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INTRODUCTION AND GENERAL PROGRAM INFORMATION

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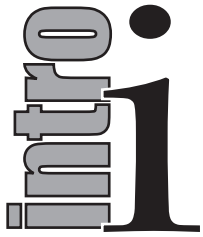


Introduction

The Federal Student Financial Aid Handbook explains the policies and procedures required in the proper administration of the Student Financial Assistance (SFA) Programs. Defined in law, in regulation, or as guidance from the U.S. Department of Education (ED), these policies and procedures facilitate the effective operation of the federal processing system and of the reporting systems for individual programs. The Introduction for Chapter 1 lists the SFA Programs and contains a brief discussion of the contents and structure of this handbook. Chapter 1 contains two sections: General Program Information and References and Resources.

At the time this Handbook went to print, specific information was not available on certain topics. In each of these cases, we have noted that the Department will issue further guidance at a later date, generally in the form of a "Dear Colleague" letter or an Action Letter. In some specific cases, the Department will publish final regulations. When issued, this up-to-date information will also be available electronically on the SFA Bulletin Board System (BBS). The SFA BBS contains SFA publications that can be searched, copied, or downloaded through the internet. Most—but not all—of these same publications are also available on the SFA website. To connect to the BBS, call the Customer Support Branch at the telephone number listed on the inside cover. To connect to the SFA website, use the following address:

http://www.ed.gov/offices/OPE/Professionals/

For the most up-to-date information, participating schools should check the SFA website or the BBS regularly. In fact, all participating schools are required to have access to the SFA website or to the BBS by July 1, 1998. For more information on this requirement, see Chapter 3, Section 2.

Actions that conflict with ED guidance may be determined to be improper

Schools should understand the context in which the information in this handbook is given. The preamble to the General Provisions regulations published April 29, 1994 (34 CFR–Part 668) clarifies that guidance issued from ED in the form of manuals, handbooks, other publications, and "Dear Colleague" letters **does not** have the same legal force as regulations issued pursuant to formal rulemaking. Such guidance **does**, however, constitute a useful foundation for measuring how reasonable a school's (or a third-party servicer's) conduct is. Accordingly, school actions that conflict with guidance from ED may be determined to be improper if the actions indicate that the school did not make a good faith effort in administering the SFA Programs. Schools may be subject to penalties for such actions.

THE STUDENT FINANCIAL ASSISTANCE (SFA) PROGRAMS

The term "Student Financial Assistance (SFA) Programs" refers to programs administered by ED's Office of Postsecondary Education (OPE). The specific programs listed below and on the following page are authorized by Title IV of the Higher Education Act of 1965, so they are often collectively referred to as the Title IV programs.) The SFA Programs comprise the

- ◊ Federal Pell Grant Program,
- ◊ William D. Ford Federal Direct Loan (Direct Loan) Program,
- ◊ Federal Family Education Loan (FFEL) Program,
- ◊ Federal Perkins Loan (Perkins Loan) Program,
- ◊ Federal Work-Study (FWS) Program,
- ◊ Federal Supplemental Educational Opportunity Grant (FSEOG) Program, and
- ◊ State Grant and Scholarship Programs.

These programs are covered individually in Section 1 of this chapter, beginning on page 5.

This publication consists of 11 chapters that cover the SFA Programs from the vantage point of the school's financial aid administrator. Chapter 1 provides a general introduction. Chapters 2 and 3 cover eligibility issues. Chapters 4 through 11 are program-specific. Each chapter title and purpose are covered below.

Chapter 1—Introduction and General Program Information

This chapter provides general information and references.

Chapter 2—Student Eligibility and Financial Need

This chapter addresses general student eligibility requirements (such as citizenship, satisfactory progress, financial need, and packaging) that apply to all the SFA Programs. Most of these requirements are based on the General Provisions regulations (34 CFR-Part 668).

Chapter 3—Institutional Eligibility and Administrative Requirements

This chapter explains school and program eligibility requirements that are common to all the SFA programs. These requirements are based on the Institutional Eligibility regulations (34 CFR-Part 600) and on the General Provisions regulations (34 CFR-Part 668). Chapter 3 also covers the general participation requirements, such as the use of financial aid transcripts and the NSLDS, refund and repayment procedures, recordkeeping and administrative procedures, and cash management requirements.

Chapter 4—Federal Pell Grant Program

This chapter explains how to calculate Pell Grant payments and how to report payments to ED.

Chapter 5—Campus-based Programs (Common Elements)

This chapter provides general information common to the three campus-based programs (Perkins, FWS, and FSEOG). **Chapters 6 through 8** cover those programs individually.

Chapters 6—Federal Perkins Loan Program

Chapter 7—Federal Work-Study Program

Chapter 8—Federal Supplemental Educational Opportunity Grant Program

These chapters cover the campus-based programs individually.

Chapter 9—State Grant Programs

This chapter discusses the state grant and scholarship programs (SSIG, Byrd, Douglas, and NEISP).

Chapter 10—Federal Family Education Loan Programs

This chapter covers the FFEL Program (Federal Stafford and Federal PLUS).

Chapter 11—William D. Ford Federal Direct Loan Program

This chapter covers the William D. Ford Federal Direct Loan Program (Direct Stafford and Direct PLUS).

OTHER USEFUL CONTACTS WITHIN THE DEPARTMENT

Your school may come into contact with several other offices within the Department of Education. These offices include the Office of Special Education and Rehabilitative Services (OSERS), the Office of Vocational And Adult Education (OVAE), and the Office of Bilingual Education and Minority Languages Affairs (OBEMLA). Two other Department offices you may have contact with are the Office of Inspector General (OIG) and the Office for Civil Rights (OCR).

Previously, when your school requested funds from the Department for the Federal Pell Grant, FSEOG, FWS, Perkins Loan, or the Direct Loan Program, that request was handled through the ED Payment Management System (ED/PMS, located within the Office of the Chief Financial Officer.

EDCAPS/ GAPS

In the 1997-98 Handbook, we stated that ED/PMS would be replaced by a new centralized financial management system called the Education Central Automated Processing System (EDCAPS). EDCAPS will be implemented during the first quarter of calendar year 1998. EDCAPS will contain the new Grants Administration and Payments System (GAPS).

Under GAPS, schools will request funds through each individual SFA program using the program and fiscal year designation (award number) that is assigned by the Department to the authorized funds. See Section 3 of Chapter 3 for further details on EDCAPS/GAPS and a contact telephone number and web site address.

Section 1 General Program Information

This section starts out with a description of each SFA program, followed by a listing of statutes and regulations that apply to each SFA program. Finally, this section mentions several types of non-SFA assistance programs for students and provides information on other useful Department publications. In general, students apply for federal student aid by completing the *Free Application for Federal Student Aid* (FAFSA). Once the student applies he or she will receive a *Student Aid Report* (SAR), which contains the Expected Family Contribution (EFC). The application process is described in detail in the *Counselor's Handbook for Postsecondary Schools*.

Program requirements differ

The SFA Programs provide postsecondary students with need-based grants, loans, and work-study. Requirements differ somewhat for each program, depending on the type of aid provided and the manner in which funds are delivered to students. The SFA programs are described below.

SFA PROGRAM SUMMARIES

Federal Pell Grant Program

The Federal Pell Grant is usually considered the first source of student assistance. The Pell Grant is "portable" in that an eligible student may submit the SAR to any participating school and be assured payment. Students who apply electronically through the school will receive a SAR Information Acknowledgment. Electronic schools will receive an Institutional Student Information Report (ISIR). The ISIR and SAR contain the same processed student information in different formats. Pell Grant payments are not limited to the available funds at the school. ED provides an initial authorization for all participating schools and can increase the school's authorization when necessary. Consequently, the school is able to pay awards to all eligible students attending the school during a given award year.

Maximum award

The Pell Grant amount a student can receive is based on the student's EFC and cost of attendance. For the 1998-99 award year, the Department expects that the maximum award will be $3,000. The maximum amount had not been determined at the time this Handbook went to print. (See Chapter 4 for further information). The maximum Pell amount alone rarely meets a student's financial need. Therefore, additional funds are often available from other federal, private, or institutional sources.

William D. Ford Federal Direct Loan Program

The William D. Ford Federal Direct Loan (Direct Loan) Program provides student and parent loans. Under the Direct Loan Program the federal government provides the loan principal; private lenders are not involved. (Flexible repayment options and Consolidation Loans are also available.) Currently, over 1500 schools are eligible to participate in the Direct Loan Program. See Chapter 11 for more details about this program, or call the Direct Loan Task Force at 202-708-9951.

Direct Loan approval procedure

Under the Direct Loan Program, the school certifies a student's eligibility for the loan, and ED sends the loan funds directly to the school for delivery to the borrower. Direct Subsidized Loans, for student borrowers, are subsidized (that is, the federal government pays the accruing interest on the loan while the student is in school, during the grace period, and during deferment periods). An independent student in need of additional aid (or, in some cases, a dependent student whose parents cannot receive a PLUS Loan) may receive a Direct Unsubsidized Loan. (Interest accrues from the date that the first installment is disbursed and is the responsibility of the borrower.) For both types of loans, the borrower is not required to make payments until the he or she has left school and the grace period has expired.

Direct Loans for parents

The parent of a dependent student may borrow a Federal Direct PLUS Loan as long as the student is otherwise eligible for aid and the PLUS borrower meets other eligibility requirements found in 34 CFR Part 685.200 (b). This type of loan is also unsubsidized, so parent borrowers are responsible for accruing interest from the date the first installment is disbursed. Repayment begins as soon as the loan is fully disbursed, and there is no grace period.

Federal Family Education Loan (FFEL) Program

Under the FFEL Program, private lenders provide loan principal for Federal Stafford Loans (for student borrowers) and Federal PLUS Loans (for parent borrowers). The federal government guarantees the loan through a state guaranty agency. (Some schools act as lenders, and in some cases, the guaranty agency may act as a "lender of last resort.") If the student or parent borrower defaults on the loan (or if the loan is canceled), the lender can be reimbursed by the federal government.

The school certifies a student's eligibility for the loan, and then the guaranty agency and lender approve the loan. Then, the lender sends the loan amount to the school, which then disburses the proceeds to the student or—in the case of a PLUS Loan—to the parent.

FFEL loan approval procedure

Most Federal Stafford Loans are "subsidized" (that is, the federal government pays the accruing interest on the loan while the student is in school and during certain deferment periods). Throughout the life of the loan, the federal government also pays the lender a special allowance to cover the difference between the Stafford interest rate and the prevailing market rate. Repayment of loan principal does not begin until the student has left school and the grace period has expired.

An independent student in need of additional aid may also receive an unsubsidized Federal Stafford Loan. For these unsubsidized loans, however, interest accrues from the date of loan origination and is the responsibility of the borrower. Repayment of loan principal does not begin until the student has left school and the grace period has expired.

The parent(s) of a dependent student may also borrow a Federal PLUS Loan, provided the student is otherwise eligible for aid. PLUS loans are unsubsidized, so parent borrowers are responsible for accruing interest from the date of loan origination. Repayment begins while the student is still in school. There is no grace period.

FFEL loans for parents

FFEL Consolidation Loans are also available. Loan consolidation enables a borrower with loans from different lenders to obtain one loan with one interest rate and repayment schedule. The lender pays off the existing loans and makes one Federal Consolidation Loan to replace them.

Campus-Based Programs

There are three campus-based programs: Federal Supplemental Educational Opportunity Grants, Federal Work Study, and Federal Perkins Loans. They are called "campus based" because they are managed at the campus level. These programs provide grants (FSEOG), part-time employment administered through the school (FWS), and low-interest loans (Perkins). In the fall preceding the award year, the school submits to ED a fiscal report for the past year and an application for funds for the coming year (the report and application are jointly known as the Fiscal Operations Report and Application to Participate—FISAP). For Example, during the 1998-99 year, the school submits its fiscal report for 1997-98 and its application for funds for 1999-2000.

Each year, participating schools are allocated funds based on the anticipated financial need of its student body. (The funds are allocated based on the FISAP data.) The school must decide on the campus-based aid recipients and award amounts within certain regulatory parameters.

School decides on award amounts

There is a statutory limit on the amount of aid an individual may receive under the FSEOG and Perkins Loan programs. For the FWS, the sum of the student's FWS award plus other resources may not exceed his or her financial need. Most campus-based aid recipients who have remaining unmet need will be eligible for aid from other federal, private, or institutional sources.

Not all schools participate

Some schools that participate in other SFA Programs choose not to participate in the campus-based programs because of the increased administrative responsibility. For instance, when a school acts as a lender in the Federal Perkins Loan Program or as an employer in the FWS Program, the school must comply with many of the same legal requirements (such as the Fair Debt Collection Practices Act and the Fair Labor Standards Act) that apply to banks and businesses.

State Grants and Scholarships

ED also provides state agencies with funds for other grant and scholarships programs. The State Student Incentive Grant (SSIG), for instance, is a matching-funds program intended to assist states in providing grants to eligible students. Many of the eligibility criteria are established by the state agency, although SSIG recipients must also meet the same basic eligibility criteria applicable to the other SFA Programs.

Robert C. Byrd Honors Scholarship Program

Eligibility criteria for the Robert C. Byrd Honors Scholarship (Byrd Scholarship) Program differs from other SFA Programs. Byrd Scholarships are based on merit, not on financial need. Federal requirements for this program are described in Chapter 9. For information about student eligibility, program eligibility, and funding procedures, students should refer to materials provided by the Byrd agency in their state of residence.

Paul Douglas Teacher Scholarship Program

No new funding for the Paul Douglas Teacher Scholarship Program has been authorized since the 1996-97 year. However, any student who has received a Douglas Scholarship in the past and has not yet fulfilled the terms of that scholarship agreement must continue to fulfill those terms. Chapter 9, Section 3 covers the Douglas Scholarship Agreement in detail.

National Early Intervention Scholarship & Partnership Program

Under the National Early Intervention Scholarship and Partnership (NEISP) Program, the Secretary of Education provides states with grants for early intervention and scholarship assistance.

The statutory authority for the SFA Programs is found in Title IV of the Higher Education Act of 1965, as amended. The programs were most recently reauthorized by the Higher Education Amendments of 1992 (HEA) and the Higher Education Technical Amendments of 1993 (HETA). The Omnibus Reconciliation Act of 1993 (OBRA) also affected certain aspects of the SFA Programs, as did the Improving America's Schools Act of 1994 (IASA).

SFA Program requirements are specified in Department regulations. Final regulations to be published in December 1997 will be effective for the 1998-99 award year. The SFA-related sections of the Code of Federal Regulations (CFR) are

- ◊ 34 CFR Part 600, Institutional Eligibility
- ◊ 34 CFR Part 602, Recognition of Accrediting Agencies
- ◊ 34 CFR Part 653, Paul Douglas Teacher Scholarship Program
- ◊ 34 CFR Part 654, Robert C. Byrd Honors Scholarship Program
- ◊ 34 CFR Part 668, Student Assistance General Provisions
- ◊ 34 CFR Part 673, Common Provisions for Campus-based Programs
- ◊ 34 CFR Part 674, 675, 676, Campus-based Programs
- ◊ 34 CFR Part 682, FFEL Program
- ◊ 34 CFR Part 685, William D. Ford Federal Direct Loan Program
- ◊ 34 CFR Part 690, Federal Pell Grant Program
- ◊ 34 CFR Part 692, SSIG
- ◊ 34 CFR Part 693, National Early Intervention Scholarship and Partnership Program

The following margin marker alerts the reader to major regulatory changes and to new guidance:

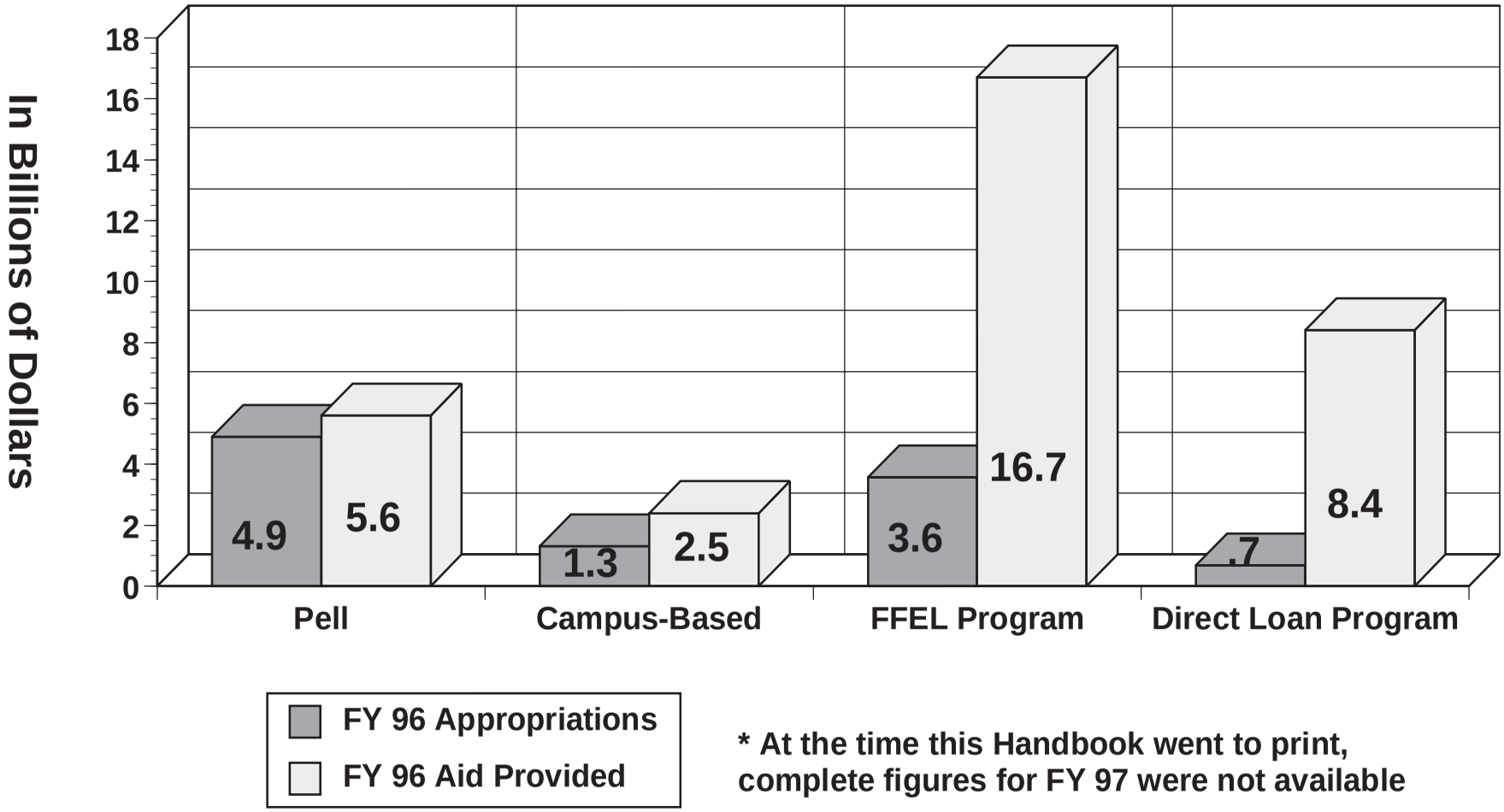
The federal government has a substantial interest in and commitment to federal student aid programs for students at the postsecondary level. Each year, the Administration and both Houses of Congress labor to adequately fund the student aid programs. The first column on the chart on page 11 shows the amounts appropriated under the Pell, campus-based, FFEL, and Direct Loan programs for FY 1996. The second column shows the actual aid provided under the programs for FY 1996. (Complete figures for FY 1997 were not available at the time this Handbook went to print.) The chart shows that in each case the federal appropriation does not represent the total amount of aid actually provided to students.

Under the Pell Grant Program, the increase represents a surplus from previous funding. Each participating school in the FWS and FSEOG programs contributes a share of its own funds to the amounts it receives from the Department. Schools participating in the Perkins Loan Program contribute a share of their own funds and also use funds repaid from outstanding loans to make new loans. Therefore, for the campus-based programs, the actual FY 96 aid provided was higher than the FY 96 appropriation. Under the FFEL Program, private lenders provide the capital for the FFEL Program loans, in addition to the federal funds spent on the program (which cover interest and special allowance payments, and other maintenance costs). For the Direct Loan Program, the capital used to provide loans to borrowers is provided through the U.S. Treasury Department through its regular Treasury bill auctions and through the receipt of loan repayments. The FY appropriation for the Direct Loan Program covers the operational costs of the program.

FFEL provided largest amount of aid to parents and students

For FY 96, the FFEL Program was the largest SFA program in terms of actual aid provided to students. As the chart on page 11 shows, 16.7 billion was provided to students and their parents.

FY 96 Appropriations Compared to Actual Aid Provided*



* At the time this Handbook went to print, complete figures for FY 97 were not available

OTHER ASSISTANCE PROGRAMS FOR STUDENTS

The SFA programs office is contained within the Office of Postsecondary Education (OPE). While the SFA programs provide students with aid directly, other offices within OPE and within the Department provide grants to states and to local education agencies that in turn administer those funds for education programs. Within OPE, one example of such a program is the Robert C. Byrd Scholarship Program, which is covered in Chapter 9 of this handbook. Examples of federal assistance outside of OPE include grants provided for aid to handicapped students through the Office of Special Education and Rehabilitative Services (OSERS) and grants provided for adult education and literacy through the Office of Vocational and Adult Education (OVAE). This aid is administered (under federal guidelines) by state agencies, local education agencies, or other state or local organizations, and students must meet designated eligibility criteria. More information on vocational rehabilitation programs, for example, may be available at local or state vocational rehabilitation offices.

Specific aid targeting particular groups of students

Several other federal agencies provide student financial aid that targets certain groups of students. Consider, for example, the financial aid offered through veterans educational benefits; tuition assistance payments through the Job Training and Partnership Act (JTPA) Program administered by the department of Labor; and the health loans and nursing scholarships from the Public Health Service (within the Department of Health and Human Services). For more information on these programs, contact the appropriate agency or the administering state agency.

OTHER USEFUL DEPARTMENT PUBLICATIONS

The handbook summarizes regulatory and statutory requirements related to SFA Program administration. Nonetheless, schools may find useful other Department publications that address special topics of interest to financial aid administrators. For instance, *The Counselor's Handbook* (the high school version and the postsecondary school version) discusses the application process and explains how to make corrections or other changes to application information. *The EFC Formula Book* offers a detailed description of the statutory formula used to calculate a student's Expected Family Contribution (EFC). The *Verification Guide* describes the procedures for verifying a student's application data. These publications are usually printed in the late fall or winter preceding the beginning of an award year.

Other SFA Program reference materials include a compilation of regulations affecting these programs and various publication indexes. While the handbook and related publications serve as comprehensive reference documents for financial aid administrators, additional resources may serve more specialized needs. Schools that use SFA Program automated data systems will automatically receive manuals and other materials describing the operating procedures for the Recipient Data Exchange (RDE), the Electronic Data Exchange (EDE), the electronic FISAP (report and application for campus-based program funds), and the electronic DRAP (default reduction assistance for Perkins/NDSL).

Publications for auditors and fiscal officers

ED also provides special publications for fiscal officers and auditors. *The Blue Book* describes accounting, recordkeeping, and reporting procedures for schools participating in the SFA Programs. ED's Payment Management System issues a *User's Manual* for the Automated Clearinghouse/Electronic Funds Transfer system—the direct deposit system that provides participating schools with SFA funds. The Office of Inspector General (OIG) publishes the *Audit Guide,* which identifies federal program compliance areas that must be reviewed by the auditor.

Throughout the award year, ED informs the financial aid community of policy and procedure changes via "Dear Colleague" letters.

References and Resources

This section contains important names, addresses, and telephone numbers for both Headquarters and regional office personnel. These contacts include major areas within the Program Systems Service (PSS), which administers the operational aspects of the SFA programs; within the Accounting and Financial Management Service (AFMS), which is responsible for delivering and accounting for SFA funds; and within the Department's regional offices, which implement central office functions in the field.

Page 1-17 contains information on the Automated Data Exchange. The Automated Data Exchange is within the Recipient and Financial Management System (RFMS) Customer Service. This service includes the Recipient Data Exchange (RDE), the Electronic Data Exchange (EDE), and the Floppy Disk Data Exchange (FDDE). Pages 1-18 and 1-19 contain the Pell Grant Financial Management Specialists and Campus-Based Financial Management Specialists, respectively. These specialists are within AFMS.

ED regional offices

The next four pages contain contacts for the Department's regional offices. Page 1-20 shows the Direct Loan Task Force Client Account Management, including each region's address, telephone number, and states served. The general addresses for each of the 10 Department regional offices are shown on page 1-21. Page 1-22 contains the regional addresses for the Case Management Teams (formerly listed as the Institutional Review Branches in last year's Handbook), and page 1-23 contains the regional addresses of the Guarantor and Lender Review Branches within the Field Guarantor and Lender Review Division. Next, page 1-24 contains the ED regional map.

Telephone numbers and glossary

Pages 1-25 through 1-28 contain important toll-free telephone numbers for various service areas throughout SFAP and ED. A brief glossary of terms starts on page 1-29.

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Automated Data Exchange Information

Recipient (Tape) Data Exchange
RFMS Customer Service 1-800-4-PGRANT

Floppy Disk Data Exchange
Pell Grant User Support Hotline 1-800-4-PGRANT

Electronic Payment Information
Pell Grant User Support Hotline 1-800-4-PGRANT
- Electronic Statement of Account
- Software Problems
- Payment Data Record Rejects

Electronic Data Exchange
Paul Mathis 202-708-8270
- Electronic Applications
- Institution Student Information Records (ISIRs)
- Electronic Corrections

Federal Pell Grant Program Financial Management Specialists Institutional Financial Management Division

If you have any questions about the information reported on Institutional Payment records, Batch Summaries, Student Payment Summaries, or the Pell Grant Statement of Account, you should contact the Recipient and Financial Management Service (RFMS) Customer Service at 1-800-4-PGRANT (1-800-474-7268) or the Financial Management Specialist assigned to your region. These specialists are listed below. (Backup representatives, along with their telephone numbers, are listed underneath the main representative in parentheses.)

Name (Alternate)	**Telephone Number (Alternate)**	**Region (States and Other Jurisdictions)**
Jeannette Bailey (Sarenia Newsom)	202-708-9232 (202-708-9233)	**I** (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)
Barbara Maddox (Shirley Purvis)	202-708-8825 (202-708-6822)	**II** (New Jersey, New York, Puerto Rico, and Virgin Islands)
Barbara Maddox (Jeannette Bailey)	202-708-8825 (202-708-9232)	**III** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia)
Shirley Purvis (Terry Brooks)	202-708-6822 (202-708-9231)	**IV** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee)
Terry Brooks (Barbara Maddox)	202-708-9231 (202-708-8825)	**V** (Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin)
Sarenia Newsom (Shirley Purvis)	202-708-9233 (202-708-6822)	**VI** (Arkansas, Louisiana, New Mexico, Oklahoma, and Texas)
Sarenia Newsom (Carolyn Craddock)	202-708-9233 (202-708-7821)	**VII** (Iowa, Kansas, Missouri, and Nebraska)
Jeannette Bailey (no alternate)	202-708-9232	**VIII** (Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming)
Carolyn Craddock (no alternate)	202-708-7821	**IX** (Arizona, California, Hawaii, Nevada, and the Pacific Islands—American Samoa, Guam, Republic of Palau, Wake Island, and the Federated States of Micronesia)
Terry Brooks (Carolyn Craddock)	202-708-9231 (202-708-7821)	**X** (Alaska, Idaho, Oregon, and Washington)

Campus-Based Programs Financial Management Specialists Institutional Financial Management Division

When a school files the Fiscal Operations Report and Application to Participate (FISAP) requesting Campus-Based Programs funds for the following award period (schools must request funds for 1999-2000 during the 1998-99 award period, for example), the school will receive "Dear Colleague" letters notifying it of the tentative and final funding. (See Chapter 5 of this handbook for an explanation of the FISAP.) Questions regarding the FISAP or a school's funding levels should be directed to the designated Campus-Based Programs specialist. Below is a list of these specialists, along with their telephone numbers and the states that each specialist covers. Alternates, along with their telephone numbers, are listed in parentheses underneath the main specialist. You may also reach these specialists or alternates by fax at 202-260-0522 or 202-401-0387. If you have trouble reaching either your specialist or the alternate, you may call 202-708-7741.

Name (Alternate)	**Telephone Number (Alternate)**	**States Covered**
Vicki Roberson (Dinah Nelson)	202-708-7747 (202-708-8759)	•Louisiana, Maine, Maryland, Michigan, Massachusetts, Minnesota, and Montana
Dinah Nelson (Vicki Roberson)	202-708-8759 (202-708-7747)	•Florida, Mississippi, Ohio, and Pennsylvania
Carolyn Short (C. Franklin-Jones)	202-708-9184 (202-708-9183)	•Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Puerto Rico, Utah, and Virgin Islands
Carol Franklin-Jones (Carolyn Short)	202-708-9183 (202-708-9184)	•Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Georgia, Kentucky, Rhode Island, and Vermont
Rhonda Herbert (Jim Porter)	202-708-9191 (202-708-7752)	•Arkansas, District of Columbia, Hawaii, Tennessee, Texas, Virginia, and the Pacific Islands—American Samoa, Guam, Republic of Palau, Republic of the Marshall Islands, Northern Marianas, and the Federated States of Micronesia
Joseph Morris (Alice Payne)	202-708-8745 (202-708-9754)	•Idaho, Illinois, Indiana, Iowa, Kansas, and Missouri
Alice Payne (Joseph Morris)	202-708-9754 (202-708-8745)	•California and South Carolina
Jim Porter (Rhonda Herbert)	202-708-7752 (202-708-9191)	•North Carolina, North Dakota,Oregon, South Dakota, Washington, West Virginia, Wisconsin, and Wyoming
Mary Hubbard (Rhonda Herbert)	202-708-9230 (202-708-9191)	•Oklahoma

Direct Loan Client Account Management

	Address and Telephone	States Served
Region I	10 Causeway Street 3rd. Floor - Room 341 Boston, Massachusetts 02222 617-565-6911	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
Region II	75 Park Place, 12th Floor New York, New York 10007 212-264-8012	New Jersey, New York, Puerto Rico, and the Virgin Islands
Region III	3535 Market Street, Room 2304 Philadelphia, Pennsylvania 19104 215-596-1716	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
Region IV	61 Forsyth Street, SW, Room 18T20-A Atlanta, Georgia 30303 404-562-6259	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
Region V	111 North Canal Street, Room 830 Chicago, Illinois 60606-7206 312-886-8766	Illinois, Indiana, Michigan, Ohio, and Wisconsin
Region VI	1999 Bryan Street Suite 2735 Dallas, Texas 75201 214-880-2405	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
Region VII	7505 Tiffany Springs Parkway, Suite 500 Kansas City, Missouri 64153-1367 816-880-4090	Iowa, Kansas, Missouri, and Nebraska
Region VIII	1391 N. Speer Boulevard, Suite 800-A Denver, Colorado 80204-2512 303-844-3677	Colorado, Minnesota, Montana, North Dakota, South Dakota, Utah, and Wyoming
Region IX	50 United Nations Plaza, Room 121 San Francisco, California 94102-4987 415-437-8843	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Republic of Palau, Republic of the Marshall Islands, the Northern Marianas, and the Federated States of Micronesia
Region X	1000 Second Avenue, Suite 1200 Seattle, Washington 98104-1023 206-287-9840	Alaska, Idaho, Oregon, and Washington

Department of Education
Student Financial Assistance Programs
Regional Addresses

Region I - Boston	Room 502 J.W. McCormack Post Office and Courthouse Bldg. Boston, Massachusetts 02109 617-223-9338
Region II - New York	12th Floor, Room 1206 75 Park Plaza New York, New York 10007 212-264-4022
Region III - Philadelphia	3535 Market Street, Room 16200 Philadelphia, Pennsylvania 19104 215-596-0247
Region IV - Atlanta	61 Forsyth Street, SW, Room 18T20 Atlanta, Georgia 30303-3104 404-562-6315
Region V - Chicago	111 North Canal Street, Suite 830 Chicago, Illinois 60606-7204 312-886-8767
Region VI - Dallas	1999 Bryan Street, Suite 2735 Dallas, Texas 75201 214-880-2405
Region VII - Kansas City	Northpointe Tower, 9th Floor 10220 NW Executive Hills Blvd. Kansas City, Missouri 64153-1367 816-880-4053
Region VIII - Denver	Parkway Center Building, Suite 800 1391 North Speer Denver, Colorado 80204-2512 303-844-3677
Region IX - San Francisco	50 United Nations Plaza, Room 268 San Francisco, California 94102-4987 415-437-8276
Region X - Seattle	1000 Second Avenue, Suite 1200 Seattle, Washington 98104-1023 206-287-1770

Case Management Teams
Case Management Divisions
Institutional Participation and Oversight Service

The Institutional Participation and Oversight Service contains four Case Management Divisions. These divisions perform similar functions, and each division is responsible for a separate section of the U.S. Each division implements the following case management team functions: audit resolution, program review, financial statement analysis, and recertification. The four divisions are:

- Case Management Division Northeast
- Case Management Division Southeast
- Case Management Division Southwest
- Case Management Division Northwest

The division functions are performed by teams headed by an Area Case Director and composed of staff from Washington, D.C. and the region. Each division contains two or more of these teams. Listed below are the teams, their telephone numbers, and the states each team is responsible for.

Team	Telephone #	States Covered
Case Management Division Northeast		
Boston Team	617-223-9338	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
New York Team	212-264-4022	New Jersey, New York, Puerto Rico, and Virgin Islands
Philadelphia Team	215-596-0247	Delaware, Maryland, Pennsylvania, Virginia, W. Virginia, and the District of Columbia
Case Management Division Southeast		
Atlanta Team	404-562-6315	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
Kansas City Team	816-880-4053	Iowa, Kansas, Missouri, and Nebraska
Case Management Division Southwest		
Dallas Team	214-767-3811	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
San Francisco Team	415-437-8276	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Republic of Palau, Republic of the Marshall Islands, Northern Marianas, and the Federated States of Micronesia
Case Management Division Northwest		
Chicago Team	312-886-8767	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
Seattle Team	206-287-1770	Alaska, Idaho, Oregon, and Washington
Denver Team	303-844-3677	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

The Case Management Division Northeast is also responsible for certification and monitoring of foreign schools. For information on foreign schools you should contact 202-205-0183.

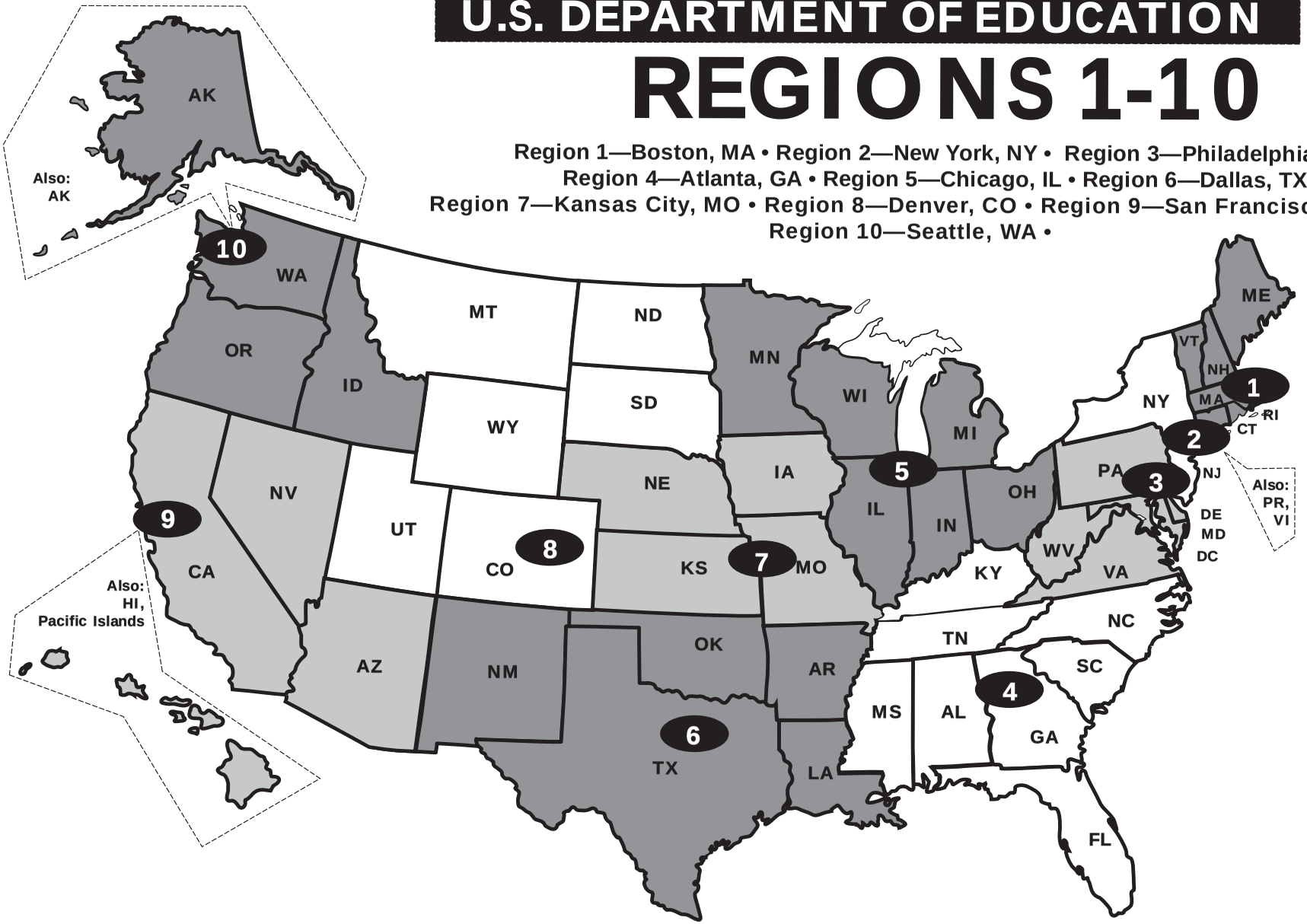
Guarantor and Lender Review Branches
Field Guarantor and Lender Review Division
Guarantor and Lender Oversight Service

	Branch	States Served
Region I	J. W. McCormack Post Office and Courthouse Bldg., Room 502 Boston, Massachusetts 02109 617-223-9328	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
Region II	75 Park Plaza, Room 1206 New York, New York 10007 212-264-4022	Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, West Virginia, Virgin Islands, Puerto Rico, and the District of Columbia
Region III	No Branch (served by Region II)	
Region IV	61 Forsyth Street, SW, Room 18T20-A Atlanta, Georgia 30303 404-562-6287 (Region VI phone number is backup)	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
Region V	111 North Canal Street, Suite 830 Chicago, Illinois 60605 312-886-8767	Illinois, Indiana, Michigan, Minnesota Ohio, and Wisconsin
Region VI	1999 Bryan Street, Suite 2735 Dallas, Texas 75201 214-880-2405	Arkansas, Iowa, Kansas, Kentucky, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas
Region VII	No Branch (served by Region VI)	
Region VIII	No Branch (served by Region IX)	
Region IX	50 United Nations Plaza San Francisco, California 94102 415-437-8200	Alaska, Arizona, California, Hawaii, Idaho, Nevada, Colorado, Montana, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, American Samoa, Guam, Republic of Palau, Republic of the Marshall Islands, the Northern Marianas, and the Federated States of Micronesia
Region X	No Division (served by Region IX)	

U.S. DEPARTMENT OF EDUCATION

REGIONS 1-10

Region 1—Boston, MA • Region 2—New York, NY • Region 3—Philadelphia, PA •
Region 4—Atlanta, GA • Region 5—Chicago, IL • Region 6—Dallas, TX •
Region 7—Kansas City, MO • Region 8—Denver, CO • Region 9—San Francisco, CA •
Region 10—Seattle, WA •



Federal Student Aid Information Center

The ED student information line **1-800-4-FED AID (1-800-433-3243)** provides assistance to callers in completing the federal application as well as providing information on the federal student aid programs administered by ED. This number serves as a dissemination point for many ED publications and video products. People who are hearing impaired may call **1-800-730-8913**.

Inspector General's Hotline

The hotline to the U.S. Department of Education's Inspector General's Office is **1-800-MIS-USED (1-800-647-8733)**. Call this number if you have reason to expect any fraud, waste, or abuse involving federal student aid funds.

Debt Collection Service for Department-held Loans

Borrowers who have defaulted loans **held by the Department** can call **1-800-621-3115** to find out who is handling their accounts, how much they owe, and where to send payments. If the loan is not held by the Department, it will be held by a school, bank or other lender, or guaranty agency, depending on the type of loan.

Customer Support Branch

Financial aid professionals may call this number **(1-800-4-ED-SFAP—1-800-433-7327)** for information about complying with SFA Program requirements through individual inquiry response and through the SFA Bulletin Board System (BBS). Inquiries are usually submitted over the telephone, by fax, or by e-mail. Information is provided through the BBS, an on-line interactive bulletin board that contains SFA publications (such as Dear Colleague letters, Q and A bulletins, handbooks, and Federal Registers). Publications on the BBS are in an electronic Internet format that can be searched, copied, or downloaded.

National Student Loan Data System Customer Service Center

This number is **1-800-999-8219**. The National Student Loan Data System (NSLDS) is a national database of Title IV loan-level information and selected grant data. Enrolling in the NSLDS is required of all institutions that participate in Title IV federal student financial aid programs. The NSLDS includes information on the FFEL, Direct Loan, and Perkins Loan programs; on Pell awards and disbursements, and on Pell and FSEOG overawards.

Application Ordering System

You can reach ED's automated Application Ordering System (AOS) by calling **1-800-284-2788**. Through AOS, financial aid offices may order bulk quantities of the *Free Application for Federal Student Aid* (FAFSA), the Spanish version of the FAFSA, and the *Student Guide*. You may also call this number using a touch tone telephone to check the status of orders and to enter new orders. When you call this number, the automated voice system will prompt you for your school's mailing list number. You may also check on the status of previous orders.

Institutional Access System

Schools should contact the Institutional Access System (IAS) **(1-800-4-PGRANT—1-800-474-7268)** for access to their Federal Pell Grant payment information or speak with an RFMS Customer Service representative.

Title IV Wide Area Network

The customer service number for the Title IV Wide Area Network (known as TIV WAN or Title IV WAN) is **1-800-615-1189**. Title IV WAN is ED's vehicle for electronically transmitting and receiving data on financial aid programs authorized under Title IV of the Higher Education Act, as amended. Title IV WAN transmits Data from ED's Electronic Data Exchange (EDE),[1] the Direct Loan Program, and the National Student Loan Data System (NSLDS). If your school is completing the enrollment agreement to participate in Title IV WAN services or if you have questions on operating on TIV WAN in a mainframe environment, you may call this number.

Central Processing System Automated Customer Service Line

The Central Processing System (CPS) Automated Customer Service line is **1-800-330-5947**. CPS Customer Service can assist you with Renewal Application Data (RAD) requests. It is also the customer service number for the Institution Applicant Data Service (see footnote below). ED makes electronic Institutional Student Information Records (ISIRs) containing student financial aid applicant data available to institutions on tape or cartridge up to 40 times during the processing year.

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[1] In addition to the EDE and Institutional Applicant Data Service, ED also administers the Federal Pell Grant Recipient Data Exchange (RDE) and the Federal Pell Grant Floppy Disk Data Exchange (FDDE). RDE and FDDE allow institutions to submit Pell Grant payment data to ED and to receive back processed payment data and student payment summary data via tape cartridge or floppy diskette.

FAFSA on the Web/FAFSA Express Customer Service Line

The *FAFSA on the Web*/*FAFSA Express* customer service line **(1-800-801-0576)** provides support to applicants who apply on-line using *FAFSA on the Web* or applicants who use *FAFSA Express* software. Applicants who use FAFSA on the Web apply on-line and submit their application via the internet. Applicants who use *FAFSA Express* complete their applications electronically and have their application information transmitted directly to the central processor. Customer service representatives are available to answer application status questions and to provide other application-related technical assistance.

Closed School Information

This information hotline is **1-800-CLOSE-IN—1-800-256-7346**. Students may call this hotline and automatically have a closed school fact sheet mailed to them. Schools and state licensing agencies may also use this number to contact their assigned closed school specialists for assistance relating to a Title IV school closing

William D. Ford Federal Direct Loan (Direct Loan) Program—Loan Origination Center

The Loan Origination Center (School Relations) can be reached at **1-800-848-0978**. Direct Loan schools may call this number if they have questions on promissory note processing, alternative origination processing, reconciliation issues, Acknowledgments, or Testing. Direct Loan schools may also call this number to order bulk forms/ publications, such as 1998-99 promissory notes and related materials. Schools may also fax their orders to the Loan Origination Center at **1-800-557-7396**.

Direct Loan Consolidation Department

Borrowers trying to consolidate their loans under the Direct Consolidation Loan Program may call the Consolidation Center of ED's Loan Origination Department at **1-800-557-7392**. The TDD number for the hearing impaired is **1-800-557-7395**.

Direct Loan Custom/Combo School Technical Support

The Direct Loan Custom/Combo School Technical Support line can be reached at **1-800-756-4220**. It provides support to Direct Loan users who are creating their own Direct Loan processing system or a Direct Loan interface with the EDExpress software. The technical support staff can explain the Direct Loan Technical Reference, provide Direct Loan process "walkthroughs," and help users develop files to import into EDExpress. Users who receive error or warning messages when trying to import these files should contact the technical support staff for troubleshooting advice.

Direct Loan Servicing Center

The Direct Loan Servicing Center maintains records of individual borrower accounts and payments made on those accounts. Borrowers may also obtain information on deferment and repayment options. The address and appropriate telephone numbers of the borrower's servicing center will be printed on that borrower's loan documentation.

Direct Loan Servicing Center (Utica, New York)

Borrower Services	**1-800-848-0979**
Delinquent Accounts/Collections Department	**1-800-848-0981**
School Relations	**1-888-877-7658**
TDD	**1-800-848-0983**
FAX	**1-800-848-0984**

As an alternative, borrowers may call either Central Borrower Services at **1-888-447-4460** or Central School Relations at **1-888-445-7745**.

Academic Year. A period of time schools use to measure a quantity of study. For example, a school's academic year may consist of a fall and spring semester, during which a student must complete 24 semester hours. Academic years vary from school to school, and even from educational program to educational program at the same school. The school defines its own academic year, but federal law and regulations set minimum standards for SFA purposes. For example, every eligible school, including graduate programs, must have a defined academic year that contains a minimum of 30 weeks of instructional time.

Award Year. Spans from July 1 to June 30 of the next year. For the Federal Pell Grant and campus-based programs, eligible students are paid out of funds designated for a particular award year, such as the 1998-99 award year (July 1, 1998 to June 30, 1999).

Base Year. For need analysis purposes, the calendar year preceding the award year. For instance, 1997 is the base year used for determining eligibility in the 1998-99 award year.

Campus-based Programs. The Federal Perkins Loan, Federal Work-Study (FWS), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs are often collectively referred to as the campus-based programs because the funds for these programs are administered directly by the school's financial aid office.

Central Processing System (CPS). The Department's application data processing facility, currently located in Iowa. The CPS uses student information from the *Free Application for Federal Student Aid* (FAFSA) processors to calculate the student's official Expected Family Contribution (EFC), and creates an Individual Student Information Record (ISIR) and prints the *Student Aid Report* (SAR).

Cost of Attendance (COA). Includes tuition, fees, the student's living expenses while he or she is attending school, and other costs such as costs related to a disability or for dependent care. The COA is determined by the school, using guidelines established by federal law to determine the figure. The COA, together with the student's Expected Family Contribution (EFC), helps determine the student's need for SFA funds.

Default. Occurs when the borrower fails to repay a loan in accordance with the terms of the promissory note.

Estimated Financial Assistance (EFA). The amount of student financial aid the student may expect from federal, state, school, or other sources (including grants, loans, or need-based work programs). The school must consider this available assistance when determining a student's eligibility for a Federal Family Education Loan and for a Direct Subsidized Loan.

Expected Family Contribution (EFC). The amount that the student's family is expected to contribute toward the cost of attendance. This amount is usually based on the family's income and assets. The EFC, together with the student's cost of attendance (COA), helps determine the student's need for SFA funds.

FAFSA. See *Free Application for Federal Student Aid.*

FAFSA processors. Agencies that process the *Free Application for Federal Student Aid* (FAFSA) under contract with the U.S. Department of Education. For more information, see the *Counselor's Handbook*.

Financial Need. Generally, the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC).

Free Application for Federal Student Aid (FAFSA). The application that the student must file to apply for aid from any SFA program, including the FFEL and Direct Loan Program. The FAFSA is printed and distributed free of charge by the U.S. Department of Education. Students may also apply through the internet by using FAFSA on the Web, by using FAFSA Express software, or by having their schools submit their applications electronically.

Institution. A postsecondary educational institution. In this handbook, the terms "school" and "institution" are often used interchangeably.

Institutional Student Information Request (ISIR). The ISIR and the Student Aid Report, covered later in this glossary, are both federal output documents processed by the CPS. The SAR is sent to the student, while the ISIR is sent to the student's school. SARs and ISIRs contain the same processed student information in different formats.

Need analysis. The process of using a student's household and financial information (derived from the financial aid application) to calculate the amount the family can be expected to contribute to educational costs. For the SFA Programs, the need analysis calculation is defined by law and results in the Expected Family Contribution (EFC).

Overaward. Generally, any campus-based, FFEL, or Direct Loan funds disbursed in excess of the student's financial need. (The overaward concept does not apply to the Federal Pell Grant Program.)

Overpayment. Any payment of a Federal Pell Grant, FSEOG, Federal Perkins Loan, or SSIG that exceeds the amount for which the student was eligible. An overpayment may be the result of an overaward, an error in calculating the cost of attendance (COA) or the Expected Family Contribution (EFC), or a student's failure to meet any other eligibility criteria, such as citizenship or enrollment in an eligible program.

Professional Judgment. While the Expected Family Contribution (EFC) calculation is defined by law, the law does provide some flexibility. The financial aid administrator can make individual adjustments, based on his or professional judgment, to override a student's dependency status (from dependent to independent), to adjust the components of a student's cost of attendance (COA), and to adjust the data elements used to calculate the student's EFC. Such adjustments must be made on a case-by-case basis, and the reasons for the adjustment must be documented in the student's file. See the *Counselor's Handbook* for more information.

Promissory Note. A legal document that must be signed to obtain a loan. By signing, the borrower promises to repay the loan, with interest, in specified installments. The promissory note also includes any information about the grace period, deferment or cancellation provisions, and the student's rights and responsibilities with respect to the loan.

Resources. The amount of student financial aid the student may expect from federal, state, school, or other sources (as defined in the campus-based regulations). The school must consider this available assistance when determining a student's eligibility for campus-based funds.

School. A postsecondary educational institution. In this handbook, the terms "school" and "institution" are often used interchangeably.

SFA Programs. The Student Financial Assistance (SFA) Programs administered within the U.S. Department of Education. These programs include Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, Federal Perkins Loans, Federal Family Education Loans, Federal Direct Loans, State Student Incentive Grants, and Byrd and Douglas Scholarships.

Student Aid Report (SAR). The federal output document printed by the CPS and mailed to the student. The SAR contains the family's financial information and other information as reported by the student on the FAFSA. The student's eligibility for aid depends on the Expected Family Contribution (EFC) that is derived by the processor and printed on the

front of the SAR. Schools that participate in the Electronic Data Exchange (EDE) and other services offered by the Department may receive the information on the SAR through these services. For more information, see the *Counselor's Handbook*. Students who apply electronically will initially receive a SAR Information Acknowledgments instead of a paper SAR.

Verification. The Central Processing System will select a certain percentage of FAFSAs, some randomly and others based on certain edit criteria, for data verification. Schools must verify certain data reported on these FAFSAs, using documentation provided by the student. (Many schools also choose to verify additional applications beyond those selected during processing.) For more information, see the *Verification Guide*.