

LOUISIANA STUDENT FINANCIAL ASSISTANCE COMMISSION
OFFICE OF STUDENT FINANCIAL ASSISTANCE
Loan Program Bulletin

TO: Lenders and Schools

DATE: July 13, 2009

TOPIC: Updated FFEL Program Inducements: Guide to Permitted and Prohibited Activities and other amendments

To assure that your *Common Manual* remains current, please record this document on your LPM/LPB index, and retain it in Appendix E of your manual.

LOSFA has updated its FFEL Program Inducements: Guide to Permitted and Prohibited Activities to reflect amendments to the Higher Education Act contained in Public Law 111-39, which was signed by the President on July 1, 2009.

Public Law 111-39 allows both lenders and guarantors in the Federal Family Education Loan Program to provide entrance counseling to students on behalf of postsecondary institutions. It is unclear whether the entrance counseling may be conducted by lenders and guarantors in person since regulations have not been promulgated to implement the changes made by this public law. The updated Guide can be found on LOSFA's website at http://www.osfa.state.la.us/MainSitePDFs/FFEL_Program_Inducements.pdf.

Other amendments in Public Law 111-39 that are effective beginning with the 2009-2010 school year include:

- A provision stating that the expected family contribution shall be zero for certain students who are eligible for Pell grants and whose parent or guardian was killed while performing military service in Iraq or Afghanistan after September 11, 2001.
- A provision requiring that veterans' education benefits not received under title IV must be excluded from consideration as available financial assistance in title IV need analyses. Under the Higher Education Opportunity Act of 2008, which was effective on August 14, 2008, this provision would not have been effective until the 2010-2011 school year.
- Updates to the list of programs providing veterans' education benefits that are to be excluded from students' income in determining their eligibility for student aid under title IV.
- A provision delaying implementation of the EZ FAFSA until the 2010-2011 school year.

The full text of Public Law 111-39 can be found at <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:h1777>. LOSFA encourages FFEL professionals to read the language in the law, regulations and guidance to ensure compliance.