

# *Disbursements*

Reminders, Requirements,  
and General Rules

## *Reminders*

2

## *ISIR Documentation*

- ISIR output documentation
  - What is it?
  - What do you do with it?
  - Why do you care?

3

## *Enrollment Information*

- National Student Loan Data System (NSLDS)
  - What is it?
  - What do you do with it?
  - Why do you care?

4

## *Multiple Schools*

- student can get Stafford/PLUS at multiple schools, but second school
  - can't include living costs in the COA
  - must count the first loan in EFA

5

## *Master Promissory Notes*

- requirements for a new MPN
- expiration of the MPN
- borrower confirmation for subsequent loans
  - active
  - passive

6

## *PLUS loans*

- eligibility requirements
  - citizenship/residency
  - default/overpayment
  - total and permanent disability requirements

7

## *Consolidation Loans*

- may affect current eligibility for disbursement
  - agg OPB to calculate remaining eligibility
  - unallocated amounts
    - ✓ capitalized interest
    - ✓ underlying loan incorrectly closed as PF or DP instead of PC, PN, or DN
    - ✓ HHS loan
    - ✓ joint consolidation
    - ✓ PLUS
    - ✓ recent loan caught in NSLDS edit process

8

## *Consolidation Loans UPDATED*

Immediately-

*NSLDS does not use unallocated amounts when calculating aggregate subsidized, unsubsidized, and combined outstanding principal balances. Nor are FAAs required to investigate whether an unallocated amount might impact a student's eligibility for additional aid.*

NSLDS Newsletter 11 February 2006

9

## *HEROES*

- military mobilized students
  - R2T4; calculations must be completed
  - do not submit overpayment information to ED
  - keep track in case ED requests number of waivers

(Recently extended to September 2008)

10

# *Requirements*

11

## *Single Disbursements*

- may be made only if
  - cohort rate is less than 10% for the most recent 3 years information is available (new)
  - experimental site
  - eligible Study Abroad program with home school cohort less than 5% for most recent fiscal year
  - past the mid-point of the loan period
  - foreign school

12

## *Late Disbursements*

- may be made if
  - ED processed ISIR or SAR (except for PLUS) before student dropped below half-time; and
  - school certified loan before student dropped below half-time

13

## *Late/Post withdrawal Disbursements*

- may be made if
  - school contacted the student to ask if loan funds required (new)
  - school explains obligation to repay (new)
  - document contact and final determination (new)

14

## *Late Disbursements*

- if student withdraws during payment/loan period
  - must offer post-withdrawal disbursement within 30 days from date school determined student withdrew
  - if offer accepted, must make post-withdrawal disbursement within 120 days from date school determined student withdrew

15

## *Late Disbursements*

- if student completes payment/loan period
  - must offer late disbursement
  - if offer accepted, must make late disbursement within 120 days from payment/loan period end date

16

## *Late Disbursements*

- if student drops below half-time but does not withdraw
  - may make late disbursement within 120 days from date student dropped below half-time
  - late disbursement may only cover costs incurred while enrolled at least half-time

17

## *Disbursements*

- commonly asked questions
  - What constitutes a FFELP “disbursement”?
  - What constitutes “certified”?
  - What if the student never cashed the check?
  - What if it is over 120 days?
  - Can you “certify” without an MPN?

18

## *General Rules*

19

### *Basics*

- maximum loan period
  - can't exceed 12 months
- maximum loan amounts
- two types of academic years for loans
  - Standard Academic Year (SAY)
  - Borrower Based Academic Year (BBAY)

*2005-2006 FSA Handbook, Volume 3, Chapter 4, Page 3-64*

20

## *Basics*

- if loan period crosses between award years
  - can choose the EFC for either year to determine need
- prorating for periods shorter than an academic year
  - program shorter than full academic year
  - remaining period of study is shorter than an academic year

21

## *Questions?*



22

### *More Information*

NSLP Policy  
P.O. Box 82507  
Lincoln, NE 68501-2507  
phone 800-735-8778  
fax 402-479-6658      [www.nslp.org](http://www.nslp.org)

Wendy Olson  
Senior Policy Analyst for Schools  
ext. 6707  
[wendyo@nslp.org](mailto:wendyo@nslp.org)

23