DJA
NEW LEAF

MAY AND JUNE 2026 NEWSLETTER

IMPORTANT DATES:

June 2
DJA Webinar: General Participation
11:00 am CST

June 3
FSA Webinar: Loan Repayment & Changes
11:00 am ET

June 13-15
NACCAS Workshop
Tysons Corner, VA

June 22-24
CECU Convention
Cleveland, OH

June 30
Deadline for 25/26 FAFSA and Campus-Based Awards

July 3
DJA Closed for Independence Day

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If April showers bring May flowers, then higher education financial aid professionals must be wondering what exactly May brought us—because it certainly wasn't a chance to slow down.

As we move from May into June, the regulatory forecast remains anything but calm. Final regulations under the One Big Beautiful Bill Act (OBBBA)—now more commonly referred to as the Working Families Tax Cuts Act—continue to roll out at a rapid pace, leaving institutions, software providers, and third-party partners scrambling to interpret requirements, update policies and procedures, and prepare for a July 1, 2026 implementation date that is quickly approaching. The only major item still pending is the Earnings Accountability Measure under the AHEAD regulations, for which the public comment period closed on May 20. As if implementing sweeping regulatory changes wasn't enough, institutions are simultaneously navigating the recent reprocessing of ISIRs under the OB3 regulations. The resulting influx of NSLDS post-screening transactions has created yet another layer of review as schools determine whether students qualify for pre-OBBBA loan limit exceptions or are subject to the new annual and aggregate borrowing limits.

And while everyone's attention is understandably focused on what lies ahead, the current award year is quietly racing toward the finish line. June 30 marks the end of the 2025-2026 award year, bringing with it important reminders regarding FAFSA completion, SEOG awarding deadlines, year-end reconciliation activities, and crossover processing considerations.

If it feels like the industry is trying to finish one marathon while simultaneously starting another, you're not alone. In this edition, we'll help you cut through the noise by highlighting key regulatory developments, implementation considerations, and important deadlines to keep on your radar as we close one award year and prepare for the next.

Stay compliant, stay caffeinated, and we'll see you in the next edition,

Renee Ford, Vice President

IN THE NEWS: STATUS UPDATES ON FINAL REGULATIONS UNDER OB3

May was a busy month as final regulations under the RISE Committee and AHEAD Committee were finalized and published in the Federal Register. Additionally, May 20th was the final day to submit comments on the Earnings Accountability Measure under the AHEAD provisions.

RISE Regulations

On May 1st, The U.S. Department of Education (Department) published final regulations for the Reimagining and Improving Student Education (RISE) rule, implementing several federal student loan changes under the One Big Beautiful Bill Act (OB3- also known as the Working Families Tax Cuts Act). The final rule will take effect on July 1, 2026.

While many of these changes primarily affect graduate and professional students, all Title IV institutions should be aware of the broader operational and counseling impacts.

Key changes include:

- **New loan limits beginning July 1, 2026.** Graduate student borrowing will be capped at $20,500 annually and $100,000 in aggregate. Professional student borrowing will be capped at $50,000 annually and $200,000 in aggregate. Parent PLUS loans will also be subject to new limits of $20,000 annually and $65,000 per dependent student.
  - Distinction made on who qualifies as a graduate versus professional student.
  - Interim exception (legacy provision) applies to continuing borrowers who have had a loan originated and disbursed in their current enrollment prior to July 1, 2026.
- **A new lifetime federal loan limit.** Borrowers receiving loans on or after July 1, 2026, will be subject to a $257,500 lifetime federal loan limit, with certain exclusions and transition rules.
  - New limit applies regardless of whether the principal balance on prior loans are paid in full, forgiven, canceled or otherwise discharged.
- **Grad PLUS phase-out.** The Grad PLUS program will be eliminated for new borrowers who do not qualify under the interim exception. Certain continuing students may remain under prior rules for a limited period if they were already enrolled and borrowing for the same program before July 1, 2026.
- **Repayment plan simplification.** The rule creates two new repayment options: the Tiered Standard Plan and the Repayment Assistance Plan. Existing income-contingent repayment plans are scheduled to sunset on July 1, 2028.
- **Institutionally determined loan limits.** Beginning July 1, 2026, schools may set program-level loan limits, provided the limits are applied consistently to all students enrolled in that program.
- **Loan reductions for less-than-full-time enrollment.** Institutions will be required to apply loan eligibility reductions for students enrolled less than full time.
  - Introduces Schedule of Reduction (SOR)
- **Default rehabilitation changes.** Beginning July 1, 2027, borrowers will be allowed to rehabilitate a defaulted loan twice over the life of the loan, rather than only once.

Schools should begin reviewing financial aid policies, packaging procedures, student counseling materials, enrollment status monitoring, and communication templates to ensure they are prepared for the July 1, 2026 implementation date.

Pending litigation has already been initiated after the release of the RISE final regulations. On May 19th, twenty-five states plus the District of Columbia filed suit against the Department of Education, challenging the Final Rule under the RISE regulations. In a recent blog post, Thompson Coburn, LLP summarizes the suit indicating it violates the Administrative Procedures Act (APA) by rewriting the definition of a "professional degree" as adopted under the OB3. The Plaintiff in the case argues four APA causes of action:

1. **Count I**: The professional degree definition is **contrary to law** and exceeds the Department's statutory authority because it adds criteria Congress never authorized.
2. **Count II**: The professional degree definition is **arbitrary and capricious** because it relies on factors Congress did not intend the Department to consider—such as whether an occupation is subject to supervision—and applies those factors inconsistently and fails to consider reliance interests.
3. **Count III**: The grandfathering limitations are **contrary to law** because the statute's only requirements are current enrollment and a federal loan as of June 30, 2026, and the Department lacks authority to add further conditions.
4. **Count IV**: The grandfathering limitations are **arbitrary and capricious** because the Department failed to consider the harms to students who relied on existing loan availability and did not adequately explain its reasoning

The relief being sought by the Plaintiff is: (1) a declaration that the challenged provisions are unlawful because they violate the APA; (2) a vacatur of the challenged provisions pursuant to 5 U.S.C. § 706; (3) a permanent injunction of the challenged provisions as to Plaintiff States; and (4) attorney's fees.

Two days after the first lawsuit was filed, a secondary lawsuit was filed by six professional associations under the named plaintiff *American Association of Nurse Practioners, et al*. The plaintiff adds an argument not pushed under the first lawsuit alleging the Department's actions violate the Master Calendar Requirements, as the final rule was not published by November 1, 2025 for a July 1, 2026 implementation. This case asks for a preliminary injunction of the rule and requests a court hearing within 21 days. Visit Thompsons Coburn's May 28th blog post for a follow up on this lawsuit.

AHEAD Regulations

Later in the month, on May 19th, the Department published the first of two final regulations under the AHEAD provisions within the OB3. This Final Rule under the AHEAD provisions amends the regulations governing institutional eligibility, general provisions, and the Federal Pell Grant (Pell Grant) Program under *Title IV* of the Higher Education Act (HEA) of 1965, as amended (the *Title IV*, HEA programs). It is notable that in both the final regulations under the RISE and under AHEAD, the statutory language of the bill in regards to the One Big Beautiful Bill Act have been adjusted to the Working Families Tax Cuts Act. While both allude to the same Act, the Federal Register specifically calls out the distinction.

This Final Rule under the AHEAD regulations enacts these key changes:

- **Pell Grant Exclusion.** Adds language to prohibit a student from receiving a Pell Grant if the student received grant or scholarship assistance from non-Federal sources that equals or exceeds the student's COA for the award year.
- **Workforce Pell.** Establishes the Workforce Pell Grants for students who enroll in a new type of eligible program called an "eligible workforce program," intended to be a high-quality, performance-based, short-term program that supports America's workforce needs.

To round out the month, came the closure of public comments for the second provision under the AHEAD regulations- the Student Tuition and Transparency System (STATS) and the Earnings Accountability Measure. The draft NPRM on this regulation was published on April 20th, providing the comment period to close on May 20th. The proposed regulations would implement by July 1, 2026, changes to program eligibility requirements for the Direct Loan program and the introduction of an earnings accountability framework that is intended to limit Direct Loan eligibility to programs whose graduates meet certain earnings benchmarks. In its own published documentation through Negotiated Rulemaking, 93% of cosmetology programs would fail proposed Earnings Accountability measure.

The beauty and wellness industry reacted swiftly in response to the proposed regulations, urging institutions, cosmetologists, students and industry partners to actively participate in the public comment period. As an industry partner, DJA joined institutional and vendor partners to form the *Save the Student Coalition*, an advocacy initiative to support the interests of cosmetology programs offered at higher education institutions and the students who both stand to lose substantially if these regulations are put into effect as outlined in the draft NPRM. Industry associates, including AACS, CECU, ACES, CSPEN and MORE worked tirelessly with Congress, the Department of Education, association members and community partners to prepare an outcry through public comment. The result produced just shy of 10,000 public comments during the open period.

At this point, it is clearly a wait and see as we prepare for the Final Rule to be published regarding this facet of the AHEAD provisions. However, the industry has spoken and just as the states and nursing professionals have begun litigation in response to the RISE regulations, it is likely if the Final Rule publishes without significant rework from the NPRM that the beauty and wellness industry will initiate the same suit.

FSA RELEASES TRAINING RESOURCES, VIRTUAL OFFICE HOURS AND WEBINARS TO PREPARE INSTITUTIONS FOR OB3 REGULATION IMPLEMENTATION

As the higher education industry prepares alongside the Department to implement the regulatory provisions under the One Big Beautiful Bill Act, also known as the Working Families Tax Cuts Act (the Act), they have created a Topics page in the Knowledge Center, as well as started released Frequently Asked Questions and scheduling training webinars.

In EA GEN-26-30, *Assistance in Implementation of Final Regulations for the Working Families Tax Cuts Act*, the Department summarized the available resources and tools it has made available to the industry.

Frequently Asked Questions: On May 20th, the first FAQ on Loan Limits was made available and in the EA, the Department indicates it will continue to post new and updated FAQs as they become available (reference the Topics page for their release).

NEW Email for OB3 Policy Related Questions: The Department has provided financial aid industry professionals and partners, including state agencies, software vendors, and lenders, with a new e-mail tool for submitting policy-related questions about the changes in the Act and the newly published regulations. Department staff will review each question submitted and will post responses to frequent questions to the Knowledge Center. The new email is ob3schoolquestions@ed.gov. There is no need to resubmit questions that have already been sent to the Department through a previous webinar or other method. Those questions are being addressed through this FAQ process. As FAQs are released, the Department will respond directly to email messages received on those topics that have not already been answered, including directing recipients to the appropriate FAQ or relevant guidance, as applicable. Before emailing the Department, senders are encouraged to review the most up-to-date FAQs and related guidance.

New Virtual Office Hours and Training Webinars: The Department will host a new series of webinars and virtual office hours on the regulatory changes over the next seven weeks. Webinars and office hours will be offered from late-May through mid-July, according to the schedule below. Each session will provide the higher education community with an opportunity to ask Department staff questions about the newly published regulations.

Additionally, the Department plans to hold an in-person town hall at the U.S. Department of Education headquarters in Washington, D.C., with senior Department officials and subject-matter experts in attendance. More information on this event will be provided in the coming weeks.

Virtual Office Hours and Links

June 2026 Virtual Office Hours
- Monday, June 1, 2026, 3–4 p.m. ET
- Friday, June 5, 2026, 11 a.m.–12 p.m. ET
- Monday, June 8, 2026, 3–4 p.m. ET
- Friday, June 12, 2026, 11 a.m.–12 p.m. ET
- Tuesday, June 16, 2026, 3–4 p.m. ET
- Thursday, June 18, 2026, 11 a.m.–12 p.m. ET
- Monday, June 22, 2026, 3–4 p.m. ET
- Friday, June 26, 2026, 11 a.m.–12 p.m. ET
- Tuesday, June 30, 2026, 3–4 p.m. ET

July 2026 Virtual Office Hours
- Thursday, July 2, 2026, 11 a.m.–12 p.m. ET
- Monday, July 6, 2026, 3–4 p.m. ET
- Friday, July 10, 2026, 11 a.m.–12 p.m. ET

Live Webinar Schedule and Links

- Wednesday, June 3, 2026, 11-12:30 pm ET: Loan Repayment Plans Other Loan Changes
- Wednesday, June 10, 2026, 11-12:30 pm ET: Schedule of Reductions/Loan Limits
- Wednesday, June 24, 2026, 11-12:30 pm ET: Workforce Pell: Program Eligibility, Awarding and Accountability
- Wednesday, July 8, 2026, 11-12:30 pm ET: (TENTATIVE) STATS and Earnings Accountability: Reporting, Metric Calculation, and Appeals

For more information on the Virtual Office Hours and Live Webinar Trainings, visit the Dear Colleague announcement.

FSA PROVIDES BEST PRACTICES TO PREVENT FRAUD AMIDST NEW IDENTITY FRAUD PROCEDURES AND FAFSA SCREENING

In Electronic Announcement, APP-26-03, the Department indicated that on April 26, 2026 implemented a real-time identity fraud detection capability within the FAFSA form. In partnership with a leading financial services firm, the Department will now screen and assess risk as students and families complete the form – creating an automated, streamlined process that occurs in real-time. This approach will allow legitimate students to proceed through the FAFSA process quickly, while requiring a small portion of applicants to complete additional steps to confirm their identity as part of the online FAFSA submission process.

The Department will continue to generate ISIRs for all applicants. However, if the Department is unable to confirm an applicant's identity within the online FAFSA workflow, the resulting ISIR will be placed in a rejected status. ISIRs that are rejected—due to an applicant being unable or unwilling to complete the online identity confirmation process—**will include new Comment Codes**. Given that the Department suspects the vast majority of rejected applications to be fraudulent, they anticipate that there will only be a small number of applications that would need to undergo additional screening by an institution via in-person identity verification by institutions.

Applicants will be placed into one of four risk categories at the end of the real-time screening:

- Low Risk. Applicants in this category will not be required to provide additional identity information, will not have their application rejected due to fraud risk, and will not receive a Comment Code.
- Moderate Risk. Applicants in this category will not be required to provide additional identity information and will not have their application rejected due to fraud risk.
    - **Comment Code 353** will be added to the ISIR to inform schools that the application contained elements that raised some risk concerns, but did not reach the level of requiring identity verification. This Comment Code is provided at the request of FAAs who have asked for greater transparency on fraud risk and to support school-selected verification decisions.
    - While institutions will not be required to take any action, schools are encouraged to conduct their own verification activities, such as in-person identity verification. **Please note this will be**

dependent on how your school chooses to address this comment code. In New Leaf the memo code added will be an FYI and not require resolution.

- **High-Risk**. Applicants in this category will be required to complete an additional identity confirmation process with the Department as part of the online FAFSA process. See notes below on this process.
  - If attempted identity confirmation is completed but unsuccessful, the FAFSA form will be processed with **Reject Code 74 and Comment Code 354.**
  - If attempted identity confirmation is not completed, the FAFSA form will be processed with **Reject Code 74 and Comment Code 355.**
  - If attempted identity confirmation is successfully completed, the FAFSA form will be processed with **Comment Code 356**, which indicates that the applicant confirmed their identity.
- **Highest Risk**. Applicants in this category will not be presented with the option to complete identity confirmation during the online FAFSA process and will have their FAFSA form processed with Reject **Code 75 and Comment Code 357**.

Treatment of High Risk Category

Applicants placed in the **high-risk category** by the Department during the online FAFSA process will be asked to confirm their identity by presenting documentation and completing a brief, live camera check. This step must be completed on a mobile or tablet device with a camera. Applicants who begin the FAFSA form on a desktop or other non-mobile device will be provided with a QR code to continue the process on a mobile device. They may use any mobile device for this step and will not need to log in or reenter information they provided on their FAFSA form.

Applicants will be asked to present one valid form of government-issued identification, such as a driver's license, passport, tribal identification card, or permanent resident card, and to come on camera to take a picture. This process is automated and will happen in real time, including feedback to the applicant if their identity documentation or camera image is not legible so they can correct the issue. If the required document is not immediately available, applicants will have a short window to retrieve it if it is nearby; however, the session is designed to be completed in one sitting and cannot be paused or resumed later.

Applicants who fail to provide documentation during the timeframe can still submit their FAFSA form, but it will be processed with **Reject Code 74 and Comment Code 355**. These applicants must contact their school's financial aid office to complete the identity verification confirmation process following the procedures described below. As a reminder, any applicant selected for this process has already been identified as being at high-risk for identity fraud.

Resolution of High-Risk Identity Category Flag

The Department reiterates that any application that is rejected under this new identify confirmation process has a high risk of being fraudulent. Although a small number of legitimate students are likely to be flagged for in-person verification by institutions, the Department's expectation is that FAAs will not need to take any action on the significant majority of rejected applications.

That said, in cases where a legitimate student is impacted, starting on May 3, 2026, schools will be able to assist applicants in resolving their application's rejected status. To complete the process, FAAs must follow the guidelines for information to be verified and acceptable documentation for resolving identity verification (similar to the V4 Verification Tracking Group), as published in the Nov. 26, 2025 Federal Register notice.

If an FAA successfully confirms the identity of a student whose application was rejected, the FAA must resolve the reject code by reporting the result of the identity confirmation using the new field "FAA Fraud Override" in the FAFSA Partner Portal (FPP). Once the FAA updates the "FAA Fraud Override" field, the FAFSA Processing System will generate a new transaction—assuming there are no other issues on the application— with a valid ISIR that contains a Student Aid Index and Pell Grant eligibility. New Comment Code 358 will also be added to indicate that an FAA successfully resolved the reject status after confirming the applicant's identity. This new transaction will be sent to all schools and state agencies listed on the ISIR. Schools may use the identity confirmation performed by another institution if they have no reason to suspect fraud or conflicting information.

At this time, the fraud override indicator must be submitted through FPP. The Department is working to enable corrections via the Electronic Data Exchange and will update this announcement when that functionality is available.

Finally, the Department has concluded screening of all previously submitted 2026–27 FAFSA forms now that this new technology is in place. Since this evaluation occurred after the application was submitted and the applicant was unable to complete real-time identity confirmation, the new ISIRs populated as a result of this evaluation resulted in additional transactions selected for V5 verification where fraud risk is identified. These additional ISIRs were processed on May 14th according to an update made the EA.

To support the new fraud prevention initiative in the FAFSA application process, the Department also published an EA GEN-26-31 sharing best practices for institutions to consider as they work alongside the Department to prevent fraud in the nation's federal student assistance programs; protect students, parents, and borrowers; and safeguard *Title IV* funds on behalf of taxpayers. These practices are not exhaustive and do not replace existing statutory or regulatory requirements. Rather, they reflect concrete, operational steps institutions are using to identify potential fraud earlier in the financial aid lifecycle, prevent improper disbursements, and coordinate action across offices.

While we have provided a summary of these best practices below, we also urge institutions to click the EA link above to review the announcement in its entirety as the Department provides example institutional practices for reference in implementing such changes.

Institutions should embrace the principle that fraud prevention is not only a federal financial aid function but a core component of an institution's responsibilities under *Title IV* of the Higher Education Act of 1965. Consistent with that approach and past guidance, the Department is sharing the following best practices for institutions of higher education to consider as they work proactively to prevent fraud.

- **Use account holds aggressively when risk indicators appear**
    - Institutions may want to establish a written protocol, and work with technology systems to integrate, that automatically triggers holds when certain indicators are present, such as suspicious identity documents, inconsistent demographic data, unusual address changes, conflicting (FAFSA®) submissions, suspicious refund requests, or credible reports from another office.

- **Require layered identity verification for higher-risk cases**
  - A useful practice for institutions is to define tiers of review. For lower-risk cases, an institution might resolve the issue with standard verification or a single secure identity step. For higher-risk cases, institutions may wish to require multiple corroborating documents and, where appropriate, in-person or live remote verification before either enrollment activity continues or any *Title IV* funds or credit balance refunds are released.
- **Treat conflicting information as a campuswide responsibility**
  - Institutions should ensure that staff beyond the financial aid office know how and what to escalate. FSA's guidance states that conflicting information can arise from admissions, the registrar, academic affairs, and other offices, and that institutions must resolve discrepancies before disbursing aid. Institutions are already taking action. As a practical matter, institutions may wish to create a simple escalation channel and shared case process for admissions, the registrar, bursar/student accounts, academic affairs, conduct, information security, and campus police.
- **Check attendance and academic engagement before refunds go out**
  - One of the clearest operational controls is linking disbursement and refund activity to real attendance or academic engagement. Some institutions have implemented policies that help protect *Title IV* funds before they are issued to students.
  - For institutions looking for practical steps, FSA suggests at least three controls:
    - Timely instructor reporting of no-shows or lack of academically related activity.
    - A pre-refund review of students with suspicious indicators.
    - Coordination between financial aid and disbursement vendors so credit balance refunds are not released automatically when attendance or identity concerns are unresolved.
- **Use unusual enrollment history and transfer patterns as risk indicators**
  - Institutions should pay particular attention to enrollment patterns that suggest an applicant may be attempting to obtain a credit balance refund rather than pursue academic credit. Institutions may wish to broaden this lens beyond formal UEH flags; institutions have authority to review records when they suspect incorrect information or fraud. Institutions should consider whether repeated non-completion, repeated withdrawals after aid disbursement, and/or patterns of multiple recent enrollments with little or no academic credit warrant additional scrutiny before future disbursements.
- **Strengthen process for reviewing subsequent ISIRs and post-disbursement discrepancies**
  - Fraud prevention does not end once aid is awarded. The *Federal Student Aid Handbook* (FSA Handbook) explains that institutions generally must review subsequent transactions during the processing year, and that—if conflicting information is discovered after disbursement—the institution must reconcile it and take appropriate action, including returning funds when necessary.
  - Institutions should, therefore, ensure that later-arriving ISIRs, NSLDS changes, address changes, unusual account activity, and reports from other offices are routed into a review queue that can stop additional aid or refunds. An institution that only checks for risk at initial packaging is likely to miss later-developing fraud indicators.
- **Build a formal red-flags program and train staff**
  - Several institutions publicly describe structured "Red Flag" or identity theft prevention programs. Institutions that do not yet have such a program may want to create a written document that identifies common red flags, assigns office responsibilities, specifies hold authorities, and sets timelines for outreach, escalation, and resolution. Institutions should also train front-line staff—

especially in admissions, one-stop/student services, registrar, bursar, call centers, and online program support—to recognize suspicious behavior and know when to escalate a case.

- **Protect refund processes and account-change requests**
    - Fraud prevention should extend to the refund stage, not just the application stage on the FAFSA. Institutions may want to review whether current student account and refund workflows make it too easy to redirect funds after a fraudulent enrollment is established. Basic controls—such as added review of alternate-address refund requests, delayed release of checks or electronic refunds when red flags are present, and verification before sensitive account changes—can materially reduce loss exposure.
- **Refer credible fraud information to the Department's OIG and document the basis**
    - Federal regulations require institutions to refer credible information indicating that an applicant may have engaged in fraud or other criminal misconduct in connection with a *Title IV* application to the Department's OIG. The regulation gives examples including false claims of independent status, false claims of citizenship, use of false identities, forged signatures or certifications, and false statements of income. The FSA Handbook reiterates that, if an institution suspects a student, employee, or other individual misreported information or altered documents to fraudulently obtain federal funds, it must report its suspicions and provide evidence to the Department's OIG. Institutions do not need to prove a case before referring it, and the OIG has a process to reach out to institutions if additional documentation and information is needed.

The Department concludes by reminding institutions that applying proven applying proven best practices and adapting to the ever-changing world of fraud will help institutions of higher education prevent fraud, protect students, and safeguard federal student aid funds.

REMINDER: UPCOMING DEADLINES AND DATES TO REMEMBER

It is that time again- crossover seasons- where we say farewell to one award year and welcome another. As a result, the regulatory deadlines are plentiful, and we encourage you and your team to review them in detail to ensure you are preparing accordingly.

- **June 30th -**is the deadline for students to submit the 25/26 FAFSA. Please make sure your students have completed their FAFSAs and have them submitted on time.
- **June 30th-** SEOG funds need to be awarded to a student (not paid) by this date.
- **July 1st-** Public disclosure for Completion and Graduation Rates due
- **July 31st-** Closeout deadline for the 24/25 Direct Loan program.
    - Read our DJA Compliance Corner this month for a reminder on the proper closeout procedures.
- **August 20th-** Campus-based Reallocation Form due
- **September 12th-** Federal Deadline to complete 25/26 ISIR Corrections to FPS
- **September 19th-** 25/26 Verification must be completed by this date or 120 days after the last date of enrollment, whichever is earlier
- **September 30th-** Deadline to submit all Pell/Teach Grant disbursements to COD for the 25/26 award year.

- **Prior to release of 27/28 FAFSA:** Must submit 2025 FWS calendar earnings to COD
- **October 1st:** FISAP due
- **October 1st:** Annual Campus Security report due

REMINDER: ANNUAL UEI REGISTRATION RENEWAL WITH SAM WEBSITE

Institutions that receive *Title IV* funds must have a Unique Entity ID (UEI) registered in the General Services Administration System for Award Management (SAM) website, and the institution must renew the UEI each year.

In a May 5th Electronic announcement, FSA provided a reminder to schools to complete the registration confirmation for their UEIs.

G5 verifies that a UEI is active before carrying out administrative actions, such as making an award or performing UEI changes or reassignments. To limit impacts to processing of *Title IV* funds, Federal Student Aid recommends that all schools renew their UEI registration before it expires. Because an institution may have multiple UEIs for different purposes, it is likely they will need to register or renew multiple UEIs in SAM. Some considerations when completing the registration process include the following:

- If an institution processes disbursement records in the Common Origination and Disbursement System using different grantee or payee UEIs than the ones used for cash activity in G5, it must register both UEIs.
- If an institution has multiple UEIs, it must register each of them individually. This includes UEIs for any approved additional locations.
- Schools should allow at least 10 business days after completing the process for the registration to be active in SAM.
- A school's point of contact (POC) and alternative POC will receive reminder emails at 60 days and 30 days before the renewal deadline.

Information about registering a UEI can be found in the user guides located under the "Help" tab on the SAM website. If you still have questions about the SAM website or the UEI registration process, search the Federal Service Desk knowledge base or chat with a live agent.

If you have more questions or need help, contact the G5 Help Desk via email at OBSSHelpDesk@ed.gov or by phone at 1-888-336-8930.

NSLDS POSTSCREENING AS A RESULT OF OB3 RELEASES INFLUX OF SYSTEM GENERATED 26/27 ISIRS

Last year at this time we were announcing the return of NSLDS Postcreening due to a long hiatus during the *FAFSA Simplification Act* implementation. This year, we come bearing the news of an influx of System Generated ISIRS being generated as a result of NSLDS Postscreening on 26/27 ISIRs. This recent round of NLSDS

Postcreening ISIRs comes as a result of newly added post-screening reason codes as outlined in [EA- LOANS-26-05.]

On Saturday, May 30th, the FAFSA Team released guidance through the FSA Tech listserv indicating the ISIR transactions received recently were reprocessed for the following reasons:

- To set the initial loan limit exception flag based on the 25/26 disbursement activity. This flag was generated to help schools determine whether a borrower is eligible for the pre-OBBBA aggregate loan limits, including lifetime limits and Parent PLUS loans.
    - The reprocessing set the flags value to 'true' for each borrower with existing DL Sub, Unsub and PLUS loans with an award end date on or after April 1, 2026, in the COD system.
    - The flag appeared alongside Comment Code 352 and is accompanied by an FPS C flag.

The FSA guidance indicates that schools will be considered in compliance with resolving the FPS C flag if they review and confirm student loan eligibility based on the new information transmitted through the reprocessed transaction. We recommend using the reprocessed ISIR as a tool to confirm if your student borrower is subject to the loan limit exception and able to borrow under pre-OBBBA loan limits OR if they will not meet the exception and must borrow under the OBBBA lifetime and aggregate loan limits.

While the guidance issued through the FSA Tech listserv is only published in that communication channel, they do indicate they will be updated EA-APP-26-02 in the future.

COMPLIANCE CORNER

DIRECT LOAN CLOSEOUT

We previously informed you in our December Newsletter of the importance of performing monthly internal and external reconciliation for the Direct Loan Program to ensure a smooth closeout by the deadline. The closeout deadline for the 24/25 Direct Loan Program Year is July 31, 2026. This is the last processing day before the end of the program year. All school data must be received and accepted by this date to be included in the school's final Ending Cash Balance for the year. In this month's *Compliance Corner*, let's review what institutions must complete to be successfully closed out. The following steps must be completed:

- Reconcile to an Ending Cash Balance of $0 and Total Net Unbooked Disbursements of $0, as reflected on your monthly School Account Statement (SAS) Report and in your school's internal records; and
- Complete the School Balance Confirmation form on the Common Origination and Disbursement (COD) website. The School Balance Confirmation form can be completed after the school has reconciled to a $0 balance both internally and externally. Once the school has completed their final reconciliation, the school should log in to the COD website. From the School options menu, click on the Balance Confirmation link on the left-hand side of the page and follow the instructions on the School Balance Confirmation screen.

Important: When completing the closeout, a school should verify that it has selected the correct program and award year from the dropdown menus.

To meet the closeout deadline, all records must be submitted to the COD System no later than 8 p.m. Eastern time (ET) on Thursday, July 31, 2026. After this deadline, Direct Loan records will not be accepted by the COD System and schools will no longer have Direct Loan funds available to draw down for the 24/25 award year. In other words, the Department will reduce the school's Current Funding Level (CFL) to the greater of Net Drawdowns or Net Accepted & Posted Disbursements.

In a recent Electronic Announcement, FSA reviewed several other items institutions should consider in completing the close out process. Those elements include:

1. Though the closeout deadline is July 31, 2026, all cash management, disbursement reporting, and monthly reconciliation regulatory requirements supersede this closeout deadline. If a school is meeting these regulatory requirements, the final closeout stage should begin no later than the last award end date at the school for a given program and year. A school should be able to reconcile to a zero-ending cash balance and close out soon after its final disbursements and should **not** wait until the closeout deadline.

2. All records submitted prior to the closeout deadline must be accepted by the COD System to be included in a school's final ending cash balance for 24/25. Also, refunds of cash transactions can take 7-9 days to process from G5 to the COD System to be included in your school's balance. Plan accordingly to allow ample time for refunds of cash to be included in your final ending cash balance prior to the deadline.

Schools **should not** use G5 Drawdown Adjustment transactions to move funds from one program, award year or school to reconcile another program, award year or school.

3. Exceptions to the last processing day of the program year may be made on a case-by-case basis, if the school's processing period extends beyond the closeout deadline. Schools falling within this category must contact the FSA Partner and School Relations Center at the number for further assistance.

Extended processing is not needed to submit decreases to award or disbursement amounts or any non-financial changes. If you need to submit increases to award or disbursement amounts or new award or disbursements after the data submission (closeout) deadline, you will need to request an extension to the deadline via the COD website Request Reopen/Extended Processing page. However, you should not submit a request until after you have completed reconciliation of all program records and are ready to submit increases or new award or disbursement data to the COD System.

For additional Direct Loan Closeout information for the 24/25 program year, schools can refer to the [May 20, 2026 Electronic Announcement.]

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

General Participation Requirements, Tuesday, June 2nd 11 a.m. CST

Campus Crime Reporting, Wednesday, July 15th 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

JUN 2	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

NACCAS Workshop: June 13-15

NACCAS is hosting their second quarter Workshop in Tysons Corner, Virgina at the Tysons Corner, Marriott Hotel, with pre-candidate training on Saturday June 13th 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 visit with you on how partnering with DJA can be a great addition to ensuring compliance with Title IV fund administration.

CECU Convention: June 22-24

The Career Education Convention is the largest gathering of private career education professionals in North America, with the 2025 Convention setting record numbers. This event features well-known keynote speakers, experts leading concurrent sessions, and an environment to connect and network with others in the sector. Year after year, the Convention attracts a diverse audience of sector leaders from across the country. The 2026 Convention will be held at the Huntington Convention Center and Rock and Roll Hall of Fame in Cleveland, OH June 22nd through the 24th. Kristi Cole, our Director of Client Services, will join our Director of Financial Aid Quality Control, Kelly Wilks at our booth to showcase the advantages a partnership with our company can offer to ensure your institution maintains regulatory compliance through our streamlined, cost-savings approach. Visit us to discuss how our services can best meet your financial aid administration needs.