

# NAFSA Government CONNECTION

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# Federal Financial Aid for Education Abroad Programs

## Today's Speakers:

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# Federal Financial Aid for Education Abroad Programs

## ○ Today's Agenda:

- Terminology and Financial Aid Basics
- Written Arrangements and Consortium Agreements for Study Abroad
- Terms of Study and Financial Aid
- Q&A 1
- NAFSA Resources
- Q&A 2

# Acronyms and Terminology

- FSA = Federal Student Aid
- ED = Department of Education
- SAP = Satisfactory Academic Progress
- R2T4 = Return (of funds) to Title IV
- COA = Cost of Attendance
- EFC = Expected Family Contribution
- COD = Common Origination and Disbursement

# Department of Education: Federal Student Aid

- US Department of Education
  - Higher Education Act
  - Title IV
- Federal Student Aid (FSA) is the office in the Department of Education responsible for providing and overseeing student financial aid.
  - Grants
  - Loans
  - Work-study

# Department of Education: Federal Student Aid

## Basic Eligibility for Aid:

- US citizen or eligible non-citizen
- Valid SSN
- Registered with Selected Service
- Enrolled/accepted at an eligible degree or certificate program
- At least half-time enrollment needed for loans
- Maintain satisfactory academic progress

## Basic Eligibility – Determining Financial Need:

- The cost of attendance (COA) will vary from institution to institution.
- Expected family contribution (EFC) does not change based on institution.



# Department of Education: Federal Student Aid

## Challenges: Qualifying

- Students must be enrolled in a degree program
- Students must be enrolled for a certain number of credits
- Education Abroad credit has to be pre-approved by the home institution

## Challenges: Disbursement

- Timing
  - When will the aid be released
  - When will the student re-apply/re-submit the FAFSA?
- Logistics
  - How will students sign official documents?
  - How will students receive funds?
- Eligibility
  - Satisfactory academic progress must be demonstrated.
  - Student withdrawal may have negative impacts on aid.



# Written Arrangements/ Study Abroad

NAFSA Conference  
Washington, DC

Greg Martin 06.14.2017





What are Written Arrangements?

# Written Arrangements

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- Two types of written arrangements
  - Consortium agreement
  - Contractual agreement
- Consortium agreement
  - A written agreement between two or more *eligible* institutions
- **Contractual Agreement**
  - A written agreement between an eligible and an ineligible school
- Foreign Institutions may **not** enter into contractual agreements
  - An ineligible institution or organization may not provide any portion of an eligible foreign institution's program(s)
- *Since foreign institutions may only enter into written arrangements with other eligible institutions, this balance of this presentation (unless noted) will refer only to consortium agreements*

# Consortium Agreement

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- Student may take courses at a school other than the home school and have those courses count toward the degree or certificate at the home school
- Home school must give credit courses taken at other schools on same basis as if it provided the training itself
  - Underlying assumption that the home institution has found the other institution's academic standards equivalent to its own
- Home institution may decline to give credit for courses where a student earns a grade not acceptable at the home institution
  - Even if the host school would accept that grade for its resident students
- SAP
  - Grades received through a consortium agreement do not have to be included when calculating GPA but must be included in calculating percentage of credits earned vs. attempted

# Disclosures

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- Institution must provide enrolled and prospective students a description of consortium agreements it has entered into including
  - Portion of the educational program the institution that grants the degree is not providing
  - Name and location of other institutions that are providing that portion of the program
  - Method of delivery of that part of the program, and
  - Estimated additional costs students may incur by enrolling in that program provided under a consortium agreement \*

\* Note: Individual, student-initiated agreements are not subject to these disclosures

# Duration of Consortium Agreements

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- If not written for an individual or group of students, agreements between schools may go on indefinitely and do not need to be renewed unless terms of the agreement change
- Individually initiated agreements or those for specific groups continue for a length of time specified in the agreement
- No institution is required to enter into a consortium agreement with another eligible institution regardless of how much a student may desire such an agreement to be executed

# Division of Responsibilities

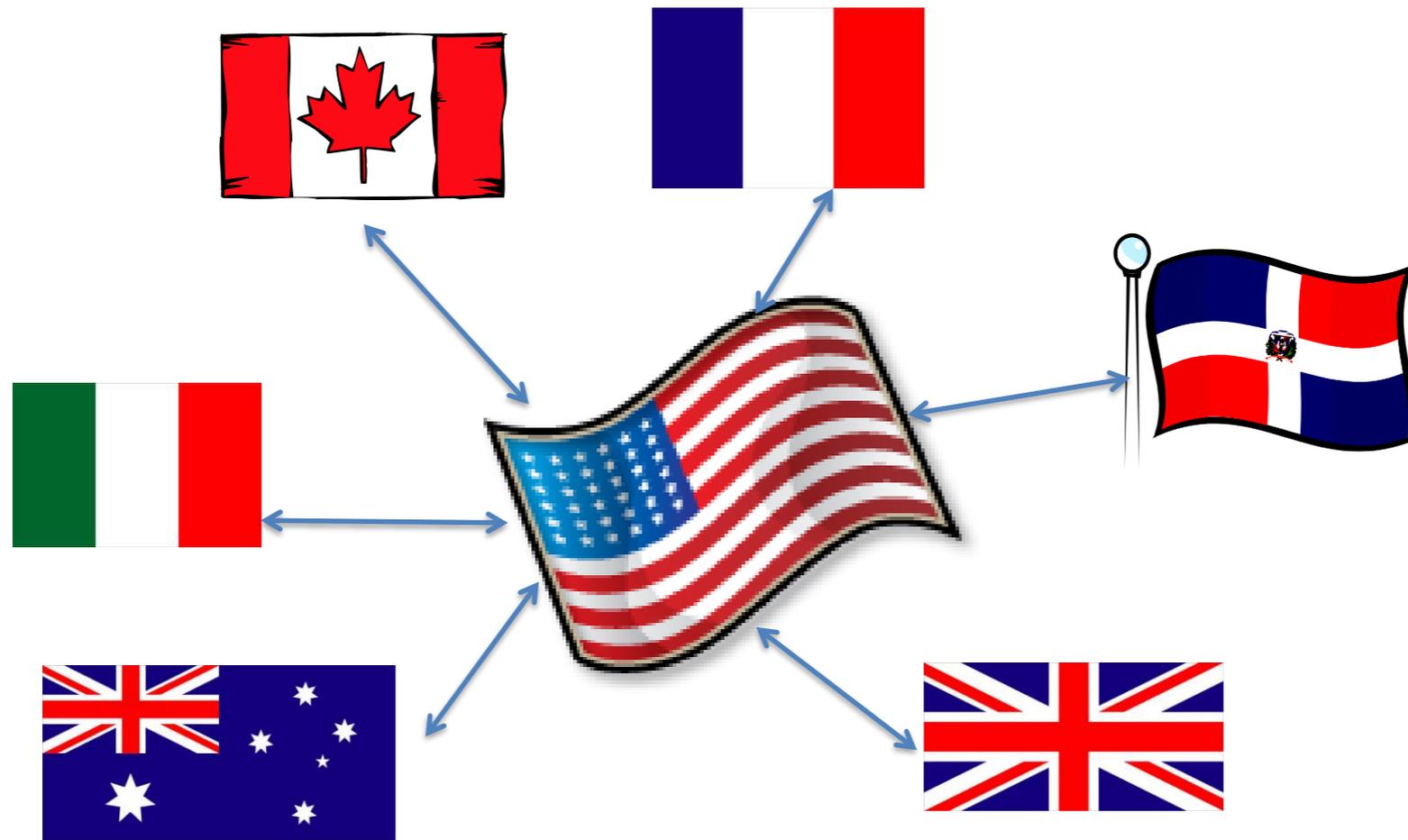
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- Either the home or host school may assume responsibility for disbursing loan funds and/or monitoring students
- Home school generally assumes responsibility for disbursing and monitoring
  - May be easier for the host institution to perform these functions if a student will be at that institution for a full term or academic year
- Under a consortium agreement, any participating institution may make Direct Loan calculations and disbursements without being considered a third-party servicer
- Institution that disburses Direct Loan to the student is responsible for maintaining information on the student's eligibility, calculation of award, money disbursed etc.
  - Also responsible for returning funds in overpayment/ R2T4 situations

# Structure of Consortium Agreements

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- Consortium agreement can be a blanket agreement between two or more eligible schools or it can be for a specific student
- Institutional options
  - One agreement for each student
  - Separate agreement with each host school
  - Blanket agreement with a group of schools
- No limit on the portion of the eligible program that may be provided by the host institution(s)
- Agreement contents may vary widely depending upon the interests of the institutions involved and any governing body standards



# Written Arrangements Between U.S. Institutions and Foreign Institutions

# U.S. Inst. Written Arrangements

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- Eligible U.S. institution may have written arrangements with a foreign institution or organization acting on behalf of the foreign institution
  - Foreign institution provides part of a program
  - Students enrolled in that program may receive Title IV funds
- Any arrangement between a U.S. institution and a foreign institution or organization acting on behalf of a foreign institution is considered to be one between an *eligible* U.S. institution (where student is enrolled) and an *ineligible* foreign institution
  - Even if the foreign institution is otherwise Title IV eligible

**Note:** These arrangements are known as *Contractual Agreements* – *U.S. institutions may execute a contractual agreement with a foreign school but the reverse is not permitted*

# Contractual Agreements

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- Eligible institution (U.S. Institution) is always the “home” institution
- Student must be continuously enrolled in eligible institution (U.S. Institution) as a regular (degree seeking) student
- U.S. institution must perform all Title IV functions
  - Determine eligibility, COA and enrollment status
  - Disburse funds
- U.S. institution responsible for maintaining all records documenting student eligibility and receipt of Title IV funds
- Upon program completion, student *must* receive a degree from the U.S. institution
  - May also receive a degree from the foreign institution

# Contractual Agreements

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- Limit on portion of program that may be offered by an ineligible institution
  - Portion of program provided by ineligible institution must be less than 50%
    - If there is no common ownership or control
  - Portion of program provided by ineligible institution may be no more than 25%
    - If both the eligible and ineligible institution are owned or controlled by the same partnership or corporation
- For separately owned or controlled institutions:
  - If ineligible institution/organization provides more than 25% of the program, eligible institution's accrediting agency or state agency must determine that the arrangement meets the agencies standards for contracting out of educational services

# Contractual Agreements

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- Other factors that may prevent a foreign institution participating in a written arrangement with a U.S. institution
  - Ineligible institution/organization has had its eligibility terminated by ED
  - Ineligible institution/organization has voluntarily withdrawn from the Title IV programs under termination, show-cause, suspension action initiated by ED, State licensing agency or guarantor
  - Eligible institution (U.S. institution) has had its certification to participate revoked by ED
  - Eligible institution (U.S. institution) had its application for certification or recertification to participate in the Title IV programs denies by ED

# Consortium Agreements – Academic Calendar

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- Institution that awards Title IV should award based on its own calendar
- Earliest disbursement date is 10 days before earlier of the start date at either the home or host school
  - COD limitations may apply
- Program's academic year is not affected if coursework taken at a host school overlaps or does not take place in the same timeframe as the home school's normal terms
  - If the home school is awarding aid, it must include credits taken at the host school in the student's enrollment status for a term that occurs at a time reasonably similar to the timeframe for the host school's coursework

# Consortium Agreements – SAP

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- SAP must be evaluated by the home school using its own standards
  - A different timeframe may be established if a student is in a consortium agreement; the institution must publish clear information about the intervals for students in a consortium
  - If a student is still engaged in coursework at the host school when the home school evaluates SAP, the coursework must be treated according to the institution's policies for incomplete coursework under an SAP evaluation

# Consortium Agreements – R2T4

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- R2T4 calculation must be completed by the institution that awards and disburses the student's Title IV aid
- Denominator includes all the days the student is scheduled to attend at both the home and host school
- Numerator includes all the days attended at either institution
- Institutional charges are those assessed the student by either institution
- Requirements for programs offered in modules apply
  - Any coursework taken at either the home or host school that does span the length of the payment period is considered a module

# Written Arrangements – Study Abroad

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- Written arrangements between eligible U.S. institutions and foreign institutions are not consortium agreements because the foreign institution is considered to be an ineligible entity
  - Such written arrangements are contractual agreements
  - Home school is always the eligible U.S. institution
- Study abroad programs provided by the home school via an overseas location are not considered to be written arrangements
  - For such programs, rules apply as they would to any normal program, including the implications of overlapping terms

# Reporting for Consortium Agreements

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- Institution that awards Title IV aid is responsible for reporting to COD
  - Academic year, loan period, and disbursement dates reported to COD should be those of the school which is awarding the aid
- Enrollment must always be reported to NSLDS by the home institution
  - Home institution is responsible for prompt and accurate reporting to NSLDS of a student's withdrawal or graduation dates, changes in enrollment status
    - Must be accomplished under the Department's normal requirements for such reporting

# Standard Terms: Study Abroad Interessions

How to deal with interessions or other additional terms and keep your program standard?

- J-terms
- Maymester
- Mini-session

Add the interession to one standard term or the other

- Treat the entire combined term as one payment period

FSA's guidance states that for a program already using established standard terms, adding a term that is immediately prior to, or after, the standard term, and does not overlap with another term, keeps the standard terms as standard



# Department of Education: Federal Student Aid (FSA)

## Q&A

# Department of Education: Federal Student Aid

## Education Abroad

NAFSA  
Committees on  
Funding and  
Financial Aid

### Education Abroad Knowledge Community

- Funding Education  
Abroad Subcommittee

### Education Abroad Regulatory Practice Committee

- Federal Financial Aid  
Subcommittee

# Department of Education: Federal Student Aid

## NAFSA Resources:

- Handbook on Financial Aid for Education Abroad – e-publication
- Budget Estimate Creation and Dissemination for Study Abroad Programs - resource pdf
- Overcoming Obstacles in Study Abroad Financial Aid – e-Learning Seminar on Demand
- Financial Aid & Study Abroad: Basic Facts for Administrators – webpage
- Financial Aid & Study Abroad: Basic Facts for Students – webpage
- Using Veterans Benefits for Education Abroad – webpage
- [www.nafsa.org/earp](http://www.nafsa.org/earp) --> click on “Federal Financial Aid”

# Department of Education: Federal Student Aid (FSA)

## NAFSA Annual and Regional Conferences:

- 2018 Workshop: “Funding Education Abroad: Administration and Partnership Building”
- 2017 Session at Annual Conference “Building a Strong Relationship Between Study Abroad and Financial Aid”
- Sessions at Regional Conferences
  - Tri-regional in Denver, CO
  - Region VI in Louisville, KY
  - Region VII in Spartanburg, SC
  - Region XI in Bretton Woods, NH

# Department of Education: Federal Student Aid (FSA)

## ○ Issue Net: Report an Issue

NAFSA: Association of International Educators Welcome, Julia Benson [Log out](#) | [nafsa.org](#)



NAFSA's IssueNet platform offers international educators two powerful tools to report trends from the field and obtain professional guidance on regulatory issues. All international education professionals are welcome to "Report an Issue" to NAFSA on the emerging obstacles or challenges they are encountering in the field. NAFSA members can "Get Help" on individual cases by connecting with a committee of their peers who liaise with U.S. and foreign government officials.

### Education Abroad

#### Report an Issue

Inform the Education Abroad Regulatory Practice Committee about emerging trends or government obstacles related to students studying abroad.

[Report an Issue](#)

#### Request Visa Help

Submit a request to the Consular Affairs Liaison Subcommittee for help with U.S. student visa issues for education abroad programs.

**Additional Information:**

- [Review the NAFSA Visas For Education Abroad web page](#)

[Get Visa Help](#)

### International Students & Scholars

#### Report an Issue

Inform the International Student and Scholar Regulatory Practice Committee about emerging trends or government obstacles related to international students and scholars.

[Report an Issue](#)

#### Get Liaison Help

Submit request to the Regulatory Ombudspersons Subcommittee for assistance with specific immigration cases at USCIS Service Centers.

**Additional Information:**

- [Look for answers in the NAFSA Adviser's Manual](#)
- [Follow the steps in NAFSA's suggested procedures](#)

[Get Liaison Help](#)

[www.nafsa.org/issuenet](http://www.nafsa.org/issuenet)

# Department of Education: Federal Student Aid (FSA)

## Q&A

Thank You for  
joining us today!

Please submit  
questions to  
[educationabroad@nafsa.org](mailto:educationabroad@nafsa.org)

