399 Codes.

Although the requirement to resolve 399 codes was to be a one year issue, recently the Department of Education announced the resolution of 399 codes will continue for the entire 2017-2018 academic year. Clean-up for the 2016-17 ends on September 9, 2017. This has been an arduous task for our office this year. Students are confused about why they have to provide documentation for “last year’s FAFSA”, are angry over being contacted to provide information and could be left with owing money back. Often the changes to the conflicting information resulted in the student being selected for verification. This is occurring for the 2016-2017 aid year, and appears to the student that we are unnecessarily asking them for additional information because we had to correct something. If information appears to be incorrect, it would be easier on the aid office and the student to just select the student for verification so the issue can be resolved.

Subsidized Usage Limits Apply (SULA)

SULA refers to the 150% Direct Subsidized Loan limit provision that uses a calculation to determine a student’s maximum eligibility for a subsidized student loan. Aid programs already have safeguards in place to limit the time a student is in school using aid and limits the amount of student loans that can be borrowed. A student can only borrow up to the lifetime aggregate loan limit and cannot exceed this amount. The Satisfactory Academic Progress policy that is in place measures progression and the maximum-time frame for which a student can receive financial aid. These two safeguards not only protect the aid programs they ensure students can graduate with-in a reasonable amount of time and graduate with a manageable amount of debt. Trying to explain the SULA calculation and the reasoning behind the regulation is confusing and frustrating to students who are trying to better themselves. Changing their eligibility mid-stream, especially when they only have one or two semesters to complete their degree, not only leaves the student discouraged but also can lead to students not completing the degree from a total misunderstanding of the process. Time spent by the aid office explaining the regulation and ensuring proper reporting takes away from important debt management counseling and financial literacy training. It takes staff a massive amount of time to do the system setup to ensure SULA is calculating properly. Programming and maintenance is unusually burdensome and difficult to maintain requiring a significant amount of human resources and time.

Return to Title IV Aid for programs taught in modules

The Return to Title IV Aid (R2T4) Process is cumbersome when students are enrolled in regular terms but when the student is enrolled in modules, the R2T4 process becomes very convoluted. A student taking courses in modules must begin attendance in the courses for all modules or is ineligible for the entire payment period for aid. Pell recalculation occurs if the student does not begin attendance in all credits used to establish the enrollment status. If the program is taught in 3 modules over 15 weeks and the student is enrolled in all three modules for 4 credit hours in each module, then all modules are used to determine aid eligibility. Recalculation of Pell can occur all semester. If the student drops the course in module one after a few weeks of attendance and provides written confirmation he will return for module 3 (which the aid office has had to go after the student to get in the first place), a Pell recalculation must be done but the R2T4 is not required since written confirmation was received however, if the student does not return for module 3, an R2T4 calculation must be performed. This requires constant monitoring by the school to ensure the student remains eligible and to determine if a R2T4 calculation has to be completed. Unlike regular session courses where there is a point in time when a R2T4 calculation is no longer required for the semester, sessions taught in modules is a continuous manual process that take a lot of man hours to monitor.