

NASFAA's "Off the Cuff" Podcast – Episode 368 Transcript

OTC AskRegs Experts: Let's Play the NASFAA Quiz Show

Maria Carrasco:

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Hello and welcome to another episode of "Off the Cuff." I'm Maria Carrasco with our communications team.

David Tolman:

I'm David Tolman with Training and Regulatory Assistance.

Kochie Vaughan:

And hi, I'm Kochie Vaughn also with TRA. Excited to be here with you today.

Maria Carrasco:

Thanks so much, Kochie. It's your first episode, which is so exciting.

Kochie Vaughan:

It is.

Maria Carrasco:

Yeah, we have a pretty packed agenda today.

I know, David, you put in some icebreakers for us to go through related to our topic.

What game shows do you guys watch on TV?

Kochie Vaughan:

I like Family Feud. That's my all-time favorite. I've been trying to get the family to send a tape down to Steve so we can get on the show actually. I was talking with David one day last week. My husband actually has a friend, and his family they were actually on Family Feud. They did really well. Typically, with Family Feud, if you do five games in a row, you get the car or the vehicle. They got to that fifth game, and that's the one they lost, of course. So they did not get the vehicle, but they had a fun time. And it was kind of nice to see someone you know actually on that game show. Family Feud, Jeopardy, of course, those are my faves.

David Tolman:

Yeah, and I watch what the family's watching, which tend to be... We watch Jeopardy pretty regularly. And then The 1% Club, which I think is with Joel McHale as the host, and The Floor with Rob Lowe as the

host. And then there's also an obscure one. It's more of a panel show, but it's called Would I Lie To You, where they've got three contestants on each team. They tell a story. It's made up on the spot maybe. The celebrity, when they read the card and it's either based on something true that happened in their life or it's something that they just saw for the first time and it's a lie, they haven't had time to rehearse it, so they have to convince the other team that what they're telling is the truth. So that's a fun one too.

Kochie Vaughan:

That sounds like... What's the old show? Not Truth or Dare, Truth or something.

David Tolman:

Consequences?

Kochie Vaughan:

Yes, Truth or... Well, it's where they have three contestants and one is the real magician or whatever and the other two are pretending to be.

David Tolman:

Oh, yeah.

Kochie Vaughan:

That's, "With the real person..." What is it?

David Tolman:

"With the real whatever, please stand up."

Kochie Vaughan:

Yeah.

David Tolman:

I don't remember. I don't remember.

Kochie Vaughan:

I don't know, but that sounds similar to that.

Maria Carrasco:

To Tell the Truth?

David Tolman:

What about you, Maria?

Kochie Vaughan:

To Tell the Truth, yeah.

Maria Carrasco:

All right. I did a quick Google.

Kochie Vaughan:

Oh, you Googled? Okay. [inaudible 00:03:30] But that's it, To Tell the Truth, yeah.

Maria Carrasco:

I really like Pop Culture Jeopardy with Colin Jost. I think it's on Netflix now, but it was on Prime or something. I have very good pop culture knowledge. I really don't have good knowledge anywhere else. I guess maybe history, so that's kind of my strong suit at least.

David Tolman:

Are they doing trivia at this year's NASFAA conference?

Maria Carrasco:

I think so, yeah.

David Tolman:

Are you on the team?

Maria Carrasco:

No, I sadly won't be at the conference this year. I'm sad about it.

David Tolman:

Okay. Neither will I. I'm not going to be there either, unfortunately.

Kochie Vaughan:

I'll be there, but I'm not doing the trivia. I don't have the bandwidth right now to do things beyond my nine-to-five. I won't be there.

Maria Carrasco:

Yeah. I feel like all the NASFAA sessions, there's so much information and then you got to do trivia. It can be a lot, but we have very smart and talented members, so I'm sure they're going to do very, very great.

Kochie Vaughan:

Oh, good. They'll be great.

Maria Carrasco:

Yeah. Well, this icebreaker is related to our annual game show that we had just last week.

David, do you want to explain how we got into this tradition?

David Tolman:

Well, and that's why Kochie's here. We've been doing it together, this game show webinar, every year for... We just finished our sixth one last week with Jeopardy.

Kochie Vaughan:

Mm-hmm. Yeah, and the good thing is that we have been renewed for a seventh season, so stay tuned for the NASFAA Game Show to continue into our next webinar series.

David Tolman:

Yeah. We started this in 2021 during the pandemic, trying to find some kind of format that would be interactive. So we tried Kahoot, and we've had people suggest, "Why don't you do Kahoot?" But that first one, it did not work very well. I wish it had because Kahoot would be a lot easier, but the webinar platform does buffering because not everybody has a strong webinar signal or a Wi-Fi to carry the webinar. Let's see, how to say this. Because of that buffer, people would be playing Kahoot and sometimes they wouldn't see the answer pop up on their phone, the answer option, until we'd actually close the question. So because of that buffering, not everybody's able to participate in real time. So we learned that. I mean, probably more than half of the people got it pretty instantaneously, but we went to... What was the first one? We said, "Okay, we got to change the format." So we did a real... What was the first one?

Kochie Vaughan:

Hollywood Squares. Hollywood Squares was the first one we did because... Like I said, we could not control Kahoot and the buffering. It was not a fun experience for all our members. Again, like I said, maybe 50% were able to play. So we wanted to find something that would not have the buffering, of course, and we got together and Hollywood Squares just seemed like a fun game. The good thing is, with that, we were able to use some of our former, I guess, board members and also Department of Ed. We had David Bartnicki in the center square, which was actually fun, and the contestants of course were members as well. That was the first what we call a game show where we sort of branched out from Kahoots. What I think our members don't realize is that when we put these game shows together, it's a lot of behind-the-scenes stuff that goes on and trying to come up with the questions, the actual games.

David, we take a lot of time trying to figure out, "Which game do we want to do? Is it going to work well, be it a webinar?" That first one, I think it went over really well, and of course we've learned a lot since that one for sure as far as how to pull it together, how to get the contestants. Because initially we were like, "You were volunteered," or, "You were recommended by someone," and now we've got folks saying, "How can I be a contestant?" So we evolved.

David Tolman:

Yeah. We did try asking, soliciting for contestants one year, and it was crickets.

Kochie Vaughan:

I think because they didn't know. I think after our second one, we said, "Hey, let's do this casting call," and like you said, they're crickets, crickets, crickets. But now, it's become one of those popular webinars where people want to know, "How can I be a contestant?"

David Tolman:

Last year was Who Wants to be a Millionaire or maybe NASFAA Millionaire. In the feedback on the survey, there were a lot of questions on, "Can I be on it?" We did put out a call for volunteers and we probably had about 25 people, a lot of qualified people, and it's hard to just select two or three. We're always looking for more. There's a lot that goes on. Summers are really busy, new rules usually are going

into effect July 1st, and we are typically towards the end or at the very end of the webinar schedule for the year, and we debated whether we wanted to continue with the game show format. "Is this just too much fluff given the seriousness of some of the issues that have gone on, implementation and whatever it is?" And this year is, definitely with OB3, kind of a tough one, but members want that break.

Kochie Vaughan:

Yeah. But I think, David, with that though, we have found a way to incorporate all this, what's going on into the game show. This year, we did OB3. I think last year, with the Pyramid... or not last year, two years before, with the Pyramid game, FAFSA Simplification was a big thing. So we tried to make sure that the questions are meeting the members' needs, yet still entertaining them.

We call it edutainment, Maria, as far as you're educating the members still, but yes, provide some entertainment as well, sometime at the expense of the members because our members are there putting themselves on the line, asking questions. They don't get the questions ahead of time, so it's not like they get questions ahead of time. This is truly a game show where they have no idea what's going to be asked of them or how the game show's going to go. Well, they know how the game show's going to go if it's Pyramid or whatever, but they don't know the questions ahead of time, so they're really putting themselves out there and having a good time with it.

But I think, David, to your point with regards to everything that's going on with OB3 and all the things, this is a way for our members to exhale, relax, and learn at the same time because... Even though they're watching the game show, they're playing along as well. We'll see in the chat, "I got three out of three right," so they're really still learning, and that's why, for us, we have to make sure that the questions are questions that will reach all of our members because we have newbies, seasoned aid administrators. So we don't want all the questions to be 100-level questions, we got to get some advanced questions there. That's the work for us on the back end to try to make sure we're providing questions that will be helpful to all our members.

David Tolman:

Yeah. The questions and then the contestants... Before we move on, I just want to make sure we spend time because these are people that are volunteering themselves to be on display to their peers who are also experts in the field. Knowing a topic and then knowing how to answer within a fraction of a second, those are two different things. I don't think I would do well as a contestant because I like to think through my answers before I respond, but there's no time for that in the game show.

Kochie Vaughan:

No.

David Tolman:

Really, this would not be successful without the NASFAA members who volunteer to put themselves out there. Usually, it's fun, but it can be a little stressful as well for those who are the contestants.

Kochie Vaughan:

Yeah, I agree because sometimes when they don't necessarily get an answer correct and then we show the answer like, "I knew that. I knew that," but they're in the hot seat. They're in the hot seat trying to make themselves look good or their school look good. And the other thing is with the questions again and trying to provide that good balance of entertainment and educating our members, we have to go

with the hot topics, of course, but then we got to go with the basics, verification, need analysis, student eligibility, again, making sure that our new members are learning the basics as well.

Maria Carrasco:

For sure. Well, let's review some of the game show questions. Can we start with the Final Jeopardy clue?

Kochie Vaughan:

Sure. That was a given.

David Tolman:

Yeah, yeah, yeah. Let's do that, and let's make it in true game show fashion.

Maria, if you want to read the clues, and then we'll pause for people to think of their response. Remember, it's got to be in the form of a question. And then you can see... If you don't remember it from the webinar or you haven't had a chance to watch it, we'll make sure we don't immediately give out the answer.

Maria Carrasco:

Okay. This Department of Education term refers to the requirement of schools to proportionally reduce annual borrowing limits when students enroll less than full-time, even for graduate borrowers and summer headers.

David Tolman:

We're just missing the music.

Maria Carrasco:

Yeah. Maybe I'll edit something in.

Kochie Vaughan:

Let me take a stab at this one like I don't know the answer.

What is Schedule of Reductions?

Maria Carrasco:

Did everyone answer that one?

Kochie Vaughan:

No.

David Tolman:

Well, not everybody did. It's a good learning one because there's confusion between proration and Schedule of Reductions. And I will say, in fairness, Jeopardy was taped earlier in May before all the recent webinars and department office hours, so that term hadn't really ingrained itself yet. But there's a difference between proration, which was a response that was chosen, which was incorrect, and Schedule of Reductions.

Kochie Vaughan:

Yeah. And most, I think, of our members are definitely more familiar with proration because it's been around and. Like you said, Schedule of Reduction or SOR, SOR, is definitely new, but I think there are two or key things with this. With proration, of course, it applies to a program shorter than academic year or has a remaining period of study that's less than academic year, but it only applies to undergraduate students. SOR, again, it's the student that attends less than half time, but it also applies to graduate and undergraduate students. I mean, that wasn't-

David Tolman:

And it's less than full-time-

Kochie Vaughan:

Yeah.

David Tolman:

Less than full-time.

Kochie Vaughan:

Less than full-time.

David Tolman:

When they're less than full-time.

Kochie Vaughan:

Right. So I think that is what's going to cause, I guess, concerns for aid administrators. They're trying to think about the old, which would only apply to undergraduate students. And now, I know in NASFAA, we do get questions, "SOR, is it for graduate students as well?" So that's going to be something that schools will have to learn.

David Tolman:

Yeah, because it is, it does, and it's still catching some schools by surprise that you actually have to adjust the loan if the student's not going to be attending full-time. There's a lot of information out there now, and more and more are familiar with it. I'm confident that 99% of our members know this now, but there's still some confusion. What if an undergraduate student is in their final period of study? So proration would apply. But in that final period, they're attending less than full-time. It seems like they meet the qualifications for both proration and Schedule of Reductions, and we're still not quite exactly sure what this will look like. Right?

Kochie Vaughan:

No, and we're waiting to hear from the department. I think initially our understanding would be that the schools would perform both formulas, both formulas would apply. That was our initial understanding. But then recently in the department, it's one of the office hours, I think it was the June 16th office hours that the department is doing, it was stated that the... I think probation would apply, but SOR does not apply, which is not what we were thinking initially. We're definitely waiting to hear back from the department.

David Tolman:

Yeah. We can't say-

Kochie Vaughan:

We can't say for sure.

David Tolman:

... definitively, because our understanding prior to office hours and just looking at the final rule and the preamble language is that both are... they're different regulations, they would both apply. There's nothing that would indicate in regulation that if one applies, the other doesn't. We're like, "Okay, it would make sense because you're not actually reducing the loan, you're just figuring out... Under proration, you're looking at a reduced annual loan limit."

Kochie Vaughan:

Correct.

David Tolman:

So it seems like, okay, you've got a different cap. And then after you do apply loan proration and say you did the math and it came out to \$4,150, that's the student's prorated cap. Then you would do a Schedule of Reductions and if it's above 4,150, you would reduce it. You basically go with the lower of the two. That's kind of what we've been thinking. We're anxiously awaiting clarification on this one because this is one we've been trying to... There's a lot of students where it seems like both would apply, so we're waiting.

Kochie Vaughan:

Stay tuned.

David Tolman:

We're waiting for clarification from the department.

Maria Carrasco:

All right. I'm going to read another one of the clues.

"This single repayment option for new borrowers replaces multiple income-driven repayment plans including SAVE and PAYE."

David Tolman:

Now, everybody's got the theme to Jeopardy stuck in their head. If we don't have the music playing, it's playing in their heads.

Maria Carrasco:

Oh, yeah. And the answer is, what is the repayment assistant plan also known as RAP?

Kochie Vaughan:

Maybe we should have some rap music instead of the Jeopardy. I'm just kidding.

David Tolman:

We should change it.

Maria Carrasco:

That's a good idea.

David Tolman:

We should change it.

Maria Carrasco:

I don't know.

David Tolman:

Yeah, so that one wasn't as clear in the game. In editing it and getting ready, it's like, "Okay, did we really provide a clear answer to that one in the game?" It was a little bit confusing because the person who answered it correctly was kind of struggling to get to it. But yeah, the repayment assistance plan. summary, new borrowers with direct loans dispersed on or after July 1st of this year, 2026, they're going to be limited to two repayment options, either the standard repayment or the RAP plan. Being phased out and fully terminated by July 1st of 2028, existing the income contingent repayment Pay as you Earn and SAVE plans. And then borrowers who are currently on the discontinued plan, they're going to be getting notices from their loan servicers to enroll in a different eligible plan, and borrowers who do not make a selection by July 1st of 2028 will be automatically moved into the RAP plan, but I don't...

Kochie, you want to review-

Kochie Vaughan:

Yeah.

David Tolman:

... some of those features of-

Kochie Vaughan:

Fore sure.

David Tolman:

Obviously, with loans, the Schedule of Reductions and... not grandfathering, it's not the right word, but applying those legacy provisions to new borrowers has captured all the attention on loans, but there is...

Kochie Vaughan:

That's true. That's true, so we're thinking about legacy versus repayment plans on the back end, and probably because the schools, they're trying to package and get ready for the new year. This is sort of after the fact, after the borrower has left the school. But yeah, thinking about the features here, and there's some pros and cons, some good things with the features, of course, it's going to be based on the borrower's adjusted gross income. So that payment is minimum \$10 to 10% of their AGI. Unlike the

other payment plans, the minimum could be zero. But with this particular program, the minimum would be \$10 a month.

One thing I found interesting with it though, which is a plus for the borrowers, and they look at the AGI, but with the dependents, if they list on the application based on the number of dependents that they have, their monthly payment can be reduced by \$50 per dependent. So let's say they have two dependents, then their monthly payment is going to be reduced by \$100. I thought that was very interesting that their loan payment would be reduced by their dependents. Again, that's a plus, even though they don't have that zero monthly payment plan.

The other thing I thought was a plus there is that if they pay their payments on time, borrowers that are making on time payments, their monthly interest is waived, which is another savings for that borrower. So they keep that in mind and make their monthly payments on time.

David Tolman:

Yeah, the unpaid.

Kochie Vaughan:

Yeah, the unpaid.

David Tolman:

So if they're making a minimum... Yeah, if they're making a minimum payment that doesn't quite cover all the interest, it's not going to be interest going back and being added into the principal.

Kochie Vaughan:

Right. The unpaid interest is going to be waived for sure.

The other thing is that the Parent PLUS does not qualify for this repayment plan. What are your thoughts on that, David? The Parent PLUS is basically going to be the standard repayment plan unless they consolidate, if they were to consolidate their loans, but the Parent PLUS within itself does not qualify for the RAP.

David Tolman:

Yeah, I'm not sure. I haven't looked at it closely enough to know why, to know that makes sense, but it is puzzling why that wouldn't be included, but...

Kochie Vaughan:

But I think the borrowers need to know for sure. They need to know that though.

David Tolman:

Yeah, the Parent Plus. Yep.

Kochie Vaughan:

Mm-hmm. And of course, like any of the other repayment plans, they have to update it every 12 months. Because with this one for sure, the payment itself can increase because there's no cap like the standard plan.

Maria Carrasco:

I also understand that there were some unasked questions.

Did you guys run out of time?

David Tolman:

Well, we didn't run out of time, but there were definitely some unasked questions because, for all the game shows, we go through and generate more questions than we know we'll use during the game. We have some categories and some questions that were test. Should we test everyone on one of those discarded categories and play another round of Jeopardy?

Kochie Vaughan:

Sure.

Maria Carrasco:

Yeah, let's do it.

David Tolman:

Okay. So let's do the End is Near, and responses should indicate the number of days to perform an action.

And I had enough fun being the host last week, so, Maria, would you like to read the clues, and we'll pause and then answer it again?

Maria Carrasco:

Sure. Let's see. "End is Near for 200. A delay in the disbursement of a direct loan for a first-time first-year borrower."

David Tolman:

The answer is, what is 30 days? So a first-time first-year borrower, and this is the \$200 question, so hopefully everybody got it, it's any borrower who's enrolled in the first year of an undergraduate program and who has not previously received a subsidized or unsubsidized loan at any school. That's who it applies to, and you cannot disburse until 30 days have passed.

Maria Carrasco:

All right. Next question. "End is Near for \$400. A Title IV credit balance must be delivered to the student."

Kochie Vaughan:

And the answer is, what is 14 days? Now, this is 14 calendar days. The school must release the funds within 14 days of the date that the credit balance occurred on the student's account. Now, even if the student provides a, say, written authorization to hold that credit balance for whatever reason, the school must still release those funds by the last day of the loan period or the last day of the final payment period of the award year. So again, 14 days, but if they have that authorization form, the school still has to release those funds by the end of the award year.

David Tolman:

Okay. Maria, I'll take End is Near for 600.

Maria Carrasco:

"The limit on a late disbursement following a student's last day of enrollment."

David Tolman:

Okay, and, what is 180 days? Regardless of the reasons for not making the disbursement before the student's last day of enrollment, cash management regulations prohibit making a late disbursement once 180 days have elapsed since the student's enrollment status made them ineligible. So this is important to know because sometimes schools automatically think that 180 days starts at the end of the semester. But if the student had withdrawn during the term and you're doing a post withdrawal disbursement, which is the form of a late disbursement, the 180 days starts from their last day of enrollment, not from the last day of the term that they withdrew from. So for Title IV grant programs, late disbursement has to be made 180 days from the date they're no longer enrolled, similar to the direct loan program, but the 180 days starts from the date the student is no longer enrolled, at least halftime rather than enrolled at all.

Kochie Vaughan:

Okay, Maria, I will do End is Near for \$800, please.

Maria Carrasco:

"A scheduled break is excluded from the R2T4 denominator if it is at least this number of consecutive days."

Kochie Vaughan:

What is five days? I said it as if I was not sure how to continue, "What is..." It's just five days. Interesting with this though, treatment of schedule breaks for R2T4 calculation is different from the treatment of the schedule breaks when you're determining where the student qualifies for an exemption under the 49% criteria.

And I think, David, with this, when all the new regs came out with R2T4, that was really tricking folks up with regards to where did the rules fall.

David Tolman:

Yeah, I think it still does. Yeah, I think it can still confuse some people. Yeah.

Kochie Vaughan:

You're probably right, yeah. For the R2T4, the excluded scheduled breaks of five days or more is the days when the student is not scheduled to attend a module or any other course. So that's what you're looking at. But then when you're looking at the 49% criteria, excluded breaks of five or more consecutive days and also excluded days between the modules and the period. So, again, I think you're correct that's still confusing some folks as well.

David Tolman:

Yeah, because if there's only two days in between modules, those two days get excluded in the 49% calculation, but not if that's the length when you're doing the 60% calculation. Two days would not be excluded only if it's five or more.

Kochie Vaughan:

Mm-hmm.

David Tolman:

All right, so let's finish off the category.

Maria Carrasco:

All right. "End is Near for the big prize of \$1,000. Report a Title IV disbursement to COD."

David Tolman:

I'm pressing my clicker, and just like on the TV show, true to fashion, the TV show people are always complaining about their clickers or our contestants. We tried a new platform for Jeopardy, and they said, "Okay, this is not working for me. I had problems with my clicker," because I think it penalizes for coming in early and other things. Anyway, my clicker, here we go, and it's me. I didn't think you're going to call me.

What is 15 days?

Kochie Vaughan:

You should have answered it wrong, so then she could ask me.

David Tolman:

Oh, okay. What is 30 days?

Kochie Vaughan:

I have an answer. What is 15 days?

David Tolman:

Good. You answered it. You explain it.

Kochie Vaughan:

No, you knew it. You just didn't answer it correctly.

David Tolman:

Yeah. So 15 days to report to COD or Common Origination and Disbursement for either a disbursement or an adjustment to a disbursement, direct loan to each Pell Grant. There is one exception like there is in everything else. If you're getting towards the very end of the year, you're making a late disbursement, we're into September, they do announce an annual deadline in the Federal Register that all disbursements and adjustments to disbursements best be reported by that deadline date that they post, even if that date occurs less than 15 days after the disbursement. Just something to be aware of. If

you're doing some prior award year cleanup and you're getting close to that deadline, you might have less than 15 days depending on that date.

All right, that was fun. I like being on the side of it.

Kochie Vaughan:

Yeah. Interesting with this category, the title End is Near. When we were preparing for the game show, we didn't use this particular category, but my daughter was walking past my office and she heard David said, "The End is Near." She said, "What are you guys talking about?" I said, "It's a game show. It's Jeopardy." "That topic, the End is Near?" She was not feeling it, David. I'm sorry. She was not feeling that topic.

Maria Carrasco:

It is pretty ominous. Yeah.

Kochie Vaughan:

She's 16, so she's like, "What?"

Maria Carrasco:

Well, thank you so much, David, and thank you, Kochie. You did excellent for your first-

Kochie Vaughan:

Thank you.

Maria Carrasco:

... "Off the Cuff" episode.

Kochie Vaughan:

It was fun. Thank you, David, for the invite.

David Tolman:

Yeah, thanks for joining me.

Maria Carrasco:

And thank you for listening to another episode of "Off the Cuff." This is going to be our last episode for a while. We have the conference coming up in, I think, less than two weeks and also our virtual summit. But of course if there's any breaking news, we will be back on with a new episode. And yeah, catch us on all the streaming platforms and listen to old episodes in the meantime. Thanks.