

Disbursements

Reminders, Requirements,
and General Rules

Reminders

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ISIR Documentation

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

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Enrollment Information

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

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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

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Master Promissory Notes

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

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PLUS loans

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

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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

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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

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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)

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Requirements

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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

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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

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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)

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Late Disbursements

- if student withdraws during payment/loan period
 - must offer post-withdrawal disbursement within 45 days from date school determined student withdrew on or after July 1, 2006
 - if offer accepted, must make post-withdrawal disbursement within 120 days from date school determined student withdrew

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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

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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

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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?

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General Rules

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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)

2006-2007 FSA Handbook, Volume 3, Chapter 4, Page 3-66

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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

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Questions?



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More Information

NSLP Policy
P.O. Box 82507
Lincoln, NE 68501-2507
phone 800-735-8778
fax 402-479-6658 www.nslp.org

Mark Wiederspan
Government Relations
ext. 6722
markw@nslp.org

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