



nassgap

Summer Washington DC Update

Financial Aid for the 2016-17 Academic Year

As noted in our last update, the maximum Pell grant amount increases to \$5815 from \$5775 for the upcoming academic year. There will be level funding for the SEOG and College Work-Study Programs, and Perkins loans will continue to be available. The Stafford and PLUS loan interest rates for the 2016-17 AY were determined in May; the interest rates for Unsubsidized Stafford and all PLUS loans will be the lowest fixed interest rates ever!

For loans first disbursed on/after July 1, 2016, the interest rate will be:

- Undergraduate Stafford (Subsidized and Unsub): 3.76%
- Graduate Stafford: 5.31%
- Grad and Parent PLUS: 6.31%

For loans first disbursed on or before September 30, 2016, the loan origination fee will be:

- Stafford (all types and levels): 1.068%
- PLUS (all types) 4.272%

For loans first disbursed on/after October 1, 2016, the loan origination fee will be:

- Stafford (all types and levels): 1.069%
- PLUS (all types) 4.276%

The loan interest rate was determined based on an auction of 10 year Treasury notes in May; the increase in the loan origination fee is a remnant of budget sequestration.

FAFSA Updates

For the 2016-17 Academic Year (AY), the relatively new FSA ID process has caused an increase in FAFSAs submitted without an e-signature, but in many states the volume of FAFSA completions for high school seniors is tracking to the levels you might expect given demographic trends. If you are seeing something different or want to share a FSA ID tip you're providing to students and families, please share your thoughts on the NASSGAP listserv – or email me at

frank@nassgap.org. With regard to returning students, NASSGAP highlighted the unexpectedly large declines in FAFSA submissions to ED in late February. In May, ED provided some information suggesting that the returning student decline was concentrated in students over the age of 25, suggesting that perhaps this decline results from working adults who no longer need to upgrade their skills to get/keep a job, or adults who found a full-time job and no longer have time to take classes. Once again, feel free to share your thoughts with your NASSGAP colleagues or what you're seeing or hearing.

While state grant agencies are still getting the school list in the student's order for the 2016-17 AY, ED announced this past fall that state grant agencies would not receive that information in future years. NASSGAP vigorously opposed this move; after many letters, phone calls and emails, ED informed us in May that they will defer implementation of this decision for another year and state grant agencies will continue to receive the FAFSA school list in the student's order for the 2017-18 AY. Thank you to the many NASSGAP members who weighed in directly with ED and/or with their Congressional delegations on this matter. Here is the announcement:

<http://ifap.ed.gov/eannouncements/060816ChangestotheListingofCollegeson20172018ISIRsProvided.html>

For 2017-18, FAFSA changes include implementation of Prior-Prior Year (PPY) data on the FAFSA and opening the FAFSA application cycle for the 2017-18 AY cycle on October 1, 2016, three months earlier than usual. With the resolution of the FAFSA school list order issue, it appears that most states with a separate state grant application will be ready to go with their application on October 1st. Please let us know if you see problems with being ready on October 1st.

ED has launched websites with information and FAQs for early FAFSA and PPY. You can find them at these links:

<http://ifap.ed.gov/EarlyFAFSA/EarlyFAFSAResources.html>

<http://www.ifap.ed.gov/EarlyFAFSA/earlyfafsaFAQv1.html>

Reauthorization

Action on Reauthorization of the Higher Education Act still seems unlikely for 2016. The Senate Appropriations subcommittee with jurisdiction over education provided funding to reinstate Year-Round Pell (YRP) grants for FFY 2017, which would make funds available for the 2017-18 AY. The bill then passed the full Senate Appropriations Committee in a bi-partisan vote, but the bill still needs floor time for debate and a vote to pass the full Senate. Floor time in the Senate is very scarce, but if the Senate does find time to pass this bill, it would still need to pass the House and be signed by the President. Because the YRP funding comes from the 'Pell surplus', and the bill also uses money from the Pell surplus

to pay for other non-higher education priorities, including National Institutes of Health research, the bill's fate is uncertain.

Discussions around college affordability often cite decreases in state investment in higher education as a factor in rising tuition. NASSGAP strongly supports Senator Reed's Partnerships for Affordability and Student Success Act as a model for strengthening the state-federal partnership in supporting higher education.

The Best Way to Learn and to Share Ideas:

Planning is well under way for NASSGAP's Annual Fall Conference, where we will be celebrating our 50th Anniversary as an organization. The conference will be held October 18th through 21st in Fort Lauderdale, Florida. With the early FAFSA cycle under way, it should stimulate a great discussion of successes and lessons learned. We will also have sessions on what's next in DC and updates from our friends in Canada.