

**Limiting unsubsidized loan amounts
QUESTIONS & ANSWERS**

ESI-Q1. For Experiment 6, limiting unsubsidized loan amounts, are we limited to using groups of students with certain characteristics or can we also make exceptions to limit loans on a student-by-student basis?

ESI-A1. You need to establish groups of students, and you can have more than one group, but not student-by-student. You might reduce different groups by different amounts but you cannot deviate within the groups. You'll have to track the groups separately for evaluation purposes. [Guidance issued 7/30/2012]

ESI-Q2. For Experiment 6, is the comparison group from the previous year or the current year?

ESI-A2. The comparison group for Experiment 6 will be from the previous year. [Guidance issued 7/30/2012]

ESI-Q3. If a student is in a group with reduced loans and that student asks the parent to get a PLUS loan but the parent is subsequently denied the loan, is that student just out of luck?

ESI-A3. Yes. You should document the results because the experiment is studying the potential consequence of a policy change. [Guidance issued 7/30/2012]

ESI-Q4. How should participating institutions provide adequate consumer disclosures on possible reductions to the amounts of aid for which students may be eligible?

ESI-A4. Wherever institutions make information available related to the types and amounts of Title IV aid for which students may be eligible, participating institutions should include a conspicuous statement like the following: "We are participating in a project with the U.S. Department of Education that may limit your eligibility for the full amount of Direct Unsubsidized Loans." [Guidance issued 4/9/2012]

ESI-Q5. May a participating institution define a group of students for whom loan amounts will be limited as those receiving benefits from the Veterans Administration (VA) or the Department of Defense (DOD)?

ESI-A5. No, a group may not be those students who are receiving VA and DOD benefits. However, individuals receiving benefits from the Veterans Administration or the Department of Defense who belong to other groups targeted by the institution for reduced unsubsidized loan eligibility must have their eligibility reduced along with the other members of that group. [Guidance issued 4/9/2012]

ESI-Q6. May a participating institution define a group of students for whom loan amounts will be limited as those who are enrolled at least half-time and less-than-full-time?

ESI-A6. Yes. [Guidance issued 4/9/2012]

ESI-Q7. May a participating institution define a group of students for whom loan amounts will be limited as those who are enrolled in low-cost programs?

ESI-A7. Yes. [Guidance issued 4/9/2012]

ESI-Q8. May a participating institution define a group of students for whom loan amounts will be limited as those who are enrolled in remedial coursework?

ESI-A8. Yes. [Guidance issued 4/9/2012]

ESI-Q9. Can the institution reduce the loan amount for a student who would have received a Direct Unsubsidized Loan of less than \$2,000 if the student's overall need would otherwise be met?

ESI-A9. Yes. [Guidance issued 4/9/2012]

EXPERIMENTAL SITES INITIATIVE

ESI-Q10. Can the institution reduce the additional Direct Unsubsidized Loan eligibility for dependent students whose parent(s) have been denied a Direct PLUS Loan?

ESI-A10. Yes. [Guidance issued 4/9/2012]

ESI-Q11. Must the institution develop a special process to handle student complaints to the institution?

ESI-A11. No, the normal process in place at your institution to handle student complaints will be sufficient. [Guidance issued 4/9/2012]

ESI-Q12. Can institutions refuse to certify private loans if students turn to them because of the reduced unsubsidized loan eligibility? Can institutions do anything else to prevent the use of private loans to make up the difference in reduced unsubsidized loan eligibility?

ESI-A12. All other regulatory requirements related to private loans remain in effect. The participation of the institution in the certification of private loans does not change because the student is receiving less due to participation in the experiment. [Guidance issued 4/9/2012]

ESI-Q13. Will the Department also need to obtain prior-year data on the groups selected for treatment for comparison purposes?

ESI-Q13. Yes, the Department will compare prior year data to the groups selected for treatment. Therefore, institutions will need to provide that data to the Department for analysis. [Guidance issued 4/9/2012]

ESI-Q14. Can a school wait until award year 2013-2014 to start Experiment 6?

ESI-A14. Yes, you have flexibility when to start the experiment. You might also decide to reconsider students that haven't been packaged yet, or that start in the spring semester. FSA will follow up with you over the next few months to confirm when you started or will start this experiment. [Guidance issued 7/30/2012]