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August 1999

NEWS FROM FLORIDA OSFA

What's new?

President Clinton's signature on the Reauthorization of the Higher Education Act on October 7, 1998, resulted in many changes to the Federal Family Education Loan Program (FFELP). The changes, which impact lender due diligence requirements, are outlined below. New forms and procedural information from OSFA on cures and pre-claims are also included.

By late fall, the U.S. Department of Education is expected to provide further clarification for the student loan industry through the negotiated rulemaking process. As information becomes available, our office will distribute the additional guidance to program participants.

Definition of Default

The definition of default has been changed to include only loans which have been delinquent for 270 days in the case of a loan payable in monthly installments, or 330 days in the case of a loan payable in less frequent installments. This change affects only loans for which the first day of delinquency occurs on or after October 7, 1998.

Changes to Lender Due Diligence

The extended period for date of default affects due diligence, as lenders are required to perform additional activities between the 181st and 270th day of delinquency in efforts toward default aversion. A final demand letter, requiring repayment of the loan in full must be sent to a borrower on or after the 241st day of delinquency. The former timeline for sending a final demand letter was on or after the 151st day of delinquency. Lenders must give the borrower a minimum response time of 30 days prior to filing a default claim.

USDOE Approved Discharge Forms

In the April 1999 OSFA Outlook, OSFA notified participants of the newly approved Discharge Forms. There are five separate application forms used to evaluate Borrower eligibility for discharge or cancellation of Federal Family Education Loans.

(What's New Continued)

Default Claim Filing Period

The default claims filed by the lender must be received by the guarantor between days 271 and 360. Prior to Reauthorization, default claims had to be received by the guarantor no later than the 270th day of delinquency. Additional time is now provided to the lender and the guarantor to assist the borrower in resolving the delinquency.

Lenders must continue to engage in diligent efforts to urge the borrower to make required payments to bring the loan current between the 181st and 270th day of delinquency. During this time, the lender must provide information to the borrower regarding the consequences of defaulting on a FFELP loan and the options available to avoid default. Lenders are required to ensure that no gap greater than 45 days occur.

Skip Tracing Activities

Skip Tracing activities must be completed by the lender on borrowers whose address or telephone number remains unknown by the date of default. This requirement has remained constant. For loans under the 270-day default date, lenders may use the additional time to complete skip-tracing activities. Skip tracing activities must include contact with the school the borrower attended.

OSFA Policy Changes and Current Form Information

1. Current Forms - Preclaims, Claims, Supplemental Claims

The current *CCI Preclaims Request Form* is enclosed in this newsletter. Lenders may duplicate this form and use it in replacement of OSFA's Form 11 or may continue using the Form 11 until further notice. The current *Claim Form and Supplement Claim Form* is also enclosed. Please duplicate these forms as necessary or use OSFA's Order Form to order additional copies.

2. Cured Claims

Lenders who wish to create their own cure forms for cured claims, to be used in place of the bright yellow stick-on label provided by OSFA, may now do so. Please keep in mind, however, that all information requested on current form must be included on any cure forms created by lenders.

3. Change in Preclaim Filing Date

For delinquencies that begin on or after July 1, 1999, the PCA must be filed and accepted by OSFA between the 60th and 80th day of delinquency.

The deadline for refiling rejected preclaims is 30 calendar days from the date the lender receives the rejected preclaim assistance from the guarantor.

Please address questions on any of the above issues to OSFA's Policy and Procedure Unit at (850) 921-8948 or Claim Unit at (850) 671-6400.

Marketing/Outreach Programs

What's new? Marketing/Outreach programs are rapidly taking shape under the guidance of James Sutherland, OSFA's new Director of Marketing. The New OSFA's marketing team is focussing on customer service by targeting personal service representatives to five geographic locations: Region V – Southeast, Region IV – Southwest, Region III – Central, Region II – Northwest, and Region I - Northwest. OSFA expects to have service representatives for Regions IV and V on board by September, with the remaining representatives planned to be in place immediately following. Marketing brainstorming sessions have been furiously churning out new marketing/outreach strategies, process streamlining, and innovative ways to do business. One of OSFA's new strategies includes building partnerships with schools, private industry, and lenders to expand community involvement in education and outreach opportunities. The Marketing/Outreach team is eagerly looking forward to schools' participation with the 'New' Florida OSFA. The 'New' Florida OSFA can now provide assistance to Florida students with funds generated from our loans. This translates into additional educational opportunities and financial aid assistance for Florida students, if they choose the Florida Guarantee for their loan needs. One major focus of the 'New' Florida OSFA will be this reinvestment into Florida's future through its student loan guarantee program. If you have any suggestions or other contributions, please call James Sutherland @ (850) 487-0944 or E-mail sutherj@mail.doe.state.fl.us.

NSLDS

Several recent announcements from USDE have reported expanded access to the National Student Loan Data System (NSLDS) through the Internet. As NSLDS data moves to the Internet and as access to this NSLDS information expands to more financial aid administrators and to more student borrowers, it is time for us to communicate more effectively about problems we are attempting to resolve.

As the name of the system implies, the NSLDS is all about data. There are several categories of data found in the NSLDS, but, for the purpose of this article, the category of data to be addressed is referred to as "Organization Contact" by the NSLDS.

The NSLDS provides an excellent opportunity for each Title IV program participant to identify the person(s) within its own organization that other program participants may call to resolve problems. The "Organization Contact" section of the on-line and Web-based NSLDS is organized by function and provides each of OSFA's program participants the opportunity to list as many or few contact persons as desired or appropriate.

Anyone who has ever attempted to maintain a contact list, of any sort, can appreciate the fact that each part of the NSLDS "list" is only responsible for maintaining its own portion of the NSLDS "list". Therefore, the success of our ability to effectively communicate among ourselves depends upon each individual participating institution's willingness to keep their NSLDS organization contact information current. Here's what we recommend;

FOR OUR LENDERS/LENDER SERVICERS:

At the current time, neither lenders nor lender servicers have direct on-line access to NSLDS. Guaranty Agencies are being asked by USDE to provide/update this information on behalf of our lenders/servicers. OSFA is currently in the process of revising its procedures for maintaining current and accurate lender/servicer contact information. In the meantime, lenders and lender servicers should contact Onaleah McClellan at 850-487-0444 to insure the accuracy of the NSLDS Organization Contact information.

FOR OUR EDUCATIONAL INSTITUTIONS:

1. Please take a look at your NSLDS Organization Contact information available to other program participants and your students.
2. If you are not satisfied with what you see, please refer to the July, 1998, revision to Chapter 8 (Organization Contact) of the NSLDS User Guide. This revised version of Chapter 8 is posted in the Bookshelf section of IFAP and can be viewed/downloaded as follows:
 - Use your Web browser to access the index page for the NSLDS Paperless Link User's Guide at: http://ifap.ed.gov/csb_html/nsguide.htm
 - Click on "By Publication Date".
 - Click on "July 1998 Chapter 8 Replacement in PDF"
 - Click on the Adobe Acrobat icon labeled "CH8MIX.PDF".
3. Update your Organization Contact as appropriate. Remember, any individual at your organization with on-line access to the NSLDS can update the Organization Contact screens for your organization.

If you have any questions about updating your Organization Contact information in the NSLDS, please call NSLDS Customer Service at 1-800-999-8219.

If you have general questions about OSFA participation in the NSLDS, please call Joe Chulak at 850-487-1528.



STATE PROGRAMS

1999-2000 Florida Bright Futures Scholarship Program News

Over 80,000 students have been determined eligible for a Florida Bright Futures award for the 1999-2000 academic year. We are pleased with the improvements to the evaluation process and hope that you are too. We encourage you to learn more about this program by visiting our web page at <http://www.firn.edu/doe/brfuture>.

The Bright Futures Advisory Committee is meeting to make recommendations to the Department and the Legislature for program improvements.

For the first time ever, the Department will evaluate the eligibility of 1999-2000 high school seniors based on seventh semester achievement and officially notify them of their award status at that time. If additional information from the final term will improve a student's award status, the Department will review his eligibility and notified him after graduation.

1999-2000 Florida Student Assistance Grant Programs (FSAG)

Florida residents who are enrolled for full-time undergraduate study at eligible Florida postsecondary schools may apply for FSAG by completing a Free Application for Federal Student Aid (FAFSA) as soon as possible after the beginning of each new year. Applicants should contact the financial aid office of the institution they wish to attend for possible deadlines, eligibility criteria, and award amounts.

The administration of FSAG has been decentralized beginning with the 1999-2000 academic year. The Florida Council of Student Financial Aid Advisors has developed a formula for allocating all appropriated funds to participating institutions. Each institution will determine and notify eligible students, as well as disburse funds each term and report back to OSFA. Funds that are not disbursed are to be returned to OSFA by April 1, 2000, for redistribution to other institutions. For more information contact OSFA - State Programs at (toll free) 888-827-2004 or email at OSFA@mail.doe.state.fl.us.

1999-2000 Critical Teacher Shortage (CTS) Programs News

The 1999-2000 CTS applications have been distributed to all Florida public schools and district offices. The CTS programs are designed to encourage students, public school employees, and teachers to pursue education, enhance skills, and seek employment in critical shortage subject areas in Florida public schools. Each year the State Board of Education designates the critical teacher shortage subject areas. The designated areas for 1999-2000 are listed below by program.

The CTS areas for CTS Student Loan Forgiveness and Forgivable Loan Programs are:

- Emotionally Handicapped
- English for Speaker of Other Languages
- Hearing Impaired
- Industrial Arts/Technology Education
- Mathematics
- Mentally Handicapped
- Physically Handicapped
- Science
- Specific Learning Disabled
- Speech and Language Impaired
- Varying Exceptionalities
- Visually Impaired

The CTS areas and endorsements for the CTS Tuition Reimbursement Program and Exceptional Student Education Training Grant Program for Out-of-Field Teachers are:

- Emotionally Handicapped
- English for Speaker of Other Languages
- Hearing Impaired
- Industrial Arts/Technology Education
- Mathematics
- Mentally Handicapped
- Physically Handicapped
- Science
- Specific Learning Disabled
- Speech and Language Impaired

(Teacher Shortage Continued)

Varying Exceptionalities
Visually Impaired

Endorsements:

Gifted

Orientation and Mobility

Preschool Handicapped

1999-2000 State Programs Budget News

Students throughout Florida will benefit from increased appropriations in financial aid programs administered by OSFA. The total 1999-2000 budget for State Programs is nearly \$250 million. This is an increase of 15.5 % over the 1998-1999 budget. The following programs receive significant increases.

- Florida Bright Futures Scholarship - increase of \$10 million
- Florida Student Assistance Grant - increase of \$10.5 million
- Florida Resident Access Grant - increase of \$7.3 million.

Be sure to visit the OSFA web page at <http://www.firn.edu/doe/osfa>, which offers resources for financial aid professionals and students. State Programs Memorandum Directives, Policy Manual and Fact Sheets are available to provide you ready access to documentation on our latest updates, policy, and program eligibility requirements. You will also find a link to the new Florida Student Assistance Grant web site. Students will find State Programs application forms as well as a link to filing the Free Application for Federal Student Aid on line. The Florida Guarantee Agency provides a link to *Mapping Your Future* to assist you with meeting the federal requirements for entrance and exit loan counseling. In addition you will find the Florida Guarantee Agency publications, *The Lender Alert* and *The Loan Originator* to assist in the communication process between postsecondary institutions and lending institutions. Financial aid professionals are provided a link to sign-up for OSFA's email list to receive up-to-date information. We look forward to hearing from you.

CONFERENCES AND TRAINING

1999 Electronic Access Conference

The U.S. Department of Education is pleased to announce the U.S. Department of Education's 1999 Electronic Access Conferences entitled "Power Up For 2000" to be held this fall. Three conferences will be held as follows:

November 2-4, 1999

Miami, Florida

Reservations: (305) 374-0000

November 15-17, 1999

Keystone, Colorado

Reservations: (800) 258-0437

December 15-17, 1999

San Antonio, Texas

Reservations (800) 648-4462

Further Conference information can be found on the Department website (www.ifap.ed.gov) or through the internet at (<http://edeworkshop.walcoff.com>) .

1999 Third Party Servicers and Software Providers Conference

The U.S. Department of Education is hosting a conference designed specifically for Third-Party Servicers and Software Providers. This conference is geared toward vendors who develop software and/or provide services to support the electronic delivery of Title IV student financial aid. This two-day conference will be held August 26-27, 1999 at the Arlington Hilton & Towers in Arlington, VA.

For further information, a Dear Colleague letter (GEN-99-19) containing information regarding this conference can be found at www.ifap.ed.gov.

OSFA Training

The Training Team is busy planning our Fall Training Conference to be held in Tallahassee on November 9th and 10th, open to all participating schools. Further information will be forthcoming.

Federal Updates

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- ❖ School Update
- ❖ Consolidation
All Participants

This index is to assist participants in easily identifying articles of interest.

❖ ED Announcement on 1998-99 Cycle Submission Deadlines

The Department issued an announcement on June 22, 1999 regarding the 1998-99 Cycle Submission Deadlines. The deadline for submitting 1998-99 electronic FAFSA applications is 7 P.M. CDT on June 30, 1999. The deadline for submitting electronic corrections and duplicate requests is 7 P.M. CDT on August 16, 1999.

Transmissions must be "completed" and "accepted" by 7 P.M. CDT to meet the deadline. If your transmission is started before 7 P.M., but is not completed under after 7 P.M., the deadline will be missed.

❖ Update on the RFMS

Beta testing has begun for Regular Disbursements with 6 schools. The testing will be with schools using mainframe, a third party servicer and the new EDExpress version 5.3 for year 1999-2000. The Department should have the results of those tests back in a few days.

Year 2000 testing for RFMS Origination Records will continue until July 23, 1999. Year 2000 Testing for Pell Disbursements, ESOA, and data requests will run from July 12 to August 20th, 1999. For more information about Year 2000 Testing, visit the Department's website at <http://www.ed.gov/offices/OCIO/year/3-18rfms.html>.

One of the changes RFMS has implemented for 99-00 is that pennies are now accepted. Previously all payments were made in whole dollar amounts, now schools will send the disbursement amount in a seven-digit number. This number uses a leading zero and has two places for cents (i.e. 0312500). Please note you must use zeros in the cent field even if you are using whole dollars.

❖ ED Releases 2000-2001 FAFSA Draft Version

On June 29, 1999, the Department of Education released a draft version of the 2000-2001 Free Application for Federal Student Aid (FAFSA). The Department has stressed that this version of the FAFSA is for purposes of information only and should not be submitted.

Major differences between the 1999-2000 FAFSA and the 2000-2001 FAFSA include a question to be added to page 3 on drug conviction eligibility, two parent Social Security Numbers and last names to be added to page 5, notice to the certification language that the Secretary of Education has the authority to verify income reported on the application with the Internal Revenue Service added to page 6, the order of several question has been revised, and the student color for 2000-2001 will be pink.

❖ New Version of FAFSA on the Web Released, July 6, 1999

The U.S. Department of Education is pleased to announce a new release of FAFSA on Web. With this version, three new browsers have been certified for use with the web site -- Microsoft Internet Explorer 4.01 Service Pack 2, Microsoft Internet Explorer 5.0, and Netscape Navigator 4.51.

With this version, the Department is also introducing a new browser policy for this web site. On a quarterly basis, the Department of Education will evaluate new browser versions and certify them for use with FAFSA on the Web.

❖ ED Invites Participation in Access America for Students Pilot, Phase II.

The Department invites institutions to consider participation in Phase II of the Access America for Students pilot. Phase II is being implemented for the 2000-2001 school year.

Access America for Students is a plan developed by the National Partnership for Reinventing Government (NPR) in 1997 to bring together multiple Federal agencies to reengineer the way educational benefits and services are delivered to students. This initiative expects to provide all Americans easy and secure electronic access to training and the benefits and services that students need.

(Access America for Students Pilot Continued)

Access America for Students provides a number of benefits to student, institution, and the federal government in Phase II of the pilot. Benefits for students include secure access to consolidated student aid data and a range of other federal services on a 24-hour basis and use of a digital signature to file federal documents electronically.

For institutions, participation assures the opportunity to design the process. Other benefits include developing a single point of contact and reduced reporting burden to the federal government. If the pilot proves successful, the Department expects to use it as a key component in the Title IV student aid delivery system for all schools in future years.

Customer Service Task Force Report.

A letter was issued from Greg Woods stating that the Customer Service Task Force finished on July 1st and delivered its report with 220 recommendations to make the Department's service equal the best in business. The report can be found on the Web at www.ed.gov/cstf, as well as paper copies have been mailed.

Mr. Woods thanked everyone for helping the task force and stated that their recommendation all came from ideas that were given. Woods also stated that the best idea of all is that the Department keeps taking your ideas seriously, so that service can keep improving.

NSLDS Web Pages Available to Financial Aid Professionals.

The Department is pleased to announce the availability of the first NSLDS Web pages for financial aid professionals. They can be found at www.nslsdfap.ed.gov. The Department encourages all NSLDS partners to try them out.

At this time, you can view Loan History, Loan Detail and Organization Contacts. Additional pages will be released over the next few months to include: Pell Grant History, Enrollment History, and Reporting, Overpayment History and Reporting, SSCR Schedule, Data Provider Schedule, and Reports.

These pages can be accessed through any Internet connection using your existing NSLDS User ID and Password. If you are not currently a user of NSLDS but want to access these new Internet services, you can obtain a User ID and Password from Ed. Even

though you will not use Title IV WAN to access NSLDS, some functions do require a WAN mailbox; so the Department has retained the current sign-up process. You can sign-up or change your NSLDS functions by completing a Title IV Enrollment document, which can be found at www.ifap.ed.gov.

Discontinuation of "Disaster Letters.

On August 3, a notice of proposed rulemaking (NPRM) was published in the Federal Register which, among other things, proposed to modify and incorporate into the Federal Family Education Loan regulations the Department's policy of permitting lenders and guaranty agencies to grant an administrative forbearance to assist borrowers who have been affected by natural disasters. A major change from the current procedure of notification about the numerous natural disaster declarations issued by the Federal Emergency Management Agency (FEMA) is that the NPRM proposes to let loan holders make the determination of whether a natural disaster occurred. There would be no requirement that the natural disaster area be one that qualifies under FEMA's "Individual Assistance program." Since loan holders would decide what constituted a natural disaster for purposes of an administrative forbearance, the "Disaster Letter" notifications that have been sent will no longer be needed and will be discontinued.

This change in the NPRM was recommended by negotiators during the negotiated rulemaking meetings that developed the NPRM. It was approved without objection by the Department and all of the negotiators, who represented lenders, servicers, guaranty agencies, schools, borrower interest groups, and other parties. In light of this universal approval, the Department believes it is appropriate to revise the existing policy immediately, so that you can begin to use the NPRM's proposals now to assist borrowers affected by natural disasters. ***Effective immediately, loan holders will decide what constitutes a natural disaster for purposes of an administrative forbearance,*** and may grant an administrative forbearance to borrowers who contact them asking for temporary relief from their loan obligations because they have been adversely affected by a natural disaster. The holder may grant a forbearance for up to 3 months based on the borrower's oral or written request for assistance, and must document the reasons why it granted the forbearance in the borrower's loan file, but does not

(Discontinuation of "Disaster Letters Continued) need to obtain supporting documentation or a signed written agreement from the borrower to justify a forbearance for the initial 3-month period. However, a continuation of the forbearance past the initial 3-month period will require supporting documentation and a written agreement from the borrower.

Plain Language Disclosure Text.

The Department issued a letter, 99-G-319, August 9, 1999 regarding the approved Plain Language Disclosure (PLD) text for Federal Stafford Loans made under a Master Promissory Note (MPN) in the Federal Family Education Loan (FFEL) Program. The information in that letter supplements information concerning the PLD text contained in GEN-98-25, dated November 1998.

The PLD minimum standard text must be provided to borrowers in connection with second or subsequent loans made under an MPN. The PLD provides the borrower with a plain summary of key disclosure items from the original MPN form and the Borrower's Rights and Responsibilities statement. The summary will help students understand and manage their subsequent borrowing under the MPN. The PLD does not have to be provided when the borrower receives the first Stafford Subsidized Loan and Unsubsidized Stafford Loan made during the initial enrollment period under an MPN. The Department is not mandating the form in which the PLD information is provided but the text attached must be provided to the borrower as described below.

Lenders must provide the PLD to the borrower at or before the disbursement of any loan made under an MPN after the initial loan. To meet this requirement, the PLD can be sent to the student as part of, or along with, the initial disclosure, or it may be sent separately. Guaranty Agencies may choose to provide the PLD in connection with a Notice of Guarantee provided to students. The PLD may be enhanced with additional information, graphics, or color. Lenders and Guaranty Agencies are encouraged to provide the PLD to students at other times as well.

Subsequent loans may be made under an MPN only to

borrowers attending schools authorized by the Secretary to participate in the multi-year MPN process. Effective July 1, 1999, the Department authorized all four-year, degree-granting institutions and graduate institutions to participate in the MPN multi-year process. The approved PLD text is attached to this newsletter. As indicated in GEN-98-25, no changes to, deletions from or additions to the prescribed PLD text are permitted. The Department appreciates the efforts of the NCHELP MPN Task Force in developing this information. In addition, the Department acknowledges the support of the higher education community representatives who assisted in reviewing this information.

Approval of Loan Deferment Forms.

The Department of Education has approved the enclosed student loan deferment forms. There are eight separate application forms used to evaluate borrower eligibility for deferment of Federal Family Education Loan (FFEL) Program loans. The forms reflect the unique federal requirements pertaining to deferment of an FFEL program loan for the following reasons:

- Unemployment
- Public service
- Parental leave/working mother
- PLUS borrower with dependent student
- In-school
- Economic hardship
- Education related
- Temporary total disability

The title of each form indicates the situations under which the form is used to evaluate the borrower's qualifications for deferment. Note that the worksheets for the economic hardship deferment form are optional.

These forms must be used when providing deferment applications to borrower on or after November 1, 1999. Other deferment applications may still be processed after that date, but all new applications sent to borrowers on or after November 1, 1999 must use the enclosed forms.

**Federal
Registers
and Dear
Colleague
Letters**



FEDERAL CORRESPONDENCE

❖ Dear Financial Aid Administrator- CB-99-09(LD) 1997-98 Federal Perkins Loan Service Cancellations Payment Letter

Enclosed is a copy of payment letters and computerized worksheet for reimbursement(s) of the Service Cancellations (Teacher/Military/Volunteer/Law Enforcement/Child/Family/Early Intervention/Nurse, Medical Technician) under the Federal Perkins Loan Program for the 1997-98 award period. This year each institution will receive less than 100 percent of the reimbursement due under Section 465 of the Higher Education Act of 1965, as amended, because of insufficient funds in the Fiscal Year 1999 Appropriation.

Dear Guaranty Agency - Disaster Letter 99-27: Severe Weather in Iowa, June 29, 1999

The Federal Emergency Management Agency has added Butler and Chickasaw counties to the list of counties in Iowa that qualify for federal assistance under FEMA's Individual Assistance program because of severe storms, tornadoes, and flooding that began May 16. Guaranty agencies and lenders are authorized to use the Department's disaster-related forbearance policies to assist FFEL borrowers who are residents of the following counties: Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Harrison, Jones, Linn, and Scott

❖ Dear Colleague, CB-99-10, Award Letters, July 1999.

This letter notifies schools participating in the Campus-Based Programs of the Department of Education's (ED) intent to issue Award Letters, Funding Worksheets, and Cover Letters over Title IV WAN.

❖ Dear Financial Aid Administrator, CB-99-11, Release of Campus-Based Funds and Request for Supplement Federal Work-Study (FWS) Funds, July 1999.

This letter supplements information found in Chapters 5 through 8 of the Federal Student Financial Aid Handbook.

The Campus-Based Reallocation Form is used in the Federal Supplemental Educational Opportunity Grant, FWS, and Federal Perkins Loan programs (the Campus-Based programs) for the following purposes: To release 1998-1999 award year (July 1, 1998 through June 30, 1999) unexpended Campus-Based allocations.

To request supplemental FWS funds for the 1999-2000 award year. If you institution expended at least 10 percent of its total 1998-1999 FWS federal funds to pay the federal share of earnings for students employed in community service jobs, and you institution has a fair share shortfall in its 1999-2000 final funding worksheet, your institution may qualify for a supplemental 1999-2000 FWS allocation.

❖ Dear Colleague Letter, CB-99-12, July 1999 Waiver of Institutional -Share Requirement, July 1999.

This letter provides information regarding the waiver of the institutional-share requirement under the Federal Work-Study Program for students employed as mathematics tutors for elementary through ninth grade students. The enclosure to this letter provides information in the form of Questions and Answers on the new waiver for students employed as mathematics tutors for elementary through ninth grade students. This new waiver of the FWS institutional-share requirement is effective July 1, 1999, as the result of the regulations published on October 1, 1998.

Dear Colleague, GEN-99-20, Systems That Support the Delivery of Student Financial Aid, July 1999.

Greg Woods, Chief Operating Officer, announced that the Department's systems that support the delivery of student financial aid have been renovated, validated, and implemented for Year 2000 compliance. Based on their last report to the Office of Management and Budget, congressman Stephen Horn, Chairman of the Subcommittee on Government Management, Information, and Technology, gave the Department of Education an A grade for their Year 2000 progress.

❖ Dear Colleague Letter, CB-99-13, Calculation of an Institution's Cohort Default Rate for Federal Perkins Loan

This letter provides guidance regarding the calculation of an institution's cohort default rate for the Federal Perkins Loan Program as of June 30, 1999. On October 7, 1998, President Clinton signed into law the Higher Education Amendments of 1998. Among the many important provisions of the new law are a number of changes to the Federal Perkins Loan program, including an expansion of the list of loans that are not treated as defaults in calculating cohort default rates.

The amendments also require all new regulations to be developed through a negotiated rulemaking process. Although the Department declined to issue non-regulatory guidance on this issue during the negotiations, they believe it is necessary to provide interim policy guidance until the final regulations become effective. This letter provides guidance on calculating your school's Federal Perkins Loan Program cohort default rate for borrowers who entered repayment between July 1, 1997 and June 30, 1998.

Dear Colleague Letter, GEN-99-21, Increased Unsubsidized Loan Amounts due to HEAL Loan Program, July 1999.

This letter announces the extension of institutional eligibility to award increased unsubsidized loan amounts for the 1999-2000 academic year, due to the phaseout of the Health Education Assistance Loan (HEAL) Program. Attached to this letter is a list of health professions disciplines eligible for increased unsubsidized loan funds and their approved accrediting agency.

Dear Colleague, CB-99-14, Safeguard Activity Report for the Federal Perkins Loan Program, July 1999.

This letter answers the following questions about the Safeguard Activity Report:

- What time period is covered by the report?
- What am I required to do?
- Can a report be prepared by a servicer?
- What is the deadline for submission?
- Where do I send the report?
- How should I send the report?
- Who should I call if I have questions?

Dear Colleague, Correction to GEN-99-21, July 19, 1999.

On July 8, 1999 the Office of Student Financial Assistance posted to IFAP a Dear Partner Letter GEN-99-21. This letter announces the extension of institutional eligibility to award increased unsubsidized loan amounts for the 1999-2000 year, due to the phaseout of the Health Education Assistance Loan (HEAL) Program.

Please note that the Department inadvertently did not include a contact for questions. If you have any questions or comments on the contents of this letter, please contact Vanessa Freeman in the Program Development Division of the Office of Student Financial Assistance. Vanessa can be reached by email at vanessa_freeman@ed.gov or by phone at (202) 708-8242.

Dear Colleague, GEN-99-22, Implementation of Blanket Certificate of Loan Guaranty Pilot Program, August 2, 1999.

Section 428(n) of the Higher Education Act, authorized a pilot program for fiscal years 1999-2000 in which the Secretary may permit a limited number of guaranty agencies to offer blanket certificates of guaranty in the Federal Family Education Loan (FFEL) Program. This letter provides guidance to guaranty agencies on the process for requesting participation in the pilot program during fiscal years 1999 and 2000.

Dear Colleague, GEN-99-24, Action Letter #3, Electronic Access Conferences, August 1999.

This letter announces three Electronic Access Conferences that will be offered in 1999.

Dear Guaranty Agency Director, 99-G-319, Plain Language Disclosure Text, August 9, 1999.

This letter provides information regarding the approved Plain Language Disclosure test for Federal Stafford Loans made under a Master promissory Note in the Federal Family Education Loan Program.

❖Federal Register, Submission for OMB Review; Comment Request - Notice - June 23, 1999.

This Federal Register invites comments on the submission for OMB review on "What Works" Study for Adult ESL Literacy Students, and Student Aid Report (SAR). Comments must be received on or before July 23, 1999.

Federal Register, 34 CFR Part 694, GEAR UP, Notice of Negotiated Rulemaking, June 30, 1999.

The Department announced their intention to establish a negotiated rulemaking committee to draft proposed regulations to implement chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (HEA), "Gaining Early Awareness and Readiness for Undergraduate Programs: (GEAR UP). The committee will be balanced and representative of the significantly affected interests. The Department requests nominations for participants from anyone who believes that his or her organization or group should participate in the negotiated rulemaking process for the development of the GEAR UP proposed regulations. The Department will consider all nominations for membership on the committee received by Friday, July 9, 1999.

Federal Register, 34 CFR Part 602, Secretary's Recognition of Accrediting Agencies, Notice of Proposed Rulemaking, June 25, 1999.

The Secretary proposes to amend the regulations governing the Secretary's recognition of accrediting agencies to implement provisions added to the Higher Education Act of 1965, as amended (HEA), by the Higher Education Amendments of 1998. The Secretary recognizes accrediting agencies to assure that those agencies are, for HEA and other Federal purposes, reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit. Comments must be received on or before August 24, 1999.

Federal Register, GAANN Inviting Applications for new Awards for Fiscal Year 2000, Notice, July 8, 1999.

This program provides fellowships in areas of national need through academic department and programs of institutions of higher education to assist graduate students with excellent records who demonstrate financial need and plan to pursue the highest degree available in their course of study. Eligible applicants are academic departments and programs of institutions of higher education that meet the requirements in 34 CFR 648.2. Deadline for transmittal of applications is October 4, 1999.

Federal Register, 45 CFR Parts 2522, 2525, 2526, 2527, 2528, and 2529, AmeriCorps Education Awards, July 12, 1999.

The Corporation adopts interim rules published on June 15, 1994, regarding AmeriCorps education awards as final rules. The Corporation is also issuing final rules amending several provisions relating to the AmeriCorps education award, including those governing a participant's eligibility and the ways in which a participant may use the award. These changes will promote efficiency and consistency in providing education awards to AmeriCorps participants. The final rules are effective August 11, 1999.

Federal Register, Notice of Proposed Information Collection, July 14, 1999.

Comments on invited on the proposed information in regards to the Annual Report on Appeals Process and Guaranty Agency Monthly Claims and Collections Report. Interested persons are invited to submit comments on or before September 13, 1999.

Federal Register, 34 CFR Parts 600 and 668, Notice of Proposed Rulemaking, July 15, 1999.

The proposed regulations amend the regulations that govern institutional eligibility for and participation in the student financial assistance programs authorized under title IV of the Higher Education Act of 1965, as amended. These proposed regulations implement statutory changes made to the Higher Education Act. Many of the proposed regulatory changes merely conform current regulatory provisions to statutory changes. Comments must be received on or before September 13, 1999.

**Federal Register, 34 CFR Part 668,
Notice of Proposed Rulemaking, July 16,
1999.**

The Secretary proposed to amend the regulations governing student eligibility for the student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended. The proposed regulations implement changes made to the Higher Education Act, as amended, by the Higher Education Amendments of 1998. Most of the proposed changes simply conform current regulatory provisions to statutory changes. Comment must be received on or before September 14, 1999.

**Federal Register, 38 CFR Part 21,
Department of Veterans Affairs, Final
Rule, July 19, 1999.**

This document amends the Department of Veterans Affairs (VA) regulations pertaining to the effective dates of reductions or discontinuance of monthly payments of educational assistance under the Montgomery GI Bill--Active Duty. Pursuant to statutory authorization, VA requires veterans or servicemembers to certify their continued pursuit of a program of education before they may receive such monthly payments. VA further provides for reductions in the rates of educational assistance in the event the veteran or servicemember reduces the rate of training by withdrawing from part of a course. By statute, the effective date of an adjustment of benefits made on the basis of a monthly certification by a veteran or person is the date of the change. This document revises the regulations to reflect the statutory effective date. Effective July 19, 1999.

**Federal Register, Submission for OMB
Review, Notice, July 9, 1999.**

The Acting Leader, Information, Information Management Group, Office of the Chief Information Officer invites comments on the submission for OMB review in regards to the Phase 1 of the National Evaluation of Talent Search and Educational Opportunity Centers, Federal Stafford Loan (Subsidized and Unsubsidized) Program Master Promissory Note, and Compact for Reading Evaluation. Interested persons are invited to submit comments on or before August 9, 1999

**Federal Register, Notice of Interest
Rates for October 1, 1998, through June
30, 1999 Correction, July 22, 1999.**

The Chief Operating Officer for the Office of Student Financial Assistance Programs announces the interest rates for the period October 1, 1998, through June 30, 1999, for loans first disbursed on or after October 1, 1998, under the William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Family Education Loan (FFEL) Program. This notice corrects the notice published in the Federal Register on April 30, 1999.

**Federal Register, FFELP, Voluntary
Flexible Agreements, Invitation to
Participate, July 28, 1999.**

The Secretary invites Federal Family Education Loan (FFEL) guaranty agencies to submit an application to participate under a Voluntary Flexible Agreement. This notice specifies the criteria that the Secretary will use to select not more than six guaranty agencies that will be invited to negotiate a Voluntary Flexible Agreement (VFA). Although the Higher Education Act limits the Secretary to entering into not more than six VFAs, a guaranty agency with which the Secretary has a VFA may provide the benefits derived through that agreement to other guaranty agencies. The Secretary encourages a guaranty agency submitting a VFA proposal to identify, in its application, other guaranty agencies that may benefit from the agreement. In addition, a guaranty agency is urged to consult with schools and lenders that participate in its program in developing its proposal. Deadline for transmittal of applications is August 27, 1999.

**Federal Register, 34 CFR Part 668,
Notice of Proposed Rulemaking, July 30,
1999.**

The Secretary proposes to amend the loan default reduction and prevention measures in the Student Assistance General Provisions regulations in 34 CFR Part 668. This notice of proposed rulemaking (NPRM) reflects changes made by the Higher Education Amendments of 1998 to the Higher Education Act of 1965, as amended (HEA). Comments must be received on or before September 15, 1999.

Federal Register, 34 CFR Part 674, Federal Perkins Loan Program, Notice of Proposed Rulemaking, July 29, 1999.

The Secretary proposes to amend the Federal Perkins Loan Program regulations. These proposed regulations are needed to implement the changes to the Higher Education Act of 1965, as amended, resulting from the Higher Education Amendments of 1998. The proposed regulations reflect the provisions of the 1998 Amendments that affect the institutions that participate in, and borrowers who have loans made under, the Federal Perkins Loan program. These proposed regulations would expand borrower benefits under the Federal Perkins Loan program by increasing loan limits, expanding borrower eligibility for deferments and cancellations, establishing a loan rehabilitation program for borrowers in default on their Federal Perkins Loans, establishing an incentive repayment program, and providing a closed school discharge. Comments must be received by September 15, 1999.

Federal Register, Federal Pell Grant Program, Notice, July 30, 1999.

The Secretary announces the deadline dates for receiving documents from persons applying for grants under the Federal Pell Grant Program in the 1999-2000 award year, and the earliest submission and deadline dates for receiving documents from institutions participating in that program in that year.

❖ Federal Register, Federal Work-Study Programs, Notice of Closing Date to Submit Campus-Based Reallocation Form, August 2, 1999.

The Secretary gives notice to institutions of higher education of the deadline for an institution that participated in the FWS Program for the 1998-1999 award year (July 1, 1998 through June 30, 1999) to request supplemental FWS funds for the 1999-2000 award year (July 1, 1999 through June 30, 2000). The information collected is used to determine whether an institution is eligible to receive supplemental FWS funds for the 1999-2000 award year. Closing date is August 27, 1999.

Federal Register, Department of Veterans Affairs, Notice, August 4, 1999.

In compliance with the Paperwork Reduction Act, this notice announces that the Veterans Benefits Administration, Department of Veterans Affairs, has

submitted the collection of information regarding the Application for Education Loan, VA Form 22-8725, to the Office of Management and Budget (OMB) for review and comment. Comments must be submitted on or before September 3, 1999.

Federal Register, 34 CFR Parts 668, 673, 674, 675, 676, and 690, Notice of Proposed Rulemaking, August 3, 1999.

The proposed regulations would amend the regulations governing the Student Assistance General provisions, the Campus-Based programs, and Federal Supplemental Educational Opportunity Grant programs, and the Federal Pell Grant Program. These proposed amendments are a result of recently enacted changes to the Higher Education Act of 1965, as amended (HEA), made by the Higher Education Amendments of 1998. Comments must be received on or before September 15, 1999.

Federal Register, 34 CFR Parts 682, Notice of Proposed Rulemaking, August 3, 1999.

The Secretary proposes to amend the Federal Family Education Loan (FFEL) Program regulations. These proposed regulations implement changes made to the Higher Education Act of 1965 by the Higher Education Amendments of 1998. The proposed regulations cover a variety of items, including changes to the financial structure of guaranty agencies in the FFEL Program. Comments must be received on or before September 15, 1999.

Federal Register, 34 CFR Parts 668 and 682, Notice of Proposed Rulemaking, August 6, 1999.

The Secretary proposes to amend the Student Assistance General Provisions regulations governing participation in the student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended and the Federal Family Education Loan (FFEL) Program regulations. These proposed regulations implement statutory changes made to the Higher Education Act of 1965, as amended, by the Higher Education Amendments of 1998 Public Law 105-244, for the treatment of Title IV, HEA program funds when a student withdraws from an institution. Comments must be received on or before September 15, 1999.

Federal Register, Corporation for National and Community Service, Notice, August 4, 1999.

The Corporation for National and Community Service (hereinafter the "Corporation"), as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirement on respondents can be properly assessed.

Currently, the Corporation is soliciting comments concerning its proposed applications entitled: AmeriCorps Education Awards Program 2000 Application Guidelines. Copies of the information collection requests can be obtained by contacting the Corporation for National and Community Service. Written comments must be submitted by October 4, 1999.

Federal Register, 34 CFR Part 668, Notice of Proposed Rulemaking, August 10, 1999.

These proposed regulations would govern the disclosure of institutional and financial assistance information provided to students under the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended. Comments must be received on or before September 15, 1999.

Federal Register, 34 CFR Part 682 and 685, Notice of Proposed Rulemaking, August 10, 1999.

The Secretary proposes to amend the Federal Family Education Loan (FFEL) Program regulations and the William D. Ford Federal Direct Loan (Direct Loan) Program regulations. These proposed regulations are needed to implement recently enacted changes to the Higher Education Act of 1965 made by the Higher Education Amendments of 1998. The proposed regulations deal with provisions of the Higher Education Amendments of 1998 that affect FFEL borrowers, schools, lenders, and guaranty agencies and Direct Loan borrowers and schools. These

proposed regulations seek to improve the efficiency of Federal student aid programs, and, by so doing, to improve their capacity to enhance opportunities for postsecondary education. Comments must be received on or before September 15, 1999.

Federal Register, 38 CFR Part 21, Department of Defense, Final Rule, August 17, 1999.

The law provides that rates of subsistence allowance and educational assistance payable under the Educational Assistance Test Program shall be adjusted annually by the Secretary of Defense based upon the average actual cost of attendance at public institutions of higher education in the twelve-month period since the rates were last adjusted. After consultation with the Department of Education, the Department of Defense has concluded that the rates for the 1998-99 academic year should be increased by 5% over the rates payable for the 1997-98 academic year. The regulations dealing with these rates are amended accordingly. This rule is effective August 17, 1999.

Federal Register, Notice of Proposed Information Collection Request, August 18, 1999.

The Leader, Information Management Group, Office of the Chief Information Officer, invites comments on the Evaluation of Effective Adult Basic Education Programs and Practices, Income Contingent Repayment Plan Consent to Disclosure of Tax Information, Income Contingent Repayment Plan Alternative Documentation of Income, William D. Ford Federal Direct Loan Program Statutory Forbearance Forms, and the Designation of Exemplary and Promising Programs. Interested persons are invited to submit comments on or before October 18, 1999.

❖ Federal Register, Applications for Jacob K. Javits Fellowship Program, Notice, August 20, 1999.

This notice is to invite applications for the Jacob K. Javits Fellowship Program New Awards for fiscal year 2000. The purpose of the Jacob K. Javits Fellowship Program is to award fellowships to eligible students of superior ability, selected on the basis of demonstrated achievement, financial need, and exceptional promise to undertake graduate study leading to a doctoral degree or a Master of Fine Arts at accredited institutions of higher education in

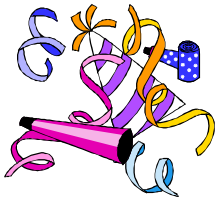
(Jacob K. Javits Continued.)

selected fields of the arts, humanities, or social sciences. Eligible applicants are:

Individuals who at the time of application have not yet completed their first year of graduate study or will be entering graduate school in academic year 2000-2001, and who are eligible to receive any grant, loan,

or work assistance and intend to pursue a doctoral degree or MFA in fields selected by the JKJ Board at accredited U.S. institutions of higher education.

Individuals must be U.S. citizens or nationals, permanent residents of the U.S., or citizens of any one of the Freely Associated States. Deadline for transmittal of applications is November 29, 1999.



CELEBRATING OSFA STAFF

Please join OSFA in welcoming the following new employees:

Claims

Matthew Parker
Joseph Yonce
Habib Nejad
Van Warren
Patricia Bailey
Donnie Kershaw

Collections

Darryl Marshall
Carolyn Hinson

Customer Service

Reita Kelley
Darlene Strawder
Henrietta Fennel
Abby Gabert
Evan Stokley
Sarah Beat
Freda Robinson

OSFA Data Center

Gloria Warren
Kay Heckroth
Candy Sleep
Rusty Womack
David Eggleston
Angela Huggins
Shawn Smith
Roland Johnson
Claudia Brown
Derril Smith
Jay Linton
Julie Marshall

Director's Office

Mario Butler
Holley Arnett

Loan Origination

Tangela Collins

Federal Accounting

Annie Austin
Jeanine Spears
Meltonia Dickey
James Mizell
Sue Weathersbee

Marketing/Outreach

James Sutherland

**Florida Office of Student Financial Assistance
325 West Gaines Street
124 Collins Building
Tallahassee, Florida 32399-0400**

OSFA UNIT TELEPHONE AND FAX NUMBERS

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	Fax # (850) 488-3612
POLICY & PROCEDURES	Telephone # (850) 921-8948
	Fax # (850) 922-1484
COLLECTIONS	Telephone # (850) 488-6712
	Fax # (850) 922-4503
CLAIMS	Telephone # (850) 671-6400
	Fax # (850) 410-5221
LOAN ORIGATION	Telephone # 1-800-366-3475
	Fax # (850) 942-8017
OSFA DATA CENTER	Telephone # (850) 671-6400
	Fax # (850) 942-8017
FFELP CUSTOMER SERVICE	Telephone # 1-800-366-3475
	Fax # (850) 942-8017
GENERAL ACCOUNTING	Telephone # (850) 487-0051
	Fax # (850) 413-7443
FFELP ACCOUNTING	Telephone # (850) 671-6400
	Fax # (850) 942-8017
LENDER & SCHOOL ELIGIBILITY	Telephone # (850) 488-7043
	Fax # (850) 410-1960
PROGRAM REVIEWS	Telephone # (850) 488-8122
	Fax # (850) 410-1960
STATE	
STATE PROGRAMS	Telephone # (850) 488-1034
	Fax # (850) 488-5966
GRANTS	Telephone # (850) 488-6181
	Fax # (850) 488-5966
BRIGHT FUTURES	Telephone # (850) 487-3260
	Fax # (850) 487-6244
STATE POLICY & TRAINING	Telephone # (850) 487-0049
	Fax # (850) 488-5966
SCHOLARSHIPS	Telephone # (850) 487-3260
	Fax # (850) 488-5966
SPECIAL INTEREST (STATE)	Telephone # (850) 410-1318
	Fax # (850) 488-5966
TEACHER PROGRAMS	Telephone # (850) 487-1080
	Fax # (850) 488-5966
STATE ACCOUNTING	Telephone # (850) 410-1318
	Fax # (850) 488-5966