

NASFAA's "Off the Cuff" Podcast – Episode 323 Transcript

OTC AskRegs Experts: Diving Into Consumer Information

Hugh Ferguson:

Hey, everyone, welcome to another episode of Off the Cuff. I'm Hugh Ferguson with our communications team.

David Tolman:

I'm David Tolman with training and regulatory assistance.

Tonya Hsiung:

I'm Tonya Hsiung with training and regulatory assistance.

Hugh Ferguson:

Welcome back, David and Tonya. Before we get started, I just wanted to make a quick note at the beginning of things that, by the time this episode hits the listeners' streaming platform of choice, there will likely be some news out of the White House concerning the Department of Education. Reports are currently indicating that the president will sign an executive order seeking to dismantle the Department of Education. While we haven't seen final text of this order as of when we're recording, we will have coverage in Today's News detailing what is in that order. We'll have a more in-depth conversation on this issue in a follow-up episode. But for now, we're going to go back to an important topic that we normally don't get time to carve out, and that's going to be consumer information.

David Tolman:

Yeah. We are doing consumer information. It's a topic that's been on the back burner for a while, but it's worth discussing today.

Hugh Ferguson:

Very true. Yeah, we've had to make some adjustments to our AskRegs team because of pending possible orders and breaking news. Yeah, we're glad we can finally get this conversation going.

David Tolman:

Yeah, a few things have happened in the past few weeks, haven't they?

Hugh Ferguson:

Few weeks, or just the last week. We were just talking at the start of this-

David Tolman:

Yeah, we couldn't figure it out.

Hugh Ferguson:

It was like, wait a minute.

David Tolman:

When were we last bumped? Yeah.

Hugh Ferguson:

Yeah. To dive into things, David, isn't consumer information just a lot of lists, either schools are doing it correctly or they're not? Isn't it black or white?

David Tolman:

Well, it is very much a topic that lends itself to lots of lists, which makes it difficult to teach and keep it interesting.

Hugh Ferguson:

Got it. We also have Tonya here with us this week, to work our way through this issue.

David Tolman:

Yeah. Tonya was kind enough to join me today. We're both involved with NASFAA U online courses. Tonya is the NASFAA U program manager. Consumer information is a topic that we're going to cover in an upcoming NASFAA U course. There's not a better topic to invite someone else along than consumer information.

Hugh Ferguson:

That sounds great. We're glad to have you back, Tonya.

Tonya Hsiung:

Yeah. Thank you, Hugh. I really appreciate that. Actually, and thank you, David. I appreciate you inviting me back to the podcast.

While consumer information is a lot of checklists, and I know it sounds very daunting, it's really not a boring topic, although a lot of people think it might be. It does seem like consumer information is a topic that might keep financial aid administrators up at night. Maybe sometimes, for some pleasure reading or some reading that might put you to sleep. But it could keep you up at night wondering whether you're doing it right, or you're learning a new requirement that maybe you're not meeting.

Hugh Ferguson:

Yeah, I can imagine all the nightmare fuel that this might spur for some people if they get into it too late at night.

Tonya Hsiung:

Yeah, but there is good news. We do have a lot of resources available that do describe what information a school should be sharing. Maybe who they should be sharing that with, and when and how much the information should be shared.

Hugh Ferguson:

Got it. What specifically about consumer information is it that we're discussing today?

David Tolman:

Well, we've talked about blind spots in other areas. That is those things that schools are commonly doing incorrectly or not doing when they should be, but not really understanding. It's usually based on practices that have been happening within offices for years and years, and they're commonly misunderstood. That's what we're going to ... There's three or four of those that we can talk about today, those blind spots. We got some feedback from other times that we've done this type of approach that they appreciate it.

Hugh Ferguson:

Got it, yeah. NASFAA U has definitely dug into a lot of different blind spots on various policy issues. For this, what sort of blind spots do you want to discuss?

David Tolman:

Let's start with exit counseling materials that are provided to borrowers. Tonya, do you want to ask the question?

Tonya Hsiung:

Sure, yeah. Let's talk about exit counseling materials. The question is when must exit counseling materials be provided to students? To make the answer a little easier, the timing of it is based on when the ceases at least half-time enrollment, not necessarily when the student withdraws or graduates.

David Tolman:

That's the first blind spot. Providing exit counseling materials is based on a student ceasing half-time enrollment, not ceasing all enrollment. There is a misconception that it's only tied to graduation.

With that question that Tonya asked, the choices are, remember when do they need to be provided to the student, and you only got three choices. A, shortly before the student ceases half-time enrollment. Or B, shortly after the student ceases half-time enrollment. Or C, within 30 days of the student ceasing half-time enrollment.

Hugh Ferguson:

Okay. Well, if listeners want to pause for a quick second, they can think over those three answers. David, do you want to provide our listeners with the answer to that scenario?

Tonya Hsiung:

I'll give the answer. Hopefully everyone got it right. But the answer is A, it's shortly before a student ceases half-time enrollment.

David Tolman:

Yeah.

Tonya Hsiung:

The misconception here is that the school has 30 days after the student ceases half-time enrollment, or graduation, or withdrawing.

David Tolman:

But there's a separate 30-day period afterwards that does apply, but not for that initial providing.

Tonya Hsiung:

Right. If a borrower doesn't complete exit counseling shortly before they cease enrollment or half-time enrollment, then the school has 30 days to provide exit counseling materials to the student.

Hugh Ferguson:

Got it. Is it right to say then that there are two deadlines, this shortly before and the 30 days after?

David Tolman:

Yeah. If a borrower doesn't complete exit counseling shortly before ceasing enrollment or part-time, then once the student has ceased enrollment or half-time enrollment, the school then has 30 days to provide those materials to the student again. But the school has the first responsibility, providing those materials shortly before the student ceases half-time enrollment. If the student follows through and does it, then you don't have to worry about the 30 days. But they have to provide it initially shortly before the student ceases.

Hugh Ferguson:

Okay. Is there a definition offered for what sort of timeframe exists for shortly before? If so, how do schools come up with that timeline?

David Tolman:

Well, shortly before is not defined by the department.

Tonya Hsiung:

Yeah. There's not that definition, like David mentioned. But this is where the NASFAA U courses are really valuable. Schools can discuss their policies, they can discuss their practices with each other over the four weeks of the course that we offer. For instance, some of the schools might have a process built in with their registrar's office whenever a student initiates that withdrawal process and they can discuss that with each other.

David Tolman:

Yeah. It's important to note that there is more information regarding the requirements to provide exit counseling materials to that borrower during the 30-day period and we can't cover them all. For example, the method can be electronic or by mailing written counseling materials. But if you are using an electronic method of doing it, you cannot, and this is another blind spot, you cannot use the student's campus-provided email address if providing those electronic materials. Because they're done, they're gone. They didn't complete it when they should have, and so they might not be using that email anymore.

There's a whole lot of items that need to be included in the actual exit counseling materials, and more than what we can discuss here. That would be a long list of information.

Hugh Ferguson:

Got it. Well, thank you for that explanation, David. It's very good to have the high level starting point for folks to follow. What's the next topic you guys wanted to dig into today?

David Tolman:

Well, the next one is a cross between administrative capability and consumer information, and there's a lot of overlap in those two areas. It is the administrative capability requirement to provide adequate financial aid counseling.

Tonya Hsiung:

Yeah. If you missed it, this week, Tiffany Gibbs and Michelle Thompson, our colleagues in training and regulatory assistance, did do a webinar on the changes to administrative capability regulations, which includes that adequate financial aid counseling, which is a really good webinar. If you did miss it, you should go back and listen to it.

Hugh Ferguson:

Yeah. We should have links to that being available on demand shortly, so folks can keep a look-out for that in Today's News and the NASFAA website.

But, Tonya, when did those changes go into effect?

Tonya Hsiung:

Those changes went into effect July 1st, 2024.

David Tolman:

Yeah. Even though it's been a year, we've found that campuses may have overlooked the consumer information aspect of those regulations, among all of the other changes and, I'll say it, chaos of the past year. We'll just provide a highlight here.

Tonya Hsiung:

The first one is that information needs to be clear and accurate. This requirement is an umbrella for everything that follows here.

David Tolman:

The next one is the financial aid office needs to advise students and their families to accept first the most beneficial types of financial assistance to them.

Tonya Hsiung:

We have students have to be provided with the cost of attendance and the individual components of those costs, and they have to be provided with the net price to the student and the family. Note that each of these items fall under that topic of adequate financial aid counseling, not the topic of financial aid offer notifications.

David Tolman:

Yeah. And, Tonya, schools might not be aware, or we know that they're not aware, that financial aid offer notices are actually not required, but they are a common and probably a very easy way of delivering this information.

Tonya Hsiung:

Right. Although it's not required, if a school does provide that aid offer notification, then if you have one that follows NASFAA's Code of Conduct, it will meet the newer and existing regulations on providing adequate financial aid counseling. You won't have to worry about compliance if you're already meeting that standard.

David Tolman:

Yeah, that's right. Other times that need to be included are the source and amount of each type of aid offered, such as grants and scholarships, and then broken down loans, and broken down work study. And that includes those summaries, all sources of aid offered, not just the Title IV programs.

Then somewhere, again, it doesn't have to be in the aid offer but it needs to be somewhere, the method by which aid is determined and dispersed, what will apply toward the student's institutional charges, and the amount of aid that will be provided to the students.

Tonya Hsiung:

You also have to have the student's rights and responsibilities, and those include the institution's refund policy, the student eligibility requirements, how withdraws and R2T4 or the return of Title IV funds work, and satisfactory academic progress or SAP and what those requirements are.

David Tolman:

You can see, with some of these things that we've been discussing, that this type of financial aid counseling, some of the items on the list, definitely go beyond what's typically shared on an offer letter.

Tonya Hsiung:

It's really important to point out that this is another area where the Department of Education doesn't dictate the format of providing that information to students. That's up to the institution.

David Tolman:

Yeah. Because it's up to the institution, this is another example of where, in our NASFAA U courses, schools can share best practices and policies with each other.

Hugh Ferguson:

Thanks for that summary of the financial aid counseling and requirements, David. I know when there's a lot of ambiguity, it can be tricky for institutions to sort out what their options are and just what best practices are.

Yeah. What else did you guys want to dig into today?

David Tolman:

Well, let's talk about one that's been around for a long time, but schools still have misconceptions and blind spots about how it works. That is Constitution and Citizenship Day educational programming. There's a specific day when this educational programming should take place on a campus.

Tonya Hsiung:

Hopefully everyone knows, but it is September 17th. That's the day the educational programming must be held if the school has classes in session on that day.

Hugh Ferguson:

Got it. Most people probably know this, but why is it that specific day in September?

Tonya Hsiung:

September 17th is the day the Constitution was signed. For all you history buffs, it was signed in 1787. Where was it signed? Pause. Hopefully you know this, but as a proud Pennsylvanian, I will tell you it was at the Constitutional Convention in Philadelphia.

Fun fact. I just took my daughter there last fall to see where it was actually signed. I'm sad to say that was actually my first time ever being there. If you've never been there, it's actually a pretty neat place to visit. You can see where the Constitution was actually signed. There's the actual chair where they sat, so it was pretty neat. You can also visit the Liberty Bell, as a side note, while you're there. If you're lucky like my daughter was, maybe the security guard will take your phone and take a picture of the inside of the Liberty Bell. That was pretty cool.

All right, side notes gone, let's get back to business.

David Tolman:

Okay. I've been there three times, and I'm from the west side of the country.

Tonya Hsiung:

Oh, yeah. That's really sad when I only live about an hour from there and you live on the other side of the country.

David Tolman:

I know. That's typical. I live Colorado now and I do not ski.

Tonya Hsiung:

That's okay.

David Tolman:

Back to the educational programming. You could just take that snippet of the podcast and put it on repeat on September 17th that Tonya just shared. That doesn't dictate the format of educational programming. They also don't say how you're supposed to inform students of those programs. Of course, with many other things in financial aid, there are some exceptions to holding it on September 17th.

Tonya Hsiung:

Yeah, but there's only one exception to holding it on September 17th. That is when the September 17th date falls on either a Saturday, a Sunday, or a holiday.

Hugh Ferguson:

Got it. What's the requirement when this scenario happens? Does a school just get a pass for that year?

Tonya Hsiung:

Yeah. No, no pass. An educational program still has to take place, but it can happen any day the week that either precedes or follows September 17th. There's a lot more flexibility.

David Tolman:

Yeah. That flexibility exists, again, only when September 17th falls on a Saturday, Sunday, or holiday.

Tonya Hsiung:

Right. Let's say a school chooses to bring in a renowned constitutional scholar to deliver the address to campus, but her availability doesn't align with the actual day of September 17th, which is one of those school days, one of those class days. Schools are really surprised to learn that that event makes the school non-in compliance. While that event could be part of the things that the school does to honor Constitution and Citizenship Day, but because it doesn't comply with the regulation, the school still has to do something else on September 17th.

David Tolman:

This is a topic where there's a good discussion in courses around the sharing of what institutions actually do. There's some pretty creative things that they share.

Hugh Ferguson:

Got it. Yeah, this is all really helpful information. In the remaining time we have left, were there any other topics you guys wanted to dig into for today?

David Tolman:

Yeah, finally. Let's do an easy one.

Hugh Ferguson:

Okay. What's that one?

Tonya Hsiung:

All right. Yeah, the easy one would be the name federal must be attached to most Title IV programs. It's not Pell Grant, it's the Federal Pell Grant.

David Tolman:

Similarly, not SEOG, but Federal Supplemental Educational Opportunity Grant.

Tonya Hsiung:

And Federal Work Study.

Hugh Ferguson:

Got it. Are there any expectations to this?

David Tolman:

Well, of course there's always exceptions. The exception is for the Teach Grant Program and the Federal Direct Loan Programs. The department would encourage the use of federal, but they can't say it's required.

Hugh Ferguson:

Why is that?

Tonya Hsiung:

It's because the Teach Grant and the Federal Direct Loan Program didn't exist when the law was passed to use the term federal.

Hugh Ferguson:

Got it. When was that law passed?

Tonya Hsiung:

It was passed back in 1992.

David Tolman:

That was 33 years ago. The Direct Loan and Teach didn't exist then, for those of you who weren't around in 1992, which is the year I started in financial aid. That's why they aren't counted. The statute just hasn't been updated since then.

Hugh Ferguson:

Got it. Well, that's really helpful information. Yeah, we definitely have a lot of little snippets of this podcast for folks to dive into and repeat when they want to revisit some of these topics. Thank you both so much for taking the time to speak with us this week and dive into some more blind spots in consumer information.

Can you both talk a little bit about the upcoming consumer information course?

David Tolman:

Yeah, sure. Yeah, hopefully this was helpful with some of those aha moments or blind spots. The course is starting next month, it's on April 22nd. It'll last for about four weeks. One thing we like to point out about courses is they're not webinars. It's not just a series of webinars.

Tonya Hsiung:

Yeah. Participants are able to interact in discussion forums to share their best practices, ask each other questions, discuss ideas. We'll have self-evaluation checklists that are included in the consumer information self-study guide. You'll get video lessons, you'll have live get-togethers. You'll have the opportunity to evaluate a school of your choice in specific areas for consumer information.

David Tolman:

Then there also are assessments. That includes some of that self-evaluation of your own institution, but also some quizzes. Those who pass the course, they'll earn complimentary access to two attempts at the consumer information credential test.

Tonya Hsiung:

We have registration available now for individuals. We'll have a link to that in the notes. There's an institutional registration available, which allows for up to 10 individuals from one institution for a low, discounted price. But just a note, institutional registration will close on April 1st.

Hugh Ferguson:

Awesome. Well, thank you both so much for all this information. We'll have resources available within the show notes for people to navigate. Yeah, really hope this provided some helpful information for everyone.

Thanks to all our listeners for tuning in to another episode of Off the Cuff. Be sure to send us your comments and questions, and we will talk to you again real soon.