

Impacts of the 150% Rule on Reporting to COD and NSLDS

Zack Goodwin  
U.S. Department of Education  
VASFAA Conference, May 8, 2015




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Agenda

- 150% overview:  
Subsidized Usage Limit Applies (SULA)
- Updates and reporting to  
Common Origination and Disbursement (COD)
- Updates and reporting to the  
National Student Loan Data System (NSLDS)

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150% Overview

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## Background

Public Law 112-141 established a limit to how many years a student may receive subsidized loans

- Results in additional incentive to complete programs in a timely manner
- Estimated net budget impact of \$3.9 billion in savings over 10 years (FY 2013-2023)



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## Scope

Applies 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/after July 1, 2013

Example A



Example B



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## Overview

When borrower has received Direct Subsidized Loans for 150% of the length of their current academic program, borrower loses eligibility for additional subsidized loans

Generally measured in time, not dollars

If eligibility is lost, borrower is still eligible for Direct Unsubsidized Loans

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### Determining When Eligibility is Lost



150% limit is met and further eligibility is lost when Remaining Eligibility Period is zero (or less)

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### Maximum Eligibility Period

Maximum eligibility period is 150% of published length of borrower's academic program

- Varies by program
- Multiply published length of program by 1.5
- Measured in academic years or portions thereof
- ED will calculate using school-reported information




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### Converting Months/Weeks to Years

If program's published length is in months or weeks, ED will convert to years (or portions of years)

$$\frac{\text{Days in Program}}{\text{Days in Title IV Academic Year}} = \text{Program Length}$$

Month = 30 days  
Week = 7 days

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### Maximum Eligibility Period Exceptions

The final regulations allow for 2 specific exceptions when determining Maximum Eligibility Period:

- Special admission Associate programs (Indicator "A")
- Bachelor's degree-completion programs (Indicator "B")

*These changes came as a result of public comments on the interim final regulations*

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### 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 to the nearest 10% of a year
- Includes only periods when Direct Subsidized Loan received
- ED will calculate using school-reported information from COD




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### Loan Period & Academic Year

The loan period and academic year determine the Subsidized Usage Period

- Covered in DCL GEN-13-13, applies to all Direct Loans




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## Loan Period

### Loan Period

- Period of enrollment for which borrower received loan
- Must be updated if student's actual enrollment or eligibility doesn't match originally reported loan period




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## Academic Year

### Academic year

- Period to which the annual loan limit applies

Credit Hour Programs with Standard Terms or Non-Standard SE9W Terms	Clock Hour Programs, Non-Standard NSE9W Term Credit Hour Programs, and Non-term Credit Hour Programs
Academic Year corresponds to calendar period of the terms in the SAY or BBAY	Academic Year corresponds to period of time required for borrower to complete a Title IV academic year's worth of coursework (BBAY)

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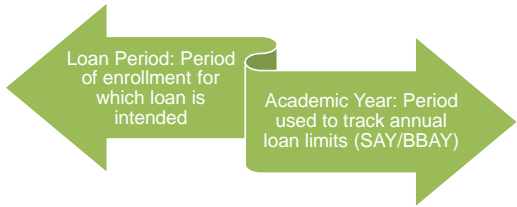
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## Calculating Subsidized Usage Period

$$\text{Subsidized Usage Period} = \frac{\text{Days in Loan Period}}{\text{Days in Academic Year}}$$




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### Example: Loan Period/Academic Year

#### Determining Loan Period & Academic Year

- Program: 2 years, credit hours, standard terms
- Academic year: 30 weeks, 24 semester hours, SAY (Fall 2014 and Spring 2015)
- Borrower enrollment: Spring semester 2015
- Loan period: Spring semester 2015
- Academic year: Begins on first day of the fall 2014 semester. Ends on last day of the spring 2015 semester.

**An academic year that corresponds to a single term is never correct!**



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### Example: Usage

Program is semester-based. Scheduled academic year includes the fall and spring semesters. Student receives subsidized loan for fall semester only.

$$\text{Subsidized Usage Period} = \frac{\text{Days in Loan Period}}{\text{Days in Academic Year}}$$

	Begin Date	End Date	Number of Days
Loan Period	August 25, 2014	December 19, 2014	117
Academic Year	August 25, 2014	May 15, 2015	264

$$\text{Subsidized Usage Period} = \frac{117}{264} = 0.44 \text{ Years} \xrightarrow{\text{Round}} 0.40 \text{ Years}$$



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### Exception: Full Annual Loan Limit

When a student receives a Direct Subsidized Loan for entire annual loan limit, this would be the only situation in which dollars are considered in determining subsidized usage:



Can only occur for standard-term programs or for non-standard-term programs that are substantially equal and are each at least nine weeks in length



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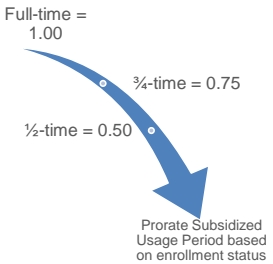
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### Exception: Enrollment Status

- Calculated subsidized usage period is prorated by enrollment status
- Proration occurs before rounding
- Clock hour programs do not prorate for enrollment status




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### Updating Loan Periods

Because the loan period is a key element in determining Subsidized Usage Period, it is critical that it is correct. The initially reported loan period needs to be updated when:

- Student does not enroll for a payment period covered by the originally reported loan period
- Student withdraws from a payment period and *all* loan funds associated with the payment period are returned (R2T4)
- Student cancels all of a disbursement of a subsidized loan that is attributable to a payment period

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### Updating Loan Periods

- Student is otherwise not eligible for a subsidized loan for a payment period covered by the loan period
- The student (in clock-hour programs, non-term programs, and non-standard term NSE9W programs) is not progressing to the next payment period as scheduled

\*This is a non-exhaustive list\*

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## Updating Academic Years

Academic years are also a key factor in determining subsidized usage, and need to be updated when:

- Student is attending a program for which summer is not a "required" term, attends summer, and receives a loan for summer
- The student (in clock-hour programs, non-term programs, and non-standard term NSE9W programs) is not progressing to the next payment period as scheduled

Review DCL GEN-13-13 for further detailed examples

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## Remaining Eligibility Period

How much eligibility a borrower has remaining under the 150% subsidy limit

- Accounts for Direct Subsidized Loans received for all enrollment in all programs (except teacher certification programs)
- Subsidized eligibility lost when remaining eligibility is zero or less
- ED will calculate using school-reported information



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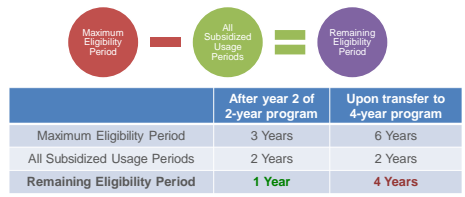
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## Example: Remaining Eligibility

- Student receives 2 years of Direct Subsidized Loans while enrolled in a 2-year program
- Student transfers to a 4-year bachelor's program



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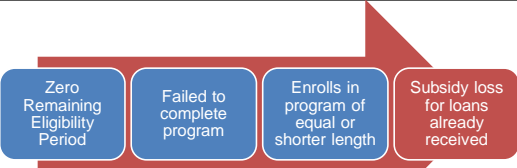
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### Loss of Interest Subsidy



- Triggered by **enrollment** (1/2 time or above) not by borrowing or requesting aid
- Loans remain Direct Subsidized loans, but without further interest subsidy benefits
- Subsidy loss is permanent and cannot be later reinstated

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### Which Interest Is the Borrower's?



*Subsidy loss is not retroactive to the date of disbursement or from the date of the loss of eligibility. Loss of subsidy begins the date of the enrollment that caused the loss of subsidy.*

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### Enrollment Types: No Subsidy Loss

- Enrollment in a graduate or professional program
- Enrollment in preparatory coursework necessary for enrollment in a graduate or professional program
- Enrollment in a teacher certification program where school does not award an academic credential
- Enrollment less than 1/2 time

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### Preparatory Coursework

<p><b>For Enrollment in an Undergraduate Program</b></p> <ul style="list-style-type: none"> <li>Maximum Eligibility Period is 150% of program for which coursework is preparing</li> <li>Subsidized Usage Periods count against maximum eligibility</li> <li>Enrolling could result in loss of interest subsidy</li> </ul>	<p><b>For Enrollment in a Grad/Professional Program</b></p> <ul style="list-style-type: none"> <li>Maximum Eligibility Period is 150% of program for which borrower most recently received Direct Subsidized Loan</li> <li>Subsidized Usage Periods count against maximum eligibility</li> <li>NOT possible to lose interest subsidy by enrolling</li> </ul>
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Set COD Special Programs flag to "U"      Set COD Special Programs flag to "P"



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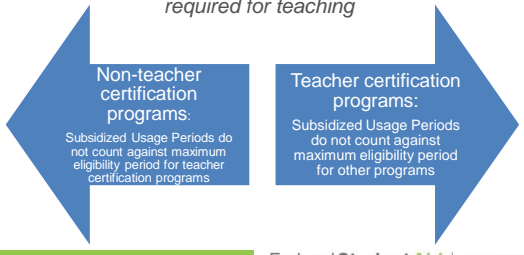
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### Teacher Certification Programs

*Programs that do not lead to a degree/certificate from the school, but lead to state credential that is required for teaching*



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### Teacher Certification Programs

- Loans received for other undergraduate enrollment do not lose subsidy upon enrollment in teacher certification program
- Loans received for teacher certification program can never lose subsidy, even upon enrollment in regular undergraduate program



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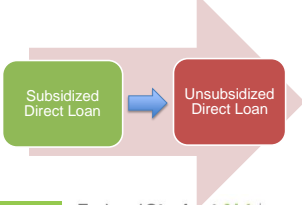
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### Unsubsidized Loan Eligibility

A student may only be awarded an unsubsidized loan (base or additional amount) for a loan period if the student has been awarded the full amount of their subsidized loan eligibility



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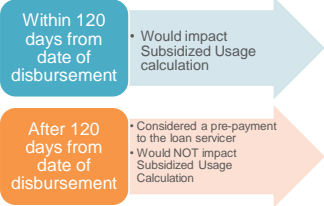
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### Can Eligibility Be Preserved?

*If a student asks the school to return all of their subsidized loan funds for a payment period, would that impact the student's Subsidized Usage Period calculation?*

The answer would depend upon the timing of the return:



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### Loan Counseling

- Entrance and exit counseling regulations have been updated to include requirements related to the 150% Direct Subsidized Loan limit
- All counseling on StudentLoans.gov has been updated to include required information
- Schools providing counseling by other means must ensure that all Direct Loan counseling materials contain the required information
  - See 34 C.F.R. § 685.304 (a)(6)(xiii),
  - 34 C.F.R. § 685.304 (b)(4)(xii)

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## COD Reporting and Updates

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### COD Reporting Requirements

- Old 2013-14**
  - Loan Period Dates
  - Academic Year Dates
- New 2014-2015**
  - CIP Code
  - Credential Level
  - Program Length
  - Length of Title IV Academic Year
  - Flags for Prep Coursework
  - Flag for Teacher Certification
  - Enrollment Status (full, ¾, ½)
  - Payment Period Begin Date

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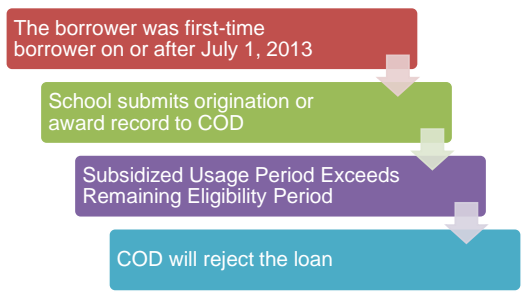
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### COD Reject Edits 206 & 207



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### COD Updates

- Each time school submits an origination or disbursement record COD will:
  - Calculate Subsidized Usage Periods, including new loan
  - Inform school of borrower's Maximum Eligibility, Subsidized Usage, and Remaining Eligibility Periods
- COD will also inform borrower in disclosure statement

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### COD Updates: Effective March 29, 2015

- COD users may create and submit a Subsidized Usage inquiry to FSA for Subsidized Usage cases that can't be resolved by a school
  - New 'Create Subsidized Usage Inquiry' page

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### COD Updates: Effective March 29, 2015

#### New Subsidized Usage Calculator

- Users will be able to enter loan data and estimate the students' subsidized usage based upon the information entered and the loans existing on the COD System
  - Will allow the user to model potential impacts to the student's subsidized usage and eligibility
  - Actions taken via the Subsidized Usage Calculator will not result in changes to the student's loans in COD

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## NSLDS Enrollment Reporting

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## NSLDS Reporting Requirements

Three record 'levels' for each student:

- Campus-level record
- Program-level record
- Email address

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## Campus-Level Record Type 001

Campus-Level
<ul style="list-style-type: none"> <li>• Student SSN</li> <li>• 8-digit OPEID</li> <li>• Student Name and DOB</li> <li>• Certification Date</li> <li>• Enrollment Status Effective Date</li> <li>• Enrollment Status</li> <li>• Anticipated Completion Date (ACD)</li> <li>• Term Begin and End Dates</li> <li>• Student Permanent Address</li> <li>• Student Phone Number</li> <li>• Move To OPEID</li> <li>• Program Indicator</li> </ul>

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## Campus-Level Fields

- **Credential Level**
  - Moved to Program-level record type
- **Program Indicator**
  - Report 'Y' if the student is enrolled in at least one program
  - Report 'N' only if the student is not enrolled in any program at your location
    - Can be used by "deferment only" schools
    - Should not be used for undeclared majors



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## Program-Level Record Type 002

Program-Level
<ul style="list-style-type: none"> <li>• Classification of Instructional Programs (CIP) Code</li> <li>• CIP Year</li> <li>• Program Credential Level</li> <li>• Published Program Length</li> <li>• Published Program Length Measurement</li> <li>• Weeks in Title IV Academic Year</li> <li>• Program Begin Date</li> <li>• Special Program Indicator</li> <li>• Program Enrollment Status</li> <li>• Program Enrollment Effective Date</li> </ul>

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## Program-Level Fields

- **Program Credential Level**
  - Now reported at the program level
- **Special Program Indicator**
  - Special admission associate programs (A)
  - Bachelor's degree completion programs (B)
  - Preparatory coursework for an undergraduate program (U)
  - Preparatory coursework for a graduate program (P)
    - For preparatory coursework, CIP code is reported for the program for which the student is *preparing*
    - Credential level is reported as 99

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### E-mail Address Record Type 003

**Student E-mail**

- Student E-mail Address
- Can report multiple e-mail addresses
- One e-mail address per record type 003
- Optional field




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### Active Enrollment Status

When reporting enrollment status to NSLDS, schools must report the student's "active enrollment status" based on the total number of hours in which the student is enrolled at the institution, whether or not all credits apply to the academic program(s) being reported.

*This represents a change from guidance previously issued in the 150% subsidy limit webinar series*

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### Who is on the Enrollment Roster?

**NSLDS will include:**

Students who receive Title IV at your school

**School adds:**

Students with Title IV aid from another school who receive aid at your school

Students with Title IV aid from another school who will not receive aid at your school

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### Billy – August 2014

Billy Campus-Level	Program 1 - History Program-Level	Program 2 - Math Program-Level
<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>Certification Date: 20140829</li> <li>Enrollment Status Effective Date: 20130925</li> <li>Enrollment Status: F</li> <li>ACD: 20170610</li> <li>Term Begin Date: 20140825</li> <li>Term End Date: 20141215</li> <li>Program Indicator: Y</li> </ul>	<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>CIP Code: 540101</li> <li>Program Credential Level: 03</li> <li>Published Program Length: 004000</li> <li>Published Program Length Measurement: Y</li> <li>Program Begin Date: 20130925</li> <li>Special Program Indicator: N</li> <li>Enrollment Status: F</li> <li>Enrollment Effective Date: 20140825</li> </ul>	<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>CIP Code: 270101</li> <li>Program Credential Level: 03</li> <li>Published Program Length: 004000</li> <li>Published Program Length Measurement: Y</li> <li>Program Begin Date: 20130925</li> <li>Special Program Indicator: N</li> <li>Enrollment Status: F</li> <li>Enrollment Effective Date: 20140825</li> </ul>

Retroactive Reporting back to 07/01/14




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### Billy – October 2014

Billy Campus-Level	Program 1 - History Program-Level	Program 2 - Math Program-Level
<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>Certification Date: 20141015</li> <li>Enrollment Status Effective Date: 20130925</li> <li>Enrollment Status: F</li> <li>ACD: 20170610</li> <li>Term Begin Date: 20140825</li> <li>Term End Date: 20141215</li> <li>Program Indicator: Y</li> </ul>	<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>CIP Code: 540101</li> <li>Program Credential Level: 03</li> <li>Published Program Length: 004000</li> <li>Published Program Length Measurement: Y</li> <li>Program Begin Date: 20130925</li> <li>Special Program Indicator: N</li> <li>Enrollment Status: F</li> <li>Enrollment Effective Date: 20140825</li> </ul>	<ul style="list-style-type: none"> <li>OPEID: 06789900</li> <li>CIP Code: 270101</li> <li>Program Credential Level: 03</li> <li>Published Program Length: 004000</li> <li>Published Program Length Measurement: Y</li> <li>Program Begin Date: 20130925</li> <li>Special Program Indicator: N</li> <li>Enrollment Status: W</li> <li>Enrollment Effective Date: 20141003</li> </ul>

Retroactive Reporting back to 07/01/14




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### Billy – December 2014

- After two consecutive W's are reported, the Math program drops from the roster
- Continue to report on the History program




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## How Often Do I Report to NSLDS?

- School determines how often NSLDS sends rosters
  - Can be no less frequent than every 60 days
- School must respond to a roster within 15 days of receipt




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## Common Questions

- Using Transfer Student Monitoring (TSM) to add students to Enrollment rosters
  - NSLDS adds students to rosters based on the monitoring Enrollment Begin Date
  - Monitoring should not start until the student is actually enrolled
  - When student appears on the roster, report actual enrollment information

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## Academic Success and Outcomes

- Currently, the Department uses information from IPEDS to respond to information requests about borrower academic success (e.g., graduation).
  - The Administration and Congress want more insight into academic success, specific to individual Title IV recipients
  - Recently, [The Consolidated Appropriations Act of 2014](#) directed the Education Department to report information on Pell Grant recipients' academic success (graduation) to Congress

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### NSLDS Updates

- Modify professional and student views to display 150%-related information
- Modify reports available to schools to include 150%-related information
- Pass information to CPS about student's current Subsidized Usage Period and whether the student has lost interest subsidy, for inclusion on the SAR/ISIR
  - Several new SAR/ISIR comments inform students and schools about approaching subsidized usage limits
- Inform Direct Loan servicers of borrowers' enrollment and loss of interest subsidy



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### Future Updates

- Student Contact Information will be mandatory
- Compliance Measurements/Letters to schools
  - Focus on roster completion, including program-level
  - Report all Title IV students attending your school
  - *Electronic Announcement, April 20, 2015*
  - *Electronic Announcement, December 23, 2014*
- Updated Enrollment Reporting Guide



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### Resources




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### 150% Direct Subsidized Loan Limit Page

- Federal Register notices
- DCL's and Electronic Announcements
- FAQ's
- Presentations and training materials
- Resources

<http://ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html>

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### 150% Direct Subsidized Loan Limit Page



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### 150% Support



E-mail: [150Percent-Questions@ed.gov](mailto:150Percent-Questions@ed.gov)  
Subject: Include organizational affiliation

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## NSLDS Enrollment Reporting Resources

IFAP / Processing Resources / NSLDS Reference Materials

- Enrollment Reporting Guide
- NSLDS announcements and newsletters



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## Thank you!



Thank you!

Zack Goodwin  
zachary.goodwin@ed.gov  
617.289.0051



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## We Appreciate Your Feedback

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

• <https://www.surveymonkey.com/s/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to [annmarie.weisman@ed.gov](mailto:annmarie.weisman@ed.gov).

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### Department of Education Contacts

Research and Customer Care Center  
800.433.7327  
fsa.customer.support@ed.gov



Reach FSA  
855.FSA.4FAA -- 1 number to reach 10 contact centers!

- |                                 |   |
|---------------------------------|---|
| <i>Campus Based Call Center</i> | <i>eZ-Audit</i>                               |
| <i>COD</i>                      | <i>School Eligibility Service Group</i>       |
| <i>CPS/SAIG</i>                 | <i>Foreign Schools Participation Division</i> |
| <i>NSLDS</i>                    | <i>Research and Customer Care Center</i>      |
| <i>G5</i>                       | <i>Nelnet Total &amp; Permanent</i>           |
|                                 | <i>Disability Team</i>                        |

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