



MARCH AND APRIL 2026 NEWSLETTER

IMPORTANT DATES:

April 10-12

SPEC Conference
Tampa, FL

April 10

FSA OB3 Webinar
Schedule of Reductions

April 14-15

AACS Hill Day
Washington D.C.

April 17

FSA OB3 Webinar
Legacy Loan Limits

April 23

Deadline for FWS/SEOG
Waiver

May 4-5

DJA Annual Conference
Kansas City, MO

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March and April have brought an exceptional pace of change across the financial aid landscape. With significant developments—including a historic interagency agreement between the Departments of Education and Treasury, as well as ongoing updates tied to OB3 system enhancements and upcoming training—this combined issue reflects both the volume and importance of recent activity. While this edition arrives later than usual, it captures a critical moment of transition and continued evolution across our industry.

In this edition, we'll recap the key industry changes, upcoming regulatory deadlines, and provide insights to help you stay ahead as we move further along this 2026 year. We start by reviewing the influx of new Borrower Defense to Repayment claims institutions have received in the past month- that is those falling outside of the Sweet Settlement. Read on for all you need to know on if you should respond and what are the next steps by ED as they review the filed claims.

OB3 continues to be a primary topic as we prepare for the July 1st implementation- despite still waiting on the posting of the final regulations. As mentioned ED released system updates and a webinar series on the topic which begins this month. However, OB3 is not the only regulations set to implement July 1st. In this edition, we will remind you of the R2T4 regulations also rolling out this coming July. Be sure you read our newsletter in it's entirety as we also summarize the publication of the FY23 Draft CDR, College Scorecard updates and other critical announcements made this spring.

Lastly, our DJA team will be hosting our Annual Financial Aid Conference May 4-5th in Kansas City, MO. This year's training, "Mastering the Moment in Financial Aid" brings together a stacked line up of industry leaders and the DJA compliance team for a two-day training event designed to educate your team on all of the regulatory changes coming in the 26/27 award year. Outside attendance is limited, please email me at rford@gotodja.com if interested.

Wishing you continued success as you navigate this season of change,

Renee Ford, Vice President



IN THE NEWS: INSTITUTIONS RECEIVE NEW BORROWER DEFENSE CLAIMS

Beginning in March, institutions began receiving automated messages from COD providing notification of new Borrower Defense Claims. It wasn't until late March when the Department of Education addressed these new claims in an Electronic Announcement (EA). The [March 30th EA](#) provided overdue insight to institutions that the Department of Education had resumed the review of borrower defense to repayment applications outside of the *Sweet v. McMahon* settlement. These applications fell under a combination of three borrower defense regulations—commonly referred to the 1994 Regulations (34 CFR 685.206 (c)); the 2016 Regulations (34 CFR 685.222) and the 2019 Regulations (34 CFR 685.206(e)). The 1994 and 2016 regulations require ED to notify institutions about all applications before they are substantively reviewed through the fact-finding process. That underlined portion is significant as you review these applications as many come across outlandish and/or unfounded. The EA indicates the current claims being processed fall under the 1994/2016 regulations. When ED begins notifying institutions of cases falling under the 2019 Regulations, they will initiate a separate announcement.

Institutions have the option to respond to the notices, but ED does remind in the EA there is no negative inference against a school that does not respond. While ED makes that statement, it would be appropriate to confer you're your legal counsel to determine if/how to respond to these claims. To assist in making a response, you can utilize the official Borrower Defense to Repayment Affidavit [here](#), released in conjunction with the 2016 Regulations. This EA also further reminds institutions about the notification and adjudication process under the 1994 and 2016 regulations. Lastly, ED includes in the EA a discussion on the separate recoupment process, which includes its own notification and response components, if ED approves applications and seeks to recoup the cost of the discharged loans.

Under 1994 and 2016 regulations

- ED must notify institutions of all borrower defense to repayment claims filed by former or current students. Notifications are received via email and can be viewed in COD under Borrower Defense in the School Information Menu
 - These notifications are sent **without** a prior substantiate review
 - If an institution has more than 500 claim applications, ED will send via batch notification
- Institutions have **60** days from the date of the notification to respond (can be completed in COD)
 - A nonresponse does not create an inference in favor of the borrower
- Once the notice period ends, ED begins their fact-finding process
- Upon completion of the fact-finding process, ED will adjudicate the applications on merits
 - Under the 1994 Regulations: approvals are based on acts or omissions by the institution that relate to the making of the loan for enrollment at the school or the provision of educational services for which the loan was provided that would give rise to a cause of action against the school under applicable state law.
 - Under the 2016 Regulations: approvals are based on substantial misrepresentation; a nondefault, favorable contested judgment; or breach of contract. Substantial misrepresentations are the most common type of alleged misconduct.
- Outcomes:

- Denial: If the application does not meet the above standard, ED will deny the application and notify the borrower.
- Approval: If the regulatory standard is met, ED will approve the application, discharge the relevant loans and issue a refund of payments to the borrower. **If necessary, ED will then move into the Recoupment Process**
- **Recoupment:** If ED determines the institution is at fault, they will engage in a separate proceeding to recoup borrower defense costs from the school.
 - If ED chooses, the school will have any opportunity to contest any recoupment action before a hearing officer
- ED will send a second notification to the school with the application form for all loans for which recoupment is requested, all attachments submitted by the borrower, and the rationale for ED's decision to discharge.

For a helpful FAQ on the process and further directions, we recommend visiting the EA linked at the start of this article.

IN THE NEWS: HISTORIC INTERAGENCY AGREEMENT BETWEEN DEPARTMENT OF EDUCATION AND DEPARTMENT OF TREASURY

On March 19th, in a [press release](#) initiated by both the Department of Education (ED) and the Department of Treasury (Treasury) they announced an Interagency Agreement (IAA) to enhance the administration of federal student assistance programs, mitigate the continuing fallout and cost to taxpayers from the Biden Administration's mismanagement of the federal student loan portfolio, and facilitate the return of defaulted borrowers to repayment. Under the new interagency agreement, Treasury will assume operational responsibility for collecting on defaulted Federal student loan debt and provide operational support to ED's efforts to return borrowers to repayment. In subsequent phases, Treasury will work to provide operational support over non-defaulted Federal student loan debt, to the extent practicable and permitted by law, while also seeking opportunities to provide operational support to FSA's other functions.

The announcement provides the transition will include open communication and updates to all parties involved. Such communication was shared yesterday through a [Fact Sheet](#) posted to the Treasury's site.

FY 2023 DRAFT COHORT DEFAULT RATES RELEASED

In the [Compliance Corner](#) of our January newsletter, we provided guidance on addressing the draft cohort default rates. We encourage you to revisit that publication as late last month, ED distributed the FY 2023 draft cohort default rate (CDR) notification packages. FSA also published an [Electronic Announcement](#) providing information about the distribution of the draft rates and the begin dates for appealing the draft rates.



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For both eligible domestic and foreign schools enrolled in the Electronic Cohort Default Rate (eCDR) process, the FY 2023 draft cohort default rate and accompanying documentation were sent via the Student Aid Internet Gateway (SAIG). This information was sent to the SAIG mailbox of the destination point administrator designated by the school. Each eCDR package contains the following information:

- Cover Letter (message class SHDRLROP): provides an outline of the contained report, projected default rate, deadlines and how to review/report for questions.
- Extract-Type Loan Record Detail Report (message class SHCDREOP): essentially the non-friendly view (CSV) of the data contained within the draft cohort default rate reports.

Schools that are not signed up to receive the eCDR package electronically or schools that want a replacement copy of their CDR cover letter can now download their letter directly from the school's cohort default rate page on NSLDS. On the cohort default rate history page schools can retrieve their letter by clicking 'view' under the notification letter column. By clicking 'view' a PDF copy of the notification letter will pop up.

As mentioned above, the Extract-Type loan detail report is not reader-friendly nor available in excel. However, schools are reminded of the availability of the NSLDS Loan Record Detail Report (LRDR) Import Tool. The LRDR Import Tool can be used to easily load data generated from the LRDR into the Microsoft Excel spreadsheet application, which is designed to assist schools with reviewing and analyzing their LRDR extract files. To download the LRDR Import Tool, go to the Default Management - Templates and Spreadsheets Topics page on the Knowledge Center. Remember, this draft CDR is not your official rate yet, as such it is important that your school take the time to review the LRDR, compare the data reported to your own records to identify and correct any inaccuracies. Your school would then submit any corrections through an **incorrect data challenge (IDC)**.

You may also utilize this time to challenge a potential loss of eligibility or potential placement on provisional certification by submitting a **participation rate index challenge (PRI)**.

The start date to appeal your FY2023 Draft CDR's began on **Tuesday, March 31, 2026**. If your school needs to submit an IDC or an adjustment, it can be done through the [eCDR Appeals Application](#) on the web. If your school needs to file a PRI those will need to be submitted via hard copy. The eCDR Appeals website provides user guides for each challenge and adjustment processes, as well as a user guide for the registration process. We encourage your school to visit the site, as well as the EA for the best instructions during the challenge process.

FSA RELEASES ANNUAL CONFERENCE TRAININGS AND ANNOUNCES NEW OB3 WEBINAR SERIES

In late March, FSA published the training session recordings from the 2026 FSA Conference to the FSA Training Conference website, as well as through You Tube on the @FSACommunications channel. To access via You Tube, select the "FSATC 2026" Playlist.

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To access via the FSA Training Conference site, click [here](#). From the landing page, select “Program” from the left menu options and then navigate to “Agenda.” The recordings and PPT presentations will be linked to the general sessions listed on the agenda schedule.

FSA also issued a [Dear Colleague](#) announcing a new webinar series covering the One Big Beautiful Bill Act. The series begins this month. These sessions will offer an opportunity to ask questions and receive updates on key topics related to the implementation of the *OBBA*, addressing areas of interest to the financial aid community. Participants will ask questions by typing them into the chat during the webinar.

The DCL indicates FSA will offer two webinars in April 2026 and will announce additional webinars in the series in the coming weeks. You do not need to register for these webinars. Participation will be available on a first-come, first-served basis, and we can accommodate up to 5,000 attendees in each session. The sessions are scheduled to start at 1 p.m. Eastern time (ET).

- April 10th: Schedule of Reductions Q&A
 - [Zoom link](#)
- April 17th: Legacy Loan Limits Q&A
 - [Zoom link](#)

ED RELEASES GUIDANCE ON SYSTEM UPDATES FOR OB3

On Friday, March 9th, the Department released an [Electronic Announcement \(EA\)](#) providing updates to the FSA systems and the FAFSA processing experience resulting from the One Big Beautiful Bill Act (OB3), which established the Pell Grant eligibility for the eligible workforce programs and the modified loan limits.

Eligible Workforce Pell Programs: The following changes will be provided in FPS-

- Updating FPS to allow for Workforce Pell even if borrower has BA degree
 - Unlike regular Pell, a borrower with a BA degree can still borrow Workforce Pell in an eligible workforce program.
- New field “Enrolled in Eligible Workforce Program” will be added to the FPP corrections system. The field will also be added to the end of the “Matches and Other Processing Information” block on the ISIR. Options for the field are: 1=YES, 2=NO, or <blank>= Null
 - 1st time submission this field will be set to blank
 - An FAA administrator must set to “Yes” when student is enrolled or accepted in eligible Workforce Pell program
 - Once set to “Yes”, ISIR will update with new Pell eligibility. All schools listed on the ISIR will receive an updated transaction

Modified Loan Limits: The following changes will be provided in FPS and NSLDS-

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- NSLDS match process will be updated to reflect new max lifetime loan limit, limits on DL PLUS loan for parents and elimination of DL PLUS Grad loans.
- NSLDS information block on the ISIR is updated to accommodate new aggregate limits, academic levels and loan limit exception flags. Adds several new fields including 12 additional NSLDS post-screening codes
 - Per a slide at the FSA Conference there are now 6 new academic levels for graduate and professional students for the 26/27 award year and forward. They are as follows:
 - 8: Graduate Never Professional
 - 9: Graduate Was Professional
 - 10: Professional Never Graduate
 - 11: Professional Was Graduate
 - 12: Graduate Concurrent Enrollment
 - 13: Professional Concurrent Enrollment
- FPS extended existing logic for FPS C flags, edits and comments to align with changes.
 - Example- new combined limit indicator will show value E (Exceeded). See [26/27 FAFSA Spec Guide](#)- see Volume 4a for the extensive list of changes

FAFSA Updates: The ISIR will update to accommodate the changes mentioned above under a release scheduled for April 26, 2026. The changes are only effective for the 26/27 award year, with an effective date of July 1, 2026. As such any changes will have no impact on the 25/26 award year. This mid-cycle update will impact 26/27 ISIRs only and only those generated April 26th and onward. There will not be a reprocessing effort as part of this launch.

The EA does note that the changes announced in this EA are still part of negotiated rulemaking and the final regulations are forthcoming. The release of this EA is to provide the technical guidance needed to prepare the systems in advance of the April 26th implementation date. If the forthcoming final regulation changes the technical updates released in the EA, the Department will provide additional guidance at that time.

REMINDER: R2T4 REGULATIONS EFFECTIVE JULY 1, 2026

On March 27th, the Department released an [Electronic Announcement \(EA\)](#) reminding institutions of the final regulations ([published January 3, 2025](#)) set to implement July 1, 2026 on the return of Title IV (R2T4) funds. These final regulations make several changes to the R2T4 requirements in section 484B of the *Higher Education Act of 1965*, as amended (*HEA*).

All of the R2T4 provisions are effective July 1, 2026, with two provisions that institutions had the option to implement early. The new R2T4 regulations apply to students who withdraw, otherwise cease attendance, or begin an approved leave of absence (LOA) on or after July 1, 2026. Institutions that opted to implement before July 1, 2026, are still subject to the same requirements as institutions that opted to wait until July 1, 2026, regulatory implementation date.

The Jan. 3, 2025, final rule amended the R2T4 regulations at 34 CFR 668.22 in several areas. Several of the regulations are effective July 1, 2026, with no option for early implementation. These regulations do the following:

- Codify longstanding guidance (since the 2005–06 award year) that an institution that is required to take attendance must document the date of the institution's determination that the student withdrew no later than 14 days after the student's last date of attendance as determined by the institution from its attendance records. Please note that this regulation does **not** mean the institution must immediately withdraw the student and perform an R2T4 calculation.

As mentioned in Volume 5 of the *Federal Student Aid Handbook* and in the preamble to the final regulations, an institution that is required to take attendance has up to 14 days after the student's last date of attendance to document the student's withdrawal date, not necessarily to administratively withdraw the student. This allowance gives the institution time to determine a student's enrollment or withdrawal status. However, the institution ultimately must ensure that the R2T4 calculation is completed no later than 30 days following the date of determination and that any required return of funds to the Department occurs no later than 45 days following the date of determination.

- Mandate that schools use a single method when using scheduled clock hours to calculate the percentage of the payment period or period of enrollment completed for a clock-hour program. Under the new regulations, for R2T4 purposes, the scheduled hours in a second or subsequent payment period or period of enrollment do not begin to accrue until the student successfully completes the prior period.

For example:

Academic Year: 900 hours

Payment Period: 450 hours

Total Scheduled Hours on Date of Withdrawal: 8 hours a day, 70 class days = 560 cumulative scheduled hours

Student completes 450 hours on day 68 (payment period #1) and withdraws on day 70 after just beginning their second payment period.

	Payment Period Method
Scheduled hours for R2T4	$70 - 68 = 2$ days, 16 hours
R2T4 Calculation: Percentage of payment period completed	$16 / 450 = 3.6\%$ earned for second payment period

Although the student has attended sufficient days to constitute 560 scheduled hours (110 more than the 450 hours for the first payment period), only 16 scheduled hours have accrued since the student successfully completed the first payment period. This value is what must be used in the numerator of the calculation.

- Simplify R2T4 calculations that use modules by considering a module part of the payment period used in the denominator of the R2T4 calculation *only* when a student begins attendance in the module. Under the new regulations, schools will no longer need to consider which modules a student was scheduled to attend at the time of withdrawal, and therefore R2T4 Freeze Dates will no longer be applicable. The type of *Title IV*, *HEA* aid a student is eligible for and a school's use of an R2T4 Freeze Date will no longer determine

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whether a school must use the days in a module when determining the number of scheduled days in a payment period.

Several of the regulations qualify for early implementation and could have been implemented as early as **Feb. 3, 2025**. These regulations do the following:

- Allow a confined or incarcerated individual in a term-based setting to return from an approved leave of absence at a different point in their eligible prison education program (PEP) than the point at which the student left off. Note that this allowance is optional. It is up to the institution to determine if they want to develop a formal LOA policy or not. In addition, if the institution determines that a leave of absence would not be appropriate based on the circumstances, it may take a more immediate approach, including an administrative withdrawal.
- Exempt institutions from performing an R2T4 calculation if (1) a student is treated as never having begun attendance; (2) the institution returns all *Title IV, HEA* aid disbursed to the student for that payment period or period of enrollment, including all *Title IV, HEA* credit balances provided to the student or parent; (3) the institution refunds all institutional charges to the student for that payment period or period of enrollment; and (4) the institution writes off or cancels any payment period or period of enrollment balance owed by the student to the institution due to the institution's returning of *Title IV, HEA* funds to the Department. This exemption is called the “Full Refund Withdrawal Exemption.”
 - The withdrawal exemption is optional. Schools do not have to utilize it, and it can be applied on a student-by-student basis according to the school’s policy.
 - For more information on the Full Refund Withdrawal Exemption, visit the EA as FSA outlines special considerations to review.

COLLEGE SCORECARD UPDATED, AS WELL AS LOW EARNINGS INDICATOR ON FAFSA

In late March, a prior Electronic Announcement [GEN-25-49](#), posted new guidance indicating the data used to calculate the lower earnings indicator on the FAFSA was updated. Specifically, the indicator now reflects the median earnings of undergraduate completers in the 2017–18 and 2018–19 award years who received federal student aid, were earning income, and were not enrolled in an institution of higher education four years after graduation, with earnings measured four years after graduation (in calendar years 2022 and 2023, respectively).

**If you’ll recall this is the same data considered by the AHEAD Negotiated Rulemaking committee in discussing the language for the new earnings premium measure. Earnings values are adjusted for inflation to January 2026 dollars using the Consumer Price Index for All Urban Consumers (CPI-U). More details about the methodology and a downloadable data file are available on the FSA Data Center at StudentAid.gov/data-center/school/earnings.

Consistent with the update, the College Scorecard also refreshed its publicly available data. The College Scorecard (collegescorecard.ed.gov) is a digital tool designed to help students and families compare higher education institutions based on data-driven metrics. On March 23, 2026, the College Scorecard updated earnings outcomes for students four years after graduation, including new information for the 2017–18 and 2018–19 completion cohorts. In addition, the College Scorecard refreshed data related to graduation rates, cost information, and other



institutional metrics. Lastly, the College Scorecard enhanced its website to improve the user experience when searching for and comparing outcomes by field of study.

ED PROVIDES OTHER NOTABLE ANNOUNCEMENTS

- [EA: Enforcement priorities related to audited financial statements](#): Delay to July 1, 2027, of regulations regarding alignment of audited financial statements fiscal year with tax year
- NEW Clarification on 90/10 Regulatory Guidance: [FAQ on 90/10 regulations](#) updated on March 9, 2026 with clarifying guidance.
 - The clarity was made in 90/10- A2 which argues it is the **responsibility of the Secretary of Education to identify the Federal agency and other education assistance funds that should be counted as Federal Revenue, with updates provided as needed.** This directly contradicts prior guidance in the Federal Register which indicated, “If an institution is aware of Federal education assistance funds not included on this list that were provided either to the institution or directly to a student to cover tuition and fees or other institutional charges, the institution must obtain the necessary information to account for those funds in its 90/10 revenue calculation.”
- Administrative Cost Allowance (ACA) Payments Posted: The [first Pell Grant ACA payments](#) for the 25/26 award year were released in late February
- Comment period for [NPRM on Workforce Pell](#) and Pell Grant Exclusion ends April 8, 2026
- [26/27 Final Funding Authorization for the Campus-Based Aid Programs](#)
- [Apply by April 23, 2026, for Designation as a Title III Institution and Waiver of the Non-Federal Share Requirement for FWS and FSEOG](#)
- Reminder: Institutions are reminded of the January 1, 2025 update made to the Clery Act statistics under the Stop Campus Hazing Act (SCHA). The SCHA amends section 485(f) of the Higher Education Act, otherwise known as the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act). Notably, the bill also changes the name of the Clery Act to the “Jeanne Clery Campus Safety Act”, representing the Act’s evolution in addressing broad campus safety needs. We encourage institutions to access the Clery Center page, [“The Stop Hazing Act: What You Need to Know”](#) and their [Stop Campus Hazing Act: Getting Started Guide](#).
 - June 23, 2025: Hazing policies must be in place.
 - July 1, 2025: Institutions must have a process for documenting violations of the institution’s standards of conduct relating to hazing.
 - December 23, 2025: The Campus Hazing Transparency Report, which includes the violations that institutions begin documenting in July, must be publicly available. The Campus Hazing Transparency Report must be updated at least two times a year.
 - October 1, 2026: Hazing statistics will first be included in the 2026 annual security report (2025 statistics).

COMPLIANCE CORNER

ARE YOU ADMINISTRATIVELY CAPABLE?

To participate in the FSA programs, a school must demonstrate that it is administratively capable of providing the education it promises and of properly managing the FSA programs. While that is a broad statement, it is further broken down through a listing of standards outlined in the code of federal regulations under [34 CFR 668.16](#). This list is referred to as the standards of administrative capability. The standards of administrative capability were last updated under final regulations effective July 1, 2024. In the list below, we have labeled the standards that have been updated and/or newly added with a “**NEW**” designation. The Department also maintains a [Frequently Asked Question](#) page addressing questions the public presented regarding the updated administrative capability standards.

It is important to note that these standards are the foundation on which your school’s continued participation in the FSA programs is based on. To ensure they are being followed, we encourage you to conduct an assessment of your institutional policies and procedures. One of our most recommended tools to perform this is utilizing the FSA Assessment Tool (FREE) available on the Knowledge Center website. The FSA Assessment, “[A Guide to Creating a Policies and Procedures Manual](#)” covers Administrative Capability in its [Section 1](#), providing a reference checklist to walk through each standard and suggestions of steps to follow. We have linked both resources for your review and to assist in your assessment of administrative capability.

- Administer Title IV programs in accordance with legal and regulatory provisions.
 - **NEW:** An institution has not been subject to a significant negative action or finding
 - The FAQ on Administrative Capability in regards to Significant Negative Action or Finding defines what constitutes a significant action or a finding as something that poses a substantial risk to an institution’s ability to effectively administer title IV, HEA programs. We would review the circumstances, the facts and issues at hand, and other relevant information related to the institution and finding in our determination of whether the underlying facts pose a substantial risk.
 - The third FAQ on this topic addresses if the SNA/F finding needs to be finalized to consider. ED states that it does not need to be finalized for ED considers to it relevant to the institutions administrative capability. A negative action cited by one of these sources usually arises from weaknesses in program administration or intentional misconduct, either of which can have a direct impact on the institution’s administration of the Title IV, HEA programs. Consequently, as part of its oversight responsibilities, ED states it must consider these actions.
- Designate a coordinating official
 - Must be capable. The Secretary considers an individual “capable” if he or she is certified by the state in which the school is located, that is if the state requires certification of financial aid administrators. Other factors that may be considered in determining whether an individual is capable include the individual’s successful completion of FSA program training provided or approval by the Department and previous experience and documented success in FSA program administration.
- Provide adequate staffing. The number of staff that is considered adequate depends on the following:
 - The number and types of programs in which the institution participates.

- The number of applications evaluated.
- The number of students who receive any student financial assistance at the institution and the amount of funds administered.
- The financial aid delivery system used by the institution.
- The degree of office automation used by the institution in the administration of Title IV, programs.
- The number and distribution of financial aid staff; and
- The use of third-party servicers to aid in the administration of the Title IV programs.
- Establish a system of checks and balances
 - At a minimum must separate the functions of authorizing payment and disbursing or delivering funds so that no single person or office exercises both functions for any student receiving FSA funds. It is important to note that small schools aren't exempt from this regulation. This regulation limits the overlap of responsibilities as it necessitates that these two functions must be performed by individuals who are not members of the same family and who do not together exercise substantial control over the school.
- Establish and maintain adequate records to comply with Title IV program regulations
- Establish a Satisfactory Academic Progress Policy for a Title IV aid recipient that is the same as or more strict than the school's standards for a student enrolled in the same educational program who is not receiving FSA funds.
 - As part of that responsibility, a school must ensure that its students are successfully working toward their educational objective.
 - An institution must also develop a policy outlining how a school determines if a student is meeting SAP
- Develop and apply an adequate system to identify and resolve discrepancies in the aid application
 - A school must resolve discrepancies for all students, not just those selected for verification. Resolution includes determining what information is correct and documenting the findings in the student's file
- Refer types of information to the Office of Inspector General
 - A school must refer to the OIG any credible information indicating that an applicant for Title IV may have engaged in fraud or other criminal misconduct in connection with his or her application.
 - A school must also refer to the OIG any employee, third-party servicer, or other agent of the institution that acts in a capacity that involves the administration of Title IV aid, may have engaged in fraud, misrepresentation, conversion or breach of fiduciary responsibility, or other illegal conduct involving FSA administration,
- Provide adequate financial aid counseling to enrolled and prospective students and their families including:
 - information about the source and type of aid offered
 - **NEW:** Separate by type of aid and if it must be earned or repaid
 - the method by which aid is determined and disbursed
 - **NEW:** Provide deadlines for accepting, declining or adjusting aid offered
 - the rights and responsibilities of the student with respect to enrollment and receipt of financial aid
 - entrance and exit counseling for Direct Loan borrowers
 - Provide information on the school's refund policy
 - **NEW**



- COA based on enrollment status, including individual components and a distinction of which costs are paid directly to the institution
- Net price, calculated as COA minus grants and scholarships
- Schools also required to advise students to accept the most beneficial types of financial aid available to them
- **FAC-Q3:** Our institution already provides this information but in various ways, such as through our student handbook, admissions information, online web pages, and catalogs. Can we continue to provide this information in this manner?
- **FAC-A3:** Institutions still have the flexibility to determine the best format in which the information is provided to their students. Institutions will need to collect and format this information for students to review and the institution will need to be able to demonstrate that students received the required information.
- Provide all program and fiscal reports and financial statements
- Demonstrate no evidence of significant problems affective ability to administer Title IV programs
- Develop procedures to evaluate the validity of a student’s HSD
 - **NEW** Procedures **MUST** include:
 - Collecting at least one of the following from the HS: Transcripts, Course Requirement written descriptions or a written attestation from high school officials to the rigor and quality of coursework
 - If regulated by the state or tribal authority, obtain confirmation the HS is recognized by the appropriate agency
 - If ED publishes a list of “diploma mills”, verify the HS is not on that list
 - **NEW** The HS Diploma is deemed invalid if:
 - Does not meet the requirements outlined by the regulating agency
 - Has been deemed invalid by ED, a state agency or the court
 - Has been obtained by an entity requiring little or no secondary coursework
 - In reviewing the FAQ in regard to the High School diploma procedures the general response from ED is that they acknowledge there are situations where documentation may be difficult to obtain. They instruct institutions to consider the special circumstances where documentation is missing, or a student is unable to produce a copy of their HSD on a case by case basis.
- Does not otherwise appear to lack ability
- Conduct business only with responsible individuals. As such your school should not have any principle leaders or institutional affiliates who have previously been debarred or suspended
 - **NEW:** Amended to add cannot be subject to specified negative actions, including being convicted or pleading nolo contendere/guilty to a crime involving federal funds
- Has a CDR of less than 30 percent for 2 of the 3 most recent fiscal years
- Participates in electronic processing
- **NEW:** Provide Adequate Career Services. ED indicates in the proposed rule the intent of this regulatory addition is for schools to help their students find jobs, particularly where the institution offers career-specific programs and makes commitments about job assistance.
 - Adequate services would be evaluated based on the number of students enrolled in GE programs at the school, the number and distribution of career services staff, the career services the institution

promised to its students, and the presence of partnerships between institutions and recruiters who regularly hire graduates.

- The FAQ on this topic states that the Department’s focus on evaluating institutions will remain on whether the institution can make good on its commitments with appropriate staff and resources in place, while institutions are best equipped to determine what is appropriate to offer based on the education it provides.
- **NEW:** Provide Geographically Accessible Externships and Clinicals where required for completion of the program or licensure. These accessible opportunities must be provided to students within 45 days of completing their other required coursework (FAQ clarified ED understands there may be exceptions).
 - When evaluating this regulatory standard, ED will weigh compliance by considering the program type, credential level and the geographic location of the institution. The Department clarified in the final rule that opportunities that are optional or occur after program completion, such as residencies, clerkships, and other similar post-graduation experiences are not covered by 668.16(r).
- **NEW:** Timely Disburse Title IV funds. The intent of this regulation is to enable students to cover institutional costs thus allowing them to remain in school and reduce withdrawal rates caused by delayed disbursements.
- **NEW:** For Institutions offering GE programs, less than half of total Title IV revenue comes from “failing” programs
 - **Potential Change under proposed accountability measures:** While we are still waiting for the draft NPRM on the Accountability Measure reviewed by the AHEAD committee, committee notes indicate the following:
 - A new standard was added to the Administrative Capability Standards that also provides for the loss of all Title IV eligibility if failing programs represent greater than 50% of Title IV students or greater than 50% of Title IV dollars for 2 of 3 consecutive years. The period of ineligibility following failure is 2 years.
- **NEW:** An institution must not engage in misrepresentation or aggressive recruitment. These practices have previously been defined in the code of federal regulations Part 668 Subpart F for misrepresentation, which was recently amended under the borrower defense regulations published in November of 2022 and Subpart R for aggressive recruitment, which was established under that same regulatory provision.

While the list of the standards administrative capability are extensive, we hope our breakdown of each one and the summary provided will assist your school in ensuring compliance measures in place to meet these requirements. We also encourage you to take advantage of the linked resources to perform an internal assessment to discover areas of weakness that need improvement within your policies and procedures. Additional resources we recommend reviewing is [Volume 2, Chapter 3 of the FSA Handbook](#) and the [Final Regulations on Administrative Capability](#) implemented July 1, 2024.

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

March/April 2026

R2T4- Wednesday, March 20th, 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. 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.

2026 DJA WEBINAR SCHEDULE

MAY 20	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

SPECS Annual Conference

The Salon Professional Education Company (SPEC) is hosting their annual conference in Tampa, Florida April 10th through the 12th. The SPEC group is a beauty school franchise including academy brands, Salon Professional Academy, Spa Pro Academy and Elevate Salon Institute. For more information on the franchise, visit their [site](#). DJA will be joining other industry leaders for a fun and informative conference. If you're in attendance, we'd love for you to visit our booth to connect with Renee and Ashley.

DJA Annual Financial Aid Conference- IN PERSON

Our clients have spoken and DJA will be returning to an in-person training conference this year! Our annual training event, “*Mastering the Moment in Financial Aid*”, will be held on Monday, May 4th and Tuesday, May 5th at the Harrah’s Hotel and Casino in Kansas City, MO. This dynamic event brings together financial aid professionals for timely training on the newest regulations emerging from the One Big Beautiful Bill Act, along



March/April 2026

with other critical industry updates shaping our work. Our compliance team will lead practical, actionable training sessions alongside engaging guest speakers who will bring fresh perspective and expertise. Attendees will have the opportunity to meet their DJA Quality Control account representatives, build meaningful connections with peers and industry leaders, and collaborate on today's most pressing challenges.

Attendance by outside institutions is subject to availability as this training is designed to be exclusive to our partner institutions. Registration for outside attendees is \$350 per person. Please email rford@gotodja.com for more information. DJA Clients- the link to register has been sent in your client memos and is available on the New Leaf home page.

DJA | **LEAF**

DJA FINANCIAL AID CONFERENCE

May 4-5, 2026
Harrah's Resort and Casino,
Kansas City, MO

JOIN NOW

MASTERING THE MOMENT IN FINANCIAL AID

The stakes are high and the rules keep changing—are you ready to play your best hand? Master the moment in financial aid with expert-led sessions from our exclusive guest speakers and DJA team.

This dynamic two day event brings together financial aid professionals for timely training on the newest regulations emerging from the One Big Beautiful Bill Act, along with other critical industry updates shaping our work

EXCLUSIVE SPEAKERS

- Jason Altmire**
Chief Executive Officer, CECU
- Ron Holt**
Senior Attorney, Rouse Frets
White Goss Gentile Rhodes P.C.
- Ben Sanders**
Compliance Manager, Lighthart,
Sanders and Associates
- Dave Bracken**
Chief Operating Officer,
Prestige Software
- Alexander Arthur**
Chief Operations Officer,
Orbund SIS

Email Request for Registration
rford@gotodja.com

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

Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.

