Jill Desjean:

This is something that has been addressed in the proposed legislation, so that is something that could be fixed.

Justin Draeger:

Right, so SAP would basically be waived for this period where we have a COVID-19 crisis. That's pending legislation, but for now we don't have that authority from the Department, correct?

Jill Desjean:

Right!

Justin Draeger:

**Alright, this person just wants to confirm something we talked about earlier. If they extend spring break, they have to contact their school participation team to request that reduction in the length of their academic year, correct?**

David Futrell:

If they extend spring break and it reduces the number of weeks of instructional time in your term, and then that reduces the length of your academic year, then yes, you must contact your school participation team for permission. Again, using the example of two 15-week terms, if you extend your break and you cut two full weeks out of your 15-week semester, then you have reduced the number of weeks of instructional time down to 14 in this case. Therefore, your academic year is only 29 weeks and not 30, so you need permission.

Justin Draeger:

So, however you shorten it, whether it's in the middle or at the end, it's shortened.

**OK, a school is wondering if they can change to a pass/fail grading system at this point semester.** I'm assuming because there's just been so much disruption.

Jill Desjean:

It certainly hasn't been addressed in any of the guidance we've seen. I can't say that I'm familiar with whether that's a thing that would be generally allowed.

Justin Draeger:

Karen, any thoughts?

David Futrell:

Yeah, we don't have an answer for this one.

Justin Draeger:

OK, we will flag this one for follow-up.

**Are we required to pay Federal Work-Study funds if we're only offering distance education? We already covered this one pretty well. Maybe the question is "may" or "required?"**

David Futrell:

That [Electronic Announcement](#) very specifically says "may," it does not say "required."

Justin Draeger:

OK, so it's up to the school to decide. Lots of questions on Federal Work-Study here. **Clarify payment of Federal Work-Study to students. Do schools have to pay all employees (non-FWS students, staff, and faculty) before FWS can be paid for work they cannot do due to COVID-19, or can FWS students be paid even if non-FWS students are not?** I think we're talking about parity here.

Jill Desjean:

In the unreleased guidance from ED that's going to come out in the next couple of days, they do address this. What they say is, as long as the institution continues to pay its essential faculty *[and staff]*, and continues to meet its institutional wage share requirement for work-study, it may pay work-study funds for students for the scheduled hours. But they don't have to pay every employee, as long as they continue to pay essential faculty and staff.

Justin Draeger:

OK, thank you. Next question here: **Does a college need to have a documented case of COVID-19 on campus prior to being able to use the exceptions to length of program?**

David Futrell:

No.

Jill Desjean:

I guess we don't know because they'd have to go through the school participation division to ask for permission.

Justin Draeger:

Our assumption is probably not.

David Futrell:

Well they don't have to ask for permission to extend spring break based on the EA, so that means you don't have to have a documented case if you decide to go ahead and close, practicing social distancing and so forth.

Justin Draeger:

And people could have a sick family member at home that might be disruptive.

Jill Desjean:

Yeah, people could be impacted in a lot of ways beyond having a case on campus.

David Futrell:

Yes, you don't have to ask permission to follow the EA, except when you reduce the length of your academic year.

Justin Draeger:

I think this is revisiting something we touched on, but it's probably good just to revisit quickly: **What if the last date of attendance was prior to the COVID-19 outbreak? Which R2T4 term for spring would we use? The one prior to or during covered COVID-19?** This is getting at R2T4.

Jill Desjean:

I think this has to do with the student withdrawing before the outbreak, but the school hasn't done the calculation yet, and in the interim they shortened the term. Was that in the new guidance we just got today, I thought I saw something?

David Futrell:

Yeah, it is. If you haven't done the R2T4 calculation yet, you have to do it based on the new dates.

Justin Draeger:

So, it's at the time you were doing the calculation, not the time of the withdrawal.

David Futrell:

If you've adjusted your dates and the days in your payment period at this point, you would include that in the denominator and the number of days the student attended through the last day of attendance will be the numerator.

Justin Draeger:

**Will deadlines for R2T4 calculations and informing the students stay the same? 30 days and 45 days?**

Jill Desjean:

Yes, that was in the [March Electronic Announcement](#).

Justin Draeger:

**Relative to the cost of attendance proration discussion – will ED also waive the regulation [professional judgment (PJ)] process to increase COA so we can address unusual costs without burdening students to submit documentation?**

David Futrell:

You have existing PJ authority under the [March 5 Electronic Announcement](#), and that includes adjusting the cost of attendance.

Jill Desjean:

I think the idea though is if they can do that without documentation? And broadly, not just on a case-by-case basis.

Justin Draeger:

Could they create a new category and put everyone into that category? And the answer is no.

David Futrell:

No, you'd have to do it on a student-by-student basis, thank you for the clarification!

Justin Draeger:

**OK, are we using professional judgment to increase cost of attendance for students that have travel or moving costs due to school closures? And are we able to give additional federal aid for these additional expenses?**

David Futrell:

We think so, but don't know for sure. This is within the area of professional judgment. The Department cannot regulate it. These would be educationally-related costs, so cost of attendance discretion is at the school's discretion.

Justin Draeger:

So, if a school believes it is justified and it's documented, they can increase the cost of attendance because of an unknown cost, that something's changed in that student's cost.

David Futrell:

And nothing about that has changed.

Karen McCarthy:

Hey Justin, this is Karen. I've been trying to flag some questions that I wanted you to bring up, so I've flagged this one about verification leniency. ...**There have been a lot of specific questions about verification leniency, so I figured we could address them all in one fell swoop.**

Justin Draeger:

Please do, and why don't you kick us off with that, Karen!

Karen McCarthy:

Sure, so I can say that as of right now, none of the guidance from the Department has addressed any flexibility around verification. However, most of the questions that we've gotten about, and there are some questions in the box about... with schools closed, students may have difficulty getting copies of transcripts, have difficulty getting hard copies of tax returns at this point in time, kind of all of these hard copies issues. Like, **what if our office closes and we're all working at home and we don't have all of these documents scanned; how will we perform verification?** I imagine that the Department is probably talking about these issues, but as of right now they haven't put out any guidance that would soften the verification requirements. I imagine that will be a topic that we'll hear more about in the near future.

David Futrell:

Yeah, one question that we've seen is: **Can we waive the signature requirement for identity and Statement of Educational Purpose?** At this moment in time, you cannot.

Justin Draeger:

Someone here asks: **Do we know if the 2020 NASFAA Conference will be cancelled?**

The answer to that is we don't know yet. Obviously, the health and safety of our attendees and our staff and our speakers is the most important thing here. As Devin talked about right at the front, we are continuing to monitor the situation and we will be following CDC recommendations, so please stay tuned for that.

Alright, Karen, what else do we have that we want to hit?

Karen McCarthy:

One big question people want to know is: **How should folks support the legislation that is proposed?**

Justin Draeger:

At this point things are moving very quickly, so we haven't done a call to action. If there are specific provisions that you see on these slides that are important to you, I would say go ahead and reach out to your representative and you can point them to the bills (*Supporting Students in Response to Coronavirus Act*). You can refer directly to those and say that you're supporting those pieces of legislation. If there's something not in those legislation that you would like to see go ahead and send that information to [policy@nasfaa.org](mailto:policy@nasfaa.org).

What's next, Karen?

Karen McCarthy:



Yes, because this might not be our only cut at the apple. There might be future legislation, so if you're not seeing it and you want to see it as future legislation send it along to us.

**One thing that is kind of late breaking, so it didn't make its way into the slides, is that there are some statutory issues with approving GI Bill benefits, veterans benefits, for courses that convert to online instruction, so we just wanted to make everybody aware.** There was one question about it, so I wanted to bring it up because we didn't get to talk about it at all.

So under the current statute, the school has to get state approval for each program that's offered through distance ED. So initially, the VA put out guidance that said if you're converting to distance ed and you do not have this state approval you have to cut off benefits to your students immediately, so that is obviously a problem. I don't know how onerous or time consuming all of these state approval processes are, but we're hoping to get that waived, at least temporarily, and because it's in the statute, we need legislation for that to happen.

The hopeful solution is through a bill that passed through the Senate just yesterday. It is now heading to the House where it is expected to pass. So, you may want to flag for your VA certifying official that this is all in flux right now, especially if you are an affected institution. So, if you have moved to online instruction and you have students who are receiving GI benefits, you may want to flag this for your VA certifying official.

And let's see what else we have.

**The president's announcement, Justin Draeger, was there any indication that there would be benefits for PLUS Loans in there?**

**Justin Draeger:**

Yes, it's for all federally held loans, which would include federal PLUS Loans. That is our assumption until we see something specific in writing from the Department, but in our conversations with them they said ALL federally-held Direct Loans, FFELP loans, and federally-held Perkins Loans.

**Karen McCarthy:**

There was also a question in here... **you mentioned \$1,500 available for students, can you touch on that once more?**

**Jill Desjean:**

Sure, so that lives in proposed legislation, so nothing official yet, but what's been proposed is 1.2 billion dollars in competitive grants to institutions that apply, which they could use to award up to \$1,500 grants per student per year, to cover their basic unanticipated basic needs expenses related to COVID-19 emergency situations.

**Justin Draeger:**

Karen, we have a question here that I think we've answered but may want to tackle again... **it regards the credits students received for housing and whether that would be considered a resource if they're doing refunds of any sort.**

**Karen McCarthy:**

I think that kind of goes along with the new guidance that will be in the announcement that the Department will be releasing, because they did say you do not need to be adjusting COA. You do not need to be adjusting the student's financial aid package. They don't specifically tackle and mention EFA, but if we're not adjusting aid, it follows then that we're not considering this EFA either.

**Justin Draeger:**

**We talked about verification relief, but there are other questions in here about relief on requirements, like seeing an ID in person for identity and Statement of an Educational Purpose.**

**Karen McCarthy:**

Yes, that all falls under the verification umbrella.

**Justin Draeger:**

And none of that has been waived...but it is on our radar. We will continue to talk to the Department and lawmakers.

One other question I saw in here, it's sort of concurrent news: **is the Department considering delaying the implementation of the Annual Student Loan Acknowledgement requirements?**

I'll answer that by just saying that we have had conversations with the undersecretary's office and with Federal Student Aid about that matter and will continue to follow up on. We thought this was a hard-operational push without COVID-19, and I think it's been exacerbated by COVID-19, so TBD. Stay tuned and we will certainly let the community know about those Annual Student Loan Acknowledgement requirements.

**Karen McCarthy:**

I have a question, maybe for David Futrell and Jill Desjean: **Can you talk a little bit about what happens if this drags on a little bit and we start rolling into summer terms, what that might mean? I believe that some of the flexibilities did say things like, "this payment period or the next," and some of them are only talking about current payment periods, can you address that?**

**Jill Desjean:**

The distance education flexibility in the [March 5 EA](#) referred to the current payment period and the next one.

**David Futrell:**

But the recent guidance from the Department seems to have modified the distance education piece to now include payment periods that began on or before June 1, 2020. So, they've already extended that guidance. The question I asked myself was, **what about work-study for a quarter that has not yet started?** Under the [March 5 Electronic Announcement](#), it says you can't pay those students work-study and their Title IV aid would have to be returned, because they haven't started attendance in that quarter, and they cannot begin attendance in that quarter.

So, we have a follow-up question that we need to ask ED. Does their upcoming guidance also apply to work-study and R2T4, and all the other areas beyond that distance education piece?

**Jill Desjean:**

Right, they just refer to the guidance, which applies broadly to everything that is in the [March 5 EA](#).

*[Not transcribed, Justin Draeger reviews end of webinar housekeeping.]*

**Justin Draeger:**

So, Karen [McCarthy], what do we have for our final question?

**Karen McCarthy:**

**When does the Department plan on releasing the new guidance you've mentioned?**

**Justin Draeger:**

The Department told us that it would be released soon, which to me says like 24 to 72 hours. Do you have anything more specific than that, Karen McCarthy?

**Karen McCarthy:**

Yes, I'm hopeful either later today or tomorrow, but sometimes it can drag a little longer than that, so keep your eye on IFAP.

**Justin Draeger:**

OK folks, we're really glad that you were able to join us today, given this is not hyperbolic, that we have 913 questions in our queue, we know that this is a very hot topic. Schools are trying to figure this out. There was a **question here about audit leniency** and I guess what I would say is go back to the statements I made when Devin was talking. That is, we're living in a time of great ambiguity. It's going to take time for the Department to sort this out. In the meantime, we're here to help all institutions do the best for their students, and we ask for your patience and your collaboration as we continue to seek answers from our colleagues at the Department of Education, and as we work with Congress. So, thank you very much for participating! Fill out the survey, download your certificate of attendance, and we'll see you again soon. Stay well everyone!