

<b>CSG Client Services Guide</b>	<b>Date Issued</b> 3/20/08	<b>Subject</b> Transmittal #2	<b>Transmittals</b>
			<b>Section</b> <b>9998</b>

**The following updates are being made to the online Client Services Guide located at <http://dese.mo.gov/vr/csg.htm>. For those of you who have a paper copy of the guide, please update it accordingly.**

**Revisions/Additions are as follows (shown in red):**

**Section 600 - Pages 21 - 23**

**640.2.6 Owe a Grant Refund and/or in Loan Default**

- Under Title IV of the Higher Education Act, in order to receive a grant, loan or work assistance, a student must not owe a refund on grants previously received or be in default on any student loan.
- A client who owes a refund on a Title IV grant:
  - should make repayment arrangements with the post-secondary institution that made the grant
- A client who has defaulted on a student loan **may not be awarded their degree (associate or bachelor), or receive an official college transcript, until default status has been removed. Therefore, a client should make repayment arrangements with the post-secondary institution/loan holder to ensure removal of default status prior to degree (associate or bachelor) completion.**
- For purposes of determining eligibility for a PELL Grant, a client who has previously defaulted on a Title IV loan is considered to no longer be in default status if:
  - The holder of the loan (name should appear on the SAR) certifies, for the purpose of reinstating Title IV eligibility, that the borrower has made satisfactory arrangements to repay the defaulted loan, through one of the following methods:
    - Reinstatement - the borrower can make six (6) consecutive loan payments
    - Rehabilitation - the borrower can make twelve (12) payments of at least \$50 per month
  - The loan is discharged in bankruptcy

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#### 640.2.7 Failure to Remove Default Status

- If the client is not eligible for grants and/or gift aid because they are in default on a student loan:
  - the client needs to provide the counselor with documentation regarding repayment arrangements with the post-secondary institution/loan holder to ensure removal of default status prior to degree (associate or bachelor) completion, and
  - VR assistance with the cost of college-related expenses will not be provided, if the client does not follow through with making the required minimum payments to get out of default status prior to degree completion [exceptions must be approved by the District Supervisor.]

#### 640.2.10 Denial of Services

- If the client and/or parents refuse to apply for comparable services as indicated in these policies, no service based on financial need will be provided until a determination regarding comparable services can be made.
- If the client and/or parents refuse to make appropriate repayment arrangements with the post-secondary institution/loan holder to ensure removal of default status prior to degree completion as indicated in these policies, no college-related training service will be provided until default status has been removed.

### [Section 1400 – Page 5](#)

#### 1400.2.7 Grants and Gift Aid ([CSG 640](#))

- All clients are required to search and apply for comparable services and benefits, to include application for grants and gift aid as follows:
  - Complete and submit “Free Application for Federal Student Aid” ([FAFSA](#)).
  - Submit a copy of Student Aid Report (SAR) to the college Financial Aid Office and also to the VR counselor.
  - Provide a copy of the Financial Aid Award Letter prepared by the college to the VR counselor.
- Federal grants and other campus-based gift aid (grants, awards, or scholarships that are transferable to other colleges/universities) must be

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applied toward the educational costs established by VR prior to the authorization of VR funds.

- Campus-based awards (grants, awards, or scholarships that are non-transferable to other colleges/universities) may be applied to reduce the client's educational costs or educational costs established by VR.
- Develop an IPE for **one semester** if the SAR/Financial Aid Award letter has not been received prior to the first semester of college training.
- If the client is not eligible for grants and/or gift aid because they are in default on a student loan:
  - the client needs to provide the counselor with documentation regarding repayment arrangements with the post-secondary institution/loan holder to ensure removal of default status prior to degree (associate or bachelor) completion, and
  - VR assistance with the cost of college-related expenses will not be provided, if the client does not follow through with making the required minimum payments to get out of default status prior to degree completion (exceptions must be approved by the District Supervisor.)