


HEOA Workshop

November, 2008


Agenda

- Loan Provisions
- Disclosures and Information Collection
- Additional Provisions
 - Grants
 - Awarding
 - Miscellaneous



Disclaimer

- Summary information intended for informational purposes only
- Consult law for details
- Not intended as legal advice or implementation guidance



Resources

- State & Regional FAA
- National Trade Associations
- Guarantor Newsletters
- ED Website



<http://www.nasfaa.org/SubHomes/HEA/home.html>

The screenshot shows the NASFAA website's 'HEA Implementation Resources' page. The header includes the NASFAA logo and navigation tabs for Home, Legislation, Standards of Excellence, Accreditation, Loan Subsidization, Parents & Students, and HEA. The main content area is titled 'HEA Implementation Resources' and contains several sections:

- REGULATORY**: On July 31, the House and Senate overwhelmingly passed the Higher Education Opportunity Act (H.R. 4137) to reauthorize the Higher Education Act (HEA) for the first time since 1998. On August 14, President Bush signed the bill into law. The law provides additional aid and benefits for students and requires a host of new reporting requirements and disclosures to help students and parents make better-informed decisions about higher education and higher education financing. NASFAA's HEA Implementation Resources page posts all HEA reauthorization information in one location.
- Summary and Language**:
 - Text of the Higher Education Opportunity Act (H.R. 4137) as signed into law on August 14, 2008
 - Explanatory Statement of the Conference Committee that negotiated the final compromise bill passed by the House and Senate
 - NASFAA's Summary of the Higher Education Opportunity Act (H.R. 4137)
- NASFAA News and Resources**:
 - Recording of NASFAA's First HEOA Webinar
 - Title IX: 19th anniversary of Title IX and Student Bill of Rights

On the right side, there are sections for 'NASFAA SERVICES' (Regulatory, Management, Research, Training, Conferences, Publications) and 'NASFAA CONTACT' (Home Office, Regional Offices, and a search bar).

<http://www.nchelp.org/eLibrary/index.cfm?parent=1945>

The screenshot shows the NCHelp eLibrary page. The header includes the NCHelp logo and navigation tabs for Home, Site Map, Contact Us, and Search. The main content area is titled 'National Council of Higher Education Loan Programs' and contains a section for 'e-Library' with the following items:

- **P.L. 110-315 (H.R. 4137) The Higher Education Opportunity Act (HEOA) of 2008**
To amend and extend the Higher Education Act of 1965, and for other purposes.
Downloaded: [icon]
- **P.L. 110-315 HEOA - NCHELP Summary**
Updated: 08/15/2008
Type: PDF Size: 80.0 KB Pages: 11
Downloaded: [icon]
- **P.L. 110-315 Manager's Statement**
Type: PDF Size: 571.0 KB Pages: 208
Downloaded: [icon]
- **Blackline of P.L. 110-315 - HEOA into HEA Title IV - Parts B, D, G & I**
Updated: 10/09/2008
Type: PDF Size: 1711.0 KB Pages: 242
Downloaded: [icon]
- **Blackline of P.L. 110-315 - HEOA into HEA Title IV - Parts A, C, E, F, H & J; Title VII, Part I**
Updated: 10/09/2008

On the left side, there is a navigation menu with links for About Us, Home, Conferences & Events, Library, Committees, Home Reporting & Commission Code Listing, Staff/Press, Member Directory, Student Loan Legislation, and a search bar.

Disbursement Exceptions

- Multiple disbursement exception
 - CDR raised to 15% (currently 10%)
- 30-day delayed disbursement exception
 - CDR raised to 15% (currently 10%)
- Effective October 1, 2011

HEOA
427
HEA
428G(a)



Consumer Education

- Guarantors must develop budgeting and financial management training for students and families
 - work cooperatively with schools
 - can use existing programs
 - can be offered to DL schools
 - no prohibition on lenders and servicers providing the same type of information
- Programs and materials to be distributed before, during, and after enrollment

HEOA
435
HEA
433A(a)



Publication of Assistance Programs

- Expands information to be publicized by ED
 - loan payment options, including ISR, IBR, ICR
 - forbearance and effects of capitalized interest
- ED must "widely publicize the location of the information" and promote its use

HEOA
488
HEA
485(d)



Entrance Counseling

- Adds entrance counseling to statute
- Specifies method options
 - in-person
 - written form, which student must sign & return
 - online, which student must acknowledge
- Encourages use of interactive programs
 - test borrower's understanding
- Extensive list of requirements ([see handout](#))

HEOA
489(g)

HEA
485(l)(2)



Exit Counseling

- Mandates exit counseling for Grad PLUS borrowers
 - Single standard for Stafford and Grad PLUS
- Extensive list of requirements ([see handout](#))

HEOA
488

HEA
485(b)



Identity Protection

- Monthly DL statements and other publications cannot contain more than 4 digits of an individual's SSN

HEOA
451(c)

HEA
455(n)



Servicemembers Civil Relief Act

- Interest rate cap applies to FFELP loans
 - 6% limit
- Applicable:
 - to interest, fees, and other charges
 - regardless of status (including default)
 - only for loans disbursed prior to active duty
- Borrower must provide request and documentation
- Manager's Statement: Not intended to provide a refund for time prior to enactment

HEOA
422(g)(1)

HEA
428(d)(1)



Active Duty Servicemember

- No interest accrual on DL loans for eligible active-duty military borrowers
 - active duty or performing eligible National Guard service during a war or national emergency
 - includes receiving special pay under "hostile fire or imminent danger" terms
- 60 month limit per borrower
- Applies to loans first disbursed on/after 10/1/2008

HEOA
451(d)

HEA
459(a)



PLUS Credit Review

- Updates ECASLA changes
 - Returns pre-ECASLA adverse criteria for most debts
 - ≥ 90 days delinquent on debt
 - bankruptcy discharge w/i previous 5 years
 - default, foreclosure, wage garnishment, tax lien, Title IV write-off w/i previous 5 years
 - "Extenuating circumstances" exception
 - medical bills and mortgage loans only
 - delinquencies up to 180 days

HEOA
424(a)(1)


HEA
428B(a)(3)



PLUS Repayment

- Reverses ECASLA “deferred repayment start”
 - begins at full disbursement
- New PLUS deferments
 - parent must request for parent PLUS
 - automatically granted for Grad PLUS
 - student can decline deferment


HEOA
424(a)(2)
424(b)
HEA
428B(d)(1)
428(b)(7)(C)



PLUS Repayment

- Parent PLUS deferment
 - student’s enrollment
 - 6-month period following:
 - student enrollment (parent PLUS), at parent request, or
 - borrower enrollment if parent also enrolled
- Grad PLUS deferment
 - borrower enrollment
 - 6-month period following enrollment


HEOA
424(a)(2)
424(b)
HEA
428B(d)(1)



Deferment

- School deferment
 - confirm enrollment using NSLDS
 - **IF** school requests

HEOA
422(c)(1)
HEA
428(b)(1)



Income-Based Repayment

- Exempted from \$600 annual payment requirement
- IBR not available on defaulted loans
 - available following successful rehabilitation
 - ED can require IBR on defaulted FFEL loans
- IBR available on DL loans
 - exception: parent PLUS (even if consolidated)

HEOA
 422(e)(2)
 422(j)
 451(a)
 494F
 HEA
 428(b)(1)
 428(m)
 455(d)(1)
 493C



Consolidation Loans

- Permits "re-consolidation" into DL for receiving service member interest benefit
 - remember, benefit only applies to:
 - DL loans
 - disbursed on/after 10/1/2008
 - qualifying service (different from SCRA)
- IBR available on consolidation loans
 - exception: consolidation including parent PLUS

HEOA
 425(b)(2)
 425(d)
 HEA
 428C(b)(5)
 428C(c)



Loan Rehabilitation

- Guarantor must remove credit bureau default reporting upon rehabilitation
 - Manager's Statement: suggests all default report should be removed
- Loan can only be rehabilitated once

HEOA
 426(l)
 HEA
 428F(a)



Teacher Loan Forgiveness

- Adds flexibility to qualification criteria
 - can be employed in a “qualifying location”
 - special education teachers can be employed by an “educational service agency”
- Prohibits double benefits for same service

HEOA
429

HEA
428J



Public Service Loan Forgiveness

- Expands DL public service job listing
 - Adds multiple careers in nursing, teaching, and early childhood care and education
 - Excludes members of Congress
- Prohibits double benefits for same service

HEOA
451(b)

HEA
455(m)(3)



National Need Loan Forgiveness

- New program for qualifying service careers
 - Lengthy list of careers in health, education, public sector, STEM fields, and multiple other “national need” professions
- Eligible on non-default FFEL & DL loans
 - excludes parent PLUS (even if consolidated)
- \$2,000/year for up to 5 years (\$10,000 max)
- Awarded on first-come, first-served basis
- Prohibits double benefits for same service
- Subject to appropriations

HEOA
430

HEA
428K



Legal Assistance Loan Forgiveness

- New program for eligible legal aid professionals
- Eligible on non-default FFEL, DL, & Perkins loans
 - excludes parent PLUS (even if consolidated)
- \$6,000/year award, \$40,000 maximum
- Awarded on first-come, first-served basis
- Prohibits double benefits for same service
- Subject to appropriations

HEOA
431
HEA
428L



Disability Loan Discharge

- New definition of total and permanent disability
 - continuous conditions
 - > 60 months preventing gainful activity, or
 - expected to result in death
 - must be a "medically determinable" physical or mental impairment
- VA determination of unemployability is valid documentation for service-connected conditions
- Secretary permitted to reinstate obligation under certain conditions

HEOA
437(a)
HEA
437(a)(1)



Private Education Loans

- Prepayment Penalties
 - Lender may not assess a fees or penalties for prepayment or early repayment

HEOA
1011(a)
TILA
140(e)



Private Education Loans

- Firm offer period
 - Minimum 30-day period for consummation and acceptance of approved terms
 - period begins following application approval and borrower receipt of disclosures
 - lender cannot change terms during this period
 - exception for index adjustments

HEOA
1021(a)
TILA
428(b)(3)



Private Education Loans

- Right to cancel
 - Borrower may cancel the loan, without penalty, within 3 business days of consummation
 - Lender must disclose this right
 - Loan cannot be disbursed prior to the end of this 3-day period

HEOA
1021(a)
TILA
128(e)(7)
128(e)(8)



Private Education Loans

- Self-certification of information
 - ED to develop “Self-Certification Form for Private Education Loans”
 - lender must obtain signed form prior to consummation
 - form to be provided by applicant
 - form to include COA, EFC, EFA

HEOA
1021(a)
HEA
155
TILA
128(e)(3)





Private Education Loans

- Lender disclosures to applicants
 - as part of applications and solicitations
 - at time of loan approval
 - at time of consummation
- Federal Reserve to create model forms

HEOA
1021(a)

TILA
128(e)






**Disclosures,
Reporting, and
Information Collection**

Pre-Disbursement Disclosure

- Required of FFEL lenders
- Applicable to Stafford and PLUS loans
- Multiple requirements (see law for exhaustive list)
 - any charges being paid by lender
 - unsub interest may be paid
 - parent PLUS deferment opportunities
- Industry seeking ways to incorporate requirements into common forms

HEOA
434(a)

HEA
433(a)



Pre-Repayment Disclosure

- Required of FFEL lenders
- Applicable to Stafford and PLUS loans
- Sent 30 – 150 days before 1st payment due date
- Multiple requirements (see law for exhaustive list)
 - estimated balance and interest to be capped
 - loan repayment benefits
 - including contingencies & limitations
 - standard repayment plan schedule
 - interest already paid

HEOA
434(b)

HEA
433(b)



Repayment Statement

- Applicable to Stafford, PLUS, and Consolidation
- Lender to provide bill or statement
 - must correspond to installment time period
- Multiple requirements (see law for exhaustive list)
 - original and current balance
 - total interest and aggregate amount paid
 - description of fees in last installment
 - reminder of option to change repayment plans
 - link to ED website for repayment plan info

HEOA
434(e)(1)

HEA
433(e)(1)



Information to Struggling Borrowers

- For borrower experiencing payment difficulty
- Applicable to Stafford, PLUS, and Consolidation
- Notice must be “simple and understandable”
- Multiple requirements (see law for exhaustive list)
 - repayment plans & process for changing plans
 - forbearance requirements and costs
 - options for avoiding default and any fees or associated costs

HEOA
434(e)(2)

HEA
433(e)(2)



Disclosure During Delinquency

- For FFEL borrowers 60 days delinquent
- Applicable to Stafford, PLUS, and Consolidation
- Lender notice
 - default date & payment needed to
 - options to avoid default, with fees or costs
 - discharge options
 - resources
 - nonprofit orgs, advocates, and counselors, including Ombudsman

HEOA
434(e)(3)

HEA
433(e)(3)



DL Student Disclosures

- HEA Sec. 433 disclosures apply to DL loans
 - Schools and contractors must comply
 - No statutory delineation of responsibilities

HEOA
451(e)

HEA
455(p)



Deferment Notification

- Lender must disclose capitalization impact
 - Required at time of granting “post-’93” deferments
- Applicable to unsub (FFEL) Stafford loans

HEOA
422(c)(1)

HEA
428(b)(1)



Forbearance Notification

- Lender must disclose capitalization impact
 - required upon forbearance approval
- Additional contact every 180 days during forb
 - balance information, interest accrual, and options for avoiding capitalization
- Required on all FFEL loans

HEOA
422(f)

HEA
428(c)(3)



Consolidation Notice

- Disclosure in “simple and understandable” terms
- Required when providing FFEL consolidation app
- Content (see law for exhaustive list)
 - loss of benefits on underlying loans
 - repayment plans and prepayment options
 - note that benefit program vary among lenders
 - application doesn't obligate borrower

HEOA
425(b)

HEA
428C(b)(1)



Master Calendar

- ED must publish list of all school-mandated reports and disclosures
- Must be published prior to academic year
- Must include:
 - due date
 - required recipients
 - method of transmittal
 - description of contents
 - statutory or regulatory reference
 - other pertinent information

HEOA
482

HEA
482(e)



Federal Student Fin Aid Website

- Additional requirements for ED
 - prominent link from ED homepage
 - improve usefulness of college planning info
 - promote information via major media campaign
 - develop searchable site for military and veterans
 - coordinate with Secys of Defense and VA
 - aid, re-admissions, student services
 - promote site to military, veterans, and public

HEOA
110

HEA
131



Cost Calculations

- ED will create lists based on college tuition & fees
- College Navigator data will be used
- Multiple lists, compiled by institutional category
 - Top 5% - highest tuition & fees
 - Top 5% - highest net price
 - Top 5% - largest 3-yr increase in tuition & fees
 - Top 5% - largest 3-yr increase in net price
 - 10% of lowest tuition and fees
 - 10% of lowest net price

HEOA
111

HEA
132(c)



Cost Reporting

- Schools in the "top" categories of 3-year increases must submit report to ED
- Explain major costs and reduction plan
- Describe progress in reducing costs (if in same category 2 or more years)
- If cost increases are not within school control
 - school role in determining cost increase
 - identify agency responsible

HEOA
111

HEA
132(e)



School Info for Consumers

- ED to provide exhaustive data on College Navigator regarding Title IV participating schools
 - ED to update information annually
 - ED to consult with families, schools, and “other experts” on usefulness and relevance
 - review law for details, some elements may require additional reporting by schools

HEOA
111
HEA
132(i)(1)



Net Price Calculator

- ED must develop net price calculator
 - due w/i 1 year of enactment
- Schools must publicly disclose net price calculator
 - can be ED version or create own calculator
 - due w/i 2 years of ED’s calculator availability

HEOA
111
HEA
132(h)



Campus Reporting

- Multiple school reporting requirements (see law for exhaustive list)
 - Campus security
 - Fire safety
 - Missing persons
 - Drug violations
 - Drug & alcohol abuse prevention
- Generally require annual ED reporting as well as public disclosure

HEOA
488
HEA
485(i)-(l)



Information Dissemination

- Increases info to prospective & enrolled students (see law for exhaustive list)
 - plans for improving academic programs
 - student body diversity
 - graduate programs of prior graduates
 - types and job placement of prior graduates
 - vaccination policy
 - retention rate

HEOA
488
HEA
485(a)(1)



Copyright Infringement

- Schools must have plan to combat misuse
 - include use of technology-based deterrents
- Certify school will provide alternatives to prevent
 - illegal downloads
 - distribution of intellectual property
 - other copyright infringements
- Must disclose policy and sanctions to current and prospective students

HEOA
488(a)
493(a)
HEA
485(a)(1)
487(a)



Textbook Information

- Schools, publishers, faculty and other encouraged to decrease textbook costs
- Publishers must provide pricing structures
- Publishers must sell unbundled materials
- Schools must provide ISBN
 - must work with bookstore to provide advance information on materials and enrollment

HEOA
112(d)
HEA
133(c)&(d)



Transfer of Credits

- Schools must publish policy on accepting credits
- “Readable and comprehensive manner”
- Include established criteria
- Include list of institutions with which articulation agreement is in place
- No authority for ED or NACIQ to dictate policy
- No right of action for students

HEOA
488(g)

HEA
485(n)



Accrediting Agencies

- Accrediting agency reporting
 - publicly available and submitted to ED
 - report virtually all major accreditation decisions
- Accreditation review
 - must include review of transfer credit policy
 - publicly disclosed and includes criteria

HEOA
495

HEA
496(c)(9)



NSLDS Disclosure

- ED must disclose info
 - at time of FAFSA
 - as part of exit counseling
- NSLDS and usage
 - info retained in NSLDS and how to access
 - who accesses data and why
 - applicable privacy laws & safeguard measures

HEOA
489(3)

HEA
485B(d)(3)



NSLDS Disclosure

- Guarantors, lenders, and schools disclosures
 - to students, potential students, parents
 - upon entering into loan agreement
- NSLDS reporting
 - info will be submitted to NSLDS
 - info will be accessible by authorized users

HEOA
489(3)

HEA
485B(d)(4)



Prohibited Inducements – Guarantor

- Cannot offer payments or inducements to schools and lenders
 - examples include stock, prizes, travel, entertainment, tuition payment / reimbursement
- Exception
 - technical assistance comparable to ED
 - exit counseling

HEOA
422(d)

HEA
428(b)(3)



Prohibited Inducements - Lender

- Cannot offer payments or other inducements
 - examples include referral payments and processing/finder fees, stock, prizes, travel, entertainment, tuition payment/reimbursement
- Exception
 - tech assistance “comparable to ED”
 - exit counseling
- Prohibits compensation for advisory board
 - permits reimbursement of reasonable expenses

HEOA
436(c)

HEA
435(d)(5)



Advisory Board Reimbursement

- Report to ED all reimbursements for advisory board participation
 - annual report
 - identify expense, date, amount, and recipient
- Lender to provide report for FFEL loan activities
- Schools to provide report for private loan activities
- ED to provide summary report to Congress

HEOA
120
1011(c)
HEA
152(b)
455(m)
TILA
140(d)



Preferred Lender Arrangements

- New definitions
 - institution-affiliated organization
 - directly or indirectly related to school
 - recommends, promotes, or endorses loans
 - education loan
 - FFEL, DL, or private loan
 - preferred lender arrangement
 - lender agrees to provide education loans
 - involves recommending, promoting, or endorsing education loans

HEOA
120
HEA
151



Preferred Lender Arrangements

- Schools with preferred lender arrangement
 - make list available to student
 - disclose reason for including lender
 - esp terms and benefits
 - method and criteria for lender selection
 - statement of freedom to choose any lender
- Applies to federal and private loans
 - federal: ≥ 3 unaffiliated lenders
 - private: ≥ 2 unaffiliated lenders
- ED to maintain lender affiliation list


HEOA
493(a)
HEA
487(a)(27)
487(h)



Preferred Lender Arrangements

- School must disclose on website and in all informational materials
 - max amount of grant and loan aid available
 - statement that school must process FFEL loans from any eligible lender
 - content required new disclosures (HEA 153 and TILA 128)
- School must not permit use of name, logo, emblem, mascot, or other school identifiers
- School must ensure lender name is displayed on all private loan info & materials


HEOA
120
1011(a)
HEA
151
152(e)
TILA
140(c)



Preferred Lender Arrangements

- ED to consult with broad community on disclosure content
 - must also include info required by Federal Reserve on private loan disclosures
- ED to provide model form
 - organizations may also use their own form
- Disclosure required to be provided by schools and institution-affiliated organizations
- ED to provide model disclosure on DL loans
 - DL schools to provide info to students
 - may use model disclosure or their own


HEOA
120
HEA
153(a)
153(c)
154



Preferred Lender Arrangements

- Schools and institutional-affiliated organizations w/ preferred lender arrangement must report to ED
 - annual report
 - due date established by ED
 - detailed explanation of why it entered into a preferred lender arrangement
 - include why terms, conditions, and provisions are beneficial to borrowers
- Report to be publicly available
 - provide to prospective & enrolled students

HEOA
120
HEA
153(a)
153(c)



Private Loan Disclosures

- Required irrespective of prefer lender arrangement
- Schools must provide info to students
 - TIL form (self-cert form)
 - upon student request
 - Info to complete the form
 - to extent school has the information
- Inform student of Title IV loans and other aid
 - advise of potentially favorable terms
- Private loan info must be distinct from Title IV

HEOA
493(a)
128(e)(3)
HEA
487(a)(28)



School Code of Conduct

- School must have a Code of Conduct
 - must enforce Code of Conduct
 - must annually inform all officers, employees, and agents with loan responsibilities
 - must publish Code prominently on its website

HEOA
493
HEA
487(e)



School Code of Conduct

- Institution-affiliated organizations must comply if under a preferred lender arrangement
 - publish the Code of Conduct prominently on its website (if any)
 - enforce Code of Conduct with its agents
 - must inform agents annually of the Code


HEOA
120
HEA
153(c)(3)



School Code of Conduct

- Prohibitions (see law for exhaustive list)
 - revenue-sharing agreements
 - gifts to employees and family members
 - contracting arrangements
 - lender assignment (1st time borrowers)
 - private loan funds (“opportunity pools”)
 - staffing assistance
 - advisory board compensation


HEOA
493
HEA
487(e)



School Code of Conduct

- Gift ban exceptions
 - materials and services
 - loan issues, default aversion / prevention, financial literacy
 - training expenses to improve service to schools
 - favorable loan conditions
 - must be available to all students at school
 - entrance & exit counseling services
 - philanthropic contributions
 - grants, scholarships, aid administered by State


HEOA
493
1011(a)
HEA
487(e)
TILA
140(b)&(c)




School Code of Conduct

- ED IG to submit annual report on violations
 - include all substantiated violations of gift ban
 - report to Congress
 - make report available to public on ED website

HEOA
493
HEA
487(g)






Additional Provisions

Grants, Awarding, Miscellaneous

Cohort Default Rates

- New CDR definition beginning FY 2009
- ED to publish current and lifetime CDR
- Ineligibility triggered at 30% (FY 2012)
 - up from current rate of 25%
- New default prevention & assessment of eligibility requirements for CDRs > threshold (FY 2012)
- New appeal processes (FY 2012)
- Participate rate index to 0.0625 (FY 2012)
 - up from current 0.0375


HEOA
436(a)
436(e)
HEA
435(a)
435(m)



Compliance Audit

- Required under school-as-lender program
 - schools acting as lender
 - trustees for schools or school-affiliated orgs
- Must include review of proceeds
 - being used for need-based grants
 - used to supplement, not supplant, other funds

HEOA
436(d)
HEA
435(d)(8)



Settlement of Claims

- Restricts ED settlements
 - Applies to amounts > \$1M
 - ED must ask AG to review proposed settlement
 - ED must wait for AG response

HEOA
433

HEA
432



FASFA Simplification

- ED to work on reducing FAFSA information
 - work with IRS on feasibility of pre-populating electronic FAFSA
 - evaluate whether eligibility items not related to EFC can be reduced (e.g., citizenship)
- ED to report to Congress by Nov 12, 2008 on simplification efforts
- Comptroller General to convene study group on simplification efforts

HEOA
483

HEA
483(f)



FAFSA

- ED to develop EZ-FAFSA
 - work with States to determine those who may not be able to use EZ-FAFSA
 - ED may exclude State-specific questions from EZ-FAFSA if State can't accept simplified form
- Only applicant can request or use FAFSA PIN
- ED to permit early estimates w/ prior year FAFSA
- ED can required SSN and DOB of parents
- Need and eligibility for aid may only be determined using ED forms

HEOA
483

HEA
483(a)



FAFSA

- If an applicant uses a preparer who charges fee
 - preparer must provide identification as part of FAFSA submission
 - preparer is subject to penalties for false info
 - preparer must advise
 - FAFSA is free (ads and initial contact)
 - can be completed without professional
 - preparer must include link to FAFSA website in any online advertisement or information
 - preparer cannot use form other than ED form

HEOA
483
HEA
483(d)



Early Award Demonstration Program

- ED to implement an early application demonstration program
 - allow completion of aid application 2 years prior to anticipated enrollment
 - provide information on estimated aid eligibility
 - expedited application process at time of actual application

HEOA
483
HEA
483(e)



Additional Aid Forms

- ED to notify students that they may qualify for an adjustment to items that calculate EFC
 - include on form notifying students of EFC
 - advise available on "case-by-case basis"
 - specify the special circumstances under which a student / family may qualify
- ED to create model financial aid offer form
 - convene study group
 - report to Congress
 - develop form by August 14, 2009


HEOA
483
484
HEA
483(h)



Need Analysis

- Military benefits
 - student in military housing (or housing allowance) permitted to receive COA allowance for board
 - veteran's education benefits excluded from income and assets for EFC
 - veteran's education benefits removed from definition of "other financial assistance"


HEOA
471
473
HEA
472(3)
480(a)
480(j)



Need Analysis

- Professional judgment
 - expands special circumstances
 - nursing home expenses
 - dependent care
 - student is a dislocated worker
 - Non-supportive parents
 - permits unsub Stafford without parental completion of FAFSA
 - school must verify FAFSA refusal and lack of financial support

HEOA
472
HEA
479A(a)



Admission of Service Members

- In-state tuition at public institutions
 - active duty service members, spouses, and dependent children
- Prohibits discrimination on readmission of service members
 - student subject to certain notification and application requirement
 - readmitted students must return to same academic status
 - not applicable for dishonorable discharge

HEOA
114
HEA
135(a)-(c)



Transfer of Allotments

- Adds new allotment transfers
 - 25% of FWS to Perkins
 - 25% of FSEOG to FWS
- New allotments are in addition to current permissive transfers
 - 25% of Perkins to FSEOG or FWS
 - 25% of FWS to FSEOG

HEOA
494A

HEA
488



Federal Work Study

- Community service
 - adds emergency preparedness and response
- Books and supplies
 - increase portion of "average cost of attendance" from \$450 to \$600
- Civic education
 - permits FWS for civic education projects
 - priority, where practicable, toward projects for emergency preparedness
 - Federal share may exceed 75%

HEOA
443

HEA
441(c)
442(c)
443(e)



Pell Grants

- Increased maximum Pell
 - \$6,000 for AY 2009-2010
 - \$6,400 for AY 2010-2011
 - \$6,800 for AY 2011-2012
 - \$7,200 for AY 2012-2013
 - \$7,600 for AY 2013-2014
 - \$8,000 for AY 2014-2015
- CCRAA amounts are on top of new maximums
- Subject to appropriations

HEOA
401


HEA
401(b)



Pell Grants

- \$400 minimum eliminated
 - New minimum is percentage of maximum
 - 10% of maximum
 - Calculated amount between 5% and 10%, award 10%
- Year-round Pell
 - permits up to 2 Pell grants per year
 - case-by-case basis
 - half-time for more than two semesters
 - associate or baccalaureate degree or certificate


HEOA
401
HEA
401(b)



Pell Grant

- Incarcerated borrowers
 - adds to category prohibited from receiving Pell
 - students subject to involuntary civil commitment upon completion of incarceration for forcible or non-forcible sexual offense
- \$0 EFC for children of service members
 - applies to individuals who lost parent or guardian in Iraq or Afghanistan after 9/11/01
 - < age 24 or enrolled at time of death
 - subject to other eligibility criteria


HEOA
401
HEA
401(b)&(f)



LEAP

- Raises maximum award to \$12,500 (was \$5000)
 - capped at program cost of attendance
- Removes requirement for non-federal match to come only from direct state appropriations
 - applies to both LEAP grants and work-study
 - States to notify student that grants are funded by federal government, States, and other contributing partners (where applicable)

HEOA
407
HEA
415C(b)



Grants for Access & Persistence

- Permits community-based organization to partner
- Establishes contribution percentages, participation tracking, eligibility, and public notification requirements for program
- States may set limits for degree completion

HEOA
407
HEA
415E



Grants for Access & Persistence

- Students must meet at least two criteria
 - priority given to those who meet all four
 - \$0 EFC
 - eligible for state maximum award
 - participating in early information program
 - has previously received GAP

HEOA
407
HEA
415E

