This presentation is for discussion purposes only.

SULA Requirements and Best Practices

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Agenda

- Background
- Formula
- Loss of Subsidy
- Business Practices
- NSLDS and COD SULA indicators

Background

- Public Law 112-141 established a limit to how many years a student may receive subsidized loans
- This provision limits the Subsidize Stafford borrowing to 150 percent of the published length of the academic program
- The change was effective July 1, 2013 to first time borrows with no outstanding balance on or after July 1, 2013

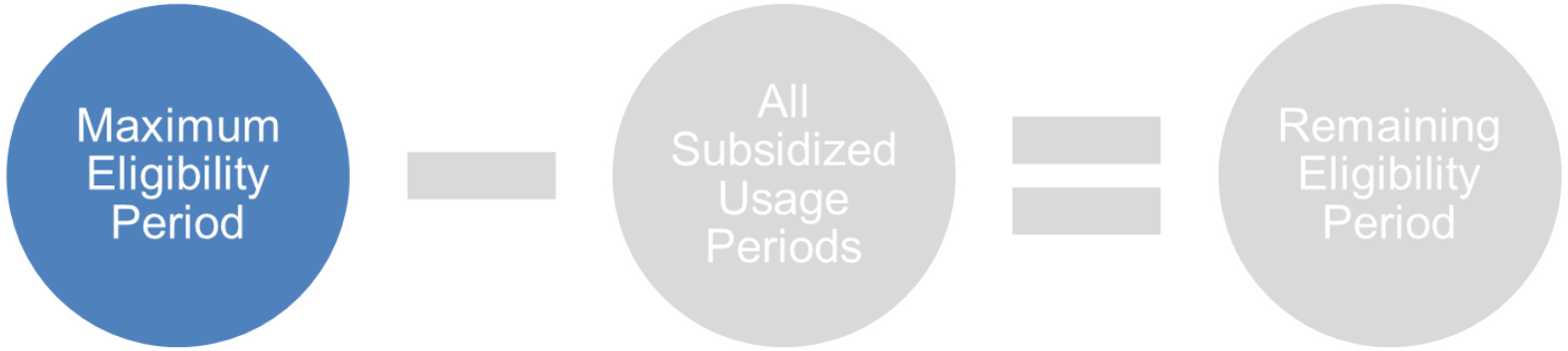
Overview

- The borrower loses eligibility for additional Direct Subsidized Loans when the borrow has received Direct Subsidized Loans for 150 percent of their current academic program.
- Loss of subsidy begins the date of enrollment that caused the loss of subsidy
- If eligibility is lost, the borrower is eligible for Direct Unsubsidized Loans

Determining When Eligibility is Lost

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

Maximum Eligibility Period



150% limit is met (eligibility is lost) when remaining eligibility period is zero (or less).

Maximum Eligibility Period cont.

- Maximum eligibility period is 150% of the published length of borrower's academic program
- Varies by program
- Multiply published length of program by 1.5
- Measured in academic years or portions
- ED will calculate using school-reported information
- Two Exceptions

Subsidized Usage Period

150% limit is met (eligibility is lost) when remaining eligibility period is zero (or less).

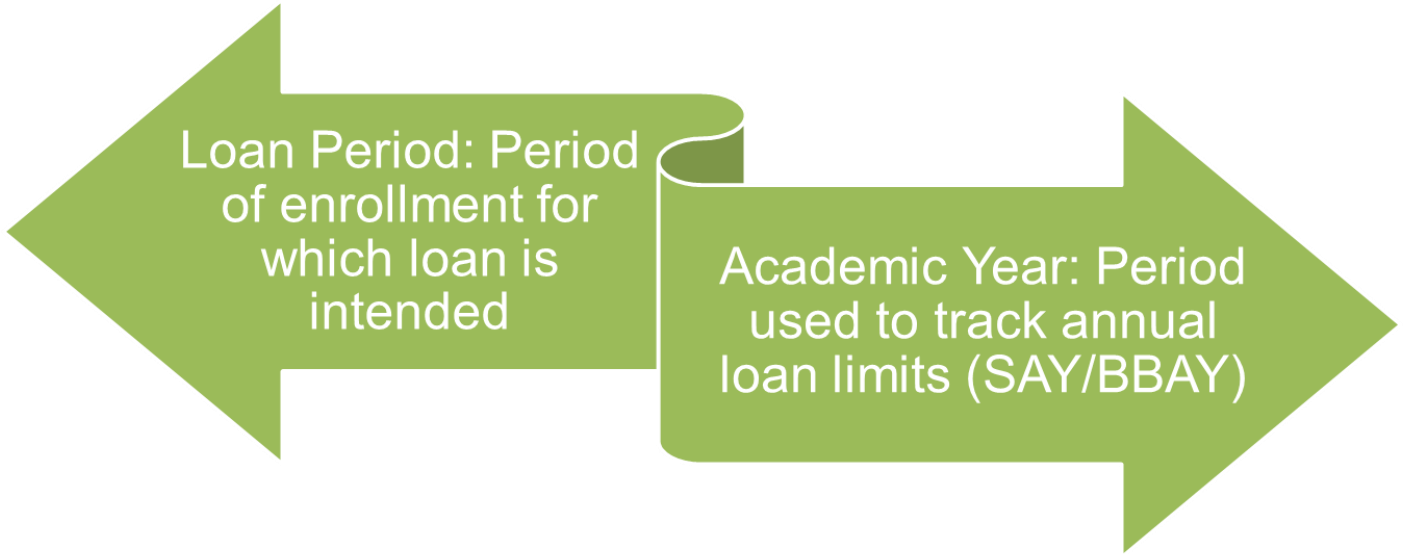
Subsidized Usage Period cont.

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

- Calculated loan-by-loan
- Measured in academic years or portions
- Rounded down to nearest **tenth** of a year
- Includes only periods when Direct Subsidized Loan received
- ED will calculate using school-reported information

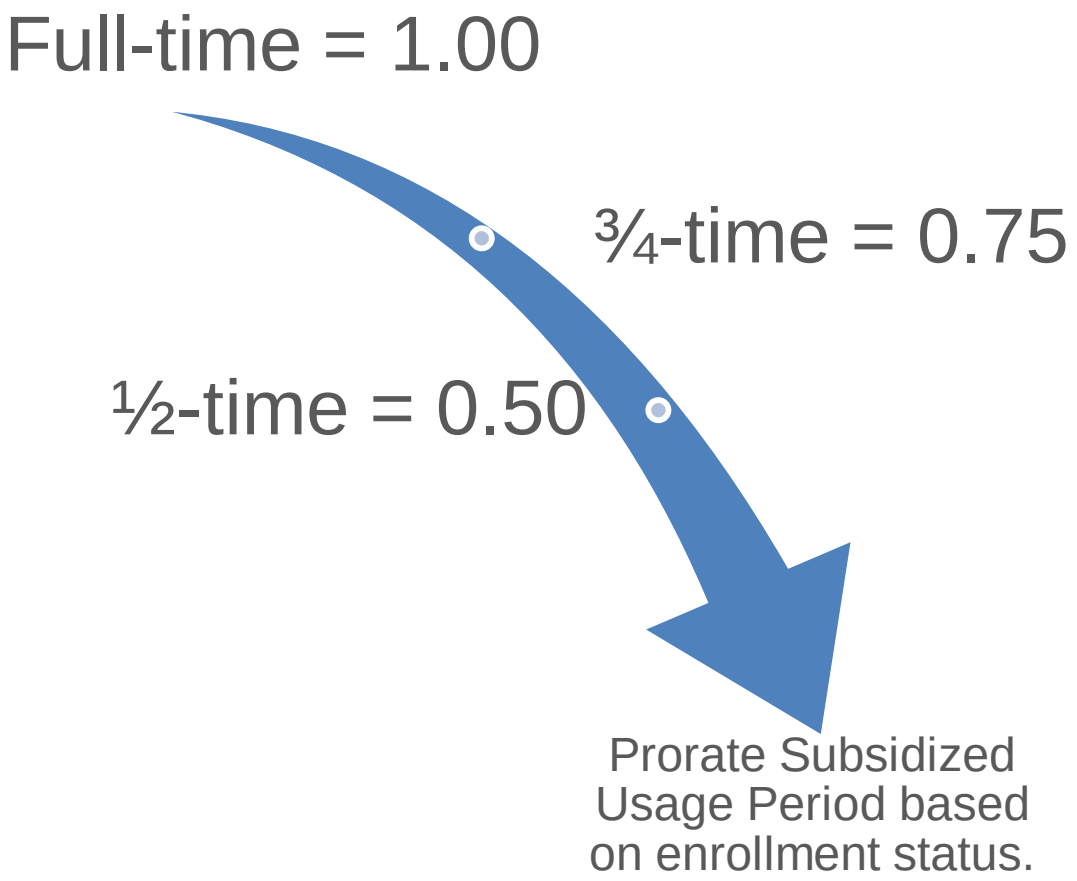
Calculating Subsidized Usage Period

$$Subsidized\ Usage\ Period = \frac{Days\ in\ Loan\ Period}{Days\ in\ Academic\ Year}$$



Times Enrollment Status

- Calculated subsidized usage period is prorated by enrollment status
- Proration occurs before rounding



Example 1: Usage

Program is semester-based. Scheduled academic year includes the fall and spring semesters. Student receives loan for fall semester only with a half time enrollment.

	Begin Date	End Date	Number of Days	Enrollment
Loan Period	Aug 27, 2016	Dec 21, 2016	117	Half
Academic Year	Aug 27, 2016	May 17, 2017	264	

Subsidized Usage Period X Enrollment $= (117/264) \times .5$

$= 0.44 \times .5$

$= 0.22$ *Years*

$= 0.2$ *Years* *(Round)*

Example 2: Enrollment Status

Program is semester-based. Scheduled academic year includes the fall and spring semesters. Student receives loan for both semesters while enrolled half-time for both semesters.

	Begin Date	End Date	Number of Days
Loan Period	Aug 27, 2016	May 17, 2017	264
Academic Year	Aug 27, 2016	May 17, 2017	264

Subsidized Usage Period $= \frac{264}{264} = 1.00$ *Year , Prorate to 0.50 Years*

Annual Loan Limit Exception

Only circumstance where dollars are considered is when a student receives a Direct Subsidized Loan in the amount of the annual loan limit.

Borrow full annual loan limit + Received for less than 1 AY = Subsidized Usage Period = 1

Can only occur for standard-term programs or for non-standard-term programs that are substantially equal and are each at least nine weeks in length.

Example 3: Usage Annual Loan Limit Exception

Program is semester-based. Scheduled academic year includes the fall and spring semesters. 2nd Year Student receives loan for $4,500 for fall semester only with a full time enrollment. Receiving the annual loan limit changes the usage to 1 year.

	Begin Date	End Date	Number of Days	Enrollment
Loan Period	Aug 27, 2016	Dec 21, 2016	117	Full
Academic Year	Aug 27, 2016	May 17, 2017	264	

Subsidized Usage Period X Enrollment $= (117 / 264) \times 1$

$= 0.44 \times 1$

$= 0.44$

$= 1$ *Year* *(Amount)*

Loan Period and Academic Year

Determines the Subsidized Usage Period

Covered in DCL GEN-13-13, applies to all Direct Loans

Loan Period – period of enrollment for which borrower received loan

- Must be updated if student's actual enrollment or eligibility doesn't match originally reported loan period

Academic year: Begins on first day of the fall 2016 semester. Ends on last day of the summer 2017 semester.

- An academic year that corresponds to a term is never correct.

Remaining Eligibility

How much eligibility a borrower has left under the 150% limit.

- Accounts for Direct Subsidized Loans received for all enrollment in all programs (except teacher certification programs)
- Eligibility lost when remaining eligibility is zero or less
- ED will calculate using school-reported information

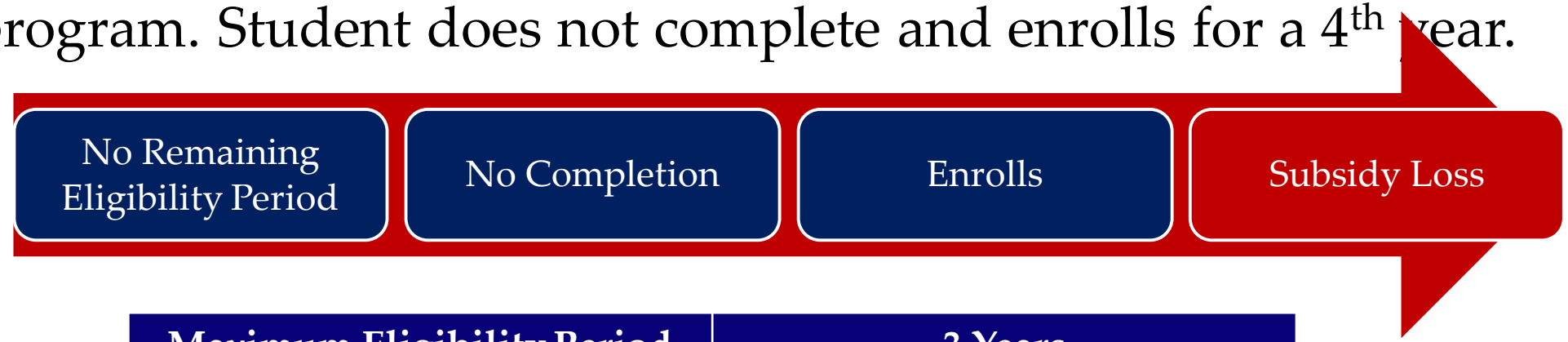
Example 4: Remaining Eligibity

Student receives 3 years of Direct Subsidized Loans while enrolled in a 2-year program. Student then transfers to a 4-year program.

	After year 3 of 2-year program	Upon transfer to 4-year program
Maximum Eligibility Period	3 Years	6 Years
All Subsidized Usage Periods	3 Years	3 Years
Remaining Eligibility Period	**0 Years**	**3 Years**

Example 5: Subsidy Loss

Student received 3 years of Subsidized Loans while enrolled in a 2-year program. Student does not complete and enrolls for a 4th year.



Maximum Eligibility Period	3 Years
All Subsidized Usage Periods	3 Years
Remaining Eligibility Period	0 Years
Subsidy Loss	**Yes, enrolled with no remaining eligibility and without completing**

Business Practices

- Student Outreach during Orientation, First Year Focus, Financial Aid Literacy, and Retention Center
- Execute a report to identify students to send a SULA warning letter 1-1.5 years prior to program completion
  - For example, Banner RPASSUI form maximum Document ID and review ISIRS with changed flag
- Review the weekly SULA change report based on another school's activity with your student. COD sends this report to all schools associated to the student. The file name is CRSUxxop.dat

Business Practices cont.

- Cancel loans after the start of the term for non enrollment and update the loan periods
  - Review COD for pending loan disbursements that require canceling. Go COD, Batch, Action Queue, Enter the Award Year, Enter the Disbursement Start and End Dates, Click Export the Excel file, and Filter the Disb. Amt column name to remove $0 in the Disb. Amt column
- Develop a process to train the Registrar's office to make updates to National Student Loan Data System (NSLDS) for enrollment and enrollment changes every 30 days

NSLDS Enrollment Reporting

- Schools must return rosters ***within 15 days*** of receipt.
- Schools must correct errors ***within 10 days*** of receipt of the Error Acknowledgement.
- Schools are required to report enrollment to National Student Loan Data Systems (NSLDS) at a minimum of ***every 2 months.***
- Schools using a Third-Party Servicer to report enrollment data to NSLDS should:
  - Verify that new and transfer students are being added to the correct school location
  - Ensure that students that are certified as enrolled at multiple locations are actually attending multiple school locations

- Don’t forget that all Third-Party Servicers must be added to your school’s ECAR

NSLDS Enrollment Reporting cont.

- D0 is a new field added to the Loan History page that indicates SULA Eligible
- Loss of Sub equal to Y

1	D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE)		Status: IA as of 09/15/2013				Loan Detail
Approved Amt:	$1,625	Disbursed Amt:	$813	OPB:	$813	Agg. OPB:	$813
Loan Date:	09/15/2013	Sep. Loan Ind:	A	Loan Period:	09/15/2013 - 05/15/2014		
Last Disb. Date:	10/01/2013	Last Disb. Amt:	$813	Acad. Lv:	1	Loss of Sub:	Y
ED Servicer:	DIRECT LOAN SERVICING CENTER (ACS) 67890 - 583						

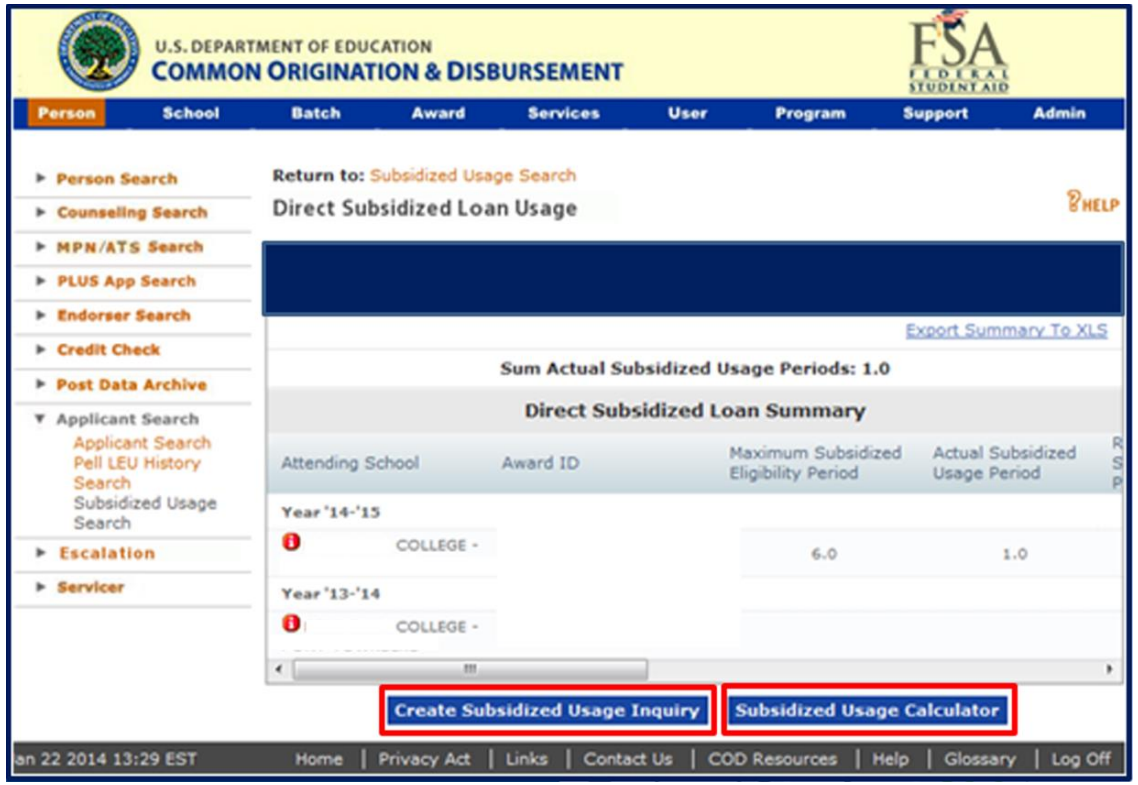
2	D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE)		Status: BK as of 09/18/2014				Loan Detail
Approved Amt:	$4,500	Disbursed Amt:	$3,000	OPB:	$3,000	Agg. OPB:	$3,000
Loan Date:	09/18/2014	Sep. Loan Ind:	A	Loan Period:	08/20/2014 - 08/08/2015		
Last Disb. Date:	02/23/2015	Last Disb. Amt:	$750	Acad. Lv:	2		
ED Servicer:	DEPT OF ED/NAVIENT - 578						

Department of Education
Common Origination Disbursement

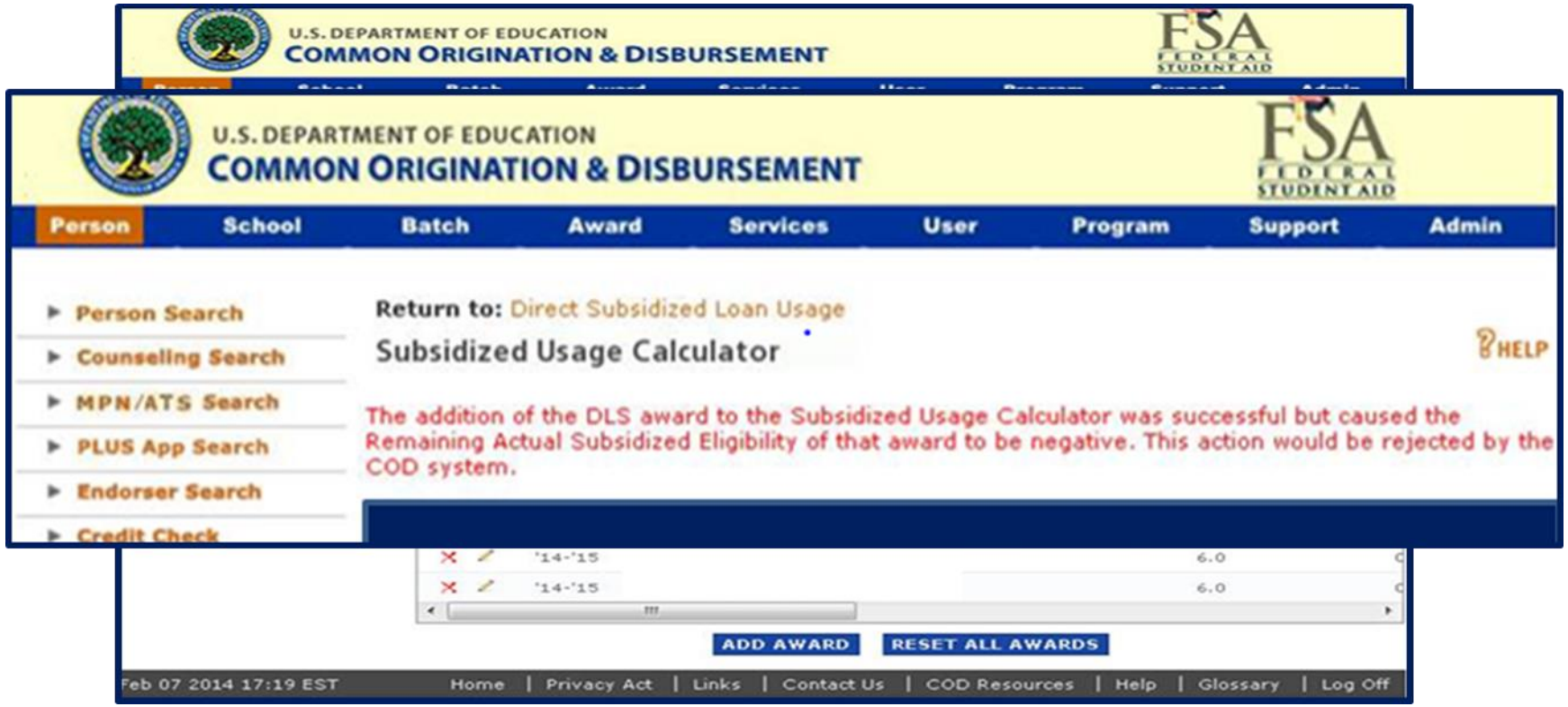
Each time school submits an origination or disbursement record COD will:

- Calculate Subsidized Usage Periods, including new loan
- Inform school of borrower's Maximum Eligibility, Subsidized Usage, and Remaining Eligibility periods
- COD will also inform borrower in disclosure statement

Department of Education
Common Origination Disbursement cont.



Department of Education
Common Origination Disbursement cont.



Review

- Understand the background of SULA
- How to determine Subsidized Usage
- Loss of subsidy
- Business Practices
- NSLDS and COD SULA indicators

Questions?

- Thank you for attending this session!

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