

Attachment to  
GEN-17-08 General Guidance for Disasters  
August 29, 2017

**General Provisions (all Title IV Programs)**

Institutional Participation (§668.26(a)(1)). Unlike cessation of providing an educational program for other reasons, closure due to a natural disaster does not automatically result in a loss of eligibility or participation. The institution should promptly contact its School Participation Division to discuss its situation. Department staff will work with the institution to determine when it plans to reopen and what impact that interruption will have on its students.

Length of Academic Year (§668.3). If, as a direct result of a disaster, an institution is temporarily closed for a period of time that impacts the length of its academic year, the Department will determine the continued eligibility of the institution's programs and students on a case-by-case basis. The institution should promptly contact its School Participation Division to discuss its situation.

Agreements to Permit Study at Another Institution (§668.5). If an institution is unable to continue to provide a student's eligible program because of a disaster, the Department strongly encourages the institution to establish a written agreement with another institution to enable the student to continue his or her academic program while receiving Title IV assistance. The requirements for the agreement are found in §668.5 of the Student Assistance General Provisions regulations.

One of the most significant lessons learned from Hurricanes Katrina and Rita was the importance of institutions having agreements that permit students to study at other institutions outside of the local area. These arrangements might be with other institutions in the state system of the affected institution or with institutions in a neighboring state's system. In the case of private institutions, these arrangements might be most appropriately developed with other institutions in the affected institution's region or, in the case of affiliated institutions, with institutions that share the same affiliation.

Campus Security Reporting and Equity in Athletics Disclosures (§668.41). If an institution is unable to provide the appropriate data to the Department for its Annual Campus Security Report or its Equity in Athletics Disclosure (EADA) Report by the established deadlines because of a disaster, it should contact the Campus Safety Help Desk. The Help Desk can be reached by phone at (800) 435-5985 or by email at [campussafetyhelp@westat.com](mailto:campussafetyhelp@westat.com) to seek guidance in meeting the disclosure requirements.

Cash Management (Part 668, Subpart K). The Department will work with institutions affected by a disaster to address specific problems related to compliance with the cash management requirements. These include, but are not limited to, the following regulatory requirements:

- Borrower Requests for Loan Cancellation (§668.165(a)(4)(ii))
- Credit Balances (§668.164(h))
- Excess Cash (§668.166)

- Notices and Authorizations (§§668.165(a)(3) and 668.165(b)(4)(iii))

Late Disbursements (§668.164(j)). Deadlines related to withdrawal issues, including post-withdrawal disbursements, are addressed under the "Institutional Charges, Refunds, and Return of Title IV Funds Calculations" section of this letter.

Lost Student Records (§668.24). The Secretary recognizes that records an institution is required to keep may no longer be available or legible because of a disaster. An affected institution must attempt to preserve and reconstruct those records, but will not be held responsible for records that cannot be reconstructed. The institution must document that the records were lost due to a disaster and its attempts to preserve and reconstruct those records.

Need Analysis. Any aid, whether in the form of grants or low-interest loans, received by victims of a disaster from a federal or state entity for the purpose of providing financial relief, is not counted as income for calculating a family's Expected Family Contribution (EFC) under the Federal Methodology or as estimated financial assistance for packaging purposes.

Professional Judgment. Section 479A of the Higher Education Act of 1965, as amended (HEA) specifically gives the financial aid administrator (FAA) the authority to use professional judgment to make adjustments on a case-by-case basis to the cost of attendance or to the values of the items used in calculating the EFC to reflect a student's special circumstances. We encourage FAAs to use professional judgment to reflect more accurately the financial need of students and families affected by a disaster. In making case-by-case determinations, the FAA must obtain documentation that is retained in each affected student's file and substantiates the reasons for any adjustment. The use of professional judgment in the Federal Methodology need analysis is discussed in the Federal Student Aid Handbook.

As usual, any professional judgment decisions made by an FAA that affect a student's eligibility for a Federal Pell Grant must be reported to the Central Processing System (CPS) as a "correction" transaction and with the "PJ" indicator set.

Satisfactory Academic Progress (§§668.34 and 668.16(e)). If a student fails to meet an institution's satisfactory academic progress standards due to a disaster, the institution may use the exception provided in §668.34(a)(9) to find that because of "other special circumstances" the student is nevertheless meeting its standards. The institution must document in the student's file that the student's failure to maintain satisfactory academic progress was due to a disaster.

Verification (Part 668 Subpart E). The Department will not enforce the verification requirements for selected applicants whose verification records were lost or destroyed because of a disaster, provided that the institution has attempted to preserve and reconstruct any records as noted above under "Lost Student Records." An institution must document that it does not have these records or did not perform verification because of the disaster. For these students, Verification Status Code "S" may be used to report a Federal Pell Grant disbursement.

Further, the Department waives the requirements under §§668.57(b) and (c) that a dependent student submit a statement signed by one of the student's parents when no responsible parent can provide the required signature because the parent is affected by the disaster. In such a situation, the institution must note and retain an explanation of why neither of the student's parents was available to provide such a statement.

### **Institutional Charges, Refunds, and Return of Title IV Funds Calculations (§668.22)**

If a student withdraws because of a disaster, the institution must perform a Return of Title IV Funds calculation in accordance with §668.22. The statutory provisions for a Return of Title IV Funds calculation include the concept that a student "earns" a portion of the aid for the time that he or she was enrolled. Essentially, any Title IV aid disbursed that is in excess of the amount earned must be returned to the programs. Even in the case of a disaster, the school must return any Title IV funds for which it is responsible. This is particularly important for a student who received loans for that period; the calculations require the institution to return unearned funds first to the Title IV loan program from which the student borrowed. This benefits the student by reducing the student's loan debt. If the disbursed amount is less than the calculated amount of earned aid, the student is entitled to the difference as a post-withdrawal disbursement.

Deadlines and Time Frames. The appropriate School Participation Division will address any concerns about the deadlines and time frames that are part of the Return of Title IV Funds requirements on a case-by-case basis.

Institutional Charges and Refunds. The Department strongly encourages institutions to provide a full refund of tuition, fees, and other institutional charges, or to provide a credit in a comparable amount against future charges, for students who withdraw from school as a direct result of a disaster. The Department also urges institutions to consider providing easy and flexible re-enrollment options to these students. However, before an institution makes a refund of institutional charges, it must perform the required Return of Title IV Funds calculation based on the institutional charges originally assessed. After determining the amount that the institution must return to the Title IV Federal student aid programs, any reduction of institutional charges should take into account the funds that the institution is required to return. In other words, the Department does not expect that an institution would return funds to the Federal programs, and also provide a refund of those same funds to the student.

In addition, the institution should not include the number of days on which classes were not offered as a result of the disaster in either the numerator or denominator of the Return of Title IV Funds calculations for students whose withdrawal date is after such an unscheduled break.

Leaves of Absence (§668.22(d)). A leave of absence that meets the definition of an approved leave of absence generally applies only to clock hour or non-term programs. A student enrolled in such a program and who is directly affected by a disaster can request a leave of absence without doing so in writing, and the student request for the leave of absence does not have to be made before the leave of absence starts. The institution must document that, because of the disaster, it waived the written request requirement and the requirement that the request be made prior to the leave of absence.

Post-Withdrawal Disbursements (§668.22(a)(5) and (6)). The appropriate School Participation Division will address any concerns about the time frame for allowing a student (or parent) to respond to an offer of a post-withdrawal disbursement on a case-by-case basis.

Waiver of Title IV Grant Overpayments (§668.22(h)(5)). The Secretary is authorized to waive the amount of a student's Title IV grant overpayment if the student withdrew from the institution because of a major disaster under specified conditions. The Secretary's exercising of this waiver

authority remains in effect until it is specifically withdrawn. A Title IV grant overpayment otherwise due from a student under the Return of Title IV Funds requirements is waived if the student withdrew because of a disaster under the following conditions:

- The student was residing in, employed in, or attending an institution that is located in a disaster area;
- The student withdrew because of the impact of the disaster on the student or the institution; and
- The student's withdrawal occurred within the academic year during which the disaster occurred or during the next succeeding academic year.

If a student's grant overpayment has been waived in accordance with this provision, an institution is not required to notify the student or the National Student Loan Data System (NSLDS) of the overpayment, or refer any portion of the overpayment to the Department. In addition, an institution must not apply any Title IV credit balance to pay down the grant overpayment. An institution must document the student's file when it applies this waiver and note the amount of the overpayment that is waived.

### **Federal Pell Grant and Teacher Education Assistance for College and Higher Education (TEACH) Grant Programs**

Deadline for Reporting Initial Disbursement Records (Federal Pell Grant §690.83 and TEACH Grant §686.37). Normally, an institution must submit to the Department a Federal Pell Grant or TEACH Grant disbursement record for a student not later than 15 calendar days after the institution makes a disbursement to the student or becomes aware that a disbursement needs to be adjusted.

For the Federal Pell Grant program, if the institution becomes aware that previously reported payments or expected payments for a student are no longer accurate, the institution must submit an accurate disbursement record for that student no later than 15 calendar days after becoming aware of the need to make the change. The institution should promptly contact its School Participation Division if it is unable to meet these deadlines.

Additional deadline details are included in the deadline date notice published annually in the Federal Register. For the TEACH Grant Program, an institution must submit to the Department subsequent disbursement records, including adjustments and cancellation records not later than 15 days following the date of the disbursement, adjustment, or cancellation. The appropriate School Participation Division will address any concerns about the deadlines for submitting disbursement records (including adjustments and cancellations) for the TEACH Grant Program on a case-by-case basis.

Final Federal Reporting Deadlines. Upon an institution's request, the Department will extend the deadline for reporting final Federal Pell Grant payments if the institution is unable to meet the published deadline because of a disaster. An affected institution should make the request as soon as possible by submitting a request via the Common Origination and Disbursement (COD) Web site (<http://www.cod.ed.gov>) or by contacting the COD School Relations Center at 1-800-474-7268.

## **General Campus-Based Program Issues**

Allocation Reduction Due to Under-Utilization (§673.4(d)(3)). In general, if an institution returns more than 10 percent of its allocation under the Federal Perkins Loan, Federal Work-Study (FWS), or Federal Supplemental Educational Opportunity Grant (FSEOG) programs for an award year, the institution's allocation for the program in question for the second succeeding award year is reduced by the amount unexpended. The HEA authorizes the Secretary to waive this reduction for an institution if enforcing it is contrary to the interest of the program. The Department considers the failure of an institution to expend funds solely due to a disaster to be an appropriate reason for using this waiver authority. An institution must submit a request for a waiver of the under-utilization penalty along with a statement that explains the reason for its failure to comply with the requirement. Affected institutions should make the waiver request as soon as possible by contacting the Campus-Based Call Center at 1-877-801-7168.

Filing Deadline for Fiscal Operations Report and Application to Participate (FISAP). The Secretary will consider on a case-by-case basis the effect of a disaster on an institution's ability to meet required reporting deadlines. If an institution is having trouble filing its complete FISAP by the published deadline because of a disaster, the Department will assist the institution. An affected institution should request assistance as soon as possible by contacting the Campus-Based Call Center at 1-877-801-7168.

## **Federal Work-Study (FWS) Program**

Community Service Requirements (§675.18(g)). An institution must use at least seven percent of the total amount of its FWS Federal funds granted for an award year to compensate students employed in community service. In addition, the institution must ensure that it includes at least one project for reading tutoring of children or one project for family literacy in providing community service. The HEA provides that a waiver of one or both of the community service requirements may be granted if the Secretary determines that enforcing the requirements would cause hardship for students at the institution. The Department considers the failure of an institution to expend at least seven percent of its total FWS Federal allocation for community service and/or to have at least one project for reading tutoring of children or family literacy due to a disaster as an appropriate basis for a waiver. An institution must submit a request for a waiver along with a statement that explains the reason for its failure to comply with one or both of the community service requirements. An affected institution should request a waiver as soon as possible by using the annually published waiver submission guidelines, or by contacting the Campus-Based Call Center at 1-877-801-7168.

Community Services (§675.2). The Department encourages institutions to employ their FWS students in cleanup and relief efforts for the communities affected by a disaster. These efforts are considered to be part of the institution's community services activities under the FWS Program.

Flexibility in Making Certain FWS Payments (§675.18(i)). The Higher Education Opportunity Act (HEOA) added a provision to the HEA that allows an institution to make FWS payments under certain limited circumstances to disaster-affected students who are unable to continue working. An institution in an area affected by a major disaster (as defined in the cover letter and

included in the Robert T. Stafford Disaster Relief and Emergency Assistance Act in 42 U.S.C. §5122(2)) may only make payments to disaster-affected students for the period of time in which the students were prevented from fulfilling their FWS obligations due to the disaster. The period of time may not exceed the award period.

Payments may be made in an amount equal to or less than the amount of FWS wages those students would have been paid had they been able to complete the work obligation necessary to receive FWS funds. Any payments made must meet the FWS matching requirements, unless the Department waives the matching requirements.

The term “disaster-affected student” means a student enrolled at an eligible institution who:

- Received an FWS award for the award period during which a disaster occurred in the area where the institution is located;
- Earned FWS wages from the institution for that award period;
- Was prevented from fulfilling his or her FWS obligation for all or part of the award period due to the disaster; and
- Was unable to be reassigned to another FWS job.

Payments may not be made to any student who was not eligible for FWS, or was not completing the work obligation necessary to receive FWS funds, or had already separated from his or her FWS employment prior to the occurrence of the disaster.

### **Federal Perkins Loan Program**

Reporting Student Enrollment Status (§674.16(j)). If an institution is unable to report a student’s enrollment status to NSLDS under the established schedule as a direct result of a disaster, it must contact NSLDS Customer Service at 1-800-999-8219 to modify its reporting schedule. An institution using the National Student Clearinghouse or another third party servicer should contact its servicer to see if its enrollment data submission schedule needs to be adjusted. If an institution receives a warning letter from NSLDS regarding missed reporting deadlines, it should contact NSLDS Customer Service to ensure that reporting schedule modifications have been made.

A Borrower’s Loan Status (§674.31). If a Perkins Loan borrower who was in an “in-school” status on the date the borrower’s attendance at the institution was interrupted due to a disaster, the institution should continue to report that borrower’s status to NSLDS as “in-school.” The institution should continue the borrower in that status until the borrower withdraws or fails to resume attendance on at least a half-time basis in the next regular enrollment period, whichever is earlier. The institution should then change the borrower’s status from “in-school” to “in grace,” effective as of the withdrawal date or the day prior to the first day of the next regular enrollment period, as applicable. (A borrower who resumes at least half-time enrollment in the next regular enrollment period would continue in an “in-school” status.)

For example, assume a borrower begins attendance on September 5. On September 30, the institution temporarily closes due to a disaster. The institution reopens October 25 but the borrower (who has not withdrawn) does not return until the start of the next semester in January. The borrower’s status should be reported as “in-school” throughout the fall semester.

In a different situation, assume that the borrower does not return to the institution at all after it temporarily closes on September 30. The borrower's status should be reported as "in-school" throughout the fall semester. If the institution determines that the borrower has not returned for the spring semester in January, the institution would report the borrower's status as "in-grace," effective as of the last date of the fall semester.

Borrowers in Initial or Post-Deferment Grace Periods (§674.42). The appropriate School Participation Division will address any concerns about borrowers in initial and post-deferment grace periods, on a case-by-case basis.

Borrowers in Repayment (§674.33). The Department authorizes institutions to grant forbearance, for a period not to exceed three months, to a Federal Perkins Loan borrower who is in repayment at the time of a disaster and who is unable to make payments due to the disaster.

Interest accrues during any period of forbearance. A borrower may request this forbearance orally or in writing, and is not required to submit documentation to be considered eligible for this forbearance. An institution must document the forbearance in the borrower's file. To receive forbearance beyond the three-month period, the borrower must make a request to the institution and provide supporting documentation. (At the expiration of the three month period, the institution should examine the borrower's situation to determine potential eligibility for an economic hardship deferment or unemployment deferment, as appropriate.) This period of forbearance is counted toward the 3-year maximum limit on the number of years of forbearance that may be granted to a borrower.

Collection of Defaulted Loans (Part 674, Subpart C—Due Diligence). The institution may stop collection activities for three months upon notification by the borrower, a member of the borrower's family, or another reliable source that the borrower has been affected by a disaster. Collection activities must resume at the end of the 3-month period. The institution must document in the loan file why it suspended collection activities on the loan, and is not required to obtain evidence of the borrower's status while collection activities have been suspended. The appropriate School Participation Division will address any additional concerns about required billing and collection activities on a case-by-case basis.

Satisfactory Repayment Arrangements on Defaulted Loans (§674.2). During the time a borrower is affected by a disaster, an institution should not treat any scheduled payment the borrower fails to make as a missed payment in the stream of six on-time, consecutive, monthly payments required for the borrower to make satisfactory repayment arrangements on a defaulted Perkins Loan and to re-establish his or her eligibility for assistance under Title IV of the HEA. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which it was discontinued.

Payments to Rehabilitate Defaulted Loans (§674.39). During the time a borrower is affected by a disaster, an institution should not treat any scheduled payment the borrower fails to make as a missed payment in the stream of nine on-time, consecutive, monthly payments required for the borrower to rehabilitate the defaulted loan. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which it was discontinued

## **William D. Ford Federal Direct Loan (Direct Loan) Program/Federal Family Education Loan (FFEL) Program: Institutions**

Reporting Student Enrollment Status (§§685.309(b) and 682.610(c)). If an institution is able to report a student's enrollment status to NSLDS, the institution should continue to report the enrollment status of each Direct Loan borrower who was enrolled at least half-time on the date the borrower's attendance at the institution was interrupted due to a disaster as either "full-time" or "at least half-time," as appropriate. The institution should continue each borrower in the appropriate enrollment status until the borrower withdraws or does not return for a subsequent enrollment period. In both instances, the borrower's enrollment status would be changed to "withdrawn," effective as of the withdrawal date or the end of the enrollment period, as appropriate. If the student resumes attendance on at least a half-time basis, the appropriate enrollment status should be reported.

If an institution is unable to report a student's enrollment status to NSLDS under the established schedule as a direct result of a disaster, it must contact NSLDS Customer Service at 1-800-999-8219 to modify its reporting schedule. An institution using the National Student Clearinghouse or another third-party servicer should contact its servicer to see if its enrollment data submission schedule needs to be adjusted. If an institution receives a warning letter from NSLDS regarding missed reporting deadlines, it should contact NSLDS Customer Service to ensure that reporting schedule modifications have been made.

Submission of Direct Loan Payment Data (§685.301(c)). This regulation requires an institution to submit Direct Loan payment data in accordance with procedures and deadlines established through a notice published in the Federal Register. An institution that is unable to meet the requirements specified in the Federal Register Notice must contact its School Participation Division to discuss its situation.

### **Direct Loan Program: Department of Education**

Borrowers in In-School Loan Status (§685.207) and In-School Deferment Status (§685.204).

The Department will continue to report to NSLDS as "in-school" the loan status of each borrower who was in an "in-school" status on the date the borrower's attendance at the institution was interrupted due to a disaster. The Department will continue the borrower in that loan status until the institution reports the borrower as withdrawn, as specified above in "Reporting Student Enrollment Status (§685.309(b))."

Borrowers in Repayment (§685.205). For a borrower in repayment who is affected by a disaster, the Department will grant an administrative forbearance under §685.205(b). The Department will provide a notice to a borrower to allow the borrower the opportunity to decline the forbearance if the borrower has not been adversely affected by a disaster.

Collection of Defaulted Loans. The Department will stop collection activities for three months upon notification by the borrower, a member of the borrower's family, or another reliable source that the borrower has been affected by a disaster. Collection activities will resume at the end of the 3-month period at the point at which they were discontinued.

Satisfactory Repayment Arrangements (§685.102). During the time a borrower is affected by a disaster, the Department will not treat any payment the borrower fails to make as a missed payment in the stream of six consecutive, on-time voluntary full monthly payments required to re-establish his or her eligibility for assistance under Title IV of the HEA. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments resumes at the point at which it was discontinued.

During the time a borrower is affected by a disaster, the Department will not treat any payment the borrower fails to make as a missed payment in the stream of three consecutive, on-time voluntary full monthly payments required to establish eligibility to consolidate a defaulted loan. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments resumes at the point at which it was discontinued.

Payments to Rehabilitate Defaulted Loans (§685.211(f)). During the time a borrower is affected by a disaster, the Department will not treat any payment the borrower fails to make as a missed payment in the stream of nine on-time monthly payments within ten months for purposes of rehabilitating the defaulted loan. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which they were discontinued.

### **FFEL Program: Lenders and Guaranty Agencies and FFEL Purchased Loans held by the Department**

Borrowers in In-School Loan Status (§682.209(a)) and In-School Deferment Status (§682.210). The loan holder should continue to report to NSLDS as "in-school" the loan status of each borrower who was in an "in-school" status on the date the borrower's attendance at the institution was interrupted due to a disaster. The loan holder should continue the borrower in that loan status until the institution reports the borrower as withdrawn, as specified above in "Reporting Student Enrollment Status (§682.610(c))."

Borrowers in Repayment (§682.211). For a borrower who is in repayment and who is affected by a disaster, the FFEL loan holder is authorized to grant an administrative forbearance under §682.211(f) for a period of up to three months. The loan holder must provide a notice to the borrower to allow the borrower the opportunity to decline the forbearance.

Collection of Defaulted Loans (§682.410). The guaranty agency is authorized to stop collection activities for three months upon notification by the borrower, a member of the borrower's family, or another reliable source that the borrower has been affected by a disaster. Collection activities must resume at the end of the 3-month period at the point at which they were discontinued. The guaranty agency must document in the loan file why it suspended collection activities on the loan, and is not required to obtain evidence of the borrower's status while collection activities have been suspended.

Satisfactory Repayment Arrangements (§682.200(b)). During the time a borrower is affected by a disaster, the FFEL loan holder should not treat any payment the borrower fails to make as a missed payment in the stream of six consecutive, on-time voluntary full monthly payments required to re-establish his or her eligibility for assistance under Title IV of the HEA. When the

borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which it was discontinued.

During the time a borrower is affected by a disaster, the FFEL loan holder should not treat any payment the borrower fails to make as missed payment in the stream of three consecutive, on-time voluntary full monthly payments required to establish eligibility to consolidate a defaulted loan. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which it was discontinued.

Payments to Rehabilitate Defaulted Loans (§682.405). During the time a borrower is affected by a disaster, the FFEL loan holder should not treat any payment the borrower fails to make as an interruption in the nine on-time voluntary full monthly payments within ten months for purposes of rehabilitating the defaulted loan. When the borrower is no longer affected by the disaster, the required sequence of qualifying payments may resume at the point at which it was discontinued.