

Regulatory Changes Effective July 1, 2010

Several regulatory changes became effective on July 1, 2010. Because these changes will impact an institution's Title IV eligibility, financial aid offices should make sure that their policies and procedures are up to date. Some of the provisions were effective immediately upon the president's signing of the Higher Education Opportunity Act (HEOA) on August 14, 2008, so institutions were expected to make a good faith effort to implement them until regulations were developed. Institutions were given the option to implement others prior to regulatory language being drafted.

The following is a list of the regulatory changes that became effective July 1, 2010. The regulations in italics denote the regulations that institutions had the option to implement prior to development of regulatory language.

Part 600: Institutional Eligibility

600.2 – Definitions

- Correspondence Course
- Distance education
- Teach-out plans
- Definition of institution of Higher Education now includes institutions that provide comprehensive transition and postsecondary programs for students with intellectual disabilities among other changes

600.32(d) – An institution that conducts a teach-out at a site of a closed institution may apply to have that site approved as an additional location if certain requirements are met.

Part 688: General Provisions

668.14(b)(27) – Requirement to develop, publish, administer, and enforce a code of conduct with respect to Title IV loans

668.16(d)(2)(ii) – Requirement to report reimbursements from private lenders received by the financial aid office employee or others with responsibilities with respect to education loans

668.18 – Readmission requirement for service members

668.32(d)(4) – Requirement to report the dollar amount of the numerator and denominator of its 90/10 ratio as well as the individual revenue amounts identified in section 2 of appendix C to subpart B of part 688 in the footnote of its financial statements

668.28 – New definition of non-title IV revenue for 90/10 calculation

Appendix C to Subpart B of 668 – 90/10 Revenue Calculation Sample

668.32 – Definition of an eligible student modified to include students enrolled in a comprehensive transition and postsecondary program

668.42 – *Inclusion of the terms and conditions of Title IV loans in the institution's required student financial assistance disclosures*

668.43 – *Inclusion of the following in the school's institutional information disclosures:*

- *Plans to improve an academic program*
- *Services and facilities available to students with intellectual disabilities*
- *Policies and sanctions related to copyright infringement*
- *A description of the institution's transfer of credit policies*

668.45 – Requirement to disaggregate completion and graduation rates by gender, racial and ethnic groups as defined by IPEDS, and by subgroups of recipients and non-recipients of Title IV aid as defined by law and regulations

668.46 – Changes to the institutional security policies and crime statistics reporting consumer information requirements:

- Definition of test for purposes of institutional security policies and crime statistics reporting
- Requirement to have a statement of emergency responses and evacuation procedures
- Requirement to have a statement of missing student notification procedures
- Addition of crimes of larceny-theft, simple assault, intimidation, and destruction/damage/vandalism of property as hate crimes
- Requirement to provide follow-up information to the community during an emergency situation although no timely warning is required

668.49 – Institutional fire safety policies and statistics

Subpart M of 668 – Two-year cohort default rates notifications

Subpart N of 668 – Cohort default rates definition, calculations, etc.

Subpart O of 668 – Financial assistance for students with intellectual disabilities

675.3, 682.200, and 685.102 – New definition of estimated financial assistance excluding VA benefits

Part 674: Perkins Loan Program

674.9 and 674.61 – Requirement that borrowers wishing to obtain a new Perkins Loan within 3 years of a previously discharged Title IV loan or TEACH grant service obligation due to a total and permanent disability resume repayment of the previously discharged loan

674.12 – *New Perkins Loan annual and aggregate borrowing limits*

674.33 *Perkins borrower forbearance confirmation notification*

674.39 – Reduction in number of consecutive on-time payments required to rehabilitate a Perkins Loan from twelve to nine

674.42 – Inclusion of prepayment, the effects of loan consolidation, and the use of the MPN and tax benefits available during exit counseling

674.51(aa) – Revised definition of total and permanent disability

674.56 – Expansion of loan cancellation to include firefighters, certain librarians, faculty members of tribal colleges and universities, certain speech pathologists, certain attorneys, and individuals employed in organizations that provide early childhood education services

Part 675: Federal Work-Study Program

675.16 – Increase the amount of minor prior year charges that may be paid from \$100 to \$200

675.18 – Use of FWS to increase civic participation and flexibility to pay disaster-affected students

675.41 – Requirement that work-colleges' program students participate in a comprehensive work-learning-service program for at least five hours each week, or at least 80 hours during each period of enrollment, except summer school, unless the student is engaged in an institutionally organized and approved study abroad or externship program

Parts 682 and 685: FFELP and Direct Loans

682.201 and 685.213 – Requirement that borrowers wishing to obtain a new FFEL or Direct loan other than a Federal Consolidation loan within 3 years of a previously discharged Title IV loan or TEACH grant service obligation due to a total or permanent disability resume repayment on the previously discharged loan

682.200 and 685.202 – Applicability of the Service Members Civil Relief Act

682.210 and 685.201 – In-school deferment for PLUS borrowers

682.405 and 685.211 – One time allowance for rehabilitation of any defaulted Direct Loan that is rehabilitated on or after August 14, 2008

682.216 and 685.217 – Teacher loan forgiveness service requirement changes

682.604 and 685.304 – New entrance counseling requirements

Part 686: TEACH Grant Program

686.42 – Military discharge of agreement to serve

Part 690: Federal Pell Grant Program

690.6 – Limitation of Federal Pell Grant to nine scheduled awards for certain students

690.64 – Calculation of a Federal Pell Grant for a payment period that occurs in two awards years

609.67 – Payment of two scheduled awards in a single award year