ED presentations will be available at www.lasfaa.org
Agenda

• What is Direct Subsidized Loan Limitation
  ✓ Affectionately called SULA
  ✓ Who is subject to SULA
  ✓ How is it calculated

• Reporting and Adjusting Direct Loan Data to COD
• Reporting Direct Loan Data to NSLDS
Agenda

What it is and who it applies to
Consequence: Eligibility Loss

- Borrower loses eligibility for additional Direct Subsidized Loans when borrower has received Direct Subsidized Loans for 150% of their current academic program

Generally measured in time, not dollars.

- If eligibility is lost, borrower still eligible for Direct Unsubsidized Loans and other Title IV programs
Consequence: Interest Subsidy Loss

- Lost eligibility due to 150% limit
- Did not complete program
- Enrolls in program of equal or shorter length

Subsidy loss

Based on enrollment, not borrowing, or requesting aid.
First-Time Borrower

• Limit applies only to first-time borrowers as of July 1, 2013:
  ✓ Student who has no outstanding balance on a FFEL or Direct Loan when receiving a Direct Loan on or after July 1, 2013.

Example A

Example B
Loss of eligibility
Determining When Eligibility is Lost

- 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

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

150% limit is met (eligibility is lost) when remaining eligibility period is zero (or less).
Maximum Eligibility Period

• Maximum eligibility period is 150% of the published length of borrower’s current or upcoming academic program
  ✓ Varies by program
  ✓ Multiply published length of program by 1.5
  ✓ Two exceptions
  ✓ Measured in academic years or portions
  ✓ ED will calculate using school-reported information
Exception 1: Bachelor’s Completion

- Bachelor’s degree-completion programs will have a Maximum Eligibility Period of six years
- Definition:
  - Only admits students who have completed
    - Associate degree or
    - Two years of prior undergraduate coursework
Exception 2: Special Admission

• Special admission associate degree programs will have a Maximum Eligibility Period of six years

• Definition:
  ✓ Only admits students who have completed
    ➢ Associate degree or
    ➢ Two years of prior undergraduate coursework
Exception 2: Special Admission

- Special admission associate degree programs will have a Maximum Eligibility Period of six years.

- Definition:
  - Admits students on a competitive basis (i.e., no open enrollment)
  - Prepares students for occupation requiring licensure from state
    - Example: Nursing program
Subsidized Usage Period

150% limit is met (eligibility is lost) when remaining eligibility period is zero (or less).
Subsidized Usage Period

- A Subsidized Usage Period is the period of time for which a borrower receives a Direct Subsidized Loan
- Calculated loan-by-loan
- Measured in academic years or portions
- Rounded up/down to nearest tenth of a year
- Includes only periods when Direct Subsidized Loan received
- ED will calculate using school-reported information
- Two exceptions
Calculating Subsidized Usage Period

- \( \text{Subsidized Usage Period} = \frac{\text{Days in Loan Period}}{\text{Days in Academic Year}} \)

Loan Period: Period of enrollment for which loan is intended

Academic Year: Period used to track annual loan limits (SAY/BBAY)
Exception 1: Enrollment Status

- Calculated subsidized usage period is prorated by enrollment status
- Proration occurs before rounding

Full-time = 1.00

¾-time = 0.75

½-time = 0.50

Prorate Subsidized Usage Period based on enrollment status.
Exception 2: Annual Loan Limit

Only circumstance where dollars are considered is when a student receives a Direct Subsidized Loan in the amount of the annual loan limit.
Determining When Limit Is Met

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).
Remaining Eligibility Period

• How much eligibility a borrower has left under the 150% limit
• Accounts for Direct Subsidized Loans received for all enrollment in all programs (except teacher certification programs)
• Eligibility lost when remaining eligibility is zero or less
• ED will calculate using school-reported information
Loss of interest subsidy
Loss of Interest Subsidy

Subsidy loss is effective on the date of the triggering enrollment.
# Enrollment Types & Subsidy Loss

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student lost eligibility</strong></td>
<td><strong>Student lost eligibility</strong></td>
<td><strong>Student had remaining eligibility</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Enrolled at least (\frac{1}{2}) time in same undergraduate program</strong></td>
<td><strong>Enrolled at least (\frac{1}{2}) time in an undergraduate program of equal or lesser length</strong></td>
<td><strong>Student enrolled at least (\frac{1}{2}) time in shorter undergraduate program where usage ≥ maximum</strong></td>
<td></td>
</tr>
</tbody>
</table>
Periods of Interest Subsidy

Borrower with interest subsidy:

- In-school
- Grace
- Std. Repay
- Defer.
- Forbear.
- IDR

Borrower who lost interest subsidy:

- In-school
- Grace
- Std. Repay
- Defer.
- Forbear.
- IDR

Subsidized
Unsubsidized
Subsidy loss is not retroactive to the date of disbursement or from the date of the loss of eligibility. Loss of subsidy is from the date of the enrollment that caused the loss of subsidy.
Special provisions
Preparatory Coursework

For Enrollment in an Undergraduate Program

Maximum Eligibility Period is 150% of program for which coursework is preparing for.

Subsidized Usage Periods count against maximum eligibility.

Enrolling could result in loss of interest subsidy.

For Enrollment in a Grad/Professional Program

Maximum Eligibility Period is 150% of program for which borrower most recently received Direct Subsidized Loan.

Subsidized Usage Periods count against maximum eligibility.

NOT possible to lose interest subsidy by enrolling.
Teacher Certification Programs

Programs that do not lead to a degree/certificate at institution, but lead to State credential that is required for teaching

Not only does the "clock restart", but the borrower cannot lose interest subsidy by enrolling in teacher certification program
The number of borrowers whose schools originated 2014-2015 loans, but COD rejected the loan because of the 150% limit, disaggregated by undergraduate credential level.

<table>
<thead>
<tr>
<th>Undergraduate Credential Level</th>
<th>Borrowers Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>6,021</td>
</tr>
<tr>
<td>Associate</td>
<td>1,057</td>
</tr>
<tr>
<td>Bachelor</td>
<td>397</td>
</tr>
<tr>
<td>Post-Baccalaureate Certificate</td>
<td>10</td>
</tr>
<tr>
<td>Non-Credential Programs</td>
<td>137</td>
</tr>
<tr>
<td>Other</td>
<td>70</td>
</tr>
</tbody>
</table>
The number of borrowers and loan amounts that have lost subsidy by credential level that borrower was working toward when loan was received.

<table>
<thead>
<tr>
<th>Undergraduate Credential Level</th>
<th>Borrowers</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>12,466</td>
<td>$46M</td>
</tr>
<tr>
<td>Associate</td>
<td>18,482</td>
<td>$102.3M</td>
</tr>
<tr>
<td>Bachelor</td>
<td>13,912</td>
<td>$78.9M</td>
</tr>
<tr>
<td>Post-Baccalaureate Certificate</td>
<td>62</td>
<td>$0.32M</td>
</tr>
<tr>
<td>Non-Credential Programs</td>
<td>606</td>
<td>$2.4M</td>
</tr>
</tbody>
</table>
Reporting and Adjusting Direct Loan “SULA” Data To COD
Tracking and enforcement of the Subsidized Usage Loan Limitation (SULA) is the responsibility of COD
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
# days in the loan period
\[ \frac{\# \text{ days in the academic year}}{\# \text{ days in the loan period}} = \text{SUP}^* \]

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

Academic Year: Period used to track annual loan limits (SAY/BBAY)

*Prorated by enrollment status
Reporting & Adjusting Data

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
- 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
  - A Minimum of 26 weeks of instruction and 900 clock-hours for a program measured in clock-hours
Reporting & Adjusting Data

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 span at least 26 weeks (170 days)
The Loan Period is the period of enrollment for which the loan is intended to cover

- Include ONLY payment periods in which a borrower received and retained Direct Loan funds
- 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 (PPSD)
  - The PPSD is a required, disbursement level tag
Reporting & Adjusting Data

Other Important Data to Report
Published Program Length (PPL)

- The Maximum Eligibility Period for SULA is 150% of the PPL of the student’s academic program
- 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...

- Mis-reported PPL
  - Not reported as published
  - Multiple formats reported for one Program
  - See MEP-Q7 in the 150% Q&A on ifap.ed.gov
We’re seeing…

• Mis-reported academic years
  ✓ Academic year **MATCHES** Loan Period on single-term loans
  ✓ Academic year start/end dates do not match reported weeks academic year length
  ✓ COD Reject Edit Code #046 will trigger when submitted Academic Year start/end dates DO NOT equal at least 26 weeks (170 days)
  ✓ This will catch many but not all errors
We’re seeing…

- Anticipated disbursements **NOT** reduced to $0
- Award amount **DOES NOT** equal amount disbursed
  - New COD Edit Code #219 **CORRECTS** an award amount to equal the sum of the disbursements
- No reduction of the loan period when required
  - **DO NOT** report the ending date of a modified loan period as the last date of attendance for a withdrawn student
  - **DO NOT** report the PPSD as the same date for ALL PPSDs
New COD Report

• SULA Adjustments Needed Report
• Help schools identify DL awards that should be adjusted and/or corrected before automatic reductions take place in COD
• Generated monthly
• Available on www.cod.ed.gov
• Will NOT be sent to school’s SAIG mailbox
• See EA June 29, 2017
Data on NSLDS

NSLDS Monitors Loss of Subsidy
COD to NSLDS

• COD sends Direct Loan data to NSLDS on a daily basis to be used by NSLDS for 150% calculation purposes
  ✓ Used by NSLDS to calculate eligibility for continued subsidy
  ✓ Includes student, award, and disbursement data from prior-day COD processing
  ✓ (Subsidized, Unsubsidized, and Direct PLUS Loan data)
NSLDS – Display SULA Flag

- Display of Subsidized Usage Limit Applies (SULA) Flag
  - Indicates whether the borrower is subject to the 150% Direct Subsidized Loan Limit provision
  - Sent to NSLDS by COD and by Federal Loan Servicers
Subsidized Usage Web Page

• The Subsidized Usage Period Page displays a student’s:
  • Maximum Eligibility Period
  • Subsidized Usage Period
    ✓ Sum SUP
    ✓ Loan-Level SUP
  • Program-level Enrollment
  • Remaining Eligibility Period
• Link to Subsidized Usage Page found on Enrollment Summary page
NSLDS – Maximum Eligibility Period

- The Maximum Eligibility Period is 150% of the published length of borrower’s current educational program
- Multiply published length of program by 1.5
- On COD – calculated based on disbursement records
- On NSLDS – calculated separately using Enrollment Reporting information
- Schools are required to report individual student’s program-level enrollment data to NSLDS
NSLDS – Maximum Eligibility Period

School sends Enrollment School Code on grant and loan disbursement records to COD.

COD sends grant and loan data to NSLDS and Federal Loan Servicers.

NSLDS uses the Enrollment School Code from COD and Servicers to place aid recipients on Enrollment Rosters.

NSLDS sends the Enrollment Roster to the School.

School Responds with Certified Enrollment.
**Subsidized Usage**

**Usage Summary**

- Maximum Eligibility Period: 6.0 Years
- Subsidized Usage Period: 1.0 Year
- Remaining Eligibility Period: 5.0 Years

**Program Enrollment**

<table>
<thead>
<tr>
<th>School Name</th>
<th>OPEID</th>
<th>CIP Code</th>
<th>Description</th>
<th>Cred. Lvl</th>
<th>Spec. Prog. Ind.</th>
<th>Length in Yrs</th>
<th>Program Beg. Date</th>
<th>Status Eff. Date</th>
<th>Enrl. Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH SOUTH UNIVERSITY</td>
<td>00301001 110101</td>
<td>Computer and Information Sciences, General.</td>
<td>03</td>
<td>4.0</td>
<td>09/11/2014</td>
<td>11/01/2014</td>
<td>F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NORTH SOUTH UNIVERSITY</td>
<td>00301000 110101</td>
<td>Computer and Information Sciences, General.</td>
<td>03</td>
<td>N</td>
<td>09/11/2013</td>
<td>04/01/2014</td>
<td>F</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Program Enrollment Detail Page displays information about a student’s program level enrollment history, including:

- Graduations
- Withdraws
- Enrollment level changes (full, three-quarter, half, less than half-time)
- Effective Date for those changes
- "Breaks" in program enrollment data or "less than half time" status can affect MEP and trigger Loss of Subsidy
### Enroll Summary

<table>
<thead>
<tr>
<th>School Name</th>
<th>OPEID</th>
<th>Most Recent Status</th>
<th>Eff. Date</th>
<th>ACD</th>
<th>Cert. Date</th>
<th>Cert. Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH SOUTH UNIVERSITY</td>
<td>067890000</td>
<td>Full Time</td>
<td>09/01/2015</td>
<td>06/05/2018</td>
<td>10/15/2015</td>
<td>School Busch</td>
</tr>
<tr>
<td>EAST WEST COMMUNITY COLLEGE</td>
<td>000087603</td>
<td>Full Time</td>
<td>05/26/2015</td>
<td>06/30/2018</td>
<td>10/15/2015</td>
<td>School Busch</td>
</tr>
</tbody>
</table>

### Program Enrollment Detail

- **School Location:** All Locations
- **Source:** Schools
- **CIP Code:** 450101
- **Records:** Active and Inactive
- **Sort By:** School Location: OPEID
- **Program:** CIP Code: 450101
- **Records:** Reported By, Earliest Certification, Effective Date

### Privacy Act of 1974 (As Amended)

**Title 20, Subpart B, Chapter 6, Subpart A, Section 668.55:**
- **Title:** English Language and Literature, General
- **CIP Code:** 230101
- **Date:** 09/26/2015
- **Status:** Active
- **Certified By:** School Batch
- **Latest Certified:** 09/26/2015
- **Time Certified:** 10/15/2015
- **Current:** Not Current

**Title 20, Subpart B, Chapter 6, Subpart A, Section 668.56:**
- **Title:** Social Sciences, General
- **CIP Code:** 450101
- **Date:** 09/24/2014
- **Status:** Active
- **Certified By:** School Batch
- **Latest Certified:** 09/26/2015
- **Time Certified:** 10/15/2015
- **Current:** Not Current

**Title 20, Subpart B, Chapter 6, Subpart A, Section 668.57:**
- **Title:** English Language and Literature, General
- **CIP Code:** 230101
- **Date:** 09/26/2015
- **Status:** Active
- **Certified By:** School Batch
- **Latest Certified:** 09/26/2015
- **Time Certified:** 10/15/2015
- **Current:** Not Current
NSLDS - Subsidized Usage Period

Subsidized Usage Period (SUP) – Calculated by COD and sent to NSLDS

- COD calculates the Subsidized Usage Period (SUP) for each loan and sends to NSLDS
  - NSLDS displays the SUP on the NSLDS websites
  - NSLDS includes the SUP in TSM, FAH, and select NSLDS Reports
NSLDS - Remaining Eligibility Period

- Remaining Eligibility Period (REP) – Difference between MEP and SUP, calculated by NSLDS

- NSLDS determines if Loss of Interest Subsidy should occur on a borrower’s loan based on the borrower’s Remaining Eligibility Period (REP) and the borrower’s program-level enrollment status
NSLDS – Loss of Subsidy

NSLDS determines if Loss of Interest Subsidy should occur on a borrower’s loan based on the borrower’s Remaining Eligibility Period (REP) and program-level enrollment status.
### Loss of Interest Subsidy (150%)

- Borrowers who have lost eligibility for interest subsidy on their Direct Subsidized Loans

<table>
<thead>
<tr>
<th>Total Number of Loans that have Lost Interest Subsidy</th>
<th>Total Number of Borrowers that have Lost Interest Subsidy</th>
<th>Total Number of Schools that have a loan that has Lost Interest Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>121,008</td>
<td>47,196</td>
<td>4,430</td>
</tr>
</tbody>
</table>

* As of 2016-11-18
NSLDS – Loss of Subsidy

• NSLDS distributes LOS data to the federal loan servicers daily

• Federal loan servicers apply the LOS and respond to NSLDS weekly
  • LOS data is displayed on NSLDS after the federal loan servicer responds
  • LOS data is sent to CPS and studentloans.gov
NSLDS – Loss of Subsidy

- NSLDS FAP displays the new Loss of Subsidy warning icon for borrowers who have lost interest subsidy on any:
  - D0 - Direct Stafford Subsidized (SULA Eligible) loans
  - D9 - Direct Consolidation Subsidized (SULA Eligible) loans
- A field has also been added to Loan Summary for (D0) and (D9) loans to display the status of the interest subsidy:

<table>
<thead>
<tr>
<th>Loan Summary Details</th>
<th>Status as of 09/15/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amt:</td>
<td>$1,625</td>
</tr>
<tr>
<td>Disbursed Amt:</td>
<td>$813</td>
</tr>
<tr>
<td>OPB:</td>
<td>$813</td>
</tr>
<tr>
<td>Agg. OPB:</td>
<td>$813</td>
</tr>
<tr>
<td>Loan Date:</td>
<td>09/15/2013</td>
</tr>
<tr>
<td>Sep. Loan Ind:</td>
<td>A</td>
</tr>
<tr>
<td>Loan Period:</td>
<td>09/15/2013 - 06/15/2014</td>
</tr>
<tr>
<td>Last Disb. Date:</td>
<td>10/01/2013</td>
</tr>
<tr>
<td>Last Disb. Amt:</td>
<td>$813</td>
</tr>
<tr>
<td>Acad. Lv:</td>
<td>1</td>
</tr>
<tr>
<td>ED Servicer:</td>
<td>DIRECT LOAN SERVICING CENTER (ACS) 67890 - 583</td>
</tr>
</tbody>
</table>

Loss of Subsidy
Resources for NSLDS Reporting

NSLDS Enrollment Reporting
• NSLDS Enrollment Reporting Guide (2016 update now available on IFAP)
• NSLDS Customer Support Team
• Email: nslds@ed.gov

150% Regulations & Processing
• Federal Registers, Electronic Announcements, Webinar recordings, NSLDS Newsletters, COD Technical Reference
• Email: 150Percent-Questions@ed.gov
• FAQs: 20 new ones recently posted
Contact Information

Your Region VI Training Officers:

Trevor Summers
trevor.summers@ed.gov
214.661.9468

Rick Renshaw
rick.renshaw@ed.gov
214.661.9506

Kevin Campbell
kevin.campbell@ed.gov
214.661.9488
Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

https://s.zoomerang.com/s/KevinCampbell-TX

Survey feedback is a tool to help us improve our training, justify training/travel expenditures and to listen to our customers.

Please provide any comments regarding this training or the trainer to:

Jo Ann Borel, Title IV Training Supervisor  joann.borel@ed.gov
Thank You LASFAA!