

Reporting Requirements for Withdrawn Students Who Qualify for Return of Title IV Waiver under the CARES Act

The CARES Act waives Return of Title IV Funds (R2T4) requirements for students whose withdrawals were related to the novel coronavirus disease (COVID-19) and provides that, for those students:

1. Direct Loan funds received for the period will be cancelled,
2. The period will not count toward the student's Subsidized Loan usage for purposes of the 150% Direct Subsidized Loan Limit, and
3. Pell Grant funds received for the period will be excluded from the student's Lifetime Eligibility Used (LEU).

The CARES Act requires schools to report to the U.S. Department of Education (ED) information specific to each student for whom it was not required to return Title IV funds under the waiver exception. The law also requires schools to report to ED the total amount of Title IV grant or loan assistance that was not returned as a result of the CARES Act provisions.

A Coronavirus Indicator checkbox has been added to the COD website only to meet a part of this requirement. The checkbox is to indicate that an aid recipient's actual disbursement qualifies for Direct Loan (DL) cancellation (and the exclusion from the Direct Loan annual limits and Subsidized Loan usage calculations), and the exclusion from Pell Grant LEU calculations. A school should select the Coronavirus Indicator when:

- An aid recipient began attendance in a payment period or period of enrollment,
- The aid recipient withdrew during that period due to the COVID-19 pandemic,
- The actual disbursement was made for that period, and
- The disbursement's payment period start date is a date inclusive of or between July 1, 2019 and Dec. 31, 2020.

Once the Coronavirus Indicator is set and accepted by the COD System, no additional changes can be submitted on that disbursement. **In addition, once the Coronavirus Indicator is set, it cannot be "unchecked."**

The Coronavirus Indicator will be used for eligible disbursements for Direct Loan for the 2018–19 Award Year and forward, or Pell Grant and Iraq and Afghanistan Service Grant (IASG) awards for the 2019–20 Award Year and forward.

A disbursement flagged with the Coronavirus Indicator will also trigger the following actions—

- For Pell, ED will adjust the LEU for the percentage represented by the flagged disbursement(s). Once the adjustment is made, it will be viewable on the LEU History page and will be identified by the "Disaster Relief" Adjustment Type.
- For IASG, ED will adjust the LEU through a manual process as there is no automated restoration of LEU for these grants. In addition, the detailed LEU adjustment will not be viewable on the LEU History page.
- For DL, ED will remove the flagged disbursement from the annual loan limit and Subsidized Usage calculations (this may include systematically changing the Financial Award period start

and end dates), and ED will notify the appropriate federal loan servicer that the disbursement(s) has been discharged.

The deadline for this step is no later than Dec. 31, 2020. Failing to add the Indicator by that date could cause loan repayment amounts to be calculated incorrectly for students who are entering or re-entering repayment at that time. Similarly, failing to add the Coronavirus Indicator on all Title IV aid types in a timely manner could result in students not receiving the full amount of Title IV aid for which they are eligible.

Note: Schools should set the Coronavirus Indicator only after confirming that no further changes to a disbursement will be necessary. No changes may be made to a disbursement after the Coronavirus Indicator is selected.

The 2nd part of the requirement is to report the amount of funds not returned to ED. Changes have been made to the Return of Title IV (R2T4) calculator located on the COD website to allow schools to perform an R2T4 calculation specifically for aid recipients who withdrew due to COVID-19-related circumstances. The updated tool will provide schools with a mechanism for reporting the amount of Title IV grant or loan assistance not returned due to the CARES Act provisions.

In response to feedback from the community, ED is looking at additional options (besides the R2T4 calculator) for reporting Title IV grant or loan assistance not returned due to the CARES Act provisions, but those options will likely not be available until early 2021. In the meantime, schools may use the R2T4 calculator for any aid recipients who withdrew due to COVID-19, but there is no requirement to do so, and some schools may opt to wait until other options are available. It is important to note that calculations for COVID-19 withdrawals will be used for reporting purposes only.

The following updates have been made to the COD R2T4 calculator—

- A new R2T4 Coronavirus Indicator checkbox is available for the 2018–19 Award Year and forward.
- Once the indicator is selected, the user will be required to select a “Calendar Profile” that has a payment period or period of enrollment start date within the valid date range.
- The R2T4 Review Calculation page and Student Record Management page will be updated to include an R2T4 Coronavirus Indicator field (on student records that were previously marked as such). It will be an informational field only; users will not be able to update the field on these pages.

In addition, ED is in the process of developing training material specifically about the changes to the R2T4 calculator. Once it is ready, it will be made available on the FSA Training website.

Based on the deadline date for this portion being no later than Sept. 30, 2021, you may want to wait until additional information is provided for an alternative method of reporting these amounts.

In order to meet these requirements, here is a summary of the steps that your school needs to take.

[Click here for detailed instructions on this process.](#)

1. Someone at the school will need to have “Update” access to the COD website. This process is handled by the main Destination Point Administrator (DPA) at your school.
2. The Coronavirus Indicator checkbox for each Pell disbursement will need to be updated.

- If the Pell disbursement is for the 19/20 award year, a request to re-open the award year will be necessary. This request is completed on the COD website.
3. The Coronavirus indicator checkbox for each Direct Loan disbursement will need to be updated.
 - If the DL disbursement is for the 18/19 award year, a request to re-open the award year will be necessary. This request is completed on the COD website.
 4. The COD R2T4 calculator will need to be updated for each student or the school may wait for additional information regarding an alternative method.

If your school would like FAME to perform any of these steps on your behalf, please contact our Sales Team for additional information.

Additional Resources:

<https://ifap.ed.gov/electronic-announcements/073020AddtlCODSysImplInfoCODSysChangesSupportCARESAct>

<https://ifap.ed.gov/electronic-announcements/092320CODSystemImplInfoAddCODSysChangesSupCARESActPhaseTwo>