BANNER FINANCIAL AID USER’S UPDATE

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FFELP Update

Unsubsidized Loans for Dependent Students without Parental Data

With the passage of the Higher Education Opportunity Act of 2008 (HEOA), changes were made to allow a Dependent student to file a FAFSA without providing parental data. On a case by case basis, students in this situation may also be awarded and have disbursed on their behalves Unsubsidized Stafford Loans.

The statutory provision provides that before a financial aid administrator exercises his or her discretion to award a dependent student an unsubsidized loan without parental FAFSA information, the financial aid administrator must verify that the parent(s) has ended financial support of the student and refuses to complete the parental sections of the FAFSA. Self-certification from the dependent student is not sufficient. In most instances, this requirement can be met by the financial aid administrator obtaining a signed and dated statement from one of the student’s parents specifically stating that the parent(s)

• has stopped providing financial support to the student (including the date when the financial support stopped);

• will not provide financial support in the future; and

• refuses to complete the parental section of a FAFSA.

There is no requirement that the parent provide a reason for ending financial support and refusing to complete the FAFSA. It should be noted that providing financial support includes not only payment by the parent of educational costs, but also providing other cash and non-cash support to the student such as room and/or board.

If the student informs the financial aid administrator that his or her parent(s) will not provide the required verification statement, the financial aid administrator must obtain documentation from a third party (e.g., teacher, counselor, clergy, court) describing the student’s relationship with his or her parents.

Finally, before making a decision the financial aid administrator may, but is not required to, determine how the student intends to financially support himself or herself without parental support.

Assuming that a student has met the aforementioned criteria, Banner has been updated to allow for the processing what will be a rejected ISIR. The updates are as follows:
A new indicator has been added to account for students in this situation. This indicator can be updated under the “Pell and Loan” tab of RPAAWRD (as seen below), and the “Pell and Loan” tab of RPAAPMT. The indicator can be viewed, but not updated, on the “Packaging Group Information” block on ROARMAN.

Checking this indicator allows for the following:

- Dependent students will be able to be awarded and have disbursed Unsubsidized Stafford Loans despite the fact that the ISIR is in a rejected status. It should be noted that the awarding of other Title IV funds will not be allowed.

- Loan originations will be allowed despite the presence of an Unofficial EFC

Please note that the “Dependent without Parent Data” indicator cannot be checked for those students whose “Additional Stafford” indicator has been set to ‘Y’, as such a designation would indicate either an independent student or a student whose parents are actively involved in the completion of the FAFSA. When attempted, the following error message occurs: Dependent without Parent Data cannot = ‘Y’ when Additional Stafford = ‘Y’

Also, in order to be able to award the actual Stafford Loan, you will need to manually clear the batch posted Reject Requirement on RRAAREQ, a practice we typically do not endorse.
Academic Competitiveness Grants Processing

Awarding ACG’s

AC Grants should continue to be awarded manually. **AC Grants should always be awarded in amounts that reflect their full-time equivalent for any given semester.** This is especially important due to the manner with which ACG will prorate at disbursement with this release.

ACG Disbursement

Proration

AC Grants awarded on a full-time basis will now prorate according to enrollment, much in the same manner as Pell Grants. This is due to the fact that RPROPTS has been updated to monitor functionality relative to ACG as well as Pell. As such, you may notice that forms previously dedicated to Pell are now dedicated more broadly to “Grants.”
Example of ACG proration for a student attending \( \frac{3}{4} \) time:

COD Processing

With the 7.14.1 release, ACG will now be designated as a “Just in Time” fund for the purposes of COD processing. It will behave much in the same way as a Pell Grant, meaning that disbursements will not occur without COD approval as facilitated via Common Record exchange.