

Guidance from ED in the wake of Hurricane Katrina

To: COHEAO Members

From: Harrison Wadsworth
Andrew Stringer

Re: Guidance from ED in the wake of Hurricane Katrina

Date: September 6, 2005

The Department of Education released the following guidance late last week relative to guidance for federal student aid program participants and recipients affected by the devastation caused by Hurricane Katrina.

Publication Date: September 2, 2005

Author: Sally L. Stroup, Assistant Secretary for Postsecondary Education

Subject: Federal Student Aid Programs - Hurricane Katrina - Transfers, Deadline Extensions, and Other Guidance

Over the next several days, we will issue a series of communications providing guidance to assist students and postsecondary educational institutions, in recognition of the devastation caused by Hurricane Katrina. We are aware that many applicants, students, and borrowers have been impacted by the hurricane, as well as institutions and other program participants. Last year, we published guidance in a Dear Colleague Letter which, until otherwise modified, can be relied upon for this current natural disaster. The letter (GEN-04-04) is available on IFAP at <http://www.ifap.ed.gov/dpcletters/GEN0404.html>.

Transfer Students:

Regular student enrollment - We encourage institutions (receiving institutions) to enroll students who have been impacted by the hurricane as regular students (i.e., enrolled for the purpose of obtaining a degree, certificate or other recognized educational credential offered by that institution), even if information that would normally be needed for an admissions decision is not immediately available. If the receiving institution waives admissions requirements that it would normally impose, it should include an explanation of that action in the student's file.

Non-regular student enrollment - Some receiving institutions have expressed concern that, for various operational and timing reasons, they may not be able to admit as regular students, students who had planned on enrolling at an impacted institution. An impacted institution is an institution whose operations have been significantly impaired by the hurricane. Instead, they may be permitting these

students to enroll in a non-matriculated status (transient, visitor, etc.). Since only regular students are eligible to receive funds under the Title IV, Federal student aid programs, we have been asked if any accommodation can be made for students in this situation.

In those limited instances where a receiving institution is unable to enroll a student from an impacted institution as a regular student, it may provide the student with Title IV, Federal student aid program funds after the student has signed a certification that he or she was enrolled in a degree, certificate, or other credential program at a specifically identified eligible institution that has been impacted by Hurricane Katrina. This authority is limited to any academic terms or payment periods that begin prior to January 1, 2006. The certification should include a clear statement that the claim by the student is true and accurate and that the statement may be reviewed.

Suggested wording for this statement is -

I certify that I was admitted to or enrolled in an academic program leading to a degree, certificate or other recognized educational credential for the 2005-2006 academic year at (Name of Institution) _____ and am unable to attend that institution due to the effects of Hurricane Katrina. I also certify that this information is true and accurate to the best of my knowledge and that I understand that it is subject to review by the United States Department of Education.

Printed or Typed Name

Signature _____

Date _____

The receiving institution must maintain a copy of the certification and must make a good faith determination that the coursework to be taken by the student would likely be accepted at the home institution.

ISIRs, Awarding, and Payments:

When awarding aid to students who had planned on attending an impacted institution, the receiving institution must use its own ISIR or SAR records and its own budgets, definitions, and packaging policies. All loan certifications and originations, and disbursements must be made under the name and number of the receiving institution.

In some cases the new institution may not have received an ISIR from the CPS, since the student did not include that institution when the FAFSA was submitted. The new institution can be added to the CPS record in a number of ways -

- The student can go on-line to www.fafsa.ed.gov and, using an FSA PIN, add the new institution to the record.
- The student can call 1-800-4FEDAID (1-800-433-3243) and provide his or her name, social security number, date of birth, and either the DRN or the name of at least one institution currently listed on the CPS

record, so that the customer service representative can add the institution to the student's record.

- The student can add the new institution using Part 2 of a paper SAR and mailing it to the address provided.

- If the student presents his or her DRN (printed on the SAR) to the receiving institution, it can use FAA Access to add itself (or another institution) to the record.

- If the student presents his or her DRN (printed on the SAR) to the receiving institution, it can call 1-800-4FEDAID (1-800-433-3243) and provide the student's name, social security number, date of birth, and DRN so that the customer service representative can add the institution to the student's record.

In all instances, the receiving institution will be added to the CPS record and an ISIR will be generated and sent to the receiving institution within 24 to 72 hours.

While it is likely that some of the students may have had Title IV, Federal student aid program funds disbursed to them from the impacted institution, determining if and how much aid may have been disbursed is probably not possible at this time. While there may be a few exceptions, in most cases any funds that had been disbursed would not represent more than one-half of the student's eligibility at the former institution. Therefore, institutions are encouraged to calculate their awards and to disburse the first portion of those awards as soon as possible. Within a few weeks, and before most second disbursements are scheduled to be made, we will assess the situation and advise program participants of a simplified process to determine if and how much of the earlier disbursements needs to be considered before the receiving institution makes its second disbursements.

Deadlines:

We intend to publish in the Federal Register a notice extending to December 1, 2005, certain published deadline dates for submission of information and reports by impacted institutions. We also intend to extend previously published deadlines for application (FAFSA) corrections by students and institutions, receipt of SARs and ISIRs by institutions, and submission of verification documents to institutions by students.

We thank all of our Title IV program participants for their patience, cooperation, and understanding as, together, we do our part to assist those impacted by the terrible results of Hurricane Katrina.