Congress Finalizes Fiscal Year 2013 Budget

On March 21, 2013, Congress passed a continuing resolution (CR) for the current fiscal year, which ends on September 30, 2013. Perkins funding, as well as all student aid programs, were level funded at their fiscal year 2012 amounts.

The final bill included a bipartisan amendment passed in the Senate version which will restore the Tuition Assistance Programs for active duty soldiers. Funds were suspended previously as a result of sequestration.

ED published the first sequester-related communication on March 1, 2013 in an electronic announcement outlining the effects on Pell Grants, FWS and FSEOG, the Direct Loan Programs, the Iraq-Afghanistan Service Grant Program.

To read this announcement, go to: http://ifap.ed.gov/eannouncements/030113ImpactofSequestrationonTitleIVFSAProg.html.

Additional sequester-related information can be found in the Electronic Announcements listed below:


In this latest announcement, ED has published an important change in the percentage reductions that schools must apply to awards made in the TEACH Grant and Iraq-Afghanistan Service Grant programs.

Iraq-Afghanistan Service Grants
Any Iraq-Afghanistan Service Grant award for which the first disbursement is made after March 1, 2013 (including both 2012-2013 and 2013-2014 awards) must be reduced by 10.0 percent from the award amount for which the student would otherwise have been eligible to receive. In our earlier notification we had said that the reduction would be 37.8 percent.

TEACH Grants
Any TEACH Grant award for which the first disbursement is made after March 1, 2013 (including both 2012-2013 and 2013-2014 awards) must be reduced by 7.1 percent from the award amount for which the student would otherwise have been eligible to receive. In our earlier notification we had said that the reduction would be 12.6 percent.

An institution that had disbursed funds to students from these programs using the earlier reduction percentages must disburse the additional funds to the affected students and update any previously reported information to COD.

You may view this important information at: http://ifap.ed.gov/eannouncements/042613UpdatedChangesInSequestReqReductions.html.
Draft FISAP for 2013 Published by Department of Education (ED)

The Fiscal Operations Report for 2012-13 and Application to Participate for 2014-15 in the Campus-Based Programs (FISAP) is currently under review by the Office of Management and Budget (OMB). ED is providing the Draft FISAP and accompanying instruction booklet so schools can begin gathering necessary information for the actual submission of data when the final version of the FISAP is published. It is anticipated the final version will be available by August 1, 2013. The draft form and instructions are available in an electronic announcement from ED at:


Please see the attached document for changes related to this year’s FISAP.

Attachment: Changes to FISAP-2013

2013-2014 Award Year Deadlines

In a Federal Register publication, ED has announced the 2013-2014 award year deadlines for submission of requests and documents from schools for campus-based programs, including the Federal Perkins, Federal Work Study (FWS), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs.

Please note important deadlines in reference to this year’s FISAP:

October 1, 2013 – FISAP Deadline for submission
December 13, 2013 – FISAP Edit Corrections and Perkins Cash on Hand

The complete chart which includes the deadlines in an easy-to-read format may be viewed in the PDF version of this announcement at:


Proposed Revision of TPD Discharge Forms

In the Regulatory Wisdom section of our last Update, we provided you with guidance from ED concerning new total and permanent disability regulations that will be effective July 1, 2013. A question and answer regarding the possible publication of new or revised TPD forms was included in that guidance.

On March 4, 2013, ED announced the proposed revision of the current TPD Discharge Application and introduced two new forms for comment:
The Total and Permanent Disability Discharge: The Post-Discharge Monitoring form serves as the means by which an individual who has received a total and permanent disability discharge will provide the Department with information about his or her annual earnings from employment during the 3-year post discharge monitoring period that begins on the date of discharge.

The Total and Permanent Disability Discharge: Applicant Representative Designation form serves as the means by which an applicant for a total and permanent disability discharge may (1) designate a representative to act on his or her behalf in connection with the applicant's discharge request, (2) change a previously designated representative, or (3) revoke a previous designation of a representative.

To view these two new proposed forms or the proposed revision of the TPD Discharge Application, go to http://www.regulations.gov. In the Search field, enter docket number ED-2013-ICCD-0020.

The Orange Book

The Federal Perkins Loan Program Status of Default as of June 30, 2012, or the Orange Book has been published. Each school that participated in the Federal Perkins loan program during the 2011-2012 Award Year is listed along with their cohort default rate. This report is based on data submitted by schools in the FISAP for FY 2012.

The default rate has increased from last year. This year's overall Perkins cohort default rate is 11.08%, as compared to an 8.328% default rate for 2011.


No Perkins Cancellation Benefit Reimbursement for 2011-12

As provided by Federal Perkins regulations, Perkins Loan borrowers may perform qualifying service to have all or part of their loans cancelled. There are a number of cancellation categories that qualify. Under Perkins regulations 674.63, ED is authorized to reimburse schools for their share of principal and interest cancelled during an award year.

However, the Consolidated and Further Continuing Appropriations Act, 2013 did not allocate funds to ED for 2011-2012 Federal Perkins Loan Service Cancellation Reimbursements. As a result, no reimbursement payments will be issued to schools this year. ED will calculate the 2011-2012 reimbursement payment each school would have been eligible to receive and maintain a record of that amount.

Reimbursement calculations are based on information reported by schools on their 2011-2012 FISAP (Part III, Section A, field 35 for the Defense Loan Program and fields 36 through 48 for the NDSL and Perkins Loan programs).
If schools have questions regarding the 2011-2012 Perkins Loan Service Cancellation Reimbursement, they should contact the Department’s Campus-Based Call Center at 877-801-7168 Monday through Friday from 8:00 A.M. until 8:00 P.M. (ET). Schools may also e-mail CBFOB@ed.gov.

To read the full electronic announcement, go to: http://ifap.ed.gov/eannouncements/042413PerkinsCancellationReimbursement1112.html

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**Federal Perkins Liquidation & Assignment Procedures Updated**

In our November 8, 2012 Update, we included the Department of Education’s latest liquidation and assignment procedures. ED has now published new procedures replacing those published on October 5, 2012.

The new procedures are included in an Electronic Announcement published on April 19, 2013. You may access the new procedures by clicking the link below:


Campus Partners is still reviewing these new procedures to determine the impact of assigning loans to ED due to default or liquidation. However, we would like to point out a few of the changes based on this guidance.

- **Perkins Loan Assignment Form**
  
  A new Assignment Form has been approved by the Office of Management and Budget (OMB). The new form has an expiration date of 11/30/2015.
  
  The only substantive change to the previous version of the form is that a school is now required to complete Section E. – Cancellation Information if the borrower has received a cancellation on his or her Perkins Loan.

- **Changes to the Liquidation Procedures**
  
  Schools liquidating their Federal Perkins Loan account and closing out their participation in the Federal Perkins Loan Program are reminded that they must account for program funds as outlined under the Audit Requirements—Step 3 in the liquidation procedures available at the link referenced above.

  Schools that qualify and report annually under the Single Audit Act, commonly referred to as the OMB A-133 audit, should consult with their auditor and contact the FSA’s School Participation Team to discuss how close-out reporting will be done.

- **Changes to Assignment Procedures**
  
  Perkins Loan assignment procedures now require schools to provide the following.
  
  Complete repayment histories for all Perkins Loan assignments
Disbursement records for assigned loans made using Master Promissory Notes for schools discontinuing participation in the program, due to closure or liquidation.

Regulatory Wisdom from Sharon Cameron

Exit requirements from 674.42(b)(1):

*** If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

Question: If the borrower does not complete exit counseling and I mail the exit counseling materials to the borrower, does this satisfy the requirements of 674.42(b)(1)?

Answer for ED: ***I should note that the Perkins Loan exit counseling requirements at 34 CFR 674.42(b)(1) provide that if a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session, the institution is required to ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required. Mailing exit counseling materials to the borrower's last known address within 30 days of the borrower's failure to attend or complete the exit counseling session satisfies the institution's requirements. The mailed hardcopy materials do not need to be sent certified/return receipt nor is the institution required to confirm the borrower's completion of the counseling session if hardcopy materials are mailed.

***Denotes additional information preceding this paragraph.

Year-End Processing Deadlines

Here are important dates to keep in mind as the fiscal year ends.

June 24: Last date to receive new loans and advances
June 24: Last date for requests for change/adjustment memos
June 25: Last date to receive payments submitted by collection agencies
June 26: Last date to receive payments and payment transmittals sent directly to our office
June 28: Last date to make online payments and/or reverse payments
June 28: Last date to receive payments at our lockbox location
June 28: Month-end and year-end post begins
eXpressReports and myReports will be available on first business day, Monday July 1, following year-end processing. These online tools provide you with the fastest method of receiving your year-end information. Data files received via FTP, such as the Masterfile, will be also be available during the first business day.

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### Audit Underway

Campus Partners’ annual SSAE 16 audit is underway. It is anticipated that the audit report will be available by mid-August.

Click [here](#) to download the *Audit Request Form* for the fiscal year-ending June 30, 2013.

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### Student Loan Workshops

The schedules for *Student Loan 101* and *202* workshops are presented below. *Student Loans 101* is designed for recently hired student loan administrators at your school or new Campus Partners customers, while *Student Loans 202* provides more advanced training. The event offers hands-on training at individual workstations and the opportunity to ask questions and receive personal attention.

<table>
<thead>
<tr>
<th>Student Loans 101</th>
<th>October 10-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Loans 202</td>
<td>July 11-12</td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td></td>
</tr>
<tr>
<td>Day 1: 8:30 AM to 4:00 PM</td>
<td>Day 2: 8:30 AM to 1:00 PM</td>
</tr>
<tr>
<td><strong>Registration Form and Information</strong></td>
<td><a href="#">Download Here</a></td>
</tr>
<tr>
<td><strong>To Register</strong></td>
<td>Fax the completed registration from to Debra Pitts at 336-607-2025.</td>
</tr>
</tbody>
</table>
Web Conferences

Web conferences are a great way to receive training without leaving your office—and they are free of charge. Please email Debra Pitts at dpitts@campuspartners.com to register for any or all web conferences, specifying the web conferences you plan to attend.

<table>
<thead>
<tr>
<th>Retention of Records: What is Required?</th>
<th>Thursday, May 16 2:00 to 3:30 Eastern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohort: What is it and How do I Manage it?</td>
<td>Thursday, June 13 2:00 to 3:30 Eastern</td>
</tr>
<tr>
<td>Understanding and Completing the FISAP</td>
<td>Thursday, August 8 2:00 to 3:30 Eastern</td>
</tr>
<tr>
<td>Where do I Start? A Month to Month Guide</td>
<td>Thursday, September 12 2:00 to 3:30 Eastern</td>
</tr>
<tr>
<td>Regulations Update</td>
<td>Thursday, November 14 2:00 to 3:30 Eastern</td>
</tr>
<tr>
<td>Managing Delinquencies</td>
<td>Thursday, December 12 2:00 to 3:30 Eastern</td>
</tr>
</tbody>
</table>

Cutoff Dates

Cutoff dates for May and June are listed below.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>May 2013</th>
<th>June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last day to receive payments submitted by collection agencies</td>
<td>5/28</td>
<td>6/25</td>
</tr>
<tr>
<td>Last day to receive payments and payment transmittals sent directly to the Campus Partners office</td>
<td>5/30</td>
<td>6/26</td>
</tr>
<tr>
<td>Last day to make online payments and/or reverse payments</td>
<td>5/31</td>
<td>6/28</td>
</tr>
<tr>
<td>Last date to receive payments at our lockbox location</td>
<td>5/31</td>
<td>6/28</td>
</tr>
<tr>
<td>Date month-end processing begins</td>
<td>5/31</td>
<td>6/28</td>
</tr>
</tbody>
</table>

Attachment: Cutoff Dates 2013