



Federal Update & Other Fun Stuff

October 2018

Agenda



- Congress
 - 2018 Midterm Election
 - Reauthorization
 - FY 18/19 Appropriations
 - What's next for Perkins?
 - Higher Education Legislation
- Department of Education
 - Dear Colleague and Electronic Announcements
- Other “Fun” Stuff



fed up adjective

Definition of *fed up*

: tired, sated, or disgusted beyond endurance



Congress



KEEP
CALM
ONLY
20 DAYS
LEFT



2018 Midterm Elections



- Entire House is up for re-election
 - Only 376 of the 435 seats will have incumbents
 - Of the 56 open seats – 38 R and 18 D

- Senate has 35 seats up for re-election
 - 26 of the 35 are Ds
 - 18 contested races – 13 Ds and 5 Rs
 - 17 uncontested – 13 D. and 4 Rs

House Prediction



Forecasting the race for the House



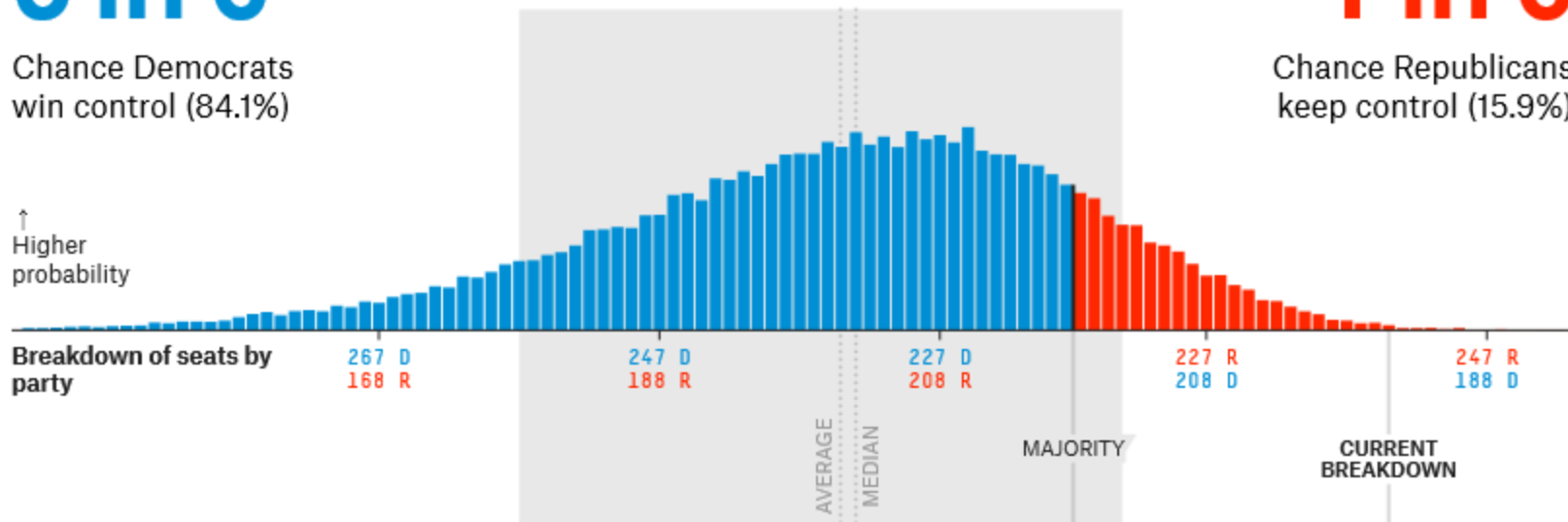
Updated Oct. 15, 2018, at 11:42 PM

5 in 6

Chance Democrats win control (84.1%)

1 in 6

Chance Republicans keep control (15.9%)



Senate



Forecasting the race for the Senate



Updated Oct. 15, 2018, at 11:42 PM

1 in 5

Chance Democrats win control (19.6%)

4 in 5

Chance Republicans keep control (80.4%)

↑ Higher probability

Breakdown of seats by party



CONTROL

CURRENT BREAKDOWN



HEA Reauthorization

HEA Reauthorization



- HEA Reauthorization will not happen in 2018
 - Mid-term elections will determine which “flavor” of reauthorization we will see in the next Congress.
 - PROSPER Act H.R. 4508 – House Rep. bill
 - Aim Higher Act H.R. 6543 – House Dem. bill

PROSPER Act



- *Promoting Real Opportunity, Success, and Prosperity through Education Reform Act*
 - No Perkins or SEOG
 - Major changes to loans
 - No Grad Plus
 - Parent Plus capped
 - Unsubsidized Direct increased loan limits
 - Eliminate subsidized Direct
 - Eliminate PSLF

Aim Higher Act



- SEOG remains – base guarantee phased out.
- Repeal loan origination fees and reduce repayment options to two
- Expand PSFL job definition
- Keep subsidized Direct
- Create Federal Direct Perkins Loans
 - Same provisions as Direct
 - 6 billion in funding

Senate Reauthorization



- Chairman Alexander admitted little to know progress has been made this year.
- Ranking minority leader Murray & other D's have major concerns with Secretary DeVos and her view on H.E. policy and have no incentive to move the bill forward.

What's Next?



- The 116th Congress will bring the community a new opportunity to advocate for Perkins, and higher ed. reforms in Reauthorization.
- While compromise is the key to getting anything accomplished who is in control will drive what is brought forward.



Budget and Appropriations

Budget and Appropriations



- There are 12 separate appropriations bills
 - Agriculture; Commerce/Justice/Science; **Defense**; **Energy & Water**; Financial Services; Homeland Security; Interior & Environment; **Labor/HHS/Education; Legislative Branch; Military Veterans**; State/Foreign Ops; Transportation/HUD

Budget and Appropriations



- H.R. 6157 Department of Defense, Labor, Health & Humans Services, and Education Appropriations Act 2019 and Continuing Appropriations Act 2019
 - Signed into law on 9/28/18
 - The bill includes the provision allowing payments to schools for Perkins Loan servicing

ACA Provision



SEC. 308. Funds appropriated in this Act under the heading “Student Aid Administration” may be available for payments for student loan servicing to an institution of higher education that services outstanding Federal Perkins Loans under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.).



Department of Education and Other Updates

Department of Education



- ~~Chief Operating Officer:~~
 - Wayne Johnson Now to lead new “Office of Strategy and Transformation” at FSA
 - Jim Manning is Acting COO, remains Acting Undersecretary?
- It’s all about Next Gen: Next Generation Processing and Servicing Environment
- ~~Acting Assistant Secretary for Postsecondary:~~
Kathleen Smith – left to go to Majority Staff on House Education Workforce Committee.

Cancellation Reimbursement



- May 4th – Electronic Announcement
 - 2016–17 Federal Perkins Loan Service Cancellation Reimbursement
 - reimbursement calculations are based on 2016–17 information reported on the 2018–19 Fiscal Operations Report (FISAP) (Part III, Section A, field 35 for the Defense Loan Program and fields 36 through 48 for the NDSL and Perkins Loan programs)
 - No appropriations = no reimbursement.

Speaking of Cancellations...



- NASFAA & ACE wrote letter to ED urging the Department to resume reimbursing institutions for cancelled Perkins Loans.
 - Last reimbursement was in 2010. Last time it was appropriated by Congress

Perkins Asset Distribution



- July 11 2018 – Electronic Announcement
 - The Distribution of Assets process replaces the existing excess cash process.
 - The Department will require a capital distribution from the institution’s Perkins Fund on an **annual basis**.
 - After the 2017-18 FISAP is submitted through COD by October 1, 2018, the Department will send a notification to institutions that have cash in the Perkins Fund and are subject to the distribution of assets process.

Perkins Administrative Responsibilities



- October 4, 2018 – Electronic Announcement
 - Schools are still permitted to service their Perkins Loan portfolio and, indeed, *must* service their loan portfolio according to the program rules.
 - **Due Diligence (34 CFR 674.41(b))**
 - **Use of contractors for billing and collection (34 CFR 674.48)**
 - **Collection procedures (34 CFR 674.45)**
 - **Ceasing Collections (34 CFR 674.47)**

Perkins Administrative Responsibilities



- Reporting Requirements
 - NSLDS (**34 CFR 674.16(j)**)
 - Reporting is done timely and accurately
 - Includes enrollment data for each loan
 - For purposes of Perkins Loan assignment, it is very important that borrower loan information is accurate and kept current through the assignment process
- Schools should request a reconciliation report from NSLDS to ensure the school's records are consistent with NSLDS, reconcile any discrepancies, and update NSLDS accordingly. We strongly encourage schools to complete this reconciliation with NSLDS at least quarterly.

Disaster Guidance

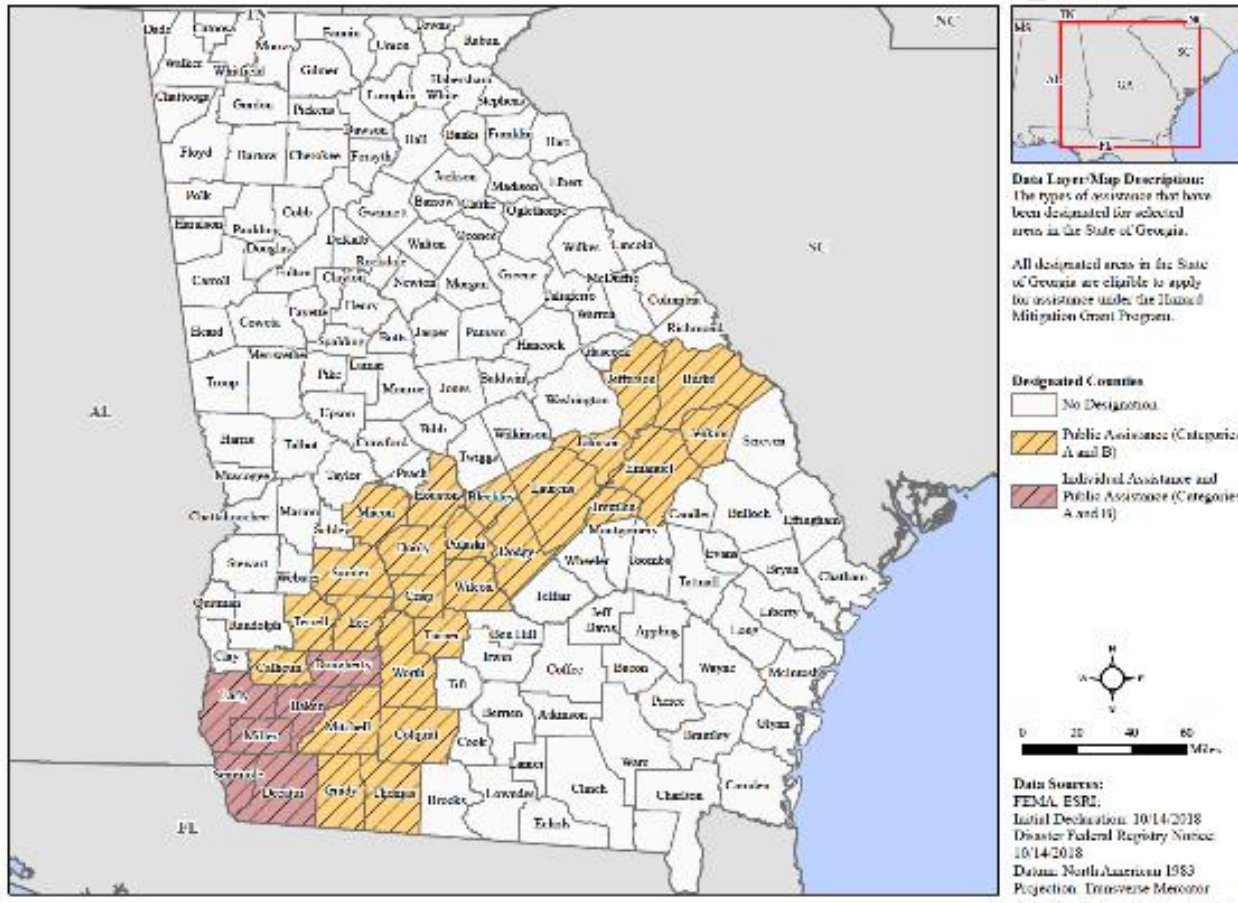


- GEN-17-08 - Guidance for helping Title IV participants affected by a major disaster
 - the regulatory relief applies to institutions, lenders, guaranty agencies and their servicers that are located in such areas.
 - only the subset of disasters designated for “Individual Assistance” are eligible for the relief described in the attachment.
 - [FEMA.gov/disasters](https://www.fema.gov/disasters)

Disaster Guidance



FEMA-4400-DR, Georgia Disaster Declaration as of 10/14/2018



Designated Counties
(Individual Assistance):
Baker, Decatur,
Dougherty, Early, Miller,
Seminole

TPD Match with VA



- In 2016 the Department worked with SSA to match potentially eligible borrowers.
- Now working with VA to do the same.
 - Match through NSLDS and VA Records
 - Positive matches will receive a customized letter from NelNet
 - Sample letter on April 17 Electronic Announcement

Cyber Security



- Entire section devoted to Cyber Security on IFAP – found under information pages.
 - Now part of the single audit
 - “Legal obligation to protect student information”
 - Refer to Dear Colleague Letter GEN-16-12

GDPR



- EU General Data Protection Regulations
 - Effective May 25th 2018
 - Even if an organization is able to prove that it is not established within the EU, it will still be caught by GDPR if it processes personal data of data subjects who are in the Union where the processing activities are related "to the offering of goods or services"
 - <https://www.dlapiper.com/en/us/focus/eu-data-protection-regulation/home/>

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Questions...

