



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## COMPLIANCE UPDATE By **Kim Slote, Assistant Associate**

### CORONAVIRUS WAIVERS AND MODIFICATIONS

The U.S. Department of Education issued a [Federal Register Notice Dec. 11, 2020](#): Waivers and modifications of statutory and regulatory provisions under the HEROES Act. The Secretary of Education has the authority, under the Higher Education Relief Opportunities for Students Act of 2003, to issue waivers or modifications of statutory or regulatory provisions applicable to the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended. The purpose of the HEROES Act is to assist individuals performing qualifying military service and individuals affected by a disaster, war or other military operations or national emergency. The expiration date for the following provisions from the Federal Register Notice was Dec. 31, 2020.

- Accrediting agencies and associations are permitted to conduct virtual site visits of institutions or programs currently under review, scheduled for initial or renewal of accreditation, or in a show-cause or probationary status
- Institutions may ensure continuity of instruction and learning by employing distance education to protect the health of their students, faculty, and staff
- Institutions that are undergoing a change of ownership are provided additional time to gather the records, data, financial information, and approvals necessary to support their change of ownership application, and their temporary program participation agreements are extended while the application is pending
- Foreign graduate medical schools that participate in the Federal Direct Loan Program are not required to obtain and report test results from the Medical College Admission Test from applicants during admission years in which the COVID-19 national emergency is in effect
- Entities not submitting single audits in accordance with the audit requirements of 2 CFR 200, subpart F, are provided an additional six months to submit their annual compliance and financial statement audits
- Institutions that resume offering educational programs after temporarily closing or suspending their educational programs due to COVID-19 are not considered to have ended their participation in the Title IV, HEA programs
- Institutions that offer existing short-term programs that qualify for Federal Direct Loans,

or began offering a short-term program prior to the COVID emergency, are given some flexibility for programs affected by COVID-19

- Institutions are provided additional flexibility to approve leaves of absence for students whose coursework is suspended due to the COVID-19 pandemic
- Institutions are provided additional time to comply with deadlines for campus security, fire safety, and equity in athletics disclosures
- Institutions are permitted to waive the requirement for a parental signature in the event that it cannot be obtained, or accept a document signed and photographed and sent by email or text message attachment, on any verification documentation required to validate a student's Title IV eligibility
- Institutions that participate in the Federal student financial aid programs under the heightened cash monitoring one status are provided flexibility to pay student credit balances after drawing down Title IV funds
- Institutions are provided alternative methods for disbursing Title IV, HEA credit balance funds to students
- Institutions that were experiencing challenges accessing data and preparing their cohort default rate appeals during the national emergency were permitted to submit appeals to the draft fiscal year 2017 CDRs on or before June 30, 2020
- Institutions are provided additional time to complete and submit their Fiscal Operations Report and Application to Participate
- Institutions that participate in the Federal Work-Study programs are not subject to the FWS community service requirements during the national emergency
- Perkins Loan and HEAL borrowers whose loans are held by the U.S. Department of Education are afforded the same benefits extended to Direct Loan borrowers in the Coronavirus Aid, Relief, and Economic Security Act
- Borrowers with loans under the Federal Family Education Loan, Federal Perkins Loan, HEAL, and Direct Loan programs that are held by the USDE, did not accrue interest on those loans from March 13, 2020 to March 27, 2020. Borrowers were also permitted to suspend payment on their loans without any penalties during this period. The automatic suspension of payment and the application of a zero percent interest rate on loans held by the USDE was extended to October 1, 2020, under the CARES Act. Those benefits were further extended through December 31, 2020, by the President through the Presidential Memorandum issued on August 8, 2020
- Borrowers who, prior to July 1, 2020, submitted an application for borrower defense to repayment relief that included a FFEL or Perkins loan and who would need to consolidate those loans into a Direct Consolidation Loan to receive BD relief will have their eligibility for relief be adjudicated under the standards for Direct Loans disbursed between July 1, 2017, and July 1, 2020
- Borrowers participating in income driven repayment plans are not required to recertify their income or family size until after the administrative forbearance period extended by

the August 8, 2020, Presidential Memorandum expires, and will be notified of a new certification deadline thereafter

- Borrowers participating in income contingent repayment plans who do not make payments during the COVID–19 emergency will generally not have any interest capitalized upon the conclusion of the COVID–19-related administrative forbearance period
- Institutions are provided academic calendar flexibility to address scheduling complications that have arisen as a result of the COVID–19 national emergency

An associated [Electronic Announcement](#) was published by the USDE Jan. 15, 2021: Publication in the Federal Register of updated waivers and modifications of statutory and regulatory provisions under the HEROES Act. This announcement outlines several of the provisions that were not described in previous electronic announcements. A [matrix](#) is attached that briefly explains all flexibilities, provides links to source documents and explains expiration of the waivers and modifications.

Another [Federal Register Notice](#) was issued by the USDE Jan. 19, 2021: waivers and modifications of statutory and regulatory provisions under the HEROES Act – Correction. This notice extended the expiration date of the waivers and modifications above to Jan. 31, 2021.

On Jan. 20, 2021, President Joe Biden directed the USDE to [extend the student loan pause](#) to Sept. 30, 2021. This pause included interest and principal payments for federal Direct Loans owned by the USDE.