GEN-08-12
FP-08-10

December 2008

Subject: The Higher Education Opportunity Act

Summary: This letter provides a summary of the Higher Education Opportunity Act.

Dear Colleague:

The Higher Education Opportunity Act (Public Law 110-315) (HEOA) was enacted on August 14, 2008, and reauthorizes the Higher Education Act of 1965, as amended (the HEA). The HEOA makes a number of changes to programs authorized under the HEA, authorizes new programs, and makes changes to other laws. The attachment to this letter provides a summary of most of the provisions of the HEOA, organized by subject area.

The provisions of the HEOA were effective upon enactment, August 14, 2008, unless otherwise noted in the law. Institutions should use these summaries in conjunction with reviewing the text of the HEOA itself. The summaries are provided to assist institutions to understand the changes to the HEA, and do not change any requirements in the law. Affected parties are responsible for taking the steps necessary to comply by the effective dates established by the HEOA, unless the HEOA specifies that regulations are necessary to implement certain provisions or, if so indicated by the Department, operational steps must be taken by the Department before parties may comply. Because this will require program participants to implement a large number of new provisions before receiving guidance from the Department, during subsequent reviews of compliance with the HEOA, we will take into account any written guidance that had been provided by the Department during the period under review or, as applicable, the absence of such guidance. For your convenience, we have included at the end of this letter a chart that groups the provisions by effective date.

As required by the HEA, the Department will issue regulations for some of the programs affected by the HEOA through the negotiated rulemaking process. For other programs, the necessary regulatory changes will be made either through notice and comment rulemaking or, where the new regulations will merely reflect the changes to the HEA and not expand upon those changes, without notice and comment. The Department may also offer further guidance through additional Dear Colleague Letters. For more information on the negotiated rulemaking process now under way, and to follow the Department's implementation of the HEOA, please refer to the Department's HEOA website at www.ed.gov/HEOA.

While the HEOA authorizes numerous new programs, only the following three are funded at this time: (1) Promoting Postbaccalaureate Opportunities for Hispanic Americans; (2) Master's Degree Programs at Historically Black Colleges and Universities; and (3) Master's Degree Programs at Predominantly Black Institutions. The other new programs cannot be implemented until funding is provided.

We thank you for your continued cooperation as we work to implement these changes. If you have any questions on the issues discussed in this letter, please contact the appropriate office listed on the following pages.

Sincerely,

Vincent Sampson
Deputy Assistant Secretary for
Policy, Planning, and Innovation
Office of Postsecondary Education

Attachment

GEN-08-12, FP-08-10—The Higher Education Opportunity Act

Contact Information

If you have questions about this letter, please contact the appropriate office listed below.

Title I—General Provisions

The Research Customer Care Center at 1-800-433-7327, Care Center staff members are available Monday through Friday between the hours of 9:00 AM and 5:00 PM (Eastern Time). After hours calls will be accepted by an automated voice response system. Callers leaving their name and phone number will receive a return call the next business day. E-mail inquiries should be directed to fsa.customer.support@ed.gov. FAX inquiries should be sent to (202) 275-5532.

Title II—Teacher Quality Enhancement

Office of Postsecondary Education…….. (202) 502-7716

Title III—Institutional Aid

Institutional Development and Undergraduate Education Service…….. (202) 502-7777 or OPE_Institutional_Development@ed.gov

Title IV—Student Assistance

TRIO Programs, Child Care Access Means Parents in School
Higher Education Preparation and Support Service……...…. (202) 502-7600

GEAR-UP Program
GEAR-UP Program Office…..…… (202) 502-7676 or GEARUP@ed.gov

Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork
Office of Migrant Education……..... (202) 260-1164

Robert C. Byrd Honors Scholarship Program
Institutional Development and Undergraduate Education Service…….. (202) 502-7777 or OPE_Institutional_Development@ed.gov

Accreditation
Accreditation and State Liaison Office…….……...… (202) 219-7011

Federal Student Aid (FSA) Programs and All Other Title IV Provisions
(The FSA Programs are the Federal Pell Grant Program, the ACG/National SMART Grant Programs, the TEACH Grant Program, the Campus-based Programs, the

LEAP/GAP Programs, the FFEL Program, the Direct Loan Program, and the Perkins Loan Program.)
The Research Customer Care Center at 1-800-433-7327, Care Center staff members are available Monday through Friday between the hours of 9:00 AM and 5:00 PM (Eastern Time). After hours calls will be accepted by an automated voice response system. Callers leaving their name and phone number will receive a return call the next business day. E-mail inquiries should be directed to fsa.customer.support@ed.gov. FAX inquiries should be sent to (202) 275-5532.

Title V—Developing Institutions

Institutional Development and Undergraduate Education Service…….. (202) 502-7777 or Title_Five@ed.gov

Title VI—International Education Programs

International Education Programs Office…….... (202) 502-7700 or OPE_IEGPS@ed.gov

Title VII—Graduate and Postsecondary Improvement Programs

Office of Postsecondary Education……. (202) 502-7716

Title VIII—Additional Programs

Office of Postsecondary Education……. (202) 502-7716

Amendments to Other Laws

Office of Postsecondary Education……. (202) 502-7716

Non-Institutional Studies, Reports and Summits

Office of Postsecondary Education……. (202) 502-7716

The Higher Education Opportunity Act (Public Law 110-315)
How This Letter is Organized

The following pages contain summaries of the substantive provisions of the Higher Education Opportunity Act (HEOA). Included with the summary of each provision is the statutory citation showing where the provision is included in the HEOA, as well as the sections of the Higher Education Act of 1965, as amended, (HEA) (or, other laws, as applicable), which the HEOA amends or adds. HEA citations refer to the section of the HEA as it is amended by the HEOA. Effective dates for each summarized provision are listed under the statutory citations. Included at the end of this letter is a chart listing the provisions of the HEOA by effective date.

The summaries are grouped by the title of the HEA that is being amended, except for provisions related to Foreign Schools, which are all listed under Title I, although changes in this area were made to both Title I and Title IV of the HEA. There are two additional groups, "Amendments to Other Laws," and "Non-institutional Studies, Reports, and Summits." Within each group, summaries are arranged by topic.

Abbreviations and Acronyms Used in This Letter

AANAPISI--Asian American and Native American Pacific Islander-Serving Institutions

ACG--Academic Competitiveness Grant

CAMP--College Assistance Migrant Program

CCRAA—College Cost Reduction and Access Act

COD System—Common Origination and Disbursement System

CPS—Central Processing System

ECASLA--Ensuring Continued Access to Student Loans Act of 2008

ECFMG--Educational Commission for Foreign Medical Graduates

EDA--Education of the Deaf Act

EDE—Electronic Data Exchange

EFC--expected family contribution

ELTs--Eligible Lender Trustees

FAFSA--Free Application for Federal Student Aid

FFEL--Federal Family Education Loan

FIPSE--Fund for the Improvement of Postsecondary Education

FSA--Federal Student Aid

FSEOG--Federal Supplemental Education Opportunity Grants

FWS--Federal Work-Study

GAANN--Graduate Assistance in Areas of National Need

GAP--Grants for Access and Persistence

GAO--Government Accountability Office

HBCU--Historically Black College and University

HBGI--Historically Black Graduate Institution

HEA--Higher Education Act of 1965, as amended

HEP--High School Equivalency Program

HEOA--Higher Education Opportunity Act

HSI--Hispanic-Serving Institution

IBR--Income-Based Repayment

IPA--income protection allowance

IPEDS--Integrated Postsecondary Education Data System

IRS--Internal Revenue Service

ISBN--International Standard Book Number

ISIR--Institutional Student Information Record

LEAP--Leveraging Educational Assistance Partnership

LLR--lender of last resort

MOE--maintenance of effort

NACIQI--National Advisory Committee on Institutional Quality and Integrity

NASNI--Native American-Serving, Nontribal Institution

National SMART Grant--National Science and Mathematics Access to Retain Talent Grant

NCES--National Center for Education Statistics

NCFMEA--National Committee on Foreign Medical Education and Accreditation

NPRM--Notice of Proposed Rulemaking

NSLDS--National Student Loan Data System

NTID--National Technical Institute for the Deaf

OCCSSA--Omnibus Crime Control and Safe Streets Act of 1968

OMB--Office of Management and Budget

PBI--Predominantly Black Institution

PBO--Performance-Based Organization

PIN--personal identification number

PPA--Program Participation Agreement

SAP--special allowance payment

SAR--Student Aid Report

SCRA--Servicemembers Civil Relief Act

SLEAP--Special Leveraging Educational Assistance Partnership

SNT--simplified needs test

STEM--science, technology, engineering, and mathematics

STEM Database--National Database on Financial Assistance for the Study of Science, Technology, Engineering, and Mathematics

SWTIA--Stevenson-Wydler Technology Innovation Act of 1980

TDD--telecommunications device for the deaf

TILA--Truth in Lending Act

U.S.C.--United States Code

VA--Department of Veterans Affairs

VFA--voluntary flexible agreement

The Higher Education Opportunity Act (Public Law 110-315)
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Title I—General Provisions

Definitions

Authorizing Committees
HEOA section 103(a)(1) **HEA section 103(1)**
Effective date: August 14, 2008
The HEOA adds a new definition of the term "authorizing committees" that reflects the new names of the committees that have responsibility for higher education in the Senate and the House of Representatives—the Committee on Health, Education, Labor and Pensions and the Committee on Education and Labor, respectively.

Critical Foreign Language
HEOA section 103(a)(1) **HEA section 103(3)**
Effective date: August 14, 2008
The HEOA adds a new definition of the term "critical foreign language" that references a list of critical languages published in a notice in the *Federal Register* on August 2, 1985, and that authorizes the Secretary to update the list.

Distance Education
HEOA section 103(a)(1) **HEA section 103(7)**
Effective date: August 14, 2008
The HEOA adds a new definition of the term "distance education" that replaces the term "telecommunications." Distance education means the use of one or more technologies to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. Some included technologies are listed in the definition. This definition of distance education is similar to the definition of "telecommunications course" in 34 CFR 600.2 as amended on August 9, 2006 (71 FR 45666).

Diploma Mill
HEOA section 103(a)(1) **HEA section 103(5)**
Effective date: August 14, 2008
The HEOA adds a new definition of the term "diploma mill." A diploma mill is an entity that

- offers, for a fee, degrees, diplomas, or certificates that may be used to represent to the general public that the individual possessing such a degree, diploma, or certificate has completed a program of postsecondary education or training;
- requires completion of little or no education or coursework to obtain the credential; and
- lacks accreditation by an accrediting agency or association that is recognized by the Secretary or a Federal agency, State government, or other organization or association that recognizes accrediting agencies or associations.

Early Childhood Education Program
HEOA section 103(a)(1) **HEA section 103(8)**
Effective date: August 14, 2008
The HEOA adds a new definition of "early childhood education program." An early childhood education program is

- a Head Start program or an Early Head Start program (including a migrant or seasonal Head Start program), or an Indian Head Start program, carried out under the Head Start Act;
- a Head Start program or Early Head Start program that receives State funding;
- a State licensed or regulated child care program or a program that serves children from birth through age six that addresses the children's cognitive, social, emotional and physical development;
- a State prekindergarten program;
- a program authorized under section 619 or Part C of the Individuals with Disabilities Education Act; or
- a program operated by a local educational agency.

The Individuals with Disabilities Education Act can be found at http://idea.ed.gov/explore/view/p/%2Croot%2Cstatute%2C

Poverty Line
HEOA section 103(a)(1) **HEA section 103(14)**
Effective date: August 14, 2008
The HEOA defines "poverty line" to be the poverty line (as that term is defined in section 673(2) of the Community Services Block Grant Act) applicable to a family of the size involved. Section 673(2) of the Community Services Block Grant Act defines the term "poverty line" as: "the official poverty line defined by the Office of Management and Budget (OMB) based on the most recent data available from the Bureau of the Census. The Secretary shall revise annually (or at any shorter interval the Secretary determines to be feasible and desirable) the poverty line, which shall be used as a criterion of eligibility in the community services block grant program established under this subtitle. The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made. Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line to not exceed 125 percent of the official poverty line otherwise applicable under this paragraph."

Universal Design
HEOA section 103(a)(1) **HEA section 103(23)**
Effective date: August 14, 2008
The HEOA adds a new definition of "universal design," giving the term the meaning given in section three of the Assistive Technology Act of 1998, which reads as follows: "The term 'universal design' means a concept or philosophy for designing and delivering products and services that are usable by people with the widest possible range of functional capabilities, which include products and services that are directly usable

(without requiring assistive technologies) and products and services that are made usable with assistive technologies."

Universal Design for Learning
HEOA section 103(a)(1) **HEA section 103(24)**
Effective date: August 14, 2008
The HEOA adds a new definition of "universal design for learning." The term means a scientifically valid framework for guiding educational practice that provides flexibility in the ways information is presented, in the ways students respond or demonstrate knowledge and skills, and in the ways students are engaged; and that reduces barriers in instruction, provides appropriate accommodations, supports, and challenges, and maintains high achievement expectations for all students.

Institutional Eligibility

General Definition of Institution of Higher Education
HEOA section 101(a)(1) **HEA section 101(a)**
Effective date: July 1, 2010
The HEOA amends the definition of "institution of higher education" by

- adding language in section 101(a)(1) of the HEA that allows institutions to enroll homeschooled students who do not have a high school diploma or GED as regular students;
- amending language in section 101(a)(3) of the HEA to allow institutions that do not offer a bachelor's degree or a two-year degree, but that offer a degree that is acceptable to a graduate or professional degree program to be considered an institution of higher education, subject to the review and approval of the Secretary; and
- permitting dual enrollment as described below.

Proprietary Institution of Higher Education
HEOA section 102(d)(1) **HEA section 102(b)**
Effective date: July 1, 2010
The HEOA amends the definition of "proprietary institution of higher education" to add institutions that provide a program leading to a baccalaureate degree in liberal arts that the institution has provided since January 1, 2009, so long as the institution has been accredited by a recognized regional accreditation agency or organization since October 1, 2007, or earlier. This does not affect the eligibility of current programs or alter the method used by the Secretary in determining the "recognized occupations" as required by section 102(b)(1)(A)(i) of the HEA.

Pending negotiated rulemaking, the Secretary will regard a program as satisfying the "liberal arts" term of the statute if the Secretary determines, and the institution's recognized regional accreditation agency or organization affirms, that it is a general instructional program in the liberal arts subjects, the humanities disciplines, or the general curriculum, falling within one or more of the following generally-accepted instructional categories comprising such programs, but including only instruction in regular programs,

and excluding independently-designed programs, individualized programs, and unstructured studies:

- a program that is a structured combination of the arts, biological and physical sciences, social sciences, and humanities, emphasizing breadth of study;
- an undifferentiated program that includes instruction in the general arts or general science;
- a program that focuses on combined studies and research in the humanities subjects as distinguished from the social and physical sciences, emphasizing languages, literatures, art, music, philosophy and religion; and
- any single instructional program in liberal arts and sciences, general studies and humanities not listed above.

Dual Enrollment
HEOA sections 101(a)(2) and 102(d)(2) **HEA sections 101(b), 102(b)(c)**
Effective date: July 1, 2010

The HEOA allows eligible institutions—institutions of higher education, proprietary institutions, and postsecondary vocational institutions— to dually enroll secondary students as regular students at the institution.

Conforming Amendment Concerning 90/10 Enforcement
HEOA section 102(c) **HEA section 102(b)**
Effective date: August 14, 2008

The HEOA removes the institutional eligibility provision that requires a proprietary institution to derive at least ten percent of its revenues from sources other than Title IV program funds as a condition of institutional eligibility. This provision has been moved to the Program Participation Agreement in section 487 of the HEA. See Title IV—Student Assistance, Title IV Programs--General, Program Participation Agreement.

Drug and Alcohol Prevention
HEOA section 107 **HEA section 120**
Effective date: August 14, 2008

The HEA continues to provide that no institution of higher education is eligible to receive funds or any other form of financial assistance under any Federal program unless the institution certifies to the Secretary that the institution has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees. As a part of this program, an institution must conduct a biennial review of the program.

The HEOA inserts language that requires institutions, as part of the biennial review, to determine

- the number of drug and alcohol-related violations and fatalities that occur on an institution's campus, as defined by section 485(f)(6) of the HEA, or as part of any of the institution's activities and are reported to campus officials; and
- the number and type of sanctions that are imposed by the institution as a result of drug and alcohol-related violations and fatalities on the institution's campus or as part of any of the institution's activities.

The HEOA increases the authorized appropriation for alcohol and drug abuse prevention grants to such sums as necessary beginning in 2009 and in each of the five following years. The law also abolishes the National Recognition Awards that were in section 120(f) of the HEA.

Diploma Mills
HEOA section 109 **HEA section 123**
Effective date: August 14, 2008
The HEOA requires the Secretary to

- maintain information and resources on the Department's website to assist students, families, and employers in understanding what a diploma mill is and how to identify and avoid them; and
- continue to collaborate with the U.S. Postal Service, the Federal Trade Commission, the Department of Justice, the Internal Revenue Service (IRS), and the Office of Personnel Management to maximize Federal efforts to prevent, identify, and prosecute diploma mills and to broadly disseminate to the public information about diploma mills, and resources to identify diploma mills.

Foreign Schools

Foreign Nursing Schools
HEOA sections 102(a)(1)(A) and (D) **HEA section 102(a)(2)(A)**
Effective date: July 1, 2010
The HEOA provides that, beginning July 1, 2010, a foreign nursing school, including a for-profit nursing school, may participate in the Federal Family Education Loan (FFEL) Program if

- the school has an agreement with a hospital, or accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 United States Code [U.S.C.] 296)), located in the United States that requires the students of the nursing school to complete the students' clinical training at such hospital or accredited school of nursing;
- the school has an agreement with an accredited school of nursing located in the United States providing that the students graduating from the foreign nursing school also receive a degree from the accredited U.S. school of nursing;
- the school certifies only Federal Stafford Loans under section 428 of the HEA, unsubsidized Federal Stafford Loans under section 428H of the HEA, or Federal PLUS loans under section 428B of the HEA for students attending the institution;
- the school reimburses the Secretary for the cost of any loan defaults for current and former students included in the calculation of the institution's cohort default rate during the previous fiscal year; and
- not less than 75 percent of the individuals who were students or graduates of the nursing school, and who took the National Council Licensure Examination for Registered Nurses in the year preceding the year for which the institution is certifying a Federal Stafford Loan, an unsubsidized Federal Stafford Loan, or a Federal PLUS loan, received a passing score on such examination.

The definitions in section 801 of the Public Health Service Act (42 U.S.C. 296) can be found at
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC296

As of July 1, 2010, a foreign institution offering a nursing program must demonstrate to the Department that it satisfies the new additional eligibility criteria for foreign nursing schools in order for its nursing program to continue to be considered an eligible educational program for Title IV, HEA program purposes. Any U.S. students enrolled in a currently participating institution's nursing program will be ineligible to receive disbursements of Title IV, HEA program funds on or after July 1, 2010, unless the institution applies for and receives a Title IV, HEA eligibility notice from the Department specifically designating the institution's nursing program as an eligible educational program. An institution should advise individuals whose applications express interest in admission to a nursing program as well as in receipt of loans under the FFEL Program that they cannot be assured that the institution's eligibility to participate in that program will continue on or after July 1, 2010.

Campus Crime Reporting
HEOA section 488(e) **HEA section 485(f)(1)**
Effective date: August 14, 2008
The HEOA provides that foreign schools are no longer required to collect and distribute a report on campus crime statistics. However, the requirements that an institution must keep a daily crime log and make timely warnings of crimes to the campus community still apply.

Audit Requirements
HEOA section 493(b) **HEA section 487(c)(1)(A)(i)**
Effective date: August 14, 2008
The HEOA gives the Secretary the authority to waive the financial and compliance audit requirements for foreign schools that receive less than $500,000 in FFEL Program funds in the preceding year (the Secretary will notify schools if a decision is made to exercise this waiver authority), and the authority to modify the audit requirements for other foreign schools (these modifications must be made through changes to the regulations).

Foreign Graduate Medical Schools
HEOA sections 102(a)(1)(B) and (b) **HEA section 102(a)(2)(A)(i)**
Effective date: July 1, 2010
The HEOA

- increases the Educational Commission for Foreign Medical Graduates (ECFMG) exams pass rate threshold from 60 percent to 75 percent;
- allows a foreign graduate medical school that was eligible based on having a clinical training program approved by a State as of July 1, 1992, to continue to be eligible as long as it has continuously operated a clinical training program in at least one State that approves the program; and

- allows for the promulgation through regulation of new eligibility criteria for foreign graduate medical schools that have a clinical training program approved by a State prior to January 1, 2008. Such regulations must be based on the recommendations of the National Committee on Foreign Medical Education and Accreditation (NCFMEA) report (see Non-institutional Studies, Reports, and Summits, Other Non-institutional Studies and Reports, New Eligibility Criteria for Foreign Medical Schools Report). The Department may issue a Notice of Proposed Rulemaking (NPRM) no earlier than 180 days after the submission of the report (which is due no later than August 14, 2009), and may issue final regulations no earlier than one year after the issuance of the NPRM. Thus, any new eligibility criteria for foreign graduate medical schools will become effective when implementing regulations do. However, the regulations must, at a minimum, require an ECFMG pass rate of at least 75 percent.

Accreditation

National Advisory Committee on Institutional Quality and Integrity
HEOA section 106 **HEA section 114**
Effective date: August 14, 2008 (termination of then current committee members' terms)
January 1, 2009 (establishment of the committee)
January 31, 2009 (earliest date for appointment of members)

The HEOA replaces the entire section 114 of the HEA. The HEOA restructures the National Advisory Committee on Institutional Quality and Integrity (NACIQI), shifting the appointing authority that had been vested solely in the Secretary to the Secretary, the Speaker of the House, and the President pro tempore of the Senate, each of whom may appoint six members. Qualifications of members are specified in greater detail and include "experience, integrity, impartiality, technical qualifications, professional standing, good judgment" and "demonstrated knowledge in the fields of accreditation and administration of higher education." Members are to represent all sectors and types of institutions. The membership of the committee will expand from 15 to 18 and the terms of appointment will increase from three to six years, with the initial terms of varying lengths depending upon who makes the appointment.

Responsibility for establishing the agenda is given to the Chairperson, but under the Federal Advisory Committee Act, approval by the Secretary's designated federal official is also required. The agenda must include opportunity for public comment during deliberations. The Secretary's designee is invited to attend all meetings.

The Secretary is required to publish annually in the *Federal Register* a notice containing information about the members of the committee and a solicitation of nominations for each expiring term of a member appointed by the Secretary. In the case of vacancies, the Secretary must publish a notice in the *Federal Register* soliciting nominations no later than 30 days after being notified of the vacancy. Vacancies must be filled within 90 days. The Committee is required to make available to the Secretary, Congress, and the public an annual report on its membership, activities, findings, and recommendations by

the last day of each fiscal year beginning fiscal year 2010 (with the fiscal year 2009 report due no later than September 30, 2010). Previously, the report was not made public and was due on November 30 of each year.

Improved Information Concerning the Federal Student Financial Aid Website

Promotion of the Department of Education Federal Student Financial Aid Website
HEOA section 110(a) HEA section 131(d)
Effective date: August 14, 2008
The amended section requires the Secretary to prominently display a link to the Department's Federal student financial aid website on the homepage of the Department's website.

Enhanced Student Financial Aid Information
HEOA section 110(a) HEA section 131(e)
Effective date: August 14, 2008
New paragraph (e) of section 131 of the HEA requires the Secretary to improve the usefulness and accessibility of information provided by the Department regarding college planning, pricing, and financial aid. The information, which will be accessible under the Federal student financial aid website, will also include a newly developed Armed Forces information website (see next entry). The HEOA requires that the website and information contained be widely publicized via a major media campaign.

Improved Availability and Coordination of Information Concerning Student Financial Aid Programs for Military Members and Veterans
HEOA section 110(b) HEA section 131(f)
Effective date: August 14, 2009
New paragraph (f) of section 131 of the HEA requires the Secretary to coordinate with the Secretary of Defense and the Secretary of Veterans Affairs to create a searchable website within the Federal student financial aid website that

- contains information about all Federal and State student financial assistance (newly defined in the HEOA for this subsection as meaning any grant, loan, work assistance, tuition assistance, scholarship, fellowship, or other form of financial aid for pursuing a postsecondary education that is administered, sponsored, or supported by the Department of Education, the Department of Defense, the Department of Veterans Affairs (VA), or a State, and is available to members of the Armed Forces, which includes members of the National Guard and Reserves, veterans, or the dependents of such members or veterans); and
- contains information about readmission requirements under section 484C of the HEA and other student services for which members of the Armed Forces may be eligible.

The HEOA requires the Secretary to work with the Secretary of Defense and the Secretary of Veterans Affairs to make the availability of the Armed Forces information website widely known to members of the Armed Forces, institutions of higher education, and the general public.

Promotion of Availability of Information Concerning Other Student Financial Aid Programs
HEOA section 110(b) **HEA sections 131(g)(1), (2), and (3)**
Effective date: August 14, 2008

New paragraph (g) of section 131 of the HEA requires the Secretary to provide, on the Department's Federal student financial aid website, information on nondepartmental student financial assistance programs. Nondepartmental student financial assistance programs are newly defined for this subsection as meaning any grant, loan, scholarship, fellowship, or other form of financial aid for students pursuing a postsecondary education that is distributed directly to the student or to the student's account at an institution of higher education, and operated, sponsored, or supported by a Federal department or agency other than the Department of Education. The website will contain the eligibility requirements, application procedures, financial terms and conditions, and other relevant information for each nondepartmental student financial assistance program in a searchable and understandable format for students and their families. The website will also provide links to the Armed Forces information website, as well as to the new National Database on Financial Assistance for the Study of Science, Technology, Engineering, and Mathematics (the STEM Database described below) when they are available.

The Secretary is directed to request information on nondepartmental student financial assistance programs from all Federal departments and agencies, which in turn are required to promptly respond to these requests or surveys by identifying such programs and providing all required information on the student financial assistance programs they offer. The Secretary will provide this information on the Department's website no later than 90 days after receipt of the information from each Federal agency.

National STEM Database
HEOA section 110(b) **HEA sections 131(g)(4) and (5)**
Effective date: August 14, 2008

The HEOA directs the Secretary to establish and maintain on the Department's Federal student financial aid website a National Database on Financial Assistance for the Study of Science, Technology, Engineering, and Mathematics (known as the STEM Database). The STEM Database will contain information on scholarships, fellowships, and other programs of Federal, State, local, and, to the maximum extent practicable, private financial assistance available for the study of science, technology, engineering, or mathematics at the postsecondary and postbaccalaureate levels. The contents of this searchable database will include

- separate information for each of the listed fields of study and for postsecondary and postbaccalaureate programs of financial aid;
- specific information on any program of financial assistance targeted to students based on categories of financial need, merit, or student characteristics;
- contact information for interested persons of the sponsors of any program of financial assistance included in the STEM Database along with a link to a public website for that sponsor, if available;

- search capabilities on the basis of self-identified student characteristics, such as whether the financial assistance is need- or merit-based and relevant academic majors; and
- match capabilities that search the STEM Database for all financial assistance opportunities for which an individual may be qualified to apply, based on the student characteristics provided by such individual. The database will provide information to an individual for only those opportunities for which an individual is qualified, based on self-identified characteristics.

The STEM Database will provide to its users a recommendation that students and families should carefully review all of the application requirements prior to applying for any aid or program of student financial assistance and a disclaimer that the non-Federal programs of student financial assistance presented in the STEM Database are not provided or endorsed by the Department or the Federal Government.

The Secretary must consult with public and private sources of scholarships, fellowships, and other programs of student financial assistance and maintain an easy process for these entities to provide regular and updated information about such scholarships, fellowships, and programs of student financial assistance. The Secretary is authorized to enter into a contract with a private entity with experience in creating and maintaining this type of database in order to develop, gather, and regularly update all the information required to be maintained in the STEM Database.

No User Fees for Department's Financial Aid Websites
HEOA section 110(c) **HEA section 131(h)**
Effective date: August 14, 2008
New paragraph (h) of section 131 of the HEA specifies that no user fees may be charged to any individual to access a database or website of the Department that provides information about higher education programs or student financial assistance, including the College Navigator website (or successor website) and the websites and databases described in section 131 and section 132 of the HEA or information about higher education programs or student financial assistance available through a database or website of the Department.

<u>Miscellaneous</u>

Protection of Student Speech and Association Rights
HEOA section 104 **HEA section 112**
Effective date: August 14, 2008
Regarding the protection of student speech and association rights, the HEOA specifies that it is the sense of the Congress that

- the diversity of institutions and educational missions is one of the key strengths of American higher education;
- individual institutions of higher education have different missions and each institution should design its academic program in accordance with its educational goals;
- an institution of higher education should facilitate the free and open exchange of

ideas;
- students should not be intimidated, harassed, discouraged from speaking out, or discriminated against;
- students should be treated equally and fairly; and
- these provisions will not be construed to modify, change, or infringe upon any constitutionally protected religious liberty, freedom, expression, or association.

In addition, the HEA specifies that the law shall not be construed to discourage the imposition of sanctions on students who disrupt a lecture, class, speech, presentation or performance under the auspices of the institution as long as the imposition of the sanction is done objectively and fairly.

Treatment of Territories and Territorial Student Assistance
HEOA section 105 **HEA section 113**
Effective date: August 14, 2008
The HEOA changes the title of the section to "Territorial Waiver Authority" and deletes obsolete subsection (b) of section 113 of the HEA, which ceased to be effective on September 30, 2004.

Prior Rights and Obligations
HEOA section 108 **HEA section 121(a)**
Effective date: August 14, 2008
The HEOA changes the authorization period for the Academic Facilities Loan Program and College Housing Loan Program to fiscal year 2009 and beyond to pay for obligations incurred before the programs were repealed.

Transparency in College Tuition for Consumers
HEOA section 111 **HEA section 132**
Effective date: August 14, 2008 (State higher education spending chart, student aid recipient survey)
Not later than August 14, 2009 (net price calculator, consumer information, multi-year tuition calculator)
July 1, 2011 (college affordability lists)
The HEOA adds a variety of requirements about college pricing, including
- college affordability lists;
- a State higher education spending chart;
- a "net price" calculator;
- information on Title IV institutions presented for consumers, including an institution pricing summary page;
- a multi-year tuition calculator; and
- a student aid recipient survey.

College affordability lists
The HEOA directs the Secretary to make available, using the College Navigator website, a set of lists describing college affordability. Each list must be updated annually and will describe institutions in the following nine categories:

- four-year public institutions;
- four-year private, nonprofit institutions;
- four-year private, for-profit institutions;
- two-year public institutions;
- two-year private, nonprofit institutions;
- two-year private, for-profit institutions;
- less than two-year public institutions;
- less than two-year private, nonprofit institutions; and
- less than two-year private, for-profit institutions.

The lists will identify the following institutions in each category:
- the five percent of institutions with the highest tuition and fees for the most recent academic year for which data are available;
- the five percent of institutions with the highest net price for the most recent academic year for which data are available;
- the five percent of institutions with the largest increase—expressed as a percentage change—in tuition and fees over the most recent three academic years for which data are available;
- the five percent of institutions with the largest increase—expressed as a percentage change—in net price over the most recent three academic years for which data are available;
- the ten percent of institutions with the lowest tuition and fees for the most recent academic year for which data are available; and
- the ten percent of institutions with the lowest net price for the most recent academic year for which data are available.

For all institutions, except public institutions, net price is defined as the average yearly price actually charged to full-time, first-year undergraduate students receiving student aid at an institution of higher education and is calculated by subtracting the average need-based and merit-based grant aid from the institution's cost of attendance. For public institutions, the calculations are determined for students who are residents of the State.

Each institution on the list of the largest tuition/fee and net price increases over a three-year period must report to the Secretary identifying the major areas with the greatest cost increases, explaining the increases, and describing the steps the institution will take to reduce costs in those areas. In addition, if the institution is included on the same list for two or more consecutive years, the institution must describe the progress made on the steps to reduce costs. If cost increases are not in the exclusive control of the institution, the institution must describe the degree to which it participates in determining such cost increases, identify the entity responsible for determining the cost increases, and provide any other relevant information.

The Secretary must summarize all institutional reports, link to each report, and publish a summary on the College Navigator website.

Institutions will be exempt from inclusion on any list and the associated reporting requirement if the dollar amount of the increase is less than $600 for the three-year period. Beginning in 2014, and every three years thereafter, the Secretary will use the Consumer Price Index for each of the three most recent preceding years to update the $600 amount for inflation.

State higher education spending chart

Annually, the Secretary must compare and report on the College Navigator website

- the percentage change in spending by the State per full-time equivalent student at all public institutions in the State for each of the five most recent preceding academic years;
- the percentage change in tuition and fees per full-time equivalent at all public institutions in the State for each of the five most recent preceding academic years; and
- the percentage change in the total amount of need-based aid and merit-based aid provided by such State at public institutions to full-time enrolled students for each of the five most recent preceding academic years.

Net price calculator

To help consumers estimate the individual net price of an institution for a student, the Secretary must consult with institutions and other experts to develop a net price calculator. Net price is defined as the average yearly price actually charged to full-time, first-year undergraduate students receiving student aid at an institution of higher education and is calculated by subtracting the average need-based and merit-based grant aid from the institution's cost of attendance. As much as practicable, net price shall be based on the individual student.

Within two years after the Department makes the calculator available to institutions, the HEOA requires each institution receiving Title IV program funds to post on its website either the Department's calculator or a similar calculator developed by the institution.

Individual net price estimates must be accompanied by a prominent disclaimer noting that the estimate is not final, is not binding, and may change. Further, the disclaimer must note that the student must complete the Free Application for Federal Student Aid (FAFSA) to be eligible for and receive Federal student aid funds. A link to the Department's FAFSA website must be included.

Consumer information

The HEOA requires the Secretary to collect and display on the College Navigator website an extensive list of information about each institution that participates in the Title IV student aid programs. The Secretary must update this information annually and regularly consult with current and prospective college students, their families, institutions, and other experts to improve the usefulness of the College Navigator website.

In addition, the Secretary must include on the College Navigator website, a sortable and searchable list of Title IV participating institutions, updated annually. The list must contain a link to the College Navigator webpage that includes the institution's complete

consumer information specified above as well as the following items for the three most recent academic years:

- tuition and fees;
- average percentage change in tuition and fees;
- average dollar change in tuition and fees;
- net price;
- average percentage change in net price; and
- average dollar change in net price.

During the period from July 1, 2010, to June 30, 2013, the list must include the net price for students receiving Federal student aid disaggregated by five specified income categories (listed below) for the most recent academic year and, beginning July 1, 2013, the net price for students receiving Federal student aid disaggregated by five specified income categories for the most recent three academic years. The specified income categories are

- $0 - $30,000;
- $30,001 - $48,000;
- $48,001 - $75,000;
- $75,001 - $110,000; and
- $110,001 and more.

Multi-year tuition calculator

The HEOA requires the Secretary to consult with appropriate experts and to develop a tuition calculator to help current and prospective students and their families estimate the amount of tuition and fees in future years at a particular institution. The calculator must be available on the College Navigator website.

Estimates determined using the multi-year calculator must be accompanied by a prominent disclaimer noting that the estimate is not final, is not binding, and may change. Further, the disclaimer must note that the student must complete the FAFSA to be eligible for and receive Federal student aid funds. A link to the Department's FAFSA website must be included.

Student aid recipient survey

The HEOA requires the Secretary—through the National Center for Education Statistics (NCES)—to survey a representative group of Federal student aid recipients to identify their characteristics and the aid they receive and to better understand the impact on them of issues such as debt burden, cost of attendance, and textbook prices. The HEOA requires the survey to be conducted at least every four years and to be published in printed and electronic form.

Textbook Information
HEOA section 112 **HEA section 133**
Effective date: July 1, 2010

The HEOA supports the academic freedom of faculty to select high quality course materials for their students while imposing several new provisions to ensure that students

have timely access to affordable course materials at postsecondary institutions receiving Federal financial assistance. These provisions support that effort and include the following:

- When textbook publishers provide information on a college textbook or supplemental material to faculty in charge of selecting course materials at postsecondary institutions, that information must be in writing (including electronic communication) and must include
  - the price of the textbook;
  - the copyright dates of the three previous editions (if any);
  - a description of substantial content revisions;
  - whether the textbook is available in other formats and if so, the price to the institution and to the general public;
  - the separate prices of textbooks unbundled from supplemental material; and
  - to the maximum extent possible, the same information for custom textbooks.
- To the maximum extent practicable, an institution must include on its Internet course schedule for required and recommended textbooks and supplemental material
  - the International Standard Book Number (ISBN) and retail price;
  - if the ISBN is not available, the author, title, publisher, and copyright date; or
  - if such disclosure is not practicable, the designation "To Be Determined."

  If applicable, the institution must include on its written course schedule a reference to the textbook information available on its Internet schedule and the Internet address for that schedule.
- A postsecondary institution must provide the following information to its college bookstores upon request by such college bookstore:
  - the institution's course schedule for the subsequent academic period; and
  - for each course or class offered, the information it must include on its Internet course schedule for required and recommended textbooks and supplemental material, the number of students enrolled, and the maximum student enrollment.
- Institutions disclosing the information they must include on their Internet course schedules for required and recommended textbooks and supplemental material are encouraged to provide information on
  - renting textbooks;
  - purchasing used textbooks;
  - textbook buy-back programs; and
  - alternative content delivery programs.

The HEOA also requires the Government Accountability Office (GAO) to study the implementation of this section and report to Congress (See Non-institutional Studies, Reports, and Summits, U.S. Government Accountability Office (GAO) Studies and Reports, Textbook Information)

The Secretary is prohibited from regulating on this section of the HEA, but will monitor institutions and review student complaints relating to these provisions.

Federal Database of Student Information Prohibited
HEOA section 113 **HEA section 134**

Effective date: August 14, 2008

The HEOA prohibits the development, implementation, or maintenance of a Federal database of personally identifiable information on students, including a student unit record system, an education bar code system, or any other system that tracks individual students over time. The prohibition does not apply to a system, or successor system, that is necessary for the operation of programs authorized by Title II, IV, or VII of the HEA, and was in use by the Secretary, directly or through a contractor, prior to August 14, 2008, which includes, for example, the Integrated Postsecondary Education Data System (IPEDS) and the Common Origination and Disbursement (COD) system. The HEOA makes clear that it does not prohibit a State or a consortium of States from developing, implementing, or maintaining State-developed databases that track individuals over time, including student unit record systems that contain information related to enrollment, attendance, graduation and retention rates, student financial assistance, and graduate employment outcomes.

In-State Tuition Rates for Armed Forces Members and Their Families

HEOA section 114 **HEA section 135**

Effective date: The first period of enrollment that begins after July 1, 2009

The HEOA prohibits public institutions of higher education from charging a member of the armed forces who is on active duty for a period of more than 30 days, and whose domicile or permanent duty station is in a State that receives assistance under the HEA, his or her spouse, or his or her dependent children, tuition at a rate higher than the public institution's in-State tuition rate for residents of the State. In addition, if a member of the armed forces who is on active duty, his or her spouse, or his or her dependent child pays such an in-State tuition rate, the public institution must allow the individual to continue to pay such a rate as long as the individual is continuously enrolled, even if there is a subsequent change in the permanent duty station of the member to a location outside of the State. This provision is effective at each public institution of higher education in a State that receives assistance under the HEA for the first period of enrollment at the institution that begins after July 1, 2009.

The terms "armed forces" and "active duty for a period of more than 30 days" have the meanings given in section 101 of Title 10 of the U.S.C. as follows:

- The term "armed forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard.
- The term "active duty for a period of more than 30 days" means active duty under a call or order that does not specify a period of 30 days or less. The term "active duty" means full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.

State Higher Education Information System Pilot Program

HEOA section 115 **HEA section 136**

Effective date: August 14, 2008

The HEOA establishes a pilot program to assist up to five States in developing State-level postsecondary student data systems to

- improve the capacity of States and institutions to generate more comprehensive and comparable data, in order to develop better-informed educational policy at the State level and to evaluate the effectiveness of institutional performance, while protecting the confidentiality of students' personally identifiable information; and
- identify how to best minimize the data-reporting burden placed on institutions, particularly smaller institutions, and to maximize and improve the information institutions receive from the data systems, in order to assist institutions in improving educational practice and postsecondary outcomes.

The grants, awarded on a competitive basis for a period of up to three years, may be awarded to (1) a State higher education system, or (2) a consortium of State higher education systems, or a consortium of individual institutions, that is broadly representative of institutions in different sectors and geographic locations.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

The HEOA also requires the Secretary to report on the evaluation of the pilot program to Congress (see Non-institutional Studies, Reports, and Summits, U. S. Department of Education Studies and Reports, State Higher Education Information Pilot Program Report).

State Commitment to Affordable College Education
HEOA section 116 **HEA section 137**
Effective date: August 14, 2008

The HEOA requires from each State a maintenance of effort (MOE) for the State to receive funding under the College Access Challenge Grant program authorized under section 781 of the HEA. For any academic year beginning on or after July 1, 2008, the required MOE is the amount equal to or greater than (1) for public institutions in the State, the average amount provided for non-capital and non-direct research and development expenses or costs by the State to the public institutions during the five most recent academic years for which satisfactory data are available; and (2) for private institutions in the State, the average amount provided for student financial aid for paying postsecondary education costs by the State to private institutions during the five most recent academic years for which satisfactory data are available. The Secretary must waive the MOE under exceptional or uncontrollable circumstances. The Secretary must accommodate States with biennial appropriations cycles.

It is important to note that the Department does not currently have the information necessary to determine the MOE for each State. In the coming months, the Department will ask appropriate State officials to certify in the College Access Grant Program performance reports their State expenditures for higher education.

Performance-based Organization for the Delivery of Federal Student Financial Assistance
HEOA sections 117 and 118 **HEA sections 141 and 142**
Effective date: August 14, 2008
The HEOA makes the following changes to the portion of the HEA governing the Performance-based Organization (PBO)—the Department's Federal Student Aid office:

- changes the responsibilities of the PBO in section 141 of the HEA from managing the operational functions of the Federal Student Aid (FSA) programs, to managing the administrative and oversight functions of the FSA programs;
- adds to the PBO functions in section 141 of the HEA the responsibility for ensuring the integrity of the FSA programs;
- in section 141 of the HEA, requires the Secretary to provide a briefing, upon request, to Congress on the steps the Secretary has taken to ensure the integrity of the student loan programs and that lenders and guaranty agencies are adhering to Title IV requirements;
- in section 142 of the HEA, directs the PBO, through the Chief Operating Officer, to the maximum extent possible, to utilize procurement systems that streamline operations, improve internal controls, and enhance management, and to assess the efficiency of such systems and the systems' ability to meet PBO requirements;
- changes the information to be submitted by offerors during the PBO procurement process in section 142 of the HEA to include any past performance of the offeror, not just past performance on Federal Government contracts; and
- in section 142 of the HEA, changes one of the procedures by which the PBO may award the contract for the procurement of a module under modular contracting, or under any simplified procedures prescribed by the PBO, from a sole source basis, to a single source basis. A single source basis means that the contract is awarded to a source after soliciting an offer or offers from, and negotiating with, only such a source (although the source is not the only source in the marketplace capable of meeting the need) because such source is the most advantageous source for purposes of the award.

Certification Regarding the Use of Certain Federal Funds
HEOA section 119 **HEA section N/A**
Effective date: August 14, 2008
The HEOA stipulates that no Federal funds received under the HEA may be used to pay any person for influencing or attempting to influence

- an officer or employee of any agency;
- a Member of Congress;
- an officer or employee of Congress; or
- an employee of a Member of Congress.

This prohibition applies to

- awarding of a Federal contract;
- making of a Federal grant;
- making of a Federal loan;
- entering into a Federal cooperative agreement; and

- extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

The HEOA further states that no Federal student aid funding under the HEA may be used to hire a registered lobbyist or to pay any person or entity for securing an earmark. Institutions receiving funds under the HEA will have to certify their compliance with these requirements annually. The Secretary is directed to ensure that these provisions are implemented and enforced.

Required Education Loan Borrower Disclosures by Lenders, Institutions of Higher Education, and Institution-Affiliated Organizations
HEOA section 120 **HEA sections 151-154**
Effective Date: August 14, 2008, unless otherwise noted

The HEOA amended Title I of the HEA by requiring significant new disclosures to borrowers of education loans and related institutional and lender reporting to the Department. The required borrower disclosures apply to both Title IV student loans and private education loans, and are required of institutions of higher education, institution-affiliated organizations, and lenders. The disclosures for private education loans are based in the Truth in Lending Act (TILA), and the Department is directed to work with the Board of Governors of the Federal Reserve System to implement these requirements.

The Department is required, no later than February 14, 2010 (18 months after the HEOA's enactment), to determine the minimum information that lenders, institutions, and institution-affiliated organizations that are involved in FFEL loan preferred lender arrangements must provide to prospective and current students of such institutions and their families. To identify the minimum information requirements, the Department is directed to consult with the Board of Governors of the Federal Reserve System, and with students, the families of students, institutional representatives (including financial aid administrators, admissions officers, and business officers), representatives of institution-affiliated organizations, secondary school guidance counselors, and representatives of lenders, lender servicers, and guaranty agencies. The Department must include the information required by new section 128(e)(1) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act--Private Education Loan Disclosure and Limitations) modified as necessary for FFEL Program purposes, and to consider for inclusion other information such as annual and aggregate loan limits, the terms and conditions of the loans, costs of borrowing (required fees and accrued interest based on loan type and repayment plan), the consequences of default, bankruptcy limitations, and lender contact information.

Finally, the Department must develop a model disclosure form, similar in format to a comparable form being developed by the Federal Reserve, that may be used by covered institutions, institution-affiliated organizations, and lenders in FFEL preferred lender arrangements that will be easily usable, particularly by students and families, to permit students and families to compare private education loans and FFEL loans.

Definitions

For the purpose of discussing the specific education loan disclosure and reporting requirements, the following definitions apply:

Education loan—any FFEL, Direct Loan, or private education loan.

Private education loan—has the meaning given the term in section 140 of the TILA and means a loan provided by a private educational lender that is not a Title IV loan, is issued expressly for the postsecondary educational expenses of the borrower regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender, and does not include an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling.

Covered institution—any institution of higher education, as that term is defined in section 102 of the HEA, which receives any Federal funding or assistance.

Institution-affiliated organization—any organization that is directly or indirectly related to a covered institution, and is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students. Such an organization may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization of a covered institution.

Lender—an eligible lender in the FFEL Program, the Department for the purpose of the Direct Loan Program, and a private educational lender as defined in section 140 of the TILA for purposes of private educational loans.

Preferred lender arrangement—an arrangement or agreement between a lender and a covered institution, or an institution-affiliated organization of such covered institution, (1) under which the lender provides or otherwise issues education loans to students attending such covered institution or the families of such students and (2) involves the covered institution or institution-affiliated organization recommending, promoting, or endorsing the lender's education loan products. Such an arrangement does not include an institution participating in the Direct Loan Program or arrangements or agreements under the PLUS auction pilot program (see Title IV—Student Assistance, Title IV Programs—General, Competitive Loan Auction Pilot Program for Federal FFEL Parent PLUS Parent Loans).

Officer—a director or trustee of a covered institution or institution-affiliated organization, if the director or trustee is treated as an employee of the institution or organization.

Agent—an officer or employee of a covered institution or institution-affiliated organization.

Required borrower disclosures by covered institutions and institution-affiliated organizations that participate in a preferred lender arrangement

A covered institution or an institution-affiliated organization that participates in a preferred lender arrangement must disclose on the institution's or organization's website and in all other informational materials that describe or discuss educational loans

- a list of the specific lenders that the institution or organization recommends, promotes, or endorses for FFEL or private education loans as part of the preferred lender arrangement;
- the preferred lender list disclosures required under section 487(h) of the HEA (see Title IV—Student Assistance, Title IV Programs—General, Program Participation Agreement, Preferred Lender Lists);
- the maximum amount of Federal grant and Title IV loan assistance available to students who attend the institution, in an easily understood format;
- for FFEL loans, any additional information identified by the Department, in consultation with the Board of Governors of the Federal Reserve, as the "minimum information" that must be made available to prospective FFEL borrowers and their families;
- for each type of FFEL loan, a statement that the covered institution must process the documents required to obtain a FFEL loan from any eligible FFEL lender the student or parent selects;
- for each type of private education loan by the covered institution to the institution's students and their families, the information required to be disclosed under section 128(e)(11) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act--Private Education Loan Disclosure and Limitations);
- for each type of private education loan by an institution-affiliated organization of a covered institution to the affiliated institution's students and their families, the information required to be disclosed under section 128(e)(1) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act--Private Education Loan Disclosure and Limitations); and
- for prospective borrowers of private education loans, in a manner that is distinct from information provided on Title IV loans, a prominent statement that the prospective borrower may qualify for Title IV grants and loans, and that the terms and conditions of Title IV loans may be more favorable than the terms and conditions of private education loans.

All other "informational materials" for this purpose include publications, mailings, or electronic messages or materials that describe or discuss the financial aid opportunities available to students at the covered institution and that are distributed to prospective or current students of a covered institution and their families.

Required reporting by covered institutions and institution-affiliated organizations

Each covered institution and each institution-affiliated organization that has a preferred lender arrangement for the purpose of offering FFEL or private education loans to the institution's students or their families must submit an annual report to the Department, by

a date determined by the Department, that includes for each lender with which the institution or organization has such an agreement

- the minimum loan information the Department identifies and requires to be disclosed to students or their families on FFEL loans;
- the minimum loan information required to be disclosed on private education loans under section 128(e)(11) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act--Private Education Loan Disclosure and Limitations);
- a detailed explanation of the reasons the institution or organization entered into the preferred arrangement, including why the terms, conditions, and provisions of each type of education loan provided under the arrangement are beneficial to the institution's students or their families.

Covered institutions and institution-affiliated organizations must make this annual report available to the public and provide it to current and prospective students and their families.

Other covered institution and institution-affiliated requirements

Required code of conduct

Each covered institution and each institution-affiliated organization that has a preferred lender arrangement for the purpose of offering FFEL or private education loans must comply with the code of conduct that is required under section 487(a)(25) of the HEA by institutions of higher education participating in the Title IV student loan programs (see Title IV—Student Assistance, Title IV Programs—General, Program Participation Agreement, Code of Conduct). Each covered institution or institution-affiliated organization must administer and enforce the code of conduct, and must annually inform any of its agents who have responsibilities with respect to education loans of the code's provisions. A covered institution-affiliated organization that has a website must post its code of conduct prominently on its website.

Requirements for institutions and institution-affiliated organizations in marketing or providing information on private education loans

A covered institution or an institution-affiliated organization in a preferred lender arrangement for private education loans is prohibited from agreeing, in the marketing of those loans, to the lender's use of the institution's or organization's name, emblem, mascot, or logo, or of other words, pictures, or symbols readily identified with the institution or organization, in a manner that implies that the loan is offered or made by the institution or organization. The covered institution or institution-affiliated organization must also ensure that the name of the lender is displayed in all information and documentation related to all private education loans.

Required lender disclosures

Lenders must provide disclosures to all FFEL borrowers and borrowers of private education loans regardless of any preferred lender arrangement with an institution or institution-affiliated organization. Required lender disclosures for FFEL borrowers are

found in section 433 of the HEA, and changes made by section 434 of the HEOA to those requirements are discussed elsewhere in this letter (See Title IV—Student Assistance, FFEL Program, Other Borrower Disclosure Requirements). For each private education loan, a lender must provide the disclosures required by section 128(e) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act--Private Education Loan Disclosure and Limitations).

Required lender reporting and certification

Lender reports to institutions and institution-affiliated organizations
A lender that has a FFEL preferred lender arrangement with a covered institution or an institution-affiliated organization of an institution must provide to that entity annually, by a date determined by the Secretary, any information that is included in the Department's identified minimum information requirements for each type of FFEL loan that the lender plans to offer to students and their families under the preferred lender arrangement during the next award year.

Lender reports to the Department
All FFEL lenders must report to the Department annually

- any reasonable expenses paid to any agent of a covered institution who is employed in the financial aid office or has other responsibilities with respect to education loans or other student financial aid of the institution for service on a lender advisory board, commission, or group established by a lender or a group of lenders; and
- any similar expenses paid or provided to any agent of an institution-affiliated organization who is involved in recommending, promoting, or endorsing education loans.

Each report must include

- the dates and a brief description of each activity for which expenses were paid or provided;
- the amount paid for each instance of lender-covered expenses; and
- the name of the agent paid or for whom expenses were provided.

Lender certification
No later than February 14, 2010 (18 months after August 14, 2008, the date of enactment of the HEOA), any FFEL lender participating in a FFEL preferred lender arrangement must certify to its compliance with the requirements of the HEA. A FFEL lender's compliance with the requirements of section 120 of the HEOA must be reported on as part of the lender's annual compliance audit.

Required loan information and model disclosure form for institutions in the Direct Loan Program
No later than 180 days after the model disclosure form is developed, the Department must provide institutions that participate in the Direct Loan Program with completed forms that contain the same minimum loan information on Direct Loans as must be provided on FFEL loans by institutions participating in the FFEL Program. The

institution may use the Department-supplied model form to provide this information or may use a comparable form designed by the institution.

Institutions in the Direct Loan Program must make this information available to their prospective and current students and their families. If the institution also provides information on private education loans to its prospective students, it must concurrently provide the Direct Loan information.

Self-certification Form for Private Education Loans
HEOA section 1021(b) **HEA section 155**
Effective date: August 14, 2008

The HEOA requires that the Secretary, in consultation with the Board of Governors of the Federal Reserve System, develop the self-certification form for private education loans that will be used to satisfy the requirements of section 128(e)(3) of the TILA. The form must

- be developed in a standardized format;
- be made available to the applicant by the relevant institution of higher education, in written or electronic form, upon request of the applicant;
- contain only disclosures that
  - the applicant may qualify for Federal student financial assistance through a program under Title IV of the HEA, or State or institutional student financial assistance, in place of, or in addition to, a private education loan;
  - the applicant is encouraged to discuss the availability of Federal, State, and institutional student financial assistance with financial aid officials at the applicant's institution;
  - a private education loan may affect the applicant's eligibility for free or low-cost Federal, State or institutional student financial assistance; and
  - the information that the applicant is required to provide on the form is available from officials at the financial aid office of the institution of higher education;
- include a place to provide information on
  - the applicant's cost of attendance at the institution, as determined by the institution under Part F of Title IV of the HEA (Need Analysis);
  - the applicant's expected family contribution (EFC), as determined under Part F of Title IV of the HEA, as applicable, for students who have completed the FAFSA;
  - the applicant's estimated financial assistance, as determined by the institution, in accordance with Title IV of the HEA, as applicable;
  - the difference between the cost of attendance and the estimated financial assistance, as applicable; and
  - the sum of EFC and the difference between the cost of attendance and the estimated financial assistance, as applicable; and
- include a place for the applicant's signature, in written or electronic form.

The HEOA makes clear that nothing in this section shall be construed to create a private right of action against an institution with respect to the developed form.

Title II--Teacher Quality Enhancement

Definitions

HEOA section 201(1) **HEA section 200**

Effective date: August 14, 2008

The HEOA inserts before Part A of Title II of the HEA a new section 200 that defines terms used throughout Title II.

Teacher Quality Partnership Grants (Part A)

New Partnership Grants

HEOA section 201(2) **HEA sections 201-202**

Effective date: August 14, 2008

The HEOA in section 202(d), (e), (f) and (g) of the HEA authorizes a new partnership grant program that, depending on the activities that applicants propose, can have up to four possible components

- Pre-Baccalaureate Preparation of Teachers;
- Establishment of Teaching Residency Programs;
- Development of Leadership Programs; and
- Partnership with Digital Education Content Developer.

Of these, (d) and (e) are required uses of funds, whereas (f) and (g) are allowable uses of funds.

Eligible partnerships must include (1) an eligible partner institution of higher education, (2) a teacher preparation program (3) a school or department of arts and science, (4) at least one high-need local educational agency, and (5) either (a) a high-need school or a consortium of high-need schools served by the high-need local educational agency; or (b) as applicable, a high-need early childhood education program.

These programs are not currently funded and cannot be implemented until funding is provided by Congress.

Pre-Baccalaureate Preparation of Teachers

Under section 202(d) of the HEA, eligible partnerships whose partnership grant supports the pre-baccalaureate preparation of teachers must implement a program that includes

- reforms that hold teacher education programs accountable for promoting strong teaching skills and an understanding of sound practices and scientifically-based research relating to teaching and learning, and for preparing teachers to be highly qualified, or in the case of early childhood education, highly competent, and to understand practice and research related to teaching and learning;
- development and improvement of sustained and high-quality pre-service clinical education programs to further develop the teaching skills of prospective teachers and, if applicable, early childhood educators;
- creation of induction programs for new teachers, or in the case of an early childhood education program, providing mentoring or coaching;

- implementation of initiatives that increase compensation for early childhood educators who attain associate or baccalaureate degrees in early childhood education;
- development and implementation of effective mechanisms to ensure that partnerships are able to recruit qualified individuals to become highly qualified teachers; and
- strengthening of the literacy teaching skills of prospective and new elementary and secondary school teachers.

Establishment of Teaching Residency Programs

Under section 202(e) of the HEA, eligible partnerships whose partnership grant supports the establishment of a teaching residency program must implement a program that includes the following activities:

- supporting a teacher residency program for high-need subjects and areas, as determined by the needs of the high-need local educational agency in the partnership;
- placing graduates of the teaching residency program in cohorts that facilitate professional collaboration; and
- ensuring that teaching residents who participate in the program receive effective pre-service preparation, teacher mentoring, and support required through the induction program as the teaching residents enter the classroom as new teachers.

Individuals who are selected to be teacher residents, and who apply to receive a one-year living stipend or salary, must

- sign an agreement to serve as a full-time highly-qualified teacher for not less than three academic years immediately after successfully completing the one-year teaching residency program, in a high-need school in a high-need local educational agency in the eligible partnership, and in a subject or area that is designated as high-need by the partnership;
- document such service to the partnership;
- repay the stipend or salary to the eligible partnership, with interest, at a rate specified by the partnership in the agreement if the individual fails to comply with the service agreement; and
- comply with such other terms and conditions in the agreement that defer or discharge repayment of the stipend or salary.

Development of Leadership Programs

Under section 202(f) of the HEA, an eligible partnership that receives funding to conduct a pre-baccalaureate teacher preparation program or teacher residency program may also receive funding to conduct a project for the Development of Leadership. This effective school leadership component includes the following activities:

- preparing individuals enrolled or preparing to enroll in school leadership programs for careers as superintendents, principals, early childhood education program directors, or other school leaders;
- promoting strong leadership skills and, as applicable, techniques for school leaders to effectively use and rely on data, provide a climate conducive to professional development of teachers, understand the teaching and assessment skills needed to support successful classroom instruction and use data to evaluate teacher performance, manage resources and time to improve academic achievement, engage

and involve parents and other community stakeholders, and understand how students learn in order to increase academic achievement;
- ensuring that individuals who participate in the school leadership program receive effective pre-service preparation, mentoring, and any needed full State certification or licensure;
- developing and improving a sustained and high-quality pre-service education program to further develop leadership skills;
- creating an induction program for new school leaders; and
- developing and implementing effective mechanisms to ensure the ability to recruit qualified individuals to become school leaders.

Partnership with Digital Education Content Developer
Under section 201(g) of the HEA, an eligible partnership that receives a grant to implement a pre-baccalaureate teacher preparation program or teacher residency program may also receive funding to implement a partnership with digital education content developer to partner with a television public broadcast station, or other entity that develops digital educational content, to improve the quality of the services or training provided under those programs.

Administrative Provisions
HEOA section 201(2) **HEA section 203**
Effective date: August 14, 2008
The section contains administrative provisions for the Title II, Part A partnership grants. Grants made under this Part shall be awarded for five years and no partnership may receive more than one award during a five year period. These include requirements that the Secretary have applications evaluated by a peer review panel, determine which applications to fund on the basis of the peer review process, including certain specified priorities. The section also includes a requirement that each eligible partnership that receives a grant must, from non-Federal sources, match an amount equal to 100 percent of the amount of the grant unless the Secretary waives all or part of the matching requirements because of serious hardship or the partnership's inability to carry out authorized activities. This section also requires the Secretary, in funding applications, to give priority to
- partnerships that include a teacher preparation program that has a rigorous selection process to ensure the highest quality of students entering such program;
- partnerships that involve businesses and community organizations; or
- partnerships that result in an equitable geographic distribution of grants among rural and urban areas.

Accountability and Evaluation
HEOA section 201(2) **HEA section 204**
Effective date: August 14, 2008
This section requires each eligible partnership that submits an application to include in the application an evaluation plan that includes strong and measurable performance objectives as the law specifies. The section also requires each eligible partnership to keep members of their education communities aware of grant activities, and directs the

Secretary to discontinue funding for any grant recipient that by the end of the third year of the grant is not making substantial progress.

Accountability for Programs That Prepare Teachers
HEOA section 201(2) **HEA section 205**
Effective date: August 14, 2008

Section 205(a) of the HEA requires each institution of higher education that conducts a traditional teacher preparation program or alternative route to State certification and that enrolls students receiving Federal assistance under the HEA to report annually to the State and the general public, the following:

- goals and assurances;
- pass rates and scaled scores on assessments used for teacher certification or licensure;
- program information, including criteria for admissions, the number of students in the program, the average number of hours of supervised clinical experience, the number of full-time equivalent faculty and students in the supervised clinical experience, and the total number of students who have been certified or licensed as teachers;
- in States that require approval or accreditation of teacher preparation programs, a statement of whether the institution's program is approved or accredited and by whom;
- whether the program has been designated as low-performing by the State;
- a description of the activities that prepare teachers to integrate technology effectively; and
- a description of the activities that prepare general education and special education teachers to teach students with disabilities effectively.

Section 205(b) of the HEA requires each State that receives funds under the HEA to provide the Secretary and the general public an annual State report card on the quality of teacher preparation programs and alternative routes to State certification or licensure programs.

Both sections 205(a) and (b) requires institutions of higher education and States to report in a uniform and comprehensive manner conforming to definitions and methods that the Department establishes. In addition, section 205(c) of the HEA requires the Secretary to develop regulations to ensure the reliability, validity, integrity, and accuracy of the data submitted under this section.

Section 205(d) of the HEA requires the Secretary to annually provide to Congress a report card on teacher qualifications and preparations in the United States, including all the information reported by institutions and States under this part.

Teacher Development
HEOA section 201(2) **HEA section 206**
Effective date: August 14, 2008

The HEOA requires each institution of higher education that conducts a traditional teacher preparation program or alternative route to State certification or licensure, and that enrolls students receiving Federal assistance under the HEA, to set annual

quantifiable goals for increasing the number of prospective teachers trained in teacher shortage areas designated by the Secretary or by the State educational agency. Each institution that is required to set these annual goals also must provide specific assurances to the Secretary regarding the preparation including that they are being responsive to the needs of school districts in which the institution's graduates are likely to teach, that those training in special education receive adequate instruction in teaching core academic subjects, and that those training to be general education teachers receive training to teach to the needs of diverse populations.

State Functions
HEOA section 201(2) **HEA section 207**
Effective date: August 14, 2008
The HEOA requires that, in order to receive funds under the HEA, a State must conduct an assessment to identify low-performing traditional teacher preparation programs alternative routes to certification in the State, provide technical assistance to such programs, and provide the Secretary with an annual list of such programs. The HEOA, in section 207(b) of the HEA, provides that any teacher preparation program from which the State has withdrawn the State's approval, or terminated the State's financial support due to the low performance

- is ineligible for any funding for professional development activities awarded by the Department;
- is not permitted to accept or enroll any student who receives aid under Title IV of the HEA in the institution's teacher preparation program;
- must provide transitional support for students enrolled at the time of termination of financial support or withdrawal of approval; and
- must be reinstated upon demonstration of improved performance, as determined by the State.

General Provisions and Authorization for Appropriations
HEOA section 201(2) **HEA sections 208-209**
Effective date: August 14, 2008
The HEOA, in sections 208 and 209 of the HEA, sets forth the General Provisions and Authorization of Appropriations, respectively. Among the general provisions is a requirement in section 208(c) that a State receiving HEA funds or that participates in a partnership or consortium that does so must provide to a teacher preparation program, upon request, any information (described in section 208(c)(2)) that (1) will enable the program to evaluate the effectiveness of its graduates and the program itself, and (2) is possessed, controlled, or accessible by the State.

<u>Enhancing Teacher Education (Part B)</u>

Preparing Teachers for Digital Age Learners
HEOA section 201(3) **HEA sections 230-234**
Effective date: August 14, 2008
The HEOA creates a new program in Part B, Subpart I, in which the Secretary may award grants or contract with eligible consortia to prepare teacher candidates to teach in a

technology-rich environment, and to assess the effectiveness of teacher preparation programs in helping future teachers develop these skills.

Grants, contracts, or cooperative agreements under this section may not exceed $2,000,000, will run for three years, and may be renewed for one additional year. The Federal share of the cost for any project funded under this section may not exceed 75 percent.

This program establishes two types of grants to support each of the two types of projects that may be funded. While more details of how funds may be used are listed in sections 232(b) and (c) of the HEA, in general

- partnership grants may be used to develop long-term partnerships among members of the consortium that are focused on using technological resources to connect teacher candidates with high-need schools; and
- transformation grants may be used to transform the way in which teacher preparation programs teach technology integration to their students.

At least 10 percent of the awarded funds must be used to evaluate the effectiveness of the project.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Honorable Augustus F. Hawkins Centers of Excellence
HEOA section 201 **HEA sections 241-242**
Effective date: August 14, 2008
The HEOA creates a new program in Part B, Subpart 2, to award competitive grants to eligible institutions to establish centers of excellence. These centers will have a focus on preparing future teachers and retraining or recruiting faculty to serve as highly qualified teachers by promoting the understanding and use of scientifically valid research and advanced technology in the classroom. More specific uses of funds are outlined in section 242(b) of the HEA.

Eligible institutions under section 241 of the HEA include a Title III and V institution, a consortium of Title III and V institutions, and/or a consortium of Title III and V institutions that has partnered with another institution of higher education, as long as the center of excellence is located at the Title III or V institution.

An eligible institution receiving funding under this subpart may use no more than two percent of the award to administer the grant.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Preparing General Education Teachers to More Effectively Educate Students with Disabilities

HEOA section 201(3) **HEA section 251**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program in Subpart 3 for eligible partnerships to improve the preparation of general education teacher candidates to effectively instruct students with disabilities in general education classrooms.

Awardees may use funds to strengthen a teacher preparation program, to provide an extensive clinical experience that continues during the first two years of full-time teaching for program participants, as well as to develop and administer alternate assessments of students with disabilities.

Applications under this section will be assessed by a peer review group, consisting of recognized experts in the fields of special education, teacher preparation, and general education.

Grantees under this section are responsible for conducting an evaluation at the end of the grant period to determine the effectiveness and systemic impact of their activities. Grantees will report their findings to the Secretary. Within 180 days after the last day of the grant period under this section, the Secretary will report to Congress and the public the findings and information on best practices.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Adjunct Teacher Corps
HEOA section 201 **HEA section 255**
Effective date: August 14, 2008
The HEOA creates a new competitive grant program in Subpart 4 for eligible entities to identify, recruit, and train professionals and other individuals not employed in the elementary and secondary education system with expertise in mathematics, science, or critical foreign languages to teach in secondary schools on an adjunct basis. An eligible entity is defined as (1) a local educational agency; or (2) a partnership consisting of a local educational agency, serving as a fiscal agent, and a public or private educational organization or business.

Section 255(f) of the HEA outlines the application requirements, which include: a description of the need for and expected benefit of using adjunct content specialists; a plan for determining qualification criteria for specialists, recruitment, training, and assessment of specialists; a plan for the continuation of the project after the grant has expired; and an assurance that the use of adjunct content specialists will not cause the displacement or transfer of currently employed teachers.

In evaluating applications under this section, priority will be given to those that plan to

- serve the schools served by the local educational agency with a large number or percentage of students performing below grade level in mathematics, science, or critical foreign language;

- serve the local educational agencies that have a large number or percentage of students from low-income families; and
- recruit and train adjunct teachers in schools lacking sufficient instructors in mathematics, science, or critical foreign language.

Eligible entities awarded a grant must meet a 100 percent match from non-Federal sources to carry out activities supported by the grant.

Grantees must submit a final report on the results of the activities supported by the grant to the Secretary. The Secretary must evaluate these activities, including the impact of the activities on student academic achievement, and will report these results to Congress.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Graduate Fellowships to Prepare Faculty in High-Need Areas at Colleges of Education
HEOA section 201(3) **HEA section 258**
Effective date: August 14, 2008
In Subpart 5, the HEOA creates a grant program for eligible institutions to make graduate fellowship awards to students pursuing a doctoral degree and who are preparing to become highly qualified elementary and secondary school mathematics and science teachers, special education teachers, and teachers of limited English proficient students.

To receive a graduate fellowship, students must be maintaining satisfactory academic progress and devoting full-time study or research in the pursuit of the degree funded by the scholarship. Furthermore, fellowship recipients may not be engaged in gainful employment, other than part-time employment related to teaching, research, or a similar activity consistent with progress toward the degree.

As a condition of receiving funding, under section 258(e)(3) of the HEA, fellows under this section that earn a doctoral degree must sign an agreement with the Secretary, committing to teach for one year at an institution of higher education that has a teacher preparation program for each year a fellowship was awarded.

Institutions receiving funding must provide an assurance to the Secretary that the institution has taken steps to determine that fellowship recipients plan to begin their service requirement within three years. While there are penalties should a fellowship recipient fail to comply with this agreement, the Secretary may waive or modify the service requirement in cases outlined in section 258(e)(3)(E) of the HEA.

If an individual receiving a fellowship does not comply with the service requirement, the sum of the amounts received, plus interest accrual from the date the fellowship was awarded, shall be converted to a Federal Direct Unsubsidized Stafford Loan under Part D of Title IV of the HEA.

Institutions may not reserve more than 10 percent of grant funds for academic and career transition support for graduate fellowship recipients and for meeting the institutional obligation described in section 258(e)(3)(B) of the HEA. Additionally, eligible institutions may not use grant funds for general operational overhead of the institution.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

General Provisions (Part C)

HEOA section 201(3) **HEA section 261**

Effective date: August 14, 2008

The HEOA prohibits Federal control over any aspect of private, religious, or home schooling, whether or not a home school is treated as a private school or home school under State law. The HEOA also permits private, religious, or home school participation in programs or services under Title II of the HEA.

Title II of the HEA does not encourage or require any change in the State's treatment of private, religious, or home schools, whether or not a home school is treated as a private school or home school under State law.

The Secretary is prohibited from establishing or supporting any national system of teacher certification or licensure.

None of the rights, remedies, and procedures afforded to the employees of local educational agencies under Federal, State, or local laws is altered by Title II of the HEA.

Title III—Institutional Aid

Strengthening Institutions

Program Purpose

HEOA section 301 **HEA section 311**

Effective date: August 14, 2008

The HEOA modifies the authorized grant activities under Part A of Title III of the HEA, Strengthening Institutions.

Definitions; Eligibility

HEOA section 302 **HEA section 312**

Effective date: August 14, 2008

The HEOA defines "low-income individual" to be an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

American Indian Tribally Controlled Colleges and Universities

HEOA section 303 **HEA section 316**

Effective date: August 14, 2008
The HEOA clarifies the definition of a "Tribal College or University" as an institution that (1) qualifies for funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Assistance Act of 1978 (25 U.S.C. 640a note); or (2) is cited in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note). The HEOA also amends examples of authorized activities to include

- construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services, and the acquisition of real property adjacent to the campus of the institution on which to construct such facilities;
- instruction in tribal governance or tribal public policy;
- education or counseling services designed to improve the financial literacy and economic literacy of students or the students' families; and
- developing or improving facilities for Internet use or other distance education technologies.

The HEOA further specifies that the Secretary may reserve 30 percent of the funds appropriated to award one-year grants of not less than $1,000,000 for institutional construction, maintenance, and renovation needs, with a preference given to institutions that did not receive an award under this section for a prior fiscal year. A formula to allot the remaining funds, with a minimum grant of $500,000, is provided and is based on a distribution by which 60 percent of the remaining funds are allocated using a pro rata basis that is based on respective Indian student counts, for which data will need to be collected, and where the other 40 percent of the remaining funds are distributed equally among eligible Tribal Colleges or Universities. An institution that receives funds under this program cannot also receive funding under Part A or B of Title III or Part A of Title V of the HEA. The Tribal Colleges or Universities program authorized by the HEOA under Part A of Title III of the HEA is different than the Tribal Colleges or Universities program authorized under the College Cost Reduction and Access Act (CCRAA) and moved to Part F of Title III of the HEA. The Part F Tribal Colleges or Universities program is a competitive grant program with mandatory funding through FY 2009. While both programs serve similar institutions, the Part F Tribal Colleges or Universities program supports the development of institutions that enroll Native American students, but are not controlled by Tribal governments.

Alaska Native and Native Hawaiian-serving Institutions
HEOA section 304 **HEA section 317**
Effective date: August 14, 2008
The HEOA amends the authorized grant activities under the Alaska Native and Native Hawaiian-serving Institutions Program to include education or counseling services designed to improve the financial literacy and economic literacy of students or the students' families.

Predominantly Black Institutions

HEOA section 305 **HEA section 318**
Effective date: August 14, 2008
The HEOA creates a new institutional grant program under Part A of Title III of the HEA with the purpose of assisting Predominantly Black Institutions (PBI) in expanding educational opportunity. The HEOA defines a PBI as an eligible institution under section 312(b) of Title III of the HEA with at least 1,000 undergraduate students, of which at least 50 percent of the enrolled undergraduates are low-income individuals or first-generation college students, and at of whom at least 50 percent of the undergraduate students are enrolled in a bachelor's or associate's degree program that the institution is licensed to award by the State in which it is located. The HEOA lists the requirements to be an eligible institution. One of the requirements is an enrollment of undergraduates that is at least 40 percent Black American students. Another requirement is that the institution of higher education has an enrollment of needy undergraduate students, as that term is defined in the HEOA. The HEOA provides a priority for awarding grants and specifies both required grant activities and other authorized grant activities. Grant funds are allotted on a formula basis with a minimum grant of $250,000 but can be ratably reduced if funding is insufficient. The HEOA forbids PBIs which receive a grant under this section from receiving funds under any other provision of Part A or B of Title III, or Part A of Title V of the HEA. The PBI program authorized by the HEOA under Part A of Title III of the HEA is different than the PBI program authorized under the CCRAA and moved to Part F of Title III of the HEA. The Part F PBI program is a competitive grant program with mandatory funding through FY 2009. While the two programs serve similar institutions, the Part F PBI program awards 25 grants of $600,000 each annually for programs in STEM, health education, internationalization or globalization, teacher preparation or improving educational outcomes of African American males.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Native American-serving, Nontribal Institutions
HEOA section 306 **HEA section 319**
Effective date: August 14, 2008
The HEOA creates a new institutional grant program under Part A of Title III of the HEA with the purpose of providing grants and related assistance to Native American-serving, nontribal institutions (NASNI) to improve and expand their capacity to serve Native Americans and low-income individuals. The HEOA defines a NASNI as an institution of higher education that is an eligible institution under section 312(b) of the HEA, has an enrollment of undergraduate students that is not less than 10 percent Native American students and is not a Tribal College or University (as defined in section 316 of the HEA). The HEOA provides the following examples of authorized activities:

- the purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;
- renovation and improvement in classroom, library, laboratory, and other instructional facilities;
- support of faculty exchanges, and faculty development and faculty fellowships to assist faculty in attaining advanced degrees in the faculty's field of instruction;

- curriculum development and academic instruction;
- the purchase of library books, periodicals, microfilm, and other educational materials;
- funds and administrative management, and acquisition of equipment for use in strengthening funds management;
- the joint use of facilities such as laboratories and libraries;
- academic tutoring and counseling programs and student support services; and
- education or counseling services designed to improve the financial and economic literacy of students or the students' families.

The HEOA provides that a NASNI desiring to receive assistance under this section must submit to the Secretary enrollment data as may be necessary to demonstrate that the institution is a NASNI, along with other information and data required by the Secretary. Any institution that is determined by the Secretary to be a Native American-serving, nontribal institution may submit an application for a grant under this section. The Secretary shall, to the extent possible, continue to prescribe a simplified and streamlined format for applications that takes into account the limited number of institutions that are eligible for assistance under this section. An application must include a five-year plan for improving the assistance provided by the NASNI to Native Americans and low-income individuals, and other information and assurances required by the Secretary.

The minimum grant amount is set at $200,000 and the wait-out period in section 313(d) does not apply. The HEOA also provides that a NASNI may not concurrently receive grants under other provisions of Part A or B of Title III, or Part A of Title V of the HEA. The NASNI program authorized by the HEOA under Part A of Title III of the HEA is different than the NASNI program authorized under the CCRAA and moved to Part F of Title III of the HEA. The Part F NASNI program is a competitive grant program with mandatory funding through FY 2009. While the two programs are available to the same institutions, the Part F NASNI program awards grants to NASNIs to plan, develop, undertake, and carry out activities to improve and expand the NASNI's capacity to serve Native Americans.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Asian American and Native American Pacific Islander-serving Institutions
HEOA section 307 **HEA section 320**
Effective date: August 14, 2008
The HEOA creates a new institutional grant program under Part A of Title III of the HEA with the purpose of providing grants and related assistance to Asian American and Native American Pacific Islander-serving institutions (AANAPISI) to improve and expand their capacity to serve Asian Americans and Native American Pacific Islanders and low-income individuals. An AANAPISI is defined by the HEOA to be an institution of higher education that is eligible under section 312(b) of Title III of the HEA that, at the time of application, has not less than a 10 percent enrollment of undergraduates who are Asian Americans or Native American Pacific Islanders as defined in the HEOA. The

examples of authorized grant activities specified by the HEOA are the same as those for the grant program for NASNIs (see preceding entry), with the following additions:

- establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education;
- establishing or improving an endowment fund;
- academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;
- conducting research and data collection for Asian American and Native American Pacific Islander populations and subpopulations; and
- establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders.

The HEOA provides that each AANAPISI desiring to receive assistance under this section must submit to the Secretary enrollment data as may be necessary to demonstrate that the institution is an AANAPISI, along with such other information and data required by the Secretary. Any institution that is determined by the Secretary to be an AANAPISI may submit an application for a grant under this section. The application must include a five-year plan for improving the assistance provided by the AANAPISI to Asian American and Native American Pacific Islander students and low-income individuals; and other information and assurances required by the Secretary.

The HEOA also prohibits an AANAPISI receiving funds from concurrently receiving funds under other provisions of Part A or B of Title III, or Title V of the HEA. The AANAPISI program authorized by the HEOA under Part A of Title III of the HEA is different than the AANAPISI program authorized under CCRAA and moved to Part F of Title III of the HEA. The Part F AANAPISI program is a competitive grant program with mandatory funding through FY 2009. While both programs are available to the same institutions, the Part F AANAPISI program awards grants to AANAPISIs for activities described in section 311(c) of the HEA, which are the authorized activities for all Title III Part A programs.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

<u>Strengthening Historically Black Colleges and Universities</u>

Definitions
HEOA section 308 **HEA section 322(4)**
Effective date: August 14, 2008
The HEOA adds a requirement that the Secretary must consult with the Commissioner for Education Statistics, as well as with the Commissioner of the Bureau for Labor Statistics, to determine the professional and academic areas in which Blacks are underrepresented for purposes of Part B-the Strengthening Historically Black Colleges and Universities Program.

Expansion of Authorized Activities
HEOA section 309 **HEA section 323**
Effective date: August 14, 2008
The HEOA authorizes the following additional grant activities under the Historically Black Colleges and Universities (HBCU) Program:

- acquisition of real property in connection with the construction, renovation, or addition to or improvement of campus facilities;
- education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under Title IV; and
- services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose.

Minimum Allotment
HEOA section 310 **HEA section 324**
Effective date: August 14, 2008
The HEOA lowers the minimum allotment to HBCUs from $500,000 to $250,000. The HEOA also provides that, to receive an allotment under this program, an otherwise eligible institution must, in the academic year preceding the fiscal year for which funds are to be provided, have enrolled Federal Pell Grant recipients, have students successfully graduate, and have alumni who, within five years of graduation, attend graduate programs in which black students are underrepresented.

Professional or Graduate Institutions
HEOA section 311 **HEA section 326**
Effective date: August 14, 2008
The HEOA adds six institutions of higher education to the specified list of institutions eligible to receive grants under the Historically Black Graduate Institutions (HBGI) Program. The 18 institutions of higher educations previously included in this section will continue to receive grants, however, and the new institutions will only receive funding if Congress appropriates funds above a specified amount. The HEOA also specifies the following additional authorized grant activities:

- acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or addition to or improvement of campus facilities;
- education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under Title IV of the HEA;
- services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose; and
- tutoring, counseling, and student service programs designed to improve academic success.

It is further provided in the HEOA that no institution of higher education may receive a HBGI grant while also receiving a grant under new Title V, Part B of the HEA,

(Promoting Postbaccalaureate Opportunities for Hispanic Americans Program), or new Title VII, Part A, Subpart 4 of the HEA, (Master's Degree Programs at HBCUs and PBIs).

Unexpended Funds
HEOA section 312 **HEA section 327**
Effective date: August 14, 2008
The HEOA amends the use of unexpended funds under the Title III, Part B programs to allow for carryover of funds that were unexpended during the five-year period of the initial grant award to the succeeding five-year period if those funds were obligated for a grant-authorized purpose during the initial five-year grant award period.

Endowment Challenge Grants
HEOA section 313 **HEA section 331**
Effective date: August 14, 2008
The HEOA increases the award amounts under the Title III, Part C Endowment Challenge Grants. The minimum grant award is raised from $50,000 to $100,000, and the maximum grant award is raised from $500,000 to $1,000,000. Authority for the Secretary to provide technical assistance to eligible institutions to prepare and maintain an Endowment Challenge Grant is also provided by the HEOA.

Historically Black Colleges and Universities Capital Financing

Maximum Amounts
HEOA section 314 **HEA section 344**
Effective date: August 14, 2008
The HEOA increases the maximum amount of principal together with the accrued interest of outstanding bonds guaranteed under the HBCU Capital Financing Program to $1.1 billion.

Collateralization
HEOA section 314
Effective date: August 14, 2008 **HEA 343(b)**
The HEOA limits loan collateralization to 100 percent of the loan amount, except as otherwise required by the Secretary.

Designated Bonding Authority
HEOA section 314 **HEA 344(1-3)**
Effective date: August 14, 2008
The HEOA requires the Secretary to publish, within 120 days, a request for proposals from entities wishing to serve as the designated bonding authority for this program. The selection process is to be competitive and the Secretary is to review the authority's performance in three years. The Secretary may not enter into any new insurance agreements until the new designated bonding authority has been selected.

Reports to Congress

HEOA section 314 **HEA sections 345 and 347**
Effective date: August 14, 2008
The HEOA amends section 345 of the HEA to require the Secretary to submit a report to Congress on the Department's progress in implementing October 2006 GAO recommendations for improving the HBCU Capital Financing Program.

The HEOA amends section 347 of the HEA to require the HBCU Capital Financing Advisory Board to submit a report to Congress that considers the status of HBCUs that have borrowed or applied to borrow under the program and that includes administrative and legislative recommendations for addressing issues related to construction financing at HBCUs.

Minority Science and Engineering Improvement Program

New Programs
HEOA section 315 **HEA sections 355 and 356**
Effective date: August 14, 2008
The HEOA adds a new Subpart 2 to Part E of Title III of the HEA, (Programs in STEM Fields) that contains two new programs, the YES Partnerships Grant Program and the Promotion of Entry into STEM Fields Program. The purpose of the new YES Partnerships Grant Program is to encourage elementary and secondary minority students to pursue careers in STEM (science, technology, engineering and mathematics) fields. Grants are for a minimum of $500,000, have a five-year duration, and must be matched by non-Federal funds. An eligible partnership must include at least one institution eligible under Title III or Title V of the HEA, one high-need local educational agency, and at least two community organizations. Under the second program, the Secretary is authorized to enter into a contract for Promotion of Entry into STEM Fields to implement a campaign to expand the population of individuals qualified in STEM fields by encouraging young Americans to enter STEM fields. The HEOA specifies that the campaign must include certain contents. These programs are not currently funded and cannot be implemented until funding is provided by Congress.

Evaluation and Accountability Plan
HEOA section 315 **HEA section 357**
Effective date: August 14, 2008
The HEOA requires the Secretary to develop an evaluation and accountability plan for projects funded under Subpart 2 of Part E of Title III of the HEA. The HEOA specifies the contents of the evaluation and accountability plan.

Strengthening Historically Black Colleges and Universities and Other Minority-serving Institution Programs
HEOA section 316 **HEA section 371**
Effective date: August 14, 2008
The HEOA moves the Strengthening Historically Black Colleges and Universities and Other Minority-Serving Institutions programs established under Title IV, Part J, Section 499A of the HEA (as amended by section 802 of the CCRAA) to Title III, Part F of the

HEA. The HEOA allows funds available for a fiscal year to remain available for the next succeeding fiscal year.

General Provisions

Technical Assistance
HEOA section 317 **HEA section 391**
Effective date: August 14, 2008
The HEOA provides authority for the Secretary to provide technical assistance to eligible institutions to prepare and maintain a grant under Title III of the HEA.

Waiver Authority with Respect to Institutions in Areas Affected by Disasters
HEOA section 318 **HEA section 392**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to waive certain requirements in the Title III programs for institutions of higher education affected by the Gulf Coast Hurricanes of 2005. The Secretary shall, for each of the fiscal years 2009 through 2011 (and may, for each of the fiscal years 2012 and 2013)

- waive the eligibility data requirements in section 391(d);
- waive the wait-out period in section 313(d);
- waive the allotment requirements under section 324;
- waive the use of the funding formula developed pursuant to section 326(f)(3);
- waive or modify any statutory or regulatory provision to ensure that institutions affected by the Gulf Coast Hurricanes of 2005 that were receiving Title III assistance at the time of a Gulf hurricane disaster are not adversely affected by any formula calculation for fiscal year 2009 or for any of the four succeeding fiscal years, as necessary; and
- make available to each institution affected by the Gulf Coast Hurricanes of 2005 an amount that is not less than the amount of Title III funds made available to that institution for fiscal year 2006, except that for any fiscal year for which the funds appropriated for Title III payments are less than the appropriated level for fiscal year 2006, the amount made available to such institutions shall be ratably reduced among the institutions.

The HEOA defines an "affected institution" as an institution of higher education that

- is (1) a Part A institution (which has the same meaning as the term "eligible institution" under section 312(b)); or (2) a Part B institution, as defined in section 322(2), or as identified in section 326(e);
- is located in an area affected by a Gulf hurricane disaster (defined in section 209 of the Higher Education Hurricane Relief Act of 2005 (Public Law 109–148) as a county or parish, in an affected State, that has been designated by the Federal Emergency Management Agency for disaster assistance for individuals and households as a result of Hurricane Katrina or Hurricane Rita); and
- is able to demonstrate that, as a result of the impact of a Gulf hurricane disaster, the institution
    - incurred physical damage;

- has pursued collateral source compensation from insurance, the Federal Emergency Management Agency, and the Small Business Administration, as appropriate; and
- was not able to fully reopen in existing facilities or to fully reopen to the pre-hurricane enrollment levels during the 30-day period beginning on August 29, 2005.

A gulf hurricane disaster is a major disaster that the President declared to exist, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and that was caused by Hurricane Katrina or Hurricane Rita (section 209 of the Higher Education Hurricane Relief Act of 2005 (Public Law 109–148, 119 Stat. 2809)).

Title IV—Student Assistance

Title IV Programs--General

Academic Year
HEOA section 481 **HEA section 481(a)(2)(B)**
Effective date: August 14, 2008
The HEOA clarifies the definition of "academic year" by allowing the Secretary to reduce the 30 week minimum academic year to not less than 26 weeks for good cause for institutions that provide 2- and 4-year programs resulting in associate or baccalaureate degrees and that measure the program length in credit hours or clock hours.

Consumer Reporting Agency and Educational Service Agency
HEOA section 481 **HEA sections 481(e) and (f)**
Effective date: August 14, 2008
The HEOA adds new paragraphs (e) and (f) to section 481 of the HEA defining the terms "consumer reporting agency" and "educational service agency."

"Consumer reporting agency" has the meaning given the term "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)): a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide: public record information, and credit account information from persons who furnish that information regularly and in the ordinary course of business.

The term "educational service agency" has the meaning given the term in section 9101 of the Elementary and Secretary Education Act of 1965: a regional public multi-service agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies.

Master Calendar

HEOA section 482 **HEA section 482**
Effective date: July 1, 2010 (addition of notices)
August 14, 2008 (compliance calendar)

The HEOA makes the notices required under section 483(a)(5) of the HEA subject to the March 1 deadline and the June 1 deadline. The notices request information from States about use of the FAFSA for State aid purposes and about State-specific non-financial data needed to deliver State need-based financial aid.

The HEOA also requires the Secretary to provide institutions with a compliance calendar listing disclosures and reports required under the HEA. The list must include

- the date each report or disclosure is required to be completed and to be submitted, made available, or disseminated;
- the required recipients of each report or disclosure;
- any required method for transmittal or dissemination of each report or disclosure;
- a description of the content of each report or disclosure sufficient to allow the institution to identify the appropriate individuals to be assigned the responsibility for such report or disclosure;
- references to the statutory authority, applicable regulations, and current guidance issued by the Secretary regarding each report or disclosure; and
- any other information which is pertinent to the content or distribution of the report or disclosure.

The Department is developing the compliance calendar and intends to post it to the Department's website prior to the start of the 2009-2010 award year.

Readmission Requirements for Servicemembers
HEOA section 487 **HEA section 484C**
Effective date: August 14, 2008

The HEOA provides that an institution may not deny readmission to a servicemember of the uniformed services for reasons relating to that service. In addition, a student who is readmitted to an institution under this section must be readmitted with the same academic status as the student had when he or she last attended the institution. An affected servicemember is any individual who is a member of, applies to be a member of, or performs, has performed, applies to perform, or has the obligation to perform, service in the uniformed services. This applies to service in the uniformed services, whether voluntary or involuntary, on active duty in the Armed Forces, including service as a member of the National Guard or Reserve, for a period of more than 30 days under a call or order to active duty of more than 30 days.

Any student whose absence from an institution of higher education is necessitated by reason of service in the uniformed services is entitled to readmission if

- the student (or an appropriate officer of the Armed Forces or official of the Department of Defense) gives advance written or verbal notice of such service to the appropriate official at the institution;
- the cumulative length of the absence and of all previous absences from that institution of higher education by reason of service in the uniformed services does not exceed

five years; and
- except as otherwise provided in this section, the student submits a notification of intent to reenroll in the institution.

However, no advance notice by the student is required if the giving of such notice is precluded by military necessity, such as a mission, operation, exercise, or requirement that is classified; or a pending or ongoing mission, operation, exercise, or requirement that may be compromised or otherwise adversely affected by public knowledge. In addition, any student (or an appropriate officer of the Armed Forces or official of the Department of Defense) who did not give advance notice of service to the appropriate official at the institution may meet the notice requirement by submitting, at the time the student seeks readmission, an attestation to the student's institution that the student performed service in the uniformed services that necessitated the student's absence from the institution.

When determining the cumulative length of the student's absence for service, the period of service does not include any service
- that is required, beyond five years, to complete an initial period of obligated service;
- during which the student was unable to obtain orders releasing the student from a period of service in the uniformed services before the expiration of the five-year period and the inability to obtain those orders was through no fault of the student; or
- performed by a member of the Armed Forces (including the National Guard and Reserves) who is
  - ordered to or retained on active duty under section 688, 12301(a), 12301(g), 12302, 12304, or 12305 of Title 10, U.S.C., or under section 331, 332, 359, 360, 367, or 712 of Title 14, U.S.C.;
  - ordered to or retained on active duty (other than for training) under any provision of law because of a war or national emergency declared by the President or the Congress;
  - ordered to active duty (other than for training) in support of an operational mission for which personnel have been ordered to active duty under section 12304 of Title 10, U.S.C.;
  - ordered to active duty in support of a critical mission or requirement of the Armed Forces (including the National Guard or Reserve); or
  - called into Federal service as a member of the National Guard under chapter 15 of Title 10, U.S.C., or section 12406 of Title 10, U.S.C.

An affected servicemember must, upon the completion of a period of service in the uniformed services, notify the institution of his or her intent to return to the institution not later than three years after the completion of the period of service. However, a student who is hospitalized for or convalescing from an illness or injury incurred in or aggravated during the performance of service in the uniformed services must notify the institution of his or her intent to return to the institution not later than two years after the end of the period that is necessary for recovery from such illness or injury. A student who fails to apply for readmission within the required period does not automatically forfeit eligibility for readmission to the institution, but is subject to the institution's established leave of

absence policy and general practices.

A student who submits an application for readmission to an institution must provide to the institution documentation to establish that

- the student has not exceeded the specified service limitations; and
- the student's eligibility for readmission has not been terminated.

An institution may not delay or attempt to avoid a readmission of a student under this section by demanding documentation that does not exist, or is not readily available, at the time of readmission.

A student's eligibility for readmission to an institution under this section by reason of such student's service in the uniformed services terminates upon the occurrence of any of the following events:

- a separation of such person from the Armed Forces (including the National Guard and Reserves) with a dishonorable or bad conduct discharge;
- a dismissal of such person permitted under section 1161(a) of Title 10, U.S.C.; or
- a dropping of such person from the rolls pursuant to section 1161(b) of Title 10, U.S.C.

Title 10 of the U.S.C. can be accessed at
http://www.access.gpo.gov/uscode/title10/title10.html

Title 14 of the U.S.C. can be accessed at
http://www.access.gpo.gov/uscode/title14/title14.html

National Student Loan Data System
HEOA section 489 **HEA section 485B(e)**
Effective date: August 14, 2008

The HEOA requires that the Secretary, in managing the National Student Loan Data System (NSLDS), take the following minimum actions to maintain confidence in the system

- prohibit nongovernmental researchers and policy analysts from accessing personally identifiable information;
- create a disclosure form for students and potential students that is distributed when such students complete the FAFSA, and as a part of the exit counseling process under section 485(b) of the HEA, that
  - informs students that any Title IV grant or loan they receive will be included in the NSLDS and instruct students on how to access that information;
  - describes the categories of individuals or entities that may access data relating to such grant or loan information through the NSLDS and for what purposes that access is allowed;
  - defines and explain the categories of information included in the NSLDS;
  - provides a summary of the provisions of section 444 of the General Education Provisions Act (the Family Educational Rights and Privacy Act of 1974) and other applicable Federal privacy statutes;

  - provides a statement of students' rights and responsibilities with respect to such laws;
  - explains measures that will be taken by the Department to safeguard the students' data;
  - include other information as determined appropriate by the Secretary;
- require guaranty agencies, eligible lenders, and eligible institutions of higher education that enter into an agreement with a potential student, a student, or a parent of such student regarding a loan under Part B, D, or E of the HEA to inform the student or parent that such loan shall be submitted to the NSLDS and be accessible to guaranty agencies, eligible lenders, and eligible institutions of higher education as determined by the Secretary to be authorized users of the NSLDS;
- regularly review access to NSLDS to
  - delete inactive users from the NSLDS;
  - ensure that data in the NSLDS are not being used for marketing purposes; and
  - monitor the use of the NSLDS by guaranty agencies and eligible lenders to determine whether an agency or lender is accessing the records of students in which the agency or lender has no existing financial interest; and
- develop standardized protocols for limiting access to the data system that include
  - collecting data on the usage of the data system to monitor whether access has been or is being used contrary to the purposes of the NSLDS;
  - defining the steps necessary for determining whether, and how, to deny or restrict access to the NSLDS; and
  - determining the steps necessary to reopen access to the NSLDS following a denial or restriction of access.

The HEOA also requires the Secretary to make an annual report to Congress on the NSLDS, and conduct a one-time study and report to Congress on the NSLDS. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, Annual National Student Loan Data System Report, and Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, National Student Loan Data System Study.

Early Awareness of Financial Aid Eligibility
HEOA section 490 **HEA section 485E**
Effective date: August 14, 2008 (system of early financial aid information)
Not later than August 14, 2010 (public awareness campaign)

The HEOA requires the Secretary to implement, in cooperation with a broad group of parties, a comprehensive system of early financial aid information for students and families, with special efforts directed to students receiving Federal means-tested benefits, secondary school students, and adult learners. Such information must include early estimates of students' eligibility for financial aid from multiple sources.

The HEOA also requires the Secretary to implement a public awareness campaign to highlight the availability of Title IV financial aid, using a broad variety of media. The campaign must be based on independent research and on the strategies most effectively

used for students receiving Federal means-tested benefits, secondary school students, and adult learners.

Distance Education Demonstration Programs
HEOA section 491 **HEA section 486**
Effective date: August 14, 2008
The HEOA directs the Secretary to provide annual reports to Congress on the Distance Education Demonstration Programs.

Articulation Agreements
HEOA section 492 **HEA section 486A**
Effective date: August 14, 2008
The HEOA adds new section 486A to the HEA which requires the Secretary to carry out a program for States, in cooperation with public institutions of higher education, to develop, enhance, and implement comprehensive articulation agreements between or among such institutions in a State, and (to the extent practicable) across State lines, by 2010. Such articulation agreements shall be made widely and publicly available on the websites of States and such institutions. In developing, enhancing, and implementing articulation agreements, States and public institutions of higher education may employ strategies, where applicable, including

- common course numbering;
- a general education core curriculum;
- management systems regarding course equivalency, transfer of credit, and articulation; and
- other strategies identified by the Secretary.

The term "articulation agreement" is defined as an agreement between or among institutions of higher education that specifies the acceptability of courses in transfer toward meeting specific degree or program requirements.

The Secretary must provide technical assistance to States and public institutions for the purposes of developing and implementing articulation agreements in accordance with this subsection. The HEOA makes clear that nothing in section 486A of the HEA may be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions with respect to articulation agreements.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

The HEOA also requires the Secretary to study and report to Congress on articulation agreements (see Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, Articulation Agreements).

Program Participation Agreement
HEOA section 493 **HEA section 487**
Effective date: August 14, 2009 (Report on Results of Disciplinary Proceeding)

August 14, 2008 (All other provisions)

The HEOA amends, or adds new requirements to, the Program Participation Agreement (PPA) in the following areas: Voter Registration, 90/10 Rule, Code of Conduct, Disciplinary Proceedings, Preferred Lender Lists, Private Education Loan Certification, and Copyrighted Material.

Voter Registration

An institution may now satisfy the requirement that it distributes and makes widely available a mail voter registration form to each student enrolled at and physically attending the institution by electronically transmitting to each student a message containing an acceptable voter registration form or an internet address where that form can be downloaded. The electronic message must be devoted exclusively to voter registration.

90/10 Rule

The HEOA moves the 90/10 Rule to the PPA from Title I of the HEA (the 90/10 Rule applies only to proprietary institutions and requires those institutions to derive at least 10 percent of their revenue from non-Title IV sources). As a result, an institution that now violates the 90/10 Rule for one year would no longer lose its eligibility to participate in the Title IV programs. Instead, the institution's participation becomes provisional for two fiscal years. However, if the institution does not satisfy the 90/10 Rule for two consecutive fiscal years, it loses its eligibility to participate in the Title IV programs for at least two fiscal years.

If an institution fails to satisfy the 90/10 Rule, the HEOA requires the Department to publicly disclose on the College Navigator Website the identity of that institution and the extent to which the institution failed to satisfy the rule. In addition, no later than July 1 of each year, the Secretary must submit to Congress a report that contains, for each proprietary institution, the amount and percentage of the institution's revenues from Title IV sources and non-Title IV sources, as provided by the institution in its audited financial statements.

In calculating the revenue percentage, the HEOA provides that any Title IV program funds that are disbursed or delivered to or on behalf of a student are presumed to pay the student's tuition, fees, or other institutional charges, unless the tuition, fees, or other charges are satisfied by

- grant funds from non-Federal public agencies or private sources independent of the institution;
- funds provided under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals in need of that training;
- funds used by a student from savings plans for educational expenses established by or on behalf of the student that qualify for special tax treatment under the Internal Revenue Code; and
- institutional scholarships that count toward the 10 percent revenue requirement.

The HEOA specifies other sources of revenue that count toward the 10 percent requirement after applying the presumption that Title IV funds are used to pay the student's tuition, fees, and other institutional charges. Among the sources, an institution may count

- revenue earned from a non-Title IV program of study, as long as the program is approved by the State, accredited, or provides an industry-recognized credential or certificate;
- institutional aid to students. For loans made to students by the institution from July 1, 2008, but before July 1, 2012, the net present value of the loans made during a fiscal year if the loans are evidenced by promissory notes, issued at intervals related to the institution's enrollment periods, and are subject to regular loan repayments and collections. For loans made on or after July 1, 2012, only the amount of loan repayments the institution receives during a fiscal year, excluding repayment on any loans for which the institution previously used the net present value in its 90/10 calculation.

  For scholarships, only those provided by the institution in the form of monetary aid or tuition discounts based on the academic achievements or financial need of students, as long as the scholarships are disbursed during each fiscal year from an established restricted account, and only to the extent that funds in that account represent designated funds from an outside source or income earned on those funds; and
- the proceeds of Unsubsidized Stafford Loans that exceed the loan limits which were in effect on May 6, 2008, the day before the enactment of the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA). This provision applies to any Unsubsidized Stafford Loan received by a student on or after July 1, 2008, but before July 1, 2011.

The HEOA specifies the types or amounts of funds that are excluded from revenues under the 90/10 calculation. Excluded from revenues are

- the amount of funds the institution received under the FWS Program, unless it used those funds to pay for a student's institutional charges;
- the amount of funds the institution received under LEAP;
- the amount of funds provided by the institution as matching funds under the Title IV programs;
- the amount of funds provided by the institution for a Title IV program that are required to be refunded or returned; and
- the amount charged for books, supplies, and equipment, unless the institution includes that amount as tuition, fees, or other institutional charges.

Code of Conduct

The HEOA adds to the PPA a requirement that an institution participating in a Title IV loan program must develop, publish, administer, and enforce a code of conduct. The code of conduct applies to the officers, employees, and agents of the institution and must include

- a ban on revenue-sharing arrangements with any lender. The HEOA defines "revenue-sharing arrangement" as any arrangement between an institution and a

lender under which the lender makes Title IV loans to students attending the institution (or to the families of those students), the institution recommends the lender or the loan products of the lender and, in exchange, the lender pays a fee or provides other material benefits, including revenue or profit-sharing, to the institution or to its officers, employees, or agents;

- a ban on employees of the financial aid office receiving gifts from a lender, guaranty agency or loan servicer. No officer or employee of an institution's financial aid office (or an employee or agent who otherwise has responsibilities with respect to educational loans) may solicit or accept any gift from a lender, guarantor, or servicer of education loans. A "gift" is defined as any gratuity, favor, discount, entertainment, hospitality, loan, or other item having monetary value of more than a de minimus amount. However, a gift does not include (1) a brochure, workshop, or training using standard materials relating to a loan, default aversion, or financial literacy, such as a brochure, workshop or training; (2) food, training, or informational material provided as part of a training session designed to improve the service of a lender, guarantor, or servicer if the training contributes to the professional development of the institution's officer, employee or agent; (3) favorable terms and benefits on an education loan provided to a student employed by the institution if those terms and benefits are comparable to those provided to all students at the institution; (4) entrance and exit counseling as long as the institution's staff are in control of the counseling and the counseling does not promote the services of a specific lender; (5) philanthropic contributions from a lender, guarantor, or servicer that are unrelated to education loans or any contribution that is not made in exchange for advantage related to education loans, and; (6) State education grants, scholarships, or financial aid funds administered by or on behalf of a State;
- a ban on contracting arrangements. No officer or employee of an institution's financial aid office (or employee or agent who otherwise has responsibilities with respect to education loans) may accept from a lender, or an affiliate of any lender, any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans;
- a prohibition against steering borrowers to particular lenders or delaying loan certifications. For any first-time borrower, an institution may not assign, through the award packaging or other methods, the borrower's loan to a particular lender. In addition, the institution may not refuse to certify, or delay the certification, of any loan based on the borrower's selection of a particular lender or guaranty agency;
- a prohibition on offers of funds for private loans. An institution may not request or accept from any lender any offer of funds for private loans, including funds for an opportunity pool loan, to students in exchange for providing concessions or promises to the lender for a specific number of Title IV loans made, insured, or guaranteed, a specified loan volume, or a preferred lender arrangement. An "opportunity pool loan" is defined as a private education loan made by a lender to a student (or the student's family) that involves a payment by the institution to the lender for extending credit to the student;
- a ban on staffing assistance. An institution may not request or accept from any lender any assistance with call center staffing or financial aid office staffing, except that a

lender may provide professional development training, educational counseling materials (as long as the materials identify the lender that assisted in preparing the materials), or staffing services on a short-term, nonrecurring basis during emergencies or disasters; and

- a ban on advisory board compensation. An employee of an institution's financial aid office (or employee who otherwise has responsibilities with respect to education loans or financial aid) who serves on an advisory board, commission, or group established by a lender or guarantor (or a group of lenders or guarantors) is prohibited from receiving anything of value from the lender, guarantor, or group, except for reimbursement for reasonable expenses incurred by the employee for serving on the board.

Disciplinary Proceedings

The HEOA adds a new requirement to the PPA under which an institution must, upon written request, disclose to the alleged victim of a crime of violence, or a non-forcible sex offense, the results of any disciplinary hearing conducted by the institution against the student who is the alleged perpetrator of the crime or offense. If the alleged victim is deceased as a result of the crime or offense, the institution must provide the results of the disciplinary hearing to the victim's next of kin, if so requested.

Preferred Lender Lists

The HEOA adds a new requirement to the PPA for an institution that enters into a preferred lender arrangement. Under this requirement, the institution must compile, maintain, and make available to students and their families a list of the specific lenders for loans made under a Title IV program and for private education loans the institution recommends or promotes in accordance with its lender arrangement. The institution must, at least annually, compile and make the list available in print or other medium.

In compiling, maintaining, and making available the preferred lender list, an institution must

- disclose detailed information about the terms and conditions of the loans offered by preferred lenders, as required under section 153(a)(2)(a) of the HEA;
- disclose why it entered into an arrangement with each lender, particularly with respect to terms and conditions or provisions favorable to the borrower;
- disclose that students do not have to borrow from a lender on the preferred lender list;
- ensure that the list contains at least three unaffiliated lenders for Title IV loans and at least two unaffiliated lenders for private education loans. The list must specifically indicate whether a lender is or is not an affiliate of each other lender on the list. If a lender is an affiliate of another lender, the institution must describe that affiliation;
- prominently disclose the method and criteria used in selecting the lenders;
- compile the list with care and without prejudice for the sole benefit of students and their families; and
- not deny or impede the borrower's choice of a lender or unnecessarily delay certifying a Title IV loan for a borrower who chooses a lender not on the list.

Private Education Loan Certification

The HEOA adds a new requirement to the PPA that an institution must, upon the request of an applicant for a private education loan, provide the applicant the form required under section 128(e)(3) of the TILA (see Amendments to Other Laws, The Truth in Lending Act) and the information needed to complete the form, to the extent the institution has that information.

Copyrighted Material

The HEOA adds a new requirement to the PPA under which an institution must certify that it has developed plans to effectively combat the unauthorized distribution of copyrighted material and will, to the extent practicable, offer alternatives to illegal downloading or peer-to-peer distribution of intellectual property.

Institutional Requirements for Teach-outs

HEOA section 493(f) **HEA section 487(f)**

Effective date: August 14, 2008

The HEOA provides that whenever the Secretary initiates an action to limit, suspend, or terminate an institution's participation in any Title IV program or initiates an emergency action against an institution, the institution must prepare a teach-out plan for submission to its accrediting agency. The teach-out plan must be prepared in accordance with section 496(c)(4) of the HEA (see Title I—General Provisions, Accreditation, Operating Procedures) and any applicable Title IV regulations or accrediting agency standards. A "teach-out plan" is defined as a written plan that provides for equitable treatment of students if an institution ceases to operate before all students have completed their program of study.

Experimental Sites

HEOA section 494 **HEA section 487A**

Effective date: August 14, 2008

The HEOA directs the Secretary to continue the participation of any institution as an experimental site if the institution was an experimental site as of July 1, 2007, unless the Secretary determines the site's participation has not been successful. If a site has not been successful, the HEOA requires the Secretary to discontinue its participation no later than June 30, 2009.

In addition, the HEOA authorizes the Secretary to select periodically a limited number of additional institutions to participate as experimental sites and to waive statutory or regulatory requirements pertaining to the Title IV programs that would bias the results of the experiment. Among the requirements that may be waived, the HEOA includes those related to awarding and disbursing student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 492 of the HEA. However, the Secretary may not waive any provision with respect to award rules (other than an award rule related to an experiment in modular or compressed schedules), grant and loan maximum amounts, and need analysis requirements unless the waiver of these provisions is authorized by another provision under Title IV.

Advisory Committee on Student Financial Assistance
HEOA section 494C **HEA section 491**
Effective date: August 14, 2008

The HEOA

- expands the purpose of the Advisory Committee on Student Financial Assistance (Advisory Committee) to include providing knowledge and understanding of early intervention programs and making recommendations that will result in early awareness for low- and moderate-income students of their eligibility for assistance;
- provides that four members are appointed by the President pro tempore of the Senate, four by the speaker of the House of Representatives, and three by the Secretary. The appointments by Congress are effective upon publication in the Congressional Record, not upon confirmation. Appointments are extended from three years to four years. A member serving as of August 14, 2008, is permitted to serve the duration of their term, regardless of whether he or she was previously appointed to more than one term;
- requires the Advisory Committee to provide an annual report to Congress regarding the adequacy of need-based grant aid for low- and moderate-income students, and the enrollment and graduation rates of such students;
- requires the Advisory Committee to develop and maintain an information clearinghouse to help institutions understand the regulatory impact of the Federal Government on institutions from all sectors. To do this, the Advisory Committee must conduct a review of Federal regulations that apply to the operations and activities of institutions. This review must pay specific attention to evaluating ways in which regulations affecting institutions (other than foreign institutions) that have received less than $200,000 in Title IV program funds over the two most recent fiscal years prior to August 14, 2008, may be improved, streamlined, or eliminated;
- provides that the Advisory Committee will include in its monitoring and evaluations simplifications;
- as part of the Advisory Committees' review and analysis of regulations, it will (1) monitor all Federal regulations for their potential impact, and provide a succinct description of each that is generally relevant to institutions from all sectors, (2) after consultation with the members of the higher education community, develop and maintain a website that provides this information, as well as an area for experts and members of the public to provide recommendations for ways in which the regulations can be streamlined, and that publishes the study conducted by the National Research Council of the National Academy of Sciences required by section 1106 of the HEOA (see Non-institutional Studies, Reports and Summits, U.S. Department of Education Studies and Reports, Analysis of Federal Regulations on Institutions of Higher Education), (3) convene at least two review panels of representatives of groups involved in higher education to review the regulations and provide recommendations to the Advisory Committee, (4) submit a report to Congress and the Secretary at least two years after completion of negotiated rulemaking to implement the changes of the HEOA detailing the review panels' findings and recommendations, and (5) provide periodic updates to Congress on the impact of all Federal regulations on all sectors of

higher education and suggestions provided through the website for streamlining or eliminating duplicative regulations; and

- requires the Advisory Committee to conduct a study of innovated pathways to baccalaureate degree attainment, such as dual enrollment, Federal Pell Grant Program changes, and compressed or modular scheduling. The Advisory Committee must consult with a broad range of interested parties in higher education in performing the study. An interim report is due to Congress by August 14, 2009, with a final report due by August 14, 2011.

For more information on the required studies and reports, see Non-institutional Studies, Reports, and Summits, Other Non-institutional Studies and Reports.

Regional Meetings and Negotiated Rulemaking
HEOA section 494D **HEA sections 492(a) and 492(b)(1)**
Effective date: August 14, 2008
The HEOA adds State student grant agencies to the list of examples of groups from which the Secretary must obtain advice and recommendations in the development of proposed regulations for the Title IV programs.

The HEOA makes clear that the Secretary must select as negotiators individuals with demonstrated expertise or experience in the relevant subjects under negotiation and removes the qualifier that the Secretary must select certain types of individuals "to the extent possible."

Eligibility and Certification Procedures – Treatment of Teach-outs
HEOA section 496 **HEA section 498**
Effective date: August 14, 2008
The HEOA provides that a location of a closed institution is eligible as an additional location of another institution for the purpose of conducting a teach-out if the teach-out is approved by the institution's accrediting agency. The institution that conducts the teach-out under this provision is permitted to establish a permanent additional location at the closed institution without having to satisfy the requirements for additional locations in sections 102(b)(1)(E) and 102(c)(1))(C) of the HEA--i.e., that a proprietary institution or a postsecondary vocational institution must have been in existence for two years to be eligible--and without assuming the liabilities of the closed institution.

Program Review Data
HEOA section 497 **HEA section 498A**
Effective date: August 14, 2008
The HEOA provides that after conducting a program review of an institution, the Secretary must provide the institution an adequate opportunity to review and respond to any program review report and relevant materials related to the report before the Secretary issues a final report. Before issuing the final program review report or audit determination, the Secretary must take into consideration the institution's response and include in the report or determination

- a written statement addressing the institution's response;

- a written statement of the basis for the report or determination; and
- a copy of the institution's response.

In addition, the HEOA requires the Secretary to maintain and preserve at all times the confidentiality of any program review report until a final report is issued under these provisions, except that the Secretary must share information with the State in which the institution is located, the institution's accrediting agency, and the institution under review.

Review of Regulations
HEOA section 498 **HEA section 498B(d)**
Effective date: August 14, 2008

The HEOA ends the requirement that the Secretary review and report on regulations for small institutions.

Competitive Loan Auction Pilot Program for Federal FFEL Parent PLUS Parent Loans
HEOA section 499 **HEA section 499**
Effective date: July 1, 2009

The HEOA modifies the PLUS Loan Auction Pilot program to provide the Secretary with specific remedies to enforce a winning bid received from an eligible lender which fails to enter into the agreement with the Secretary, as required, or which fails to comply with the terms of the agreement. The Secretary may sanction the eligible lender by assessing a penalty for any eligible Federal PLUS Loans that the eligible lender fails to originate in accordance with the agreement with the Secretary in the amount of the additional costs incurred by the Secretary in obtaining another eligible lender to originate the Federal PLUS loans, including the amount of any increase in special allowance payments made by the Secretary.

The Secretary shall collect such penalties by reducing the amount of any payments otherwise due to the lender from the Secretary by the amount of the penalty or by requesting that any other Federal agency reduce the amount of any payments due to the lender from that agency by the amount of the penalty. The Secretary may prohibit the bidding of such lender in other auctions under section 499 of the HEA and limit, suspend, or terminate the lender's participation in the FFEL Programs. The Secretary may take any other enforcement action authorized under Part B of Title IV of the HEA.

The HEOA also requires the Secretary and the Secretary of the Treasury to conduct an evaluation, in consultation with the OMB, the Congressional Budget Office and the Comptroller General, of the pilot program carried out by the Secretary and determine the extent of savings to the Federal government compared to costs the Federal government would have incurred in operating the program in the absence of the auction pilot.

The evaluation will include the following:

- number of lenders that participated and the extent that competition was created;
- the number and volume of loans made in each State, the institutions of higher education participating and their ability to disburse loans smoothly;

- the effect of the transition to and operation of the pilot;
- the ability of parents to obtain loans through the pilot in a timely and smooth manner;
- the differential impact, if any, of the auction among the States, including rural and non-rural; and
- the feasibility of using the mechanism piloted to operate other Federal Loan Programs.

The Secretary and the Secretary of the Treasury must submit a preliminary, interim, and final report to Congress (see Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, Competitive Loan Auction Pilot Program for Federal FFEL Parent PLUS Loans Report).

Accreditation

Religious Mission
HEOA section 495(1)(A) **HEA section 496(a)(4)(A)**
Effective date: August 14, 2008
The HEOA requires that accrediting agencies consistently apply and enforce standards that respect the stated mission of the institution or programs, including religious missions.

Distance Education and Correspondence Education
HEOA sections 495(1)(A) and (5) **HEA sections 496(a)(4)(B) and (q)**
Effective date: August 14, 2008
Section 495(1)(A) of the HEOA amends section 496(a) of the HEA to require an agency that has, or seeks to include, within its scope of recognition the evaluation of institutions or programs offering distance education or correspondence education, to demonstrate that its standards effectively address the quality of education offered in these modalities.

Accrediting agencies are to address the quality of an institution's distance education and correspondence offerings without being required to establish separate standards, procedures, or policies for the evaluation of distance education or correspondence education.

An accrediting agency recognized by the Secretary no longer has to obtain approval of the Secretary to expand its scope to include distance education or correspondence education, so long as it notifies the Secretary in writing of the change in scope.

Accrediting agencies must require institutions that offer distance education or correspondence education to have processes to establish that the student who registers for a distance education or correspondence course or program is the same student who participates in and completes the program and receives the academic credit.

Section 495(5) of the HEOA adds a provision to section 496(q) of the HEA that requires a review at the next available NACIQI meeting of any addition of distance education or correspondence education to the scope of an agency that has occurred without Secretarial approval of a petition for expansion of scope, if the enrollment of an institution that offers

distance or correspondence education increases by 50 percent or more within any one institutional fiscal year.

Student Achievement Standard
HEOA section 495(1)(B) HEA section 496(a)(5)
Effective date: August 14, 2008
The HEOA adds language to the standard related to student achievement that allows an agency to have different standards for different institutions and programs, as established by the institution.

Due Process and Appeals
HEOA section 495(1)(C) HEA section 496(a)(6)
Effective date: August 14, 2008
The HEOA makes several changes to the due process and appeals procedures that accrediting agencies must follow in the course of an accreditation review including evaluation and withdrawal proceedings. Accrediting agencies must

- provide for adequate written specification of the requirements, including clear standards for an institution or program to be accredited, and identified deficiencies at the institution or program being examined;
- provide sufficient opportunity for a written response from institutions or programs regarding identified deficiencies prior to final action;
- when an institution or program submits a written request, provide an opportunity for an appeal of any adverse action, including a hearing before an appeals panel that is comprised of individuals who were not involved in the initial body and that are subject to a conflict of interest policy;
- during the appeal, allow the institution or program to have representation and participation by counsel; and
- in accordance with written procedures, and before a final adverse action that is based solely on a failure to meet a standard or criterion pertaining to finances, provide one opportunity for institutions or programs to put forward new evidence during an appeals process as long the evidence consists of significant financial information that was unavailable to the institution or program prior to the determination of the adverse action, and that bears materially on the financial deficiencies identified. Any determination made with respect to this new financial information is not separately appealable.

Accreditation Team Members
HEOA section 495(2)(A) HEA section 496(c)(1)
Effective date: August 14, 2008
The HEOA adds the phrase "including those regarding distance education" to the requirement that accrediting agencies ensure that accreditation team members are well-trained and knowledgeable with respect to their responsibilities.

Operating Procedures
HEOA sections 495(2)(C), (D), and (F) HEA sections 496(c)(2), (3), (5), (7), and (9)
Effective date: August 14, 2008

The HEOA adds four new operating procedures accrediting agencies must follow and eliminates another. Accrediting agencies must

- monitor the growth of programs at institutions that are experiencing significant enrollment growth;
- approve teach-out plans submitted by institutions they accredit if the Department notifies the agency of an action against an institution in accordance with section 487(f) of the HEA; if the institution's accreditation is withdrawn, terminated or suspended; or if the institution intends to cease operations;
- make available to the public, State agencies, and the Secretary a summary of agency actions including awards of initial accreditation or renewal of accreditation; final denial, withdrawal, suspension, or termination of accreditation and any findings, together with the institution's response; and any other adverse action or placement on probation; and
- confirm as part of the review for accreditation or renewal, that institutions publicly disclose their transfer of credit policies and criteria for judging transfer.

Accrediting agencies are no longer required to maintain and make publicly available written materials regarding their standards and procedures.

Secretary Prohibitions
HEOA sections 495(3) and (4) **HEA sections 496(g) and (o)**
Effective date: August 14, 2008
The HEOA prohibits the Secretary from establishing any criteria that specifies, defines, or prescribes the standards that accrediting agencies use to assess any institution's success with respect to student achievement.

The HEOA prohibits the Secretary from promulgating any regulations with respect to the standards of an accrediting agency.

Rule of Construction
HEOA section 495(5) **HEA section 496(p)**
Effective date: August 14, 2008
The HEOA adds a two-part "rule of construction" that affirms (1) that accrediting organizations are free to set standards with their members and apply these in reviewing the institutions or programs they accredit; and (2) that institutions or programs may set standards for student achievement that the accreditors may consider.

Need Analysis

Cost of Attendance
HEOA section 471 **HEA section 472(3)**
Effective date: July 1, 2010
The HEOA specifies that, for students living in housing located on a military base or housing for which they receive a basic allowance under Title 37 of the U.S.C.– Pay and Allowances of the Uniformed Services, the room and board allowance shall include an allowance based on the expenses reasonably incurred for board only.

Title 37 of the U.S.C., Pay and Allowances of the Uniformed Services, can be found at http://www.access.gpo.gov/uscode/title37/title37.html

Discretion of the Student Financial Aid Administrators
HEOA section 472 **HEA section 479(a)**
Effective date: August 14, 2008

The HEOA expands the examples of special circumstances to include

- nursing home expenses not covered by insurance;
- dependent care; and
- a student who is a dislocated worker.

In addition, the HEOA provides new authority for a financial aid administrator to offer a dependent student an unsubsidized Stafford loan under the FFEL or Direct Loan program, without requiring the parents to file a FAFSA, if the financial aid administrator verifies that the parent(s) has ended financial support and refuses to file the FAFSA. It is important to note that providing financial support includes not only payment by the parent of educational costs, but also providing other cash and non-cash support to the student such as room and/or board.

This new provision is not the same as the dependency override provision of section 480(d)(1)(I) of the HEA. In prior guidance on the authority of a financial aid administrator to make a dependency override, we specifically stated that the refusal of a parent to support the student and to complete the FAFSA is not, by itself, sufficient for a dependency override (See Dear Colleague Letter GEN-03-07 and pages AVG 23 and 24 of the 2008-2009 Application and Verification Guide). Accordingly, there will be instances when a financial aid administrator may decide, based upon documentation submitted by the dependent student as discussed below, to award an unsubsidized FFEL or Direct Loan without the student's parent or parents having completed the FAFSA, but not to perform a full dependency override. In such cases, the dependent student would be eligible to receive only an unsubsidized loan and not any other Title IV assistance. In addition, the student's parent(s) would not be eligible to apply for a PLUS loan on the student's behalf.

Note that nothing in this provision affects the requirement that the dependent student must establish his or her eligibility for Title IV assistance. Therefore, the student must complete and submit a FAFSA that includes all of the required student information and certifications.

Financial aid administrators may use the new authority described above beginning with a loan for any loan period that begins on or after August 14, 2008, or includes that date.

The maximum annual unsubsidized loan amount that a dependent student may receive under the new authority described in this letter is the "base" annual loan limit for the student's grade level plus the additional unsubsidized amount of $2,000 that was added to

the annual loan limits for dependent students by the ECASLA. These amounts are as follows:

GRADE LEVEL OF DEPENDENT STUDENT	BASE AMOUNT OF UNSUBSIDIZED LOAN	ADDITIONAL AMOUNT OF UNSUBSIDIZED LOAN	TOTAL AMOUNT OF UNSUBSIDIZED LOAN
ONE	$3,500	$2,000	$5,500
TWO	$4,500	$2,000	$6,500
THREE AND ABOVE	$5,500	$2,000	$7,500

Note that the additional unsubsidized loan amount that a dependent student may receive under this new authority is only the $2,000 that is available to all dependent students and not the higher additional unsubsidized amounts ($6,000 or $7,000 depending on grade level) that are available to independent undergraduate students and dependent students whose parents are willing but unable to borrow under the PLUS loan program.

As discussed earlier, this new statutory provision provides that before a financial aid administrator exercises his or her discretion to award a dependent student an unsubsidized loan without parental FAFSA information, the financial aid administrator must verify that the parent(s) has ended financial support of the student and refuses to complete the parental sections of the FAFSA. Self-certification from the dependent student is not sufficient. In most instances, this requirement can be met by the financial aid administrator obtaining a signed and dated statement from one of the student's parents specifically stating that the parent(s)

- has stopped providing financial support to the student (including the date when the financial support stopped);
- will not provide financial support in the future; and
- refuses to complete the parental section of a FAFSA.

There is no requirement that the parent provide a reason for ending financial support and refusing to complete the FAFSA. And, as noted earlier, providing financial support includes not only payment by the parent of educational costs, but also providing other cash and non-cash support to the student such as room and/or board.

If the student informs the financial aid administrator that his or her parent(s) will not provide the required verification statement, the financial aid administrator must obtain documentation from a third party (e.g., teacher, counselor, clergy, court) describing the student's relationship with his or her parents.

Finally, before making a decision the financial aid administrator may, but is not required to, determine how the student intends to financially support himself or herself without parental support.

The current FAFSA application web products (FAFSA on the Web, Corrections on the Web, and FAA Access to CPS Online) have edits that will not allow the submission of a FAFSA for a dependent student if parental information has not been provided. Therefore, for the remainder of the 2008-09 FAFSA processing year, a student who wishes to have his or her financial aid administrator consider awarding an unsubsidized loan without parental information under this authority must either mail a paper FAFSA to the Department's FAFSA Processing Center or submit a paper FAFSA to a school that transmits FAFSA data to the Department using the Electronic Data Exchange (EDE).

Upon receipt of the paper FAFSA or EDE formatted FAFSA record, the Central Processing System (CPS) will perform the required data matches for the student applicant and report the results of those matches on the Student Aid Report (SAR) and the Institutional Student Information Record (ISIR). However, since parental information for the dependent student is missing, the CPS will not calculate an EFC and a "rejected" record (SAR and ISIR) will be produced asking for parental information.

Upon receipt of the rejected ISIR, and provided that the student is otherwise eligible, the financial aid administrator may collect the documentation discussed earlier in this letter and decide whether to award the student an unsubsidized loan under this authority. If the financial aid administrator decides not to award the student an unsubsidized loan, the student must obtain and submit, as a correction to the FAFSA record, the required parental information and signatures before any Title IV aid can be awarded. As with other professional judgment decision, the decision of the financial aid administrator cannot be appealed to the Department.

The Department is considering alternatives to the paper (and EDE) submission process for the upcoming 2009-10 processing year that will begin in January 2009. Our decision on the use of other processes will be based, in part, on discussions we plan to have with schools over the next several weeks.

Note for Direct Loan Schools: During the period December 12-13, 2008, we plan to implement COD System functionality that will allow for the acceptance of a 2008-2009 Direct Unsubsidized Loan award made to a dependent student without parental FAFSA information. However, like institutions that participate in the FFEL Program, Direct Loan schools may exercise this new authority immediately and award and disburse unsubsidized loans to dependent students where the financial aid administrator has made the determinations described in this letter. The school will submit the origination and disbursement records for these awards to the COD System after the December 13, 2008, COD implementation. In some cases, more than 30 days will have elapsed between the date a school disburses funds to an eligible student and the date the school submits the record of that disbursement to the COD System. For these loans, we will consider such a school to be in compliance with the 30-day disbursement-reporting requirement until January 12, 2009.

In a forthcoming Electronic Announcement that will be posted on the Information for Financial Aid Professionals (IFAP) Web site, we will provide processing information that schools will need both before and after we implement the new COD System functionality in mid-December. Please monitor the IFAP Web site for this operational guidance.

Total Income
HEOA section 473(a) **HEA section 480(a)**
Effective date: July 1, 2010
The HEOA permits the use of data from the second preceding tax year (often referred to as "prior prior year" data) to carry out simplification efforts. The HEOA also exempts veterans' education benefits received by the individual from Total Income.

Untaxed Income and Benefits
HEOA section 473(b) **HEA section 480(b)(1)(E)**
Effective date: July 1, 2010
The HEOA excludes from untaxed income and benefits the value of on-base military housing or the value of basic allowance for housing determined under section 403(b) of Title 37, U.S.C., received by the parents, in the case of a dependent student, or by the student or student's spouse, in the case of an independent student.

Section 403(b) of Title 37, U.S.C. can be found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+37USC403b

Independent Student
HEOA section 473(c) **HEA section 480(d)(1)**
Effective date: July 1, 2010
The HEOA

- clarifies that the independent student definition includes a student who is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or a ward of the court anytime from the time when the individual was 13 years of age or older; and
- clarifies that an individual who was an emancipated minor immediately prior to attaining the age of majority meets the definition of an independent student.

Excludable Income
HEOA section 473(d) **HEA section 480(e)**
Effective date: July 1, 2010
The HEOA specifies that any income earned from work under a cooperative education program offered by an institution of higher education is excluded from the determination of EFC.

Estimated Financial Assistance
HEOA section 473(e) **HEA section 480(j)(1)**
Effective date: July 1, 2010
The HEOA excludes veterans' education benefits, as defined in subsection (c) of section 480 of the HEA, from the definition of estimated financial assistance.

Improvements to the FAFSA and Processes

FAFSA--Effective Date
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The provisions of the HEOA amending section 483(a) of the HEA are effective upon enactment. While the Title IV programs are already compliant with many of the amended provisions, as a practical matter, development of the delivery systems for the 2009-2010 award year, including the FAFSA, is completed or is nearing completion. The Title IV programs will be brought into full compliance with the new provisions for the 2010-2011 award year.

FAFSA
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA provides for multiple versions of the FAFSA that a student submits to receive a determination of his or her need and eligibility for financial assistance. The need and eligibility of a student for financial assistance under the Title IV programs (other than the Leveraging Educational Assistance Partnership Program (LEAP) and Grants for Access and Persistence (GAP) Program) may be determined only by using a FAFSA. The FAFSA must be produced, distributed, and processed by the Secretary. The HEOA requires that the Secretary work to make the FAFSA consumer friendly and be available in formats accessible to individuals with disabilities.

Paper FAFSAs
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires the Secretary to provide and process a paper version of the FAFSA. In addition, the Secretary must develop, with appropriate field-testing, a paper EZ FAFSA for applicants that qualify under the simplified needs test (SNT) or the automatic zero EFC. The EZ FAFSA reduces the data elements to only those needed to determine if the applicants meet the requirements for the SNT or automatic zero EFC and to determine State aid. The Secretary must provide printed copies of paper FAFSAs upon request.

The Secretary must also provide printable electronic versions of the paper full FAFSA and EZ FAFSA that are available to students on the same website as the electronic versions of the FAFSA.

Electronic FAFSA (FAFSA on the Web)
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires the Secretary to provide and process an electronic version of the FAFSA. In addition, the Secretary must provide an electronic simplified version of the FAFSA for applicants that qualify under the SNT or the automatic zero EFC. The simplified electronic FAFSA reduces the data elements a student must report to only

those needed to determine if the applicants meet the requirements for the SNT or automatic zero EFC and to determine State aid. The Secretary may not require an applicant to enter data on an electronic FAFSA that are required by any State other than the applicant's State of residence.

The HEOA requires the Secretary to make all efforts to encourage all applicants to utilize the electronic versions of the FAFSA.

Renewal FAFSA
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires the Secretary, in cooperation with States, institutions of higher education and others involved in student financial assistance, to continue to streamline the Renewal FAFSA and reapplication processes. The HEOA does not specify the media that may be used for the form. In cooperation with these other entities, the Secretary determines the data elements that may be transferred from the previous year's application and those that must be updated. In addition, nothing in Title IV of the HEA may be considered to limit the authority of the Secretary to reduce the number of data elements required of reapplicants. Applicants with an automatic zero EFC are not required to provide any financial data in a Renewal FAFSA, except for the data necessary to qualify for an automatic zero EFC.

The Secretary may continue to permit an electronic version of the form under this paragraph to be submitted without a signature, if the applicant subsequently submits a signature or uses a personal identification number (PIN).

Toll-free Telephone-based FAFSA
HEOA section 483(a) **HEA section 483(c)**
Effective date: August 14, 2008
The HEOA requires that the Secretary continue to implement, to the extent practicable, a toll-free telephone-based system for applicants who meet the requirements for the SNT and automatic zero EFC.

Charges to Students and Parents Prohibited
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
No parent or student may be charged a fee by the Secretary, a contractor, a third-party servicer, or private software provider, or any other public or private entity for the collection, processing, or delivery of financial aid through the use of a FAFSA. No data collected on a form for which a fee is charged may be used to complete a FAFSA, except that a Federal or State income tax form prepared by a paid income tax preparer or preparer service for the primary purpose of filing a Federal or State income tax return may be used to complete the form prescribed under this section.

Personal Identification Number
HEOA section 483(a) **HEA section 483(a)**

Effective date: August 14, 2008
The HEOA authorizes the Secretary to continue to assign a PIN to an applicant to use as a signature for the purpose of completing an electronic FAFSA and any other purpose in the Title IV programs. The HEOA provides that no person, commercial entity, or other entity may request, obtain, or utilize an applicant's PIN for purposes of submitting a FAFSA on behalf of an applicant. The HEOA mandates that the Secretary continue to work with the Commissioner of Social Security to minimize the time required for an applicant to obtain a PIN when applying for student financial aid with an electronic FAFSA.

Reducing Data Elements
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
Using the number of data elements on the 2009-2010 FAFSA as the starting point, the HEOA requires the Secretary to work with the student financial assistance community to reduce the number of data elements students must enter with a goal of reducing by 50 percent.

Privacy
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The Secretary must ensure that the FAFSA data collection complies with the Privacy Act of 1974 and that any entity using the electronic versions of the FAFSA must maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic versions of the FAFSA. Data collected by an electronic version of the FAFSA may be used only for the application, award, and administration of Federal student aid, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by electronic version of the FAFSA may be used for making final aid awards of Federal student aid until the Secretary or a contractor or designee of the Secretary has processed the data, except as may be permitted under the Title IV programs.

Distribution of Data
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
Institutions of higher education, guaranty agencies, and States may receive, without charge, FAFSA data collected by the Secretary for the purposes of processing loan applications and determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data are subject to all the requirements of section 483(a) of the HEA, unless the Secretary waives the requirements.

Use of Forms
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008

The HEOA provides that electronic FAFSAs may be used by eligible institutions, eligible lenders, guaranty agencies, State grant agencies, private computer software providers, or a consortium of these or other entities that the Secretary may designate.

State Data Elements on the FAFSA
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008

State data elements included
In consultation with the States, the Secretary must include on the FAFSA data elements that the Secretary determines are necessary to meet State requirements for need-based State aid. The number of State data elements must not be less than the number of data elements included on the form for the 2008-2009 award year unless a State notifies the Secretary that the State no longer requires those data elements to deliver State need-based aid. The Secretary must, to the extent practicable, not require applicants to complete any financial or nonfinancial data items that are not required by the applicant's State or by the Secretary.

State data elements and simplified FAFSAs
The Secretary must encourage States to use the EZ FAFSA and simplified electronic FAFSA for applicants qualifying for the SNT or automatic zero EFC. The HEOA provides that the Secretary exclude State-specific questions from the simplified forms for States that do not allow applicants to file a paper EZ FAFSA or a simplified electronic FAFSA to determine eligibility for State need-based financial aid. The Secretary must notify the State if such a determination is made. Note that section 415C(b)(4) of the HEA continues to require that a State grant program may qualify for funding under the LEAP, SLEAP, and GAP programs only if no parent or student is charged a fee that is payable to an entity other than such State if the State collects additional data to determine a student's financial need under its substantial need criteria.

Federal Register notice and annual review of State data elements
The HEOA requires the Secretary to conduct an annual review of the data elements that each State requires to award need-based State aid and to determine whether each State will allow an applicant to file the paper or electronic version of the simplified form developed for applicants that qualify under the SNT or the automatic zero EFC.

Beginning with the forms developed for the 2010-2011 award year, the Secretary must publish an annual *Federal Register* notice that requires State agencies to notify the Secretary if applicants are not permitted to use the EZ FAFSA or simplified electronic FAFSA and which State-specific nonfinancial data the State agency requires for the delivery of State need-based financial aid. For deadline dates established in the Master Calendar for the publication of notices, see Title IV—Student Assistance, Title IV Programs—General, Master Calendar.

If a State does not respond to the Secretary's request for State-specific data or the use of the EZ FAFSA or simplified electronic FAFSA, residents of that State may complete the simplified forms without completing the data elements previously required by that State.

Early Filing Date
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires the Secretary to enable students to submit FAFSAs and to process them as early as practicable prior to January 1 of the first calendar year of the award year, e.g., January 1, 2009, for the 2009-2010 award year.

Early Estimates
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires that the Secretary continue to permit applicants to file FAFSAs in the years prior to enrollment in order to obtain a nonbinding estimate of the applicant's EFC and to provide students additional information on Federal student financial aid. The Secretary is also required to consult with representatives of States, institutions of higher education, and others on the early information provided to students.

Toll-free Information
HEOA section 483(a) **HEA section 483(c)**
Effective date: August 14, 2008
In addition to providing service accessible by telecommunications devices for the deaf (TDD's) and referrals of such students to the national clearinghouse on postsecondary education, the HEOA provides that such students also be referred to other appropriate providers of technical assistance and information on postsecondary educational services for individuals with disabilities, including the National Technical Assistance Center authorized under section 777 of the HEA.

FAFSA Preparers
HEOA section 483(a) **HEA section 483(d)**
Effective date: August 14, 2008
The HEOA added a new provision that allows an applicant to use a preparer for consultative or preparation services to complete all paper or electronic FAFSAs under certain specified conditions. If an applicant uses a preparer for consultative or preparation services for the completion of a FAFSA for which a fee is charged, the preparer must include, at the time the FAFSA is submitted to the Department, the name, address or employer's address, social security number or employer identification number, and organizational affiliation of the preparer on the applicant's form and be subject to the same penalties as an applicant for purposely giving false or misleading information in the application. A preparer must clearly inform each individual upon initial contact, including contact through the Internet or by telephone, that the FAFSA and EZ FAFSA are free forms that may be completed without professional assistance via paper or electronic versions provided by the Secretary. The preparer must also include in any advertising clear and conspicuous information that the FAFSA and EZ FAFSA are free

forms that may be completed without professional assistance via paper or electronic versions provided by the Secretary. If the preparer is advertising or providing any information on a website, or if providing services through a website, the preparer must include on the website a link to the website that provides the electronic version of the FAFSA and not produce, use, or disseminate any other form for the purpose of applying for Federal student financial aid other than the FAFSA developed by the Secretary.

Nothing in the HEA may be construed to limit preparers of FAFSAs that meet these requirements from collecting source information from a student or parent, including IRS tax forms, in providing consultative and preparation services in completing the forms.

Early Application and Estimated Award Demonstration Program
HEOA section 483(a) HEA section 483(e)
Effective date: August 14, 2008

Purpose and objectives
The HEOA establishes a new demonstration program to determine the effects of implementing an early application system for all dependent students that allows dependent students to apply for financial aid using information from two years prior to the year of enrollment.

The demonstration program would measure the benefits of early application in terms of student aspirations and plans to attend institutions of higher education, any adverse effects in program costs, integrity, distribution, and delivery of Federal, State and institutional student aid. It would look at the feasibility for dependent students in their junior year of high school, using information two years prior to the year of enrollment, to receive estimates of Federal, State and institutional aid that may be available to them upon their enrollment at an institution of higher education. The program would also seek to identify whether receiving financial aid estimates early will have a positive impact on a student's plans to enroll in an institution of higher education and to effectively evaluate the benefits and adverse effects of the demonstration program on program costs, integrity, distribution, and delivery of financial aid.

Implementation
Not later than two years after August 14, 2008, the HEOA requires that the Secretary implement the early application demonstration program enabling a dependent student wishing to participate to complete a FAFSA during the academic year that is two years prior to the year the student plans to enroll in an institution of higher education. As a result of submitting this FAFSA, the student would obtain, not later than one year prior to the year of the student's planned enrollment, information on his or her eligibility for Federal Pell Grants, Federal student loans, and State and institutional financial aid for the student's first year of enrollment in an institution of higher education.

For each participating dependent student submitting a FAFSA, not later than one year prior to the year of such planned enrollment, the Secretary must provide the student's EFC for the first year of the student's enrollment in an institution of higher education and

the student's Federal Pell Grant award for the first such year, based on the maximum Federal Pell Grant award at the time of application. The Secretary must also remind the student of the need to update the student's FAFSA information during the calendar year of enrollment using a renewal FAFSA.

Participants
The Secretary must include as participants in the demonstration program selected States as well as institutions of higher education and secondary schools within the selected States that are interested in participating in the demonstration program. The institutions of higher education must be able to make estimates or commitments of institutional student financial aid, as appropriate, to a student the year before the student's planned enrollment date. Secondary schools must be able to commit resources to advertising the availability of the program, identifying students who might be interested in participating in the program, encouraging such students to apply, and participating in the evaluation of the program.

State applications
A State must submit an application to the Secretary at such time, in such form, and containing such information as the Secretary requires. The application must include information on the amount of State need-based aid available and the State's student eligibility requirements, a commitment to provide participating students, not later than the year before the students plan to enroll in an institution of higher education, an estimate of the award of State financial aid to such dependent student. It must also include a plan for recruiting and selecting institutions of higher education and secondary schools with different demographic characteristics that demonstrate a commitment to encouraging students to submit a FAFSA two years before the students' planned date of enrollment in an institution of higher education and that serve different populations of students. The plan must also provide for selecting institutions of higher education that, to the extent possible, are of varying types and sectors and are committed to making, not later than the year prior to the year that students plan to enroll in the institution, estimated institutional awards to the students and estimated Title IV program grants or other financial aid, including Federal Supplemental Education Opportunity Grants (FSEOG) along with information on State awards, as provided to the institution by the State. The application must also include a commitment to participate in the evaluation conducted by the Secretary and such other information as the Secretary may require.

Professional judgment
A financial aid administrator at a participating institution of higher education may use professional judgment, as necessary, for students participating in the demonstration program.

Statutory and regulatory waivers
The Secretary is authorized to waive, for a participating institution of higher education, any statutory or regulatory requirements under Title IV of the HEA that would make the demonstration program unworkable, except that the Secretary may not waive any

provisions with respect to the maximum award amounts for Title IV program grants and loans.

Outreach
The HEOA requires that the Secretary make appropriate efforts to notify States of the demonstration program and, upon determination of the participating States, to continue to make efforts to notify institutions of higher education and dependent students within participating States of the opportunity to participate in the demonstration program and of the participation requirements.

Evaluation
The HEOA requires the Secretary to conduct a rigorous evaluation of the demonstration program to measure the program's benefits and adverse effects, as the benefits and effects relate to the purpose and objectives of the program. In conducting the evaluation, the Secretary must identify whether receiving financial aid estimates one year prior to the year in which the student plans to enroll in an institution of higher education, has a positive impact on the higher education aspirations and plans of such student; measure the extent to which using a student's income information from the year that is two years prior to the student's planned enrollment date had an impact on the ability of States and institutions of higher education to make financial aid awards and commitments; determine what operational changes are required to implement the program on a larger scale; identify any changes to Federal law that are necessary to implement the program on a permanent basis; identify the benefits and adverse effects of providing early estimates on program costs, program operations, program integrity, award amounts, distribution, and delivery of aid; and examine the extent to which estimated awards differ from actual awards made to students participating in the program.

Consultation
The HEOA requires that the Secretary consult, as appropriate, with the Advisory Committee on Student Financial Assistance on the design, implementation, and evaluation of the demonstration program.

Reduction of Income and Asset Information
HEOA section 483(a) **HEA section 483(f)**
Effective date: August 14, 2008

FAFSA simplification
The HEOA requires that the Secretary continue to examine how the IRS can provide income and other data needed to compute an EFC for taxpayers and dependents of taxpayers, and when in the application cycle the data can be made available and whether data provided by the IRS can be used to prepopulate the electronic version of the FAFSA with student and parent taxpayer data or to generate an EFC without additional action by the student and taxpayer. The Secretary is also required to continue to review whether the data elements collected on the FAFSA can be reduced without adverse effects, including those needed to determine eligibility for student aid, or to administer the Title IV programs, but are not needed to compute EFC, such as information regarding the

student's citizenship or permanent residency status, registration for selective service, or driver's license number.

Initial report on FAFSA simplification
The HEOA requires that the Secretary, not later than November 12, 2008, provide Congress with a written report on the work the Department has done with the Secretary of Treasury to date on FAFSA simplification. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, FAFSA Simplification Reports.

Study group and required study
The HEOA requires the GAO, not later than November 12, 2008, to organize a study group to include the Secretary of Education, the Secretary of Treasury, the Director of the OMB, the Director of the Congressional Budget Office, representatives of institutions of higher education with expertise in Federal and State financial aid assistance, State chief executive officers of higher education and other individuals as the GAO and the Secretary of Education may designate. The objective of the study is to determine methods that will shorten the FAFSA and make it easier to complete in less time, to identify changes to the statutory need analysis formula that is necessary to reduce the amount of financial information families have to report to determine eligibility for student financial assistance and review State and institutional needs and uses for data collected on the FAFSA. See Non-institutional Studies, Reports, and Summits, U.S. Government Accountability Office (GAO) Studies and Reports, FAFSA Simplification—Reduction of Income and Asset Information Study.

Consultation
The HEOA requires the Secretary to consult with the Advisory Committee on Student Financial Assistance established under the HEA as appropriate in carrying out this subsection.

Reports on the study
The HEOA requires that the Secretary prepare and submit to Congress not later than one year after August 14, 2008, an interim report on the progress of the study required that includes any preliminary recommendations by the study group and, not later than two years after August 14, 2008, a final report on the results of the study that includes recommendations by the study group established under such paragraph. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, FAFSA Simplification Reports.

Reports on FAFSA simplification efforts
In addition to the interim report and a report on the study group, the HEOA requires that the Secretary must report to Congress, from time to time, on the progress of FAFSA simplification efforts. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, FAFSA Simplification Reports.

Addressing the Digital Divide

HEOA section 483(a) **HEA section 483(g)**
Effective date: August 14, 2008
The HEOA requires that the Secretary use savings accrued by moving more applicants to electronic FAFSAs to improve access to the electronic FAFSAs for applicants qualifying for the SNT and automatic zero EFC.

Professional Judgment Disclosure
HEOA section 483(a) **HEA section 483(h)**
Effective date: August 14, 2008
The HEOA requires that the Secretary disclose on a student's SAR that the student may, on a case-by-case basis, qualify for an adjustment to the cost of attendance or the values of the data items required to calculate the EFC under a financial aid administrator's authority to use professional judgment. The disclosure must include examples of special circumstances under which a student or family member may qualify for such an adjustment and additional information regarding the steps a student or family member may take in order to seek an adjustment.

Report to Congress on Reducing Use of Paper Format and on the Reduction of Data Elements on the Renewal FAFSA
HEOA section 483(a) **HEA section 483(a)**
Effective date: August 14, 2008
The HEOA requires the Secretary to maintain data and periodically report on the students completing a paper FAFSA versus those completing an electronic FAFSA. The Secretary must also report on his or her efforts to reduce the use of the paper form and to increase the use of electronic communications, specifically addressing the impact on independent students, traditionally underrepresented students, and dependent students.

The HEOA requires the Secretary to report to Congress by June 30, 2011, on the progress being made to reduce the number of data elements students must enter on the Renewal FAFSA.

<u>Model Institution Financial Aid Offer Form</u>
HEOA section 484 **HEA section N/A**
Effective date: August 14, 2008
The HEOA requires the Secretary to convene a group of students, families of students, high school guidance counselors, representatives of institutions of higher education (including financial aid administrators, registrars, and business officers) and nonprofit consumer groups to make recommendations for improvements that can be made to financial aid offer forms and to develop a model form. The Secretary is to convene the group no later than February 14, 2009, and the group is charged to submit their recommendations to Congress no later than August 14, 2009.

The HEOA requires the model form to include the following information in a consumer-friendly manner that is simple and understandable:
- information on the student's cost of attendance including tuition and fees, room and board costs, books and supplies, and transportation;

- the amount of financial aid that the student does not have to repay including scholarships, grants, and work-study assistance and conditions of receiving such aid;
- the types and amounts of student loans under the FFEL, Direct Loan and Perkins Loan programs for which the student is eligible and the applicable terms and conditions of those loans;
- the net amount that the student or family will have to pay for the student to attend the institution for the year. The net amount is defined as the difference between the student's cost of attendance and the amount of financial aid offered to the student;
- where the student or family can obtain additional information regarding the financial aid offered; and
- any other information that the Secretary determines is necessary for students and parents to make informed student loan borrowing decisions.

Student Eligibility

Social Security Number
HEOA section 485(a)(1)(A) HEA section 484(a)(4)(B)
Effective date: July 1, 2010
The HEOA now requires every student to provide his or her social security number to the Secretary as part of the financial aid application process, thereby eliminating the exemption for students from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

Ability to Benefit
HEOA section 485(a)(3) HEA section 484(d)(4)
Effective date: August 14, 2008
The HEOA adds a new provision that allows students without a high school diploma or its equivalent to become eligible to receive Title IV funding upon satisfactory completion of six credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution. Students are ineligible to receive Title IV aid while earning the six credit hours.

Eligibility for Citizens of the Freely Associated States
HEOA section 485(a)(4) HEA section 484(j)
Effective date: August 14, 2008
The HEOA removes subsection (j) of section 484 of the HEA, which expired on September 30, 2004. The provision provided eligibility in the Federal Pell Grant Program, FSEOG Program, and Federal Work-Study (FWS) Program to students who are citizens of any of the Freely Associated States attending a public or nonprofit private institution of higher education. Instead, the provisions in the applicable compact of Free Association govern the eligibility of these students. Students who are citizens of the Republic of the Marshall Islands or the Federal States of Micronesia are eligible to receive Federal Pell Grants at institutions in the United States, its territories, the Republic of the Marshall Islands or the Federal States of Micronesia through fiscal year 2023. The Compact of Palau is currently up for renewal; however citizens of Palau continue to be

eligible to receive Federal Pell Grants at an eligible institution for the 2008-2009 award year.

Distance Education/Correspondence Courses
HEOA section 485(a)(5) HEA section 484(l)
Effective date: July 1, 2010
The HEOA replaces the term "telecommunications" with "distance education" and removes the definition of "telecommunications" from this subsection. The HEOA also specifies that a course offered "principally" through distance education is considered a distance education course. Previously, any course offered "in whole or in part" by telecommunications was considered a telecommunications course. A student's eligibility must be reduced if a financial aid administrator determines that instruction through distance education results in a substantially reduced cost of attendance to that student.

Obtaining Financial Data from the Internal Revenue Service
HEOA section 485(a)(6) HEA section 484(q)
Effective date: July 1, 2010
The HEOA gives the Secretary, in cooperation with the Secretary of the Treasury, authority to obtain from the IRS any information reported on Federal income tax returns by an applicant, or any other individual whose financial information is required on the FAFSA. As a condition of a student receiving Title IV assistance, the Secretary may require an applicant, the parents of a dependent applicant, or the spouse of an applicant to provide consent in order for the IRS to disclose the necessary information.

Regaining Eligibility after a Drug Conviction
HEOA sections 485(a)(7)(C) and (a)(9) HEA sections 484(r)(2)(B) and (t)
Effective date: July 1, 2010
The HEOA adds a new provision at section 484(r)(2)(B) of the HEA that allows a student whose eligibility has been suspended due to a drug conviction to resume eligibility if the student successfully passes two unannounced drug tests conducted by a drug rehabilitation program that complies with criteria established by the Secretary.

The HEOA adds a new section 484(t) of the HEA that now requires the Secretary, by August 14, 2009, to analyze data from the FAFSA for students denied Federal assistance based on a drug conviction while receiving Federal aid. The results from the analysis must be made available continuously on the Department's website and the Digest of Education Statistics. Each fiscal year, the results must also be provided to Congress.

Financial Assistance for Individuals with Intellectual Disabilities
HEOA section 485(a)(8) HEA section 484(s)
Effective date: August 14, 2008
The HEOA adds a new provision to allow students with intellectual disabilities to receive funding under the Federal Pell Grant Program, FSEOG Program and FWS Program. To be eligible, a student must

- be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program for students with intellectual disabilities at an institution of higher education;
- be maintaining satisfactory progress; and
- meet the other student eligibility requirements in section 484(a)(3), (4), (5), and (6) of the HEA.

Other than the statutory provisions governing Need Analysis, the Secretary has the authority to waive any statutory provision for the Federal Pell Grant Program, FSEOG Program, FWS Program, and institutional eligibility necessary to ensure that programs enrolling student with intellectual disabilities are eligible for Title IV program funds and that students determined to be eligible receive Title IV program funds.

The terms "student with an intellectual disability" and "comprehensive transition and postsecondary program for students with intellectual disabilities" are defined in section 760 of the HEA (see Title VII—Graduate and Postsecondary Improvement Programs, Programs to Provide Students with Disabilities with a Quality Higher Education).

Consumer Information

Information and Dissemination Activities
HEOA section 488(a) **HEA section 485(a)**
Effective date: August 14, 2008
Academic year 2011-2012 (HEA section 485 paragraph (a)(1)(L) or subsection (e) for two-year institutions)

As part of the required information an institution must make available to prospective and enrolled students the HEOA adds

- to the existing description of the academic program any plans the institution has for improving the academic program;
- terms and conditions under which students receive FFEL, Direct Loans and Perkins Loans;
- new subparagraph (P) of section 485(a)(1) of the HEA requires a description of institutional policies and sanctions related to copyright infringement and civil and criminal liabilities students may face for unauthorized distribution of copyrighted materials which includes unauthorized peer-to-peer file sharing and the prohibited use of the institution's information technology system for those activities;
- new information on student body diversity in the categories of gender and ethnicity of enrolled, full-time students who receive Federal Pell Grants;
- information on placement of and types of employment obtained by graduates of the institutions' degree or certificate programs. The HEOA suggests that institutions use sources such as alumni surveys, student satisfactions surveys, the National Survey of Student Engagement, the Community College Survey of Student Engagement State data systems or other sources available;
- types of graduate and professional education in which graduates of the institutions' four-year degree programs enrolled which may be gathered from sources listed in the prior bullet;

- a fire safety report prepared by the institution (further explained in the discussion of section 485(i) of the HEA);
- retention rates of certificate or degree seeking first-time full-time undergraduate students entering such institution; and
- institutional policies regarding all vaccinations.

The HEOA amends subparagraph (L) of section 485(a)(1) of the HEA regarding completion and graduation rates disclosed to exclude the completion or graduation rates of students who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government. In cases where these types of students represent 20 percent or more of the certificate or degree-seeking full-time undergraduate students at the institution, the institution may recalculate the completion or graduate rates of such students by excluding from the calculation the time period such students weren't enrolled due to their service in those categories. The same exclusions from reporting requirements are also reflected in amended section 485(e) of the HEA with respect to the disclosure of athletically related graduation rates.

The HEOA now also requires institutions to disaggregate completion and graduation rate data with respect to (1) existing section 485(a)(1)(L) of the HEA, which requires institutions to disclose the completion and graduation rate of certificate- or degree-seeking, full-time, undergraduate students; and (2) existing section 485(e) of the HEA, which requires institutions to disclose and submit annually to the Department completion or graduation rates for student-athletes. The data must be disaggregated based on gender, race/ethnicity and receipt of a Federal Pell Grant, receipt of a FFEL or Direct Loan (but not an unsubsidized Stafford or Federal Direct Unsubsidized Stafford) but not a Federal Pell Grant, and non- receipt of a Federal Pell Grant or Federal loans (other than an unsubsidized Stafford or Federal Direct Unsubsidized Stafford). The HEOA provides an exception where institutions may note instances where the statistical number is too small and would not yield statistically reliable information or would reveal personally identifiable information. These requirements will not apply to two-year degree-granting institutions until the 2011-2012 academic year. In order to assist two-year degree-granting institutions in meeting these requirements, the Secretary, in consultation with the Commissioner for Education Statistics, must convene a group of representatives from the higher education community to consider and recommend additional or alternative measures of student success and to discuss a potential means of accurate calculation and reporting of the information required to be disclosed or submitted to the Department, as applicable, for the two-year degree granting institutions. The Department is in the process of convening that group. The study group must release a report within 18 months. The Secretary may modify the information required to be disclosed or submitted, as applicable, for the two-year schools during the period starting with August 14, 2008, and ending on June 30, 2011.

Exit Counseling
HEOA section 488(b) **HEA section 485(b)(1)(A)**
Effective date: August 14, 2008

The HEOA modifies the HEA to require each eligible institution, through financial aid offices or otherwise, to conduct exit counseling for borrowers receiving loans made, insured or guaranteed under the FFEL Program (except for Consolidation Loans or Federal PLUS loans made to parent borrowers) or loans made under the Direct Loan Program (other than Federal Direct Consolidation Loans or Federal Direct PLUS loans made to parent borrowers) or made under the Perkins Loan Program prior to the completion of the borrower's course of study or the borrower's departure from the institution. The counseling must include

- information on repayment plans which includes a description of the different features of each plan and samples showing average anticipated monthly payments with the difference in interest paid and total payments shown with each plan;
- debt management strategies to assist the borrower in repaying the debt;
- options the borrower has to prepay each loan or pay each loan on a compressed schedule or to change repayment plans;
- information on loan forgiveness and cancellation provisions and the conditions under which the borrower may obtain full or partial forgiveness or cancellation of principal and interest;
- information on forbearance provisions and a general description of terms and conditions under which the borrower may defer repayment of principal or interest or be granted forbearance;
- information on the consequences of default on a loan which includes adverse credit reports and Federal delinquent debt collection procedures and litigation;
- information with respect to Consolidation loans to discharge FFEL, Direct Loan, and Perkins Loan program loans which includes
  - the effects of the consolidation on total interest to be paid, fees, and length of repayment;
  - the effect on a borrower's underlying loan benefits, which includes grace periods, loan forgiveness, cancellation and deferment;
  - the option the borrower has to prepay the loan or to change repayment plans; and
  - that borrower benefit programs may vary depending on the lender;
- a general description of the types of tax benefits that might be available to borrowers; and
- information on how a borrower can use NSLDS to get information on the status of their loans.

Departmental Publication of Descriptions of Assistance Programs
HEOA section 488(c) **HEA section 485(d)**
Effective date: August 14, 2008

The HEOA requires the Secretary to widely publicize the availability and location of publications that describe student financial assistance programs for eligible institutions, lenders and secondary schools. The HEOA requires the Secretary to modify the existing information that is available on these programs to include descriptions of the different payment options for student loans, including income-sensitive and income-based repayment (IBR) plans for FFEL Program loans and income-contingent and IBR plans for Direct Loan Program loans. The Secretary will also provide an explanation on loan forbearance and the increase in debt that results from capitalizing interest.

Disclosures Required with Respect to Athletically Related Student Aid
HEOA section 488(d) HEA section 485(e)
Effective date: August 14, 2008
The HEOA amends the HEA provisions regarding the calculation of completion and graduation rates for athletes to exclude the completion or graduation rates of students and student athletes who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government. In cases where these categories of students represent 20 percent or more of the certificate or degree-seeking full-time undergraduate students at the institution the institution may recalculate the completion or graduation rates of such students by excluding from the calculation the time period such students were not enrolled due to their service in those categories.

Disclosure of Campus Security Policy and Campus Crime Statistics Annual Security Report
HEOA section 488(e) HEA section 485(f)
Effective date: August 14, 2008
The HEOA amends the requirements for institutions to inform students and others of campus security policies to include a statement of the enforcement authority of campus security personnel and their relationship with State and local police and whether or not they have agreements with those police agencies (such as written memoranda of understanding) to investigate alleged crimes. Institutions must also have policies that encourage complete timely reporting of all crimes to the campus police and appropriate law enforcement agencies.

Hate Crime Reporting--The HEOA expands hate crime statistics reported to the Department to include larceny-theft, simple assault, intimidation and vandalism.

Emergency Response and Evacuation Procedures--The HEOA amends the requirements for the annual security report to require institutions to disclose their policies regarding emergency response and evacuation procedures that immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on campus, unless the notification at that time will compromise efforts to contain the emergency. Institutions must also publicize their emergency response and evacuation procedures on an annual basis to reach students and staff and must test emergency response and evacuation procedures annually.

U.S. Department of Education Reporting
HEOA section 488(e) HEA section 485(f)
Effective date: August 14, 2008
The HEOA requires the Secretary to report annually to Congress regarding compliance and monitoring of the security report requirements. The Secretary may consult with the Attorney General about developing and disseminating best practice information about campus safety and emergencies.

Whistleblower Protection and Anti-Retaliation
HEOA section 488(e) **HEA section 485(f)**
Effective date: August 14, 2008
The HEOA states that nothing in the law shall be construed to permit an institution to take retaliatory action against anyone with respect to the implementation of any provision of the "Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act."

Transfer of Credit Policies
HEOA section 488(g) **HEA section 485(h)**
Effective date: August 14, 2008
Under new subsection (h) of section 485 of the HEA, the HEOA requires institutions participating in any Title IV student financial assistance program of the HEA to have and publicly disclose their current transfer of credit policies. The policy must disclose at a minimum the criteria an institution uses regarding the transfer of credit earned at another higher education institution and a list of any institutions with which the institution has established an articulation agreement.

The HEOA provides that nothing in subsection (h) should be construed to authorize the Secretary or NACIQI to require any particular policies, procedures or practices that relate to transfer of credit, or any Department employee to exercise any direction, supervision or control over the curriculum, program of instruction, administration or personnel of any institution of higher education, or over any accrediting agency or association.

The HEOA emphasizes that the subsection does not create a legally enforceable right for a student to require an institution to accept a transfer of credit from another institution.

Disclosure of Fire Safety Standards and Measures
HEOA section 488(g) **HEA 485(i)**
Effective date: August 14, 2008

Annual Fire Safety Reports on Student Housing
The HEOA added new subsection (i) to section 485 of the HEA to require all Title IV eligible institutions that maintain on-campus student housing facilities to publish an annual fire safety report that contains information about campus fire safety practices and standards of the institution that include

- statistics for each on-campus student housing facility during the most recent calendar years for which data are available concerning each of the following categories:
  - the number of fires and the cause of each fire;
  - the number of injuries related to a fire that result in treatment at a medical facility;
  - the number of deaths related to a fire; and
  - the value of property damage caused by a fire;
- a description of each on-campus student housing facility fire safety and sprinkler system;
- the number of regular mandatory supervised fire drills;

- policies or rules on portable electrical appliances, smoking and open flames (such as candles), procedures for evacuation, and polices regarding fire safety education and training programs provided to students, faculty and staff; and
- plans for future improvements in fire safety if determined necessary by the institution.

Report to the Secretary
Each Title IV eligible institution must annually submit to the Secretary a copy of the fire safety statistics.

Current information to the campus community
The HEOA requires all eligible Title IV institutions to make, keep and maintain a log that records all fires in on-campus student housing facilities, regardless of whether the institution has a police or security department of any kind. The fire log needs to include the nature, date, time and general location of each fire. An institution must make annual reports to the campus community on these fires.

Responsibilities of the Secretary
The HEOA requires the Secretary to make the fire related statistics required under section 485(i)(1)(a) of the HEA available to the public. The HEOA also requires the Secretary to coordinate with nationally recognized fire organizations and representatives of higher education institutions, representatives of associations of institutions of higher education and other organizations that represent and house a significant number of students to identify exemplary fire safety policies and to disseminate the exemplary policies to the Administrator of the United States Fire Administration and to the public. They are also directed to develop a protocol for institutions to review the status of their fire safety systems. The Secretary may not establish a standard of care.

This subsection does not affect institutions obligations under FERPA or HIPAA and does not create a cause of action against any institution of higher education or any employee of such an institution for any civil liability.

Compliance report
The Secretary will report annually to Congress regarding compliance and monitoring of fire safety requirements.

Evidence
Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with these requirements will not be admissible as evidence in any proceeding of any court, agency, board or other entity except with respect to an action to enforce the subsection.

Missing Person Procedures
HEOA section 488(g) **HEA section 485(j)**
Effective date: August 14, 2008

The HEOA adds new subsection (j) to section 485 of the HEA to require that an eligible Title IV institution that provides on-campus housing establish a missing student notification policy for students who reside in on-campus housing that

- informs each student that they have the option to identify an individual that the institution can contact no later than 24 hours after the time the student is determined missing according to the institution's official notification procedures described below;
- provides each student a way to register confidential contact information in the event the student is determined to be missing for more than 24 hours;
- advises each student under 18 years of age (who is not emancipated) that the institution must notify a custodial parent or guardian no later than 24 hours after the time the student is determined to be missing according to the institution's official notification procedures; and
- requires, if campus security or law enforcement personnel has been notified and makes a determination that a student who is the subject of a missing person report has been missing for more than 24 hours and has not returned to campus, the institution to initiate the emergency contact procedures that the student designates.

Section 485(j) of the HEA also requires institutions of higher education to establish official notification procedures for a missing student who resides in on-campus housing that

- includes procedures for official notification of appropriate individuals at the institution that such student has been missing for more than 24 hours;
- requires that any official missing person report relating to such student be referred immediately to the institution's police or campus security department; and
- in instances where, upon investigation of the official report, the police or campus security department determines that the missing student has been missing for more than 24 hours, the department must contact the individual identified by the student as a contact. If the missing student is under 18 years of age and not emancipated the institution must immediately contact the custodial parent or legal guardian of the student and, in cases where the preceding two scenarios do not apply to a student determined to be a missing person, the institution will inform the appropriate law enforcement agency that the student is missing.

Section 485(j) of the HEA does not provide a private right of action to any person to enforce a provision of the subsection or create a cause of action against any institution of higher education or any employee of the institution for any civil liability.

Notice to Students Concerning Penalties for Drug Violations
HEOA section 488(g) HEA section 485(k)
Effective date: August 14, 2008

The HEOA under new subsection (k) of section 485 of the HEA requires institutions to provide to every student upon enrollment a separate, clear and conspicuous written notice with information on the penalties associated with drug-related offenses under existing section 484(r) of the HEA. It also requires an institution to provide a timely notice to each student who has lost eligibility for any grant, loan, or work-study assistance as a

result of penalties under 484(r)(1) of the HEA a separate clear, and conspicuous written notice that notifies the student of the loss of eligibility and advises the student of the ways in which to regain eligibility under section 484(r)(2) of the HEA.

Entrance Counseling for Borrowers
HEOA section 488(g) HEA section 485(l)
Effective date: August 14, 2008

The content of the entrance counseling that institutions are required to provide to first time borrowers of FFEL Program or Direct Loan Program loans at or prior to disbursement is expanded under new subsection (l) of section 485 of the HEA to ensure that the borrower receives detailed information on the terms and conditions of the loan. Institutions are encouraged to use interactive programs to test the borrower's understanding of the terms and conditions of their loans. The entrance counseling may be conducted during an in-person session, or provided in a separate notice to a borrower who acknowledges receipt and understanding by signing and returning an acknowledgement to the institution or by providing an online borrower acknowledgement of receipt. Institutions must include the following information:

- to the extent practicable, what the effect of accepting the loan to be disbursed will have on the eligibility of the borrower for other forms of student aid;
- an explanation of the use of the master promissory note;
- information on how interest accrues and is capitalized during periods when the interest is not paid by the borrower or the Secretary;
- for Unsubsidized Stafford Loans or PLUS Loans made under the FFEL or Direct Loan programs, the option of the borrower to pay the interest while in school;
- the definition of half-time enrollment at the institution, during regular terms and summer school, and the consequences of not maintaining half-time enrollment;
- an explanation of the importance of contacting the appropriate offices at the institutions if the borrower withdraws prior to completing the program of study so the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation;
- examples of monthly repayment amounts based on a range of level of indebtedness of borrowers of loans under section 428 or 428H of the HEA and, as appropriate, graduate borrowers of loans under section 428, 428B or 428H of the HEA, or the average cumulative indebtedness of other borrowers in the same programs as the borrower at the same institution;
- the obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes the program in which the borrower is enrolled within the regular time for completion;
- the likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation;
- information on the NSLDS and how the borrower may access their records; and
- the name and contact information of the individual a borrower can contact with questions regarding the borrower's rights and responsibilities for the terms and conditions of the loan.

Disclosures of Reimbursements for Service on Advisory Boards

HEOA section 1011 **HEA section 485(m)**
Effective date: August 14, 2008
The HEOA adds a requirement that an institution report annually to the Secretary, any reasonable expenses paid or provided under section 140(d) of the TILA (see Amendments to Other Laws, Private Student Loan Improvement, The Truth in Lending Act, Preventing Unfair and Deceptive Private Educational Landing Practices and Eliminating Conflicts of Interest) to any employee who is employed in the financial aid office, or who otherwise has responsibilities with respect to education loans or other financial aid of the institution. The report must include

- the amount of each specific instance of reasonable expenses paid or provided;
- the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;
- the dates of the activity for which the expenses were paid or provided; and
- a brief description of the activity for which the expenses were paid or provided.

The Secretary must summarize the information received from institutions in an annual report to Congress.

Federal Pell Grant Program

Maximum Pell Grant
HEOA section 401 **HEA section 401(b)(2)(A)**
Effective date: July 1, 2009
The HEOA increases the authorized maximums for an academic year under the Federal Pell Grant Program as follows:

- $6,000 for the 2009-2010 award year;
- $6,400 for the 2010-2011 award year;
- $6,800 for the 2011-2012 award year;
- $7,200 for the 2012-2013 award year;
- $7,600 for the 2013-2014 award year; and
- $8,000 for the 2014-2015 award year.

Minimum Pell Grant
HEOA section 401 **HEA section 401(b)(4)**
Effective date: July 1, 2009
The HEOA eliminated the $400 minimum award and instead sets a new minimum award at 10 percent of the maximum award appropriated each year. Students who are eligible for an award equal to or greater than five percent but less than 10 percent of the maximum award will receive an award amount of 10 percent of the maximum award appropriated each year.

Year-Round Pell Grant
HEOA section 401 **HEA section 401(b)(5)(A)**
Effective date: July 1, 2009
Under amendments made by the HEOA, students may receive up to two consecutive Federal Pell Grant Scheduled Awards during a single award year if enrolled

- at least half-time for more than one academic year or more than two semesters or the equivalent time during a single award year; and
- in a certificate, associate degree or baccalaureate degree program.

Sex Offenders and Pell Grants
HEOA section 401 **HEA section 401(b)(7)**
Effective date: July 1, 2009
The HEOA provides that a student who is subject to an involuntary civil commitment after completing a period of incarceration for a forcible or nonforcible sexual offense is ineligible to receive a Federal Pell Grant.

Program Requirements and Other Operations Otherwise Unaffected/Availability of Funds
HEOA section 401 **HEA section 401(b)(8(D) and (F)**
Effective date: August 14, 2008
The HEOA clarifies the treatment of the funds that are authorized and appropriated under section 401(a)(8) of the amended HEA for 2008-2009 through the 2017-2018 award years (mandatory funds) and that are added to the maximum award set in the annual appropriations act that appropriates the discretionary funds for the program. The HEOA provides that nothing regarding the additional mandatory funds alters the requirements and operations of the Federal Pell Grant Program except for the provisions setting the additional amounts from mandatory funds for individual awards or authorizes the imposition of additional requirements or operations for the determination and allocation of Federal Pell Grants except for the provisions setting the additional amounts from mandatory funds for individual awards. Further, the HEOA clarifies that additional mandatory funds that are appropriated for a fiscal year become available as of October 1 of that fiscal year and remain available through September 30 of the following fiscal year.

Maximum Duration of Eligibility
HEOA section 401 **HEA section 401(c)(5)**
Effective date: August 14, 2008 (but applies to students who receive a Federal Pell Grant for the first time on or after July 1, 2008)
The HEOA limits the period of time that a student may receive a Federal Pell Grant to 18 semesters or the equivalent as determined by regulation. The regulations are to provide fractional equivalents for terms in which a student is enrolled less than full-time. As a result, a student is eligible to receive up to nine Federal Pell Grant Scheduled Awards. This provision applies to students who receive a Federal Pell Grant for the first time on or after July 1, 2008.

Children of Soldiers
HEOA section 401 **HEA section 401(f)(4)**
Effective date: July 1, 2009
The HEOA provides maximum Federal Pell Grant eligibility for a student whose parent or guardian was a member of the Armed Forces and died as a result of performing military service in Iraq or Afghanistan after 9/11/2001, provided that the child was under

24 years old or was enrolled in college at the time of the parent or guardian's death. These students will be considered to be eligible for the maximum Federal Pell Grant award for the period during which the student is otherwise eligible to receive a Federal Pell Grant. The HEOA further directs the VA and Department of Defense to provide necessary information to the Department of Education. This provision will not require any new questions on the FAFSA.

ACG/National SMART Grant Programs

HEOA section 402 HEA section 401A (as amended by Public Law 110-227)
Effective date: October 1, 2008 (Availability of funds)
July 1, 2009 (All other provisions)

Effective October 1, 2008, the HEOA clarifies that funds for the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (National SMART Grant) Programs for any fiscal year are available from October 1 of that fiscal year and remain available through September 30 of the succeeding fiscal year. Otherwise, the HEOA sets July 1, 2009, as the effective date for all other changes made to the ACG and National SMART Grant Programs in both the ECASLA and in the HEOA.

The HEOA waives Master Calendar and negotiated rulemaking requirements (Sections 482 and 492 of the HEA) for changes made to the ACG and National SMART Grant Programs in both the ECASLA and in the HEOA.

The HEOA also amends the options under which a student can meet the rigorous secondary school program of study requirement for an ACG. A student can meet the rigorous secondary school program of study requirement for a first-year ACG by successfully completing, after January 1, 2006, but before July 1, 2009, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary, and for a second-year ACG, by successfully completing, after January 1, 2005, but before July 1, 2009, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary. Students graduating on or after July 1, 2009, can meet the rigorous secondary school program of study requirement for either a first- or second-year ACG by successfully completing a program that is recognized by an appropriate official, consistent with State law, to prepare students for college and is reported to the Secretary when the Secretary requires. A student can also meet the rigorous secondary school program of study requirement by successfully completing a secondary school program of study recognized as rigorous by the Secretary in regulations that were in effect on May 6, 2008. Those rigorous secondary school programs of study are described in 34 C.F.R. 691.16(d).

TEACH Grant Program

Agreements to Serve
HEOA section 412(a)(1) HEA section 420N(b)(3)
Effective date: July 1, 2010

The HEOA requires that the Agreement to Serve that a TEACH Grant recipient must sign before receiving a TEACH Grant contain or be accompanied by a plain-language disclosure form developed by the Secretary that clearly describes the nature of the TEACH Grant award, the service obligation, and the loan repayment requirements that are the consequence of the failure to complete the service obligation.

Additional Administrative Provisions
HEOA section 412(a)(1) **HEA section 420N(d)**
Effective date: July 1, 2010
The HEOA adds new paragraph 420N(d)(1) to the HEA to allow a recipient of an initial TEACH Grant who has acquired an academic degree, or expertise, in a field that was, at the time of the recipient's application for the grant, designated as high-need, but is no longer so designated, to fulfill the service obligation associated with the TEACH Grant by teaching in that high-need field.

The HEOA adds new paragraph 420N(d)(2) to the HEA to require that the Secretary establish, by regulation, categories of extenuating circumstances under which a TEACH Grant recipient who is unable to fulfill all or part of the recipient's service obligation may be excused from fulfilling that portion of the service obligation.

Program Report
HEOA section 412(a)(2) **HEA section 420P**
Effective date: August 14, 2008
The HEOA adds new section 420P of the HEA requiring the Secretary to prepare and submit to Congress not later than August 14, 2010, and every two years thereafter, a report on TEACH Grants with respect to the institutions and students served by the grant recipients. The report must take into consideration information related to the number of TEACH Grant recipients, the degrees obtained by such recipients, the location where grant recipients completed their service obligation, the duration of such service and any other necessary data.

Campus-based Programs

Transfer of Allotments
HEOA section 494A **HEA section 488**
Effective date: August 14, 2008
The HEOA permits an institution to transfer up to 25 percent of the institution's FWS allotment to the institution's Perkins Loan Program allotment, in addition to the FSEOG Program allotment, which was already permitted. It also permits an institution to transfer up to 25 percent of the institution's FSEOG allotment to the institution's FWS allotment.

FSEOG Program
HEOA section 406 **HEA section 413D(c)(3)(D)**
Effective date: August 14, 2008
The HEOA increases the allocation formula allowance for books and supplies from $450 to $600.

FWS Program

Definition of Community Service
HEOA section 441(2) **HEA section 441(c)(1)**
Effective date: August 14, 2008
The HEOA expands the definition of community service to include the field of emergency preparedness and response.

Allowance for Books and Supplies
HEOA section 442(2) **HEA section 442(c)(4)(d)**
Effective date: August 14, 2008
The HEOA increases the allocation formula amount for books and supplies from $450 to $600.

Grants for FWS Program
HEOA section 443 **HEA section 443**
Effective date: August 14, 2008
The HEOA permits institutions to use FWS funds to compensate students employed in projects that teach civics in schools, raise awareness of government functions or resources, or increase civic participation.

In addition, the HEOA requires that, to the extent practicable, an institution must

- give priority to the employment of students participating in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and
- ensure that any student compensated with these funds receives appropriate training to carry out the educational services required.

Finally, the HEOA specifies that the Federal share of the compensation of FWS students may exceed 75 percent.

Flexible Use of Funds
HEOA section 444 **HEA section 445(d)**
Effective date: August 14, 2008
The HEOA adds a provisions under which, in the event of a major disaster, an eligible institution located in any area affected by such major disaster, as determined by the Secretary, may make FWS payments to disaster-affected students, for the period of time (not to exceed one academic year) in which the disaster affected students were prevented from fulfilling their work-study obligations for all or part of such academic year due to such major disaster.

Payments may be made in an amount equal to or less than the amount of FWS wages such students would have been paid had the students been able to complete the work obligation necessary to receive work-study funds. Payments may not be made to any

student who was not eligible for work-study or was not completing the work obligation necessary to receive FWS funds prior to the major disaster. Any payments made must meet the FWS matching requirements, unless such matching requirements are waived by the Secretary.

The term "disaster-affected student" means a student enrolled at an eligible institution who

- received an FWS work-study award for the academic year during which a major disaster occurred;
- earned FWS wages from such eligible institution for such academic year prior to the disaster;
- was prevented from fulfilling the student's work-study obligation for all or part of such academic year due to such major disaster; and
- was unable to be reassigned to another work-study job.

The term "major disaster" has the meaning given such term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)): any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this chapter to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

Job Location and Development Program
HEOA section 445 **HEA section 445(a)(1)**
Effective date: August 14, 2008
The HEOA increases the funds for the Job Location and Development Program from $50,000 to $75,000.

Additional Funds for Off-Campus Community Service
HEOA section 446 **HEA section 447(b)**
Effective date: August 14, 2008
The HEOA adds a new Off-Campus Community Service Grant Program under which the Secretary may award grants to institutions to supplement off-campus and community service employment. Grant funds are to be used to recruit and compensate students performing off-campus community service (including compensation for time spent in training and for travel directly related to such community service). In awarding these grants, the Secretary must give priority to applications that support postsecondary students assisting with early childhood education activities and activities in preparation for emergencies and natural disasters.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Work Colleges
HEOA section 447 **HEA section 448**
Effective date: August 14, 2008
The HEOA replaces the term "work-learning'' each place it appears with ''work-learning-service.''

In addition, the definitions in section 448(e) of the HEA are revised as follows:

- the term "work college" means an eligible institution that
  - has been a public or private nonprofit, four-year, degree-granting institution with a commitment to community service;
  - has operated a comprehensive work-learning-service program for at least two years;
  - requires students, including at least one-half of all students who are enrolled on a full-time basis, to participate in a comprehensive work-learning-service program for at least five hours each week, or at least 80 hours during each period of enrollment, except summer school, unless the student is engaged in an institutionally organized or approved study abroad or externship program; and
  - provides students participating in the comprehensive work-learning-service program with the opportunity to contribute to their education and to the welfare of the community as a whole.
- the term "comprehensive student work-learning-service program" means a student work-learning-service program that
  - is an integral and stated part of the institution's educational philosophy and program;
  - requires participation of all resident students for enrollment and graduation;
  - includes learning objectives, evaluation, and a record of work performance as part of the student's college record;
  - provides programmatic leadership by college personnel at levels comparable to traditional academic programs;
  - recognizes the educational role of work-learning-service supervisors; and
  - includes consequences for nonperformance or failure in the work-learning-service program similar to the consequences for failure in the regular academic program.

<u>LEAP /Grants for Access and Persistence Program (GAP)</u>

Appropriations
HEOA section 407 **HEA section 415A**
Effective date: August 14, 2008
The HEOA amends the authorization of appropriations to authorize $200,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years for LEAP and GAP. For any fiscal year for which the appropriation exceeds $30,000,000, the excess amount shall be available to carry out GAP.

Award Amounts
HEOA section 407 **HEA section 415C**

Effective date: August 14, 2008
The HEOA increases the maximum LEAP Grant, including a LEAP Grant under GAP, to the lesser of $12,500 or a student's cost of attendance for an academic year. For a LEAP Grant under GAP, the minimum amount of a grant is not less than

- the average undergraduate tuition and mandatory fees at the public institutions of higher education in the State where the student resides that are of the same type of institution as the institution of higher education the student attends; minus
- other Federal and State aid the student receives.

Notification to Students
HEOA section 407 **HEA section 415C**
Effective date: August 14, 2008
The HEOA requires the State program to notify eligible students that grants are (1) LEAP Grants and (2) are funded by the Federal Government, the State, and, for LEAP Grants to students made under GAP, other contributing partners.

GAP Authorized
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
The HEOA replaces the Special Leveraging Educational Assistance Partnership Program (SLEAP) with GAP as part of the LEAP Program over the two years from August 14, 2008. For the two-year period that begins on August 14, 2008, grants shall be awarded upon request by a State under SLEAP, i.e., through the 2010-2011 award year. Because regulations and a revised grant application are necessary to implement GAP and there is insufficient time to issue them prior to the application period for the 2009-2010 award year, only awards under SLEAP will be made for the 2009-2010 award year.

GAP Purpose
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
By making funds available to States, GAP is intended to expand college access and persistence by enabling States in partnerships with others to provide need-based grants to eligible students, to provide early notification to low-income students of their eligibility for aid, and to encourage participation in early intervention programs. The partnerships would be with institutions of higher education, early intervention programs including early information, mentoring, and outreach programs, private corporations, philanthropic organizations, and others. GAP is also intended to provide coordination and cohesion among Federal, State, and local governmental and private efforts that provide aid to low-income students.

Applicability of LEAP Program Requirements in GAP
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
To the extent that LEAP program requirements are not inconsistent with GAP requirements, they apply to GAP.

GAP and SLEAP Allotments to States
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
From the appropriated funds reserved for GAP, the Secretary makes allotments to each State that submits an application for funds to carry out program activities. The Secretary makes the allotments in accordance with the application requirements to enable the State to pay the Federal share of the cost of carrying out GAP program activities.

In making a GAP allotment to a State submitting an approved application, the Secretary makes an allotment to a State that is not less than the allotment made to the State in the previous year and gives priority to a State that applies for an allotment in partnership with (1) degree granting institutions whose combined full-time enrollment represents a majority of all students attending institutions of higher education in the State; and (2) either philanthropic organizations that are located in, or that provide funding in, the State, or private corporations that are located in, or that do business in, the State.

Allotments under SLEAP would be awarded under the LEAP allotment formula as in prior years.

GAP Federal Share
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
The Federal share of the program costs may not exceed 66.66 percent. The Federal share of the program costs in a State is 57 percent in the case of a State that is in partnership with degree-granting institutions of higher education in the State whose combined full-time enrollment represents *less than a majority* of all students attending institutions in the State and with philanthropic organizations that are located in, or that provide funding in, the State or private corporations that are located in, or that do business in, the State. The Federal share of the program costs in a State is 66.66 percent in the case of a State that is in partnership with degree-granting institutions of higher education in the State whose combined full-time enrollment represents *a majority* of all students attending institutions in the State and with philanthropic organizations that are located in, or that provide funding in, the State or private corporations that are located in, or that do business in, the State.

GAP Non-Federal Share
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
A State may provide the non-Federal share in cash or in kind, fairly evaluated. An in-kind contribution is a noncash contribution that has monetary value, such as the provision of room and board or transportation passes, and helps a student meet the cost of attendance at an institution of higher education.

A State that uses non-Federal funds to create or expand partnerships, in which partners match State funds for student scholarships, may apply such matching funds from such entities toward fulfilling the State's matching non-Federal share.

Notwithstanding the maintenance of effort requirement discussed later, for purposes of determining a State's share of the cost of the GAP program activities, the State must consider only those expenditures from non-Federal sources that exceed the State's total expenditures for need-based grants, scholarships, and work-study assistance for fiscal year 1999 (including any such assistance provided under LEAP and SLEAP).

Title IV Need Analysis and GAP
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
For the purpose of calculating a student's need for the Title IV programs, an in-kind contribution used to match the Federal share is not considered an asset or income of the student or the student's parent.

Application for an Allotment under GAP
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
To receive a GAP allotment, a State must submit an application on behalf of a partnership at such time, in such manner, and containing such information as the Secretary may require. An application must include the following:

- a description of the State's plan for using the allotted funds;
- an assurance that the State will provide matching funds, in cash or in kind, from State, institutional, philanthropic, or private funds, of not less than 33.33 percent of the cost of carrying out the program;
- an assurance that the State will use Federal GAP funds to supplement, and not supplant, Federal and State funds available for carrying out the activities under Title IV of the HEA;
- an assurance that early information and intervention, mentoring, or outreach programs exist within the State or that there is a plan to make such programs widely available;
- a description of the organizational structure that the State has in place to administer the program, including a description of how the State will compile information on degree completion of students receiving grants under this section;
- a description of the steps the State will take to ensure that students who receive a LEAP Grant under GAP persist to degree completion;
- an assurance that the State has a method in place, such as acceptance of the Title IV automatic zero EFC, to identify eligible low-income students and award State grant aid to such students; and
- an assurance that the State will provide notification to eligible low-income students that grants under GAP are LEAP Grants and funded by the Federal Government and the State, and, where applicable, other contributing partners.

The State agency that submits an application for GAP must be the same agency that submits an application for LEAP.

A State agency must apply in partnership with

- at least one public and one private degree-granting institution of higher education that are located in the State, if applicable;

- new or existing early information and intervention, mentoring, or outreach programs located in the State; and
- at least one philanthropic organization located in, or that provides funding in, the State or private corporation located in, or that does business in, the State.

Roles of Partners in GAP
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008

State agency
A State agency that is in a partnership receiving a GAP allotment serves as the primary administrative unit for the partnership. It provides or coordinates non-Federal share funds and coordinates activities among partners; encourages each institution of higher education in the State to participate in the partnership; makes determinations and early notifications of assistance; annually reports to the Secretary on the partnership's progress in meeting the purpose of this section; and may provide early information and intervention, mentoring, or outreach programs.

Degree-granting institution of higher education
An institution in a partnership must recruit and admit participating qualified students and provide such additional institutional grant aid to participating students as agreed to with the State agency; must provide support services to students who receive LEAP Grants under GAP and are enrolled at the institution; must assist the State in the identification of eligible students and the dissemination of early notifications of assistance as agreed to with the State agency; and may provide funding for early information and intervention, mentoring, or outreach programs or provide such services directly.

Early intervention programs
An early information and intervention, mentoring, or outreach program that is in a partnership must provide direct services, support, and information to participating students.

Philanthropic organization or private corporation
A philanthropic organization or private corporation that is in a partnership must provide funds for LEAP Grants under GAP for participating students or provide funds or support for early information and intervention, mentoring, or outreach programs.

GAP Program Activities
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008

Partnership
Each State receiving an allotment must use the funds to establish a partnership to award LEAP Grants under GAP to eligible low-income students in order to increase the amount of financial assistance such students receive under this subpart for undergraduate education expenses.

LEAP Grant amount
The amount of a LEAP Grant under GAP awarded by a State to a student must be not less than the average undergraduate tuition and mandatory fees at the public institutions of higher education in the State where the student resides that are of the same type of institution as the institution of higher education the student attends minus other Federal and State aid the student receives.

Institutions of higher education
A State receiving an allotment under this section of the HEA may restrict the use of LEAP Grants under GAP by awarding the grants only to students attending institutions of higher education that are participating in the partnership. If a State provides LEAP Grants not awarded under GAP to students attending institutions of higher education located in another State, grants awarded under GAP may be used at institutions of higher education located in another State.

Early notification
Each State receiving an allotment must annually notify low-income students in grades seven through 12 in the State, and their families, of their potential eligibility for student financial assistance, including a LEAP Grant under GAP, to attend an institution of higher education. The notice must include

- information about early information and intervention, mentoring, or outreach programs available to the student;
- information that a student's eligibility for a LEAP Grant under GAP is enhanced through participation in an early information and intervention, mentoring, or outreach program;
- an explanation that student and family eligibility for, and participation in, other Federal means-tested programs may indicate eligibility for a LEAP Grant under GAP and other student aid programs;
- a nonbinding estimate of the total amount of financial aid that a low-income student with a similar income level may expect to receive, including an estimate of the amount of a LEAP Grant under GAP and an estimate of the amount of grants, loans, and all other available types of aid from the major Federal and State financial aid programs;
- an explanation that the eligibility requirements a student must meet to be eligible for a LEAP Grant under GAP including graduating from secondary school and enrolling in a partner institution or an eligible out-of-State institution;
- information on any additional requirements (such as a student pledge detailing student responsibilities) that the State may impose for receipt of a LEAP Grant under GAP; and
- instructions on how to apply for a LEAP Grant under GAP and an explanation that a student must file a FAFSA to be eligible for a LEAP Grant under GAP and assistance from other Federal and State financial aid programs.

The notification may include a disclaimer that LEAP Grants under GAP are contingent on a student's financial eligibility at the time of the student's enrollment at an institution

of higher education, the annual Federal and State spending for higher education; and other aid received by the student at the time of the student's enrollment at an institution of higher education.

Student eligibility
A student must meet at least two of the following criteria, with priority given to students meeting all of the following criteria:

- has an EFC equal to zero, as determined under the Title IV need analysis, or a comparable alternative based upon the State's approved criteria for LEAP;
- qualifies for the State's maximum undergraduate award for LEAP;
- is participating in, or has participated in, a Federal, State, institutional, or community early information and intervention, mentoring, or outreach program, as recognized by the State agency administering LEAP and GAP; and
- is receiving, or has received, a LEAP Grant under GAP, and is compliant with the requirements for the duration of an award.

Grant award
Once a student, including those students who have received an early notification from the State, applies for admission to an institution that is a partner in the partnership, files a FAFSA and any related State form, and is determined by the State to meet the student eligibility requirements in the prior section, the State must issue the student a preliminary award certificate for a LEAP Grant under GAP with estimated award amounts and inform the student that payment of the grant award amounts is subject to certification of enrollment and award eligibility by the student's institution of higher education.

Duration of an award
An eligible student who receives a LEAP Grant under GAP receives an award for each year of the student's undergraduate education in which the student remains eligible for assistance under Title IV, including meeting the Title IV satisfactory academic progress standards, and remains financially eligible as determined by the State, except that the State may impose reasonable time limits to degree completion.

Administrative Cost Allowance for GAP
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
A State that receives a GAP allotment may reserve not more than two percent of the annual allotment for State administrative functions required to carry out GAP.

Statutory and Regulatory Relief for Institutions in GAP Partnerships
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
The Secretary may grant, upon the request of an institution of higher education that is in a partnership with a 66.66 percent Federal share, a waiver for such institution from statutory or regulatory requirements that inhibit the ability of the institution to successfully and efficiently participate in the activities of the partnership.

GAP Maintenance of Effort Requirement
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
Each State receiving a GAP allotment for a fiscal year must provide the Secretary with an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for activities authorized for GAP for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditure by the State for the activities for the second preceding fiscal year.

Reports
HEOA section 407 **HEA section 415E**
Effective date: August 14, 2008
Not later than three years after August 14, 2008, and annually thereafter, the Secretary must submit a report describing the activities and the impact of GAP partnerships to Congress.

All Loan Programs (FFEL, Direct Loan, Perkins Loans)

Loan Repayment for Civil Legal Assistance Attorneys
HEOA section 431 **HEA section 428L**
Effective date: August 14, 2008
The HEOA establishes a new loan repayment program for civil legal assistance attorneys. The purpose of this program is to encourage qualified individuals to enter and continue employment as civil legal assistance attorneys. This program is not currently funded and cannot be implemented until funding is provided by Congress.

The HEOA authorizes the Secretary to carry out a program of assuming the obligation to repay a student loan, by direct payments on behalf of a borrower to the holder of the loans for any borrower who is employed as a civil legal assistance attorney, and is not in default, for which the borrower seeks repayment. To be eligible to receive repayment benefits under this section a borrower must enter into a written agreement with the Secretary that specifies that

- The borrower will remain employed as a civil legal assistance attorney for a required period of service of not less than three years, unless involuntarily separated from that employment.
- If the borrower is involuntarily separated from employment on account of misconduct, or voluntarily separates from employment, before the end of the period specified in the agreement, the borrower will repay the Secretary the amount of any benefits received by the borrower under this agreement.
- If the borrower is required to repay such an amount to the Secretary and fails to repay it, a sum equal to that amount shall be recoverable by the Federal Government from the borrower by such methods as are provided by law for the recovery of amounts owed to the Federal Government.
- The Secretary may waive, in whole or in part, a right of recovery under this subsection if it is shown that recovery would be contrary to the public interest.

- The Secretary shall make student loan payments under this section for the period of the agreement, subject to the availability of appropriations.

Student loan repayments made by the Secretary under this section may not exceed $6,000 for any borrower in any calendar year and an aggregate total of $40,000 in the case of any borrower.

The Secretary provides repayment benefits under this section on a first-come, first-served basis, subject to the availability of appropriations.

The Secretary must give priority in providing repayment benefits under this section in any fiscal year to a borrower who

- has practiced law for five years or less and, for not less than 90 percent of the time in such practice, has served as a civil legal assistance attorney;
- received repayment benefits under this section during the preceding fiscal year; and
- has completed less than three years of the first required period of service specified for the borrower in an agreement entered into under the required terms of agreement listed above.

The Secretary is authorized to issue such regulations as may be necessary to carry out this program.

A civil legal assistance attorney is defined as an attorney who

- is a full-time employee of
  - a nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals without a fee; or
  - a protection and advocacy system or client assistance program that provides legal assistance with respect to civil matters and receives funding under
    - subtitle C of Title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 *et seq*.) found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC15041;
    - section 112 or 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e) found at http://www.access.gpo.gov/uscode/title29/title29.html;
    - Part A of Title I of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 *et seq*.) found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC10801;
    - section 5 of the Assistive Technology Act of 1998 (29 U.S.C. 3004);
    - section 1150 of the Social Security Act (42 U.S.C. 1320b–21) found at http://www.access.gpo.gov/uscode/title42/chapter7_subchapterxi_.html;
    - section 1253 of the Public Health Service Act (42 U.S.C. 300d–53) found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC300d-53; or
    - section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461);

- as such employee, provides civil legal assistance as described in subparagraph (A) on a full-time basis; and
- is continually licensed to practice law.

Student loans eligible for repayment under this section include
- a loan made under the FFEL, Direct Loan or Perkins Loan programs; and
- a FFEL or Direct Consolidation loan to the extent that such loan was used to repay a Stafford Loan, an Unsubsidized Stafford Loan, or a PLUS Loan made under the FFEL or Direct Loan programs or a Perkins Loan.

PLUS Loans made to parents are not eligible for repayment.

Statute of Limitations and State Court Judgments
HEOA section 486 **HEA section 484A**
Effective date: August 14, 2008
The HEOA amends section 484A of the HEA by adding new paragraph (d) to provide that a deceased student, a deceased student's estate, or the estate of such student's family does not have to repay any Title IV financial assistance, including interest, collection costs and other charges.

For additional changes affecting all Title IV loan programs, see Title IV—Student Assistance, Consumer Information and Title IV—Student Assistance, Title IV Programs—General, Program Participation Agreement, Code of Conduct.

FFEL and Direct Loan Programs—Common Provisions

Extension of Loan Authority and Authority for Appropriation of Administrative Expenses
HEOA sections 421, 425, and 452 **HEA sections 424, 428C, and 458**
Effective date: August 14, 2008
The HEOA amends the HEA to extend the period authorized for Federal insurance of student loans to October 1, 2014, and for borrowers who have obtained prior loans, to September 30, 2018. The authority to make Federal Consolidation Loans has also been extended to September 30, 2014. The authorization for the appropriation of funds for administrative costs in the FFEL and Direct Loan programs, and for account maintenance fees in the FFEL Program, has been extended through fiscal year 2014.

Borrower Eligibility for Federal Interest Subsidy
HEOA section 422 **HEA section 428(a)(2)**
Effective date: July 1, 2010, for FFEL and Direct Loan eligibility determinations made on or after that date
The HEOA amends the meaning of the term "estimated financial assistance" in section 428(a)(2) of the HEA, which governs the determination of a borrower's eligibility for a Subsidized Stafford loan, to exclude all veterans' education benefits as those are defined in section 480(c) of the HEA.

Availability of the IBR Plan, Eligibility for IBR, and the Secretary's Authority to Require IBR

HEOA sections 422 & 494F **HEA sections 428(b)(1)(L)(i), 428(b)(9)(A), 428(m), 428C(c), 455(d)(1)(E) & 493C(b)(1)**

Effective date: August 14, 2008, for the July 1, 2009, Implementation of IBR

Section 428(b)(9)(A) of the HEA is amended to include IBR as a repayment plan available, beginning July 1, 2009, to FFEL and Direct Loan borrowers who demonstrate a partial financial hardship, except for borrowers of parent PLUS Loans or Consolidation Loans that repaid parent PLUS Loans. Comparable conforming changes are also made to section 428C(c) and to new section 455(d)(1)(E), which govern FFEL Consolidation loans and Direct Consolidation loans, respectively.

A technical change is also made to section 428(b)(1)(L)(i) to exclude a borrower who is repaying under IBR from the minimum annual payment amount requirement of $600.

Section 493C(b)(1) of the HEA is amended to clarify that a FFEL borrower who is in default on a loan held by a guaranty agency cannot repay that loan under IBR. Section 428(m) is also amended, however, to authorize the Secretary to require a borrower whose defaulted FFEL loan is assigned to the Department to repay the defaulted loan under either ICR or IBR. The Department will provide for the same treatment of Direct Loan borrowers who are in default.

Lender Forbearance Information and Contact Requirements

HEOA section 422 **HEA section 428(c)(3)**

Effective date: August 14, 2008, for forbearances granted on or after that date

The HEOA amends section 428(c)(3) of the HEA to require a lender, at the time it grants a forbearance to a borrower, to provide information to the borrower to assist the borrower in understanding the impact of capitalization of interest on the loan principal, and the total amount of interest to be paid during the life of the loan.

A lender must contact the borrower not less than once every 180 days during the forbearance period and inform the borrower of

- the amount of unpaid principal and the amount of accrued interest since the borrower was last contacted and provided with this information by the lender;
- a reminder that interest will continue to accrue on the loan during the forbearance period;
- the amount of interest that will be capitalized and the date that capitalization will take place;
- the borrower's option to pay the accrued interest before it is capitalized; and
- the borrower's option to end the forbearance at any time.

The Secretary will apply the same procedures when granting forbearances to Direct Loan borrowers.

Applicability of the Servicemembers Civil Relief Act to FFEL and Direct Loan Borrowers and Related FFEL Lender Special Allowance Payment Calculations on Affected Loans

HEOA section 422 **HEA sections 428(d) and 438**

Effective dates: August 14, 2008 (application of the interest rate cap to the FFEL or Direct Loan of an eligible borrower)
Loans first disbursed on or after July 1, 2008 (FFEL lender special allowance payment calculation on affected loans)

The HEOA amends the HEA to specify that the requirement of the Servicemembers Civil Relief Act (50 U.S.C. App. 527) (SCRA), which limits the interest rate on a borrower's loan to six percent during the borrower's active duty military service, applies to FFEL loans. This change applies to borrowers in military service as of August 14, 2008. The SCRA interest rate limit does not apply to an endorser to a PLUS loan made to a parent or a graduate/professional student unless that individual is also performing eligible military service. Under the SCRA, the borrower must contact the creditor (loan holder) in writing to request the interest rate adjustment and provide a copy of the borrower's military orders. For this purpose, the term "in writing" may include a borrower's email request and the term "copy of the borrower's military orders" includes a scanned copy of the orders attached to that email request. Borrowers serving before the effective date of this change in the HEA may not receive a refund of the interest paid in excess of the SCRA six percent limit before August 14, 2008, the HEOA date of enactment. The Department will apply the SCRA interest rate limit to Direct Loan borrowers in the same manner.

The HEOA also provides that, for any FFEL loan that is subject to the SCRA six percent interest rate limit, for those FFEL loans first disbursed on or after July 1, 2008, the applicable interest rate used in calculating the lender's SAP is the SCRA determined rate. The Department will issue separate operational guidance on HEOA-related SAP changes.

Guaranty Agency Notifications to Borrowers in Default

HEOA section 422 **HEA section 428(k)**

Effective date: August 14, 2008 (FFEL lender default claims received by a guaranty agency on or after that date)

A guaranty agency that receives a lender default claim is now required to send at least two separate notices, using simple and understandable terms, to the defaulted borrower. Each notice must inform the borrower of the options available to remove the loan from default and explain any fees and conditions associated with each option. The Department will apply the same treatment to Direct Loan borrowers who are in default.

Federal PLUS Repayment, Post-Half-Time Enrollment Deferment, and Interest Capitalization

HEOA section 424 **HEA section 428B**

Effective date: FFEL and Direct Loan PLUS Loans for which the first disbursement of the loan was made on or after July 1, 2008

The HEOA makes changes to the HEA provisions that govern PLUS Loan repayment and the capitalization of interest to clarify earlier changes made to these provisions by

ECASLA. The HEA is amended to clarify that repayment of principal on all PLUS Loans begins no later than 60 days after the full disbursement of the loan. In addition to the deferments that have been available previously to PLUS Loan borrowers under sections 427(a)(2)(C), 428 (b)(1)(m), and 455(f) of the HEA, a PLUS borrower is eligible for deferment

- for a parent PLUS borrower, at the request of the parent borrower;
  - during any period during which the dependent student on whose behalf the loan was borrowed meets the conditions required for an in-school deferment; and
  - during the six-month period beginning on the later of the day after the date the dependent student ceases to carry at least one-half the normal academic workload as determined by the institution or, if the parent borrower is also a student, the day after the date the parent borrower ceases to carry at least one-half such normal workload; and
- for a graduate or professional student PLUS borrower, during the six-month period beginning on the day after the date the student PLUS borrower ceases to carry at least one-half the normal academic workload as determined by the institution. A lender may grant this post-half-time enrollment deferment to a borrower without a specific borrower request, but must notify the borrower of the deferment, consistent with the requirements of 34 CFR 682.210(c)(2), to provide the borrower with the opportunity to pay the accruing interest on the loan or to decline the deferment.

Interest accruing during a deferment period on all PLUS loans, if agreed upon by the borrower and lender, may be paid monthly or quarterly, or may be capitalized no more frequently than quarterly by the lender.

Extenuating Circumstances for PLUS Loan Eligibility
HEOA section 424 **HEA section 428B(a)(3)**
Effective date: FFEL and Direct Loan PLUS loans that were first disbursed on or after July 1, 2008, for special extenuating circumstances that exist between January 1, 2007 and December 31, 2009

The HEOA clarifies that the adverse credit standard that is applicable when determining whether a PLUS applicant may qualify for a PLUS loan, under the special extenuating circumstances identified in the ECASLA (delinquencies of 180 days or less on mortgage or medical bill payments, or of not more than 89 days on any other debt payment (See DCL GEN-08-08, June 19, 2008, page 6, available at http://www.ifap.ed.gov/dpcletters/061908GEN0808.html)) is the adverse credit standard contained in the FFEL Program regulations that was in effect as of May 6, 2008, the day before the date of enactment of the ECASLA.

These same special extenuating circumstances for PLUS loan eligibility also apply to Direct Loan borrowers.

Eligibility for FFEL Loan Rehabilitation, Related Consumer Credit Reporting, and Financial and Economic Literacy Information for Rehabilitated Borrowers
HEOA section 426 **HEA sections 428F(a)(1)(A) and (a)(5), and 428F(c)**
Effective date: August 14, 2008

Consumer credit reporting after FFEL loan rehabilitation
Section 428F(a)(1)(A) of the HEA is amended by the HEOA to require that, upon completion of the rehabilitation of a defaulted FFEL Loan through the sale of the loan to an eligible FFEL holder, the guaranty agency that held the defaulted loan, and any other holder of the loan, must request any consumer reporting agency to which the agency or holder reported the default to remove the record of the default from the borrower's credit history. This applies to all loan rehabilitation sales to eligible lenders that take place on or after August 14, 2008, and to all prior holders of the rehabilitated defaulted loan.

Eligibility for FFEL loan rehabilitation
Section 428F(a)(5) of the HEA is amended by the HEOA to limit a borrower to eligibility to rehabilitate a defaulted FFEL loan only once. This limitation applies when a borrower redefaults on the rehabilitated defaulted loan after the loan is returned to normal repayment status. A borrower may continue to rehabilitate other defaulted loans after such a redefault on another loan. This limitation applies to any defaulted loan that is rehabilitated on or after August 14, 2008.

Direct Loan borrowers are subject to the same terms and conditions on rehabilitation of defaulted Direct Loans.

Financial and economic literacy information for rehabilitated borrowers
The HEOA adds a new provision to section 428F of the HEA that requires a guaranty agency to provide borrowers who rehabilitate their defaulted loans with financial and economic materials. Guaranty agencies must provide these educational materials to each borrower who successfully rehabilitates a defaulted loan with the agency on or after August 14, 2008, and should also make the same materials generally available to all other borrowers who have rehabilitated loans previously with the agency.

The Secretary will provide comparable materials to Direct Loan borrowers who rehabilitate their Direct Loans.

Institutional Cohort Default Rate Loan Disbursement Waivers and Exceptions
HEOA section 427 HEA sections 428G(a)(4) and (b)(3)
Effective date: Loans First Disbursed on or after October 1, 2011
The HEOA amends the FFEL loan disbursement provisions in section 428G(a) and (b) of the HEA that provide certain loan disbursement and delivery exceptions for institutions with low cohort default rates. Effective for loans first disbursed on or after October 1, 2011, an institution whose cohort default rate for each of the three most recent fiscal years for which data are available is less that 15 percent may disburse any FFEL loan in a single installment for any period of enrollment that is not more than one semester, one trimester, one quarter, or four months. Additionally, effective for loans first disbursed on or after October 1, 2011, an institution whose cohort default rate for each of the three most recent years for which data are available is less that 15 percent will not be required to delay delivery of the first disbursement of a loan to a first year, undergraduate student borrower until the borrower has completed 30 days of the course of study.

These changes also apply to schools participating in the Direct Loan Program.

Unsubsidized Stafford Loan Limits
HEOA section 428 HEA section 428H(d)
Effective date: Loans First Disbursed on or after July 1, 2008
The HEOA makes certain technical amendments to the Unsubsidized Stafford loan limits to clarify the earlier changes made to the limits by the ECASLA of 2008. (See DCL GEN 08-08, June 19, 2008, page five and Attachment A – Annual Loan Limits for Preparatory Coursework and Teacher Certification, available at http://www.ifap.ed.gov/dpcletters/061908GEN0808.html). Section 428H(d)(2) is amended to clarify that post-baccalaureate students who are not graduate or professional students are eligible for an additional unsubsidized Stafford loan amount of up to $7,000 for non-degree, preparatory coursework necessary for enrollment in a graduate or professional program. The section is also amended to clarify that independent post-baccalaureate students (including dependent students whose parents are unable to borrow a PLUS loan) are eligible for an additional unsubsidized Stafford loan amount of up to $7,000 for coursework necessary for a professional credential or certification from a State required for employment as a teacher in an elementary or secondary school. An amendment is also made to 428H(d)(4) of the HEA to clarify that independent undergraduate students are eligible for an additional unsubsidized Stafford loan amount of up to $6,000 for non-degree preparatory coursework necessary for enrollment in an undergraduate program and up to $7,000 for required teacher certification coursework. These amounts are the same as those presented in Attachment A to the ECASLA of 2008 DCL GEN 08-08, and apply to both FFEL and Direct Loan borrowers.

FFEL and Direct Loan Teacher Loan Forgiveness
HEOA sections 429 and 454 HEA sections 428J and 460
Effective date: Teacher Loan Forgiveness and Teacher Loan Forgiveness Forbearance Applications received on or after August 14, 2008
The HEOA amends the teacher loan forgiveness provisions in the FFEL and Direct Loan programs to specify that an otherwise eligible borrower may qualify for forgiveness if the borrower has provided qualifying teaching services at one or more locations that are operated by an educational service agency, but are not a school, and that have been determined by the Secretary, in consultation with the State, to be eligible locations for this purpose.

The HEOA also amends sections 428J(c)(3) and 460(c)(3)(B)(iii) of the HEA to authorize the chief administrative officer of an educational service agency to certify a borrower's eligibility for teacher loan forgiveness for borrowers who performed their qualifying teaching service as employees of such an agency.

The HEOA also amends the provisions in sections 428J(g)(2) and 460(g)(2) of the HEA that prohibit a borrower's receipt of double benefits. A borrower may not receive, for the same service, teacher loan forgiveness benefits under both the FFEL and Direct Loan programs, loan forgiveness for service in areas of national need, Direct Loan public

service loan forgiveness, or benefits under subtitle D of Title I of the National and Community Service Act of 1990 (Americorps).

Loan Forgiveness for Service in Areas of National Need
HEOA section 430 **HEA section 428K**
Effective date: August 14, 2008

The HEOA establishes a new loan forgiveness program for service in areas of national need. Borrowers who are not in default and that work full time in qualifying professions as established by the HEOA will be eligible for loan forgiveness under the Federal FFEL and the Direct Loan programs. This program is not currently funded and cannot be implemented until funding is provided by Congress.

The HEOA authorizes the Secretary to provide loan forgiveness through the holder of the loan, to assume the obligation to repay a qualified loan amount for a loan made, insured, or guaranteed under the FFEL Program (other than an excepted PLUS loan or an excepted consolidation loan) and to cancel a qualified loan amount for a Direct Loan (other than an excepted PLUS loan or an excepted consolidation loan).

The HEOA authorizes the Secretary to forgive not more than $2,000 of the student loan obligation of the borrower that is outstanding after the completion of each school, academic, or calendar year of employment respectively, for each school, academic, or calendar year of full-time employment in an area of national need, as defined in this section, that a borrower completes on or after August 14, 2008.

The Secretary will not forgive more than $10,000 in the aggregate for any borrower under this section, and no borrower may receive loan forgiveness for more than five years.

The Secretary shall grant loan forgiveness on a first come, first serve basis.

An individual is employed in an area of national need if the individual is an employee in one of the following occupations, as defined by the HEOA:

- early childhood educators;
- nurses;
- foreign language specialists;
- librarians;
- highly qualified teachers serving students who are limited English proficient, low-income communities, and underrepresented populations;
- child welfare workers;
- speech-language pathologists and audiologists;
- school counselors;
- public sector employees;
- nutrition professionals;
- medical specialists;
- mental health professionals;
- dentists;

- STEM employees;
- physical therapists;
- superintendents, principals, and other administrators; and
- occupational therapists.

The following definitions are provided for this section:

Audiologist—an individual who
- has received, at a minimum, a graduate degree in audiology from an institution of higher education accredited by an agency or association recognized by the Secretary; and
- provides audiology services under subsection (ll)(2) of section 1861 of the Social Security Act (42U.S.C. 1395x(ll)(2)); or meets or exceeds the qualifications for a qualified audiologist under subsection (ll)(4) of such section (42 U.S.C. 1395x(ll)(4)).

Early childhood educator—an individual who
- works directly with children in an eligible preschool program or eligible early childhood education program in a low-income community;
- is involved directly in the care, development, and education of infants, toddlers, or young children age five and under; and
- has completed a baccalaureate or advanced degree in early childhood development or early childhood education, or in a field related to early childhood education.

Eligible preschool program—a program that
- provides for the care, development, and education of infants, toddlers, or young children age five and under;
- meets any applicable State or local government licensing, certification, approval, and registration requirements; and
- is operated by
  - a public or private school that is supported, sponsored, supervised, or administered by a local educational agency;
  - a Head Start agency serving as a grantee designated under the Head Start Act (42 U.S.C. 9831 et seq.);
  - a nonprofit or community based organization; or
  - a child care program, including a home.

Eligible early childhood education program—
- a family child care program, center-based child care program, State prekindergarten program, school program, or other out-of-home early childhood development care program, that
  - is licensed or regulated by the State; and
  - serves two or more unrelated children who are not old enough to attend kindergarten;
- a Head Start Program carried out under the Head Start Act (42 U.S.C. 9831 et seq.); or

- an Early Head Start Program carried out under section 645A of the Head Start Act (42 U.S.C. 9840a).

Low-Income community—The term "low-income community" means a school attendance area (as defined in section 1113(a)(2)(A) of the Elementary and Secondary Education Act of 1965)

- in which 70 percent of households earn less than 85 percent of the State median household income; or
- that includes a school that qualifies under section 465(a)(2)(A) of the HEA for loan cancellation for Perkins loan recipients who teach in such a school.

Nurse—a nurse who meets all of the following:

- the nurse graduated from
  - an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296));
  - a nursing center; or
  - an academic health center that provides nurse training;
- the nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting;
- the nurse holds one or more of the following:
  - a graduate degree in nursing, or an equivalent degree;
  - a nursing degree from a collegiate school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296));
  - a nursing degree from an associate degree school of nursing (as defined in such section); or
  - a nursing degree from a diploma school of nursing (as defined in such section).

Occupational Therapist—an individual who

- has received, at a minimum, a baccalaureate degree in occupational therapy from an institution of higher education accredited by an agency or association recognized by the Secretary; and
- provides occupational therapy services under section 1861(g) of the Social Security Act (42 U.S.C. 1395x(g)); or meets or exceeds the qualifications for a qualified occupational therapist, as determined by State law.

Physical therapist—an individual who

- has received, at a minimum, a graduate degree in physical therapy from an institution of higher education accredited by an agency or association recognized by the Secretary; and
- provides physical therapy services under section 1861(p) of the Social Security Act (42 U.S.C. 1395x(p)); or meets or exceeds the qualifications for a qualified physical therapist, as determined by State law.

Speech-language pathologist—a speech-language pathologist who

- has received, at a minimum, a graduate degree in speech-language pathology or communication sciences and disorders from an institution of higher education accredited by an agency or association recognized by the Secretary; and
- provides speech-language pathology services under section 1861(ll)(1) of the Social Security Act (42 U.S.C. 1395x(ll)(1)), or meets or exceeds the qualifications for a qualified speech-language pathologist under subsection (ll)(3) of such section (42 U.S.C. 1395x(ll)(3)).

Pertinent sections of the Social Security Act can be found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC1395x

Pertinent sections of the Head Start Act can be found at http://www.access.gpo.gov/uscode/title42/chapter105_subchapterii_.html

The Public Service Health Act can be found at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC296

Reports on Student Loans to Consumer Reporting Organizations
HEOA section 432 **HEA section 430A**
Effective date: August 14, 2008
The HEOA amends section 430A of the HEA to change all references in the section from "credit bureaus" and "credit bureau organizations" to "consumer reporting agency" or "consumer reporting agencies." The agreements governing the exchange of student loan information between the Department of Education and each guaranty agency, eligible lender, and subsequent loan holder with each consumer reporting agency now includes reporting of information on FFEL, Direct Loan, and private education loans as that term is defined in section 140 of the TILA. The kinds of information reported is also amended to include information concerning the repayment status of the loan for inclusion in the borrower's file, provided no otherwise applicable provision of the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is affected. These changes apply to all reports made to consumer reporting agencies on or after August 14, 2008.

The Fair Credit Reporting Act can be found at http://www.access.gpo.gov/uscode/title15/chapter41_subchapteriii_.html

Common Forms and Formats
HEOA section 433 **HEA section 432(m)(1)(D)(i)**
Effective date: August 14, 2008
The provision governing the use of the FFEL and Direct Loan master promissory notes is amended to provide that each school that participates in the FFEL or Direct Loan program may use a master promissory note for multiple loans, unless otherwise notified by the Secretary.

Required Lender Disclosures to FFEL Borrowers
HEOA section 434 **HEA section 433**

Effective date: August 14, 2008
Loans for which the first payment is due on or after July 1, 2009 (section 433(e)(1) and (2) of the HEA)
Loans that become delinquent on or after July 1, 2009 (section 433(e)(3) of the HEA)

The HEOA makes significant changes to the HEA required lender disclosures to FFEL borrowers in section 433 of the HEA, and adds new disclosures during the borrower's repayment period, including specific disclosures for borrowers having difficulty making payments, and for those who are delinquent. The HEOA eliminates the provision in the HEA that protected a guaranty agency from the loss of Federal reinsurance on a FFEL loan when required disclosures are not provided, and adds a provision stating that the Department may limit, suspend, or terminate a participating lender from the FFEL Program if the lender fails to comply with the disclosure requirements. The HEA continues to stipulate that the required disclosures must be made at no cost to the borrower and that they can be provided by lenders as part of the application material provided to the borrower, as part of the loan promissory note, or on a separate written form provided to the borrower.

Required FFEL (non-consolidation) disclosures before loan disbursement

The FFEL borrower disclosure requirements in section 433(a) of the HEA are amended to require that a lender must now inform a borrower, when describing the amount and handling of the origination and Federal default fee, whether the loan origination and/or default fee will be paid by the lender. The lender must now also provide borrowers with a description of the types of repayment plans that are available for the loan, a summary of the circumstances in which a borrower may obtain a forbearance, and a description of the available types of loan forgiveness and their eligibility requirements.

For Unsubsidized Stafford loan borrowers and student borrowers of PLUS loans, lenders are now required to provide the borrower with an explanation of

- the borrower's option to pay interest that accrues on the loan during the borrower's in-school deferment period; and
- when and how often accruing interest on the loan will be capitalized, if the borrower does not pay the interest that accrues during the in-school deferment period.

For parent borrowers of PLUS loans, lenders must provide this same information as it relates to the in-school period of the dependent student for whom the parent borrowed, and provide information on deferment eligibility based on the parent's half-time enrollment in school.

Required FFEL (non-consolidation) borrower disclosures before repayment

The FFEL borrower disclosure requirements in section 433(b) of the HEA are amended to require that the disclosures be provided not less than 30 days but no more than 150 (rather than 240) days before the first payment on the loan is due, that the borrower be informed of the name of the lender or loan servicer, and that the scheduled repayment period start date disclosure include the repayment start date after the close of a PLUS borrower's in-school deferment period, if applicable. The borrower must now be

provided with a description of all the repayment plans available to the borrower and must be advised that a borrower may change repayment plans during the repayment period. The repayment schedule on all the loans covered by the disclosure must reflect the repayment plan selected by the borrower. This assumes that the borrower has provided the lender or loan servicer with all the information necessary to calculate a repayment schedule under the borrower's selected plan.

The HEOA also adds a new requirement that the lender disclose information on any loan repayment benefits they offer to borrowers and whether receipt of those benefits is based on the borrower's repayment behavior. Such repayment benefits include a reduction in the interest rate on the loan if the borrower repays the loan by automatic payroll or banking account deduction or makes a specified number of on-time payments, and any other benefits that would reduce the loan amount to be repaid or the length of the repayment period. Information on a lender's repayment benefits must specify any limitations on the borrower's receipt of the benefits, explicitly state any reasons a borrower may lose the benefit, and explain whether and how the borrower could regain eligibility for any lost benefit. If the repayment benefit is a reduction in the interest rate on the loan, the lender must provide examples of the impact the interest rate reduction will have on the loan amount to be repaid and the repayment period.

The borrower must now also be provided with the projected total amount of interest that the borrower will pay on the loans, assuming the borrower's normal on-time repayment. If the borrower has already paid interest on the loans, the borrower must be advised of the amount of interest already paid. Finally, the borrower must be provided with a description of the options a borrower has to avoid default, including any fees associated with a particular option, and of any resources, including nonprofit organizations, advocates, and counselors (including the Department's Student Loan Ombudsman) that may be able to provide the borrower with advice and assistance.

Special disclosure rules on PLUS and Unsubsidized loans
The Special Disclosure rule in section 433(d) of the HEA for PLUS and Unsubsidized Stafford Loans is amended to permit lenders to provide borrowers with sample projections of monthly repayment amounts assuming different levels of borrowing and accrued interest from capitalization related to the dependent student's half-time enrollment in school. This permitted disclosure would be in lieu of the otherwise required disclosure of projected monthly payment amounts. The sample projections must disclose to the borrower the cost to the borrower of both capitalizing the interest and paying the interest as it accrues.

New borrower disclosures during repayment
Several new disclosures have been added for borrowers during the repayment period.

Required bill or statement
Section 433(e)(1) of the HEA now requires FFEL lenders to provide all borrowers in repayment a bill or statement that corresponds to each payment installment period for which a payment is due and that includes, in simple and understandable terms

- the original principal amount of the borrower's loan;
- the borrower's current balance, as of the time of the bill or statement;
- the interest rate on the loan;
- the total amount the borrower has paid in interest on the loan;
- the aggregate amount the borrower has paid for the loan, including all the interest and fees paid, and the amount paid against the balance;
- a description of each fee charged for the installment period;
- the payment amount, the due date for the payment to avoid additional fees, and the amount of any such fees;
- the lender's or loan servicer's address and toll-free phone number for payment and billing error purposes; and
- a reminder of the borrower's option to change repayment plans, a listing of the repayment plans available to the borrower, a link to the Department's website for more information on the repayment plans, and directions to the borrower on how to request a change of repayment plan.

These bill or statement disclosures must be made for any loan for which the first payment is due on or after July 1, 2009.

Required disclosures to borrowers having difficulty making payments
Section 433(e)(2) of the HEA now requires FFEL lenders to provide borrowers who notify the lender that they are having difficulty making their scheduled payments, a description, in simple and understandable terms, of

- the repayment plans available to the borrower and how the borrower can request a change in repayment plan;
- the requirements for obtaining a forbearance on the loan, including the associated costs; and
- the options available to the borrower to avoid default, including any associated costs or fees.

These disclosures to borrowers having difficulty making payments must be made for any loan for which the first payment is due on or after July 1, 2009.

Required disclosures to delinquent borrowers
Section 433(e)(3) of the HEA now requires FFEL lenders to provide a notice, in simple and understandable terms, to borrowers who are 60 days delinquent on making payments on their FFEL loans. The notice must provide

- the date on which the loan will default if no payments are made;
- the minimum payment amount the borrower must make to avoid default;
- a description of the borrower's options to avoid default, including a description of deferment and forbearance eligibility requirements, how to request each form of relief, and any associated costs and fees;
- loan discharge options to which the borrower may be entitled; and

- additional resources, including nonprofit organizations, advocates, and counselors, including the Department's Student Loan Ombudsman, from whom the borrower can receive advice and assistance on loan repayment.

These disclosures to delinquent borrowers must be made for any loan that becomes delinquent on or after July 1, 2009.

School Cohort Default Rate Calculation, Default Prevention Plans, and Cohort-Related Institutional Eligibility
HEOA section 436 **HEA sections 435(a) and (m)**
Effective date: August 14, 2008, Successful mitigating circumstance appeal limit
Fiscal Year Beginning October 1, 2011, Increased participation rate index standard
Beginning FY 2009, Three-Year school cohort default rate calculation
Beginning FY 2012, Increased school cohort default rate threshold percentage
Beginning FY 2012, Required default rate plan

Institutional eligibility
Section 435(a) of the HEA is amended by the HEOA to increase the school cohort default rate threshold percentage used to determine whether an institution of higher education remains an eligible institution for purposes of participation in the Federal Pell Grant, FFEL, or Direct Loan programs from 25 percent to 30 percent for fiscal year 2012 and beyond.

The HEA also now provides, effective August 14, 2008, that if an institution files a successful extenuating mitigating circumstances appeal after two consecutive years of cohort default rates that equal or exceed the applicable cohort threshold percentage, the Department may not place the institution in provisional certification status based solely on the institution's cohort default rate.

The HEOA also increases the cohort default rate participation rate index standard from 0.0375 to 0.0625, effective for fiscal years beginning on or after October 1, 2011.

School cohort default rate calculation
Section 435(m) of the HEA is amended by the HEOA to calculate an institution's cohort default rate using a three-year period, effective for calculating school cohort default rates for fiscal year 2009 and beyond. As a result of this change, the cohort default rate will now be, in any fiscal year in which 30 or more current and former students enter repayment on applicable FFEL or Direct Loans received for attendance at the institution, the percentage of those borrowers who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment. The HEOA provides for a transition period during which no institutional sanctions will be taken based on the three-year calculated rate until after there have been three consecutive cohort years of

such rates calculated. During the transition period, sanctions will be based on calculations made according to pre-HEOA provisions.

Default prevention plans

The HEOA requires that any institution whose cohort default rate for fiscal year 2012 or any succeeding fiscal year is equal to or greater than the new 30 percent cohort default rate threshold specified in section 435(a)(2)(B)(4) of the HEA must establish a default prevention task force to prepare a default prevention plan to

- identify the factors causing the institution's cohort default rate to exceed the threshold;
- establish measurable objectives and identify steps to take to improve the institution's rate; and
- specify actions the institution will take to improve student loan repayment, including loan repayment counseling.

An institution's default prevention plan must be submitted to the Department, which is required to review and provide technical assistance to the institution to promote improved student loan repayment by the school's borrowers.

If an institution exceeds the cohort default rate threshold for two consecutive fiscal years, its default prevention management task force must revise its default management plan, which must then be resubmitted to the Department. The Department must review the revised plan and may require additional measurable steps to be taken by the school as part of the plan to promote student loan repayment.

FFEL Loan Discharges Based on Total and Permanent Disability
HEOA section 437 **HEA section 437**
Effective date: August 14, 2008, for disability discharge requests based on Veterans Administration determinations and July 1, 2010, subject to regulations

The HEOA amends section 437(a) of the HEA to modify the standard for discharging FFEL loans based on a disability. Now, the statute provides for the discharge of a FFEL loan if the borrower who received a FFEL loan is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that

- can be expected to result in death;
- has lasted for a continuous period of not less than 60 months; or
- can be expected to last for a continuous period of not less than 60 months.

The HEOA authorizes the Department to develop any necessary safeguards to prevent fraud and abuse in discharging loans on the basis of death or total and permanent disability, including developing regulations to require the reinstatement and resumption of collections on a discharged loan, if after the discharge, the borrower

- receives another Title IV loan;
- the borrower earns income in excess of the poverty line; or
- for any other reason the Department determines necessary.

The HEOA also amends the HEA to provide that a borrower is eligible for a disability discharge if the borrower provides the Department with documentation from the VA showing that the VA has determined the borrower to be unemployable due to a service-connected condition. The borrower will not be required to provide additional documentation to support the discharge. The Department is currently working with the VA to determine what documentation is appropriate to support a borrower's eligibility for the discharge. As soon as that information is available, the Department will issue additional guidance to lenders and guaranty agencies describing the procedures for discharging these loans. At a minimum, this process will involve the transfer of the required information related to the discharge request to the Department so that the Secretary can determine the borrower's eligibility for discharge of the loan as provided for by the HEOA.

The HEOA discharge-related changes also apply to borrowers in the Direct Loan Program.

FFEL Program

Borrower Eligibility for Deferment
HEOA section 422 **HEA section 428(b)(1)(Y)**
Effective date: August 14, 2008 (for deferments granted on or after that date)
The HEOA amends the HEA provision governing the methods a lender must use to determine a borrower's eligibility for an in-school deferment to include the lender's confirmation of the borrower's half-time enrollment status through the use of NSLDS, if the confirmation is requested by school. This eliminates the option in 34 CFR 682.210(c)(4) to grant in-school deferments on all the outstanding FFEL loans held by the lender using data from an institution's Student Status Confirmation Report to NSLDS without such confirmation being requested from the borrower's school.

When granting an in-school deferment on an unsubsidized Stafford Loan, a lender is now also required to provide information to the borrower to assist the borrower in understanding the impact of capitalization of interest on the borrower's loan principal and the total amount of interest that will need to be paid over the life of the loan.

Notification to a FFEL Borrower When the Transfer, Sale, or Assignment of a Loan Will Result in a Change in the Party to Whom the Borrower Must Send Payments
HEOA section 422 **HEA section 428(b)(2)(F)(i)**
Effective date: August 14, 2008 (for any required notification to a borrower on or after that date)
The HEOA amends section 428(b)(2)(F) of the HEA, which requires that a borrower be notified if the transfer, sale, or assignment of the borrower's loan will result in a change in the identity of the party to whom the borrower must send payments or direct any communications, to require that the borrower also be advised of the effective date of the transfer of the loan, the date on which the current loan servicer (as of the date of the

notice) will stop accepting payments, and the date on which the new loan servicer will begin accepting payments.

Changes to Prohibited Inducement Provisions Governing FFEL Lenders and Guaranty Agencies
HEOA sections 422 & 436 HEA sections 428(b)(3) and 435(d)(5)
Effective date: Guaranty agency and lender activities undertaken on or after August 14, 2008

The HEOA amends the prohibited inducement provisions in section 428(b)(3) of the HEA that govern guaranty agencies in the FFEL Program to prohibit a guaranty agency from

- offering, directly or indirectly, premiums, payments, stock or other securities, prizes, travel, entertainment expenses, tuition payment or reimbursement, or any other inducement to
  - any school or its employees in order to secure applicants for FFEL loans; or
  - any lender, or any agent, employee, or independent contractor of any lender or guaranty agency in order to administer or market FFEL loans (except for lender-of-last resort loans made under the agency's program) for the purpose of securing the agency's designation as the guarantor;
- conducting unsolicited mailings, by either postal or electronic means, of FFEL student loan application forms to students in secondary or postsecondary schools, or the family members of such students, unless the guaranty agency has previously guaranteed a FFEL loan for the student or the student's parent;
- performing, or paying another individual to perform, any school-required function for a school participating in the FFEL Program, except student loan exit counseling; or
- conducting fraudulent or misleading advertising concerning loan availability, terms, or conditions.

The HEOA also amends the definition of an eligible lender in the FFEL Program in section 435(d)(5) of the HEA in the area of prohibited lender inducements. The definition now specifies that a lender is not eligible if it

- offers, directly or indirectly, in order to secure FFEL loan applicants, points, premiums, payments (including payments for referrals and for processing or finder fees), prizes, stock or other securities, travel, entertainment expenses, tuition payment or reimbursement, the provision of information technology equipment at below-market value, additional financial aid funds, or other inducements to any school or employee of a school;
- conducts unsolicited mailings, either by postal or electronic means, of FFEL student loan applications to students in secondary or postsecondary school, or the family members of such students, unless the lender has previously made a loan to the student or the student's parent;
- enters into a consulting arrangement or other contract with an employee who is employed in an institution's student financial aid office or who otherwise has responsibility for student loans to provide services to a lender;
- compensates a school employee who is employed in the student financial aid office or who otherwise has responsibility for student loans for serving on an advisory board,

commission, or group established by a lender or a group of lenders, except that the lender may reimburse the school employee for reasonable expenses incurred by the employee in performing such service;
- performs, or pays another individual to perform any school-required function for a FFEL participating school, except student loan exit counseling;
- provides payments or other benefits to a student at an institution to act as the lender's representative to secure FFEL loan applications, unless the student is employed by the lender for other purposes and makes all the appropriate disclosures regarding his or her employment with the lender;
- offers, directly or indirectly, a FFEL loan as an inducement to a prospective borrower to purchase an insurance policy or other product; or
- engages in fraudulent or misleading advertisement.

The HEA also specifies that a guaranty agency or lender may provide technical assistance to schools comparable to the technical assistance provided to schools by the Department.

FFEL Consolidation Loan--Borrower Eligibility
HEOA section 425 HEA sections 428(a)(3)(B)(i) and 428C(b)(5)
Effective date: Direct Consolidation Loan, or portion of a Direct Consolidation Loan, first disbursed on or after October 1, 2008

The HEOA amends section 428(a)(3)(B)(i), which governs FFEL Consolidation loan eligibility, to provide an additional eligibility criterion for the reconsolidation of an existing FFEL Consolidation loan. If the borrower is an eligible military borrower performing active duty service, the borrower is eligible to consolidate a FFEL Consolidation Loan into the Direct Loan Consolidation program to secure the new "no interest accrual" benefit on a Direct Loan during periods of active duty military service. Section 428C(d)(5) of the HEA has also been amended to reflect a FFEL-only borrower's eligibility to obtain a Direct Loan Consolidation loan for this purpose.

FFEL Consolidation Loan--Application Disclosures to Potential Borrowers
HEOA section 425 HEA section 428C(b)(1)(F)
Effective date: FFEL Consolidation Applications provided to potential borrowers on or after August 14, 2008

Lenders that make FFEL Consolidation Loans are now required to provide additional disclosures to potential borrowers, in simple and understandable terms, at the time the lender provides a FFEL Consolidation loan application to the borrower. The required disclosures include
- a statement that by applying for the consolidation loan, the borrower is not obligated to agree to take the consolidation loan;
- information on whether the consolidation loan will result in a loss of Perkins Loan or Direct Loan benefits, including loan forgiveness, cancellation, and deferment;
- with respect to Perkins Loans, that the Perkins loan borrower will lose
  - all interest-free periods (periods during which interest does not accrue on the loan) available for periods of at least half-time school enrollment, the grace period, and all authorized deferment periods; and
  - all cancellation benefits not yet granted on the Perkins Loan;

- information on the repayment plans available under the FFEL Consolidation loan program, and the options to change repayment plans, or to prepay the loan or pay the loan on a shorter repayment schedule;
- a statement that borrower benefits on FFEL Consolidation loans may vary among FFEL lenders; and
- information on the consequences of defaulting on the consolidation loan.

Consumer Education Information Provided by Guaranty Agencies
HEOA section 435 **HEA section 433A**
Effective date: August 14, 2008
The HEOA adds section 433A to the HEA to require each guaranty agency working with the schools served by the agency, to develop and make available high-quality educational programs and materials to provide training for students and families in budgeting and financial management, including debt management and other aspects of financial literacy, such as the cost of using high interest loans to pay for postsecondary education and how budgeting and financial management relates to the Title IV student loan programs. The programs and materials must be in formats that are simple and understandable to students and their families, and must be provided before, during, and after a student's enrollment at an institution of higher education.

A guaranty agency is not prohibited from using existing activities, programs, and materials to meet these requirements, or from providing the same programs and materials to an institution that participates only in the Direct Loan Program. A guaranty agency's activities under this section are considered default reduction activities for the purpose of using restricted reserve funds as provided for under section 422(h)(4)(B) of the HEA.

Under this new provision, lenders and loan servicers may also provide outreach and financial literacy information, consistent with these requirements, to schools.

New Audit Requirement for FFEL School Lenders and Eligible Lender Trustees (ELTs) Originating FFEL Loans for an Institution or School-Affiliated Organization
HEOA section 436 **HEA section 435(d)(8)**
Effective date: August 14, 2008
The HEOA amends section 435(d) of the HEA to require that a FFEL school lender must, as part of the required annual lender compliance audit, determine that the school lender is using all proceeds from SAP and interest payments from borrowers, interest subsidies from the Department, and proceeds from the sale or other disposition of loans for need-based grant programs as required by section 435(d)(2)(F) of the HEA. The audit must also determine that the school lender is not using more than a reasonable portion of these payments and proceeds for direct administrative expenses, and that the grant funds generated are being used by the school to supplement, not supplant, grant funds that would otherwise be made available by the school to its students. The regulations governing a school lender's use of payments and proceeds for direct administrative expenses and other costs are found at 34 CFR 682.601(a)(8) and (b).

All eligible lenders serving as trustees for schools or school-affiliated organizations for the purpose of making FFEL loans for attendance at the school are also subject to this additional audit requirement. The regulations governing lender trustee relationships with a school or school-affiliated organization are at 34 CFR 682.602.

This audit requirement is applicable to the first auditable period of the school lender or ELT that begins on or after August 14, 2008.

Department of Education Temporary Authority to Purchase Student Loans – Guaranty Agency Responsibilities and Payments and Departmental Reporting
HEOA section 453 **HEA section 459A**
Effective date: August 14, 2008
The HEOA adds a provision to section 459A of the HEA, which governs the Department's temporary authority to purchase FFEL Program loans to ensure borrower loan access, to clarify that when the Department purchases a loan under this authority, the guaranty agency that originally guaranteed the loan ceases to have any obligations, responsibilities, or rights, including the right to any payment, under the HEA for any activity related to administering the loan after the purchase date of the loan, and that the agency's insurance obligation on the loan also ceases on that date. The purchase authority was recently extended until September 30, 2010, to ensure loan availability for the 2009-2010 academic year.

The HEOA also requires the Department to report to Congress and make available to the public information on the number and amount of loans the Department has purchased, has agreed to purchase, or has purchased a participation interest in, and cost estimates associated with the program. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, Department of Education Temporary Authority to Purchase Student Loans—Departmental Reporting.

Direct Loan Program

Definition of "Public Service Job" for Direct Loan Public Service Loan Forgiveness
HEOA section 451 **HEA section 455(m)**
Effective date: August 14, 2008
The HEOA amends the definition of "public service job" in section 455(m)(3) of the HEA for the purpose of Direct Loan public service loan forgiveness to

- specify that a job in government excludes time served as a member of the U.S. Congress;
- specify that a job in public health includes nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations, as those terms are defined by the Bureau of Labor Statistics;
- clarify that for the purpose of a job in public interest law services, legal advocacy may be provided "on behalf of " low-income communities at a nonprofit organization rather than strictly "in" low-income communities at a nonprofit organization;

- list childhood education as a separate job category distinct from public education, and specify that it includes licensed or regulated childcare, Head Start, and State funded pre-kindergarten; and
- specify that full-time faculty teaching in "high needs areas" includes high needs subject areas or areas of shortage, including nurse faculty, foreign language faculty, and part-time faculty at community colleges.

These changes and clarifications apply to any borrower employed in qualifying employment in a public service job as of the effective date of the public service loan forgiveness program, or on or after October 1, 2007.

The Department reflected these statutory changes in the final regulations published on October 23, 2008, 73 FR 63232, 63256-63257.

The HEA is also amended to provide that no borrower may receive loan forgiveness benefits for the same service, from the public service loan forgiveness, FFEL or Direct Loan teacher loan forgiveness, loan forgiveness for areas of national need, or loan repayment for civil legal assistance attorneys programs.

No Interest Accrual on Direct Loans of Eligible Military Borrowers
HEOA section 451 **HEA section 455**
Effective date: Direct Loans first disbursed on or after October 1, 2008, and any portion of a Direct Consolidation Loan that repaid a Direct Loan first disbursed on or after that date

The HEOA adds a new provision to section 455 of the HEA to provide that interest will not accrue on the Direct Loan of an eligible military borrower for a period of not more than 60 months. For this purpose, an eligible military borrower is one who is

- (1) serving on active duty during a war or other military operation or national emergency; or (2) performing qualifying National Guard duty during a war or other military operation or national emergency; and
- serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37, U.S.C.

This benefit applies to any eligible military borrower whose service includes August 14, 2008, or begins on or after that date. FFEL-only borrowers are authorized under section 428C(a)(3)(B)(i)(V) of the HEA to consolidate their loans in the Direct Loan Program to receive this benefit. For a Direct Loan borrower who also qualifies for the military service deferment, the borrower's deferment period and 60-month period of no interest accrual run concurrently.

Direct Loan Borrower Disclosures by Direct Loan Schools
HEOA section 451 **HEA section 455(p)**
Effective Date: August 14, 2008, subject to Department regulations

The HEOA amends section 455 of the HEA, which governs the terms and conditions of Direct Loans, to require schools participating in the Direct Loan Program to provide Direct Loan borrowers with the same student loan borrower disclosures lenders in the

FFEL Program must provide to FFEL borrowers. The Department is also required to ensure that its contractors working on the Direct Loan Program also comply with these requirements.

Perkins Loan Program

Extension of Authority
HEOA section 461 **HEA section 461**
Effective date: August 14, 2008
The HEOA authorizes appropriations of $300,000,000 for the Perkins Loan Program for fiscal year 2009, and for each of the five succeeding fiscal years. It also authorizes appropriations of such sums as may be necessary for fiscal years 2015 – 2020.

Allowance for Books and Supplies
HEOA section 462 **HEA section 462**
Effective date: August 14, 2008
The HEOA increases the allowance for books and supplies used to determine the "average cost of attendance" from $450 to $600.

Referral Program
HEOA section 463 **HEA section 463**
Effective date: August 14, 2008
The Department continues to have the option to allow an institution to refer loans to the Department for collection and to return any collections to the school, less 30 percent of the amounts collected, to cover the Department's collection costs. If the Department chooses to allow referrals in the Perkins Loan Program, the Department must repay the amounts collected (less the 30 percent) every six months. Note that at this time the Department has no plans to institute a referral program in the Perkins Loan Program.

Mandatory Assignment
HEOA section 463 **HEA section 463**
Effective date: August 14, 2008
The Department no longer has the authority to require mandatory assignment of Perkins Loans based on an institution's Program Participation Agreement. The Department continues to have the authority to require mandatory assignment if an institution has knowingly failed to maintain an acceptable collection record with regard to the loan or chooses to stop servicing and collecting its Perkins Loans. This statutory change nullifies the mandatory assignment regulations in 34 CFR 674.8(d)(3).

Loan Limits
HEOA section 464 **HEA section 464(a)(2)**
Effective date: August 14, 2008
Otherwise eligible students may receive the increased loan amounts beginning with any 2008-2009 award year payment period (where the first disbursement is made on or after July 1, 2008) that includes or begins on or after August 14, 2008. In addition to awarding the increased loan limits to students for the current and future payment periods, an

institution may, but is not required to, award the increased loan amounts retroactively for any eligible payment period that has ended as long as the student is still enrolled for the 2008-2009 award year.

The new Perkins Loan annual and aggregate loan limits are as follows:

GRADE LEVEL	ANNUAL LOAN LIMIT	AGGREGATE LOAN LIMIT
ONE AND TWO	$5,500	$11,000
THREE AND ABOVE	$5,500	$27,500
GRADUATE	$8,000	$60,000

Disability Discharge
HEOA section 464 **HEA section 464(c)(1)(F)**
Effective date: July 1, 2008, subject to regulations, except for disability discharge requests based on Department of Veterans Affairs' determinations

The HEOA provides for a discharge of a borrower's Perkins Loan if the borrower is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that

- can be expected to result in death;
- has lasted for a continuous period of not less than 60 months; or
- can be expected to last for a continuous period of not less than 60 months.

In addition, a borrower who is determined by the VA to be unemployable due to a service-connected disability also qualifies for a discharge on his or her Perkins Loan. The Department will issue additional guidance to Perkins loan holders describing the procedures for discharging these loans after working with the VA to identify the appropriate documentation to support a borrower's eligibility for the discharge.

Reinstatement of Loans Discharged Due to Death or Disability
HEOA section 464 **HEA section 464(k)**
Effective date: July 1, 2008, subject to regulations

The HEOA gives the Department the authority to promulgate regulations to resume collection on a loan that has been discharged due to death or disability after the loan has been discharged if

- the borrower receives another Title IV loan;
- the borrower earns income in excess of the poverty line; or
- the Secretary determines it is necessary to resume collection.

Forbearance
HEOA section 464 **HEA section 464(e)**
Effective date: August 14, 2008

The HEOA eliminates the requirement that a forbearance request be in writing. Schools may now process forbearance requests based on a verbal request from a borrower. The

school and borrower must agree to the terms of the forbearance. The school confirms this agreement by notice to the borrower, and by recording the terms in the borrower's file.

Rehabilitation
HEOA section 464 **HEA section 464**
Effective date: August 14, 2008
The HEOA reduces the number of on-time, consecutive, monthly payments required to rehabilitate a loan from 12 to 9. An institution may consider borrowers who began making rehabilitation payments prior to August 14, 2008, to have successfully rehabilitated their loans after making nine qualifying monthly payments if at least one of those payments was made on or after August 14, 2008. An institution must treat all of its Perkins Loan borrowers consistently in applying the 12-month or 9-month standard for borrowers who began making rehabilitation payments before August 14, 2008.

Expansion of Teacher, Head Start, and Law Enforcement Cancellation Categories
HEOA section 465 **HEA section 465(a)**
Effective date: August 14, 2008
The HEOA expands the existing teacher, Head Start, and law enforcement cancellation categories. These cancellation categories have been expanded as follows:

A teacher in a designated low-income elementary or secondary school who is employed by an educational service agency may qualify for a teacher cancellation. In addition, a teacher in a designated low-income elementary school, secondary school, or location operated by an educational service agency may qualify for a teacher cancellation. The Department will determine whether a school or location operated by an educational service agency is low-income pursuant to regulations of the Department and after consultation with the State education agency.

The Head Start cancellation is expanded to include full-time staff members in a pre-kindergarten or childcare program that is licensed or regulated by the State.

The law enforcement/corrections officer cancellation is expanded to include full-time attorneys employed in Federal Public Defender Organizations or Community Defender Organizations, established in accordance with Section 3006A(g)(2) of Title 18, U.S.C. (see http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+18USC3006A).

Eligible service performed on or after August 14, 2008, in these expanded cancellation categories will qualify a borrower for cancellation, regardless of whether information on the expansion of the cancellation category appears on the borrower's promissory note.

Addition of New Public Service Cancellation Categories
HEOA section 465 **HEA section 465(a)**
Effective date: August 14, 2008
The HEOA adds public service cancellation categories for borrowers who are

- full-time fire fighters with a local, State, or Federal fire department or fire district;

- full-time faculty members at a Tribal College or University;
- librarians with a master's degree in library science who are employed in an elementary or secondary school that qualifies for Title I funding, or in a public library that serves a geographic area that includes one or more Title I schools; or
- full-time speech-language pathologists with a master's degree who are working exclusively with Title I eligible schools.

Eligible service performed on or after August 14, 2008, in these new cancellation categories will qualify a borrower for cancellation, regardless of whether the cancellation category appears on the borrower's promissory note.

Military Service Cancellation
HEOA section 465 **HEA section 465(a)(3)(A)**
Effective date: August 14, 2008
The HEOA eliminates the 50 percent limitation on military service cancellations. Borrowers may now receive military service cancellation of up to 100 percent of the loan in increments of 15 percent (for the first and second years of service); 20 percent (for the third and fourth years of service); and 30 percent (for the fifth year of service).

Elimination of Defense of Infancy
HEOA section 486 **HEA section 484A(b)**
Effective date: August 14, 2008
The HEOA prohibits a defense against repayment by a Perkins Loan borrower based on a claim of infancy.

TRIO Programs

Duration of Grants
HEOA section 403(a) **HEA section** 402A(b)
Effective date: August 14, 2008
The HEOA extends the length of TRIO awards from four to five years. The law also authorizes the Secretary to provide a one time limited extension to extend the length of awards in the TRIO Programs to synchronize the start dates in the programs.

Participant Need
HEAO section 403(a) **HEA section 402A(c)**
Effective date: August 14, 2008
The HEOA requires the Secretary to consider the number, percentages, and needs of eligible participants and institutions when making awards.

Branch Campuses and Different Populations
HEOA section 403 (a) **HEA section 402A(c)**
Effective date: August 14, 2008
The HEOA modifies the program requirements to allow different campuses of an institution, or applicants that propose to serve a different population from the existing grantee, to apply for funding as a separate grantee. The HEOA allows entities to submit

multiple applications if the additional applicants describe programs serving different populations or campuses, but it adds definitions of "different populations" and "different campuses."

Appeals Process for Unsuccessful TRIO Grant Applicants
HEOA section 403(a) **HEA section 402A(c)**
Effective date: August 14, 2008
The HEOA made substantial changes to the competitive process for TRIO grants. As a result, institutions that have evidence that their scores were affected by a specific administrative, technical, or scoring error may request a second review. If the Secretary determines that a technical or administrative error was made, the Secretary is required to arrange for the application to be reconsidered in the peer review process. If the Secretary determines that a scoring error was made, the Secretary may adjust the prior experience points or final score of the application as appropriate. If the Secretary determines that there was an error in the peer review process, the Secretary must refer the application to a second review panel of experienced readers who participated in the field reading but did not read the application in question. The new score would be used instead of the original score in compiling the competition slate. This slate would be forwarded to the Secretary for the final decisions on funding. Applications with revised scores in the fundable range are to be funded to the extent feasible based on the availability of appropriations.

Revises Outcome Criteria and Measurement of Progress
HEOA section 403(a) **HEA section 402A**
Effective date: August 14, 2008
The HEOA provides specific outcome criteria to be used to determine grantees' prior experience points and for the purpose of reporting annually to the Congress on program performance.

Elimination of Upward Bound Absolute Priority
HEOA section 403(c) **HEA section 402C(h)**
Effective date: August 14, 2008
The HEOA prohibits the Department from using the absolute priority for the Upward Bound program published by the Department in the *Federal Register* on September 22, 2006.

Foster Care and Homeless Youth
HEOA section 403 **HEA section 402(e)**
Effective date: August 14, 2008
A new provision added by the HEOA identifies new groups of students that projects can serve, including foster care youth and homeless children and youth. The HEOA clarifies that specific services for foster care and homeless youth are permissible and requires the Secretary, as appropriate, to require applicants to provide services to these youth.

Required Services and Permissible Services
HEOA section 403 **HEA section 402**
Effective date: August 14, 2008

The HEOA modifies the TRIO pre-collegiate and collegiate programs (Upward Bound, Talent Search, Student Support Services, and McNair) by distinguishing between certain services that projects must provide to participants and optional activities that programs may offer to students. Prior to the new law, projects could choose from a number of activities to provide to students.

Report to Congress
HEOA section 403(h)(3) **HEA section 402H(a)**
Effective date: August 14, 2008
The HEOA adds a requirement for the Department to submit an annual report to Congress that documents the performance of all TRIO programs. The report must include program performance on the outcome criteria specified in the statute (disaggregated by low-income students, first-generation college students, and individuals with disabilities) and must include data on comparable non-participants.

Upward Bound Evaluation
HEOA section 403(h)(4) **HEA section 402H(b)**
Effective date: August 14, 2008
The HEOA mandates that an evaluation of the Upward Bound program begin by June 30, 2010 and places specific conditions on the evaluation.

GEAR-UP Program

Duration of GEAR UP Grants
HEOA section 404(a)(2) **HEA section 404A**
Effective date: August 14, 2008
The HEOA establishes that the duration of GEAR UP grants is six years, unless an applicant requests an additional year of funding in order to provide services to an eligible student through his or her first year of postsecondary education, in which case the duration of the award can be seven years. This change allows GEAR UP grantees to provide the additional year of services to students to bridge their first year of postsecondary education.

Priority
HEOA section 404 **HEA section 404A**
Effective date: August 14, 2008
The HEOA gives priority to entities that have carried out successful programs prior to enactment of this legislation and requires the Secretary to ensure that students served under the program will continue to receive assistance through completion of secondary school.

Funding Rules
HEOA section 404 **HEA section 404B**
Effective date: August 14, 2008
The HEOA amends the funding rules to require that at least 33 percent of grant funds go to States and at least 33 percent of grant funds go to partnerships, with the remaining

amount being distributed at the Secretary's discretion, but taking into account the geographic location of applicants, and the distribution among urban and rural applicants.

Revises Definition of Partnerships
HEOA section 404 **HEA section 404A**
Effective date: August 14, 2008
The HEOA simplifies the definition of a partnership (one of the "eligible entities" that may receive an award) by removing the reference to elementary and secondary schools served by the local educational agencies, and by permitting (rather than requiring as was the case under prior law), as optional partners, a minimum of two community organizations or other entities to the partnerships.

Changes to Matching Funds
HEOA section 404 **HEA section 404C**
Effective date: August 14, 2008
The HEOA permits grantees to provide matching funds over the duration of the grant award period if the grantee makes substantial progress towards meeting the match in each year of the grant award period.

Reduction of Matching Percentage
HEOA section 404 **HEA section 404C**
Effective date: August 14, 2008
The HEOA authorizes grantees to request a reduction of the matching percentage required if the grantee can demonstrate a significant economic hardship at the time of application or if matching funding is no longer available and the grantee has exhausted its reserves.

Requires and Amends Activities Under GEAR UP
HEOA section 404 **HEA section 404D**
Effective date: August 14, 2008
The HEOA amends the early intervention activities provided under prior law by establishing certain minimum required activities, and by expanding what are permissible activities.

Revises Scholarships
HEOA section 404 **HEA section 404E**
Effective date: August 14, 2008
With the exception of funds that a State grantee would use in the early intervention component to establish and implement rigorous academic curricula and core academic courses that reflect rigorous academic standards, the HEOA requires State grantees to reserve 50 to 75 percent of funds received for scholarships. An amendment allows State grantees to use less than 50 percent for scholarships if it demonstrates that it has another means of providing this financial assistance and describes this other means in its application. The law requires State grantees to notify students of their eligibility for scholarships. The HEOA also encourages partnerships to provide student aid to

participants by treating every non-Federal dollar as two dollars for the purpose of satisfying the matching requirement.

Establishment of a Scholarship Trust Fund
HEOA section 404 **HEA section 404E**
Effective date: August 14, 2008
The HEOA requires State grantees to hold in reserve scholarship funds in an amount that is not less than the minimum scholarship amount multiplied by the number of students estimated to be eligible for a scholarship upon enrollment in an institution of higher education. The State must allow for portability of these funds, and the law does not limit their use to an institution of higher education in the State. A grantee may redistribute funds to other eligible students that a student has not used within six years of completion of secondary school. Funds unused after redistribution must be returned to the Secretary.

Academic Achievement Incentive Scholarships Repealed

Academic Achievement Incentive Scholarships
HEOA section 405 **HEA sections 406A-406D**
Effective date: August 14, 2008
The HEOA repeals the Academic Achievement Incentive Scholarship Program.

Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork

High School Equivalency Program (HEP)
HEOA section 408 **HEA section 418A**
Effective date: August 14, 2008
The HEOA revises the authorized activities to

- expand recruitment services to reach persons whose immediate family (rather than just the individuals themselves or their parents) has spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork;
- add preparation for college entrance examinations to the services that grantees may provide as a means of placing students in a university, college, or junior college program, or in military service or career positions;
- remove the requirement that stipends for participants be paid weekly;
- identify transportation and child care as examples of essential supportive services; and
- add as permissible other activities (in addition to those specifically authorized) to improve persistence and retention in postsecondary education.

The HEOA also increases the minimum award from $150,000 to $180,000.

College Assistance Migrant Program (CAMP)
HEOA section 408 **HEA section 418A**
Effective date: August 14, 2008
The HEOA revises the authorized activities to

- expand recruitment and outreach services to reach persons whose immediate family (rather than just the individuals themselves or their parents) has spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork;
- clarify that the purpose of the authorized supportive and instructional services is to improve placement, persistence, and retention in postsecondary education;
- add career and economic education or personal finance counseling to the list of supportive and instructional services;
- add internships to the list of permitted services;
- include transportation and child care as examples of essential supportive services;
- expand the previous authorization of referral of students to on-or off-campus providers of counseling services, academic assistance, or financial aid to include coordinating such services, assistance, and aid with other non-program services, assistance, and aid, including services, assistance and aid provided by community-based organizations which may include mentoring and guidance; and
- add to the list of possible follow-up services the encouragement of students attending two-year institutions of higher education to transfer to four-year institutions where appropriate, and the monitoring of the transfer rate of such students.

The HEOA also increases the minimum award from $150,000 to $180,000.

Reservation and Allocation of Funds
HEOA section 408 **HEA section 418A**
Effective date: August 14, 2008
The HEOA provides a formula for determining the amount of appropriated funds to be made available for HEP and CAMP awards.

The HEOA permits the Secretary to reserve ½ of one percent of the HEP and CAMP appropriation to conduct outreach, technical assistance, and professional development.

Data Collection
HEOA section 408 **HEA section 418A**
Effective date: August 14, 2008
The HEOA requires the Secretary to

- annually collect data on persons receiving services under the HEP and CAMP programs, including data on secondary school graduation rates, entrance into postsecondary education, and postsecondary education completion rates, as applicable;
- at least once every two years, prepare and submit a report on the data collected to Congress; and
- make the report available to the public.

Authorization of Appropriations
HEOA section 408 **HEA section 418A**
Effective date: August 14, 2008
The reauthorized HEA authorizes appropriations of $75 million for fiscal year 2009 and such sums as may be necessary for the next five succeeding fiscal years.

Robert C. Byrd Honors Scholarship Program

Student Eligibility
HEOA section 409 **HEA section 419F**
Effective date: August 14, 2008
The HEOA amended the Byrd Program student eligibility requirements to provide that a home schooled student is eligible for a scholarship without consideration of how the school is treated under State law.

Appropriations
HEOA section 409 **HEA section 419K**
Effective date: August 14, 2008
The HEOA authorizes appropriations for fiscal year 2009 and the succeeding five fiscal years in such amounts as may be necessary.

Child Care Access Means Parents in School
HEOA section 410 **HEA section 419N**
Effective date: August 14, 2008
The HEOA increases the minimum grant available to institutions of higher education and decreases the amount of Federal Pell Grant funds they must award each fiscal year to be eligible for such grants if the program's appropriation reaches a specified amount. The HEOA also changes the definition of eligible low-income students to include those whose income makes them eligible for a Federal Pell Grant. Finally, the HEOA requires program participants to report annually to the Secretary regarding their activities.

Learning Anytime Anywhere Partnerships Program Repealed
HEOA section 411 **HEA sections 420D-J**
Effective date: August 14, 2008
The HEOA repeals the Learning Anytime Anywhere Partnership Program.

Title V—Developing Institutions

Uses of Funds

Authorized Activities
HEOA section 501 **HEA section 503**
Effective date: August 14, 2008
The HEOA amends the authorized grant activities under Part A of Title V of the HEA (individual development grants) to include innovative and customized instruction course development; articulation agreement and student support program activities designed to facilitate student transfer from two-year to four-year institutions; activities that improve student financial and economic literacy; and activities to develop distance education technologies.

Cooperative Arrangements

HEOA section 504 **HEA section 524**
Effective date: August 14, 2008
The HEOA amends the authorized grant activities under Part C (formerly Part B) of Title V (cooperative arrangement development grants) of the HEA to include activities authorized under new Part B of Title V of the HEA.

New Program

Promoting Postbaccalaureate Opportunities for Hispanic Americans
HEOA section 502 **HEA section 511**
Effective date: August 14, 2008
The HEOA creates a new institutional grant program under new Part B of Title V of the HEA, Promoting Postbaccalaureate Opportunities for Hispanic Americans. The purpose of this grant program is to improve postbaccalaureate opportunities for Hispanic and low-income students at Hispanic-Serving Institutions (HSI). To be eligible to apply, an institution of higher education must be an HSI that offers a postbaccalaureate certificate or postbaccalaureate degree granting program. The HEOA specifies the authorized grant activities and application requirements, as well as grant duration and limitations.

In addition to any funds appropriated for this program under Title V of the HEA, section 898 of the HEA authorizes and appropriates $11,500,000 to provide grants to all eligible institutions in this program for fiscal year 2009 and each of the five succeeding fiscal years. As this new program is funded, we will be announcing in early 2009 in the *Federal Register* the availability of these funds.

Title VI—International Education Programs

International Education and Foreign Language Studies

Findings and Purposes
HEOA section 601 **HEA section 601(c)**
Effective date: August 14, 2008
The HEOA newly requires that the Secretary, prior to the beginning of the grant cycle, consult with and receive recommendations from the head officials of a wide range of Federal agencies to determine the areas of national need for expertise in foreign languages and world regions. The Secretary must make this list available to grant applicants.

The Secretary must also aid grantees in developing a survey for students who have completed programs under Title VI of the HEA to determine postgraduate employment, education, or training. Grantees, as appropriate, must administer the survey once every two years and report the results to the Secretary.

Graduate and Undergraduate Language and Area Centers and Programs
HEOA section 602 **HEA section 602**
Effective date: August 14, 2008

The HEOA amends section 602(a)(2) of the HEA by adding two authorized activities for grants made under this section. In addition to activities allowed under section 602 of the HEA, funds may also be used to support instructors of the less commonly taught languages, and for projects that support students in the STEM fields to achieve foreign language proficiency.

The law amends section 602(a)(4) of the HEA by adding the following allowable purposes for funding for Outreach Grants and Summer Institutes:

- grants may be made to centers for programs of linkage or outreach between or among
  - postsecondary programs or departments in foreign language, area studies, or other international fields; and
  - State educational agencies or local educational agencies; and
- in addition to these programs, the HEOA also allows grants to partnerships for linkage and outreach with departments or agencies of Federal and State governments, including Federal and State scholarship programs for students in related areas.

The HEOA amends section 602(b)(2) of the HEA to make undergraduate students eligible for Fellowships for Foreign Language and Area of International Studies.

Section 602(d) of the HEA is amended to specify what the stipends may include for graduate and undergraduate level recipients.

New section 602(e) of the HEA requires that applications for grants under this section include, in addition to the information and assurances required by the Secretary

- an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs; and
- a description of how the applicant will encourage government service in areas of national need, as well as in areas of need in the education, business, and nonprofit sectors.

Undergraduate International Studies and Foreign Language Programs
HEOA section 604 **HEA section 604**
Effective date: August 14, 2008

The HEOA modifies section 604(a)(2) of the HEA to allow funds to be used for pre- and in-service teacher professional development, and for educational programs abroad that are closely linked to the program's overall goals and have the purpose of promoting foreign language fluency and knowledge of world regions.

Under changes to section 604(a)(7) of the HEA, the application for this grant must now additionally include

- a description of how the applicant will provide information to students regarding federally funded scholarship programs in related areas;
- an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable; and

- a description of how the applicant will encourage service in areas of national need, as identified by the Secretary.

Grantees may not use more than 10 percent of funds awarded under this section towards the activity in section 604(a)(2)(I) of the HEA, in accordance with changes made to section 604(c) of the HEA.

Research, Studies, and Annual Report
HEOA section 605 **HEA section 605**
Effective date: August 14, 2008
The Secretary is allowed to conduct research and studies, through contracts and grants, which contribute to achieving the purposes of Title VI of the HEA. The HEOA expands the scope of these studies and research under section 605(a) of the HEA to include

- evaluation of the extent to which programs funded under Title VI of the HEA reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs;
- the systematic collection, analysis, and dissemination of data that contribute to achieving the purposes of this part; and
- support for programs or activities to make data collected, analyzed, or disseminated publicly available and easily understood.

Technological Innovation and Cooperation for Foreign Information Access
HEOA section 606 **HEA section 606**
Effective date: August 14, 2008
The HEOA adds new section 606(a)(2) of the HEA, which clarifies that the eligible recipients of a grant under this section include an institution of higher education, a public or nonprofit private library, and a partnership of an institution of higher education with another institution of higher education, a library, and/or a nonprofit educational organization.

The authorized activities under section 606(b) of the HEA have been expanded to include

- the acquisition of foreign information resources in print or electronic forms;
- the development of standards for shared electronic access to international data;
- the creation of linkages to facilitate carrying out activities described in this subsection between the institutions receiving grants under this section and institutions of higher education, nonprofit educational organizations, and libraries overseas; and
- other activities that the Secretary determines are consistent with the purpose of the grants awarded under this section.

Selection of Certain Grant Recipients
HEOA section 607 **HEA section 607**
Effective date: August 14, 2008
In selecting grant recipients, the HEOA expands section 607(b) of the HEA to require that the Secretary take into account the degree to which applicants' activities address national needs and inform the public, the applicants' records of placing students into

postgraduate employment, education, or training in areas of national need, and the applicants' plans to increase the number of students that go into such placements.

American Overseas Research Centers
HEOA section 608 **HEA section 609**
Effective date: August 14, 2008
New section 609(e) of the HEA requires both an application for funding or a contract under this section, and other information and assurances, as required by the Secretary.

Business and International Education Programs

Centers for International Business Education
HEOA section 611(a) **HEA section 612**
Effective date: August 14, 2008
Section 612(a) of the HEA is amended by adding a program purpose.

Section 612(c)(2)(E) of the HEA is amended by clarifying that outreach activities with business programs at institutions of higher education include those business programs held at Title III Part A or B and Title V institutions.

The HEOA also expands the list of permissible activities in section 612(c)(2) of the HEA to include programs encouraging the advancement and understanding of technology-related disciplines.

The grant conditions in section 612(f)(3) of the HEA are expanded to require an assurance that the grant activities will reflect diverse perspectives and a wide range of views on world regions and international affairs.

Education and Training Programs
HEOA section 611(b) **HEA section 613**
Effective date: August 14, 2008
The HEOA adds a requirement to the application under section 613(c) of the HEA for an assurance that, where applicable, the activities funded will reflect diverse perspectives and a wide range of views on world regions and international affairs.

Institute for International Public Policy

Minority Foreign Service Professional Development Program
HEOA section 612 **HEA section 621**
Effective date: August 14, 2008
The HEOA alters the eligibility requirements for this program in section 621(b) of the HEA by adding Title III and V institutions.

Under newly amended section 621(c) of the HEA, applications for this grant must now include a description of how the activities funded by the grant will reflect diverse

perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable.

Institutional Development Award
HEOA section 613 **HEA section 622**
Effective date: August 14, 2008
Section 622(a) of the HEA is amended to allow eligible institutions to use funds to strengthen international business and foreign language study programs, as opposed to only international affairs programs.

Study Abroad Program
HEOA section 614 **HEA section 623**
Effective date: August 14, 2008
The HEOA clarifies in section 623(a) of the HEA that tribally controlled colleges or universities, Alaska Native-serving, Native Hawaiian-serving, and Hispanic-serving institutions are eligible to participate in the Institute's junior year abroad program.

Advanced Degree in International Relations
HEOA section 615 **HEA section 624**
Effective date: August 14, 2008
The HEOA expands section 624 of the HEA to allow fellowships to be granted by the Institute to students pursuing an advanced degree, as opposed to a master's degree, in international relations, international affairs, international economics, or other academic area to the Institute fellow's career objectives**.**

Internships
HEOA section 616 **HEA section 625**
Effective date: August 14, 2008
The HEOA clarifies in section 625(a) of the HEA that tribally controlled colleges or universities, Alaska Native-serving, Native Hawaiian-serving, and Hispanic-serving institutions are eligible to enter into agreements with the Institute to provide year-long and summer internships and work placements with international volunteer or government organizations or agencies.

Financial Assistance
HEOA section 617 **HEA section 626**
Effective date: August 14, 2008
The HEOA adds new section 626 of the HEA, allowing the Institute of International Public Policy to grant summer stipends to low-income students to facilitate their participation in Institute programs. A summer stipend awarded to a student, which shall be used to defray costs of travel, living, and educational expenses, may not exceed $3,000 per summer.

New section 626 of the HEA also creates the Ralph Bunche scholarship, given to a full-time student at an institution of higher education who is accepted into a program funded under this part. Scholarships must be used to pay costs related to the cost of attendance,

as defined in section 472 of the HEA. The scholarship award may not exceed $5,000 per academic year.

Report
HEOA section 618 **HEA section 627**
Effective date: August 14, 2008
Newly redesignated section 627 of the HEA requires that the Institute report on its activities once every two years instead of annually.

General Provisions

Definitions
HEOA section 621 **HEA section 631**
Effective date: August 14, 2008
Section 631(a) of the HEA defines the term "historically Black college and university" as a 'Part B institution' in section 322 of the HEA.

Under section 631(a) of the HEA, the term "tribally controlled college or university" means one of the institutions in section two of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801): an institution of higher education which is formally controlled, or has been formally sanctioned, or chartered, by the governing body of an Indian tribe or tribes, except that no more than one such institution shall be recognized with respect to any such tribe.

The term "comprehensive language and area center" is replaced with the term "comprehensive foreign language and area or international studies" in section 631(a) of the HEA.

The term "undergraduate language and area center" is replaced with the term "undergraduate foreign language and area or international studies center" in section 631(a) of the HEA.

Special Rule, Rule of Construction; Assessment; Evaluation, Outreach, and Information; and Report
HEOA section 622 **HEA sections 632-636**
Effective date: August 14, 2008
The HEOA added the following new sections to Part D of Title VI of the HEA:

- section 632 - Special Rule--The Secretary may grant waivers or reductions to the non-Federal share required under Title VI of the HEA for institutions that are eligible to receive assistance under Part A or B of Title III or under Title V of the HEA;
- section 633 - Rule of Construction--Nothing in Title VI of the HEA may be construed to authorize the Secretary to mandate, direct, or control an institution of higher educations specific instructional content, curriculum, or program of instruction;
- section 634 – Assessment--The Secretary is authorized to assess and ensure compliance with all the conditions and terms of grants provided under Title VI of the HEA;

- section 635 - Evaluation, Outreach, and Information--The Secretary may use not more than one percent of funds made available under Title VI of the HEA to carry out program evaluation, national outreach, and information dissemination activities relating to the Title VI programs; and
- section 636 – Report--The Secretary must work with a variety of Federal agency heads to submit a biannual report to Congress and the public identifying areas of national need in foreign language, area, and international studies. They must also report their plan to address these needs. See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, Title VI Report.

Science and Technology Advanced Foreign Language Education Grant Program
HEOA section 622 **HEA section 637**
Effective date: August 14, 2008

The HEOA adds new section 637 of the HEA, which authorizes the Secretary to create a new grant program designed to support programs in institutions of higher education that

- encourage student advancement in science and technology and foreign language proficiency;
- foster future international scientific collaboration;
- provide training opportunities to increase the number of elementary and secondary school teachers of critical foreign languages; and
- increase the number of United States students who achieve the highest level of proficiency in foreign languages critical to the security and competitiveness of the Nation.

The HEOA specifies some of the activities that may be funded by this grant, including

- the development of an on-camps cultural awareness program in which students attend classes taught in a foreign language and study the science and technology developments and practices in a non-English speaking country;
- immersion programs where students take science or technology-related course work in a non-English speaking country;
- summer workshops that emphasize the intense study of a foreign language and science technology;
- recruiting of highly qualified teachers in critical foreign language at elementary and secondary school levels; and
- providing innovative opportunities for students that will allow for critical language opportunity, such as immersion environments, intensive study opportunities, internships, and distance learning.

The Secretary must give priority to institutions that have programs focusing on curricula that combine the study of foreign languages and the study of science and technology and that produce graduates with both skills. Additionally, priority will be given to institutions teaching critical foreign languages.

By August 14, 2009, the Secretary must conduct a study and report on the institutions receiving Title III or Title V funding with the best practices leading to an increase in critical foreign language education efforts in the United States.

This program is not currently funded and cannot be implemented until funding is provided by Congress.

Reporting by Institutions
HEOA section 622 **HEA section 638**
Effective date: August 14, 2008
HEOA adds new section 638 of the HEA, which requires that institutions that receive funding under Title VI of the HEA and that meet the following criteria must report this data to the Secretary, as consistent with the requirements of section 117 of the HEA

- the amount of the contribution (including cash and the fair market value of any property) received from any foreign government or from a foreign private sector corporation or foundation during any fiscal year that exceeds $250,000 in the aggregate; and
- the aggregate contribution, or a significant part of the aggregate contribution, that is to be used by a center or program receiving funds under Title VI of the HEA.

Title VII—Graduate and Postsecondary Improvement Programs

Jacob K. Javits Fellowship Program

Awards of Fellowships--Interruption of Study
HEOA section 702 **HEA section 701**
Effective date: August 14, 2008
The HEOA gives institutions of higher education additional discretion to allow Javits Fellows to interrupt their study due to exceptional circumstances for up to one year (or longer if called to active military service), without payment of the fellowship stipend.

Allocation of Fellowships
HEOA section 702 **HEA section 702**
Effective date: August 14, 2008
The HEOA modified the requirements for the Javits Fellowship Board to require the Secretary to appoint a board consisting of nine individuals based on several factors, including location, institutional affiliation, reputation in the academic community, and academic discipline.

Stipends
HEOA section 702 **HEA section 703**
Effective date: August 14, 2008
The HEOA clarifies that, for awards beginning with academic year 2009-2010, the stipend levels are to be equal to the those provided by the National Science Foundation Graduate Research Fellowship Program, except that, as in the past, the amount will be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under Part F (Need Analysis) of Title IV of the HEA.

The HEOA specifies that the institutional allowance for 2009-2010 and later years will be based on the 2008-2009 institutional allowance adjusted annually for inflation as determined by the Department of Labor's Consumer Price Index for the calendar year.

Authorization of Appropriations
HEOA section 702 **HEA section 705**
Effective date: August 14, 2008
The HEOA retains the specified level of $30,000,000 for the first year of authorization, set by the HEOA as fiscal year 2009, and for each of the five succeeding fiscal years.

Graduate Assistance in Areas of National Need

Institutional Eligibility
HEOA section 703 **HEA section 712**
Effective date: August 14, 2008
The HEOA redefines "areas of national need" for the purpose of identifying eligible grantees for the Graduate Assistance in Areas of National Need (GAANN) Program. Specifically, the HEOA requires that, after consultation with appropriate Federal and nonprofit agencies and organizations, including the National Science Foundation, the Department of Defense, the Department of Homeland Security, the National Academy of Sciences, and the Bureau of Labor Statistics, the Secretary shall designate areas of national need. In making these designations, the Secretary shall take into consideration

- the extent to which the interest in the area is compelling;
- the extent to which other Federal programs support postbaccalaureate study in the area concerned;
- an assessment of how the program may achieve the most significant impact with available resources; and
- an assessment of current (as of the time of the designation) and future professional workforce needs of the United States.

Criteria for Applications
HEOA section 703 **HEA section 711 and 712**
Effective date: August 14, 2008

The HEOA clarifies that Master's can be eligible for GAANN if the program is the terminal degree offered at the institution of higher education.

Criteria for Applications
HEOA section 703 **HEA section 713**
Effective date: August 14, 2008
The HEOA adds language to the HEA to specify that when an institution sets forth the required policies and procedures to assure that it will make GAANN fellowship awards to recipients who plan to pursue the highest possible degree in their course of study, it must be for study at that institution.

Awards to Graduate Students

HEOA section 703 **HEA section 714**
Effective date: August 14, 2008
The HEOA clarifies that the stipend levels for the GAANN Program for awards beginning with the academic year 2009-2010 are to be equal to those provided by the National Science Foundation Graduate Research Fellowship Program, except that, as in the past, the amount will be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under Part F (Need Analysis) of Title IV of the HEA.

Additional Assistance for Cost of Education
HEOA section 703 **HEA section 715**
Effective date: August 14, 2008
The HEOA specifies that the institutional allowance for 2009-2010 and later years will be based on the 2008-2009 institutional allowance adjusted annually for inflation as determined by the Department of Labor's Consumer Price Index for the calendar year.

Authorization of Appropriations
HEOA section 703 **HEA section 716**
Effective date: August 14, 2008
The HEOA retains the specified level of $35,000,000 for the first year of authorization, set by the HEOA as fiscal year 2009, and for each of the five succeeding fiscal years.

Thurgood Marshall Legal Educational Opportunity Program

Eligibility
HEOA section 704 **HEA section 721**
Effective date: August 14, 2008
The HEOA expands eligibility to otherwise eligible secondary students, and to students seeking admission to law practice.

Contract and Grant Purposes
HEOA section 704 **HEA section 721(c)**
Effective date: August 14, 2008
The HEOA expands the description of grant activity to include

- preparing students for successful completion of a baccalaureate degree, and to assist them with the development of analytical skills, writing skills, and study methods to enhance their success in, and promote the students' admission to and completion of, law school;
- motivating and preparing such students to provide legal services to low-income individuals and families; and
- awarding Thurgood Marshall Fellowships to eligible law school students who (1) participated in eligible summer institutes and who are enrolled in an accredited law school; or (2) who have successfully completed a comparable summer institute program that is certified by the Council on Legal Education Opportunity.

Subcontracts and Subgrants

HEOA section 704 **HEA section 721(f)**
Effective date: August 14, 2008
The HEOA expand eligibility for subgrants to national and State bar associations.

Stipends
HEOA section 704 **HEA section 721(g)**
Effective date: August 14, 2008
The HEOA provides that the Secretary shall annually establish the maximum fellowship to be awarded, and extends participation to bar preparation seminars. It also exempts graduates in bar preparation courses from the requirement that a Fellow or Associate is eligible only if the Fellow or Associate maintains satisfactory academic progress toward the Juris Doctor or Bachelor of Laws degree, as determined by the respective institutions.

Sense of Congress
HEOA section 705 **HEA section N/A**
Effective date: August 14, 2008
The HEOA adds a Sense of Congress statement that addressing the under-representation of women and minorities in the higher education professoriate will require consistent inter-institutional cooperation, data gathering, analysis and self-evaluation. In addition, it is the Sense of Congress that institutions under Part A of Title VII of the HEA (Graduate Education Programs) should be encouraged to consider the feasibility and potential design of an inter-institution monitoring organization addressing under-representation by race, ethnicity, and gender in postsecondary faculty and administrators.

Master's Degree Programs at Historically Black Colleges and Universities and Predominantly Black Institutions

New Programs
HEOA section 706 **HEA Title VII, Part A**
Effective date: August 14, 2008
The HEOA amended Part A of Title VII of the HEA to add a new Subpart 4 authorizing two new grant programs to support master's degree programs to further advance educational opportunities for African Americans: Master's Degree Programs at Historically Black Colleges and Universities and Master's Degree Programs at Predominantly Black Institutions.

In addition to any funds appropriated under section 725 of the HEA, section 897 of the HEA authorizes and appropriates $11,500,000 to provide grants of no less than $500,000 to all eligible institutions in both programs for fiscal year 2009 and each of the five succeeding fiscal years. As these new programs are funded, we will be announcing in early 2009 in the *Federal Register* the availability of these funds.

Master's Degree Programs at Historically Black Colleges and Universities (HBCU Master's Program)
HEOA section 706 **HEA section 723**
Effective date: August 14, 2008

Program authorized
The HEOA authorizes the Secretary to award HBCU Master's Program grants for up to six years in duration to specified eligible institutions that the Secretary determines are making a substantial contribution to graduate educational opportunities for Black Americans at the master's level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines.

Matching requirement
The HEOA requires that in order to receive a grant in excess of $1,000,000 an institution must match from non-Federal sources any funds awarded to the institution in excess of $1,000,000.

Awards
The minimum grant to each eligible institution must not be less than $500,000 and an institution may not receive more than one grant in any fiscal year.

Eligible institutions
The HEOA specifies that the following institutions are eligible to apply for and receive HBCU Master's Program grants:
- Albany State University;
- Alcorn State University;
- Claflin University;
- Coppin State University;
- Elizabeth City State University;
- Fayetteville State University;
- Fisk University;
- Fort Valley State University;
- Grambling State University;
- Kentucky State University;
- Mississippi Valley State University;
- Savannah State University;
- South Carolina State University;
- University of Arkansas, Pine Bluff;
- Virginia State University;
- West Virginia State University;
- Wilberforce University; and
- Winston-Salem State University.

Uses of funds
The HEOA provides that an institution may use an HBCU Master's Program grant for the following activities:
- purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

- construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;
- purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;
- scholarships, fellowships, and other financial assistance for needy graduate students to permit the enrollment of the students in, and completion of, a master's degree in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented;
- establishment or improvement of a development office to strengthen and increase contributions from alumni and the private sector;
- assistance in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to the College Endowment Grants authorized under Title III, Part C of the HEA;
- funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems;
- acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or improvement of, or an addition to, campus facilities;
- education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and the Title IV, HEA student assistance programs;
- tutoring, counseling, and student service programs designed to improve academic success;
- faculty professional development, faculty exchanges, and faculty participation in professional conferences and meetings; and
- other activities proposed in the application for a grant that contribute to carrying out the purposes of the program and are approved by the Secretary as part of the review and acceptance of the application.

Master's Degree Programs at Predominantly Black Institutions (PBI Master's Program)
HEOA section 706 **HEA section 724**
Effective date: August 14, 2008

Program authorized
The HEOA authorizes the Secretary to award PBI Master's Program grants for up to six years in duration to specified eligible institutions that the Secretary determines are making a substantial contribution to graduate education opportunities for Black Americans at the master's level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines.

Matching requirement

The HEOA requires that to receive a grant in excess of $1,000,000, an institution must provide assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from non-Federal sources to receive a grant in excess of $1,000,0000.

Awards
The HEOA provides that the minimum grant to each eligible institution must not be less than $500,000 and an institution may not receive more than one grant in any fiscal year.

Eligible institutions
The HEOA specifies that the following institutions are eligible to apply for and receive PBI Master's Program grants:

- Chicago State University;
- Columbia Union College;
- Long Island University, Brooklyn campus;
- Robert Morris College; and
- York College (The City University of New York).

Uses of funds
The HEOA provides that an institution may use a PBI Master's Program grant for the following activities:

- purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;
- construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;
- purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;
- scholarships, fellowships, and other financial assistance for needy graduate students to permit the enrollment of the students in, and completion of, a master's degree in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented;
- establishment or improvement of a development office to strengthen and increase contributions from alumni and the private sector;
- assistance in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to the College Endowment Grants Program authorized under Title III, Part C of the HEA;
- funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems;
- acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or improvement of, or an addition to, campus facilities;
- education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and the Title IV, HEA student assistance programs;

- tutoring, counseling, and student service programs designed to improve academic success;
- faculty professional development, faculty exchanges, and faculty participation in professional conferences and meetings; and
- other activities proposed in the application for a grant that contribute to carrying out the purposes of the program and are approved by the Secretary as part of the review and acceptance of the application.

Fund for the Improvement of Postsecondary Education

HEOA section 707 **HEA section 741**

Effective date: August 14, 2008

The HEOA adds several new authorized activities under the Fund for the Improvement of Postsecondary Education program (FIPSE).

The HEOA creates two new FIPSE programs (1) a scholarship program for the family members of veterans and military personnel; and (2) a center, at an institution of higher education, to study and develop best practices to support single-parent students. These programs are not currently funded and cannot be implemented until funding is provided by Congress.

The HEOA prohibits the provision of FIPSE assistance to students not eligible for Federal student aid and to institutions of higher education that fail to demonstrate that they are in compliance with a specified energy efficiency standard for new construction or renovations.

Repeal of the Urban Community Service Program

HEOA section 708 **HEA sections 751-753**

Effective date: August 14, 2008

The HEOA repeals the Urban Community Service Program.

Programs to Provide Students with Disabilities with a Quality Higher Education

Programs to Provide Students with Disabilities with a Quality Higher Education

HEOA section 709 **HEA sections 760-778**

Effective date: August 14, 2008

The HEOA creates new programs for students with disabilities under a new Part D of Title VII of the HEA to replace the former Part D.

Definitions

HEOA section 709 **HEA section 760**

Effective date: August 14, 2008

The HEOA defines the term “comprehensive transition and postsecondary program for students with intellectual disabilities” to mean a degree, certificate, or nondegree program that

- is offered by an institution of higher education;

- is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, and independent living instruction in order to prepare for gainful employment;
- includes an advising and curriculum structure; and
- requires students with intellectual disabilities to participate on not less than a half-time basis with nondisabled students in (1) regular enrollment in credit-bearing courses, (2) auditing or participating in courses for which the student does not receive regular academic credit, (3) enrollment in noncredit-bearing, nondegree courses, or (4) participation in internships or work-based training.

The HEOA defines the term "student with an intellectual disability" to mean a student (1) with mental retardation or a cognitive impairment, characterized by significant limitations in intellectual and cognitive functioning, and adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and (2) who is currently, or was formerly, eligible for a free appropriate public education under the Individuals with Disabilities Education Act.

Subpart 1—Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities
HEOA section 709 **HEA sections 761-765**
Effective date: August 14, 2008
The HEOA replaces the existing Demonstration Projects to Ensure Students with Disabilities Receive a Quality Higher Education with a program that is virtually identical to the existing program, except for the addition of the following authorized activities: development of effective transition practices to ensure the successful and smooth transition of students with disabilities from secondary school to postsecondary education; improving the ability of faculty, staff, and administrators to provide distance education programs; provision of information, training, and technical assistance to promote awareness and interest in disability related careers; development of postsecondary-level coursework; and making postsecondary education more accessible through curriculum development.

Subpart 2—Transition Programs for Students with Intellectual Disabilities into Higher Education
HEOA section 709 **HEA sections 766-769**
Effective date: August 14, 2008
The HEOA authorizes a new program of awards to institutions of higher education to support model comprehensive transition and postsecondary programs for students with intellectual disabilities. Funds are to be used for models that provide individual supports and services to promote the inclusion of students with intellectual disabilities in academic courses, extracurricular activities, and other aspects of the institution's regular postsecondary program, and include a focus on academic enrichment, socialization, independent living skills, integrated work experiences, person-centered planning, and creation of a meaningful credential for students upon completion of the program. Grantees are required to meet a matching requirement and provide not less than 25 percent of the amount of the cost of the model program. Not later than five years after

the date of the first grant awarded under this section, the Secretary is required to prepare and disseminate a report to Congress and the public on the activities of the program and how effective models can be replicated. The HEOA authorizes such sums as may be necessary through fiscal year 2014. The HEOA further requires the Secretary to reserve funds for the Coordinating Center authorized under section 777(b) in any fiscal year in which funds are appropriated for this program.

Subpart 3—Commission on Accessible Materials; Programs to Support Improved Access to Materials
HEOA section 709 **HEA sections 771**
Effective date: August 14, 2008
The HOEA establishes a definition of "student with a print disability" for this section as a student with a disability who experiences barriers to accessing instructional material in nonspecialized formats, including an individual described in section 121(d)(2) of the Copyright Act (Title 17 of the U.S.C.).

Title 17 of the U.S.C. can be found at
http://frwebgate4.access.gpo.gov/cgi-bin/TEXTgate.cgi?WAISdocID=09128426653+0+1+0&WAISaction=retrieve

Advisory Commission on Accessible Instructional Materials in Postsecondary Education for Students with Disabilities
HEOA section 709 **HEA sections 772**
Effective date: August 14, 2008
The HEOA requires the Department to establish an advisory commission on accessible instructional materials in postsecondary education for students with disabilities. The Commission is charged with conducting a study to (1) assess the barriers and systemic issues that may affect, and technical solutions available that may improve, the timely delivery and quality of instructional materials; (2) make recommendations for a comprehensive approach to improve opportunities for students with print disabilities to access materials in a timeframe comparable to the availability for nondisabled students.

The recommendations are to inform Federal regulations and legislation, support the model demonstration programs authorized under section 773 of the HEA, identify best practices, improve the effective use of such materials, and modify the definitions of instructional materials, authorized entities, and eligible students. The Commission must provide a report to the Secretary and Congress detailing the findings and recommendations of the study not later than one year after its first meeting.

Model Demonstration Programs to Support Improved Access to Postsecondary Instructional Materials for Students with Print Disabilities
HEOA section 709 **HEA sections 773-774**
Effective date: August 14, 2008
The HEOA authorizes a new program of awards to eligible partnerships, which include institutions of higher education with demonstrated expertise in meeting the needs of students with print disabilities and other entities with demonstrated expertise in

developing accessible instructional materials in accessible formats for postsecondary students with print disabilities and that have the technical expertise necessary to disseminate such materials and protect against copyright infringement. Awards are made to support model demonstration projects for the purpose of encouraging the development and implementation of processes and systems to improve the quality and dissemination of such materials.

Authorization of Appropriations
HEOA section 709 **HEA sections 775**
Effective date: August 14, 2008
The HEOA authorizes appropriations for sections 772, 773, and 774 of the HEA through fiscal year 2014, and establishes a priority for funding activities under section 772 of the HEA in the first year for which funds are available under this subpart.

Subpart 4—National Technical Assistance Center; Coordinating Center
HEOA section 709 **HEA sections 776**
Effective date: August 14, 2008
The HEOA authorizes the provision of technical assistance and information on best and promising practices to improve the postsecondary recruitment, transition, retention, and completion rates of students with disabilities.

National Technical Assistance Center
HEOA section 709 **HEA sections 777(a)**
Effective date: August 14, 2008
The HEOA authorizes the establishment of a National Center for Information and Technical Support for Postsecondary Students with Disabilities. The duties of the Center include assistance to students and families in planning for transitioning into postsecondary education; assistance to institutions of higher education to improve services and accommodations for students with disabilities and retention and completion rates for these students; the development and maintenance of a database regarding disability support services information; and dissemination of relevant information. Not later than three years after the establishment of the Center and every two years thereafter, the Center is required to submit a report to the Secretary and Congress that analyzes the condition of postsecondary success for students with disabilities.

Coordinating Center
HEOA section 709 **HEA sections 777(b)**
Effective date: August 14, 2008
The Secretary is authorized to establish a coordinating center for institutions of higher education that offer inclusive comprehensive transition and postsecondary programs for students with intellectual disabilities, including grantees under subpart 2 of Part D. Activities include serving as the technical assistance entity for all postsecondary programs for students with intellectual disabilities; developing an evaluation protocol for such programs; assisting grantees under subpart 2 to develop meaningful credentials for students completing such programs; and developing recommendations for the necessary components of such programs. Not later than three years after the establishment of the

Center and every two years thereafter, the center must submit a report to the Secretary and Congress analyzing the condition of postsecondary success for students with disabilities.

Authorization of Appropriations
HEOA section 709 **HEA sections 778**
Effective date: August 14, 2008
The HEOA authorizes appropriations for section 777 of the HEA through fiscal year 2014.

Title VIII—Additional Programs

NOTE: These new Title VIII programs are not currently funded and cannot be implemented until funding is provided by Congress.

Project GRAD
HEOA section 801 **HEA section 801**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award a five-year contract to Project GRAD USA, which is required to enter into subcontracts with nonprofit educational organizations that agree to provide matching funds, and to implement Project GRAD programs designed to improve secondary school graduation, postsecondary program attendance, and postsecondary completion rates for low-income students.

Mathematics and Science Scholars Program
HEOA section 801 **HEA section 802**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for States to fund two types of scholarships to either first-time undergraduate students who have completed a rigorous high school program in math and science and are in their first year of undergraduate study, or to full-time undergraduates who have completed their first year of study, have a major in STEM or health-related disciplines, and have at least a 3.0 grade point average for their most recently completed term.

Business Workforce Partnerships for Job Skill Training in High-Growth Occupations or Industries
HEOA section 801 **HEA section 803**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for partnerships between institutions of higher education and local industry organizations for cooperative education programs to provide job skill training and strengthen ties between business and industry needs and degree credit offerings at institutions of higher education.

Capacity for Nursing Students or Faculty
HEOA section 801 **HEA section 804**
Effective date: August 14, 2008

The HEOA establishes a competitive grant program for institutions of higher education to expand the faculty and facilities of accredited registered nursing programs at the baccalaureate and associate degree level, and to accommodate advanced practice degrees at the graduate level that enable registered nurses to become teachers of nursing students.

American History for Freedom
HEOA section 801 **HEA section 805**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for institutions of higher education to establish or strengthen programs that promote (1) traditional American history; (2) the history and nature of, and threats to, free institutions; or (3) the history and achievements of Western Civilization.

Teach for America
HEOA section 801 **HEA section 806**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award a five-year grant to Teach For America, Inc. to implement and expand its program of recruiting, selecting, training, and supporting new teachers and to study the program's effectiveness.

The Patsy T. Mink Fellowship Program
HEOA section 801 **HEA section 807**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for institutions of higher education to award fellowships to minorities and women in underrepresented academic areas seeking doctoral degrees with the intent of entering the professoriate.

Improving College Enrollment by Secondary Schools
HEOA section 801 **HEA section 808**
Effective date: August 14, 2008
The HEOA authorizes a competitive grant to a non-profit organization to make publicly available the year-to-year postsecondary enrollment rate trends of secondary school students, disaggregated by secondary school, and to conduct a needs assessment of, and provide comprehensive services to, urban local educational agencies and rural States to improve higher education enrollment rates.

Early Childhood Education Professional Development and Career Task Force
HEOA section 801 **HEA section 811-818**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for awards to States to conduct professional development activities and to support a State task force on early childhood education.

Improving Science, Technology, Engineering and Mathematics Education with a Focus on Alaska Native and Native Hawaiian Students
HEOA section 801 **HEA section 819**

Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants for partnerships between institutions of higher education and private entities to develop or expand transition, academic support, supplemental education services, and internship programs in science, technology, engineering, and mathematics for Alaska Natives and Native Hawaiian students.

Pilot Programs to Increase College Persistence and Success
HEOA section 801 **HEA section 820**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to institutions of higher education that provide a one- or two-year program of study leading to a degree or certificate to develop and evaluate programs to increase the persistence and degree or certificate completion of low-income students.

Student Safety and Campus Emergency Management
HEOA section 801 **HEA section 821-824**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to institutions of higher education or consortia of institutions of higher education to develop and implement a state-of-the-art emergency communications system and security measures in the event of a significant emergency or dangerous situation occurring on campus. The HEOA also requires the Secretary to consult with the Attorney General and Secretary of Homeland Security and advise institutions of higher education on model emergency response policies, procedures, and develop and maintain procedures to address the preparedness, response and recovery needs of institutions in the event of a federally declared disaster or emergency. Finally, the HEOA authorizes the Secretary to establish an Education Disaster and Emergency Relief Loan program for institutions of higher education for direct or indirect losses incurred as a result of a federally declared major disaster or emergency.

Guidance on Mental Health Disclosures for Student Safety
HEOA section 801 **HEA section 825-26**
Effective date: August 14, 2008
The HEOA directs the Secretary to continue to provide guidance that clarifies the role of institutions of higher education regarding disclosures of a student's education records in the event that such student demonstrates significant risk of harm to himself or herself or to others. The HEOA also requires that the guidance clarify that institutions of higher education that in good faith comply with the requirements of this Act and the Family Educational Rights and Privacy Act of 1974 shall not be held liable for that disclosure.

Incentives and Rewards for Low Tuition
HEOA section 801 **HEA section 830**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for institutions of higher education to provide need-based grant aid for students. Eligibility for nonpublic institutions of higher

education is limited to those with annual tuition and fee increases that are in the lowest 20 percent for similar institutions, by type and control of institution, or in the lowest quartile by category for public institutions of higher education. The Secretary may also award grants to public institutions of higher education that have annual tuition and fee increases of less than $600 for a first-time, full-time undergraduate student.

Cooperative Education
HEOA section 801 **HEA section 831-33**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for institutions of higher education or combinations of institutions of higher education to encourage them to develop cooperative education programs that provide opportunities for alternating or parallel periods of academic study and private or public sector employment.

Demonstration and Innovation Projects; Training and Resource Centers; and Research
HEOA section 801 **HEA section 834-835**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to make grants to or enter into contracts with institutions of higher education or consortia of such institutions and make grants to nonprofit public and private organizations for demonstration programs, training and resource centers, and research related to cooperative education.

College Partnership Grants Authorized
HEOA section 801 **HEA section 841**
Effective date: August 14, 2008
The HEOA establishes a competitive grant program for partnerships between institutions of higher education and State higher education agencies to support the development and implementation of policies and programs that facilitate the transfer of academic credits between institutions through articulation and guaranteed transfer agreements, including common course numbering and general education core curriculum, and technological and informational programs.

Jobs to Careers
HEOA section 801 **HEA section 842**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to institutions of higher education to create workforce bridge programs between developmental coursework and for-credit courses in occupational certificate programs that are articulated to degree programs.

Rural Development Grants for Rural Colleges and Universities
HEOA section 801 **HEA section 861-870**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to rural-serving institutions of higher education in partnership with rural local education agencies, rural

educational service agencies, regional employers, or non-profit organizations to increase college enrollment rates among graduates of rural high schools and nontraditional students at two-year and four-year rural institutions of higher education and their articulation from two-year degree programs into four-year degree programs.

Campus-Based Digital Theft Prevention
HEOA section 801 **HEA section 871**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to, or enter into contracts with, institutions of higher education or consortia of institutions to develop or improve programs that are designed to reduce illegal downloading and distribution of intellectual property on campus.

Program to Promote Training and Job Placement of Real Time Writers
HEOA section 801 **HEA section 872**
Effective date: August 14, 2008
The HEOA establishes a program under which the Secretary would award competitive grants of up to five years to court reporting training programs that train realtime writers qualified to provide captioning services for video programming. Funds may be used to provide scholarships to students not to exceed cost of attendance.

Model Programs for Centers of Excellence for Veteran Student Success
HEOA section 801 **HEA section 873**
Effective date: August 14, 2008
The HEOA establishes a program under which the Secretary would award competitive grants to institutions of higher education to develop model programs to support veteran student success in postsecondary education.

University Sustainability Programs
HEOA section 801 **HEA section 881**
Effective date: August 14, 2008
The HEOA authorizes the Secretary, in consultation with the Administrator of the Environmental Protection Agency, to award competitive grants to institutions of higher education or nonprofit organizations in partnership with one or more institutions of higher education to establish sustainability programs at institutions of higher education.

Modeling and Simulation Programs
HEOA section 801 **HEA section 891**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants through two new programs to institutions of higher education to enhance modeling and simulation degree programs that promote the study of the application of computer science and mathematics to understand systems.

Path to Success
HEOA section 801 **HEA section 892**

Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to community colleges to establish partnerships with juvenile detention centers and secure juvenile justice residential facilities to provide assistance, services, and education to individuals age 16 through 25 who have served or are serving time in juvenile detention facilities for a gang-related offense who reenter the community and pursue secondary or postsecondary education.

School of Veterinary Medicine Competitive Grant Program
HEOA section 801 **HEA section 893**
Effective date: August 14, 2008
The HEOA authorizes the Secretary of Health and Human Services to award competitive grants to veterinary schools or residency programs for veterinarians to increase the number of veterinarians in the workforce.

Early Federal Pell Grant Commitment Demonstration Program
HEOA section 801 **HEA section 894**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award competitive grants to four State educational agencies for demonstration programs in which low-income 8th grade students receive a commitment that they will receive a Federal Pell Grant during their first year of undergraduate study.

Henry Kuualoha Guigni Kupuna Memorial Archives
HEOA section 801 **HEA section 895**
Effective date: August 14, 2008
The HEOA authorizes the Secretary to award a grant to the University of Hawaii Academy for Creative Media to create and preserve internet-based archives of Hawaiian culture.

Master's Degree Programs
HEOA section 801 **HEA section 897**
Effective date: August 14, 2008
The HEOA appropriates $11,500,000 for fiscal year 2009 and each of the five succeeding years for the Master's Degree Programs at HBCUs and PBIs.

Postbaccalaureate Programs
HEOA section 801 **HEA section 898**
Effective date: August 14, 2008
The HEOA appropriates $11,500,000 for fiscal year 2009 and each of the five succeeding years for this program.

National Center for Research in Advanced Information and Digital Technologies
HEOA section 802 **HEA section N/A**
Effective date: August 14, 2008

The HEOA authorizes the establishment of a nonprofit corporation, the National Center for Research in Advanced Information and Digital Technologies, to support a comprehensive research and development program to harness the increasing capacity of advanced information and digital technologies to improve all levels of learning and education, formal and informal, to provide Americans the knowledge and skills needed to compete in the global economy.

Establishment of Pilot Program for Course Material Rental
HEOA section 803 **HEA section N/A**
Effective date: August 14, 2008
The HEOA establishes a program under which the Secretary would make grants to no more than ten institutions of higher education to develop pilot programs that would allow students to rent textbooks.

Amendments to Other Laws

Private Student Loan Improvement

The Truth in Lending Act--Regulations
HEOA Section 1002
Effective date: August 14, 2008
The HEOA requires the Board of Governors of the Federal Reserve System to develop regulations to implement certain parts of the Truth in Lending Act added by the HEOA within 365 days with those regulations becoming effective no later than six months after issuance. The Division of Consumer and Community Affairs of the Federal Reserve is currently working to develop those regulations.

The Truth in Lending Act--Effective Dates
HEOA Section 1003
Effective date: August 14, 2008
The changes to TILA made by the HEOA are effective on enactment except for those subject to rulemaking which become effective on the date the regulations become effective or February 14, 2010, 18 months after the date of enactment.

The Truth in Lending Act--Preventing Unfair and Deceptive Private Educational Lending Practices and Eliminating Conflicts of Interest
HEOA Section 1011 **Section 140 of the Truth in Lending Act**
Effective date: Earlier of February 14, 2010 or effective date of regulations (prohibition on co-branding)
August 14, 2008 (all other provisions)
The HEOA prohibits private educational lenders from offering or providing any gift to a covered educational institution in exchange for any advantage or consideration related to any private education loan activity or engaging in revenue sharing with a covered institution. The HEOA also prohibits co-branding including the use of the name, emblem, mascot or logo of the covered educational institution. Under the HEOA, any person employed in a financial aid office who serves on an advisory board cannot receive

anything of value from the lender but can receive reimbursement for reasonable expenses associated with participation. Institutions must report to the Secretary when such reimbursements are received by employees. The HEOA makes it unlawful for a lender to impose a fee or penalty on a borrower for early repayment or pre-payment of a private education loan.

The Truth in Lending Act--Civil Liability
HEOA Section 1012 Section 130 of the Truth in Lending Act
Effective date: August 14, 2008
Under the HEOA, a private lender has no civil liability for failure to comply with the private loan disclosure requirements.

The Truth in Lending Act--Private Education Loan Disclosure and Limitations
HEOA Section 1021(a) Section 128(e) of the Truth in Lending Act
Effective date: August 14, 2008 (model disclosure form, duplicative disclosure requirements, definitions, duties of lenders participating in preferred lender arrangements)
Earlier of February 14, 2010 or the effective date of regulations (disclosures required in private education loan applications and solicitations, disclosure at the time of private education loan approval, self-certification information, disclosure at the time of private education loan consummation, effective period of approved rate of interest and loan terms, right to cancel, prohibition on disbursement)
The HEOA mandates a number of disclosures. These disclosures are required in any application or solicitation for a private education loan, when the loan is approved, and at the time of consummation of the loan. No later than August 14, 2010, the Federal Reserve Board must issue a model form that may be used at the option of the lender. The HEOA gives borrowers 30 days to accept the terms of the loan and three days to cancel the loan. Prior to receiving a private loan, the borrower must certify, among other things, that he or she is aware that they may qualify for Federal student aid.

The Truth in Lending Act—Applicability to All Private Education Loans
HEOA Section 1022 Section 104(3) of the Truth in Lending Act
Effective date: August 14, 2008
The HEOA extends the TILA to all private education loans.

<u>Community Reinvestment Act Credit for Low-Cost Loans</u>
HEOA Section 1031 Section 804 of the Community Reinvestment Act of 1977
Effective date: August 14, 2009
The HEOA would permit the appropriate Federal financial supervisory agency to take into account the low-cost education loans provided by financial institutions to low-income borrowers. Each Federal financial supervisory agency must publish regulations by August 14, 2009, to implement this provision.

<u>Financial Literacy</u>

HEOA Sections 1041 & 1042
Effective date: August 14, 2008
The HEOA requires the Secretary of the Treasury in consultation with the Secretary of Education and other agencies to enhance financial literacy among postsecondary students by developing initiatives, programs, and curricula that improve student awareness of short- and long-term costs associated with student loans and other debt and assisting such students in navigating the financial aid process. The Secretary of Treasury must identify programs that promote or enhance financial literacy for college students, evaluate the effectiveness of such programs, promote the programs that are identified as most effective, and encourage educational institutions to implement financial education programs for their students.

The HEOA requires a report to Congress by August 14, 2010 (see Non-institutional Studies, Reports, and Summits, Other Non-institutional Studies and Reports, Financial Literacy—Study and Report).

Education of the Deaf Act (EDA)

Laurent Clerc National Deaf Education Center
HEOA Section 901 **Section 104 of the EDA**
Effective date: August 14, 2008
The HEOA updates the references in the EDA to elementary and secondary programs at Gallaudet University to refer to the Laurent Clerc National Deaf Education Center. The HEOA requires the University to select, from among the States, and implement challenging academic standards and assessments at the Clerc Center by the 2009-2010 school year, determine whether the programs are making adequate annual yearly progress, and publicly report the results of the academic assessments.

Agreement with Gallaudet University
HEOA Section 902 **Section 105(b)(4) of the EDA**
Effective date: August 14, 2008
The HEOA amends the authorization for the Secretary to enter into an agreement with Gallaudet University for the operation of the Clerc Center to update the references to the Davis-Bacon Act.

Agreement with the National Technical Institute for the Deaf
HEOA Section 903 **Section 112 of the EDA**
Effective date: August 14, 2008
The HEOA amends the authorization for the Secretary to enter into an agreement for the National Technical Institute for the Deaf to update the references to the authorizing committee in the Senate and to the Davis-Bacon Act.

Cultural Experience Grants
HEOA Section 904 **Section 121 of the EDA**
Effective date: August 14, 2008

The HEOA authorizes the Secretary to make awards to provide cultural experiences to enrich the lives of deaf and hard of hearing children and adults, increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf and hard-of-hearing persons, or promote the integration of hearing, deaf, and hard of hearing persons through shared cultural, educational, and social experiences. This program is not currently funded and cannot be implemented until funding is provided by Congress.

Audit
HEOA Section 905 **Section 203 of the EDA**
Effective date: August 14, 2008
The HEOA updates the references to the authorizing committees.

Reports
HEOA Section 906 **Section 204 of the EDA**
Effective date: August 14, 2008
The HEOA updates the references to the authorizing committees and changes the reporting of outcomes from the time of graduation or completion of a program to one year after.

Monitoring, Evaluation and Reporting
HEOA Section 907 **Section 205 of the EDA**
Effective date: August 14, 2008
The HEOA updates the requirement that the Department provide information to Congress annually and extends the authorization of appropriations through 2014.

Liaison for Educational Programs
HEOA Section 908 **Section 206(a) of the EDA**
Effective date: August 14, 2008
The HEOA updates the requirement related to the appointment of a liaison.

Federal Endowment Programs for Gallaudet University and the National Technical Institute for the Deaf (NTID)
HEOA Section 909 **Section 207(h) of the EDA**
Effective date: August 14, 2008
The HEOA extends the endowment program through 2014.

Oversight and Effect of Agreements
HEOA Section 910 **Section 208(a) of the EDA**
Effective date: August 14, 2008
The HEOA updates the references to the authorizing committees.

International Students
HEOA Section 911 **Section 209 of the EDA**
Effective date: August 14, 2008

The HEOA clarifies that international students who participate in distance learning courses offered by Gallaudet or the NTID and are not enrolled in a degree program are not counted for purposes of the cap on enrollment of international students and are not subject to the tuition surcharge. The HEOA revised the surcharge for international students to 100 percent for students from non-developing countries and 50 percent for students from developing countries, which can be reduced if the student can demonstrate financial need and has sought support from the student's government and other sources. Gallaudet and NTID are to develop a sliding scale that is used to determine the surcharge amount that must be approved by the Secretary. The HEOA updates the definition of "developing country" as a country with a per-capita income of not more than $5,345 measured in 2005 U.S. dollars as adjusted by the Secretary to reflect inflation since 2005.

Research Priorities
HEOA Section 912 **Section 210(b) of the EDA**
Effective date: August 14, 2008
The HEOA updates the references to the authorizing committees.

National Study of the Education of the Deaf
HEOA Section 913 **Section 211 of the EDA**
Effective date: August 14, 2008
The HEOA authorizes the establishment of a commission on the education of the deaf, which is to conduct a study within 18 months of the enactment of the HEOA. The report must include recommendations relating to the educated-related factors that contribute to successful postsecondary education experiences and employment for individuals who are deaf. The HEOA authorizes such sums as may be necessary for 2009 and 2010.

Authorization of Appropriations
HEOA Section 914 **Section 212 of the EDA**
Effective date: August 14, 2008
The HEOA extends the authorization for Gallaudet and NTID through 2014.

<u>United States Institute of Peace Act</u>
HEOA Section 921
Effective date: July 1, 2007 (Board of Directors changes)
August 14, 2008 (all other changes)
The HEOA extends the authorization for the Institute through 2014. It requires members of the Board of the Directors to be confirmed by the Senate and sworn in prior to assuming that role. The HEOA also strikes the Arms Control and Disarmament Agency from membership on the Board.

<u>The Higher Education Amendments of 1998</u>

Repeals
HEOA Section 931
Effective date: August 14, 2008

The HEOA repeals various provisions of the Higher Education Amendments of 1998 (the Amendments of 1998) including the various studies authorized by Title VIII Part A and Section 861, the Community Scholarship Mobilization program authorized by Part C, the Improving United States Understanding of Science, Engineering, and Technology in East Asia program authorized by Part F, the Web-Based Education Commission authorized by Part J, and the Sense of Congress Regarding Good Character (Sec. 863).

Grants to States for Workforce and Community Transition Training for Incarcerated Individuals
HEOA Section 932 **Section 821 of the Amendments of 1998**
Effective date: August 14, 2008

The HEOA reauthorizes and amends a program of grants to States to assist and encourage incarcerated individuals who have obtained a secondary school diploma or its equivalent to acquire educational and job skills. The HEOA changes include

- defining an eligible "incarcerated individual" (1) as a male or female offender 35 years of age or younger (replacing the previous limit of 25 years of age), (2) who is incarcerated in a State prison, including a prerelease facility; (3) who is eligible to be released within seven years (including an incarcerated individual who is eligible for parole within that time); and (4) has not been convicted of murder, a crime against a minor, or a sexually violent offense;
- authorizing the Secretary to make grants to States to assist and encourage incarcerated individuals who have obtained a secondary school diploma or its recognized equivalent to acquire educational and job skills through (1) coursework to prepare individuals to pursue a postsecondary education certificate, an associate's degree, or bachelor's degree while in prison; (2) the pursuit of a postsecondary education certificate, an associate's degree, or bachelor's degree while in prison; and (3) employment counseling and other related services, which start during incarceration and end not later than two years after release from incarceration (in place of similar but narrower language in the previous law);
- requiring a State correctional education agency to include in its application (1) a description of the specific performance objectives, including student outcome measures, and evaluation methods that will be used by the State correctional education agency and (2) a description of how the proposed program is to be integrated with existing State correctional education programs (such as adult education, graduate education degree programs, and career and technical training) and State industry programs;
- allowing the Secretary to establish such performance objectives and reporting requirements for grantees as the Secretary determines are necessary to assess the effectiveness of the program, and specifying certain grantee reporting requirements;
- limiting support for employment counseling and other related services to two years after release from incarceration;
- allowing grantees to spend up to $3,000 (in place of $1,500) per individual for tuition, books, and essential materials; and
- clarifying that a grantee shall provide educational and related services to each participating incarcerated individual for not more than seven years, not more than two

years of which may be devoted to study in a graduate education degree program or to coursework to prepare such individuals to take college level courses.

The reauthorized HEA authorizes such sums as may be necessary for fiscal years 2009 through 2014 for this program.

Underground Railroad Educational and Cultural Program
HEOA Section 933 **Section 841 of the Amendments of 1998**
Effective date: August 14, 2008
The HEOA reauthorizes and amends the Underground Railroad Educational and Cultural Program to permit funded projects to include the lessons to be drawn from the history of the underground railroad in their interpretative information. The HEOA also permits the funds to be used to establish a facility to house, display, interpret, and communicate information regarding the history of the underground railroad and make these materials accessible including through electronic means to elementary and secondary schools, institutions of higher education and the general public. The HEOA also requires evidence of substantial public and private support to the operation of the facility.

The Higher Education Amendments of 1992

Olympic Scholarships
HEOA Section 934 **Section 1543(d) of the Higher Education Amendments of 1992**
Effective date: August 14, 2008
The HEOA extends the authorization for Olympic Scholarships through 2014.

The Department of Education Organization Act

Deputy Assistant Secretary for International and Foreign Language Education
HEOA Section 935 **Section 205 of the DEOA**
Effective date: August 14, 2008
The HEOA mandates the creation of the position of the Deputy Assistant Secretary for International and Foreign Language Education within the Office of Postsecondary Education.

Tribally Controlled College or University Assistance Act of 1978

Tribal College and University; Navajo Higher Education
HEOA Section 941 **Sections 1, 2(a), 2(b), 103, 105, 110(a), 403, 501-504 of the TCCUA of 1978**
Effective date: August 14, 2008
The HEOA extends the authorization for the Tribally Controlled College or University Assistance Act through 2014 and would permit tribally controlled colleges and universities to include members of an Indian tribe and their biological children in the

Indian student count used to determine the amount of the award. The HEOA would also permit some credits earned in continuing education to count toward an award and would permit institutions making progress toward accreditation to receive support.

The HEOA would also authorize grants to two Tribally Controlled Postsecondary Career and Technical Institutions – United Tribes Technical College and Navajo Technical College. Funds are allocated between the two institutions based on enrollment.

Navajo Community College Act

Navajo Higher Education
HEOA Section 945 & 946 **Sections 2-7 of the NCCA**
Effective date: August 14, 2008
The HEOA reauthorizes the Navajo Community College Act through 2014. The HEOA re places the term "Navajo Community College" with "Dine College" and the term "Navajo Tribe" with "Navajo Nation."

Omnibus Crime Control and Safe Streets Act of 1968

Loan Repayment for Prosecutors and Public Defenders
HEOA section 951 **Section 3001 of the OCCSSA**
Effective date: August 14, 2008
The HEOA amends the Omnibus Crime Control and Safe Streets Act of 1968 (OCCSSA) by authorizing the Attorney General to establish a program by which the Department of Justice will repay FFEL, Direct, and Federal Perkins Loans on behalf of non-defaulted borrowers who are employed as prosecutors and public defenders. Parent borrowers of FFEL and Direct PLUS loans and borrowers of Consolidation loans used to repay FFEL and Direct parent PLUS loans are not eligible for loan repayment. This program is not currently funded and cannot be implemented until funding is provided by Congress.

A prosecutor is defined as a full-time employee of a State or local government who is continually licensed to practice law and prosecutes criminal or juvenile delinquency cases at the State or local level. A public defender is defined as a full time employee of a State or local government, a full-time employee of a nonprofit organization operating under a contract with a State or local government, or a full-time Federal defender attorney who provides legal representation to indigent persons in criminal or juvenile delinquency cases.

An eligible borrower must enter into an agreement with the Department of Justice that requires the borrower to maintain eligible employment as a prosecutor or public defender for not less than three years, unless the borrower is involuntarily separated. If the borrower is involuntarily separated, the borrower must repay the Attorney General for any benefits received, unless the Attorney General waives such right of recovery for good cause.

Loan repayment amounts are limited to $10,000 per borrower each calendar year or an aggregate total of $60,000. The Attorney General must give priority for repayment of FFEL, Direct and Perkins Loans to borrowers with the least ability to repay, subject to appropriations.

The Inspector General of the Department of Justice must submit a report to Congress not later than three years after enactment of the HEOA on the cost of the program and its impact on hiring and retaining prosecutors and public defenders. The GAO must also conduct a study and report to Congress on the impact that law school accreditation requirements have on the costs of law school and student access to law schools by August 14, 2009.

Institutional Loan Repayment Assistance Programs

HEOA section 961 **HEA section N/A**

Effective date: August 14, 2008

The HEOA provides that, notwithstanding any other provision of law, a public or private institution of higher education may provide a current or former student who is an officer or employee of any branch or independent agency of the U.S. Government, or of the District of Columbia, with assistance in repaying student loans or providing forbearance if providing such benefits is in accordance with a written, published policy of the institution and if such a policy was in effect on the day before a former student graduated from the institution.

Stevenson-Wydler Technology Innovation Act of 1980

HEOA section 971 **Section 5 of the SWTIA**

Effective Date: August 14, 2008

The HEOA amends the Stevenson-Wydler Technology Innovation Act of 1980 (SWTIA) to add the Minority Serving Institution Digital and Wireless Technology Opportunity Program. This program is not currently funded and cannot be implemented until funding is provided by Congress.

Non-institutional Studies, Reports, and Summits

NOTE: The Congress has not provided specific funding for these studies and reports. The Department will review each study to determine if it can be conducted with available resources. If the studies and reports can not be conducted without additional resources, Congress will need to appropriate funds prior to the Department's completing or contracting for the study or report.

U. S. Department of Education Studies and Reports

Preparing General Education Teachers to More Effectively Educate Students with Disabilities Report

HEOA section 201 **HEA section 251**

Due date: 180 days after the last day of the grant period

Grantees under this section are responsible for conducting an evaluation at the end of the grant period to determine the effectiveness and systemic impact of their activities. Grantees will report their findings to the Secretary. Within 180 days after the last day of the grant period under this section, the Secretary will report to Congress and the public the findings and information on best practices. For additional information on changes in this area, see Title II—Institutional Aid, Enhancing Teacher Education, Preparing General Education Teachers to More Effectively Educate Students with Disabilities.

Adjunct Teacher Corps Report
HEOA section 201 **HEA section 255**
Due date: None
Grantees must submit a final report on the results of the activities supported by the grant to the Secretary. The Secretary must evaluate these activities, including the impact of the activities on student academic achievement, and will report these results to Congress. For additional information on changes in this area, see Title II—Institutional Aid, Enhancing Teacher Education, Adjunct Teacher Corps.

State Higher Education Information System Pilot Program Report
HEOA section 115 **HEA section 136**
Due date: Six months after the end of the funded projects
The HEOA requires the Secretary to report on the Secretary's evaluation of the State Higher Education Information System Pilot Program added by the HEOA and make recommendations regarding the implementation of State-level postsecondary student data systems to Congress. For additional information, see Title I—General Provisions, Miscellaneous, State Higher Education Information System Pilot Program.

HBCU Capital Financing Program Report
HEOA section 314 **HEA section 345**
Due date: December 12, 2008
The HEOA requires the Secretary to submit a report to Congress on the Department of Education's progress in implementing GAO's October 2006 recommendations for improving the HBCU Capital Financing Program.

GAP Program Partnership Reports
HEOA section 407 **HEA section 415E**
Due date: August 14, 2011 and annually thereafter
The HEOA requires the Secretary to submit a report describing the activities and the impact of GAP partnerships to Congress. For additional information on the GAP Program, see Title IV—Student Assistance, LEAP/Grants for Access and Persistence Program.

Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork Report
HEOA section 408 **HEA section 418A**
Due date: At least once every two years

The HEOA requires the Secretary to annually collect data on persons receiving services under these programs including secondary school graduation rates, entrance into postsecondary education, and postsecondary education completion rates, as applicable. The Secretary must submit a report on the data collected to Congress at least once every two years. The Secretary is also required to make the report available to the public.

For additional information on changes to the Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork, see Title IV—Student Assistance Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork.

TEACH Grant Report
HEOA section 412(a)(2) HEA section 420P
Due date: August 14, 2010, every two years thereafter
The HEOA requires the Secretary to prepare and submit to Congress a report on TEACH Grants with respect to the institutions and students served by the grant recipients. The report must take into consideration information related to the number of TEACH Grant recipients, the degrees obtained by such recipients, the location where grant recipients completed their service obligation, the duration of such service and any other necessary data. For additional information on changes to the TEACH Grant Program, see Title IV—Student Assistance, TEACH Grant Program.

Report to Congress on Voluntary Flexible Agreements with Guaranty Agencies
HEOA section 423 HEA section 428A(a)
Effective date: Annually
The HEOA requires the Secretary, in consultation with the FFEL guaranty agencies operating under voluntary flexible agreements (VFAs), to report annually to Congress on VFA program outcomes, specifically with respect to program integrity, cost efficiency, delinquency prevention, and default aversion, the outcome of the consumer education programs required to be implemented by the guaranty agencies, and the availability and delivery of student financial aid. The report must include a listing of all existing VFAs, a description of each VFA and the performance goals established for it, and any statutory or regulatory waivers granted to the guaranty agency as part of the VFA, or to other guaranty agencies. The report must also contain a description of the VFA performance standards under which the agency was assessed and its performance rating under those standards, an analysis of the fees paid to the agency under the VFA, the costs and any efficiencies achieved by the VFA, and an identification of promising program practices that could be replicated by other guaranty agencies.

Department of Education Temporary Authority to Purchase Student Loans -- Departmental Reporting
HEOA section 453 HEA section 459A
Due date: 60 days after the end of each quarter during the period July 1, 2008-September 30, 2009 (quarterly reports)
February 15, 2010 (estimates of purchase program costs)
February 15 of 2009, 2010, 2011 (annual cost estimates)

The HEOA adds a provision to section 459A of the HEA, which governs the Department's temporary authority to purchase FFEL Program loans. The HEOA requires the Department to report to Congress and make available to the public

- quarterly reports on (1) the number of loans the Secretary has agreed to purchase, or has purchased, using the authority provided under this section, and the total amount of outstanding principal and accrued interest of such loans, during such period; and (2) the number of loans in which the Secretary has purchased a participation interest, and the total amount of outstanding principal and accrued interest of such loans, during such period. For each quarterly report, this must be disaggregated by lender and, for each lender, by category of institution (using the categories described in section 132(d) of the HEA) and type of loan;
- estimates of purchase program costs containing an estimate of the costs associated with the program of purchasing the first type of loans described in the quarterly report during the period beginning July 1, 2008, and ending September 30, 2009, and an estimate of the costs associated with the program of purchasing a participation interest in the second type of loans described in the quarterly report during such period. Each such estimate must
  - contain the same level of detail, and be reported in a similar manner, as the budget estimates provided for the FFEL and Direct Loan programs in the President's annual budget submission to Congress, except that current and future administrative costs must also be reported;
  - include an estimate of the gross and net outlays that have been, or will be, incurred by the Federal Government (including subsidy and administrative costs, and any payments made by the Department to lenders, trusts, or other entities related to such activities) in purchasing such loans or purchasing a participation interest in such loans during such period (as applicable); and
  - include a comparison of
    - the average amount of these gross and net outlays (including costs and payments) for each $100 of loans purchased or for which a participation interest was purchased (as applicable) during such period, disaggregated by type of loan; with
    - the average amount of such gross and net outlays (including costs and payments) to the Federal Government for each $100 of comparable loans made under this part and Part B during such period, disaggregated by part and by type of loan; and
- annual cost estimates—An annual estimate of the costs associated with the program of purchasing the first type of loans described the quarterly report, and an annual estimate of the costs associated with the program of purchasing a participation interest in the second type of loans described in the quarterly report, that includes the estimate of purchase program costs information for such fiscal year.

For additional information, see Title IV—Student Assistance, FFEL Program, Department of Education Temporary Authority to Purchase Student Loans – Guaranty Agency Responsibilities and Payments and Departmental Reporting

Report to Congress on Reducing Use of Paper Format and on the Reduction of Data Elements on the Renewal FAFSA
HEOA section 483(a) HEA section 483(a)
Due Date: Periodically (reducing use of paper format)
June 30, 2011 (reduction of data elements on the Renewal FAFSA)

The HEOA requires the Secretary to maintain data and periodically report to Congress on the students completing a paper FAFSA versus those completing an electronic FAFSA. The Secretary must also report on his or her efforts to reduce the use of the paper form and to increase the use of electronic communications, specifically addressing the impact on independent students, traditionally underrepresented students, and dependent students.

The HEOA also requires the Secretary to report to Congress on the progress being made to reduce the number of data elements students must enter on the Renewal FAFSA.

For additional information on improvements to the FAFSA, see Title IV, Improvements to the FAFSA and Processes.

FAFSA Simplification Reports
HEOA section 483(a) HEA section 483(f)
Due date: November 12, 2008 (initial report to Congress)
August 14, 2009 (interim report on GAO-formed study group)
August 14, 2010 (final report on GAO-formed study group)
From time to time (progress on FAFSA simplification efforts)

Initial report on FAFSA simplification

The HEOA requires that the Secretary submit an initial report to Congress on the work the Department has done with the Secretary of Treasury regarding how to calculate an EFC with less income and asset information than was used on March 31, 2008, and how that reduction will impact the composition of the group of recipients of such aid and the amount of the redistribution of the aid. The report must also include information on alternative approaches to calculating the EFC using tax return information and adjust information to produce similar results to existing requirements with less data, on how IRS could provide income and other data and when the data can be made available, and on whether IRS data can be used to prepopulate the electronic version of the FAFSA or generate an EFC without action by the student and taxpayer. In addition, the report must include information on the effects of using income data from two years prior to a student's planned enrollment date, and the extent to which the data elements collected on the FAFSA on March 31, 2008, that are needed to determine eligibility for student aid or to administer the Federal student financial aid programs can be reduced without adverse effects.

GAO-formed study group reports

The HEOA requires the GAO, not later than November 12, 2008, to organize a study group to include the Secretary of Education, the Secretary of Treasury, the Director of the OMB, the Director of the Congressional Budget Office, representatives of institutions of higher education with expertise in Federal and State financial aid assistance, State chief

executive officers of higher education and other individuals as the GAO and the Secretary of Education may designate. The objectives of the study are to determine methods that will shorten the FAFSA and make it easier to complete in less time, to identify changes to the statutory need analysis formula that is necessary to reduce the amount of financial information families have to report to determine eligibility for student financial assistance and review State and institutional needs and uses for data collected on the FAFSA. See Non-institutional Studies, Reports, and Summits, U.S. Government Accountability Office (GAO) Studies and Reports, FAFSA Simplification—Reduction of Income and Asset Information Study.

The HEOA requires that the Secretary prepare and submit to Congress by August 14, 2009, an interim report on the progress of the study required that includes any preliminary recommendations by the study group and, not later than August 14, 2010, a final report on the results of the study that includes recommendations by the study group.

Reports on FAFSA simplification efforts
In addition, the HEOA requires that the Secretary report to Congress, from time to time, on the progress of FAFSA simplification efforts.

For additional information on FAFSA simplification changes, see Title IV—Student Assistance, Improvements to the FAFSA and Processes, FAFSA Preparers, Reduction of Income and Asset Information, FAFSA Simplification.

Number of Students Denied Eligibility Based on a Drug Conviction
HEOA section 485(a)(9) **HEA section 484(t)**
Due date: Each fiscal year
The HEOA requires the Secretary, by August 14, 2009, to analyze data from the FAFSA for students denied Federal student aid based on a drug conviction while receiving Federal student aid. Each fiscal year, the results must be provided to Congress. The results from the analysis must also be made available continuously on the Department's website and the Digest of Education Statistics.

For additional information on changes made to the student eligibility after a drug conviction, see Title IV—Student Assistance, Student Eligibility, Regaining Eligibility after a Drug Conviction.

Disclosure of Campus Security Policy and Campus Crime Statistics Annual Security Report
HEOA section 488(e) **HEA section 485(f)**
Due date: Annually
The HEOA requires the Secretary to report to Congress regarding compliance and monitoring.

For more information on changes made to the disclosure of campus security policy and campus crime statistics reporting, see Title IV—Student Assistance, Consumer

Information, Disclosure of Campus Security Policy and Campus Crime Statistics Annual Security Report.

Disclosure of Fire Safety Standards and Measures—Compliance Report
HEOA section 488(g) **HEA section 485(i)**
Due date: Annually
The Secretary must report to Congress regarding compliance and monitoring with respect to the new requirements for the disclosure of fire safety standards and measures. For more information, see Title IV—Student Assistance, Consumer Information, Disclosure of Fire Safety Standards and Measures.

Annual National Student Loan Data System Report
HEOA section 489(4) **HEA section 485B(e)**
Due date: September 30 of each fiscal year
The HEOA requires the Secretary to submit a report to Congress each fiscal year describing, as it pertains to the NSLDS,

- the effectiveness of existing privacy safeguards in protecting student and parent information in the data system;
- the success of any new authorization protocols in more effectively preventing abuse of the data system;
- the ability of the Secretary to monitor how the system is being used, relative to the intended purposes of the data system; and
- any protocols developed, as required, for limiting access to the system during the preceding fiscal year.

For additional information on changes to the NSLDS, see Title IV, Title IV—General, National Student Loan Data System.

National Student Loan Data System Study
HEOA section 489(4) **HEA section 485B(e)**
Due date: August 14, 2011
The HEOA requires the Secretary to conduct a study and report to Congress regarding

- available mechanisms for providing students and parents with the ability to opt in or opt out of allowing eligible lenders to access their records in the NSLDS; and
- appropriate protocols for limiting access to the data system, based on the risk assessment required under subchapter III of chapter 35 of Title 44 of the U.S.C.

Chapter 35 of Title 44 of the U.S.C. can be found at
http://www.access.gpo.gov/uscode/title44/chapter35_.html

For additional information on changes to the NSLDS, see Title IV, Title IV—General, National Student Loan Data System.

Distance Education Demonstration Program Reports
HEOA section 491 **HEA section 486**
Due date: Annually

The HEOA directs the Secretary to provide annual reports to Congress on the Distance Education Demonstration Programs.

Program Participation Agreement—90/10 Rule Report
HEOA section 493 **HEA section 487**
Due date: Annually, no later than July 1
The Secretary must submit annually to Congress a report that contains, for each proprietary institution, the amount and percentage of the institution's revenues from Title IV sources and non-Title IV sources, as provided by the institution in its audited financial statements. For additional information on changes to the 90/10 Rule, see Title IV—Student Assistance, Title IV Programs—General, Program Participation Agreement.

Competitive Loan Auction Pilot Program for Federal FFEL Parent PLUS Loans Report
HEOA section 499 **HEA section 499**
Due date: September 1, 2010 (preliminary report)
September 1, 2012 (interim report)
September 1, 2013 (final report)
The Secretary has been directed to undertake a pilot program to establish a mechanism for an auction of the rights to originate FFEL PLUS loans to new parent borrowers. The Secretary and the Secretary of the Treasury must submit a preliminary report (to include the finding of the required initial evaluation), an interim report, and a final report on this initiative to Congress. For additional information on the pilot program, see Title IV—Student Assistance, Title IV Programs—General, Competitive Loan Auction Pilot Program for Federal FFEL Parent PLUS Loans.

Title VI Report
HEOA section 622 **HEA sections 636**
Due date: Once every two years
The HEOA requires the Secretary to submit, in consultation and collaboration with the Secretary of State, the Secretary of Defense, and the heads of other relevant Federal agencies, a report to Congress that identifies areas of national need in foreign language, area, and international studies as such studies relate to government, education, business, and nonprofit needs, and a plan to address those needs. The report shall also be provided to the public. For additional information on changes to Title VI of the HEA, see Title VI—International Education Programs.

Science and Technology Advanced Foreign Language Education Grant Program Report
HEOA section 622 **HEA section 637**
Due date: August 14, 2009
The Secretary must conduct a study and report on best practices to strengthen the role of institutions receiving Title III or Title V funding in increasing critical foreign language education efforts in the United States. For additional information, see Title VI—International Education Programs, General Provisions, Science and Technology Advanced Foreign Language Education Grant Program Report.

Articulation Agreements
HEOA section 1104 **HEA section N/A**
Due date: August 14, 2010 (interim report)
January 1, 2013 (final report)

The HEOA requires the Secretary to conduct a study to review the articulation agreements at State-supported college and university systems, including junior or community colleges, as well as those at other institutions of higher education. The study must consider

- the extent to which States and institutions have developed and implemented articulation agreements;
- with respect to the articulation agreements developed
  - the number and types of institutions participating;
  - the cost-savings to the participating institutions and to the students;
  - what strategies are being employed, including common course numbering, general education core curriculum, and management systems;
  - the effective use of technologies to contain costs, maintain quality of instruction, and inform students; and
  - a description of the students to whom the articulation agreements are offered and, to the extent practicable, a description of the students who take advantage of the articulation agreements;
- best practices and innovative strategies; and
- barriers to the implementation.

Analysis of Federal Regulations on Institutions of Higher Education
HEOA section 1106 **HEA section N/A**
Due date: August 14, 2010

The HEOA requires the Secretary to enter into an agreement with the National Research Council of the National Academy of Sciences for the conduct of a study to ascertain the amount and scope of all Federal regulations and reporting requirements with which institutions must comply. The study must include information describing

- by agency, the number of Federal regulations and reporting requirements affecting institutions;
- by agency, the estimated time required and costs to institutions (disaggregated by types of institutions) to comply with the regulations and reporting requirements; and
- by agency, recommendations for consolidating, streamlining, and eliminating redundant and burdensome Federal regulations and reporting requirements affecting institutions.

Independent Evaluation of Distance Education Programs
HEOA section 1107 **HEA section N/A**
Due date: June 30, 2009 (interim report)
June 30, 2010 (final report)

The HEOA requires the Secretary to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a statistically valid evaluation

of the quality of distance education programs, as compared to campus-based education programs, at institutions of higher education. The evaluation must include

- identification of the elements by which the quality of distance education can be assessed, which may include elements such as subject matter, interactivity, and student outcomes;
- identification of distance education program success, with respect to student achievement, in relation to the mission of the institution of higher education;
- identification of the benefits and limitations of distance education programs and campus-based programs for different students (including classification of types of students by age category) by assessing access, job placement rates, graduation rates, and other factors related to persistence, completion, and cost; and
- identification and analysis of factors that may make direct comparisons of distance education programs and campus based education programs difficult.

The National Research Council must select for participation in the evaluation a diverse group of institutions with respect to size, mission, and geographic distribution. The National Research Council must submit interim and final reports to Congress.

Review of Costs and Benefits of Environmental, Health, and Safety Standards
HEOA section 1108 **HEA section N/A**
Due date: None

The HEOA requires the Secretary to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a national study, that

- reviews, analyzes, and compares existing standards in environmental, health, and safety areas, for the regulation of
  - industrial research and development facilities; and
  - research and teaching laboratories and facilities at institutions; and
- based upon the review, develops recommended frameworks for alternative regulatory standards, if any, for research and teaching laboratories and facilities at institutions that
  - maintain the overall level of protection of the environment, and of the health and safety of those using such laboratories and facilities;
  - reflect the need to ensure consistent application of Federal laws; and
  - take into account the educational and research activities of institutions.

The National Research Council must report to Congress regarding the recommended frameworks for alternative regulatory standards. The report must contain recommendations for statutory or regulatory changes needed to implement the different standards, and the projected costs and benefits resulting from the adoption of such standards.

Study of Minority Male Academic Achievement
HEOA section 1109 **HEA section N/A**
Due date: August 14, 2012

The HEOA requires the Secretary to commission a national study of underrepresented minority males (particularly African American, Hispanic American, Native American,

Native Hawaiian, and Alaska Native males) completing high school, and entering and graduating from colleges and universities in accordance with the following:

- the data comprising the study must focus primarily on African American, Hispanic American, Native American, Native Hawaiian, and Alaska Native males and must utilize existing data sources;
- the study must focus on high school completion and preparation for college, success on the SAT and ACT, and minority male access to college, including the financing of college, and college persistence and graduation; and
- the implementation of the study must be in four stages based on the recommendations of the Commissioner for Education Statistics.

The HEOA also requires the Secretary to make specific recommendations to Congress and States on new approaches to increase

- the number of minority males successfully preparing themselves for college study;
- the number of minority males graduating from high school and entering college; and
- the number of minority males graduating from college and entering careers in which they are underrepresented.

The Secretary of Education must submit a report on the study, together with the recommendations required, to Congress.

Study on Bias in Standardized Tests
HEOA section 1110 **HEA section N/A**
Due date: August 14, 2010 (interim report)
The HEOA requires the Secretary to enter into an agreement with the Board on Testing and Assessment of the National Academy of Sciences for the conduct of a study to identify any race, ethnicity, or gender bias in the content and construction of standardized tests that are used for admission to institutions of higher education. The Secretary must issue an interim report to Congress related to the progress of the study. The HEOA does not require the Secretary to issue a final report.

Study of Correctional Postsecondary Education
HEOA section 1112 **HEA section N/A**
Due date: August 14, 2011 (interim report)
August 14, 2015 (final report)
The HEOA requires the Secretary, in consultation with the Secretary of Labor and the Attorney General, to conduct a longitudinal study, and report to Congress on that study, to assess the effects of correctional postsecondary education that

- employs rigorous empirical methods that control for self-selection bias;
- measures a range of outcomes, including those related to employment and earnings, recidivism, engaged citizenship, impact on families of the incarcerated, and impact on the culture of the correctional institution;
- examines different delivery systems of postsecondary education, such as on-site and distance learning; and
- includes a projected cost-benefit analysis of the Federal investment in terms of reduction of future offending, reduction of future prison costs (construction and

operational), increased tax payments by formerly incarcerated individuals, a reduction of welfare and other social service costs for successful formerly incarcerated individuals, and increased costs from the employment of formerly incarcerated individuals.

The Secretary must also make specific recommendations to Congress and the relevant State agencies responsible for correctional education, such as the State superintendents of education and State secretaries of corrections, on best approaches to increase correctional education and its effectiveness.

Study of Aid to Less-Than-Half-Time Students
HEOA section 1113 **HEA section N/A**
Due date: August 14, 2009

The HEOA requires the Secretary to conduct a study on making and expanding Title IV student aid to less-than-half-time students (a student who is carrying less than one-half the normal full-time work load for the course of study that the student is pursuing, as determined by the institution the student is attending), and report on that study to Congress.

The study must, at a minimum, examine the following:

- the existing sources of Federal aid for less-than-halftime students seeking a college degree or certificate;
- the demand for Federal aid for less-than-half-time students and whether the demand is satisfied by existing sources of Federal aid, taking into consideration not only the number of less-than-half-time students currently seeking a college degree or certificate, but also any increase in the number of less-than half-time students that may result from an expansion of Federal aid for less-than-half-time students seeking a college degree or certificate;
- the potential costs to the Federal Government and the potential benefits that could be received by students resulting from expanding Federal aid for less-than-half-time students seeking a college degree or certificate; and
- the barriers to expanding Federal aid for less-than half-time students, including identifying: statutory and regulatory barriers, such as student eligibility, institutional eligibility, needs analysis, program integrity, and award amounts; and other factors that may limit participation in an expanded Federal aid program for less-than-half-time students.

The Secretary must also make recommendations for designing a demonstration student loan program tailored to less than- half-time students. The recommendations must include any required statutory or regulatory modifications, as well as proposed accountability mechanisms to protect students, institutions, and the Federal investment in higher education.

Study of the Impact of Student Loan Debt on Public Service
HEOA section 1115 **HEA section N/A**
Due date: August 14, 2009

The HEOA authorizes the Secretary, in consultation with the OMB, to coordinate with an organization with expertise in the field of public service, such as the National Academy of Public Administrators or the American Society for Public Administration, to coordinate with interested parties to conduct a study of how student loan debt levels impact the decisions of graduates of postsecondary and graduate education programs to enter into public service careers. The Secretary, in consultation with the OMB, must submit to Congress a report related to the findings of the study. The study must include

- an assessment of the challenges to recruiting and retaining well-qualified public servants, including the impact of student loan debt;
- an evaluation of existing Federal programs to recruit and retain well-qualified public servants;
- an evaluation of whether additional Federal programs could increase the number of graduates of postsecondary and graduate education programs who enter careers in public service; and
- recommendations for programs that could encourage new graduates of postsecondary and graduate education programs to enter public service careers.

Study on Teaching Students with Reading Disabilities
HEOA section 1116 **HEA section N/A**
Due date: One year after the date the Center for Education of the National Academies enters into an agreement with the Secretary (interim report)
Two years after entering into an agreement (final report)

The HEOA requires the Secretary to enter into an agreement with the Center for Education of the National Academies for a scientifically-based study of the quality of teacher education programs

- to determine if teachers are adequately prepared to meet the needs of students with reading and language processing disabilities, including dyslexia; and
- to determine the extent to which teacher education programs are based on the essential components of reading instruction and scientifically valid research.

The study must be designed to provide statistically reliable information on

- the number, type of courses, and credit hours required to meet the requirements of reading degree programs of teacher education programs; and
- the extent to which the content of the reading degree programs are based on
  - the essential components of reading instruction and scientifically valid research, including phonemic awareness, phonics, fluency, vocabulary, and comprehension; and
  - early intervention strategies based on scientific evidence concerning challenges to the development of language processing capacity, including dyslexia, and the extent to which such strategies are effective in preventing reading failure before it occurs.

The Center must select for participation in the study a diverse group of institutions with respect to size, mission, and geographic distribution.

The Center must submit an interim and final report to Congress. Upon submission of the final report, the Secretary must establish a task force to make policy recommendations to the Secretary regarding the findings of the report. The membership of the task force must include chief State school officers, State reading consultants, master teachers, national reading experts, and researchers with expertise in relevant fields. The task force must hold public hearings to provide an opportunity for public comment on the recommendations.

Report on Income Contingent Repayment Through the Income Tax Withholding System
HEOA section 1117 **HEA section N/A**
Due date: August 14, 2009
The HEOA requires the Secretary and the Secretary of the Treasury to conduct a study, and report to Congress on such study, to determine the feasibility and benefits of developing a system through which a borrower who is repaying a loan through the income contingent repayment plan or the IBR program may make payments on the loan using the income tax withholding system (referred to in this section as ''direct IDEA loans''). The goal of this system would be to

- streamline the repayment process and provide greater flexibility for borrowers electing to use the direct IDEA loan;
- reduce the number of loan defaults by borrowers; and
- reduce the redundancy in reporting information pertaining to income contingent repayment and IBR to the Department of Education, institutions, and applicants.

The study must evaluate

- the feasibility of implementing direct IDEA loans by the Department of Education and the Department of the Treasury;
- any advantages or disadvantages of direct IDEA loans to borrowers and taxpayers;
- the program structure necessary to administer direct IDEA loans; and
- whether the repayment programs that implement income contingent and IBR collected through revenue services, such as programs in England, Australia, and New Zealand, could be effective in collecting loan payments under the income contingent and IBR options in the United States.

The report must include recommendations based on these factors for implementing direct IDEA loans, including the necessary statutory changes needed to implement such repayment option.

Developing Additional Measures of Degree Completion
HEOA section 1118 **HEA section N/A**
Due date: None
The Secretary, in coordination with the Commissioner for Education Statistics and after consultation with representatives from diverse institutions, students, experts in the field of higher education policy, State higher education officials, and other stakeholders in the higher education community, must issue a report with recommendations to Congress about alternatives ways to measure and report degree or program completion rates for

institutions of higher education receiving Title IV funds. The alternative measures must consider the number of degrees awarded and the increase in number of degrees awarded disaggregated by race, ethnicity, gender, and income for all students who have earned a degree; and the increase in degrees awarded in high-need fields such as science, technology, engineering, mathematics, education, and nursing.

Nursing School Capacity
HEOA section 1121 **HEA section N/A**
Due date: February 14, 2010

The HEOA requires the Secretary to enter into an agreement with the Institute of Medicine of the National Academy of Sciences to conduct a study, and report to Congress on that study, for the purpose of identifying constraints encountered by nursing schools (a collegiate school of nursing, an associate degree school of nursing, or a diploma school of nursing in a State) in admitting and graduating the number of registered nurses necessary to ensure patient safety and meet the need for quality assurance in the provision of health care; and developing recommendations to alleviate the constraints on a short-term and long-term basis. If the Institute of Medicine declines to conduct the study, the Secretary may enter into an agreement with another appropriate private entity to conduct the study.

The study will include information on

- the trends in applications for attendance, including trends regarding applicants who are accepted for enrollment and applicants who are not accepted, particularly qualified applicants who are not accepted;
- the number and demographic characteristics of entry-level and graduate students currently enrolled, retention rates, and number of recent graduates, as compared to previous years and to the projected need for registered nurses based on two-year, five-year, and ten-year projections;
- the number and demographic characteristics of nurses who pursue graduate education in nursing and nonnursing programs but do not pursue faculty positions in nursing schools, the reasons for not pursuing faculty positions, including any regulatory barriers to choosing to pursue such positions, and the effect of such decisions on the ability of the schools to obtain adequate numbers of faculty members;
- the extent to which
  - entry-level graduates of the nursing schools are satisfied with their educational preparation, including their participation in nurse externships, internships, and residency programs; and
  - such entry-level graduates are able to effectively transition into the nursing workforce;
- the satisfaction of nurse managers and administrators with respect to the preparation and performance levels of entry-level graduates after one year, three years, and five years of practice, respectively;
- the extent to which the current salary, benefit structures, and characteristics of the workplace, including the number of nurses who are presently serving in faculty positions, influence the career path of nurses who have pursued graduate education; and

- the extent to which the use of innovative technologies for didactic and clinical nursing education might provide for an increase in the ability of nursing schools to train qualified nurses.

The study will consider the perspectives of nurses and physicians; faculty and administrators of nursing schools; providers of health plans or health insurance; and consumers. Relevant agencies and organizations with expertise on the nursing shortage will be consulted with respect to the study including those specified in the HEOA.

The terms ''collegiate school of nursing,'' ''associate degree school of nursing,'' and ''diploma school of nursing'' have the meanings given to such terms in section 801 of the Public Health Service Act (42 U.S.C. 296).

The referenced definitions from section 801 of the Public Health Service Act (42 U.S.C. 296) can be found at
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC296

U.S. Government Accountability Office (GAO) Studies and Reports

Textbook Information
HEOA section 112 **HEA section 133**
Due date: July 1, 2013
The HEOA requires the GAO to study the implementation of this section and report to Congress. In particular, the GAO will examine

- the availability of textbook information on course schedules;
- how publishers provide pricing information to college faculty;
- the use of bundled and unbundled material in the college textbook marketplace; and
- how institutions implement this section, including the costs and benefits to students and to the institutions.

FAFSA Simplification--Reduction of Income and Asset Information Study
HEOA section 483(a) **HEA section 483(f)**
Due date: November 12, 2008
The HEOA requires the GAO, not later than November 12, 2008, to organize a study group to include the Secretary of Education, the Secretary of Treasury, the Director of the OMB, the Director of the Congressional Budget Office, representatives of institutions of higher education with expertise in Federal and State financial aid assistance, State chief executive officers of higher education and other individuals as the GAO and the Secretary of Education may designate. The objectives of the study are to determine methods to shorten the FAFSA and make it easier to complete for the purpose of increasing higher education access for low-income students, to identify changes to the statutory need analysis formula necessary to reduce the amount of financial information students and families need to provide without causing significant redistribution of Title IV program grants and subsidized loans, and to review State and institutional needs and

uses for data collected on the FAFSA in order to determine the best means of addressing their needs in the case of modification of the FAFSA or need analysis.

The HEOA requires the GAO, in consultation with the study group, to review and build on the work of the Secretary of Education and the Secretary of the Treasury, and individuals with expertise in need analysis, to assess alternative approaches for calculating the EFC under the statutory need analysis formula in effect on the day before August 14, 2008, and under a new calculation that will use substantially less income and asset information than was used for the 2008–2009 FAFSA, conduct any necessary additional analysis, and make recommendations to Congress.

Required subjects of study

The HEOA requires that the study examine, with respect to simplification of the financial aid application process using the statutory requirements for need analysis, additional steps that can be taken to simplify the financial aid application process for non-tax filers.

The study must examine information on State and institutional use of FAFSA information including whether a State can use a student's EFC based on data from two years prior to the student's planned enrollment date, whether States and institutions can use an electronic FAFSA prepopulated by IRS, what data are used by States as of the time of the study and whether the data are used for merit- or need-based aid, whether State data are required by State law, State regulations, or policy directives, and whether State data requirements can be met by a State application linked to the electronic FAFSA. The study must also examine information on institutional needs, including the extent to which institutions of higher education are already using supplemental forms to collect additional data from students and their families to determine eligibility for institutional funds.

The HEOA also requires that the study examine ways to reduce the amount of financial information students and families need to provide to receive a determination of eligibility for student financial aid. In examining a reduction of the information, the study must take into account the amount of redistribution of Title IV program grants and subsidized loans caused by such a reduction; the benefits to be gained by having an application process that will be easier for students and their families; students and families who do not file income tax returns; the role current FAFSA data plays in the awarding of need-based State financial aid, the ability of a State to use a FAFSA with reduced data elements, and if not, what additional data or changes to the FAFSA would be needed; information on institutional needs, including institutions' use of supplemental forms to collect additional data from students and families to determine eligibility for institutional funds; and changes to this Act or other laws that will be required to implement a modified need analysis system.

The HEOA requires that the Secretary prepare and submit to Congress by August 14, 2009, an interim report on the progress of the study required that includes any preliminary recommendations by the study group and, not later than August 14, 2010, a final report on the results of the study that includes recommendations by the study group.

See Non-institutional Studies, Reports, and Summits, U.S. Department of Education Studies and Reports, FAFSA Simplification Reports.

For additional information on FAFSA simplification changes, see Title IV, Improvements to the FAFSA and Processes, FAFSA Preparers, Reduction of Income and Asset Information, FAFSA Simplification.

Study on Foreign Graduate Medical Schools
HEOA section 1101 **HEA section N/A**
Due date: February 14, 2010

The HEOA requires that the GAO complete a study on the performance of U.S. students who receive Title IV assistance for attendance at foreign medical schools. The Comptroller must then provide data and make recommendations to the NCFMEA to assist with the NCFMEA's report on foreign medical schools required by section 102 of the HEOA (see Title 1—General Provisions, Foreign Schools), and report to the Congress the conclusions of the study. The HEOA specifies the contents of the study.

Report on Employment of Postsecondary Education Graduates
HEOA section 1102 **HEA section N/A**
Due date: August 14, 2009 (preliminary report)
August 14, 2010 (final report)

The HEOA requires the GAO to conduct a study of

- the information that States have on the employment of students who have completed postsecondary education programs;
- specified information on the feasibility of collecting information on students who complete all types of postsecondary education programs (including two- and four-year degree, certificate, professional, and graduate programs) at all types of institutions (including public, private nonprofit, and for–profit institutions), regarding employment and the type of assistance received;
- the evaluation systems used by other industries to identify successful programs and challenges, set priorities, monitor performance, and make improvements;
- the best means of collecting information from or regarding recent postsecondary graduates; and
- the best means of displaying employment information.

The GAO must also provide assessments and recommendations regarding

- whether successful State cooperative relationships between higher education system offices and State agencies responsible for employment statistics can be encouraged and replicated in other States;
- whether there is value in collecting additional information from, or about, the employment experience of individuals who have recently completed a postsecondary educational program;
- the most promising ways of obtaining and displaying or disseminating such information;

- if a website is used for such information, whether the website should be run by a governmental agency or contracted out to an independent education or employment organization;
- whether a voluntary information system would work, both from the graduates' and employers' perspectives;
- the value of such information to future students, institutions, accrediting agencies or associations, policymakers, and employers, including how the information would be used and the practical applications of the information;
- whether the request for such information is duplicative of information that is already being collected; and
- whether the National Postsecondary Student Aid Survey conducted by the NCES could be amended to collect such information.

Study on IPEDS
HEOA section 1103 **HEA section N/A**
Due date: August 14, 2009 (preliminary report)
August 14, 2010 (final report)

The GAO is required by the HEOA to conduct a study on the time and cost burden of completing the IPEDS survey for four-year, two-year, and less then two-year institutions, and present recommendations for reducing such burden. The study also must report on the feasibility of collecting additional data, including information on the percentage of enrolled undergraduates who graduate within two years (in the case of two-year institutions) and within four, five and six years (in the case of two- and four-year institutions), disaggregated by race and ethnic background, and by income categories.

Report on the 90/10 Rule
HEOA section 1105 **HEA section N/A**
Due date: August 14, 2010

The HEOA requires the GAO to analyze and report to Congress on proprietary institutions subject to the 90/10 Rule in section 487(a)(24) of the HEA (see Title IV—Student Assistance, Title IV Programs—General, Program Participation Agreement, The 90/10 Rule).

The report must provide

- the number of institutions subject to the 90/10 Rule;
- the number and percentage of such institutions each year that do not comply with the 90/10 Rule;
- the number of such institutions that are in compliance with the 90/10 Rule at the time of submission of the report; and
- in the case of institutions that are in compliance with the 90/10 Rule at the time of submission of the report, information on the extent to which such institutions' revenue is derived from funds provided under Title IV of the HEA, including information on the number of such institutions that derive not less than 85 percent of their revenues from funds provided under Title IV of the HEA.

Endowment Report
HEOA section 1111 **HEA section N/A**

Due date: February 14, 2010
The HEOA requires the GAO to conduct a study on the amounts, uses and public purposes of the endowments of institutions. The study must include information, disaggregated by types of institutions, describing

- the average range of the outstanding balance of such endowments and the average range of the growth of such endowments over the last 20 years;
- the amount and percentage of endowment assets distributed on an annual basis for spending on education;
- the amount and percentage of endowment assets distributed on an annual basis for financial aid or for the purpose of reducing the costs of tuition, fees, textbooks, and room and board; and
- the extent to which the funds in such endowments are restricted, and the restrictions placed upon such funds.

Study on Regional Sensitivity in the Needs Analysis Formula
HEOA section 1114 **HEA section N/A**
Due date: August 14, 2009
The HEOA requires the GAO to conduct a study, and report to Congress on that study, to evaluate the needs analysis formula under Part F of Title IV of the HEA and examine the need for regional sensitivity. The study must include the factors used to determine a student's EFC under Part F of Title IV of the HEA; the varying allowances that are made in calculating the EFC; the effects of income protection allowance (IPA) on all aid recipients; and options for modifying the IPA to reflect the significant differences in the cost of living in various parts of the U.S.

Study on the Financial and Compliance Audits of the Federal Student Loan Program
HEOA section 1119 **HEA section N/A**
Due date: August 14, 2009
The HEOA requires the GAO to study all financial and compliance audits and reviews required or conducted as part of the proper management of the FFEL and the Direct Loan programs, whether an audit was required under law or not. As part of the study, the GAO must compare the audits and reviews of the FFEL and Direct Loan programs for purposes of

- determining whether such audits and reviews are comparable among programs;
- determining whether such audits and reviews result in a level of protection of borrower interests and of Federal fiscal interests that is comparable for each program; and
- determining the extent to which the Department of Education ensures timely submission of required financial and compliance audits and reviews and compliance with statutory and regulatory requirements.

The study must

- provide a list of such audits and reviews required or conducted as part of the proper management of the FFEL and Direct Loan programs;
- determine the frequency of each audit and review;

- provide a list of the entities and activities that are the subject of each audit and review, including institutions, servicers, secondary markets, guaranty agencies, the Department of Education and the contractors of the Department, and any other entities that are required to participate in the audit or review;
- determine the degree of individual borrower level reconciliation required under the FFEL and Direct Loan programs;
- make recommendations with respect to such audits and reviews to ensure
  - such audits and reviews are comparable among the two loan programs; and
  - a level of protection of borrower interests and of Federal fiscal interests that is comparable for the two loan programs, to the extent such comparability does not exist; and
- assess the extent to which the Department of Education makes appropriate use of such financial and compliance audits and reviews in the Department's administration and oversight of the FFEL and Direct Loan programs.

Study and Report on Nonindividual Information
HEOA section 1122 **HEA section N/A**
Due date: August 14, 2009

The HEOA requires the GAO to conduct a study, and report to Congress

- on the impact on and benefits to borrowers of the inclusion of nonindividual factors, including cohort default rate, accreditation, and graduation rate at institutions, used in the underwriting criteria to determine the pricing of private education loans;
- to examine whether and to what extent the inclusion of such nonindividual factors
  - increases access to private education loans for borrowers who lack credit history or results in less favorable rates for such borrowers; and
  - affects the types of private education loan products and rates available at certain institutions of higher education, including a comparison of such impact on private and public institutions; and on HBCUs and other institutions of higher education; and
- to assess the extent to which the use of such nonindividual factors in underwriting may have a disparate impact on the pricing of private education loans, based on gender, race, income level, and covered educational institution.

Feasibility Study for Student Loan Clearinghouse
HEOA section 1123 **HEA section N/A**
Due date: February 14, 2010 (study conducted)
August 14, 2010 (report submitted)

The HEOA requires the GAO to conduct a study of, and report to Congress on, the feasibility of developing a national student loan clearinghouse on the website of the Department of Education that would provide for one or more of the following:

- a registry of real-time information on Federal student loans (including FFEL and Direct Loan program loans) and private education loans (as defined in section 140 of the TILA), for both undergraduate and graduate students, and parents of students, for use by prospective borrowers or any person desiring information regarding available interest rates, fees, and other terms from lenders;

- a mechanism whereby prospective borrowers could be matched with lenders that offer highly competitive products and loan servicing quality, including any procedures and safeguards necessary to minimize potentially adverse effects of multiple inquiries into participating borrowers' credit histories recorded by consumer reporting agencies;
- options concerning the establishment and ongoing maintenance of such a system, including whether such a system should be operated by one or more entities, and methods to finance such a system at no or minimal cost to consumers and the Government;
- other features that could help prospective borrowers make informed decisions in selecting lenders from whom to obtain Federal and private education loans.

In conducting the study the GAO must consult with the Secretary of Education, the Federal Trade Commission, representatives of student loan borrowers, representatives from institutions, including financial aid administrators, registrars, business officers, and student affairs officials, Federal and private educational lenders (as defined in section 140 of the TILA, as added by the HEOA), loan servicers, guaranty agencies, and other appropriate entities with relevant experience.

The TILA can be accessed at http://www.fdic.gov/regulations/laws/rules/6500-100.html

Study on Department of Education Oversight of Incentive Compensation Ban
HEOA section 1124 **HEA section N/A**
Due date: February 14, 2010
The HEOA requires that the GAO conduct and report to the Congress the results of a study of the Secretary's enforcement of the incentive compensation provisions at section 487(a)(20) of the HEA. The report must include

- an analysis of the nature, extent, and effectiveness of the Secretary's enforcement activities;
- the number of institutions for which the Secretary initiated investigations since 1998;
- where violations were substantiated, the names of the institutions, nature of the violations, and the penalty, if any, imposed;
- an analysis of the impact of the "safe harbor" regulations at 34 CFR 668.14(b)(22)(ii)(A) through (L) on the number and nature of cases examined for violations by the Secretary;
- information on the extent to which the Secretary has considered State efforts to examine unethical or unlawful student recruitment or admissions practices, including practices that violate the provisions of section 487(a)(20) of the HEA; and
- information on the extent to which the Department reviews publicly-available documents, such as filings to the Securities and Exchange Commission, to monitor compliance.

<u>Other Non-institutional Studies and Reports</u>

NCFMEA--New Eligibility Criteria for Foreign Medical Schools Report
HEOA section 102(a)(2) **HEA section 102(a)(2)(B)**

Due date: August 14, 2009
The HEOA requires the NCFMEA to submit a report to the Secretary and to Congress recommending eligibility criteria for participating in the FFEL Program for foreign graduate medical schools that

- have a clinical training program approved by a State prior to January 1, 2008; and
- do not meet the 60 percent non-citizen threshold.

The NCFMEA must submit the report to the Secretary and to Congress.

The eligibility criteria in the report must include the recommended appropriate level of performance in the following areas:

- entrance requirements;
- retention and graduation rates;
- successful placement of students in U.S. medical residency programs;
- passage rate of students on the United States Medical Licensing Examination;
- the extent to which State medical boards have assessed the quality of a school's program of instruction, including through on-site reviews;
- the extent to which graduates of such schools would be unable to practice medicine in one or more States, based on the judgment of a State medical board;
- any areas recommended by the GAO (see Studies, Reports and Summits, U.S. Government Accountability Office (GAO) Studies and Reports, Study on Foreign Graduate Medical Schools); and
- any additional areas the Secretary may require.

HBCU Capital Financing Advisory Board—Construction Financing
HEOA section 314 **HEA section 347**
Due date: February 14, 2009
The HEOA requires the HBCU Capital Financing Advisory Board to submit a report to Congress that includes administrative and legislative recommendations for addressing issues related to construction financing at HBCUs.

Advisory Committee on Student Financial Assistance Studies and Reports--Adequacy of Need-based Grant Aid
HEOA section 494C **HEA section 491**
Due date: Annually
The HEOA requires the Advisory Committee to provide an annual report to Congress regarding the adequacy of need-based grant aid for low- and moderate-income students, and the enrollment and graduation rates of such students.

For more information on HEOA changes affecting the Advisory Committee, see Title IV—Student Assistance, Title IV Programs—General, Advisory Committee on Student Financial Assistance.

Advisory Committee on Student Financial Assistance Studies and Reports--Review and Analysis of Regulations
HEOA section 494C **HEA section 491**

Due date: Two years after completion of negotiated rulemaking to implement the HEOA (panel findings)
Periodically (impact and suggestions for streamlining or elimination)

The HEOA requires that, as part of the Advisory Committees' review and analysis of regulations, it will convene at least two review panels of representatives of groups involved in higher education to review the regulations and provide recommendations to the Advisory Committee. The Advisory Committee must then submit a report to Congress and the Secretary detailing the review panels' findings and recommendations. The HEOA also requires the Advisory Committee to provide periodic updates to Congress on the impact of all Federal regulations on all sectors of higher education and suggestions provided, through the website it is required to establish, for streamlining or eliminating duplicative regulations.

For more information on HEOA changes affecting the Advisory Committee, see Title IV—Student Assistance, Title IV Programs—General, Advisory Committee on Student Financial Assistance.

Advisory Committee on Student Financial Assistance Studies and Reports--Innovated Pathways to Baccalaureate Degree Attainment
HEOA section 494C **HEA section 491**
Due date: August 14, 2009 (interim report)
August 14, 2010 (final report)

The HEOA requires the Advisory Committee to conduct a study of the feasibility of increasing baccalaureate degree attainment rates by reducing the costs and financial barriers to attaining a baccalaureate degree through innovative programs. The Advisory Committee must examine new and existing programs that promote baccalaureate degree attainment through innovative ways, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant program, simplification of the needs analysis process, compressed or modular scheduling, articulation agreements, and programs that allow two-year institutions of higher education to offer baccalaureate degrees.

The Advisory Committee must examine the following aspects of such innovative programs:

- the impact of such programs on baccalaureate attainment rates;
- the degree to which a student's total cost of attaining a baccalaureate degree can be reduced by such programs;
- the ways in which low- and moderate-income students can be specifically targeted by such programs;
- the ways in which nontraditional students can be specifically targeted by such programs; and
- the cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs.

In performing this study, the Advisory Committee must consult with a broad range of interested parties in higher education, including parents, students, appropriate representatives of secondary schools and institutions of higher education, appropriate

State administrators, administrators of dual or concurrent enrollment programs, and appropriate Department officials. In addition, the Advisory Committee must consult on a regular basis with the Congress in carrying out the study.

The Advisory Committee must submit to Congress and the Secretary an interim report describing the progress made in conducting the study and any preliminary findings on new and existing programs that promote baccalaureate degree attainment through innovative ways. A final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to new and existing programs that promote baccalaureate degree attainment through innovative ways, must also be submitted to Congress and the Secretary.

For more information on HEOA changes affecting the Advisory Committee, see Title IV—Student Assistance, Title IV Programs—General, Advisory Committee on Student Financial Assistance.

Financial Literacy; Study and Report
HEOA Sections 1041 & 1042 **HEA section N/A**
Due date: August 14, 2010

The HEOA requires the Secretary of the Treasury in consultation with the Secretary of Education and the Secretary of Agriculture (with respect to land grant colleges and universities), and any other appropriate agency that is a member of the Financial Literacy and Education Commission established under the Financial Literacy and Education Improvement Act (20 U.S.C. 9701 et seq.) to enhance financial literacy among postsecondary students through developing initiatives, programs and curricula that improve student awareness of short- and long-term costs associated with student loans and other debt and assisting such students in navigating the financial aid process.
The Financial Literacy and Education Commission must submit a report to the Committee on Banking, Housing, and Urban Affairs and the Committee on Health Education, Labor, and Pensions of the Senate and the Committee on Financial Services and the Committee on Education and Labor of the House of Representatives on the state of financial education among students at covered educational institutions. The report must include a description of progress made in enhancing financial education with respect to student understanding of financial aid, including the programs and evaluations required by this section.

The Secretary of the Treasury must, upon request, provide testimony before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives concerning the report.

For additional information on this financial literacy initiative, see Amendments to Other Laws, Financial Literacy.

Summits

Summit on Sustainability

HEOA section 1120 **HEA section N/A**

Convene by: September 30, 2010

The HEOA requires the Secretary, in consultation with the Administrator of the Environmental Protection Agency, to convene a summit of higher education experts working in the area of sustainable operations and programs, representatives from agencies of the Federal Government, and business and industry leaders to focus on efforts of national distinction that

- encourage faculty, staff, and students at institutions to establish administrative and academic sustainability programs on campus;
- enhance research by faculty and students at institutions in sustainability practices and innovations that assist and improve sustainability;
- encourage institutions to work with community partners from the business, government, and nonprofit sectors to design and implement sustainability programs for application in the community and workplace;
- identify opportunities for partnerships involving institutions and the Federal Government to expand sustainable operations and academic programs focused on environmental and economic sustainability; and
- charge the summit participants or steering committee to submit a set of recommendations for addressing sustainability through institutions.

List of Selected Provisions of the HEOA by Effective Date	
July 1, 2007	Amendments to Other Laws United States Institute of Peace Act • Board of Directors
July 1, 2008	Title IV—Student Assistance Pell Grant Program • Maximum Duration of Eligibility (applies to students who receive a Pell Grant for the first time on or after this date) FFEL and Direct Loan Programs— Common Provisions • Servicemembers Civil Relief Act Related FFEL Lender Special Allowance Payment Calculations on Affected Loans (for FFEL loans first disbursed on or after this date) • Federal PLUS Repayment, Post-Half-Time Enrollment Deferment, and Interest Capitalization (FFEL and Direct Loan PLUS Loans for which the first disbursement is made on or after this date) • Extenuating circumstances for PLUS Loan Eligibility (FFEL and Direct Loan PLUS loans that were first disbursed on or after this date, for special extenuating circumstances that exist between January 1, 2007 and December 31, 2009) • Unsubsidized Stafford Loan Limits (loans first disbursed on or after this date) Perkins Loan Program • Reinstatement of Loans Discharged Due to Death or Disability (subject to regulations, except for borrowers with VA determinations)
Upon enactment August 14, 2008	Title I—General Provisions Definitions • Authorizing Committees • Critical Foreign Language • Distance Education • Diploma Mill • Early Childhood Education Program • Poverty Line • Universal Design

Upon enactment August 14, 2008	• Universal Design for Learning Institutional Eligibility • Conforming Amendment Concerning 90/10 Enforcement • Drug and Alcohol Prevention • Diploma Mills Foreign Schools • Campus Crime Reporting • Audit Requirements Accreditation (plus Title IV changes) • Expiration of the Terms of Members of the National Advisory Committee on Institutional Quality and Integrity (new committee appointments may be made after January 31, 2009) • Religious Mission • Distance Education and Correspondence Education • Student Achievement Standard • Due Process and Appeals • Accreditation Team Members • Operating Procedures • Secretary Prohibitions • Rule of Construction Improved Information Concerning the Federal Student Financial Aid Website (by the Department) • Promotion of the Department of Education Federal Student Financial Aid Website • Enhanced Student Financial Aid Information • Promotion of Availability of Information Concerning Other Student Financial Aid Programs • National STEM Database • No User Fees for Department Financial Aid Websites Miscellaneous • Protection of Student Speech and Association Rights • Treatment of Territories and Territorial Student Assistance

Upon enactment August 14, 2008	• Prior Rights and Obligations
	• Transparency in College Tuition for Consumers
	  ▪ State Higher Education Spending Chart
	  ▪ Student Aid Recipient Survey
	• Federal Database of Student Information Prohibited
	• State Higher Education Information System Pilot Program
	• State Commitment to Affordable College Education
	• Performance-based Organization for the Delivery of Federal Student Financial Assistance
	• Certification Regarding the Use of Certain Federal Funds
	• Required Education Loan Borrower Disclosures by Lenders, Institutions of Higher Education, and Institution-Affiliated Organizations (except lender certification)
	• Self-certification Form for Private Education Loans
	
	Title II--Teacher Quality Enhancement (All)
	Teacher Quality Partnership Grants (negotiated rulemaking required for any regulations developed for section 207(b)(2) of the HEA, the provision addressing a teacher preparation program that has had its eligibility terminated by the State from accepting or enrolling any student who receives Title IV aid)
	
	Title III—Institutional Aid (All)
	
	Title IV—Student Assistance
	
	Title IV Program--General
	• Academic Year
	• Consumer Reporting Agency and Educational Service Agency
	• Master Calendar (compliance calendar)
	• Readmissions Requirements for Servicemembers
	• National Student Loan Data System
	• Early Awareness of Financial Aid Eligibility—system of early financial aid information
	• Distance Education Demonstration Program
	• Articulation Agreements

Upon enactment August 14, 2008	• Program Participation Agreement
	  ▪ Voter Registration
	  ▪ The 90/10 Rule
	  ▪ Code of Conduct
	  ▪ Preferred Lender List
	  ▪ Private Education Loan Certification
	  ▪ Copyrighted Material
	• Institutional Requirements for Teach-Outs
	• Experimental Sites
	• Purpose of Administrative Payments
	• Advisory Committee on Student Financial Assistance
	• Regional Meetings and Negotiated Rulemaking
	• Eligibility and Certification Procedures—Treatment of Teach-outs
	• Program Review Data
	• Review of Regulations
	
	Need Analysis
	• Discretion of Student Financial Aid Administrators
	
	Improvements to the FAFSA and Processes
	
	Model Institution Financial Aid Offer Form
	
	Student Eligibility
	• Ability to Benefit
	• Eligibility for Citizens of the Freely Associated States
	• Financial Assistance for Individuals with Intellectual Disabilities
	
	Consumer Information—(All, except Information and Dissemination Activities (academic year 2011-2012 for HEA section 488(a)(1)(L) or subsection (e) for two-year institutions))
	
	Pell Grant Program
	• Program Requirements and Other Operations Otherwise Unaffected/Availability of Funds
	
	TEACH Grants
	• Program Report

Upon enactment August 14, 2008	Campus-based Programs • Transfer of Allotments FSEOG (All) FWS (All) LEAP /Grants for Access and Persistence (All) All Loan Programs (FFEL, Direct Loans, Perkins Loans) • Loan Repayment for Civil Legal Assistance Attorneys • Statute of Limitations and State Court Judgments FFEL and Direct Loan Programs— Common Provisions • Extension of Authority and Authority of Administrative Expenses • Income-Based Repayment (IBR) Plan (for July 1, 2009 IBR implementation) • Lender Forbearance Information and Contact Requirements (for forbearance granted on or after this date) • Applicability of the Servicemembers Civil Relief Act to FFEL and Direct Loan Borrowers (application of interest rate cap to the FFEL or Direct Loan of an eligible borrower) • Guaranty Agency Notifications to Borrowers in Default (lender default claims received by a guaranty agency on or after this date) • Eligibility for FFEL Loan Rehabilitation, Related Consumer Credit Reporting, and Financial and Economic Literacy Information for Rehabilitated Borrowers • FFEL and Direct Loan Teacher Loan Forgiveness (for applications received on or after this date) • Loan Forgiveness for Service in Areas of National Need • Reports on Student Loans to Consumer Reporting Organizations • Common Forms and Formats • Required Lender Disclosures to FFEL Borrowers

Upon enactment August 14, 2008	• Required FFEL (non-consolidation) disclosures before loan disbursement • Required FFEL (non-consolidation) borrower disclosures before repayment • Special disclosure rules on PLUS and Unsubsidized loans • FFEL and Direct Loan Total and Permanent Disability Discharges based on VA Determination applications received on or after this date) FFEL Program • Borrower Eligibility for Deferment (for deferments granted on or after this date) • Notification to a FFEL Borrower When the Transfer, Sale, or Assignment of a Loan will Result in a Change in the Party to Whom the Borrower Must Send Payments (for any required notification to a borrower on or after this date) • Changes to Prohibited Inducement Provisions Governing FFEL Landers and Guaranty Agencies (guaranty agency and lender activities undertaken on or after this date) • FFEL Consolidation Loan—Application Disclosures to Potential Borrowers (applications provided to potential borrowers on or after this date) • Consumer Education Information Provided by Guaranty Agencies • New Audit Requirement for FFEL School Lenders and Eligible Lender Trustees (ELTs) Originating FFEL Loans for a School or School-Affiliated Organization (first auditable period that begins on or after this date) • Department of Education Temporary Authority to Purchase Student Loans—Guaranty Agency Responsibilities and Payments and Departmental Reporting Direct Loan Program • Definition of "Public Service Job" for Direct Loan Public Service Loan Forgiveness • Direct Loan Borrower Disclosures by Direct Loan Schools (subject to Department regulations)

Upon enactment August 14, 2008	Perkins Loan Program (All, except total and permanent disability discharge provisions, and Reinstatement of Loans Discharged Due to Death or Disability) TRIO (All) GEAR-UP (All) Academic Achievement Incentive Scholarships Repeal Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork (All) Robert C. Byrd Honors Scholarship Program (All) Child Care Access Means Parents in School (All) Learning Anytime Anywhere Partnerships Program Repealed Title V—Developing Institutions (All) Title VI—International Education Programs (All) Title VII—Graduate and Postsecondary Improvement Programs (All) Title VIII—Additional Programs (All) Amendments to Other Laws Private Student Loan Improvement • Truth in Lending Act ▪ Definitions ▪ Prohibition on Certain Gifts and Arrangements ▪ Advisory Board Compensation ▪ Prohibition on Prepayment or Repayment Fees or Penalty ▪ Model Disclosure Form ▪ Duplicative Disclosure Requirements ▪ “Covered Educational Institution” definition ▪ “Private Educational Lender” definition ▪ “Private Educational Loan” definition ▪ Duties of Lenders Participating in Preferred

Upon enactment August 14, 2008	Lender Arrangements ▪ Applicability of the TLA to All Private Education Loans Financial Literacy Education of the Deaf Act United States Institute of Peace Act (except Board of Directors changes) Higher Education Amendments of 1998 • Repealed provisions • Grants to States for Workplace and Community Transition Training for Incarcerated Individuals • Underground Railroad Educational and Cultural Program Higher Education Amendments of 1992 • Olympic Scholarships Department of Education Organizational Act • Deputy Assistant Secretary for International and Foreign Language Education Tribally Controlled College or University Assistance Act of 1978 Navajo Nation Higher Education Act of 2008 Omnibus Crime Control and Safe Streets Act of 1968 • John R. Justice Prosecutors and Defenders Incentive Act of 2008 Institutional Repayment Assistance Programs Stevenson-Wydler Technology Innovation Act of 1980 • Minority Serving Institution Digital and Wireless Technology Opportunity Program Financial Literacy; Studies and Reports
October 1, 2008	Title IV—Student Assistance ACG/National SMART Grant Programs--Availability of funds

	FFEL Program • FFEL Consolidation Loan—Borrower Eligibility for Direct Loan No Interest Accrual (Direct Consolidation Loan, or portion of a Direct Consolidation Loan, first disbursed on or after this date) Direct Loan Program • No Interest Accrual on Direct Loans of Eligible Military Borrowers (Direct Loans first disbursed on or after this date, and any portion of a Direct Consolidation Loan that repaid a FFEL or Direct Loan first disbursed on or after that date)
January 1, 2009	Accreditation • New rules for membership, functions, meeting procedures, and report and notice for National Advisory Committee on Institutional Quality and Integrity
January 31, 2009	Accreditation • New appointments to the National Advisory Committee on Institutional Quality and Integrity may be made
July 1, 2009	Title I In-State Tuition Rates for Armed Forces members, Spouses, and Dependent Children (for the first period of enrollment beginning after) Title IV—Student Assistance Competitive Loan Auction Pilot Program Pell Grant Program • Maximum Pell Grant • Minimum Pell Grants • Year-Round Pell Grants • Sex Offenders and Pell Grants • Children of soldiers ACG/National SMART Grant Programs (All, except availability of funds) FFEL and Direct Loans

	• Required Lender Disclosures to FFEL Borrowers ▪ New borrower disclosures during repayment (for any loan for which the first payment is due on or after this date, for the required bill statement and required disclosures to borrowers having difficulty making payments; and for any loan that becomes delinquent on or after this date, for required disclosures to delinquent borrowers)
August 14, 2009 (one year after date of enactment)	Title I Improved Information Concerning the Federal Student Financial Aid Website (by the Department) • Improved Availability and Coordination of Information Concerning Student Financial Aid Programs for Military Members and Veterans Miscellaneous • Transparency in College Tuition for Consumers ▪ Net price calculator, consumer information, multi-year tuition calculator Title IV-- Student Assistance General • Program Participation Agreement ▪ Report on Results of Disciplinary Proceeding (for any proceeding conducted on or after this date) Amendments to Other Laws Community Reinvestment Act of 1977 (regulations required—each appropriate Federal financial supervisory agency must issue regulations by this date)
February 14, 2010 (18 months after date of enactment)	Title I Miscellaneous • Required Education Loan Borrower Disclosures by Lenders, Institutions of Higher Education, and Institution-Affiliated Organizations--Lender certification Title IV--Student Assistance FFEL and Direct Loans Lender and Institution Requirements Relating to

	Education Loans • No later than 18 months after enactment—February 14, 2010—lenders in preferred lender arrangements must annually certify compliance • The Department must determine, no later than February 14, 2010, the minimum information that lenders, institutions, and institution-affiliated organizations participating in preferred lender arrangements shall make available regarding FFEL Program loans—after this determination, the Department must provide for the disclosure of the information and develop a model disclosure form • Submission dates for lenders, institutions, or institution-affiliated organizations are to be determined by the Department) • Within 180 days of completion of model disclosure form, the Department must provide Direct Loan schools with the form Amendments to Other Laws Private Student Loan Improvement • Truth in Lending Act (effective on the earlier of this date, or the date on which regulations are issued by the Federal Reserve) ▪ Prohibition on Co-Branding ▪ Disclosures Required in Private Education Loan Applications and Solicitations ▪ Disclosures at the Time of Private Education Loan Approval ▪ Self-Certification of Information ▪ Disclosure at the Time of Private Education Loan Consummation ▪ Effective Period of Approved Rate of Interest and Loan Terms ▪ Right to Cancel ▪ Prohibition on Disbursement
July 1, 2010	Title I Institutional Eligibility • General Definition of Institution of Higher Education • Proprietary Institution of Higher Education • Dual enrollment Foreign Medical Schools

	• Nursing schools • Continuous operation of a clinical training program in a State • Pass Rate on the ECFMG exam Textbook Information Title IV--Student Assistance General • Master Calendar (addition of notices) Need Analysis • Cost of Attendance • Total Income • Untaxed Income and Benefits • Independent Student • Excludable Income • Estimated Financial Assistance Student Eligibility • Social Security Number • Distance Education/Correspondence Courses • Obtaining Financial Data from the Internal Revenue Service • Regaining Eligibility after a Drug Conviction TEACH Grants (all except Program Report) FFEL and Direct Loan Programs—Common Provisions • Borrower Eligibility for Federal Interest Subsidy (treatment of VA benefits for loan eligibility determinations on or after this date) • Permanent and Total Disability Discharge—non-VA determination provisions
August 14, 2010	Title IV--Student Assistance General • Early Awareness of Financial Aid Eligibility--Public awareness campaign
July 1, 2011	Title I Miscellaneous • Transparency in College Tuition for Consumers ▪ College affordability lists

October 1, 2011	Title IV--Student Assistance FFEL and Direct Loan Programs—Common Provisions • School Cohort Default Rate Loan Disbursement Waivers and Exceptions (loans first disbursed on or after this date)
September 1, 2012	Title IV--Student Assistance FFEL • Cohort default rate threshold for institutional participation increase • Increase to period for calculation for cohort default rates (but will continue to be calculated, and penalties assessed, using the two-year period until three consecutive years are calculated using the three-year default period)