



DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

COMPLIANCE UPDATE – JANUARY 2022

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IRS NOTICE – DISCHARGED STUDENT LOANS NOT CONSIDERED INCOME THROUGH 2025 TAX YEAR

[IRS Notice 2022-01](#) provided instructions to student loan lenders and servicers to not treat the discharged portion of student loans as income. Under the provisions of the American Rescue Plan Act (March 2021), the discharged portions of student loans, ordinarily considered gross income for tax purposes, is to be excluded for the 2021 – 2025 tax years. The notice stated that lenders and servicers should not file information returns or furnish payee statements. Refer to the notice for additional information.

EXTENSION OF STUDENT LOAN MORATORIUM

In a [press release](#) dated December 22, 2021, the U.S. Department of Education announced a 90-day extension to the student loan moratorium that includes a pause on payments, interest, and defaulted loan collections. The extension runs through May 1, 2022.

MANDATORY SAIG SOFTWARE UPGRADE DEADLINE SET

Electronic Announcement [GENERAL-21-87](#) announced the revised deadline of February 20, 2022 for SAIG users to upgrade to EDconnect 8.5 or the current version of TDClient. After the 20th, older software versions will no longer connect to the gateway. The EA also provided workarounds for four reported EDconnect 8.5 issues.

LIMITED PSLF WAIVER GUIDANCE FOR FFEL AND PERKINS LOAN PROGRAMS

Dear Colleague Letter [GEN-21-09](#) provided guidance to participants in the Federal Family Education Loan (FFEL) and Perkins Loan Programs on interactions with borrowers inquiring about the limited Public Service Loan Forgiveness (PSLF) waiver announced on October 6, 2021. Under the waiver, borrowers who have previously consolidated or apply to consolidate FFELP and Perkins loans into a Direct Loan and have a PSLF application on file no later than October 31, 2022 can potentially count those previously ineligible FFELP and Perkins payments towards the 120 payment requirement for PSLF. Notably, the DCL provided the following expectations for borrower interactions:

As always, the Department expects FFEL and Perkins Loan program participants to provide complete, timely, and accurate information about the terms and benefits of Title IV loans, as well as provide the steps a borrower needs to take to access those benefits. The Department additionally expects FFEL and Perkins Loan program participants to

assist borrowers with assessing whether they are meeting specific program requirements, or what actions borrowers need to take to ensure they receive the maximum benefit to which they are entitled under the Title IV programs. The Department will be working with its enforcement partners on a joint approach to evaluating whether FFEL and Perkins Loan program participants are meeting such obligations.

Interactions with borrowers must not be unfair, deceptive, abusive, or misleading. The Department has provided copies of this Dear Colleague Letter to the Consumer Financial Protection Bureau, state Attorneys General, and state banking regulators to ensure they are familiar with this guidance about implementation of the limited PSLF waiver and are able to assist the Department in ensuring compliance with applicable laws. The Department may view statements by a lender or servicer that it cannot help the borrower with respect to the limited PSLF waiver to be false or misleading.

We expect that if a borrower contacts a lender, guaranty agency, or servicer and states, says, suggests, or implies that they are working toward PSLF or TEPSLF, have worked in public service, or are interested in PSLF, TEPSLF, or the limited PSLF waiver, that they will be told the following with respect to their FFEL Program or Federal Perkins Loans:

- The loans they are calling about do not currently qualify for PSLF or TEPSLF, but their prior periods of repayment may qualify for credit toward PSLF or TEPSLF if they receive or apply for a Direct Consolidation Loan on or before October 31, 2022;*
- Regardless of the limited PSLF waiver, their loans must be consolidated into a Direct Consolidation Loan program in order to qualify for PSLF or TEPSLF; but that prior periods of repayment will not qualify for credit toward PSLF or TEPSLF if consolidated after October 31, 2022;*
- To understand whether they may already have qualifying payments for PSLF under the limited PSLF waiver, they should register for an FSA ID if they don't already have one, and log in to the PSLF Help Tool to check if their employer qualifies (reminding such borrowers that they will need their employer's Federal Employer Identification Number and that they should confirm they have the correct number by checking their IRS Form W-2);*
- If their employer is a qualifying employer or if the borrower is uncertain but wants their loans to qualify for PSLF, TEPSLF, and the limited PSLF waiver, they should apply for a Direct Consolidation Loan on or before October 31, 2022 (after reviewing the pros and cons of loan consolidation with the borrower in the case of employer eligibility uncertainty);*
- If they apply for a Direct Consolidation Loan, you will work to process any paperwork necessary to have the borrower's loans consolidated expeditiously; and*
- After their consolidation loan is made, they should go back to the PSLF Help Tool to certify all periods of qualifying employment.*

See the DCL for additional guidance and resources.

2021–22 NEGOTIATED RULEMAKING UPDATE

The Affordability and Student Loans Committee held its final session December 6-10. In a second round of negotiated rulemaking, the Institutional and Programmatic Eligibility Committee will address seven additional topics – the 90/10 rule, ability to benefit, Title IV participation certification procedures, institutional financial responsibility, gainful employment, and administrative capability standards – during three virtual sessions in early 2022: January 18-21, February 14-18, and March 14-18. As with the first round, viewers must register daily to access the virtual meeting and the last 30 minutes will be reserved for public comments and questions. Access updates, registration, documents, and session recordings on the [Negotiated Rulemaking for Higher Education 2021-22](#) webpage. See the December 8, 2021 Federal Register ([86 FR 69607](#)) for the intent to establish rulemaking committee announcement.

2021 FSA TRAINING CONFERENCE

The 2021 Annual FSA Training Conference concluded on December 2nd. Sessions will be available on-demand on the [conference platform](#) until March 2, 2022; please note that [registration](#) is required to access the platform. After March 2nd, sessions will transition to the [FSA Conference](#) website. The website also houses downloadable PowerPoints from the 2021 conference sessions plus session recordings for the 2018, 2019, and 2020 conferences. See Electronic Announcement [GENERAL-21-82](#) for additional information.

MISCELLANEOUS

- [Federal Student Aid Posts Quarterly Portfolio Reports to FSA Data Center \(EA GENERAL-21-88\)](#)
- [Information about Designation as a Title III or Title V Institution and Waiver Requests of the Non-Federal Share Requirement for the Campus-Based Programs \(December 20, 2021\)](#)
- [Access Removed for Unconfirmed TG Numbers \(SAIG Mailboxes\) and Electronic Services User Accounts \(EA GENERAL-21-85\)](#)
- [Guidance About Use of Protected Brands and Official Government Names, Logos, or Insignia \(EA GENERAL-21-84\)](#)
- [Perkins TEF File \(December 10, 2021\); NSLDS GA TEF File \(December 10, 2021\); SAIG Message Class File \(December 10, 2021\)](#)