



DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

COMPLIANCE UPDATE By Amy Hedrick, Policy Analyst

NEW NCHER WEBSITE

The National Council for Higher Education Resources (NCHER) transitioned its website to a new server over the July 4th holiday weekend. Members will need to re-register on the new website (NCHER.org) to access benefits as well as re-subscribe to the NCHER *Daily Briefing*. Please note that the new domain will redirect to NCHER.us for several weeks until the migration is completed. For log-in issues, please email NCHER at info@ncher.us.

FAFSA SIMPLIFICATION ACT

The first implementation phase of the *FAFSA Simplification Act*, passed December 27, 2020, went into effect on July 1, 2021 (see [Electronic Announcement](#) GENERAL-21-39). FAFSA[®] changes for the 2021-2022 award year removes the selective service Title IV eligibility requirement and removes the drug-related conviction bar on Title IV aid. Although selective service and drug conviction questions will remain on the FAFSA[®] through the 2022-2023 award year, FSA guidance provided in [Dear Colleague Letter](#) GEN-21-04 is to ignore these questions when determining aid eligibility after the implementation date. The questions are planned for removal on the 2023-2024 FAFSA[®].

Additionally, the *Act* repeals the Subsidized Usage Limit Applies (SULA) requirements, in place since 2013, which limits a first-time borrower's eligibility for a Direct Subsidized Loan to 150% of the length of a borrower's educational program. [Electronic Announcement](#) DL-21-04 provides important information on necessary changes, system updates, and anticipated implementation dates for schools and the financial aid industry.

TEACH GRANT REGULATORY CHANGES

In a U.S. Department of Education [Press Release](#) dated July 1, 2021, the Department announced several changes to the Teacher Education Assistance for College and Higher Education (TEACH) Grant, a federal student aid program that awards grants of up to \$4,000 per year for teachers who agree to complete four years of teaching in high-need fields and underserved schools. The changes are designed to increase flexibility and improve program navigation. [Electronic Announcement](#) GRANTS-21-06 provides guidance and operational information.

2021-2022 NEGOTIATED RULEMAKING SESSION

The U.S. Department of Education held public hearings for its Higher Education 2021-2022 negotiated rulemaking session June 21 – 24, 2021; the deadline to receive written comments was on or before July 1, 2021. Updates to this year’s negotiated rulemaking session can be found by visiting the Department’s [Negotiated Rulemaking for Higher Education 2021-2022](#) page.

BORROWER DEFENSE TO REPAYMENT APPROVED UNDER NEW CATAGORIES

In a U.S. Department of Education [Press Release](#) dated June 16, 2021, the Department announced the approval of 100% loan discharges for 18,000 Borrower Defense to Repayment claims for borrowers who attended ITT Technical Institute. Borrowers were approved under two new claim categories: likely employment prospects and ability to transfer credits. Discharges were based on findings that, between 2005 and 2016, ITT “made repeated and significant misrepresentations” regarding post-graduation earning potentials and attainable jobs. Furthermore, borrowers repeatedly claimed that putting ITT on their resumes hindered employment prospects. Findings also show that between 2007 and 2014, ITT misrepresented student’s ability to transfer credits to another institution. The new categories were the first approved since January 2017.