

# vasfaa

Virginia Association of Student  
Financial Aid Administrators

*“Getting by with a little help from our friends”*



# Reporting & Adjusting Direct Loan Data for SULA

# Agenda

## SULA Refresher

- Fundamentals
- Loss of Subsidy
- Accuracy of Reporting
- Common Mistakes

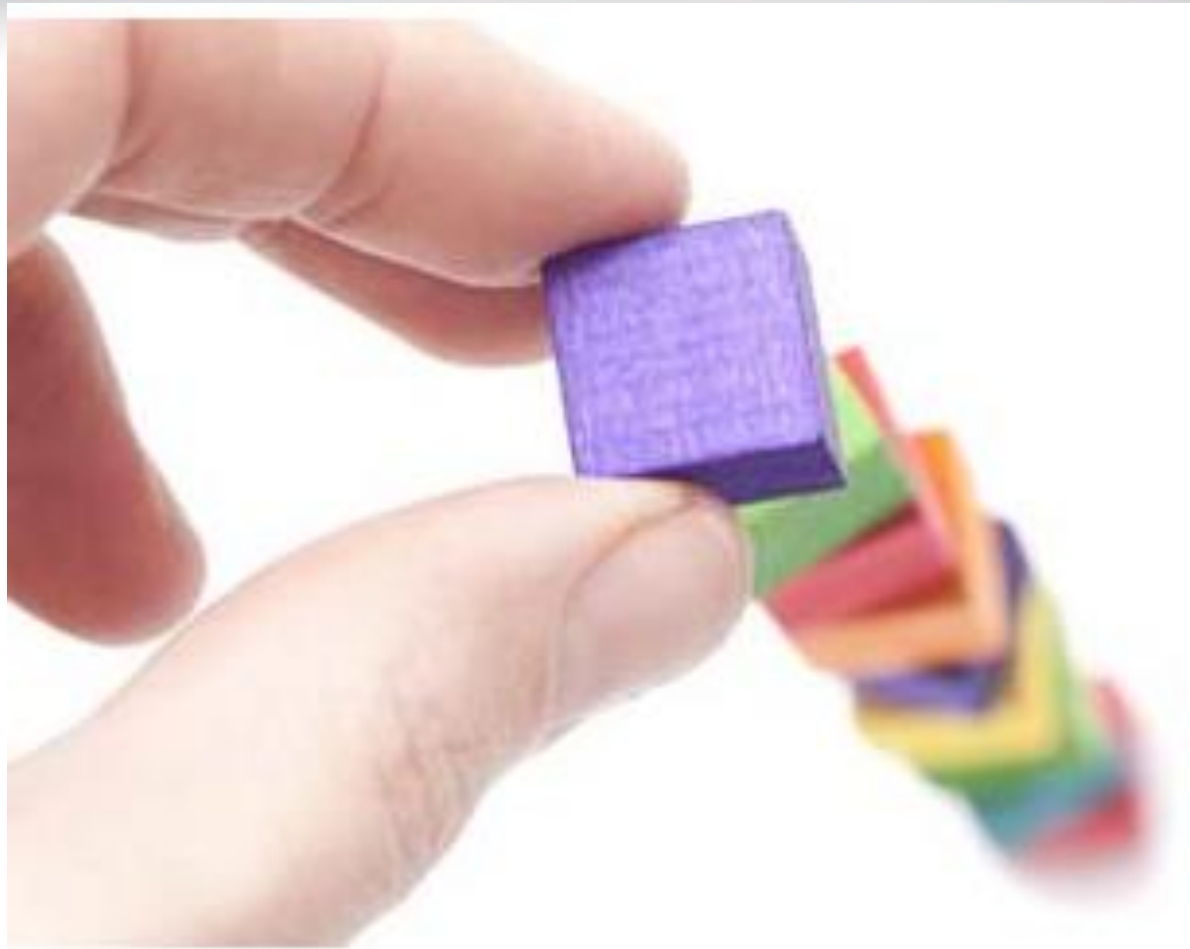
## COD and NSLDS

- Calculator
- Inquiry Dispute Process
- COD vs. NSLDS

## Resources

- Resource Links
- SULA Resources

# Fundamentals



# First Time Borrowers

SULA applies **ONLY** to first-time borrowers as of July 1, 2013

- A borrower with no outstanding balance on a FFEL/Direct Loan when in receipt of a Direct Loan on or after July 1, 2013
  - ✓ A student who had FFELP or Direct Loans (D/L) in the past, paid them all off, and received a qualifying Direct Loan on or after July 1, 2013

# First Time Borrowers

Events  
Correspondence  
Disclosure  
Statements  
Memo  
Additional Eligibility  
Borrower-Servicer  
Relationship

- ▶ **Counseling Search**
- ▶ **MPN/ATS Search**
- ▶ **PLUS App Search**
- ▶ **Endorser Search**
- ▶ **Credit Check**
- ▶ **Post Data Archive**
- ▶ **Applicant Search**

## Person Information

Previous SSN	
Previous DOB	
Citizenship	US Citizen
Alien Registration Number	
Driver's License State	IA
Driver's License Number	
Post 9/11 Deceased Veteran Dependent	
Subsidized Usage Limit Applies Date	06/08/2015
Direct Loan Entrance Counseling	Not On File
Direct Loan Entrance Counseling with Grad PLUS	Not On File
School Assigned ID	000402398



# SULA Formula



150% limit is met and further eligibility is lost when Remaining Eligibility Period is zero (or less)

# Maximum Eligibility Period

Maximum eligibility period is 150% of the Published Program Length (PPL) of the borrower's current or upcoming academic program

- Varies by program
- Multiply PPL by 1.5
- Measured in years or portions of years
  - ✓ If you report the PPL in months or weeks COD will convert to years
- Established in COD using ***school-reported data***



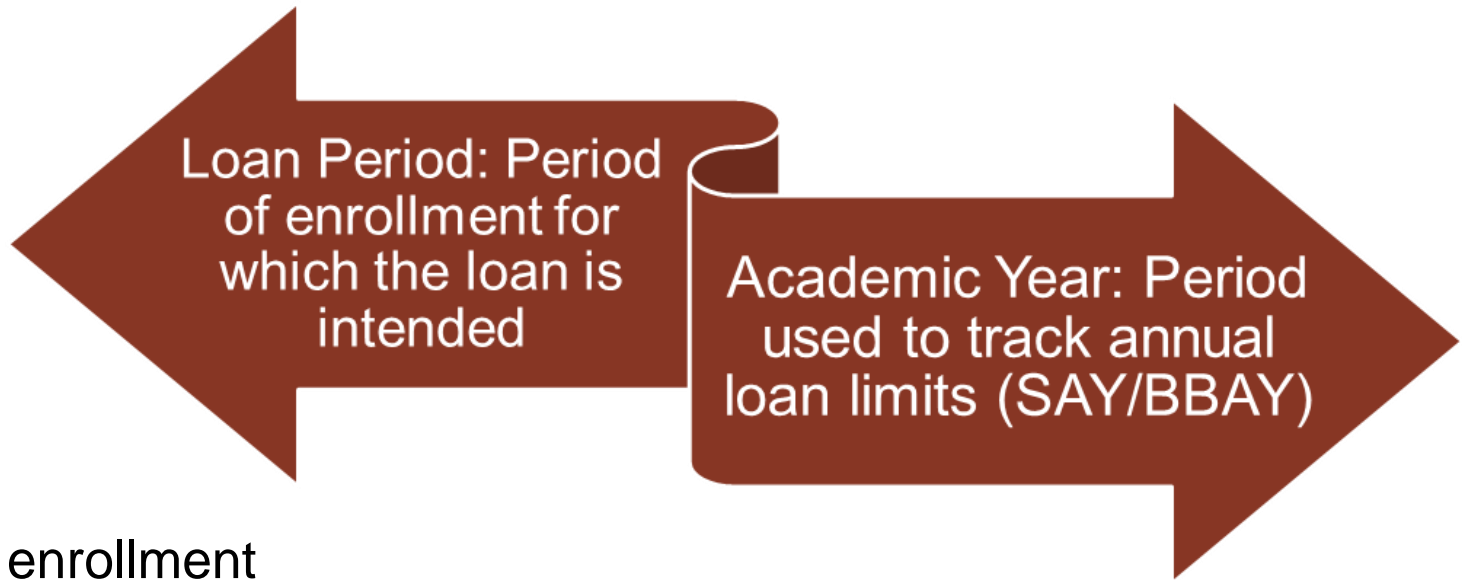
# Subsidized Usage Period

A Subsidized Usage Period (SUP) is the period of time for which a borrower receives a Direct Subsidized Loan

- Calculated by COD on a loan-by-loan basis
  - ✓ Calculated using ***school-reported*** data
- Measured in years or portions of years
  - ✓ Rounded up or down to the nearest tenth of a year
- Includes **ONLY** periods when a borrower receives and retains a Direct Subsidized Loan
- With one exception SULA is **NOT** related to loan amount
  - ✓ Annual Loan Limit exception
  - ✓ Aggregate and annual loan limits still do apply

# Subsidized Usage Period

$$\frac{\text{\# days in the loan period}}{\text{\# days in the academic year}} = \text{SUP}^*$$



\*Prorated by enrollment status

# Annual Loan Limit Exception

The “Annual Loan Limit” exception occurs when the conditions below are met

- The Direct Subsidized Loan amount awarded is equal to the annual subsidized loan limit for the grade level

AND

- The loan period is less than the full academic year of the loan
- EXCEPTION: SUP = 1.0
  - ✓ Calculated on a loan-by-loan basis
- Always apply the enrollment status factor

# Pop Quiz

$$6 + 5 = 1$$

$$1.5 + 3 = -1.5$$

# COD vs. NSLDS

**Very little SULA –related data transfers back and forth between systems**

## COD

- Loan rejected due to a SULA- related edit?
  - Check COD
  - COD is the system of record for confirming eligibility for subsidized loans

## NSLDS

- Borrower informed of a loss of subsidy?
  - Check NSLDS
  - NSLDS is the system of record for confirming eligibility for retaining the interest subsidy

# Loss of Subsidy



Loss of Subsidy

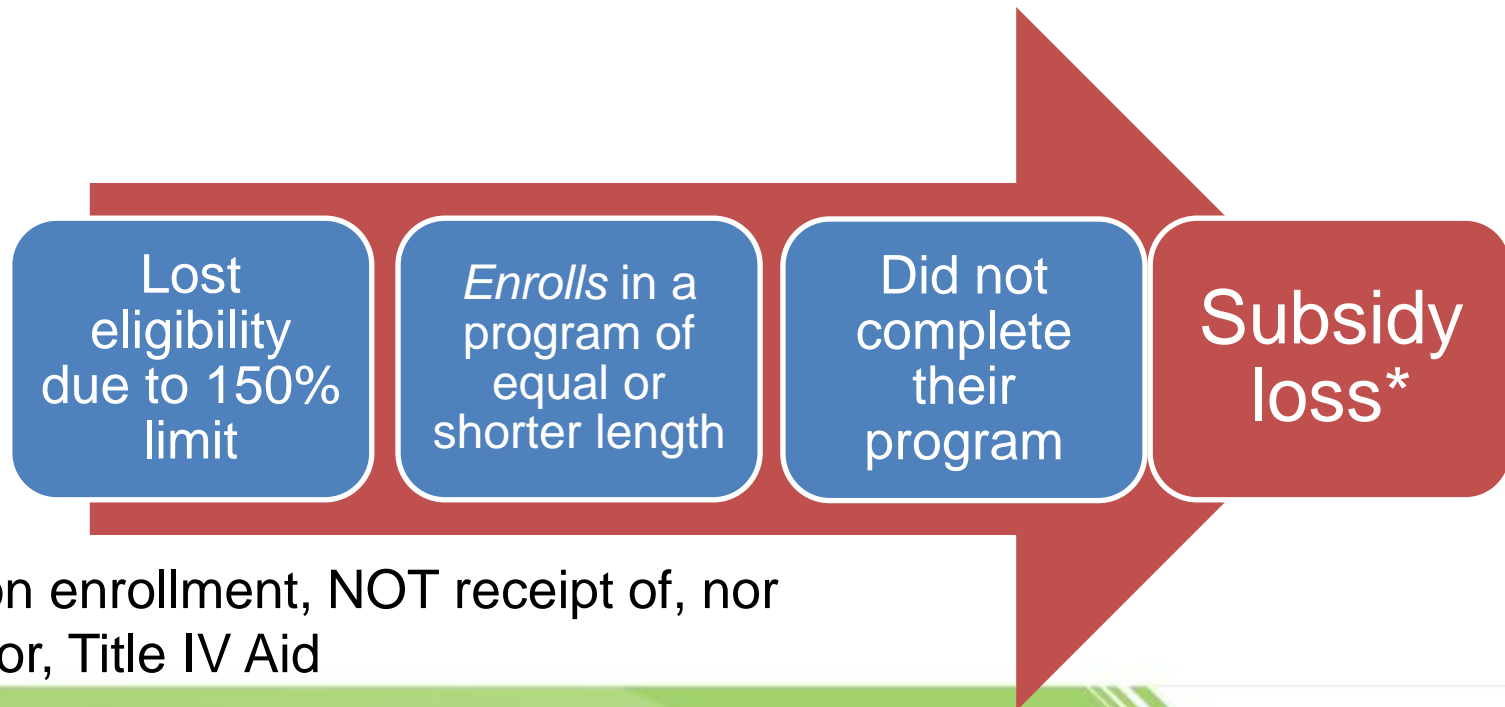
# Loss of Subsidy

The Borrower loses eligibility for additional Direct Subsidized Loans when he or she has received Direct Subsidized Loans for 150% of their current academic program

- Remaining Eligibility  $\leq 0$
- If Direct Subsidized Loan eligibility is lost, he or she retains eligibility for Direct Unsubsidized Loans

# Loss of Subsidy

A borrower who has lost eligibility for additional Direct Subsidized Loans loses interest subsidy on Direct Subsidized Loans received on or after July 1, 2013, if the borrower...



\*Based on enrollment, NOT receipt of, nor request for, Title IV Aid



# Loss of Subsidy

Do I become responsible for paying the interest that accrues on my Direct Subsidized Loans because:

YES

I am no longer eligible for Direct Subsidized Loans because I met the 150% limit and I stay enrolled in my current program?

X

I transferred into the shorter program and lost eligibility for Direct Subsidized Loans because I have received Direct Subsidized loans for a period that equals or exceeds my new lower maximum eligibility period, which is based on the length of the new program?

X

# Loss of Subsidy

Withdrawn	Can trigger LOS
Less than Half Time	Can trigger LOS
Graduated	Note that if the effective date of the 'G' status is later than the loan period end date of the student's last Direct Subsidized Loan, this could trigger loss of subsidy, since the student would be considered enrolled up to the graduation date.
WD	Can trigger LOS

Program Enrollment Detail

TAB

# Accuracy of Reporting

Accurate reporting of your Academic Year and Award Start/End dates (Loan Period) is VITAL to the accurate calculation of a SUP

- The Academic Year is the period used to track Direct Loan annual loan limits
- The Loan Period is the period of enrollment for which the loan is intended to cover
- The SUP will be too high if...
  - ✓ The reported Loan Period is too long
  - ✓ The reported Academic Year is too short

**34 CFR674.51(a) Academic Year Definition**

**34 CFR 685.102(b) Period of enrollment (loan period)**

# Accuracy of Reporting

## Academic Year start/end dates

- Make sure your Academic Year start/end dates correspond to **at least** the number of weeks you report
  - ✓ COD Reject Edit Code #046 will trigger when submitted Academic Year start/end dates DO NOT meet minimums
  - ✓ Always keep in mind that the Direct Loan annual loan limit is the maximum amount a borrower can receive in an Academic Year

# Accuracy of Reporting

## Weeks in your Academic Year

- Your academic year is school defined
  - ✓ A Minimum of 30-weeks of instruction and 24 semester (36 quarter) credit hours for a credit-hour based program
    - No hour minimum for a graduate level program
  - ✓ A Minimum of 26 weeks of instruction and 900 clock-hours for a program measured in clock-hour

# Accuracy of Reporting

Subsidized Eligibility Information	
Loan Period Length	115 Days
Academic Year Length	270 Days
Calculated Published Program Length Years	2 Years
Maximum Subsidized Eligibility Period	3 Years
Actual Subsidized Usage Period	0.3 Years
Remaining Actual Subsidized Eligibility Period	0.5 Years

**150% EA #17**

# Issue: Program Length Too Long

We are seeing a lot of these and often it's confusion over reporting years, months or weeks

An actual reported case:

<b>Loan Period Length</b>	38 Days
<b>Academic Year Length</b>	67 Days
<b>Calculated Published Program Length Years</b>	<b>120 Years</b>
<b>Maximum Subsidized Eligibility Period</b>	<b>180 Years</b>
<b>Actual Subsidized Usage Period</b>	0.6 Years
<b>Remaining Actual Subsidized Eligibility Period</b>	178.9 Years

# Accuracy of Reporting

The Loan Period is comprised of Payment Periods

- The Payment Period is the period of time for which the disbursement is intended to cover
- Each payment period has a start date
  - ✓ The payment period start date (PPSD) is a required, disbursement level tag
- A Loan Period should include ONLY payment periods in which the borrower received and retained Direct Loan funds



# Accuracy of Reporting

For example...

Academic Year: 9/10/2015 – 5/10/2016

Loan Period: 9/10/2015 – 5/10/2016

- Fall Term 9/10/2015 – 12/10/2015
- Spring Term 1/10/2016 – 5/10/2016
- School originates a fall-spring loan
- Subsidized Usage Period (SUP)
  - ✓  $SUP = \# \text{ of days in the loan period} / \# \text{ of days in the academic year} = 242/242$
  - ✓  $SUP = 1.0 \text{ yrs}$

# Accuracy of Reporting

For example...

Academic Year: 9/10/2015 – 5/10/2016

Loan Period: 9/10/2015 – 12/10/2015

- The borrower attends the Fall term and receives a disbursement for the Fall term
- The borrower does NOT return for the Spring term
- The school correctly updates the loan period to reflect ONLY Fall term attendance
  - ✓  $SUP = \frac{\# \text{ of days in the loan period}}{\# \text{ of days in the academic year}} = \frac{91}{242}$
  - ✓  $SUP = 0.4 \text{ yrs}$

# Enrollment Status

Enrollment status plays a major role in the SUP calculation

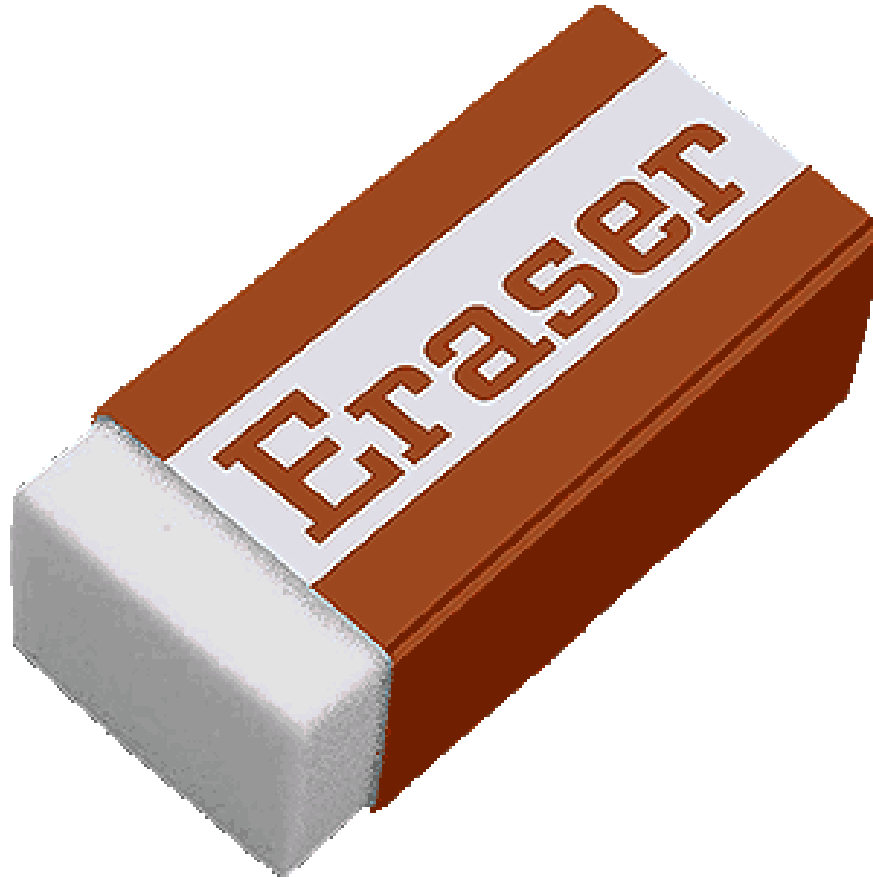
- Used as the pro-ration factor
  - ✓ Full-time
  - ✓ Three-quarter time
  - ✓ Half-time

# Edit #206

Reject edit code #206...Remaining Subsidized Eligibility is less than zero for this award

- Is your student's Direct Subsidized Usage History accurate?
- Make sure loan date data associated with SULA was reported correctly
  - ✓ Academic year/loan period begin/end dates
  - ✓ Enrollment status
  - ✓ Published Program Length
  - ✓ Has the "Full Annual Loan Limit" exception been triggered?

# Common Mistakes



# Common Mistakes

We're seeing...

- No reduction of remaining anticipated disbursements to \$0
- No reduction of award amount to match amount disbursed
- No reduction of the loan period when required
- Mis-reported academic years
  - ✓ Academic year MATCHES Loan Period on single-term loans
  - ✓ Academic year begin/end dates do not match reported weeks academic year length

# Common Mistakes

We're seeing...

- Mis-reported PPL
  - ✓ Report the PPL as you report it in your publications
    - Typically 2-years for an Associate Degree
    - Typically 4-years for a Bachelor's Degree
    - See MEP-Q7 in the 150% Q&A on [ifap.ed.gov](http://ifap.ed.gov)
- Mis-reported credential level
  - ✓ See OTH-Q5 in the 150% Q&A on [ifap.ed.gov](http://ifap.ed.gov)
  - ✓ TEACH-Q5 in the 150% Q&A on [ifap.ed.gov](http://ifap.ed.gov)

# What do I report If.....





# What do I report if ...

My student changes his or her Program

- Report the new CIP Code with next disbursement

My student changes enrollment status in a subsequent term

- Report the new enrollment status with the next disbursement

My student changes enrollment status mid-term

- Report the new enrollment status at the point of disbursement for the next payment period

# What do I report if ...

## My student transfers mid-year

- Report remaining anticipated disbursements that have been reduced to \$0
- Report the modified loan period
- Report a reduced loan amount equal to the amount disbursed

# Common Mistakes

My student declines the **ORIGINATED** loan he or she initially requested

- Reduce the anticipated disbursements to \$0
- Reduce the loan amount to \$0

# What do I report if ...

My student decides he or she doesn't need all the loan funds

- If the loan is NOT 100% disbursed
  - ✓ Report any remaining anticipated disbursements that have been reduced to \$0
  - ✓ Report any actual disbursements that have been reduced
  - ✓ Report the reduced loan amount that now equals the amount disbursed
  - ✓ Report a modified loan period if appropriate

# What do I report if ...

My student decides he or she doesn't need all the loan funds

- If the loan is 100% disbursed
  - ✓ Report the reduced “last” disbursement and any previous disbursement that has been reduced
  - ✓ Report the modified loan period if appropriate
    - Report a reduced loan amount equal to the amount disbursed
  - ✓ But after 120 days – no adjustments allowed unless for regulatory reasons

# What do I report if ...

I'm not sure the Direct Subsidized Loan I want to originate will be accepted by COD based on my student's remaining eligibility

- Ah, COD to the rescue!

# Subsidized Usage Calculator

## The Direct Subsidized Loan Usage Screen

- Subsidized Usage Calculator
  - ✓ Allows you to plug in subsidized loan values either for loans already on the system or new loans you are going to send
  - ✓ Won't create/build/change any loans – it's just a calculator to help you see if a loan can make it through when remaining eligibility is in question
  - ✓ Precludes having to send the loan with different amounts only to be rejected again
  - ✓ Optional

# Subsidized Usage Calculator

**Person** School Batch Award Services User

- ▶ Person Search
- ▶ Counseling Search
- ▶ MPN/ATS Search
- ▶ PLUS App Search
- ▶ Endorser Search
- ▶ Credit Check
- ▼ Applicant Search
  - Applicant Search
  - Pell LEU History Search
  - Subsidized Usage Search
- ▶ Escalation
- ▶ Servicer
- ▶ Default Search

Return to: [Subsidized Usage Search](#)

## Direct Subsidized Loan Usage

[? HELP](#)

[Export Summary To XLS](#)

Sum Actual Subsidized Usage Periods: 2

### Direct Subsidized Loan Summary

Attending School	Award ID	Maximum Subsidized Eligibility Period	Actual Subsidized Usage Period	Remaining Eligibility
<b>Year '16-'17</b>				
 HAIR ACADEMY	740940934S17G23330001	1.5	1.0	
<b>Year '15-'16</b>				
 AMERICAN BEAUTY ACADEMY	740940934S16G31483001	2.0	1.0	

[Create Subsidized Usage Inquiry](#)

[Subsidized Usage Calculator](#)





# Subsidized Usage Inquiry

[Person](#)   [School](#)   [Batch](#)   [Award](#)   [Services](#)   [User](#)

- ▶ [Person Search](#)
- ▶ [Counseling Search](#)
- ▶ [MPN/ATS Search](#)
- ▶ [PLUS App Search](#)
- ▶ [Endorser Search](#)
- ▶ [Credit Check](#)
- ▼ [Applicant Search](#)
  - [Applicant Search](#)
  - [Pell LEU History Search](#)
  - [Subsidized Usage Search](#)
- ▶ [Escalation](#)
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[Create Subsidized Usage Inquiry](#)

[Subsidized Usage Calculator](#)

# COD Reports



# Direct Subsidized Loan Change Report

## Direct Subsidized Loan Change Report

- A weekly report that identifies borrowers whose SULA calculated values have changed
  - ✓ Maximum Subsidized Eligibility Period
  - ✓ Actual (or Anticipated) Subsidized Usage Period
  - ✓ Actual (or Anticipated) Non-Credential Teacher Certification Subsidized Usage Period
- Posted to your COD NewsBox
  - ✓ CSV format

# COD Reporting

COD processes nightly a system-generated response sent to schools reflecting a student's changed SULA data if the change was NOT initiated by the receiving school

- Message Class CRSUYYOP
- Allows a school to update their system with the latest and greatest, and most accurate, Subsidized Usage information
- The school submitting the changed data will NOT receive this response UNLESS another school also makes a change to the student's SULA calculation
- Sent to your TG Mailbox

# Resources

## Information for Financial Aid Professionals (IFAP)



# Resources

- <https://ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html>
- Federal Registers, Electronic Announcements, Dear Colleague Letters, NSLDS Newsletters, COD Technical Reference and FAQ's

Additional questions?

- E-Mail: [150Percent-Questions@ed.gov](mailto:150Percent-Questions@ed.gov)

# SULA Resources

FOR QUESTIONS ABOUT:	REFER TO:
Loan Period and Academic Year reporting	DCL GEN-13-13 posted 5/10/13
Completion programs	EA #8 posted 1/17/14
Updating loan records	EA #16 posted 11/21/14
Accurate DL reporting and Enrollment reporting	EA #19 posted 9/25/15
Configuring a loan when REP < 1.0 year	EA #20 posted 10/19/15
Common reporting misunderstandings	EA #21 posted 5/11/16

# Presenter



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