JANUARY
2026 NEWSLETTER

IMPORTANT DATES:

January 15
DJA Special Series Webinar: Verification &AHEAD Neg. Rulemaking
11:00 am CST

January 20-23
CONEXT Conference
Nashville, TN

January 31
1098-T Copy B to Students

February 2
Underuse Campus-Based Penalty Waiver Due

February 4
DJA Compliance Webinar
Consumer Information
11 a.m., CST

February 4
Winter IPEDS Reporting Due

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A new year is officially underway, and if there's one thing the past year prepared us for, it's change. Throughout 2025, institutions across the higher education landscape spent much of the year adapting to new administrative leadership, shifting priorities, and an evolving regulatory tone. Just as we found our footing, the pace picked up again. With the One Big Beautiful Bill Act (OBBBA) signed into law last July, we are now entering the phase where policy turns into practice—and the real work of implementation begins.

With regulatory changes tied to the OBBBA set to take effect on July 1, 2026, the activity across the industry shows no signs of slowing down. Just last week, the AHEAD negotiated rulemaking committee wrapped up discussions on its areas of focus, including a new accountability framework and the Workforce Pell program. The Notice of Proposed Rulemaking (NPRM) resulting from that work is expected in the coming months. Meanwhile, the RISE committee concluded its negotiations last November, and its NPRM is anticipated as soon as this month.

Layered on top of that, the continuing resolution keeping the federal government open expires later this month, leaving institutions still awaiting clarity on the final outcome of the 2026 fiscal year. Adding to an already full calendar, Federal Student Aid has announced its first in-person conference since COVID, taking place March 4–6 in Washington, D.C.—an ideal opportunity to hear directly from ED about the regulatory changes ahead under the OBBBA.

With so much in motion—and more guidance still to come—this is shaping up to be a year that will reward institutions willing to stay engaged, ask the right questions, and plan ahead. For many of us, that means watching the Federal Register like it's a suspense novel, waiting to see what unfolds in the next chapter. In an environment shaped by evolving regulations, pending guidance, and more than a few unanswered questions, Peter Drucker's words feel especially timely, "The best way to predict the future is to prepare for it."

Until next month, stay informed and engaged,

***Renee Ford,* Vice President**

IN THE NEWS: RISE AND AHEAD NEGOTIATED RULEMAKING BOTH REACH CONSENSUS

The One Big Beautiful Bill Act (OBBBA), signed into law this past July, proposed significant regulatory changes to federal loan limits, the student loan repayment system, the creation of the first Workforce Pell Grant program and standardized accountability measures on student outcomes. For an overview of these regulatory provisions, we invite you to revisit our July/August DJA Newsletter. As a result of the passing of the OBBBA, a Federal Register was published announcement the intent to engage in the negotiated rulemaking process to develop the Title IV, HEA regulations necessary to implement the statutory changes under the Act. The two negotiated rulemaking committees announced as part of that process were the Reimagining and Improving Student Education (RISE) Committee and the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) committee.

While the RISE committee concluded their negotiations in early November, the AHEAD committee wrapped up their negotiations late last week. Both committees reached consensus, which means the Department of Education (ED) must use the agreed-upon language soon to be released Notices of Proposed Rulemaking (NPRM). The RISE NPRM is expected sometime later this month, while the AHEAD NPRM is expected within the coming months. After the NPRM is published, a public comment period will follow, which will result in the publication of the draft final regulations. The final provisions under the rule will be effective July 1, 2026.

As we prepare for the forthcoming releases of the NPRMs, the committee consensus from both fronts has the industry feeling confident in the expected language to be included. The RISE NPRM will provide insight on the expanded definition of a "professional degree" as new loan limits are now distinguished for those seeking a graduate versus professional degree. Furthermore, the committee will provide clarity on the enrollment intensity loan limits under the OBBBA and how leaves of absence may affect the legacy provisions for borrowers in existing loan programs to complete their course of study.

The AHEAD NPRM will outline the new accountability framework, including the addition of voluntary program closeout and amendments to the existing standards of administrative capability. While the new accountability measure was a large focus of the AHEAD committee, the NPRM will also provide for the creation of the new Workforce Pell Grant program.

As we mentioned in our prior review of the OBBBA provisions, the "Do Not Harm" standard directly conflicted with the existing Financial Value Transparency and Gainful Employment regulations already in effect. In a January 9th ED Press Release, ED indicated the AHEAD negotiators addressed that conflict by harmonizing both provisions into one standard framework that will bring accountability to all programs on an equal playing field. In addition to marrying the two provisions, the new accountability framework will also eliminate the Gainful Employment "debt to earnings" measure. The elimination came as the committee recognized the value in the metric was minor in comparison to the burden to both ED and institutions to gather the data and produce the metric.

The proposed framework adopts the provisions under the "Do Not Harm", which calls for the loss of access to the Direct Loan program if institutions fails to meet the relevant earnings thresholds for two out of three years. Further, if at least half of the institution's Title IV recipients or half of the institution's Title IV funds come from these failing programs, those programs will also lose Pell Grant eligibility. The latter comes through an amendment to the administrative capability standards. To account for the change, the Program Participation Agreement (PPA) regulations are also amended to state if the new administrative capability standard is not met in two of the three consecutive years, an institution would be placed on provision certification status and those programs with low earnings outcomes would lose all Title IV eligibility.

As stated above, the proposed language does provide for institutions to opt in to a voluntary orderly program closure. This came as a change to the initial accountability framework proposal. The voluntary orderly program closure would allow a school whose program fails the accountability test to add an addendum to its PPA where they commit to ceasing all new enrollments to the program and teach out the existing cohort of students. The program could continue to participate in the Direct Loan program only up to the lesser of three years or the program's normal full-time length. To ensure student protection, the addendum will only be allowed if ED determines the arrangement is in the best interest of the students and the institutions, is in good standing with their accreditor and ED.

To stay on top of the publication of the forthcoming NPRM's, we encourage you to subscribe to FSA's Knowledge Center to receive emails of the latest news and updates.

FSA ANNUAL CONFERENCE RETURNS TO IN PERSON

Early December passed and many in the industry noticed the absence of the annual FSA Training Conference. Since COVID, the conference has been held virtually to interested industry partners. While many industry insiders speculated the conference may have been delayed due to the lengthy government shutdown, ED set the record straight in mid-December with the release of a Save the Date. The December 15th EA, announced FSA would host an in-person training conference for financial aid professionals on March 4-6, 2026, at the Ronald Reagan Building and International Trade Center in Washington, D.C.

The announcement provides an agenda promising the latest financial aid policy and operational updates, keynote addresses from U.S. Department of Education leaders, general sessions about key topics, and an exhibit hall. FSA explains the timing of the conference will allow them to share exciting developments related to FSA's implementation of the OBBBA. While the EA provided the location and date, registration details would be forthcoming. The announcement did share that space at the event would be limited and ED was working on a process to allow a fair allocation of seats across partner institutions. In contrast, prior FSA conferences held in-person did not cap registration and attendees were often able to register upon arrival.

If you are planning to attend, FSA did not reserve a hotel block, but there are many hotels close to the event location.

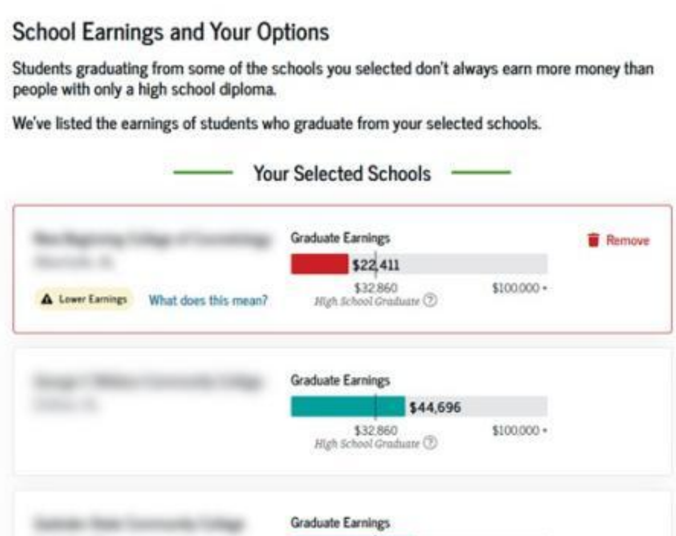
January 2026

NEW LOWER EARNINGS INDICATOR INCLUDED ON THE FAFSA

In early December, FSA published an Electronic Announcement notifying industry partners of the addition of a new lower earnings indicator included as part of the FAFSA application process. As stated in the EA, the lower earnings indicator applies only to first-year undergraduate students. It identifies schools where graduates' median earnings are lower than those of typical high school graduates in the same state, or lower than those of typical high school graduates nationally if the school serves primarily out of state students.

After submitting the FAFSA form, students who selected one or more schools where lower earnings were identified will see the following notice on their FAFSA Submission Summary (as shown in the image below).

Students who click on the notice will be shown the earnings information for the schools who have the lower earnings indicator. They will then have the option to update their list of schools listed on the FAFSA.



The information is ONLY shown after the FAFSA has been processed and as such, the data will not affect FAFSA completion rates or ISIR submissions. This means it will not appear on the ISIR at all. Additionally, the EA clarifies the disclosure is for information purposes only and does not affect:

- *Title IV* eligibility or participation,
- Student Aid Index calculations,
- Federal reporting, or
- ISIR processing.

The data presented is also ONLY provided at the institutional level. In the EA, the Department provides a disclosure of sorts indicating that post-graduation earnings will vary by degree and program type, which are not reflected on the data presented. Furthermore, they state borrowers should not relay on this data as a benchmark for what their likely post-graduation earnings will be. **However,** in reviewing the summary of the indicator on the Studentaid.gov site and on the earnings notice that is prompted, it does not appear such disclosure or guidance is provided.

- To view the EA, click here.
- To view the page summarizing the lower earnings indicator on the Studentaid.gov site, click here.
  - Within this page, you can then open the Excel document attached to determine if your institution is on the list to prompt the lower earnings indicator to first-year undergraduate students (the Excel sheet is also linked in our client memo email).
- Thompson Coburn, LLP also released a helpful Blog post, "Frequently Asked Questions: FAFSA "Lower Earnings" Indicator" we wanted to share as well. Click here to view.

FSA RELEASES SELF-PACED VIRTUAL TRAINING ON OBBBA

In a January 6th Dear Colleague, FSA announced the release of an online, self-paced training course that offers an overview of the OBBBA as it relates to the federal student aid programs. The course covers current requirements and explains how the new law affects those requirements.

The course includes four lessons on the following topics:

- Student Eligibility
- Loan Origination and Disbursement
- Loan Repayment and Servicing
- School Eligibility and Accountability

The course also provides a brief recap of the negotiated rulemaking process and timeline. As we stated above the NPRM's are still being drafted, therefore the training does not expand on the language in the proposed rules. The EA does promise future additional training after publication of the proposed and final regulations are released. In the meantime, FSA directs industry partners to monitor the Negotiated Rulemaking for Higher Education 2025 website for updates.

To access the *OBBBA* Overview training course, visit the FSA Training Center and select Legislative Updates on the home page. If you have any questions about the course or have any other training needs, email helpdesk.fsatraining@ed.gov.

FSA BELATEDLY PUBLISHES 25/26 AWARD YEAR DEADLINES

FSA typically publishes the upcoming award year deadlines in advance of the October 1st release of the associated FAFSA. However, this year the Federal Register providing for the 25/26 AY deadlines were not published until December 10, 2025. It is assumed the reason for the delay was due to the nearly 6-week government shutdown.

Who submits?	What is submitted?	Where is it submitted?	What is the deadline date for receipt?
Student	FAFSA-fafsa.gov (original or renewal)	Electronically to FPS	June 30, 2026
Student	A paper original FAFSA	To the address printed on the FAFSA	June 30, 2026
Student	Electronic corrections to the FAFSA	Electronically to FPS	September 12, 2026
Student through the institution	Electronic corrections to the FAFSA	Electronically to FPS using the FPP	September 12, 2026
Student	Paper corrections to the FAFSA	To the address printed on the FAFSA	September 12, 2026
Student	A FAFSA Submission Summary with an official SAI calculated by the Department	To the institution	Earlier of: student's LDA for 25/26 **OR** September 19, 2026
Student through FPS	An ISIR with an official calculated SAI by the Department	To the institution from FPS	
Student	Valid FAFSA Submission Summary (Pell Grant, FSEOG, FWS, and Direct Subsidized Loans)	To the institution	Unless late disbursement-Earlier of student's LDA for 25/26 **OR** September 19, 2026
Student through FPS	Valid ISIR (Pell Grant, FSEOG, FWS, and Direct Subsidized Loans)	To the institution from FPS	
Student	Valid FAFSA Submission Summary (Pell Grant, FSEOG, FWS, and Direct Subsidized Loans)	To the institution	For students receiving a late disbursement, the earlier of-180 days after the date of determination the student withdrew or otherwise became ineligible **OR** September 19, 2026
Student through FPS	Valid ISIR (Pell Grant, FSEOG, FWS, and Direct Subsidized Loans)	To the institution from FPS	
Student	Verification Documents	To the institution	The earlier of - 120 days after the students LDA for 25/26 **OR** September 19, 2026

COMPLIANCE CORNER

PREPARING FOR DRAFT COHORT DEFAULT RATES

The Department of Education (the Department) calculates cohort default rates twice each year. Generally, the Department sends draft cohort default rates to schools in February. After schools receive their draft cohort default rate data, schools are provided an opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge. Schools also have the opportunity to challenge a potential loss of eligibility or potential placement on provisional certification by submitting a participation rate index challenge. The Department then calculates and releases the official cohort default rates. Official cohort default rates are generally released to schools and the public approximately six months after the release of the draft cohort default rates. Official cohort default rates must be released no later than September 30th each year.

As the February release of the Draft CDR approaches, let's review why it is important to review these reports and submit challenges if discrepancies are identified. For a regulatory overview, it is a requirement of participation in the FSA programs that schools must demonstrate they are financially responsible. The financial responsibility standards can be divided into two categories: (1) general standards, which are the basic standards used to evaluate a school's financial health, and (2) performance and affiliation standards, which are standards used to evaluate a school's past performance and to evaluate individuals affiliated with the school. For our purposes today, we are going to focus on one specific standard of the general standards. For an oversight understanding the general standards state that A proprietary or private nonprofit school is considered financially responsible

- if the Department determines that the school has a composite score of at least 1.5
- the school has sufficient cash reserves to make required returns of unearned Title IV funds, as provided under the refund reserve standards
- the school or persons affiliated with it are not subject to a condition of past performance
- the school is able to meet all of its financial obligations and provide the administrative resources necessary to comply with Title IV program requirements.
    - A school is not deemed able to meet its financial or administrative obligations if it fails to make refunds under its refund policy or return Title IV funds it is responsible for under the R2T4 rules, or if it
    - fails to make repayments to the Department for any debt or liability arising from its participation in the Title IV programs,
    - Or if the school is subject to a mandatory triggering event or to a discretionary triggering event that the Department determines is likely to have a material adverse effect on their financial condition. It is this sub-standard that includes the calculation of the Cohort Default Rate and how that value reflects on a school's financial responsibility.

The now designated mandatory trigger (before the July 1, 2024 implementation of the final regulations it was a discretionary trigger) of the Cohort Default Rate which is outlined as occurring when the school's two most recent official cohort default rates are 30 percent or greater, THAT IS –unless the school files an appeal for one or both of those fiscal years that either remains pending, results in reducing below 30 percent the default rate for one or both of those years, or precludes the rate from one or both years from resulting in a loss of eligibility. To avoid a mandatory trigger, it is important to stay on top of your institution's CDR calculation and ensure it stays below the 30 percent threshold.

An important step is to ensure you review the draft CDR received in February against your own institutional records. After receipt of draft rate data, schools are provided an opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge. Schools have the opportunity to challenge a potential loss of eligibility or potential placement on provisional certification by submitting a participation rate index challenge. The Department electronically transmits cohort default rate (eCDR) notification packages to all schools, using the Student Aid Internet Gateway (SAIG) destination point administrator (DPA) designated by the school. All schools are allowed five business days to report any problems with the electronic transmission of their eCDR packages. Timelines for submitting challenges, adjustments, and appeals begin on the sixth business day following the announced transmission date. The data file received in the SAIG mailbox includes 2 files- the cover letter and also the loan record detail (LRDR) information in an unformatted extract. Beginning with 2023, the CDR package no longer includes what we used to call the user-friendly Loan Record Detail Report (however, those can be obtained in NSLDS).

A LRDR contains information on the loans that were used to calculate a school's draft or official cohort default rate. The LRDR lists a school's Federal Family Education Loan (FFEL) and/or William D. Ford Federal Direct Loan (Direct Loan) activity, including but not limited to: the number of borrowers who entered repayment during a given fiscal year, and the loan status of those borrowers. Note that the information on the LRDR includes loan information that the schools and data managers have submitted to the National Student Loan Data System (NSLDS).

The LRDR is used to verify information such as "Date Entered Repayment," and is the basis for:

- Incorrect data challenges (draft rates)
- Uncorrected data adjustments
- New data adjustments
- Erroneous data appeals

Why should a school review the LRDR for the DRAFT cohort default rates?

- Unless it is corrected, the draft cohort default rate data will be used to calculate the official cohort default rates. Therefore, it is important for the school to verify the accuracy of the draft cohort default rate data before the official cohort default rates are calculated and released.
- If the school does not challenge draft cohort default rate data that the school believes is incorrect, the school forfeits the right to submit certain types of adjustments and appeals when the official cohort default rates are released.

A school should review the LRDR by comparing the school's records to the information on the LRDR. A school can simplify this process by creating a spreadsheet or database using information from the school's records. The Cohort Default Rate Guide only recommends the use of a school spreadsheets; it is up to your school to consult its technical staff to discuss database creation. It is important to note that a school does not need to wait until the release of the cohort default rates to create the school's spreadsheet. This spreadsheet can now be used to compare to the LRDR or even the repayment information in NSLDS or various data managers. In doing so, it is recommended the school ask the following questions:

- Is each data element on the school's spreadsheet the same as the corresponding element on the LRDR (if not, the data may be incorrectly reported)?
- Are there borrowers on the LRDR that are not on the school's spreadsheet (if so, the borrowers may be incorrectly included)?
- Are there borrowers on the school's spreadsheet that are not on the LRDR (if so, the borrowers may be incorrectly excluded)?

Using NSLD to Monitor Loans:

On at least a monthly basis, school staff should compare the default and repayment status reports available through the National Student Loan Data System (NSLDS) with the school's own data. This gives the school a chance to identify and correct errors before the draft or official cohort default rates are released. If an error is found in a student's record, the school should contact the appropriate data manager to resolve the discrepancy. Repayment information also helps schools ensure the data reported to NSLDS is accurate. Schools that monitor borrowers' repayment and default status can contact data managers as errors occur instead of waiting until the release of the cohort default rates to correct inaccuracies. Schools that monitor borrowers' repayment status can identify borrowers who have just entered repayment and make sure that they are aware of all the repayment options available to them. This information can help a borrower avoid default.

Helpful Reports in NSLDS

- The School Repayment Information Loan Detail (DRC015) provides the current repayment status of certain borrowers in the FFEL and Direct Loan programs who attended a school during a specific period. Schools can request detailed repayment information for the most current 24-month period. As the most current 24-month period is only available on NSLDS for a month, it may be useful to download the information each month. The school can then select the students who fall into a specific cohort period and compare the NSLDS repayment data with the school's data.
- The Date Entered Repayment Report (DER001) is a list of student borrowers who are scheduled to go into repayment during a specified date range and are currently enrolled with loans in good-standing, with their loan histories. The school may specify the 'begin' and 'end' dates for the date range, specify one of three sort orders (SSN, Name or Date Entering Repayment).
- The Borrower Default Summary Report (SCHDF1) provides a list of loans that currently have a defaulted loan status (DB, DL, DO, DT, DU, DW, DF, or DZ) and a loan status date that falls within the requested date range. Users can select all loan programs or only one. The report includes student identifiers, loan identifiers, Guaranty Agency information, Federal Servicers, and lender information. It also includes the current loan status and up to three status codes from history. The report can be sorted by Loan Status Date, Last Name, or Social Security Number. The information is available in an extract file.

With this guidance in mind, be on the lookout for receipt of your draft CDR in the SAIG Mailbox in early February.

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

Consumer Information- Wednesday, February 4, 11 a.m. CST

NOTE: There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: http://www.worldtimezone.com/time-usa12.php

Webinars are free to clients, as well as our newsletter recipients on a trial basis. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Lynessa Roberts at lroberts@gotodja.com. After registering, you will receive the log-in information. If you would like to attend a webinar and are not a DJA client, please email Lynessa and she will ensure you receive an invitation to register. Questions can be directed to Lynessa by email or by calling toll free at 1-800-242-0977.

DJA SPECIAL SERIES WEBINARS

Verification and Resolving Conflicting Information- Thursday, January 15th, 11 a.m. CST

The training agenda:

- Industry update: AHEAD negotiators propose new accountability framework
- Types of verification tracking flags
- Information required to be verified
- Acceptable documentation
- Reviewing and using documentation
- Unique situations and exceptions
- Identifying conflicting information
- Performing corrections
- Verification deadlines

This webinar is available only to DJA clients. For assistance in registering, please contact Lynessa Roberts at lroberts@gotodja.com.

2026 DJA WEBINAR SCHEDULE

FEB 4	Consumer Information, Record Keeping and Disclosures
MAR 12	Administrative Capabilities
APR 1	Satisfactory Academic Progress
MAY 6	Return of Title IV Funds (Including LOA)
JUN 3	General Participation Requirements
JUL 15	Campus Crime Report
AUG 5	Entrance and Exit Counseling
SEPT 9	Cash Management
OCT 7	Enrollment Reporting Using NSLDS
NOV 4	Program Integrity (Audits, Program Review)
DEC 2	1098-T Reporting

2026 TITLE IV DATES TO REMEMBER

We know how complex the compliance requirements can be for schools participating in the Title IV programs, as can keeping up with all the reporting deadlines year to year. To assist our clients and other institutional partners, we have developed a quick reference calendar reviewing the important deadlines for the 2026 year. For a printed color copy, visit us at any of our upcoming exhibitor events or to print your own copy, click here.

Upcoming Conference Schedule

Conext User Conference

DJA will be joining Conext users at the upcoming Conext Users Conference, *Where Innovation Meets Execution,* in Nashville, TN as an exhibitor and our Vice President, Renee Ford, will be a featured speaker. Whether you're leading a digital transformation or working hands-on with Conext every day, this event is designed for professionals who play a strategic role in implementing and managing Conext solutions. For more information, visit here.

CSPEN Higher Education Policy Meeting

CSPEN will host their annual Higher Education Policy Meeting February 10-12th in Washington D.C. This in person event brings together policymakers, educators and industry leaders to explore the latest trends and challenges in higher education policy. Attendees will have the opportunity to connect with experts in the field, engage in insightful discussion and network with industry leaders. Seats are limited and the event is anticipated to sell out. For more information, visit here.

NACCAS Quarterly Workshop

NACCAS is hosting their first 2026 quarterly Workshop in Seattle, WA at the Renaissance Seattle Hotel, with pre-candidate training on Saturday March 7th and workshop sessions the following Sunday and Monday. DJA will be available as an exhibiting partner. We invite you to stop by our booth for a yearly calendar of Title IV deadlines, a copy of our most recent newsletter and a notebook and pen to utilize throughout your training. We would love to discuss how partnering with DJA can be a great addition to ensuring compliance with Title IV financial aid administration.

For a complete listing of where to find DJA at upcoming industry conventions and conferences, visit our exhibiting calendar at our website here.