

114TH CONGRESS
2D SESSION

H. R. 4808

To amend the Higher Education Act of 1965 to require students who do not complete a program of study to repay Federal Pell Grants.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2016

Mr. SALMON introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to require students who do not complete a program of study to repay Federal Pell Grants.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pell for Performance
5 Act”.

6 **SEC. 2. REPAYMENT FOR FAILURE TO COMPLETE PRO-**
7 **GRAM.**

8 Section 401 of the Higher Education Act of 1965 (20
9 U.S.C. 1070a) is amended—

1 (1) in subsection (c), by striking “The period”
2 and inserting “Except as provided in subsection (k),
3 the period”; and

4 (2) by adding at the end the following:

5 “(k) REPAYMENT FOR FAILURE TO COMPLETE PRO-
6 GRAM.—

7 “(1) IN GENERAL.—Except as provided in para-
8 graph (3), if a recipient of a Federal Pell Grant fails
9 to complete the program for which the Federal Pell
10 Grant was awarded within the maximum timeframe
11 for completion of such program, the sum of the
12 amounts of any Federal Pell Grants received by the
13 recipient for the program shall—

14 “(A) be treated as a Federal Direct Un-
15 subsidized Stafford Loan under part D; and

16 “(B) be subject to repayment, together
17 with interest thereon accruing from the date of
18 the grant award, in accordance with terms and
19 conditions specified by the Secretary.

20 “(2) PERIOD FOR COMPLETION.—For purposes
21 of this subsection, the term ‘maximum timeframe’,
22 used with respect to the completion of an under-
23 graduate program, has the meaning given such term
24 in paragraph (1) or (2) of section 668.34(b) of title
25 34, Code of Federal Regulations (as in effect on the

1 date of enactment of this Act), as applicable to such
2 program.

3 “(3) EXCEPTIONS.—

4 “(A) IN GENERAL.—Paragraph (1) shall
5 not apply with respect to a student who fails to
6 complete a program within the maximum time-
7 frame for completion of such program—

8 “(i) because the student enrolls in an-
9 other program at an institution of higher
10 education—

11 “(I) not later than 12 months
12 after the date of the student’s last day
13 of the previous program; and

14 “(II) for which the previous pro-
15 gram provided substantial prepara-
16 tion;

17 “(ii) in the case of a student who has
18 a Federal Pell Grant that is being treated
19 as a loan under paragraph (1) and who
20 meets the requirements of subparagraph
21 (B) of this paragraph, with respect to a
22 subsequent Federal Pell Grant for which
23 the student is eligible and which is award-
24 ed beyond such maximum timeframe; or

1 “(iii) due to undue hardship, includ-
2 ing—

3 “(I) active duty military service;

4 “(II) the death of a relative of
5 the student;

6 “(III) the personal injury or ill-
7 ness of the student; or

8 “(IV) other special circumstances
9 as determined by the institution.

10 “(B) REQUIREMENTS.—In order to qualify
11 for the exception under subparagraph (A)(ii) of
12 this paragraph, a student shall—

13 “(i) have a Federal Pell Grant that is
14 being treated as a loan under paragraph
15 (1) for which the student has met the loan
16 repayment obligations for not less than 6
17 months; and

18 “(ii) not be an individual described in
19 paragraph (4)(B).

20 “(4) LOSS OF FEDERAL PELL GRANT ELIGI-
21 BILITY.—

22 “(A) DEFAULT.—An individual who is in
23 default of an obligation to repay a Federal Pell
24 Grant that is being treated as a loan under

1 paragraph (1) shall be ineligible to receive a
2 Federal Pell Grant under this section.

3 “(B) SECOND TIME DROPOUT.—An indi-
4 vidual who has received a Federal Pell Grant
5 for enrollment in a program that is being treat-
6 ed as a loan under paragraph (1), and who
7 leaves such program for a second time (other
8 than for a reason described in clause (i) or (iii)
9 of paragraph (3)(A)), shall be ineligible to re-
10 ceive a Federal Pell Grant under this section.

11 “(5) NOTICE.—The Secretary shall ensure that
12 each recipient of a Federal Pell Grant receives notice
13 of the terms of this subsection.

14 “(6) RECORD.—An institution shall keep a
15 record that tracks the progress (including the grad-
16 uation and default rate) of any student described in
17 paragraph (3)(B) who receives a Federal Pell Grant
18 for enrollment in a program beyond the maximum
19 timeframe for completion of such program.”.

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