


**Coalition of Higher Education Assistance  
Organization Conference (COHEAO)  
January 27, 2010**

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Department of Health and Human Services  
Health Resources and Services Administration  
Bureau of Health Professions  
Division of Student Loans and Scholarships  
Campus-Based Branch



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**Title VII (and Title VIII) Plenary – Updates and  
Changes with Campus-Based Programs**

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o **Agenda**

- From Change to Transition
- New Truth-in-Lending Provisions
- American Reinvestment and Recovery Act
- Student Financial Aid Guidelines
- Annual Operating Report Reconciliation
- Electronic Handbook
- Grants.gov
- Campus-Based Branch Programs

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**From Change...**

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- o Web Reporting System (WRS) is being phased-out
- o Applications and Reports will be done in HRSA's Electronic Handbook (EHB) for all programs
- o Annual Operating Report will be submitted through the EHB
- o Detailed information will be sent out soon

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...to Transition

- WRS will be phased out by June 2010
- Annual Operating Reports will be submitted through the EHB beginning July 1, 2010
- Technical assistance teleconference will be scheduled.
- Users guide will be published in EHB

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Division of Student Loans and Scholarships

- Sarah Richards, Director
- Deputy Director, Vacant
- CBB Branch Chief, Vacant
- Judy Rodgers, HEAL Branch Chief
  - Moved to Division of Nursing
- Denise Thompson, NFLP
- Nicolette Solan-Pegler, ARRA-NFLP

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New Truth-in-Lending Provisions

- Title X- Private Student Loan Improvement Rule
  - Higher Education Opportunity Act (HEOA)
  - Truth-in-Lending (TILA) Regulation Z
- Title X of the HEOA amends TILA by adding disclosure and timing requirements that apply to creditors making private education loans

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### New Truth-in-Lending Provisions

- Creditor-
  - A person (A) who regularly extends consumer credit that is subject to a finance charge or is payable by written agreement in more than 4 installments (not including a down payment), and (B) to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract.

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### New Truth-in-Lending Provisions

- Private education loan-
  - Is not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.)
  - Is extended to a consumer expressly, in whole or in part, for postsecondary educational expenses, regardless of whether the loan is provided by the educational institution that the student attends

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### New Truth-in-Lending Provisions

- Private education loan (cont'd)-
  - Does not include open-end credit [or] any loan that is secured by real property or a dwelling
  - Does not include an extension of credit in which the covered educational institution is the creditor if:
    - The term of the extension of credit is 90 days or less; or
    - An interest rate will not be applied to the credit balance and the term of the extension of credit is one year or less, even if the credit is payable in more than four installments

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New Truth-in-Lending Provisions

- The HEOA adds a number of new disclosures for private education loans, which must be given at different times in the loan origination process:
  - Disclosures with applications (or solicitations that require no application)
  - Disclosures when the loan is approved
  - Disclosures at consummation

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New Truth-in-Lending Provisions

- Creditors must give the consumer 30 days after a private education loan application is approved to decide whether to accept the loan offered. During that time, the creditor may not change the rates or terms of the loan offered, except for rate changes based on changes in the index used for rate adjustments on the loan.

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New Truth-in-Lending Provisions

- The consumer has a right to cancel the loan for up to three business days after consummation. Creditors are prohibited from disbursing funds until the three-day cancellation period has run.

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### New Truth-in-Lending Provisions

- While HHS may be able to provide general guidance on this regulation, the responsibility for compliance with the regulation rest with the schools, and they should consult with their own legal counsel for specific guidance on its applicability.
- Additional information about Regulation Z is available at [www.federalreserve.gov](http://www.federalreserve.gov) Federal Reserve System 12 CFR Part 226, Regulation Z: Docket No. R-1353

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### American Recovery and Reinvestment Act (ARRA) of 2009

- ARRA was signed into law Feb. 17, 2009
- ARRA was enacted to:
  - Preserve and create jobs;
  - Promote economic recovery;
  - Help people most impacted by the recession;
  - Increase economic efficiency by investing in technological advances in science and health;
  - Promote long-term economic benefits by investing in transportation, environmental protection and other infrastructure; and
  - Preserve essential services of States and local governments

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### American Recovery and Reinvestment Act (ARRA) of 2009

- ARRA provided \$500 million to address health professions workforce shortages (\$300 million to NHSC)
- The grant programs funded under ARRA will help increase the diversity of students entering health professions programs, support the training of disadvantaged students, provide training in primary care disciplines, and improve training programs by providing better access to equipment.

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**American Recovery and Reinvestment Act (ARRA) of 2009**

- Scholarships for Disadvantaged Students (SDS) received \$20 million for FY 2009 and FY 2010
- Nurse Faculty Loan Program (NFLP) received \$12 million for FY 2009 and FY 2010

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**American Recovery and Reinvestment Act (ARRA) of 2009**

- ARRA-SDS funding was provided to institutions to increase diversity in the health professions and nursing schools through awarding scholarships to students from disadvantaged backgrounds with financial need, many of whom are underrepresented minorities.

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**American Recovery and Reinvestment Act (ARRA) of 2009**

- ARRA-NFLP funding was provided to institutions to establish and maintain a loan fund within participating nursing schools to assist registered nurses in completing their graduate education to become qualified nurse faculty.

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### American Recovery and Reinvestment Act (ARRA) of 2009

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- ARRA grantees are required to comply with specific Recovery Act reporting. Grantees are required to provide quarterly reports on programmatic progress on these grants. The first report was due October 10, and included reporting on the total amount of ARRA funds received and obligated, a detailed list and description of how funds were obligated and expended, and an estimate of the number of jobs created and the number of jobs retained by the project or activity. The next report is due in January.

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### American Recovery and Reinvestment Act (ARRA) of 2009

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- More information:
  - <http://bhpr.hrsa.gov/recovery>
  - <http://www.hhs.gov/recovery>
  - <http://www.recovery.gov>
  - <http://www.whitehouse.gov/recovery/webtrainingmaterials>
- Section 1512 Quarterly Reporting:
  - <https://www.federalreporting.gov>

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### Student Financial Aid Guidelines

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- *Health Professions Student Loan (HPSL)*
- *Primary Care Loan (PCL)*
- *Nursing Student Loan Program (NSL)*
- *Loans for Disadvantaged Students (LDS)*
- *Scholarship for Disadvantaged Students (SDS)*

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**Student Financial Aid Guidelines**

- This document assists financial aid administrators and fiscal officers in the management of student assistance funds;
- serves as a reference tool and internal training document for program administration;
- assists institutional financial aid administrators and fiscal officers in the management of Title VII and Title VIII student assistance funds; and
- provides recommendations on good management practices beyond explicit government requirements.

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**Student Financial Aid Guidelines**

- A contract has been established to:
  - research, identify, analyze and report on all Federal documents governing the five CBB programs.
- This contract will enable DSLS to:
  - most effectively synchronize regulations and *Guidelines* with congressional authority and
  - resolve existing inconsistencies among governing laws (including legislation and amendments), appropriation, regulations, SFAGs and policy memoranda.

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**Student Financial Aid Guidelines**

- The *Federal documents* include, but not limited to:
  - Federal laws (including legislation and amendments)
  - Federal regulations (specifically the Code of Federal Regulations)
  - Department- and Agency-specific guidelines
  - Policy memoranda
  - Student Financial Aid Guidelines
  - Various guidelines from applicable Federal programs

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BHPr Scholarship and Loan Information  
Website: <http://bhpr.hrsa.gov/dsa>



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Annual Operating Report (AOR)

- o Demonstrates how schools allocate and distribute loan funds to students during a particular academic year.
- o Provides accountability to the Department of Health and Human Services (HHS) for schools managing HHS student loan programs.
- o The AOR covers the period from July 1<sup>st</sup> through June 30<sup>th</sup> and must be submitted annually by August 15<sup>th</sup>.

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AOR Reconciliation

- o Initial concerns identified by DSLS were:
  - The Annual Operating Report (AOR) submitted by many institutions had reconciliation errors that prevented DSLS staff from determining a complete financial status of these funds.
  - Loan programs were to migrate to the HRSA Electronic Handbook (EHB) system and loading un-reconciled AOR accounts into EHB was determined to be problematic.

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### AOR Reconciliation

- o Process:
  - A workgroup was formed in late January to review four revolving fund programs (HPSL, PCL, LDS, NSL) managed by DSLS.
  - The workgroup met weekly to review these programs, identify improvement opportunities, and develop analytical tools and techniques to identify reconciliation issues in the data provided by the institutions.

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### AOR Reconciliation

- o Where to go to view errors?
  - Web Reporting System at: <http://wrs.hrsa.gov>
  - Main Menu

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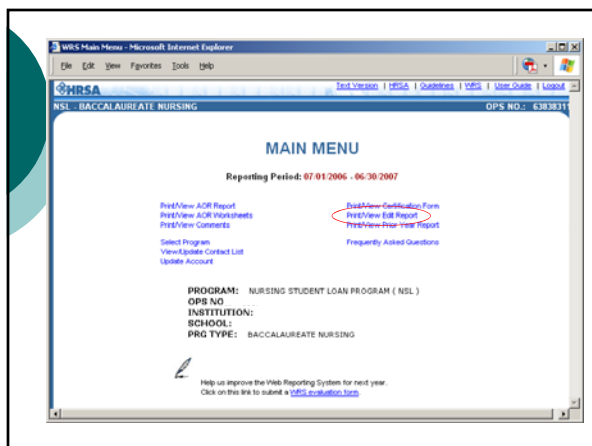
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## AOR Reconciliation

- What are the common errors?
  - Page 2: Cumulative and current year cash balances.
  - Page 3: Cumulative principal & write-offs.
  - Page 6: Principal loaned & principal repaid totals.

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BORROWER ACCOUNTS	Number of Borrowers	Principal Loaned	Principal Repaid
<b>I. FULLY RETIRED</b>			
A. Repayment/Prof/Pact/Cancel	425	143746	1161330
B. Cancellation/Convts	3	5200	1791
C. Cancellation/Qualify	0	0	0
D. Discharged in Bankruptcy	2	4239	2462
E. IRS Approved Write-off	2	3584	3454
F. Discharge per P.L. 103-407	17	32214	1193
<b>II. CURRENT</b>			
A. Student Status	4	16000	0
B. Open Period	10	56000	1927
C. Endment Status	1	5300	3939
D. Postpayment/Cancel/Status	0	0	0
E. Repayment - Not Full Due	32	130300	52497
F. Paid Due 1-19 Error	2	7000	2511
<b>III. IN BANKRUPTCY</b>			
A. Pending Discharge/Wage Estment Agreement	2	5600	2096
<b>IV. IN DEFAULT</b>			
A. 120 Days and Over	19	78029	11355
<b>V. FORBEARANCE</b>			
A. Forbearance	2	13000	411
<b>TOTAL</b>	<b>730</b>	<b>1021399</b>	<b>1245707</b>

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**HRSA's Electronic Handbook (EHB)**

- All Campus-Based Branch programs will use the new electronic reporting system: HRSA Electronic Handbook (EHB) system.
- Technical Assistance Meeting(s) will be scheduled
  - For Institutions
  - For Servicers (if applicable)

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**HRSA's Electronic Handbook (EHB)**

- <http://www.hrsa.gov/grants/default.htm>
- System help on phone or via email. Do not use this for program questions – contact your project officer/grants specialist

Phone: 877-Go4-HRSA/877-464-4772;  
301-998-7373 (9:00 AM to 5:30 PM ET M-F)

Email: [callcenter@hrsa.gov](mailto:callcenter@hrsa.gov)

- Andrea Stampone, Public Health Analyst  
[astampone@hrsa.gov](mailto:astampone@hrsa.gov), 301-443-1701

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**Grants.gov**

- Grants.gov is your source to find and apply for Federal funds. It is a central storehouse of for information on over 1,000 grant programs and provides access to approximately \$500 billion in annual awards. Grants.gov does not provide information for personal financial assistance.

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Grants.gov

- Phase I of the application process. The EHB is Phase II.
- Grants.gov can be used to search for grants, register and apply for grants, and track your grant applications.
- SDS uses Grants.gov as Phase I of its application process.

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Grants.gov

- How to apply for SDS:
  - Due in Grants.gov (Phase I)
    - Application Face Page (SF 424 R & R)
    - [http://www.grants.gov/applicants/get\\_registered.jsp](http://www.grants.gov/applicants/get_registered.jsp)
  - Due in the Electronic Handbook (Phase II)
    - Program Specific Forms
    - <https://grants.hrsa.gov/webexternal/home.asp>

\* Due dates to be announced

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Grants.gov

- Procedures for SDS Application
  - One Application Face Page (SF 424 R & R) per Institution
  - One Checklist per Institution
  - One Narrative per Institution

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**Grants.gov**

- New Procedures for SDS Application
  - One Application Per Institution
    - Multiple Disciplines in one application
    - Separate subsection for each discipline
    - Application cannot be submitted until all disciplines are completed
    - Authorizing Official approves and submit all at one time

Very important to work with your colleagues

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**Grants.gov**

- Campus-Based Branch programs that will not use Grants.gov:
  - Health Professions Student Loan
  - Primary Care Loan
  - Loans for Disadvantaged Students
  - Nursing Student Loan

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**Campus-Based Branch Programs**

- Scholarships
  - Scholarships for Disadvantaged Students (SDS)
- Loans
  - Health Professions Student Loan (HPSL)
  - Primary Care Loan (PCL)
  - Loans for Disadvantaged Students (LDS)
  - Nursing Student Loan (NSL)

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### Scholarships for Disadvantaged Students

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- Provides scholarships to full-time students with financial need from disadvantaged backgrounds, enrolled in health professions and nursing programs.
- Schools are responsible for selecting scholarship recipients, making reasonable determinations of need, and providing scholarships that do not exceed the cost of attendance (tuition, reasonable educational and living expenses).

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### Eligible Disciplines

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- Allopathic Medicine
- Osteopathic Medicine
- Dentistry
- Optometry
- Podiatric Medicine
- Veterinary Medicine
- Chiropractic Medicine
- Pharmacy (Baccalaureate or Graduate)
- Public Health (Graduate)
- Dental Hygiene (Baccalaureate & Graduate)
- Medical Laboratory Technology (Baccalaureate)
- Speech Pathology (Baccalaureate & Graduate)
- Registered Dietician (Baccalaureate & Graduate)
- Radiologic Laboratory (Baccalaureate)
- Audiology (Baccalaureate & Graduate)

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### Eligible Disciplines (cont'd.)

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- Occupational Therapy (Graduate)
- Physical Therapy (Graduate)
- Clinical Psychology (Graduate)
- Clinical Social Work (Graduate)
- Marriage and Family Counseling (Graduate)
- Rehabilitation Counseling (Graduate)
- Gerontology Counseling (Graduate)
- Mental Health Counseling (Graduate)
- Associate Nursing
- Baccalaureate Nursing
- Graduate Nursing
- Physician Assistant Training

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**SDS Performance-Based Eligibility Criteria**

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Schools are eligible if they can demonstrate:  
10% disadvantaged enrollment in Academic Year

\*And\*

- 10% disadvantaged graduates in Academic Year
- In addition, must have economically disadvantaged students enrolled and graduated during the reporting year.

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**Disadvantaged Background Definitions**

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Comes from an environment that has inhibited an individual from obtaining the knowledge, skill, and abilities required to enroll in and graduate from a health professions school or from a program providing education or training in an allied health profession;

**OR**

Comes from a family with an annual income below a level based on low income thresholds according to family size published by the U.S. Bureau of Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary of the U.S. Department of Health and Human Services for adaptation to the program.

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**SDS Funding Priorities**

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To receive consideration for additional funding, schools can demonstrate:

- % of graduates practicing in Primary Care
- % of Underrepresented Minorities above national average
- % of graduates serving in Medically Underserved Communities

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**Primary Care Priority under SDS**

Primary Care Fields are limited to the following:

- Allopathic Medicine
- Osteopathic Medicine
- Dentistry
- Physician Assistant
- Nursing Graduate

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**Eligibility Requirements for Loan Programs**

**SCHOOL:**

- Located in the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, or the Trust Territories of the Pacific.
- Accredited body recognized by the Secretary of Education.
- Written Agreement with the Secretary of HHS to establish a loan fund.

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**Institution Responsibility**

Day-to-day administration of the programs:

- Student selection
- Loan distribution and Collection to/from students
- Repayment Schedules
- Deferment and Forbearance Review
- Preparation of Disability and Write-off Claims\*
- Biennial Audits
- Annual Operating Reports
- Other items identified in the Student Financial Aid Guidelines

\*Schools must document each Write-off and Disability case and submit package to HRSA for review

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**Match Requirement**

- o School is required to match one-ninth (1/9) of the Federal Award.

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**Eligibility Requirements Continued**

**STUDENT:**

- o Citizen or national of the U.S., or a lawful permanent resident of the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guan, American Samoa or the Trust Territories of the Pacific.
- o Enrolled or accepted for enrollment.
- o In need of financial assistance.
- o LDS ONLY: Environmentally or Economically Disadvantaged

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**Student Eligibility For Loan Programs**

HPSL	PCL	LDS	NSL
Financial Need	Financial Need	Economically or Environmentally Disadvantaged	Financial Need
Full-time Students	Full-time Students	Full-time Students	Full-time and Half-time Students

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### Eligible Disciplines for Loan Programs

HPSL	PCL	LDS	NSL
	Allopathic Medicine	Allopathic Medicine	
	Osteopathic Medicine	Osteopathic Medicine	
Dentistry		Dentistry	
Optometry		Optometry	
Pharmacy		Pharmacy	
Podiatric Medicine		Podiatric Medicine	
Veterinary Medicine		Veterinary Medicine	
			Nursing - Assoc
			Nursing - Bacc
			Nursing - Grad
			Nursing - Dipl

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### Service Commitment

HPSL	PCL	LDS	NSL
	Must enter and complete residency training in primary care within four years after graduation		
None		None	None
	Must practice in primary care for the life of the loan		

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### Campus-Based Program Data for 2009

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- Scholarships for Disadvantaged Students
  - Number of scholarships: 16,782
  - Average amount of scholarships: \$2,528
  - Total amount awarded:
    - \$42,105,260 (SDS)
    - \$19,342,430 (ARRA-SDS)
  - Number of participating school programs:
    - 550 (SDS)
    - 523 (ARRA-SDS)

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**Campus-Based Program Data for 2009**

- HPSL
  - Number of students receiving loans: 10,550
  - Amount borrowed: \$44 million
- PCL
  - Number of students receiving loans: 420
  - Amount borrowed: \$30 million,
- LDS
  - Number of students receiving loans: 1,832
  - Amount borrowed: \$15 million

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**Campus-Based Program Data for 2009**

- NSL
  - Number of students receiving loans: 14,450
  - Amount borrowed: \$27 million
- NFLP
  - Number of students receiving loans: 793
  - Amount borrowed: \$11 million
  - Number of NFLP graduates employed as nurse faculty: 194

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**Contact Information**

- Lesa Bandy, Project Officer, LDS
  - [LBandy@hrsa.gov](mailto:LBandy@hrsa.gov)
- Christine Brazell, Project Officer, NSL
  - [CBrazell@hrsa.gov](mailto:CBrazell@hrsa.gov)
- Jim Essel, Project Officer, PCL
  - [JEssel@hrsa.gov](mailto:JEssel@hrsa.gov)
- Cynthia Johnson, Co-Project Officer, HPSL
  - [CJohnson@hrsa.gov](mailto:CJohnson@hrsa.gov)
- Andrea Stampone, Project Officer, SDS
  - [AStampone@hrsa.gov](mailto:AStampone@hrsa.gov)
- Hai Le, Project Officer, ARRA-SDS
  - [HLe1@hrsa.gov](mailto:HLe1@hrsa.gov)

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**Contact Information**

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Health Resources and Services  
Administration  
Bureau of Health Professions  
Division of Student Loans and Scholarships  
Campus Based Branch  
New Address:  
5600 Fishers Lane, **Room 9-105**  
Rockville, MD 20857

[dpolicy@hrsa.gov](mailto:dpolicy@hrsa.gov) or 1-888-ASK-HRSA  
Phone: 301-443-4776  
Fax: 301-443-0846



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**Questions?**

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