



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## FINANCIAL AID DEVELOPMENTS – NOVEMBER 2021

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### STUDENTAID.GOV UPDATES

[Electronic Announcement](#) GENERAL-21-78 announced several enhancements and modifications to the StudentAid.gov website and myStudentAid Mobile app, effective November 21, 2021. Notably, the update added additional information and guidance on the temporary PSLF waiver to the PSLF Help Tool and relocated the “Manually Enter Employer” link to the final page of the employer search only. FSA also enhanced the Aidan Virtual Assistant and Loan Simulator, added customer survey opportunities, and discontinued the Financial Awareness Counseling Tool (FACT).

### TITLE IV GUIDANCE FOR ATHLETES RECEIVING NIL COMPENSATION

[Dear Colleague Letter](#) GEN-21-08 provided guidance and clarity to financial aid administrators on awarding Title IV funds to athletes who receive compensation under name, image, and likeness (NIL) contracts. The National Collegiate Athletic Association (NCAA) announced an interim policy, effective July 1, 2021, based upon a recent Supreme Court decision that some student athletes may receive compensation under NIL contracts with third-parties. Students with NIL contracts will most likely be classified as independent contractors and will receive Form 1099s for monetary payments

and/or in-kind compensation over \$600. Earnings on the Form 1099 are treated as taxable income and should be included in the student’s adjusted gross income (AGI) for the applicable FAFSA<sup>®</sup> base year (prior-prior year). Please note that since the expected family contribution (EFC) of a dependent student is based upon the parental AGI, a student with a substantial NIL contract may still have a 0 EFC.

The DCL also stressed that NIL compensation counts as estimated financial assistance (EFA) *only* if it is not considered wages according to federal or state rules or is from need-based employment; if the compensation is considered a wage and not need-based, then it is treated as taxable income on the FAFSA<sup>®</sup>.

### GUIDANCE & OPERATIONS

Federal Registers, Dear Colleague Letters, and Electronic Announcements regarding guidance and operational information for federal financial aid programs and award years.

- [Application and Verification Guide \[2022-2023 Federal Student Aid Handbook\] \(EA GENERAL-21-80\)](#)
- [Title IV Aid Disbursement Reporting, Excess Cash, and Reconciliation Requirements \(EA GENERAL-21-79\)](#)

- [Federal Perkins Loan Program Cash on Hand Update Due Dec. 15, 2021 \(EA CB-21-15\)](#)
- [Volume 2 – School Eligibility and Operations \[2021-2022 Federal Student Aid Handbook\] \(EA GENERAL-21-74\)](#)
- [2022–23 Federal School Code List of Participating Schools \(November 2021\) \(ES APP-21-22\)](#)

### **SYSTEM UPDATES & SOFTWARE**

Federal Registers, Dear Colleague Letters, and Electronic Announcements regarding federal student aid systems and software.

- [2022–2023 Application Processing System Specifications for Software Developers \(Final\)\(APP-21-23\)](#)