



**April 6, 2020**

**To:** Washington Association of Community and Technical Colleges (WACTC)  
Instruction Commission (IC)  
Washington State Student Services Commission (WSSSC)

**From:** Carli Schiffner, PhD, Deputy Executive Director for Education, SBCTC

**RE:** Financial Aid FAQs: COVID-19 Impacts

This memorandum is in response to inquiries related to financial aid impacts as a result of the COVID-19 crisis, and serves as guidance for college personnel in implementing state and federal financial aid changes within their institutions.

The Financial Aid FAQs below has been reviewed by IC membership, WSSSC membership, Financial Aid Administrators/college personnel, and SBCTC Education Division leadership. We appreciate the collaborative nature in which this guidance was derived.

**Q1:** Are there financial aid ramifications for using Pass/Fail or Satisfactory/Unsatisfactory grading during the pandemic?

**A:** **Any financial aid petitions/appeals will be approved for students who were affected by the COVID-19 with no other ramifications. However, some schools may have different Pass/Fail GPA equivalents that could impact the student's Grade Point Average (GPA) and the subsequent transfer to another institution. In addition, the National Collegiate Athletic Association (NCAA) Clearinghouse treats a grade of "Pass" as the lowest possible passing grade. This could put students who are interested in collegiate athletics at a disadvantage compared to students coming from districts that recorded numerical grades.**

**Q2:** Similarly, is there any guidance around the use of Incompletes (IC) during Spring quarter during the pandemic?

**A:** **Typically, IC grades are granted toward the end of the term and there is a reasonable timeframe to complete. The Department of Education (ED) is granting flexibility in allowing students to complete their ICs during the next quarter without losing their financial aid. It may have Satisfactory Academic Progress (SAP) impacts, but financial aid petition/appeals processes allow approval if unusual circumstances occurred. Circumstances related to COVID-19 are considered unusual and can be approved. Financial Aid Administrators (FAAs) must still adhere to the same regulations for reviewing appeals.**

Q3: Does the Financial Aid (FA) forgiveness allow colleges to start as planned, and then cancel their lab classes later in the quarter, holding students harmless for the financial aid they already received for a full load, while still allowing them access to money in the summer for completion?

**A: ED waives Return to Title IV (R2T4) requirements for schools or students to return unearned grant or loan assistance. Colleges still must complete R2T4 calculation and must report to ED the total amount of grant/loan for each affected student and total amount of grant/loan not returned by the school under this waiver. ED will also cancel portions of Direct Loans for the payment period from which the student withdrew. However, if a student commences attendance and drops credits during the college's census date, they WILL have to pay back funds. It is only if the student has commenced attendance and classes have to be cancelled due to COVID-19 later in the quarter and end up in a repayment status that they would NOT have to pay back funds. In addition, students should be able to receive funding the next quarter if they meet all other eligibility requirements.**

Q4: In regards to the student eligibility for the financial aid portion of the Coronavirus Aid, Relief, and Economic Security (CARES) Act -- as 50% of CARES funds must go through the Financial Aid office for students with financial aid eligibility, what are the guidelines for the remaining CARES funds?

**A: 50% of the allocation must go to students in the form of direct emergency aid, including but not limited to: grants to students for food, housing, course materials, technology, health care, and childcare. The remaining 50% of funds may be used for crisis-related expenses at the college, including but not limited to: lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll. Funds will be distributed to the colleges via Title IV systems.**

Q5: Will the student financial aid portion of the CARES Act affect students' maximum allowable financial aid (i.e., can it go beyond cost of attendance?)

**A: Section 479A of the Higher Education Act (HEA) gives an institution's FAA the authority to use professional judgment to make adjustments on a case-by-case basis to the cost of attendance or to the values of the items used in calculating the Estimated Family Contribution (EFC) to reflect a student's special circumstances. ED encourages FAAs to use professional judgment to reflect more accurately the financial need of students and families affected by the COVID-19 pandemic. In making case-by-case determinations, the FAA must obtain and retain in the affected student's file documents that support and substantiate the reasons for any adjustment.**

Q6: Is paying work study students based on their scheduled hours allowable by state law?

**A: There is no legal conflict in paying state work study students based on their scheduled hours.**

Sources for additional information:

[IFAP Updated Guidance for Interruptions of Study Related to COVID-19](#)

[NASFAA COVID-19 Web Center](#)

[Federal Student Aid COVID-19 Information](#)

[WSAC SWS COVID-19 Communications](#)