

# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## FINANCIAL AID DEVELOPMENTS

By Amy Hedrick, Policy Analyst

### **PHASED IMPLEMENTATION OF *FAFSA SIMPLIFICATION ACT***

[Electronic Announcement](#) GENERAL-21-39 announced the phased implementation of the *FAFSA Simplification Act* passed on December 27, 2020 as part of the *Consolidated Appropriations Act, 2021*. The Act “represents a significant overhaul of federal student aid,” and once fully implemented, changes will include replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI); expanding access to the Pell Grant by linking eligibility to family size and federal poverty level, returning eligibility to incarcerated students, and restoring lifetime eligibility to students of closed schools or who have been misled by their school; repealing the 150% program length SULA lifetime limit on Direct Subsidized Loans; and streamlining the FAFSA<sup>®</sup>, including removal of selective service status and drug-related convictions for eligibility of federal aid. The phased implementation will begin with the 2021-2022 award year and extend to the 2024-2025 award year.

### **REPEAL OF SULA REQUIREMENTS**

[Electronic Announcement](#) DL-21-04 published guidance and operational information for the *FAFSA Simplification Act's* repeal of the Subsidized Usage Limit

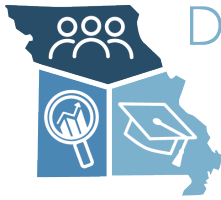
Applies (SULA) requirements, effective July 1, 2021. In effect since 2013, SULA limited a first-time borrower’s eligibility for Direct Subsidized Loans to a period not to exceed 150% of the length of a borrower’s educational program.

### ***FAFSA SIMPLIFICATION ACT* EARLY IMPLEMENTATION**

[Dear Colleague Letter](#) GEN-21-04 announced the early implementation of two changes to the FAFSA<sup>®</sup> enacted under the *FAFSA Simplification Act*. Both changes amend Section 484 of the *Higher Education Act* by 1) removing the requirement of males before the age of 26 to register for selective service to be eligible for Title IV aid and 2) removing the suspension of eligibility for Title IV aid for drug-related convictions while receiving Title IV aid. Questions related to selective service and drug convictions will remain on the FAFSA through the 2022-2023 award year and are slated for removal in the 2023-2024 award year.

### **AWARD AMOUNTS & DEADLINES**

Federal Registers, Dear Colleague Letters, and Electronic Announcements regarding federal financial aid programs for the 2020 – 2021 and 2021 – 2022 award years.



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- [2021-2022 Award Year Deadline Dates Notice \(Federal Register vol. 86, no. 119 June 24, 2021\)](#)
- [Notification of Campus-Based Funding for the 2021–22 Award Year \(EA CB-21-07\)](#)
- [TEACH Grant Closeout Information for 2020–21 Award Year \(EA GRANTS-21-05\)](#)

## INFORMATION & TRAINING

Federal Registers, Dear Colleague Letters, and Electronic Announcements regarding federal financial aid informational sessions, learning opportunities, and reports.

- [Distance Education and Innovation Regulatory Webinars – Recordings and Transcripts \(DCL ANN-21-07\)](#)
- [Online Training Course – FSA Basic Training for New Staff 2021–22 \(DCL ANN-21-06\)](#)
- [Federal Student Aid Posts Two New Quarterly Portfolio Reports to FSA Data Center and Highlights Recent Changes to Public Service Loan Forgiveness \(EA GENERAL-21-40\)](#)

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

- [2021–2022 COD Technical Reference \(June 2021 Update\) \(EA COD-21-05\)](#)
- [2022–2023 CPS Test System User Guide \(EA APP-21-06\)](#)
- [2021–22 COD System Peak Processing Reminders \(EA COD-21-04\)](#)
- [2022–2023 EDE Technical Reference \(Final\) \(EA APP-21-05\)](#)
- [Additional COD System Implementation for 2021–22 Award Year \(EA COD-21-03\)](#)
- [Availability of Direct Loan \(DL\) Tools for Windows, Release 21.0 \(EA EDESUITE-21-03\)](#)
- [Final Form, Instructions, Desk Reference, and Technical Reference for 2022–23 FISAP \(EA CB-21-06\)](#)

## SYSTEM UPDATES & SOFTWARE