Louisiana Association of Student Financial Aid Administrators

Fall 2016 Conference
October 19 – 21, 2016
Baton Rouge, LA
Reporting and Adjusting Direct Loan Data & SULA
Agenda

• SULA Refresher – The Fundamentals
• Loan Period & Academic Year Reporting
• Edits
• New
  ✓ Calculator
  ✓ Inquiry/Dispute Process
  ✓ Edits Under Development
• Resources
Fundamentals
SULA applies ONLY to first-time borrowers as of July 1, 2013

- A borrower with no outstanding balance on a FFEL/Direct Loan when in receipt of a Direct Loan on or after July 1, 2013
  - A student who has NEVER previously enrolled
  - A student who had FFELP or Direct Loans (D/L) in the past, paid them all off, and received a qualifying Direct Loan on or after July 1, 2013
<table>
<thead>
<tr>
<th>Person Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous SSN</td>
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<tr>
<td>Previous DOB</td>
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<td>Citizenship</td>
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<td>Post 9/11 Deceased Veteran Dependent</td>
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<tr>
<td>Subsidized Usage Limit Applies Date</td>
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<tr>
<td>Direct Loan Entrance Counseling</td>
<td>Not On File</td>
</tr>
<tr>
<td>Direct Loan Entrance Counseling with Grad PLUS</td>
<td>Not On File</td>
</tr>
<tr>
<td>School Assigned ID</td>
<td>000402398</td>
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</table>
SULA Formula

- Maximum Eligibility Period
- All Subsidized Usage Periods
- Remaining Eligibility Period

150% limit is met and further eligibility is lost when Remaining Eligibility Period is zero (or less)
Maximum eligibility period is 150% of the Published Program Length (PPL) of the borrower’s current or upcoming academic program

- Varies by program
- Multiply PPL by 1.5
- Measured in years or portions of years
  - If you report the PPL in months or weeks COD will convert to years
- Established in COD using *school-reported data*
A Subsidized Usage Period (SUP) is the period of time for which a borrower receives a Direct Subsidized Loan

- Calculated by COD on a loan-by-loan basis
  - Calculated using *school-reported* data
- Measured in years or portions of years
  - Rounded up or down to the nearest tenth of a year
- Includes ONLY periods when a borrower receives and retains a Direct Subsidized Loan
- With one exception SULA is NOT related to loan amount
  - Annual Loan Limit exception
  - Aggregate and annual loan limits still do apply
SUP Formula

\[
\frac{\text{# days in the loan period}}{\text{# days in the academic year}} = \text{SUP*}
\]

*Prorated by enrollment status

Loan Period: Period of enrollment for which the loan is intended

Academic Year: Period used to track annual loan limits (SAY/BBAY)
The “Annual Loan Limit” exception occurs when the conditions below are met:

- The Direct Subsidized Loan amount awarded is equal to the annual subsidized loan limit for the grade level
- AND
- The loan period is less than the full academic year of the loan
- EXCEPTION: SUP = 1.0
  - Calculated on a loan-by-loan basis
- If appropriate you apply the enrollment status factor
Loss of Subsidy
The Borrower loses eligibility for additional Direct Subsidized Loans when he or she has received Direct Subsidized Loans for 150% of their current academic program

- Remaining Eligibility $\leq 0$
- If Direct Subsidized Loan eligibility is lost, he or she retains eligibility for Direct Unsubsidized Loans
A borrower who has lost eligibility for additional Direct Subsidized Loans loses interest subsidy on Direct Subsidized Loans received on or after July 1, 2013, if the borrower...

*Based on enrollment, NOT receipt of, nor request for, Title IV Aid
Academic Year & Loan Period
Accurate reporting of your Academic Year and Award Start/End dates (Loan Period) is VITAL to the accurate calculation of a SUP

- The Academic Year is the period used to track Direct Loan annual loan limits
- The Loan Period is the period of enrollment for which the loan is intended to cover
- The SUP will be too high if...
  - The reported Loan Period is too long
  - The reported Academic Year is too short
Weeks in your Academic Year

- Your academic year is school defined
  - A Minimum of 30-weeks of instruction and 24 semester (36 quarter) credit hours for a credit-hour based program
    - No hour minimum for a graduate level program
  - A Minimum of 26 weeks of instruction and 900 clock-hours for a program measured in clock-hour
Academic Year start/end dates

• Make sure your Academic Year start/end dates correspond to **at least** the number of weeks you report

  ✓ COD Reject Edit Code #046 will trigger when submitted Academic Year start/end dates DO NOT equal at least 26 weeks (170 days)

  ✓ Always keep in mind that the Direct Loan annual loan limit is the maximum amount a borrower can receive in an Academic Year
The minimum Loan Period for credit-hour, standard-term or non-standard term SE9W Programs, is the **Academic Term**

The minimum loan period for clock-hour, non-term or non-standard term NSE9W Programs is the **lesser of**...

- The length of the Program
- The remaining portion of the Program
- The Academic Year
The Loan Period start/end dates cannot be outside the Academic Year start/end dates

- The Loan Period is comprised of payment periods
  ✓ The payment period is the period of time for which the disbursement is intended to cover
  ✓ Each payment period has a start date
  ✓ The payment period start date (PPSD) is a required, disbursement level tag
A Loan Period should include ONLY payment periods in which the borrower received and retained Direct Loan funds

• If a student withdraws, or wishes to reduce his or her disbursed amount, but keeps $1 of the disbursed funds the payment period MUST be included in the loan period

If no disbursement is made, or an actual disbursement was made but later reduced to $0, that payment period should NOT be included in the loan period

✓When a disbursement is reduced to $0 and has a Payment Period Start Date outside the loan period, COD will exclude the disbursement from the Subsidized Usage calculation
For example…

Academic Year: 9/10/2015 – 5/10/2016
Loan Period: 9/10/2015 – 5/10/2016
• Fall Term 9/10/2015 – 12/10/2015
• Spring Term 1/10/2016 – 5/10/2016
• School originates a fall-spring loan
• Subsidized Usage Period (SUP)
  ✓ SUP = # of days in the loan period/# of days in the academic year = 242/242
  ✓ SUP = 1.0 yrs
For example...

Academic Year: 9/10/2015 – 5/10/2016
Loan Period: 9/10/2015 – 12/10/2015

- The borrower attends the Fall term and receives a disbursement for the Fall term
- The borrower does NOT return for the Spring term
- The school correctly updates the loan period to reflect ONLY Fall term attendance

✓ SUP = # of days in the loan period/# of days in the academic year = 91/242
✓ SUP = 0.4 yrs
Other Important Data to Report
Published Program Length (PPL)

- The Maximum Eligibility Period for SULA is 150% of the PPL of the longest educational program in which the borrower is enrolled
- Report ONLY one PPL element per award
  - Years
  - Months
  - Weeks
- If you report in months or weeks COD will convert to years
- Report in the same format you report PPL to NSLDS
Enrollment status plays a major role in the SUP calculation

• Used as the pro-ration factor
  ✓ Full-time
  ✓ Three-quarter time
  ✓ Half-time
Common Mistakes
We’re seeing…

- No reduction of remaining anticipated disbursements to $0
- No reduction of award amount to match amount disbursed
- No reduction of the loan period when required
- Mis-reported academic years
  - Academic year MATCHES Loan Period on single-term loans
  - Academic year begin/end dates do not match reported weeks academic year length
We’re seeing…

- Mis-reported PPL
  - Report the PPL as you report it in your publications
    - Typically 2-years for an Associate Degree
    - Typically 4-years for a Bachelor’s Degree
    - See MEP-Q7 in the 150% Q&A on ifap.ed.gov

- Mis-reported credential level
  - Can cause an issue with GE reporting
  - See OTH-Q5 in the 150% Q&A on ifap.ed.gov
  - TEACH-Q5 in the 150% Q&A on ifap.ed.gov
What Do I Report If…
My student changes his or her Program
  • Report the new CIP Code with next disbursement
My student changes enrollment status in a subsequent term
  • Report the new enrollment status with the next disbursement
My student changes enrollment status mid-term
  • Report the new enrollment status at the point of disbursement for the next payment period
My student transfers mid-year

- Report remaining anticipated disbursements that have been reduced to $0
- Report the modified loan period
- Report a reduced loan amount equal to the amount disbursed
My student declines the ORIGINATED loan he or she initially requested

- Reduce the anticipated disbursements to $0
- Reduce the loan amount to $0
My student decides he or she doesn’t need all the loan funds

• If the loan is NOT 100% disbursed
  ✓ Report any remaining anticipated disbursements that have been reduced to $0
  ✓ Report any actual disbursements that have been reduced
  ✓ Report the reduced loan amount that now equals the amount disbursed
  ✓ Report a modified loan period if appropriate
My student decides he or she doesn’t need all the loan funds

- If the loan is 100% disbursed
  - Report the reduced “last” disbursement and any previous disbursement that has been reduced
  - Report the modified loan period if appropriate
  - Report a reduced loan amount equal to the amount disbursed
I’m not sure the Direct Subsidized Loan I want to originate will be accepted by COD based on my student’s Remaining Eligibility

• Ah, COD to the rescue!
SULA Inquiry/SULA Calculator
The “Big, Bad, reject edit code #206…”

- “Remaining Subsidized Eligibility is less than zero for this award”
- Make sure the loan date data associated with SULA was reported correctly
  - Academic year/loan period begin/end dates
  - Enrollment status
  - Published Program Length
  - Has the “Full Annual Loan Limit” exception been triggered?
The Direct Subsidized Loan Usage Screen

• Is your student’s Direct Subsidized Usage History accurate?
  ✓ Create an inquiry via the COD Web
  ✓ The inquiry is forward to FSA’s attention when SULA particulars need correcting on a loan and the former school can’t (won’t?) do so
  – Intended *primarily* for closed schools
  – Most efficient means of correction is financial aid office to financial aid office request
### Personal Information

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<th>Field</th>
<th>Input Area</th>
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<td>Name of the Primary Contact/Contact at Current School</td>
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<tr>
<td>Home Phone of Primary Contact/Contact at Current School</td>
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<tr>
<td>Work Phone of Primary Contact/Contact at Current School</td>
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<tr>
<td>Cell Phone of Primary Contact/Contact at Current School</td>
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<tr>
<td>Email of Primary Contact/Contact at Current School</td>
<td></td>
</tr>
<tr>
<td>Best time to contact Primary Contact/Contact at Current School</td>
<td>From [ ] To [ ]</td>
</tr>
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**Inquiry Information**

[Submit for FSA Review]
The Direct Subsidized Loan Usage Screen

• Subsidized Usage Calculator
  ✓ Allows you to plug in subsidized loan values either for loans already on the system or new loans you are going to send
  ✓ Won’t create/build/change any loans – it’s just a calculator to help you see if a loan can make it through when remaining eligibility is in question
  ✓ Precludes having to send the loan with different amounts only to be rejected again
  ✓ Optional
The addition of the DLS award to the Subsidized Usage Calculator was successful but caused the Remaining Actual Subsidized Eligibility of that award to be negative. This action would be rejected by the COD system.
COD Screens & Reports
### Person Direct Loan Information

#### Sum Actual Subsidized Usage Periods
- Undergraduate: 1.3
- Non-Credential Teacher Certification: 0.0

#### Award Year
- '15-'16

#### Loan Summary

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<thead>
<tr>
<th>Attending School</th>
<th>Person Type</th>
<th>Award ID</th>
<th>Award Amount Approved</th>
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## Direct Subsidized Loan Summary

<table>
<thead>
<tr>
<th>Attending School</th>
<th>Award ID</th>
<th>Maximum Subsidized Eligibility Period</th>
<th>Actual Subsidized Usage Period</th>
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<tbody>
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| Year '14-'15    |         |                                      |                              |
|                 | 001     | 9.6                                  | 0.8                          |

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[Create Subsidized Usage Inquiry]  [Subsidized Usage Calculator]
## Direct Subsidized Loan Summary

<table>
<thead>
<tr>
<th>Maximum Subsidized Eligibility Period</th>
<th>Actual Subsidized Usage Period</th>
<th>Remaining Actual Subsidized Eligibility Period</th>
<th>Anticipated Subsidized Usage Period</th>
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<tr>
<td>9.6</td>
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<td>8.3</td>
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</table>
Direct Subsidized Loan Change Report

- A weekly report that identifies borrowers whose SULA calculated values have changed
  - Maximum Subsidized Eligibility Period
  - Actual (or Anticipated) Subsidized Usage Period
  - Actual (or Anticipated) Non-Credential Teacher Certification Subsidized Usage Period
- Posted to your COD NewsBox
  - CSV format
COD will process nightly a system-generated response sent to schools reflecting a student’s changed SULA data if the change was NOT initiated by the receiving school

• Message Class CRSUYYOP
• Allows a school to update their system with the latest and greatest, and most accurate, Subsidized Usage information
• The school submitting the changed data will NOT receive this response UNLESS another school also makes a change to the student’s SULA calculation
• Sent to your TG Mailbox
Resources
150% Regulations & Processing

- Federal Registers, NSLDS Newsletters, COD Technical Reference
- E-Mail: 150Percent-Questions@ed.gov
- Dedicated information page on ifap.ed.gov
  - FAQs
Reporting of Loan Periods & Academic Years

- Federal Loan School Support Team
  ✔ email dlops@ed.gov
- Dear Colleague Letter GEN-13-13
- Electronic Announcement #19
  ✔ September 25, 2015
Wood Mason
U.S. Department of Education
Federal Student Aid
Federal Loan School Support Team
770.383.9662 (office)
202.821.3951 (cell)
wood.mason@ed.gov