116TH CONGRESS  
1ST SESSION  

S. 2557

To amend the Higher Education Act of 1965 to improve the financial aid process for students, to provide continued support for minority-serving institutions, and for other purposes.

IN THE SENATE OF THE UNITED STATES  
SEPTEMBER 26, 2019

Mr. ALEXANDER introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to improve the financial aid process for students, to provide continued support for minority-serving institutions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the “Student Aid Improvement Act of 2019”.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of,
Sec. 2. CONTINUED SUPPORT FOR MINORITY-SERVING INSTITUTIONS.

Sec. 371(b)(1)(A) (20 U.S.C. 1067q(b)(1)(A)) is amended by striking “for each of the fiscal years 2008 through 2019.” and all that follows, and inserting the following: “for fiscal year 2020 and each fiscal year there- after.”.

Sec. 3. MAKING IT EASIER TO APPLY FOR FEDERAL AID AND MAKING THAT AID PREDICTABLE.

(a) Need Analysis.—

(1) In General.—Section 471 (20 U.S.C. 1087kk) is amended to read as follows:

“SEC. 471. AMOUNT OF NEED.

“(a) In General.—Except as otherwise provided therein, beginning with award year 2021–2022, the amount of need of any student for financial assistance under this title (except subpart 1 or 2 of part A) is equal to—

“(1) the cost of attendance of such student; minus

“(2) the student aid index (as defined in section 473) for such student; minus
“(3) other financial assistance not received under this title (as defined in section 480(j)).

“(b) Effective Date of Changes.—The amendments made to this title under the Student Aid Improvement Act of 2019 shall take effect beginning with award year 2021–2022. The amounts provided under such amendments for award year 2020–2021 shall be used solely as a base to determine adjustments for subsequent award years.”.

(2) Maximum Aid Under Part D.—Section 451 (20 U.S.C. 1087a) is amended by adding at the end the following:

“(c) Maximum Aid.—The maximum dollar amount of financial assistance provided under this part to a student shall not exceed the cost of attendance for such student.”.

(b) Student Aid Index.—Section 473 (20 U.S.C. 1087mm) is amended to read as follows:

“SEC. 473. STUDENT AID INDEX.

“(a) In General.—For the purpose of this title, other than subpart 1 or 2 of part A, the term ‘student aid index’ means, with respect to a student, an index that reflects an evaluation of a student’s approximate financial resources to contribute toward the student’s postsecondary
education for the academic year, as determined in accordance with this part.

“(b) Special Rule for Students Eligible for the Total Maximum Pell Grant.—The Secretary shall consider an applicant to automatically have a student aid index equal to zero if the applicant is eligible for the total maximum Federal Pell Grant under subpart 1 of part A, except if the applicant has a calculated student aid index of less than zero the Secretary shall consider the negative number as the student aid index for the applicant.

“(c) Special Rule for Nonfilers.—For an applicant (or, as applicable, an applicant and spouse, or an applicant’s parents) not required filed a Federal tax return for the applicable tax year, the Secretary shall for the purposes of this title consider the student aid index as equal to $1,500 for the applicant.

“(d) Special Rule for Recipients of Means-Tested Benefits.—For an applicant (including the student, the student’s parent, or the student’s spouse, as applicable) who at any time during the previous 24-month period was a recipient of a means-tested Federal benefit program, the Secretary shall consider an applicant to automatically have a student aid index equal to zero, except if the applicant has a calculated student aid index
of less than zero the Secretary shall consider the negative number as the student aid index for the applicant.

“(e) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—In this section, the term ‘means-tested Federal benefit program’ means any of the following:

“(1) The supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

“(2) The supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

“(3) The program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).


“(5) The Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).”.

(c) DETERMINATION OF STUDENT AID INDEX.—Section 474 (20 U.S.C. 1087nn) is amended to read as follows:
“SEC. 474. DETERMINATION OF STUDENT AID INDEX.

“The student aid index—

“(1) for a dependent student shall be deter-

mined in accordance with section 475;

“(2) for a single independent student or a mar-

ried independent student without dependents (other

than a spouse) shall be determined in accordance

with section 476; and

“(3) for an independent student with depend-

ents other than a spouse shall be determined in ac-

cordance with section 477.”.

(d) STUDENT AID INDEX FOR DEPENDENT STU-

DENTS.—Section 475 (20 U.S.C. 1087oo) is amended to

read as follows:

“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STU-

DENTS.

“(a) COMPUTATION OF STUDENT AID INDEX.—

“(1) IN GENERAL.—For each dependent stu-

dent, the student aid index is equal to (except as

provided in paragraph (2)) the sum of—

“(A) the assessment of the parents’ ad-

justed available income (determined in accord-

ance with subsection (b));

“(B) the assessment of the student’s avail-

able income (determined in accordance with

subsection (g)); and
“(C) the student’s available assets (determined in accordance with subsection (h)).

“(2) EXCEPTION.—If the sum of paragraphs (1), (2), and (3) with respect to a dependent student is less than $1,500, the student aid index for the dependent student shall be $1,500.

“(b) ASSESSMENT OF PARENTS’ ADJUSTED AVAILABLE INCOME.—The assessment of parents’ adjusted available income is equal to the amount determined by—

“(1) computing adjusted available income by adding—

“(A) the parents’ available income (determined in accordance with subsection (e)); and

“(B) the parents’ available assets (determined in accordance with subsection (d));

“(2) assessing such adjusted available income in accordance with the assessment schedule set forth in subsection (e); and

“(3) considering such assessment resulting under paragraph (2) as the amount determined under this subsection.

“(c) PARENTS’ AVAILABLE INCOME.—

“(1) IN GENERAL.—The parents’ available income is determined by subtracting from total income (as defined in section 480)—
“(A) Federal income taxes;

“(B) an allowance for payroll taxes, determined in accordance with paragraph (2);

“(C) an income protection allowance, determined in accordance with paragraph (3); and

“(D) an employment expense allowance, determined in accordance with paragraph (4).

“(2) ALLOWANCE FOR PAYROLL TAXES.—The allowance for payroll taxes is equal to the sum of—

“(A) the total amount earned by the parents, multiplied by the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and

“(B) the amount earned by the parents that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of such Code.

“(3) INCOME PROTECTION ALLOWANCE.—The income protection allowance for award year 2020–2021 and each succeeding award year shall equal the amount determined in the following table, as adjusted by the Secretary pursuant to section 478(b):
“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

<table>
<thead>
<tr>
<th>Family Size (including student)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$19,080</td>
</tr>
<tr>
<td>3</td>
<td>$23,760</td>
</tr>
<tr>
<td>4</td>
<td>$29,340</td>
</tr>
<tr>
<td>5</td>
<td>$34,620</td>
</tr>
<tr>
<td>6</td>
<td>$40,490</td>
</tr>
<tr>
<td>For each additional add</td>
<td>$4,750</td>
</tr>
</tbody>
</table>

“(4) EMPLOYMENT EXPENSE ALLOWANCE.—

The employment expense allowance is equal to the lesser of $4,000 or 35 percent of the single parent’s earned income or married parents’ combined earned income (or is equal to a successor amount as adjusted by the Secretary pursuant to section 478(g)).

“(d) PARENTS’ AVAILABLE ASSETS.—

“(1) IN GENERAL.—

“(A) DETERMINATION.—Except as provided in subparagraph (B), the parents’ available assets are equal to—

“(i) the difference between the parents’ net assets and the education savings and asset protection allowance (determined in accordance with paragraph (2)); multiplied by

“(ii) 12 percent.

“(B) NOT LESS THAN ZERO.—Parents’ available assets under this subsection shall not be less than zero.
“(2) Education savings and asset protection allowance.—The education savings and asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478(d)):

<table>
<thead>
<tr>
<th>If the age of the oldest parent is—</th>
<th>And there are</th>
<th>two parents</th>
<th>one parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 or less ...........................</td>
<td>$0</td>
<td>$0</td>
<td></td>
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<tr>
<td>26 ....................................</td>
<td>$300</td>
<td>$100</td>
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<td>27 ....................................</td>
<td>$700</td>
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<td>$1,600</td>
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<tr>
<td>31 ....................................</td>
<td>$2,000</td>
<td>$700</td>
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<td>32 ....................................</td>
<td>$2,300</td>
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<td>33 ....................................</td>
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<tr>
<td>34 ....................................</td>
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<td>35 ....................................</td>
<td>$3,300</td>
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<tr>
<td>36 ....................................</td>
<td>$3,600</td>
<td>$1,200</td>
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<tr>
<td>37 ....................................</td>
<td>$3,900</td>
<td>$1,300</td>
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<td>38 ....................................</td>
<td>$4,200</td>
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<td>39 ....................................</td>
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<td>40 ....................................</td>
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<td>42 ....................................</td>
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<td>43 ....................................</td>
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<td>46 ....................................</td>
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<td>47 ....................................</td>
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<td>48 ....................................</td>
<td>$6,000</td>
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<td>51 ....................................</td>
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<td>52 ....................................</td>
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<td>53 ....................................</td>
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<tr>
<td>54 ....................................</td>
<td>$6,900</td>
<td>$2,300</td>
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<tr>
<td>55 ....................................</td>
<td>$7,100</td>
<td>$2,300</td>
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<tr>
<td>56 ....................................</td>
<td>$7,300</td>
<td>$2,400</td>
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<tr>
<td>57 ....................................</td>
<td>$7,500</td>
<td>$2,500</td>
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<tr>
<td>58 ....................................</td>
<td>$7,700</td>
<td>$2,500</td>
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<tr>
<td>59 ....................................</td>
<td>$7,900</td>
<td>$2,600</td>
<td></td>
</tr>
<tr>
<td>60 ....................................</td>
<td>$8,200</td>
<td>$2,700</td>
<td></td>
</tr>
</tbody>
</table>
“Education Savings and Asset Protection Allowances for Parents of Dependent Students—Continued

And there are two parents one parent

If the age of the oldest parent is— then the allowance is—

61 .................................... $8,400 $2,700
62 .................................... $8,600 $2,800
63 .................................... $8,900 $2,900
64 .................................... $9,200 $2,900
65 or more ...................... $9,400 $3,000.

“(e) ASSESSMENT SCHEDULE.—The assessment of the parents’ adjusted available income (as determined under subsection (b)(1) and hereafter in this subsection referred to as ‘AAI’) is calculated according to the following table (or a successor table prescribed by the Secretary under section 478(e)):

Parents’ Contribution From AAI

<table>
<thead>
<tr>
<th>If the parents’ AAI is—</th>
<th>Then the parents’ contribution from AAI is—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than −$6,820</td>
<td>−$1,500</td>
</tr>
<tr>
<td>−$6,820 to $17,000</td>
<td>22% of AAI</td>
</tr>
<tr>
<td>$17,001 to $21,400</td>
<td>$3,740 + 25% of AAI over $17,000</td>
</tr>
<tr>
<td>$21,401 to $25,700</td>
<td>$4,840 + 29% of AAI over $21,400</td>
</tr>
<tr>
<td>$25,701 to $30,100</td>
<td>$6,087 + 34% of AAI over $25,700</td>
</tr>
<tr>
<td>$30,101 to $34,500</td>
<td>$7,583 + 40% of AAI over $30,100</td>
</tr>
<tr>
<td>$34,501 or more</td>
<td>$9,343 + 47% of AAI over $34,500</td>
</tr>
</tbody>
</table>

“(f) CONSIDERATION OF PARENTAL INCOME.—

“(1) MARRIED PARENTS.—Parental income and assets in the case of a student whose parents are married and not separated shall include the income and assets of both parents.

“(2) DIVORCED OR SEPARATED PARENTS.—Parental income and assets for a student whose par-
ents are divorced or separated, but not remarried, is determined:

“(A) By including only the income and assets of the parent with whom the student resided for the greater portion of the 12-month period preceding the date of the application.

“(B) If the preceding criterion does not apply, include only the income and assets of the parent who provided the greater portion of the student’s support for the 12-month period preceding the date of application.

“(C) If neither of the preceding criteria apply, include only the income and assets of the parent who provided the greater support during the most recent calendar year for which parental support was provided.

“(3) Death of a Parent.—Parental income and assets in the case of the death of any parent is determined as follows:

“(A) If either of the parents has died, the surviving parent shall be considered a single parent, until that parent has remarried.

“(B) If both parents have died, the student shall not report any parental income or assets.
“(4) Remarried Parents.—If a parent whose income and assets are taken into account under paragraph (2), or if a parent who is a widow or widower and whose income is taken into account under paragraph (3), has remarried, the income of that parent’s spouse shall be included in determining the parent’s assessment of adjusted available income if the student’s parent and the stepparent are married as of the date of application for the award year concerned.

“(5) Single Parent who is Not Divorced or Separated.—Parental income and assets in the case of a student whose parent is a single parent but who is not divorced, separated, or remarried, shall include the income and assets of such single parent.

“(g) Student’s Available Income.—

“(1) In General.—The student’s available income is equal to—

“(A) the difference between the student’s total income (determined in accordance with section 480) and the adjustment to student income (determined in accordance with paragraph (2)); multiplied by

“(B) 50 percent.
“(2) ADJUSTMENT TO STUDENT INCOME.—The adjustment to student income is equal to the sum of—

“(A) the Federal income taxes of the student;

“(B) an allowance for payroll taxes determined in accordance with paragraph (3);

“(C) an income protection allowance that is equal to—

“(i) $9,110 for award year 2020–2021; and

“(ii) for each succeeding award year, the amount adjusted pursuant to section 478(b); and

“(D) an allowance for parents’ negative available income, determined in accordance with paragraph (4).

“(3) ALLOWANCE FOR PAYROLL TAXES.—The allowance for payroll taxes is equal to the sum of—

“(A) the total amount earned by the student, multiplied by the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and

“(B) the amount earned by the student that does not exceed such contribution and ben-
efit base for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of such Code.

“(4) Allowance for parents’ negative available income.—The allowance for parents’ negative available income is the amount, if any, by which the sum of the amounts deducted under subparagraphs (A) through (D) of subsection (c)(1) exceeds the sum of the parents’ total income (as defined in section 480) and the parents’ available assets (as determined in accordance with subsection (d)).

“(h) Student’s assets.—The student’s assets are determined by calculating the net assets of the student and multiplying such amount by 20 percent, except that the result shall not be less than zero.”.

(e) Student Aid Index for Independent Students Without Dependents Other Than a Spouse.—Section 476 (20 U.S.C. 1087pp) is amended to read as follows:

“SEC. 476. STUDENT AID INDEX FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

“(a) Computation of Student Aid Index.—
“(1) IN GENERAL.—For each independent student without dependents other than a spouse, the student aid index is equal to (except as provided in paragraph (2)) the sum of—

“(A) the family’s available income (determined in accordance with subsection (b)); and

“(B) the family’s available assets (determined in accordance with subsection (c)).

“(2) EXCEPTION.—If the sum of paragraphs (1) and (2) with respect to an independent student without dependents other than a spouse is less than $1,500, the student aid index for the independent student shall be $1,500.

“(b) FAMILY’S AVAILABLE INCOME.—

“(1) IN GENERAL.—The family’s available income is determined by—

“(A) deducting from total income (as defined in section 480)—

“(i) Federal income taxes;

“(ii) an allowance for payroll taxes, determined in accordance with paragraph (2);

“(iii) an income protection allowance that is equal to—
“(I) in the case of a single independent student without dependents—

“(aa) $14,190 for award year 2020–2021; and

“(bb) for each succeeding award year, the amount adjusted pursuant to section 478(b); and

“(II) in the case of a married independent student without dependents—

“(aa) $22,750 for award year 2020–2021; and

“(bb) for each succeeding award year, the amount adjusted pursuant to section 478(b); and

“(iv) in the case of a married independent student, an employment expense allowance, as determined in accordance with paragraph (3); and

“(B) multiplying the amount determined under subparagraph (A) by 50 percent.

“(2) ALLOWANCE FOR PAYROLL TAXES.—The allowance for payroll taxes is equal to the sum of—

“(A) the total amount earned by the student (and spouse, if appropriate), multiplied by
the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and

“(B) the amount earned by the student (and spouse, if appropriate) that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of such Code.

“(3) EMPLOYMENT EXPENSES ALLOWANCE.—

The employment expense allowance is equal to the following:

“(A) If the student is married, such allowance is equal to the lesser of $4,000 or 35 percent of the couple’s combined earned income (or is equal to a successor amount as adjusted by the Secretary pursuant to section 478(g)).

“(B) If the student is not married, the employment expense allowance is zero.

“(e) FAMILY’S AVAILABLE ASSETS.—

“(1) IN GENERAL.—

“(A) DETERMINATION.—Except as provided in subparagraph (B), the family’s available assets are equal to—
“(i) the difference between the family’s assets (as defined in section 480(f)) and the asset protection allowance (determined in accordance with paragraph (2)); multiplied by

“(ii) 20 percent.

“(B) NOT LESS THAN ZERO.—Family’s available assets under this subsection shall not be less than zero.

“(2) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478(d)):

<table>
<thead>
<tr>
<th>If the age of the student is—</th>
<th>And the student is</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>married</td>
</tr>
<tr>
<td>25 or less</td>
<td>$0</td>
</tr>
<tr>
<td>26</td>
<td>$300</td>
</tr>
<tr>
<td>27</td>
<td>$700</td>
</tr>
<tr>
<td>28</td>
<td>$1,000</td>
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<tr>
<td>29</td>
<td>$1,300</td>
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<tr>
<td>30</td>
<td>$1,600</td>
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<tr>
<td>31</td>
<td>$2,000</td>
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<td>32</td>
<td>$2,300</td>
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<td>33</td>
<td>$2,600</td>
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<td>34</td>
<td>$2,900</td>
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<td>$3,300</td>
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<td>36</td>
<td>$3,600</td>
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<td>37</td>
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<td>$4,900</td>
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<td>42</td>
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<td>43</td>
<td>$5,300</td>
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<tr>
<td>44</td>
<td>$5,400</td>
</tr>
</tbody>
</table>
“Asset Protection Allowances for Families and Students—Continued

If the age of the student is—

<table>
<thead>
<tr>
<th>Age</th>
<th>Married Allowance</th>
<th>Single Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>$5,500</td>
<td>$1,900</td>
</tr>
<tr>
<td>46</td>
<td>$5,700</td>
<td>$1,900</td>
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<tr>
<td>47</td>
<td>$5,800</td>
<td>$1,900</td>
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<tr>
<td>48</td>
<td>$6,000</td>
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<td>54</td>
<td>$6,900</td>
<td>$2,300</td>
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<td>55</td>
<td>$7,100</td>
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<tr>
<td>56</td>
<td>$7,300</td>
<td>$2,400</td>
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<tr>
<td>57</td>
<td>$7,500</td>
<td>$2,500</td>
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<td>$8,900</td>
<td>$2,900</td>
</tr>
<tr>
<td>64</td>
<td>$9,200</td>
<td>$2,900</td>
</tr>
<tr>
<td>65 or more</td>
<td>$9,400</td>
<td>$3,000.</td>
</tr>
</tbody>
</table>

1. (d) Computations in Case of Separation, Divorce, or Death.—In the case of a student who is divorced or separated, or whose spouse has died, the spouse’s income and assets shall not be considered in determining the family’s available income or assets.”.

2. (f) Student Aid Index for Independent Students With Dependents Other Than a Spouse.—Section 477 (20 U.S.C. 1087qq) is amended to read as follows:
“SEC. 477. STUDENT AID INDEX FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

“(a) Computation of Student Aid Index.—For each independent student with dependents other than a spouse, the student aid index is equal to the amount determined by—

“(1) computing adjusted available income by adding—

“(A) the family’s available income (determined in accordance with subsection (b)); and

“(B) the family’s available assets (determined in accordance with subsection (c));

“(2) assessing such adjusted available income in accordance with an assessment schedule set forth in subsection (d); and

“(3) considering such assessment resulting under paragraph (2) as the amount determined under this subsection.

“(b) Family’s Available Income.—

“(1) In general.—The family’s available income is determined by deducting from total income (as defined in section 480)—

“(A) Federal income taxes;

“(B) an allowance for payroll taxes, determined in accordance with paragraph (2);
“(C) an income protection allowance, determined in accordance with paragraph (3); and

“(D) an employment expense allowance, determined in accordance with paragraph (4).

“(2) ALLOWANCE FOR PAYROLL TAXES.—The allowance for payroll taxes is equal to the sum of—

“(A) the amount earned by the student (and spouse, if appropriate), multiplied by the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and

“(B) the amount earned by the student (and spouse, if appropriate) that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of such Code.

“(3) INCOME PROTECTION ALLOWANCE.—The income protection allowance for award year 2020–2021 and each succeeding award year shall equal the amount determined in the following table, as adjusted by the Secretary pursuant to section 478(b):

“(A) In the case of a married independent student with dependents:
“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

<table>
<thead>
<tr>
<th>Family Size (including student)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$44,470</td>
</tr>
<tr>
<td>4</td>
<td>$55,260</td>
</tr>
<tr>
<td>5</td>
<td>$65,190</td>
</tr>
<tr>
<td>6</td>
<td>$76,230</td>
</tr>
<tr>
<td>For each additional add</td>
<td>$8,610</td>
</tr>
</tbody>
</table>

“(B) In the case of a single independent student with dependents:

“Income Protection Allowance 2020–2021 (to be adjusted for 2021–2022 and succeeding years)

<table>
<thead>
<tr>
<th>Family Size (including student)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$43,128</td>
</tr>
<tr>
<td>3</td>
<td>$54,364</td>
</tr>
<tr>
<td>4</td>
<td>$66,312</td>
</tr>
<tr>
<td>5</td>
<td>$78,228</td>
</tr>
<tr>
<td>6</td>
<td>$91,476</td>
</tr>
<tr>
<td>For each additional add</td>
<td>$10,332</td>
</tr>
</tbody>
</table>

“(4) EMPLOYMENT EXPENSE ALLOWANCE.—

The employment expense allowance is equal to the lesser of $4,000 or 35 percent of the student’s earned income or the combined earned income of the student and the student’s spouse (or is equal to a successor amount as adjusted by the Secretary under section 478(g)).

“(c) FAMILY’S AVAILABLE ASSETS.—

“(1) IN GENERAL.—

“(A) DETERMINATION.—Except as provided in subparagraph (B), the family’s available assets are equal to—
“(i) the difference between the family’s assets (as defined in 480(f)) and the asset protection allowance (determined in accordance with paragraph (2)); multiplied by

“(ii) 7 percent.

“(B) NOT LESS THAN ZERO.—Family’s available assets under this subsection shall not be less than zero.

“(2) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478(d)):

<table>
<thead>
<tr>
<th>If the age of the student is—</th>
<th>And the student is</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 or less ....................</td>
<td>then the allowance is—</td>
</tr>
<tr>
<td>26 .............................</td>
<td>$0</td>
</tr>
<tr>
<td>27 .............................</td>
<td>$300</td>
</tr>
<tr>
<td>28 .............................</td>
<td>$700</td>
</tr>
<tr>
<td>29 .............................</td>
<td>$1,000</td>
</tr>
<tr>
<td>30 .............................</td>
<td>$1,300</td>
</tr>
<tr>
<td>31 .............................</td>
<td>$1,600</td>
</tr>
<tr>
<td>32 .............................</td>
<td>$2,000</td>
</tr>
<tr>
<td>33 .............................</td>
<td>$2,300</td>
</tr>
<tr>
<td>34 .............................</td>
<td>$2,600</td>
</tr>
<tr>
<td>35 .............................</td>
<td>$2,900</td>
</tr>
<tr>
<td>36 .............................</td>
<td>$3,300</td>
</tr>
<tr>
<td>37 .............................</td>
<td>$3,600</td>
</tr>
<tr>
<td>38 .............................</td>
<td>$3,900</td>
</tr>
<tr>
<td>39 .............................</td>
<td>$4,200</td>
</tr>
<tr>
<td>40 .............................</td>
<td>$4,600</td>
</tr>
<tr>
<td>41 .............................</td>
<td>$4,900</td>
</tr>
<tr>
<td>42 .............................</td>
<td>$5,100</td>
</tr>
<tr>
<td>43 .............................</td>
<td>$5,200</td>
</tr>
<tr>
<td>44 .............................</td>
<td>$5,300</td>
</tr>
</tbody>
</table>

$0 $100
$300 $200
$1,000 $300
$1,300 $500
$1,600 $600
$2,000 $700
$2,300 $800
$2,600 $900
$2,900 $1,000
$3,300 $1,100
$3,600 $1,200
$3,900 $1,400
$4,200 $1,500
$4,600 $1,600
$4,900 $1,700
$5,100 $1,700
$5,200 $1,700
$5,300 $1,800
$5,400 $1,800
Asset Protection Allowances for Families and Students—Continued

<table>
<thead>
<tr>
<th>If the age of the student is—</th>
<th>And the student is</th>
<th>single</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>married</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>$5,500</td>
<td>$1,900</td>
</tr>
<tr>
<td>46</td>
<td>$5,700</td>
<td>$1,900</td>
</tr>
<tr>
<td>47</td>
<td>$5,800</td>
<td>$1,900</td>
</tr>
<tr>
<td>48</td>
<td>$6,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>49</td>
<td>$6,100</td>
<td>$2,000</td>
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<tr>
<td>50</td>
<td>$6,300</td>
<td>$2,100</td>
</tr>
<tr>
<td>51</td>
<td>$6,400</td>
<td>$2,100</td>
</tr>
<tr>
<td>52</td>
<td>$6,600</td>
<td>$2,200</td>
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<tr>
<td>53</td>
<td>$6,800</td>
<td>$2,200</td>
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<tr>
<td>54</td>
<td>$6,900</td>
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<tr>
<td>55</td>
<td>$7,100</td>
<td>$2,300</td>
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<tr>
<td>56</td>
<td>$7,300</td>
<td>$2,400</td>
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<tr>
<td>57</td>
<td>$7,500</td>
<td>$2,500</td>
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<tr>
<td>58</td>
<td>$7,700</td>
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<td>59</td>
<td>$7,900</td>
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<tr>
<td>60</td>
<td>$8,200</td>
<td>$2,700</td>
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<td>61</td>
<td>$8,400</td>
<td>$2,700</td>
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<td>62</td>
<td>$8,600</td>
<td>$2,800</td>
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<tr>
<td>63</td>
<td>$8,900</td>
<td>$2,900</td>
</tr>
<tr>
<td>64</td>
<td>$9,200</td>
<td>$3,000</td>
</tr>
<tr>
<td>65 or more</td>
<td>$9,400</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

(d) Assessment Schedule.—The assessment of adjusted available income (as determined under subsection (a)(1) and hereafter in this subsection referred to as ‘AAI’) is calculated according to the following table (or a successor table prescribed by the Secretary pursuant to section 478(e)):

Assessment From Adjusted Available Income

<table>
<thead>
<tr>
<th>If AAI is—</th>
<th>Then the assessment is—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than −$6,820</td>
<td>−$1,500</td>
</tr>
<tr>
<td>$−6,820 to $17,000</td>
<td>22% of AAI</td>
</tr>
<tr>
<td>$17,001 to $21,400</td>
<td>$3,740 + 25% of AAI over $17,000</td>
</tr>
<tr>
<td>$21,401 to $25,700</td>
<td>$4,840 + 29% of AAI over $21,400</td>
</tr>
<tr>
<td>$25,701 to $30,100</td>
<td>$6,087 + 34% of AAI over $25,700</td>
</tr>
<tr>
<td>$30,101 to $34,500</td>
<td>$7,383 + 40% of AAI over $30,100</td>
</tr>
<tr>
<td>$34,501 or more</td>
<td>$9,343 + 47% of AAI over $34,500</td>
</tr>
</tbody>
</table>
“(e) Computations in Case of Separation, Divorce, or Death.—In the case of a student who is divorced or separated, or whose spouse has died, the spouse’s income and assets shall not be considered in determining the family’s available income or assets.”.

(g) Regulations; Updated Tables.—Section 478 (20 U.S.C. 1087rr) is amended to read as follows:

“SEC. 478. REGULATIONS; UPDATED TABLES.

“(a) Authority To Prescribe Regulations Restricted.—

“(1) In general.—Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this part except—

“(A) to prescribe updated tables in accordance with subsections (b) through (g);

“(B) to propose modifications in the need analysis methodology required by this part; or

“(C) with respect to the definition of cost of attendance under section 472.

“(2) Notification and Approval.—Any regulation proposed by the Secretary that updates tables in a manner that does not comply with subsections (b) through (g), or that proposes modifications under paragraph (1)(B), shall not be effective
unless subject to notification and approval by the
authorizing committees not less than 90 days before
such regulation is published in the Federal Register
in accordance with section 482.

“(b) Income Protection Allowance Adjust-
ments.—For award year 2021–2022 and each succeeding
award year, the Secretary shall publish in the Federal
Register revised income protection allowances for the pur-
poses of subsections (c)(3) and (g)(2)(C) of section 475,
subclauses (I) and (II) of section 476(b)(1)(A)(iii), and
section 477(b)(3), by increasing the income protection al-
lowances in each of such provisions, by a percentage equal
to the percentage increase in the Consumer Price Index,
as defined in subsection (f), between April 2019 and the
April prior to the beginning of the award year and round-
ing the result to the nearest $10.

“(c) Adjusted Net Worth of a Farm or Busi-
ness.—

“(1) Table.—The table of the net worth of a
business or farm (hereafter in this subsection re-
ferred to as ‘NW’) for purposes of making deter-
minations of assets as defined under section 480(f)
for award year 2020–2021 is the following:

<table>
<thead>
<tr>
<th>If the net worth of a business or farm is—</th>
<th>Then the adjusted net worth is—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1</td>
<td>$0</td>
</tr>
<tr>
<td>$1 to $135,000</td>
<td>40% of net worth of business/farm</td>
</tr>
<tr>
<td>$135,001 to $410,000</td>
<td>$54,000 + 50% of net worth over $135,000</td>
</tr>
</tbody>
</table>
(2) REVISED TABLES.—For each award year after award year 2020–2021, the Secretary shall publish in the Federal Register a revised table of adjusted net worth of a farm or business for purposes of section 480(f). Such revised table shall be developed—

“(A) by increasing each dollar amount that refers to net worth of a farm or business by a percentage equal to the percentage increase in the Consumer Price Index between April 2019 and the April prior to the beginning of such award year, and rounding the result to the nearest $5,000; and

“(B) by adjusting the dollar amounts in the column referring the adjusted net worth to reflect the changes made pursuant to subparagraph (A).

“(d) EDUCATION SAVINGS AND ASSET PROTECTION ALLOWANCE.—For each award year after award year 2020–2021, the Secretary shall publish in the Federal Register a revised table of allowances for the purpose of sections 475(d)(2), 476(c)(2), and 477(c)(2). Such revised table shall be developed by determining the present value

<table>
<thead>
<tr>
<th>If the net worth of a business or farm is—</th>
<th>Then the adjusted net worth is—</th>
</tr>
</thead>
<tbody>
<tr>
<td>$410,001 to $680,000</td>
<td>$191,500 + 60% of net worth over $410,000</td>
</tr>
<tr>
<td>$680,001 or more</td>
<td>$353,500 + 100% of net worth over $680,000</td>
</tr>
</tbody>
</table>
cost, rounded to the nearest $100, of an annuity that
would provide, for each age cohort of 40 and above, a sup-
plemental income at age 65 (adjusted for inflation) equal
to the difference between the moderate family income (as
most recently determined by the Bureau of Labor Statis-
tics), and the current average social security retirement
benefits. For each age cohort below 40, the allowance shall
be computed by decreasing the allowance for age 40, as
updated, by one-fifteenth for each year of age below age
40 and rounding the result to the nearest $100. In making
such determinations—

“(1) inflation shall be presumed to be 6 percent
per year;
“(2) the rate of return of an annuity shall be
presumed to be 8 percent; and
“(3) the sales commission on an annuity shall
be presumed to be 6 percent.
“(e) ASSESSMENT SCHEDULES AND RATES.—For
each award year after award year 2020–2021, the Sec-
retary shall publish in the Federal Register a revised table
of assessments from adjusted available income for the pur-
pose of sections 475(e) and 477(d). Such revised table
shall be developed—
“(1) by increasing each dollar amount that re-
fers to adjusted available income by a percentage
equal to the percentage increase in the Consumer Price Index between April 2019 and the April prior to the beginning of such academic year, rounded to the nearest $100; and

“(2) by adjusting the other dollar amounts to reflect the changes made pursuant to paragraph (1).

“(f) CONSUMER PRICE INDEX DEFINED.—In this section, the term ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers published by the Department of Labor. Each annual update of tables to reflect changes in the Consumer Price Index shall be corrected for misestimation of actual changes in such Index in previous years.

“(g) EMPLOYMENT EXPENSE ALLOWANCE.—For each award year after award year 2020–2021, the Secretary shall publish in the Federal Register a revised table of employment expense allowances for the purpose of sections 475(c)(4), 476(b)(3), and 477(b)(4). Such revised table shall be developed by increasing the dollar amount specified in sections 475(c)(4), 476(b)(3), and 477(b)(4) to reflect the inflationary adjustment that is used for the income protection allowances in subsection (b).”.

(h) APPLICANTS EXEMPT FROM ASSET REPORTING.—Section 479 (20 U.S.C. 1087ss) is amended to read as follows:
SEC. 479. APPLICANTS EXEMPT FROM ASSET REPORTING.

“(a) In General.—Notwithstanding any other provision of law, this section shall be effective for each individual seeking to apply for Federal financial aid under this title, as part of the simplified application for Federal student financial aid under section 483.

“(b) Applicants Exempt From Asset Reporting.—

“(1) In General.—Except as provided in paragraph (3), in carrying out section 483, the Secretary shall not use asset information from an eligible applicant or, as applicable, the parent or spouse of an eligible applicant.

“(2) Eligible Applicants.—In this subsection, the term ‘eligible applicant’ means an applicant who meets at least one of the following criteria:

“(A) Is an applicant who qualifies for an automatic zero student aid index or automatic negative student aid index under subsection (b), (c) or (d) of section 473.

“(B) Is an applicant who is a dependent student and the student’s parents have a total adjusted gross income (excluding any income of the dependent student) that is less than $75,000 and do not file a Schedule A, B, D, E, F, or H (or equivalent successor schedules),
with the Federal income tax return for the second preceding tax year, and—

“(i) do not file a Schedule C (or the equivalent successor schedule) with the Federal income tax return for the second preceding tax year; or

“(ii) file a Schedule C (or the equivalent successor schedule) with net business income of not more than a $10,000 loss or gain with the Federal income tax return for the second preceding tax year.

“(C) Is an applicant who is an independent student and the student (and including the student’s spouse, if any) has a total adjusted gross income that is less than $75,000 and does not file a Schedule A, B, C, D, E, F, or H (or equivalent successor schedules), with the Federal income tax return for the second preceding tax year, and—

“(i) does not file a Schedule C (or the equivalent successor schedule) with the Federal income tax return for the second preceding tax year; or

“(ii) files a Schedule C (or the equivalent successor schedule) with net business
income of not more than a $10,000 loss or gain with the Federal income tax return for the second preceding tax year.

“(3) SPECIAL RULE.—An eligible applicant shall not be exempt from asset reporting under this section if the applicant is a dependent student and the students’ parents do not—

“(A) reside in the United States or a United States territory; or

“(B) file taxes in the United States or a United States territory, except if such nonfiling is due to not being required to file a Federal tax return for the applicable tax year due to a low income.”.

(i) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—Section 479A (20 U.S.C. 1087tt) is amended to read as follows:

“SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

“(a) AUTHORITY OF FINANCIAL AID ADMINISTRATOR.—

“(1) GENERAL AUTHORITY.—A financial aid administrator shall have the authority to, on the basis of documentation, make adjustments on a case-by-case basis to the cost of attendance or the
values of the data used to calculate the student aid index or Federal Pell Grant award (or both) for an individual eligible applicant with special circumstances. In making adjustments described in this paragraph, a financial aid administrator may—

“(A) request and use supplementary information, as necessary, about the financial status or personal circumstances of eligible applicants as it relates to the special circumstances based on which the applicant is requesting an adjustment; or

“(B) offer a dependent student financial assistance under a Federal Direct Unsubsidized Stafford Loan without requiring the parents of such student to file the Free Application for Federal Student Aid if the student financial aid administrator determines that each parent of such student has ended financial support of such student and refuses to file such form.

“(2) LIMITATION RELATING TO AUTHORITY OF THE FINANCIAL AID ADMINISTRATOR.—In the absence of special circumstances as described in subparagraphs (A) and (B) of this paragraph, the authority under paragraph (1) shall not be construed to permit financial aid administrators to deviate
from the cost of attendance, the values of the data
used to calculate the student aid index or the values
of the data used to calculate the Federal Pell Grant
award (or both) for awarding aid under this title.

“(A) SPECIAL CIRCUMSTANCES FOR AD-
JUSTMENTS RELATED TO PELL GRANTS.—Spe-
cial circumstances for adjustments to calculate
a Federal Pell Grant award—

“(i) shall be conditions that differen-
tiate an individual student from a class of
students rather than conditions that exist
across a class of students; and

“(ii) may include—

“(I) recent unemployment of a
family member or an independent stu-
dent;

“(II) a student or family member
who is a dislocated worker (as defined
in section 3 of the Workforce Innova-
tion and Opportunity Act);

“(III) a change in housing status
that results in an individual being
homeless (as defined in section 103 of
the McKinney-Vento Homeless Assist-
ance Act);
“(IV) a recent condition of severe
disability of the student, the depend-
et student’s parent or guardian, or
an independent student’s dependent
or spouse; or

“(V) other changes or adjust-
ments in the income, assets, or size of
a family, or a student’s dependency
status.

“(B) SPECIAL CIRCUMSTANCES FOR AD-
JUSTMENTS RELATED TO COST OF AT-
TENDANCE AND STUDENT AID INDEX.—Special cir-
cumstances for adjustments to the cost of at-
tendance or the values of the data used to cal-
culate the student aid index—

“(i) shall be conditions that differen-
tiate an individual student from a class of
students rather than conditions that exist
across a class of students; and

“(ii) may include—

“(I) tuition expenses at an ele-
mentary school or secondary school;

“(II) medical, dental, or nursing
home expenses not covered by insur-
ance;
“(III) unusually high child care or dependent care costs;

“(IV) recent unemployment of a family member or an independent student;

“(V) a student or family member who is a dislocated worker (as defined in section 3 of the Workforce Innovation and Opportunity Act);

“(VI) the number of family members enrolled in a degree, certificate, or other program leading to a recognized educational credential at an institution with a program participation agreement under section 487;

“(VII) a change in housing status that results in an individual being homeless (as defined in section 103 of the McKinney-Vento Homeless Assistance Act);

“(VIII) in the case of a dependent student, a recent condition of severe disability of the student, the dependent student’s parent or guardian,
or an independent student’s dependent or spouse;

“(IX) exceptional circumstances of claimed losses against income on the Federal tax return that substantially lower adjusted gross income, such as unusual business, investment, or real estate losses; or

“(X) other changes or adjustments in the income, assets, or size of a family, or a student’s dependency status.

“(3) Use of Authority.—No institution of higher education or financial aid administrator shall maintain a policy of denying all requests for adjustments under this subsection.

“(4) Documentation and Prohibition on Fees.—

“(A) In General.—Documentation for adjustments under paragraph (1) shall substantiate the special circumstances of individual students, and may include a documented interview between the student and the financial aid administrator.
“(B) No additional fee.—No student or parent shall be charged a fee for a documented interview of the student by the financial aid administrator or for the review of a student or parent’s request for adjustments under this subsection including the review of any supplementary information or documentation of a student or parent’s special circumstance.

“(C) Disclosure.—Each institution of higher education shall provide a public notice on the institution’s financial aid website that students applying for aid under this title shall have the opportunity to pursue adjustments under this subsection.

“(b) Provisional Independent Students.—

“(1) Requirements for the Secretary.—

The Secretary shall—

“(A) enable each student who, based on an unusual circumstance specified in accordance with section 480(d)(1)(I), may qualify for an adjustment under subsection (a) that will result in a determination of independence under this section and section 480(d)(1)(I) to complete the Free Application for Federal Student Aid as an independent student for the purpose of a provi-
sional determination of the student’s Federal fi-
nancial aid award, but subject to the authority
under paragraph (2)(E), for the purpose of the
final determination of the award;

“(B) upon completion of the Free Application
for Federal Student Aid provide an esti-
mate of the student’s Federal Pell Grant
award, based on the assumption the student is
determined to be an independent student; and

“(C) specify, on the Free Application for
Federal Student Aid, the consequences under
section 490(a) of knowingly and willfully com-
pleting the Free Application for Federal Stu-
dent Aid as an independent student under sub-
paragraph (A) without meeting the unusual cir-
cumstances to qualify for such a determination.

“(2) REQUIREMENTS FOR FINANCIAL AID AD-
MINISTRATORS.—With respect to a student accepted
for admission who completes the Free Application
for Federal Student Aid as an independent student
under paragraph (1)(A), a financial aid adminis-
trator—

“(A) shall notify the student of the institu-
tional process and requirements for an adjust-
ment under this section and section
480(d)(1)(I) that will result in a review of the
student’s request for an adjustment and a de-
termination of the student’s dependency status
under such sections within a reasonable time
after the student completes the Free Applica-
tion for Federal Student Aid;

“(B) shall provide the student a final de-
termination of the student’s dependency status
and Federal financial aid award within a rea-
sonable amount of time after all requested doc-
umentation is provided;

“(C) may consider as adequate verification
that a student qualifies for an adjustment
under this section and 480(d)(1)(I)—

“(i) submission of a court order or of-
official Federal or State documentation that
the student’s parents or legal guardians
are incarcerated in any Federal or State
penal institution;

“(ii) a documented phone call or a
written statement, which confirms the spe-
cific unusual circumstances with—

“(I) a child welfare agency au-
thorized by a State or county;
“(II) a Tribal child welfare auth-

ority;

“(III) an independent living case

worker; or

“(IV) a public or private agency,

facility, or program serving the vic-
tims of abuse, neglect, assault, or vio-

lence;

“(iii) a documented phone call or a

written statement from an attorney, a
guardian ad litem, or a court appointed
special advocate, which confirms the spe-
cific unusual circumstances and documents
the person’s relationship to the student;

“(iv) a documented phone call or a

written statement from a representative of
a program under chapter 1 or 2 of subpart
2 of part A, which confirms the specific
unusual circumstances and documents the
person’s relationship to the student;

“(v) submission of a copy of the stu-
dent’s parents’—

“(I) certificates of death; or

“(II) verified obituary; or

“(vi) in the absence of documentation described in this subparagraph, other documentation the financial aid administrator determines is adequate and appropriate to confirm the unusual circumstances;

“(D) shall retain all documents related to the adjustment under this section and section 480(d)(1)(I), including documented interviews, for at least the duration of the student’s enrollment, and shall abide by all other record keeping requirements of this Act; and

“(E) shall presume that any student who has obtained an adjustment under this section and section 480(d)(1)(I) and a final determination of independence for a preceding award year at an institution to be independent for a subsequent award year at the same institution unless—

“(i) the student informs the institution that circumstances have changed; or

“(ii) the institution has specific conflicting information about the student’s independence.

“(c) Adjustments to Assets or Income Taken into Account.—A financial aid administrator shall be
considered to be making a necessary adjustment in accordance with subsection (a) if—

“(1) the administrator makes adjustments excluding from family income or assets any proceeds or losses from a sale of farm or business assets of a family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy or a voluntary or involuntary liquidation; or

“(2) the administrator makes adjustments for a student with a disability so as to take into consideration the additional costs such student incurs as a result of such student’s disability.

“(d) REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS.—On a case-by-case basis, an eligible institution may refuse to use the authority provided under this section, certify a statement that permits a student to receive a loan under part D, certify a loan amount, or make a loan that is less than the student’s determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status.”
(j) Disregard of Student Aid in Other Programs.—Section 479B (20 U.S.C. 1087uu) is amended to read as follows:

“SEC. 479B. DISREGARD OF STUDENT AID IN OTHER PROGRAMS.

“Notwithstanding any other provision of law, student financial assistance received under this title, or under Bureau of Indian Affairs student assistance programs, shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.”.

(k) Native American Students.—Section 479C (20 U.S.C. 1087uu–1) is amended to read as follows:

“SEC. 479C. NATIVE AMERICAN STUDENTS.

“In determining the student aid index for Native American students, computations performed pursuant to this part shall exclude—

“(1) any income and assets of $2,000 or less per individual payment received by the student (and spouse) and student’s parents under Public Law 98–64 (25 U.S.C. 117a et seq.; 97 Stat. 365) (commonly known as the ‘Per Capita Act’) or the Indian
Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.); and

“(2) any income received by the student (and spouse) and student’s parents under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) or the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721 et seq.).”.

(1) DEFINITIONS.—Section 480 (20 U.S.C. 1087vv) is amended to read as follows:

“SEC. 480. DEFINITIONS.

“In this part:

“(a) TOTAL INCOME.—The term ‘total income’ means the amount equal to adjusted gross income for the second preceding tax year plus untaxed income and benefits for the second preceding tax year minus excludable income for the second preceding tax year. The factors used to determine total income shall be derived from the Federal income tax return, if available, except for the applicant’s ability to indicate a qualified rollover in the second preceding tax year as outlined in section 483.

“(b) UNTAXED INCOME AND BENEFITS.—The term ‘untaxed income and benefits’ means—

“(1) deductions and payments to self-employed SEP, SIMPLE, Keogh, and other qualified individual retirement accounts excluded from income for
Federal tax purposes, except such term shall not include payments made to tax-deferred pension and retirement plans, paid directly or withheld from earnings, that are not delineated on the Federal tax return;

“(2) tax-exempt interest income;

“(3) untaxed portion of individual retirement account distributions;

“(4) untaxed portion of pensions; and

“(5) untaxed contributions to health savings accounts.

“(c) VETERAN.—The term ‘veteran’ has the meaning given the term in section 101(2) of title 38, United States Code.

“(d) INDEPENDENT STUDENTS AND DETERMINATIONS.—

“(1) DEFINITION.—The term ‘independent’, when used with respect to a student, means any individual who—

“(A) is 24 years of age or older by December 31 of the award year;

“(B) 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 at any time when the individual was 13 years of age or older;
“(C) is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s State of legal residence;

“(D) is a veteran of the Armed Forces of the United States (as defined in subsection (c)) or is currently serving on active duty in the Armed Forces for other than training purposes;

“(E) is a graduate or professional student;

“(F) is a married individual;

“(G) has legal dependents other than a spouse;

“(H) has been verified as either an unaccompanied youth 23 years of age or younger who is a homeless child or youth (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as unaccompanied, at risk of homelessness, and self-supporting, by—

“(i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act or a designee of the liaison;
“(ii) the director of a recognized emergency shelter, transitional living, street outreach program, or other program serving individuals who are homeless or a designee of the director;

“(iii) the director of a Federal TRIO program or a Gaining Early Awareness and Readiness for Undergraduate program under chapter 1 or 2 of subpart 2 of part A or a designee of the director; or

“(iv) a financial aid administrator who verified the student’s circumstance in a prior award year; or

“(I) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances in which the student is unable to contact a parent or where contact with parents poses a risk to such student, which may include circumstances of—

“(i) human trafficking, as described in the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.);

“(ii) legally granted refugee or asylum status;
“(iii) parental abandonment; or

“(iv) parental imprisonment.

“(2) Simplifying the dependency override process.—A financial aid administrator may make a determination of independence under paragraph (1)(I) based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.

“(3) Determination process for unaccompanied youth.—A financial aid administrator shall make a case-by-case determination under paragraph (1)(H) if a student does not have, and cannot get, documentation from any of the other designated authorities described in such paragraph, and, in the absence of conflicting information, may verify a status described in such paragraph. Such a determination shall be—

“(A) based on the definitions outlined in paragraph (1)(H);

“(B) distinct from a determination of independence under paragraph (1)(I);

“(C) based on a written statement from or a documented interview with the student which
confirms the student’s status as an unaccompanied youth;

“(D) limited to whether the student’s status has been verified through an individual described in paragraph (1)(H); and

“(E) made independent from the reasons for the student’s homelessness.

“(4) VERIFICATION PROCESS FOR FOSTER CARE YOUTH.—If an institution requires documentation to verify that a student was in foster care when the student was age 13 or older, as described in paragraph (1)(B), a financial aid administrator shall consider any of the following as adequate verification, in the absence of documented conflicting information:

“(A) Submission of a court order or official State documentation that the student received Federal or State support in foster care.

“(B) A documented phone call, written statement, or verifiable electronic data match, which confirms the student was in foster care at an applicable age, from—

“(i) a State or tribal agency administering a program under part B or E of
title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.);

“(ii) a State Medicaid agency; or

“(iii) a public or private foster care placing agency or foster care facility or placement.

“(C) A documented phone call or a written statement from an attorney, a guardian ad litem, or a Court Appointed Special Advocate that confirms that the student was in foster care at an applicable age, and documents the person’s relationship to the student.

“(D) Verification of the student’s eligibility for an education and training voucher under the John H. Chafee Foster Care Program under section 477 of the Social Security Act (42 U.S.C. 677).

“(5) TIMING; USE OF EARLIER DETERMINATION.—

“(A) TIMING.—A determination under subparagraph (B), (H) or (I) of paragraph (1) for a student—

“(i) shall be made as quickly as practicable;
“(ii) may be made as early as the year before the award year for which the student initially submits an application; and

“(iii) shall be made not later than during the award year for which the student initially submits an application.

“(B) USE OF EARLIER DETERMINATION.—Any student who is determined to be independent under subparagraph (B), (H) or (I) of paragraph (1) for a preceding award year at an institution shall be presumed to be independent for each subsequent award year at the same institution unless—

“(i) the student informs the institution that circumstances have changed; or

“(ii) the institution has specific conflicting information about the student’s independence, and has informed the student of this information.

“(6) RETENTION OF DOCUMENTS.—A financial aid administrator shall retain all documents related to the determination of independence under subparagraph (B) or (H) of paragraph (1), including documented interviews.
“(e) Excludable Income.—The term ‘excludable income’ means an amount equal to the education credits described in paragraphs (1) and (2) of section 25A(a) of the Internal Revenue Code of 1986.

“(f) Assets.—

“(1) In general.—The term ‘assets’ means cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, derivatives, other securities, mutual funds, tax shelters, qualified education benefits (except as provided in paragraph (3)), the annual amount of child support received and the net value of real estate, income producing property, and business and farm assets, determined in accordance with section 478(e).

“(2) Exclusions.—With respect to determinations of need under this title, the term ‘assets’ shall not include the net value of the family’s principal place of residence.

“(3) Qualified Education Benefit.—A qualified education benefit shall be considered an asset of—

“(A) the student if the student is an independent student; or
“(B) the parent if the student is a dependent student and the account is designated for the student, regardless of whether the owner of the account is the student or the parent.

“(g) Net Assets.—The term ‘net assets’ means the current market value at the time of application of the assets (as defined in subsection (f)), minus the outstanding liabilities or indebtedness against the assets.

“(h) Treatment of Income Taxes Paid to Other Jurisdictions.—

“(1) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as Federal income taxes.

“(2) References in this part to title 26, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in paragraph (1), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions.
jurisdictions, respectively, subject to such adjust-
ments as the Secretary may provide by regulation.

“(i) CURRENT BALANCE.—The term ‘current balance
of checking and savings accounts’ does not include any
funds over which an individual is barred from exercising
discretion and control because of the actions of any State
in declaring a bank emergency due to the insolvency of
a private deposit insurance fund.

“(j) OTHER FINANCIAL ASSISTANCE.—

“(1) For purposes of determining a student’s
eligibility for funds under this title, other financial
assistance not received under this title shall include
all scholarships, grants, loans, or other assistance
known to the institution at the time the determina-
tion of the student’s need is made, including na-
tional service educational awards or post-service ben-
efits under title I of the National and Community
Service Act of 1990 (42 U.S.C. 12511 et seq.).

“(2) Notwithstanding paragraph (1), a tax
credit taken under section 25A of the Internal Rev-
ue Code of 1986, or a distribution that is not in-
cludable in gross income under section 529 of such
Code, under another prepaid tuition plan offered by
a State, or under a Coverdell education savings ac-
count under section 530 of such Code, shall not be
treated as other financial assistance for purposes of
section 471(a)(3).

“(3) Notwithstanding paragraph (1) and sec-
tion 472, assistance not received under this title may
be excluded from both other financial assistance and
cost of attendance, if that assistance is provided by
a State and is designated by such State to offset a
specific component of the cost of attendance. If that
assistance is excluded from either other financial as-
sistance or cost of attendance, it shall be excluded
from both.

“(4) Notwithstanding paragraph (1), payments
made and services provided under part E of title IV
of the Social Security Act to or on behalf of any
child or youth over whom the State agency has re-
sponsibility for placement, care, or supervision, in-
cluding the value of vouchers for education and
training and amounts expended for room and board
for youth who are not in foster care but are receiv-
ing services under section 477 of such Act, shall not
be treated as other financial assistance for purposes
of section 471(a)(3).

“(k) DEPENDENTS.—

“(1) Except as otherwise provided, the term
‘dependent of the parent’ means the student, de-
ependent children of the student’s parents, including those children who are deemed to be dependent stu-
dents when applying for aid under this title, and other persons who live with and receive more than one-half of their support from the parent and will continue to receive more than half of their support from the parent during the award year.

“(2) Except as otherwise provided, the term ‘dependent of the student’ means the student’s de-
dependent children and other persons (except the stu-
dent’s spouse) who live with and receive more than one-half of their support from the student and will continue to receive more than half of their support from the student during the award year.

“(l) FAMILY SIZE.—

“(1) DEPENDENT STUDENT.—Except as pro-
vided in paragraph (3), in determining family size in the case of a dependent student—

“(A) if the parents are not divorced or sep-
arated, family members include the student’s parents, and any dependent (within the mean-
ing of section 152 of the Internal Revenue Code of 1986 or was an eligible individual for pur-
oposes of the credit under section 32 of the In-
ternal Revenue Code of 1986) of the student’s
parents for the taxable year used in determining the amount of need of the student for financial assistance under this title;

“(B) if the parents are divorced or separated, family members include the parent whose income is included in computing available income and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or was an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of that parent for the taxable year used in determining the amount of need of the student for financial assistance under this title;

“(C) if the parents are divorced and the parents whose income is so included is remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those individuals referred to in paragraph (B), and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or was an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of the new spouse for the taxable year used in determining
the amount of need of the student for financial
assistance under this title, if that spouse’s in-
come is included in determining the parent’s
adjusted available income; and

“(D) if the student is not considered as a
dependent (within the meaning of section 152
of the Internal Revenue Code of 1986 or was
an eligible individual for purposes of the credit
under section 32 of the Internal Revenue Code
of 1986) of any parent, the parents’ family size
shall include the student and the family mem-
ers applicable to the parents’ situation under
subparagraph (A), (B), or (C).

“(2) INDEPENDENT STUDENT.—Except as pro-
vided in paragraph (3), in determining family size in
the case of an independent student—

“(A) family members include the student,
the student’s spouse, and any dependent (within
the meaning of section 152 of the Internal Rev-
ue Code of 1986 or was an eligible individual
for purposes of the credit under section 32 of
the Internal Revenue Code of 1986) of that stu-
dent for the taxable year used in determining
the amount of need of the student for financial
assistance under this title; and
“(B) if the student is divorced or separated, family members do not include the spouse (or ex-spouse), but do include the student and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or was an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of that student for the taxable year used in determining the amount of need of the student for financial assistance under this title.

“(3) PROCEDURES AND MODIFICATION.—The Secretary shall provide procedures for determining family size in cases in which information for the taxable year used in determining the amount of need of the student for financial assistance under this title has changed or does not accurately reflect the applicant’s current household size.

“(m) BUSINESS ASSETS.—The term ‘business assets’ means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights, and copyrights.”.

(m) FAFSA.—Section 483 (20 U.S.C. 1090) is amended to read as follows:
“SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID.

“(a) Simplified Application for Federal Student Financial Aid.—

“(1) In general.—Each individual seeking to apply for Federal financial aid under this title for any award year shall file a free application with the Secretary, known as the ‘Free Application for Federal Student Aid’, to determine eligibility for such aid, as described in paragraph (2), and in accordance with section 479.

“(2) Free application.—

“(A) In general.—The Secretary shall make available, for the purposes of paragraph (1), a free application to determine the eligibility of a student for Federal financial aid under this title.

“(B) Information required by the applicant.—

“(i) In general.—The applicant, and, if necessary, the parents or spouse of the applicant, shall provide the Secretary with the applicable information described in clause (ii) in order to be eligible for Federal financial aid under this title.
“(ii) INFORMATION TO BE PROVIDED.—The information described in this clause is the following:

“(I) Name.

“(II) Contact information, including address, phone number, email address, or other electronic address.

“(III) Social security number.

“(IV) Date of birth.

“(V) Marital status.

“(VI) Citizenship status, including alien registration number, if applicable.

“(VII) State of legal residence and date of residency.

“(VIII) Name and location of the high school from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a regular high school diploma, name and location of the entity from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a recognized equivalent of a regular high
school diploma, or if the applicant completed or will complete prior to the period of enrollment for which aid is sought, a secondary school education in a home school setting that is treated as a home school or private school under State law.

“(IX) Name of each institution where the applicant intends to apply for enrollment or continue enrollment.

“(X) Year in school for period of enrollment for which aid is sought, including whether applicant will have finished first bachelor’s degree prior to the period of enrollment for which aid is sought.

“(XI) Whether one or both of an applicant’s parents attended college.

“(XII) Any required asset information, unless exempt under section 479, in which the applicant shall indicate—

“(aa) the annual amount of child support received, if applicable; and
“(bb) all required asset information not described in item (aa).

“(XIII) The number of members of the applicant’s family who will also be enrolled in an eligible institution of higher education on at least a half-time basis during the same enrollment period as the applicant.

“(XIV) If the applicant meets any of the following designations:

“(aa) Homeless, at risk of being homeless, or an unaccompanied youth.

“(bb) Emancipated minor.

“(ce) In legal guardianship.

“(dd) Dependent ward of the court at any time since the applicant turned 13.

“(ee) In foster care at any time since the applicant turned 13.

“(ff) If both parents have died since the applicant turned 13.
“(gg) Is a veteran or a member of the Armed Forces.

“(hh) Has a dependent child or relative and is under the age of 24.

“(ii) Does not have access to parental income due to an unusual circumstance.

“(XV) If the applicant receives or has received any of the following means-tested Federal benefits within the last two years:

“(aa) The supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

“(bb) The supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

“(cc) The free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).
“(dd) The program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).


“(ff) The Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

“(gg) Any other means-tested program determined by the Secretary to be appropriate.

“(XVI) If the applicant, or, if necessary, the parents or spouse of the applicant, reported receiving tax exempt payments from an IRA distribution or from pensions or annuities on a Federal tax return the Sec-
retary shall request the applicant, or, if necessary, the parents or spouse of the applicant to provide information as to how much of the IRA distribution or the pension or annuity disbursement was a qualified rollover and the applicant, or, if necessary, the parents or spouse of the applicant shall provide such information to the Secretary for the purpose of the need analysis.

“(iii) Prohibition against requesting information more than once.—Any information requested during the process of creating an account for completing the web-based free application under this subsection, shall not be required a second time for the same award year, or in a duplicative manner, when completing such web-based free application.

“(iv) Change in family size.—The Secretary shall provide a process by which an applicant shall confirm the accuracy of family size or update the family size with respect to such applicant for purposes of
determining the need of such applicant for financial assistance under this title based on a change in family size from the tax year data used for such determination.

“(v) SINGLE QUESTION FOR HOMELESS STATUS.—The Secretary shall ensure that, on the form developed under this section for which the information is applicable, there is a single, easily understood screening question to identify an applicant who is an unaccompanied homeless child or youth (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act) or an unaccompanied youth who is self-supporting and at risk of homelessness.

“(C) NOTIFICATION OF REQUEST FOR TAX RETURN INFORMATION.—The Secretary shall advise students and borrowers who submit an application for Federal student financial aid under this title (as well as parents and spouses who sign such an application or request or a Master Promissory Note on behalf of those students and borrowers) of the authority of the Secretary to request that the Internal Revenue
Service disclose their tax return information as
described in section 494.

“(D) AUTHORIZATIONS AVAILABLE TO THE
APPLICANT.—

“(i) AUTHORIZATION TO RELEASE
AND TRANSMIT TO INSTITUTION.—An ap-
plicant and, if necessary, the parents or
spouse of the applicant shall provide the
Secretary with authorization to release and
transmit to an institution, as specified by
the applicant, in order for the applicant’s
eligibility for Federal financial aid pro-
grams to be determined, the following:

“(I) Information described under
section 6103(l)(13) of the Internal

“(II) All information provided by
the applicant on the application de-
scribed by this subsection to deter-
mine the applicant’s eligibility for
Federal financial aid under this title
and for the application, award, and
administration of such Federal finan-
cial aid.
“(ii) Authorization to release and transmit to state and institution.—

“(I) In general.—An applicant and, if necessary, the parents or spouse of the applicant may provide the Secretary with authorization to release and transmit to the State of residence of the applicant and to any institution specified by the applicant, in order for the applicant’s eligibility for State student financial aid programs or institution-based student financial aid programs to be determined, the following:


“(bb) All information provided by the applicant on the application described by this subsection for the application, award, and administration of financial aid by a State or an institution of higher education.
“(II) Special rule.—An institution to which an applicant selects to release and transmit information under subclause (I) shall not be disclosed to any other institution.

“(iii) Authorization to release and transmit to benefits programs.—An applicant and, if necessary, the parents or spouse of the applicant may provide the Secretary with authorization to release and transmit to means-tested Federal benefit programs, as defined in section 473(e), the following:


“(II) All information provided by the applicant on the application described by this subsection to determine the applicant’s eligibility for the application, award, and administration of such means-tested Federal benefits programs.

“(E) Action by the Secretary.—Upon receiving—
“(i) an application under this section, the Secretary shall, as soon as practicable, perform the necessary functions with the Commissioner of Internal Revenue to calculate the applicant’s student aid index and scheduled award for a Federal Pell Grant, if applicable, assuming full-time enrollment for an academic year, and note to the applicant the assumptions relationship to the scheduled award; and

“(ii) an authorization under subparagraph (D), the Secretary shall, as soon as practicable, release and transmit the information described under such subparagraph to the State of residence of the applicant or an institution, as specified by the applicant, in order for the applicant’s eligibility for Federal, State, or institutional student financial aid programs to be estimated or determined.

“(3) INFORMATION TO BE SUPPLIED BY THE SECRETARY OF EDUCATION.—

“(A) IN GENERAL.—Upon receiving and timely processing a free application that contains the information described in paragraph
(2), the Secretary shall provide to the applicant (and the parents of a dependent student applicant, or spouse of the independent student applicant, if applicable) the following information based on full-time attendance for an academic year:

“(i) The estimated dollar amount of a Federal Pell Grant scheduled award for which the applicant is eligible for such award year.

“(ii) Information on other types of Federal financial aid for which the applicant may be eligible (including situations in which the applicant could qualify for 150 percent of a schedule Federal Pell Grant award and loans made under this title) and how the applicant can find additional information regarding such aid.

“(iii) Information regarding each institution selected by the applicant in accordance with paragraph (2)(B)(ii)(IX), including the following:

“(I) The following information, as collected through the Integrated
Postsecondary Education Data System:

“(aa) Net price by income quintile.

“(bb) Median debt of students upon completion.

“(cc) Graduation rate.

“(dd) Retention rate.

“(ee) Transfer rate, if available.

“(II) Institutional default rate, as calculated under section 435.

“(iv) If the student is eligible for a student aid index of less than or equal to zero under section 473 but has not indicated that they receive Federal means-tested benefits, a notification of the Federal means-tested benefits for which they may be eligible.

“(v) Information on education tax credits described in paragraphs (1) and (2) of section 25A(a) of the Internal Revenue Code of 1986.
“(vi) If applicable, the applicant’s current outstanding balance of loans under this title.

“(B) INFORMATION PROVIDED TO THE STATE.—

“(i) IN GENERAL.—The Secretary shall provide, with authorization from the applicant in accordance with paragraph (2)(D)(ii), to a State agency administering State-based financial aid and serving the applicant’s State of residence, the information described under section 6103(l)(13) of the Internal Revenue Code of 1986 and information described in paragraph (2)(B) for the application, award and administration of grants and other aid provided directly from the State to be determined by such State, such information shall include the list of institutions provided by the applicant on the application.

“(ii) USE OF INFORMATION.—A State agency administering State-based financial aid—

“(I) shall use the information provided under clause (i) solely for the
application, award, and administration of State-based financial aid for which the applicant is eligible and for State agency research that does not release any individually identifiable information on any applicant to promote college attendance, persistence, and completion;

"(II) may use identifying information for student applicants to determine whether or not a graduating secondary student has filed the application in coordination with local educational agencies or secondary schools to encourage students to complete the application; and

"(III) shall be prohibited from sharing application information with any other entity without the explicit written consent of the applicant, except as provided in subclause (II).

"(iii) LIMITATION ON CONSENT PROCESS.—A State may provide a consent process whereby an applicant may elect to share the information described in clause
(i) through explicit written consent to Federal, State or local government agencies or tribal organizations to assist such applicant in applying for and receiving Federal, State, or local government assistance, or tribal assistance for any component of the applicant’s cost of attendance which may include financial assistance or non-monetary assistance.

“(iv) PROHIBITION.—Any entity that receives applicant information under clause (iii) shall not sell, share, or otherwise use applicant information other than for the purposes outlined in clause (iii).

“(C) INFORMATION PROVIDED TO THE INSTITUTION.—

“(i) IN GENERAL.—The Secretary shall provide, with authorization from the applicant in accordance with paragraph (2)(D)(ii), to each institution selected by the applicant on the application, the information described under section 6103(l)(13) of the Internal Revenue Code of 1986 and information described in paragraph (2)(B) for the application, award and administra-
tion of grants and other aid provided directly from the institution to be determined by such institution and grants and other aid provided directly from the State or Federal Government.

“(ii) USE OF INFORMATION.—An institution—

“(I) shall use the information provided to it under clause (i) solely for the application, award, and administration of financial aid to the applicant and for institutional research that does not release any individually identifiable information on any applicant to promote college attendance, persistence and completion; and

“(II) be prohibited from sharing such information with any other entity without the explicit written consent of the applicant.

“(iii) LIMITATION ON CONSENT PROCESS.—An institution may provide a consent process whereby an applicant can elect to share the information described in clause (i) with explicit written consent to a
scholarship granting organization, including a tribal organization (defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), or to Federal, State or local government agencies or tribal organizations to assist the applicant in applying for and receiving private assistance, or Federal, State, local government assistance, or tribal assistance for any component of the applicant’s cost of attendance which may include financial assistance or non-monetary assistance.

“(iv) Prohibition.—Any entity that receives applicant information under clause (iii) shall not sell, share, or otherwise use applicant information other than for the purposes outlined in clause (iii).

“(4) Development of form and information exchange.—The Secretary shall, to the extent practicable, consult with stakeholders, prior to the design of the free application described in this subsection, to gather information about innovations and technology available to—
“(A) ensure an efficient and effective process;

“(B) mitigate unintended consequences; and

“(C) determine the best practices for outreach to students and families during the transition to the streamlined process for the determination of Federal financial aid and Federal Pell Grant eligibility while reducing the data burden on applicants and families.

“(5) No additional information requests permitted.—In carrying out this subsection, the Secretary may not require additional information to be submitted by an applicant (or the parents or spouse of an applicant) for Federal financial aid through other requirements or reporting.

“(6) State-run programs.—

“(A) In general.—The Secretary shall conduct outreach to States in order to research the benefits to students of States relying solely on the financial data made available, upon authorization by the applicant, as a result of an application for aid under this subsection for determining the eligibility of the applicant for State provided financial aid.
“(B) Secretarial review.—If a State

determines that there is a need for additional
data elements beyond those provided pursuant
to this subsection for determining the eligibility
of an applicant for State provided financial aid,
the State shall forward a list of those additional
data elements determined necessary, but not
provided by virtue of the application under this
subsection, to the Secretary. The Secretary
shall make readily available to the public
through its websites and other means—

“(i) a list of States that do not re-
quire additional financial information sepa-
rate from the Free Application for Federal
Student Aid and do not require asset infor-
mation from students who qualify for the
exemption from asset reporting under sec-
tion 479 for the purposes of awarding
State scholarships and grant aid;

“(ii) a list of States that require asset
information from students who qualify for
the exemption from asset reporting under
section 479 for the purposes of awarding
State scholarships and grant aid;
“(iii) a list of States that have indicated that they require additional financial information separate from the Free Application for Federal Student Aid for purposes of awarding State scholarships and grant aid; and

“(iv) with the publication of the lists under this subparagraph, information about additional resources available to applicants, including links to such State websites.

“(C) STUDIES.—The Secretary shall conduct studies on the effect of States requiring additional information specified in clauses (ii) and (iii) of subparagraph (B) on the determination of State financial aid awards and whether the additional information required is a barrier to college enrollment by examining—

“(i) how much financial aid awards would change if the additional information were not required;

“(ii) the number of students who started but did not finish the Free Application for Federal Student Aid, compared to the baseline year of 2021; and
“(iii) the number of students who started a Free Application for Federal Student Aid but did not enroll in an institution of higher education in the corresponding academic year.

“(7) INSTITUTION-RUN FINANCIAL AID.—

“(A) IN GENERAL.—The Secretary shall conduct outreach to institutions of higher education to describe the benefits to students of relying solely on the financial data made available, upon authorization for release by the applicant, as a result of an application for aid under this subsection for determining the eligibility of the applicant for institutional financial aid. The Secretary shall make readily available to the public through its websites and other means—

“(i) a list of institutions that do not require additional financial information separate from the Free Application for Federal Student Aid and do not require asset information from students who qualify for the exemption from asset reporting under section 479 for the purpose of awarding institution-run financial aid;
“(ii) a list of institutions that require asset information from students who qualify for the exemption from asset reporting under section 479 for the purpose of awarding institution-run financial aid;

“(iii) a list of institutions that require additional financial information separate from the Free Application for Federal Student Aid for the purpose of awarding institution-run financial aid; and

“(iv) with the publication of the list in clause (iii), information about additional resources available to applicants.

“(8) SECURITY OF DATA.—The Secretary shall, in consultation with the Secretary of the Treasury, take all steps necessary to—

“(A) safeguard the data required to be transmitted for the purpose of this section between Federal agencies and to States and institutions of higher education;

“(B) secure the transmittal of such data; and

“(C) provide guidance to States and institutions of higher education regarding their obli-
gation to ensure the security of the data pro-
vided under this section.

“(9) Report to Congress.—

“(A) In general.—Not later than one
year after the date of enactment of the Student
Aid Improvement Act of 2019, the Secretary
shall report to the Committee on Health, Edu-
cation, Labor, and Pensions of the Senate and
the Committee on Education and Labor of the
House of Representatives on the progress of the
Secretary in carrying out this subsection, in-
cluding planning and stakeholder consultation.
Such report shall include—

“(i) benchmarks for implementation;

“(ii) entities and organization to
which the Secretary reached out for con-
sultation;

“(iii) system requirements for such
implementation and how they will be ad-
dressed;

“(iv) any areas of concern and poten-
tial problem issues uncovered that may
hamper such implementation; and

“(v) solutions determined to address
such issues.
“(B) QUARTERLY UPDATES.—The Secretary shall provide updates to the Committees described in subparagraph (A)—

“(i) as to the progress and planning described in subparagraph (A) prior to implementation of the Free Application for Federal Student Aid under this subsection not less often than quarterly; and

“(ii) at least 6 months and 1 year post implementation of the Free Application for Federal Student Aid.

“(b) ADJUSTMENTS AND IMPROVEMENTS.—

“(1) IN GENERAL.—The Secretary shall disclose in a consumer-tested format, on the form notifying a student of the student’s Federal Pell Grant eligibility, that the student may, on a case-by-case basis, qualify for an adjustment under section 479A to the cost of attendance or the values of the data items required to calculate the Federal Pell Grant or the need analysis for the student or parent. Such disclosure shall specify—

“(A) examples of the special circumstances under which a student or family member may qualify for such adjustment or determination of independence; and
“(B) additional information regarding the steps a student or family member may take in order to seek an adjustment under section 479A.

“(2) CONSUMER TESTING.—

“(A) IN GENERAL.—The development of the Free Application for Federal Student Aid under this section shall be consumer tested with prospective first-generation college students and families as well as low-income individuals and families.

“(B) UPDATES.—For award year 2021 and each fourth succeeding award year thereafter, the design of the Free Application for Federal Student Aid shall be updated based on additional consumer testing with the populations described in subparagraph (A) in order to improve communication.

“(3) LANGUAGES FOR FAFSA.—The Secretary, in conjunction with the Director of the Census Bureau, shall determine the most common languages spoken at home in the United States and shall develop versions of the Free Application for Federal Student Aid form in each of those languages.
“(4) REAPPLICATION IN A SUCCEEDING ACADEMIC YEAR.—In order to streamline applicant’s experience applying for financial aid, the Secretary shall allow an applicant who electronically applies for financial assistance under this title for an academic year subsequent to an academic year for which such applicant applied for financial assistance under this title to automatically electronically import all of the applicant’s (including parents, guardians, or spouses, as applicable) identifying, demographic, and school data from the previous application and to update such information to reflect any circumstances that have changed.

“(5) TECHNOLOGY ACCESSIBILITY.—The Secretary shall make the application under this section available through the prevalent technology. Such technology shall, at a minimum, enable applicants to—

“(A) save data; and

“(B) submit the application under this title to the Secretary through such technology.

“(6) VERIFICATION BURDEN.—The Secretary shall—

“(A) to the maximum extent practicable, streamline and simplify the process of
verification for applicants for Federal financial aid;

“(B) in establishing policies and procedures to verify applicants’ eligibility for Federal financial aid, consider—

“(i) the burden placed on low-income applicants;

“(ii) the risk to low-income applicants of failing to enroll or complete from being selected for verification;

“(iii) the effectiveness of the policies and procedures in safeguarding against a net cost to taxpayers; and

“(iv) the reasons for the source of any improper payments; and

“(C) issue a report not less often than annually sharing the percentage of applicants subject to verification, whether the applicants ultimately received Federal financial aid disbursements, and whether the student aid index changed enough to affect the applicant’s award of any Federal financial aid under this title.

“(e) DATA AND INFORMATION.—

“(1) IN GENERAL.—The Secretary shall publish data in a publicly accessible manner—
“(A) annually on the total number of Free Applications for Federal Student Aid submitted by application cycle, disaggregated by demographic characteristics, type of institution or institutions of higher education to which the applicant applied, the applicant’s State of legal residence, and high school and public school district;

“(B) quarterly on the total number of Free Applications for Federal Student Aid submitted by application cycle, disaggregated by type of institution or institutions of higher education to which the applicant applied, the applicant’s State of legal residence, and high school and public school district;

“(C) weekly on the total number of Free Applications for Federal Student Aid submitted, disaggregated by high school and public school district; and

“(D) annually on the number of individuals who apply for Federal financial aid pursuant to this section who indicated they are a homeless child or youth (as defined in section 725 of the McKinney-Vento Homeless Assist-
ance Act), an unaccompanied youth, or a foster care youth.

“(2) CONTENTS.—The data described in paragraph (1) with respect to homeless children and youth shall include, at a minimum, for each application cycle—

“(A) the total number of all applicants who were determined to be individuals described in section 480(d)(1)(H); and

“(B) the number of applicants described in subparagraph (A), disaggregated—

“(i) by State; and

“(ii) by the sources of determination as described in clauses (i) through (iv) of section 480(d)(1)(H).

“(3) DATA SHARING.—The Secretary may enter into data sharing agreements with the appropriate Federal or State agencies to connect applicants with the means-tested Federal benefit programs described in subsection (a)(2)(B)(ii)(XV) for which the applicants may be eligible.

“(d) ENSURING FORM USABILITY.—

“(1) SIGNATURE.—Notwithstanding any other provision of this title, the Secretary may permit the Free Application for Federal Student Aid to be sub-
mitted without a signature, if a signature is subsequently submitted by the applicant, or if the applicant uses an access device provided by the Secretary.

“(2) FREE PREPARATION AUTHORIZED.—Notwithstanding any provision of this title, an applicant may use a preparer for consultative or preparation services for the completion of the Free Application for Federal Student Aid without charging a fee to the applicant if the preparer—

“(A) includes, at the time the application 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;

“(B) is subject to the same penalties as an applicant for purposely giving false or misleading information in the application;

“(C) clearly informs each individual upon initial contact, that the Free Application for Federal Student Aid is a free form that may be completed without professional assistance; and

“(D) does not produce, use, or disseminate any other form for the purpose of applying for Federal financial aid other than the Free Appli-
cation for Federal Student Aid form developed by the Secretary under this section.

“(3) Charges to students and parents for use of forms prohibited.—The need and eligibility of a student for financial assistance under this title may be determined only by using the Free Application for Federal Student Aid developed by the Secretary under this section. Such application shall be produced, distributed, and processed by the Secretary, and no parent or student shall 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 Federal financial aid through the use of such application. No data collected on a form for which a fee is charged shall be used to complete the Free Application for Federal Student Aid prescribed under this section, 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 Free Application for Federal Student Aid prescribed under this section.

“(4) Application processing cycle.—The Secretary shall enable students to submit a Free Ap-
plication for Federal Student Aid developed under this section and initiate the processing of such application, not later than January 1 of the student’s planned year of enrollment, to the maximum extent practicable, on or around October 1 prior to the student’s planned year of enrollment.

“(5) EARLY ESTIMATES.—The Secretary shall maintain an electronic method for applicants to enter income and family size information to calculate a non-binding estimate of the applicant’s Federal financial aid available under this title and shall place such calculator on a prominent location at the beginning of the Free Application for Federal Student Aid.”.

(n) STUDENT ELIGIBILITY.—Section 484 (20 U.S.C. 1091) is amended—

(1) by striking subsection (q) and inserting the following:

“(q) USE OF INCOME DATA WITH IRS.—The Secretary, in cooperation with the Secretary of the Treasury, shall fulfill the data transfer requirements under section 6103(l)(13) of the Internal Revenue Code of 1986.”;

(2) by striking subsection (r);

(3) by redesignating subsections (s) and (t) as subsections (r) and (s), respectively; and
(t) Exception to Required Registration With the Selective Service System.—Notwithstanding section 12(f) of the Military Selective Service Act (50 U.S.C. 3811(f)), an individual shall not be ineligible for assistance or a benefit provided under this title if the individual is required under section 3 of such Act (50 U.S.C. 3802) to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accordance with any rule or regulation issued under such section.”.

(o) Institutional and Financial Assistance Information for Students.—Section 485 (20 U.S.C. 1092) is amended by striking subsection (k).

(p) Early Awareness of Financial Aid Eligibility.—Section 485E (20 U.S.C. 1092f) is amended to read as follows:

“SEC. 485E. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

“(a) In General.—The Secretary shall implement early outreach activities in order to provide prospective students and families with early information about financial aid and estimates of such prospective students’ eligibility for financial aid. Such early outreach activities shall
include the activities described in subsections (b), (c), and (d).

“(b) PELL GRANT EARLY AWARENESS.—

“(1) IN GENERAL.—The Secretary shall produce a consumer-tested method of estimating student eligibility for Federal Pell Grants outlined in section 401(b) utilizing the variables of family size and adjusted gross income, and presented in electronic format. There shall be a method for students to indicate whether they are, or will be in—

“(A) a single parent household;

“(B) a household with two parents; or

“(C) a household with no children or dependents.

“(2) CONSUMER TESTING.—

“(A) IN GENERAL.—The method of estimating eligibility described in paragraph (1) shall be consumer tested with prospective first-generation students and families as well as low-income individuals and families.

“(B) UPDATES.—For award year 2022–2023 and each fourth succeeding award year thereafter, the design of the method of estimating eligibility shall be updated based on ad-
ditional consumer testing with the populations
described in subparagraph (A).

“(3) DISTRIBUTION.—The method of esti-
mating eligibility described in paragraph (1) shall
be—

“(A) made publicly and prominently avail-
able on the Department of Education website;
and
“(B) actively shared by the Secretary
with—

“(i) institutions of higher education
participating in programs under this title;
“(ii) all middle and secondary schools
eligible for funds under part A of title I of
the Elementary and Secondary Education
Act of 1965; and
“(iii) local educational agencies and
middle schools and secondary schools that
serve students not less than 25 percent of
whom meet a measure of poverty as de-
scribed in section 1113(a)(5) of the Ele-
mentary and Secondary Education Act of
1965.

“(4) ELECTRONIC ESTIMATOR.—In accordance
with subsection (d)(5) of section 483, the Secretary
shall maintain an electronic method for applicants to enter income and family size information to calculate a non-binding estimate of the applicant’s Federal financial aid available under this title and shall place such calculator on a prominent location on the FAFSA website.

“(c) Early Awareness Plans.—The Secretary shall establish and implement early awareness plans to provide early information about the availability of Federal financial aid and estimates of prospective students’ eligibility for Federal financial aid as well as to promote the attainment of postsecondary education specifically among prospective first-generation students and families as well as low-income individuals and families, as follows:

“(1) Awareness Plans for Low-Income Children.—

“(A) In General.—The Secretary shall develop plans to disseminate information about the availability of Federal financial aid under this title, in addition to and in coordination with the distribution of the method of estimating eligibility under subsection (b), to—

“(i) all middle schools and secondary schools eligible for funds under part A of
title I of the Elementary and Secondary Education Act of 1965;

“(ii) local educational agencies and middle schools and high schools that serve students not less than 25 percent of whom meet a measure of poverty as described in section 1113(a)(5) of the Elementary and Secondary Education Act; and

“(iii) households receiving assistance under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

“(B) REPORTING AND UPDATES.—The Secretary shall post the information about the plans under subparagraph (A) and associated goals publicly on the Department of Education website. On an annual basis, the Secretary shall report qualitative and quantitative outcomes regarding the implementation of the plans under subparagraph (A). The Secretary shall review and update such plans not less often than every 4 award years with the goal of progressively increasing the impact of the activities under this paragraph.
“(C) PARTNERSHIP.—The Secretary may partner with States, State systems of higher education, institutions of higher education, or college access organizations to carry out this paragraph.

“(2) INTERAGENCY COORDINATION PLANS.—

“(A) IN GENERAL.—The Secretary shall develop interagency coordination plans in order to inform more prospective students and families, including low-income individuals or families, about the availability of Federal financial aid under this title through participation in existing Federal programs or tax benefits that serve low-income individuals or families, in coordination with the following Secretaries:

“(i) The Secretary of the Treasury.

“(ii) The Secretary of Labor.

“(iii) The Secretary of Health and Human Services.

“(iv) The Secretary of Agriculture.

“(v) The Secretary of Housing and Urban Development.

“(vi) The Secretary of Commerce.

“(vii) The Secretary of Veterans Af-

fairs.
“(B) PROCESS, ACTIVITIES, AND GOALS.—

Each interagency coordination plan under sub-
paragraph (A) shall—

“(i) establish a process to identify op-
portunities in which low-income individuals
and families could be informed of the avail-
ability of Federal financial aid under this
title through access to other Federal pro-
grams that serve low-income individuals
and families;

“(ii) establish a process to identify
methods to effectively inform low-income
individuals and families of the availability
of Federal financial aid for postsecondary
education under this title;

“(iii) develop early awareness activi-
ties that align with the opportunities and
methods identified under clauses (ii) and
(iii); and

“(iv) establish goals regarding the ef-
fects of the activities to be implemented
under clause (iii).

“(C) REPORTING AND UPDATES.—The
Secretary shall post the information about the
interagency coordination plans under subpara-
graph (B) and associated goals publicly on the Department of Education website. On not less often than a quadrennial basis, the Secretary shall publicly report qualitative and quantitative outcomes regarding the implementation of the plans on the Department of Education website. The Secretary shall review and update the plans not less often than upon each change in Secretarial leadership with an agency that is party to a plan. Updates to the plans shall have the goal of progressively increasing the impact of the activities under this paragraph by increasing the number of low-income applicants for, and recipients of, Federal financial aid.

"(3) NATIONWIDE PARTICIPATION IN EARLY AWARENESS PLANS.—

"(A) IN GENERAL.—The Secretary shall solicit voluntary public commitments from entities, such as States, State systems of higher education, institutions of higher education, and other interested organizations, to carry out early awareness plans, which shall include goals, to—

"(i) notify prospective and existing students who are low-income individuals
and families about their eligibility for Federal aid under this title, as well as State-based financial aid, if applicable, on an annual basis;

“(ii) increase the number of prospective and current students who are low-income individuals and families filing the Free Application for Federal Student Aid; and

“(iii) increase the number of prospective and current students who are low-income individuals and families enrolling in postsecondary education.

“(B) REPORTING AND UPDATES.—Each entity that makes a voluntary public commitment to carry out an early awareness plan may submit quantitative and qualitative data based on the entity’s progress toward the goals of the plan annually prior to a date selected by the Secretary.

“(C) EARLY AWARENESS CHAMPIONS.—Based on data submitted by entities, the Secretary shall select and designate entities submitting public commitments, plans, and goals, as Early Awareness Champions on an annual
basis. Those entities designated as Early Awareness Champions shall provide one or more case studies regarding the activities the entity undertook under this paragraph which shall be made public by the Secretary on the Department of Education website to promote the spread of best practices.

“(d) PUBLIC AWARENESS CAMPAIGN.—

“(1) IN GENERAL.—The Secretary shall develop and implement a public awareness campaign designed using current and relevant independent research regarding strategies and media platforms found to be most effective in communicating with low-income populations in order to increase national awareness regarding the availability of Federal Pell Grants and financial aid under this title.

“(2) COORDINATION.—The public awareness campaign described in paragraph (1) shall leverage the activities in subsections (b) and (c) to highlight eligibility among low-income populations. In developing and implementing the campaign, the Secretary may work in coordination with States, institutions of higher education, early intervention and outreach programs under this title, other Federal agencies, organizations involved in college access and student
financial aid, secondary schools, local educational agencies, public libraries, community centers, businesses, employers, workforce investment boards, and organizations that provide services to individuals that are or were homeless, in foster care, or are disconnected youth.

“(3) REPORTING.—The Secretary shall report on the success of the public awareness campaign described in paragraph (1) annually regarding the extent to which the public and target populations were reached using data commonly used to evaluate advertising and outreach campaigns and data regarding whether the campaign produced any increase in applicants for Federal aid under this title publicly on the Department of Education website.”.

SEC. 4. PROVIDING INCARCERATED INDIVIDUALS WITH FEDERAL PELL GRANTS.

(a) IN GENERAL.—Section 484 (20 U.S.C. 1091), as amended by section 3(n), is further amended by adding at the end the following:

“(u) CONFINED OR INCARCERATED INDIVIDUALS.—

“(1) DEFINITIONS.—In this subsection:

“(A) CONFINED OR INCARCERATED INDIVIDUAL.—The term ‘confined or incarcerated individual’ means an individual who is confined
or incarcerated in a Federal or State penal institution, a juvenile justice facility, or a local or county jail.

“(B) **Eligible prison education program**.—the term ‘eligible prison education program’ means an education or training program that—

“(i) is an eligible program under this title; and

“(ii) has been approved to operate in a correctional facility by the appropriate State department of corrections or other entity that is responsible for overseeing correctional facilities or by the Bureau of Prisons.

“(2) **Federal Pell grant eligibility.**—Notwithstanding subsection (a), in order for a confined or incarcerated individual who otherwise meets the eligibility requirements of this title to be eligible to receive a Federal Pell Grant under section 401, the individual shall—

“(A) not be incarcerated with a sentence of life without the possibility of parole; and
“(B) be enrolled or accepted for enrollment in an eligible prison education program at an institution of higher education.

“(3) **Ineligibility for other assistance under this Act.**—A confined or incarcerated individual shall not be eligible to receive any other student financial assistance under this Act except a Federal Pell Grant in accordance with this subsection.

“(4) **Evaluation.**—In order to evaluate and improve the impact of activities supported under this subsection, the Secretary, in partnership with the Director of the Institute for Education Sciences, shall award one or more grants to, or enter into one or more cooperative agreements with, with experienced public or private institutions and organizations to enable the institutions and organizations to conduct an external evaluation that shall—

“(A) examine in-custody outcomes and post-release outcomes relating to providing Federal Pell Grants to confined or incarcerated individuals, including—

“(i) progress towards credential attainment;
“(ii) safety in prisons with eligible prison education programs;

“(iii) the size of waiting lists for eligible prison education programs;

“(iv) the extent to which individuals who were confined or incarcerated individuals receiving Federal Pell Grants continue their education post-release;

“(v) employment and earnings outcomes for such individuals; and

“(vi) rates of recidivism for such individuals; and

“(B) track individuals who received Federal Pell Grants under this subsection for 1 to 3 years after the individuals’ release from confinement or incarceration.

“(5) REPORT.—Not later than 1 year after the date of enactment of the Student Aid Improvement Act of 2019 and on at least an annual basis thereafter, the Secretary shall submit to the authorizing committees, and make publicly available on the website of the Department, a report on the impact of this subsection which shall include, at a minimum—
“(A) the names and types of institutions of higher education offering eligible prison education programs at which confined or incarcerated individuals are enrolled and receiving Federal Pell grants;

“(B) the number of confined or incarcerated individuals receiving Federal Pell grants;

“(C) the amount of Federal Pell grant expenditures per eligible prison education program;

“(D) the demographics of confined or incarcerated individuals receiving Federal Pell Grants;

“(E) the cost of attendance for such individuals;

“(F) the mode of instruction (such as distance education, in-person instruction, or a combination of such modes) for each prison education program;

“(G) information on the academic outcomes of such individuals (such as credits attempted and earned, and credential and degree completion); and

“(H) to the extent practicable, information on post-release outcomes of such individuals
(such as continued postsecondary enrollment, employment, and recidivism)."

(b) ELIMINATING FEDERAL PELL GRANT LIMITATION.—Section 401(b) (20 U.S.C. 1070a et seq.) is amended—

(1) in paragraph (2)(A)(ii), by striking ``(7)(B)’’ and inserting ``(6)(B)’’;

(2) by striking paragraph (6); and

(3) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(c) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect on July 1, 2020.

SEC. 5. ALLOWING STUDENTS ENROLLED IN SHORT-TERM PROGRAMS TO RECEIVE FEDERAL PELL GRANTS.

(a) IN GENERAL.—Section 481(b) (20 U.S.C. 1087vv(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

``(3) ELIGIBLE JOB TRAINING PROGRAM.—

``(A) WIOA DEFINITIONS.—In this paragraph, the terms ‘in-demand industry sector or occupation’,

...
industry or sector partnership’, ‘local board’, ‘recognized postsecondary credential’, and ‘State board’ have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

"(B) Eligibility of job training program.—An eligible job training program is an eligible program for the purposes of section 401 if it is a program—

"(i) of not less than 150, and not more than 600, clock hours of instruction offered by an institution of higher education during a period of not less than 8 weeks and not more than 15 weeks; and

"(ii) that—

"(I) provides training aligned with the requirements of high-skill, high-wage, or in-demand industry sectors or occupations in the State or local area;

"(II) provides a student, upon completion of the program, with a recognized postsecondary credential that is recognized by employers in the relevant industry, including credentials recognized by industry or sector partnerships in the relevant in-
dustry in the State or local area where the industry is located and the job training program is provided;

“(III) has been determined by the institution of higher education (after validation of that determination by a State board, local board, or an industry or sector partnership) to provide academic content, an amount of instructional time, and a recognized postsecondary credential that are sufficient to—

“(aa) meet the hiring requirements of potential employers; and

“(bb) satisfy any applicable educational prerequisite requirement for professional licensure or certification;

“(IV) does not exceed by more than 50 percent the minimum number of clock hours required for training for the occupation, if the State has established such a requirement;

“(V)(aa) has published tuition and fees for each of the 3 preceding award years that have not increased above the annual rate of inflation (as determined by
the Consumer Price Index of the Department of Labor) for the corresponding year;
and

“(bb) for each year while receiving funds under section 401, will publish tuition and fees for the year, which will not increase above the rate of inflation, as so determined, for the corresponding year;
and

“(VI) demonstrates outcomes for the most recent year that meet the level of performance or State adjusted level of performance for the State in which the institution of higher education is located for the following primary indicators of performance under section 116(b) of the Workforce Innovation and Opportunity Act for such year:

“(aa) The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program.

“(bb) The percentage of program participants who are in unsubsidized
employment during the fourth quarter
after exit from the program.

“(cc) The percentage of program
participants who are in an education
or training program that leads to a
recognized postsecondary credential or
employment and who are achieving
measurable skill gains toward such a
credential or employment.

“(C) APPROVAL BY THE SECRETARY.—In the
case of a program that is seeking to establish eligi-
bility as an eligible job training program under this
paragraph, the Secretary shall make a determination
about whether the program meets the requirements
of subparagraph (B) not more than 60 days after
the date on which the institution submitted the pro-
gram for consideration as an eligible job training
program.

“(D) AMOUNT OF AWARD AND INCLUSION IN
TOTAL ELIGIBILITY PERIOD.—

“(i) INCLUSION IN TOTAL ELIGIBILITY PE-
RIOD.—Any period during which a student re-
ceives a Federal Pell Grant under this para-
graph shall be included in calculating the stu-
(E) INTERAGENCY DATA SHARING.—For the purposes of subparagraph (B)(ii)(VI), the Secretary may coordinate and enter into a data sharing agreement with the Secretary of Labor to ensure access to data on indicators of performance collected under section 116 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141).”.

(b) EFFECTIVE DATE.—This section shall take effect on July 1, 2021.

SEC. 6. SUPPORTING STUDENT AFFORDABILITY BY INVESTING IN THE FEDERAL PELL GRANT.

Section 401 (20 U.S.C. 1070a) is amended—

(1) in subsection (a)(1), by striking “2017” and inserting “2021”; and

(2) in subsection (c)(7)(C)—

(A) in each of clauses (i)(I) and (ii)(I), by striking “(iv)(II)” and inserting “(v)(II)”;

(B) in clause (iii)—

(i) by striking the clause heading and inserting “AWARD YEARS 2018–2019 AND 2019–2020.—”; and

(ii) by striking “and each subsequent award year”;
(C) by redesignating clause (iv) as clause (v); and

(D) by inserting after clause (iii) the following:

“(iv) AWARD YEAR 2020–2021 AND SUBSEQUENT AWARD YEARS.—For award year 2020–2021 and each subsequent award year, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to $1,080.”.

SEC. 7. FEDERAL PELL GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS.

(a) Federal Pell Grants.—Beginning on the effective date described in subsection (b), section 401 (20 U.S.C. 1070a), as amended by sections 5 and 6, is further amended to read as follows:

“SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS.

“(a) Purpose; Definitions.—

“(1) Purpose.—The purpose of this subpart is to provide a Federal Pell Grant to low-income students.

“(2) Definitions.—In this section—

“(A) the term ‘adjusted gross income’ means—
“(i) in the case of a dependent student, the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the student’s parents in the second tax year preceding the academic year; and

“(ii) in the case of an independent student, the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the student (and the student’s spouse, if applicable) in the second tax year preceding the academic year;

“(B) the term ‘family size’ has the meaning given the term in section 480(l);

“(C) the term ‘poverty line’ means the poverty line (as determined under the poverty guidelines updated periodically in the Federal Register by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to the student’s family size and applicable to the second tax year preceding the academic year;

“(D) the term ‘single parent’ means—
“(i) a parent of a dependent student who was a head of household (as defined in section 2(b) of the Internal Revenue Code of 1986) or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code of 1986) or was an eligible individual for purposes of the credit under section 32 of such Code, in the second tax year preceding the academic year; or

“(ii) an independent student who was a head of household (as defined in section 2(b) of the Internal Revenue Code of 1986) or a surviving spouse (as defined in section 2(a) of the Internal Revenue Code of 1986) or was an eligible individual for purposes of the credit under section 32 of such Code, in the second tax year preceding the academic year;

“(E) the term ‘total maximum Federal Pell Grant’ means the total maximum Federal Pell Grant award per student for any academic year described under paragraph (5); and

“(F) the term ‘minimum Federal Pell Grant’ means the minimum amount of a Federal Pell Grant that shall be awarded to a stu-
dent eligible under this subpart for any academic year in which that student is attending full time, which shall be equal to 10 percent of the total maximum Federal Pell Grant for such academic year.

“(b) AMOUNT AND DISTRIBUTION OF GRANTS.—

“(1) DETERMINATION OF AMOUNT OF A FEDERAL PELL GRANT.—Subject to paragraphs (2) and (3), the amount of a Federal Pell Grant for a student eligible under this subpart shall be determined in accordance with the following:

“(A) A student eligible under this subpart shall be eligible for a total maximum Federal Pell Grant for an academic year in which the student is enrolled in an eligible program full time—

“(i) if the student or, in the case of a dependent student, the dependent student’s parent, is not required to file a Federal income tax return in the second year preceding the academic year;

“(ii) if the student or, in the case of a dependent student, the dependent student’s parent, is a single parent, if the ad-
justed gross income is equal to or less than 210 percent of the poverty line; or

“(iii) if the student or, in the case of a dependent student, the dependent student’s parent, is not a single parent, if the adjusted gross income is equal to or less than 160 percent of the poverty line.

“(B) A student eligible under this subpart who is not eligible for a total maximum Federal Pell Grant under subparagraph (A) for an academic year, shall be eligible for a Federal Pell Grant for an academic year in which the student is enrolled in an eligible program full time in an amount that is not more than the amount determined in accordance with the following:

“(i) If the student or, in the case of a dependent student, the dependent student’s parent, is a single parent and the adjusted gross income is greater than 210 percent of the poverty line and is less than 310 percent of the poverty line, the amount shall be equal to the greater of—

“(I) the minimum Federal Pell Grant for the academic year; and
“(II) the total maximum Federal Pell Grant for the academic year, minus the product of—

“(aa) the adjusted gross income, less an amount equal to 210 percent of the poverty line; and

“(bb) the total maximum Federal Pell Grant for the academic year, divided by an amount equal to 100 percent of the poverty line.

“(ii) If the student or, in the case of a dependent student, the dependent student’s parent, is not a single parent and the adjusted gross income is greater than 160 percent of the poverty line and is less than 260 percent of the poverty line, the amount shall be equal to the greater of—

“(I) the minimum Federal Pell Grant for the academic year; and

“(II) the total maximum Federal Pell Grant for the academic year, minus the product of—
“(aa) the adjusted gross income, less an amount equal to 160 percent of the poverty line; and

“(bb) the total maximum Federal Pell Grant for the academic year, divided by an amount equal to 100 percent of the poverty line.

“(2) LESS THAN FULL-TIME ENROLLMENT.—In any case where a student is enrolled in an eligible program of an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the Federal Pell Grant to which that student is entitled shall be reduced in direct proportion to the degree to which that student is not so enrolled on a full-time basis, rounded to the nearest whole percentage point, as provided in a schedule of reductions published by the Secretary computed in accordance with this subpart. Such schedule of reductions shall be published in the Federal Register in accordance with section 482 of this Act. Such reduced Federal Pell Grant for a student enrolled on a less
than full-time basis shall also apply proportionally to
students who are otherwise eligible to receive the
minimum Federal Pell Grant, if enrolled full-time.

“(3) AWARD MAY NOT EXCEED COST OF AT-
TENDANCE.—No Federal Pell Grant under this sub-
part shall exceed the cost of attendance (as defined
in section 472) at the institution at which that stu-
dent is in attendance. If, with respect to any stu-
dent, it is determined that the amount of a Federal
Pell Grant for that student exceeds the cost of at-
tendance for that year, the amount of the Federal
Pell Grant shall be reduced until the Federal Pell
Grant does not exceed the cost of attendance at such
institution.

“(4) STUDY ABROAD.—Notwithstanding any
other provision of this subpart, the Secretary shall
allow the amount of the Federal Pell Grant to be ex-
cceeded for students participating in a program of
study abroad approved for credit by the institution
at which the student is enrolled when the reasonable
costs of such program are greater than the cost of
attendance at the student’s home institution, except
that the amount of such Federal Pell Grant in any
fiscal year shall not exceed the maximum amount of
a Federal Pell Grant for which a student is eligible

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under paragraph (1) or (2) during such award year. If the preceding sentence applies, the financial aid administrator at the home institution may use the cost of the study abroad program, rather than the home institution’s cost, to determine the cost of attendance of the student.

“(5) Total maximum Federal Pell Grant.—

“(A) In general.—For award year 2021–2022, and each subsequent award year, the total maximum Federal Pell Grant award per student shall be equal to the sum of—

“(i) $1,080; and

“(ii) the amount specified as the maximum Federal Pell Grant in the last enacted appropriation Act applicable to that award year.

“(B) Rounding.—The total maximum Federal Pell Grant for any award year shall be rounded to the nearest $5.

“(6) Funds by fiscal year.—To carry out this section for each of fiscal years 2021 through 2030—

“(A) there are authorized to be appropriated and are appropriated (in addition to
any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) such sums as are necessary to carry out paragraph (5)(A)(i); and

“(B) such sums as may be necessary are authorized to be appropriated to carry out paragraph (5)(A)(ii).

“(7) APPROPRIATION.—

“(A) IN GENERAL.—In addition to any funds appropriated under paragraph (6) and any funds made available for this section under any appropriations Act, there are authorized to be appropriated, and there are appropriated (out of any money in the Treasury not otherwise appropriated) to carry out this section, $1,145,000,000 for fiscal year 2021 and each subsequent award year.

“(B) NO EFFECT ON PREVIOUS APPROPRIATIONS.—The amendments made to this section by the Student Aid Improvement Act of 2019 shall not—

“(i) increase or decrease the amounts that have been appropriated or are available to carry out this section for fiscal year
2017, 2018, 2019, or 2020 as of the day
before the effective date of such Act; or

“(ii) extend the period of availability
for obligation that applied to any such
amount, as of the day before such effective
date.

“(8) METHOD OF DISTRIBUTION.—

“(A) IN GENERAL.—For each fiscal year
through fiscal year 2030, the Secretary shall
pay to each eligible institution such sums as
may be necessary to pay each eligible student
for each academic year during which that stu-
dent is in attendance at an institution of higher
education as an undergraduate, a Federal Pell
Grant in the amount for which that student is
eligible.

“(B) ALTERNATIVE DISBURSEMENT.—
Nothing in this section shall be interpreted to
prohibit the Secretary from paying directly to
students, in advance of the beginning of the
academic term, an amount for which they are
eligible, in the cases where an eligible institu-
tion does not participate in the disbursement
system under subparagraph (A).
“(9) ADDITIONAL PAYMENT PERIODS IN SAME AWARD YEAR.—

“(A) Effective in the 2017–2018 award year and thereafter, the Secretary shall award an eligible student not more than one and one-half Federal Pell Grants during a single award year to permit such student to work toward completion of an eligible program if, during that single award year, the student has received a Federal Pell Grant for an award year and is enrolled in an eligible program for one or more additional payment periods during the same award year that are not otherwise fully covered by the student’s Federal Pell Grant.

“(B) In the case of a student receiving more than one Federal Pell Grant in a single award year under subparagraph (A), the total amount of Federal Pell Grants awarded to such student for the award year may exceed the total maximum Federal Pell Grant available for an award year.

“(C) Any period of study covered by a Federal Pell Grant awarded under subparagraph (A) shall be included in determining a
student’s duration limit under subsection (d)(5).

“(D) In any case where an eligible student is receiving a Federal Pell Grant for a payment period that spans 2 award years, the Secretary shall allow the eligible institution in which the student is enrolled to determine the award year to which the additional period shall be assigned, as it determines is most beneficial to students.

“(c) SPECIAL RULE.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, the total maximum Federal Pell Grant shall be provided to a student described in paragraph (2).

“(2) APPLICABILITY.—Paragraph (1) shall apply to any dependent or independent student—

“(A) who is eligible to receive a Federal Pell Grant for the award year for which the determination is made;

“(B) whose parent or guardian was—

“(i) an individual who, on or after September 11, 2001, died in the line of duty while serving on active duty as a member of the Armed Forces; or
“(ii) actively serving as a public safety officer and died in the line of duty while performing as a public safety officer; and

“(C) who is less than 33 years of age.

“(3) INFORMATION.—Notwithstanding any other provision of law, the Secretary shall establish the necessary data-sharing agreements with the Secretary of Veterans Affairs and the Secretary of Defense, as appropriate, to provide the information necessary to determine which students meet the requirements of paragraph (2).

“(4) TREATMENT OF PELL AMOUNT.—Notwithstanding section 1212 of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10302), in the case of a student who receives an increased Federal Pell Grant amount under this section, the total amount of such Federal Pell Grant, including the increase under this subsection, shall not be considered in calculating that student’s educational assistance benefits under the Public Safety Officers’ Benefits program under subpart 2 of part L of title I of such Act.

“(5) DEFINITION OF PUBLIC SAFETY OFFICER.—For purposes of this subsection, the term ‘public safety officer’ means—
“(A) a public safety officer, as defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10284); or

“(B) a fire police officer, defined as an individual who—

“(i) is serving in accordance with State or local law as an officially recognized or designated member of a legally organized public safety agency;

“(ii) is not a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew; and

“(iii) provides scene security or directs traffic—

“(I) in response to any fire drill, fire call, or other fire, rescue, or police emergency; or

“(II) at a planned special event.

“(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

“(1) IN GENERAL.—The period during which a student may receive Federal Pell Grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the
student is in attendance, except that any period during which the student is enrolled in a noncredit or remedial course of study, as described in paragraph (2), shall not be counted for the purpose of this paragraph.

“(2) Noncredit or Remedial Courses; Study Abroad.—Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language instruction) which are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

“(3) No Concurrent Payments.—No student is entitled to receive Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

“(4) Postbaccalaureate Program.—Notwithstanding paragraph (1), the Secretary may
allow, on a case-by-case basis, a student to receive
a Federal Pell Grant if the student—

“(A) is carrying at least one-half the normal full-time work load for the course of study
the student is pursuing, as determined by the
institution of higher education; and

“(B) is enrolled or accepted for enrollment
in a postbaccalaureate program that does not
lead to a graduate degree, and in courses re-
quired by a State in order for the student to re-
ceive a professional certification or licensing
credential that is required for employment as a
teacher in an elementary school or secondary
school in that State,

except that this paragraph shall not apply to a stu-
dent who is enrolled in an institution of higher edu-
cation that offers a baccalaureate degree in edu-
cation.

“(5) MAXIMUM PERIOD.—

“(A) IN GENERAL.—Except as provided in
subparagraph (B), the period during which a
student may receive Federal Pell Grants shall
not exceed 12 semesters, or the equivalent of 12
semesters, as determined by the Secretary by
regulation. Such regulations shall provide, with
respect to a student who received a Federal Pell Grant for a term but was enrolled at a fraction of full time, that only that same fraction of such semester or equivalent shall count towards such duration limits.

“(B) EXCEPTION.—

“(i) IN GENERAL.—Any Federal Pell Grant that a student received during a period described in subclause (I) or (II) of clause (ii) shall not count towards the student’s duration limits under this paragraph.

“(ii) APPLICABLE PERIODS.—Clause (i) shall apply with respect to any Federal Pell Grant awarded to a student to enroll in an eligible program at an institution—

“(I) during a period of a student’s attendance at an institution—

“(aa) at which the student was unable to complete a course of study due to the closing of the institution; or

“(bb) for which the student was falsely certified as eligible for Federal aid under this title; or
“(II) during a period—

“(aa) for which the student received a loan under this title; and

“(bb) for which the loan described in item (aa) is discharged under—

“(AA) section 437(c)(1) or section 464(g)(1); or

“(BB) section 432(a)(6).

“(e) APPLICATIONS FOR GRANTS.—

“(1) DEADLINES.—The Secretary shall from time to time set dates by which students shall file the Free Application for Federal Student Aid under this subpart.

“(2) APPLICATION.—Each student desiring a Federal Pell Grant for any year shall file application the Free Application for Federal Student Aid containing such information and assurances as the Secretary may determine are necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

“(f) DISTRIBUTION OF GRANTS TO STUDENTS.—

Payments under this section shall be made in accordance
with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purpose of this section. Any disbursement allowed to be made by crediting the student’s account shall be limited to tuition and fees, and food and housing if that food and housing is institutionally owned or operated. The student may elect to have the institution provide other such goods and services by crediting the student’s account.

“(g) INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such appropriation), the Secretary shall promptly transmit a notice of such insufficiency to each House of the Congress, and identify in such notice the additional amount that would be required to be appropriated to satisfy fully all entitlements (as so calculated at such maximum grant level).

“(h) USE OF EXCESS FUNDS.—

“(1) 15 PERCENT OR LESS.—If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 percent or less, then all of the excess funds shall remain available
for making payments under this subpart during the
next succeeding fiscal year.

“(2) MORE THAN 15 PERCENT.—If, at the end
of a fiscal year, the funds available for making pay-
ments under this subpart exceed the amount nec-
essary to make the payments required under this
subpart to eligible students by more than 15 per-
cent, then all of such funds shall remain available
for making such payments but payments may be
made under this paragraph only with respect to enti-
tlements for that fiscal year.

“(i) TREATMENT OF INSTITUTIONS AND STUDENTS
UNDER OTHER LAWS.—Any institution of higher edu-
cation which enters into an agreement with the Secretary
to disburse to students attending that institution the
amounts those students are eligible to receive under this
subpart shall not be deemed, by virtue of such agreement,
a contractor maintaining a system of records to accom-
plish a function of the Secretary. Recipients of Pell Grants
shall not be considered to be individual grantees for pur-
poses of subtitle D of title V of Public Law 100–690.

“(j) INSTITUTIONAL INELIGIBILITY BASED ON DE-
FAULT RATES.—

“(1) IN GENERAL.—No institution of higher
education shall be an eligible institution for purposes
of this subpart if such institution of higher edu-
cation is ineligible to participate in a loan program
under part B or D as a result of a final default rate
determination made by the Secretary under part B
or D after the final publication of cohort default
rates for fiscal year 1996 or a succeeding fiscal year.

“(2) SANCTIONS SUBJECT TO APPEAL OPPOR-
TUNITY.—No institution may be subject to the
terms of this subsection unless the institution has
had the opportunity to appeal the institution’s de-
fault rate determination under regulations issued by
the Secretary for the loan program authorized under
part B or D, as applicable. This subsection shall not
apply to an institution that was not participating in
the loan program authorized under part B or D on
October 7, 1998, unless the institution subsequently
participates in the loan programs.”.

(b) EFFECTIVE DATE.—This section, and the amend-
ments made by this section, shall take effect on July 1,
2021.
SEC. 8. MAKING INSTITUTIONAL STUDENT AID AWARD LETTERS COMPARABLE AND EASIER TO UNDERSTAND.

Section 485 (20 U.S.C. 1092), as amended by section 3(o), is amended by inserting after subsection (j) the following:

“(k) Consumer Information for Financial Aid Recipients.—

“(1) Standard format and terminology for financial aid offers.—The Secretary of Education, in consultation with the heads of relevant Federal agencies, shall develop standard terminology and a standard format for financial aid offers (including a uniform title used to describe the applicable document) based on recommendations from representatives of students, veterans, servicemembers, students’ families, institutions of higher education (including community colleges, for-profit institutions, 4-year public institutions, and 4-year private non-profit institutions), financial aid experts, secondary school and postsecondary counselors, nonprofit organizations, and consumer groups.

“(2) Key required contents for financial aid offer.—The standard format developed under paragraph (1) shall be presented in a consumer-friendly manner that is simple and understandable.
The standard format shall include the following items clearly separated from each other with separate headings, and, if in a format designed for paper shall be listed on the first page of the financial aid offer and if in a format designed for digital viewing shall be listed first:

“(A) Cost Information.—

“(i) Information on the student’s estimated annual cost of attendance, including the following:

“(I) Total direct costs, including the component annual totals each for—

“(aa) tuition and fees, as determined under section 472;

and

“(bb) institutionally owned or operated housing and food costs (as determined based on the costs for housing and food under section 472).

“(II) Total estimated other annual expenses, including—

“(aa) the component totals each for housing and food costs
for students who do not reside on campus, as determined under section 472(3)(D); and

“(bb) for all students, books, supplies, transportation, miscellaneous personal expenses, health insurance (if applicable), and child care (if applicable), as determined under section 472.

“(ii) An indication of the academic period covered by the financial aid offer relative to the published program length, and an explanation that the financial aid offered may change for academic periods not covered by the aid offer.

“(iii) An indication of whether cost and aid estimates are based on full-time or part-time enrollment.

“(iv) An indication, as applicable, about whether the tuition and fees are estimated based on the previous year, or are set, for the academic period covered by the financial aid offer indicated in accordance with clause (ii).
“(B) Grant and Scholarship Aid.—The amount and source of financial aid that the student does not have to repay, such as scholarships, grant aid offered under this title, grant aid offered through other Federal programs, or grant aid offered by the institution, a State, or, if known, an outside source to the student for such academic period, including—

“(i) a disclosure that the financial aid does not have to be repaid; and

“(ii) if institutional aid is included—

“(I) the conditions under which the student can expect to receive similar amounts of such financial aid for each academic period the student is enrolled at the institution; and

“(II) whether the institutional aid offer may change if grants or scholarships from outside sources are applied after the student receives the offer, and, if applicable, how that aid will change.

“(C) Annual Net Price.—

“(i) The net price that the student, or the student’s family on behalf of the stu-
dent, is estimated to have to pay for the
student to attend the institution for such
academic period, equal to—

“(I) the cost of attendance as de-
scribed in subparagraph (A)(i) for the
student for the period indicated in
subparagraph (A)(ii); and

“(II) minus the amount of grant
aid described in subparagraph (B)
that is included in the financial aid
offer.

“(ii) A disclosure that the net price is
an estimate of the total expenses for the
year and not the amount that the student
will owe directly to the institution.

“(D) WORK-STUDY.—Information on
work-study employment opportunities, offered
in accordance with part C.

“(i) This information shall include—

“(I) the amount of work-study
offered;

“(II) a disclosure that the work-
study aid offered is subject to the
availability of qualified employment
opportunities;
“(III) a statement that work-study aid does not need to be repaid and can offset the need to borrow; and

“(IV) a disclosure that work-study is disbursed over time as earned by the student.

“(ii) Work-study employment opportunities (or a student’s potential income based on those opportunities) shall not be included in the category of financial aid described under subparagraph (B).

“(E) LOANS.—

“(i) Information on the amount of loans under part D (except a Federal Direct PLUS Loan under part D) that the institution recommends for the student for the academic period covered by the offer, which shall be made—

“(I) with clear use of the word ‘loan’ to describe the recommended loan amounts; and

“(II) with clear labeling of subsidized and unsubsidized loans.
“(ii) A disclosure that such loans have to be repaid and a disclosure that the student can borrow a lesser or, if applicable, greater amount than the recommended loan amount.

“(iii) If an institution’s recommended Federal student loan amount is less than the Federal maximum available to the student, the institution shall clearly state the applicable loan limit for Federal student loans for which the student is eligible and a prominent recommendation that students should exhaust any Federal student loan eligibility before taking out private education loans.

“(iv) A disclosure that the interest rates and fees on such loans are set annually and affect total cost over time, and a link to electronic information by the Department of Education that includes current information on interest rates and fees.

“(v) A link to the Department of Education’s electronic repayment calculator for students with instruction that this calculator contains customizable estimates
of expected repayment costs under different loan repayment plans.

“(vi) If the institution does not participate in the loan program under part D, an explanation of why the institution does not participate, and a disclosure that students may have the option to borrower Federal student loans at another institution.

“(F) Process for Accepting or Declining Aid and Next Steps.—

“(i) The deadlines and a summary of the process (including the next steps) for—

“(I) accepting the financial aid offered in the financial aid offer;

“(II) requesting different loan amounts than the recommended loan amounts; and

“(III) declining aid offered.

“(ii) Information on when and how direct costs to the institution must be paid.

“(iii) A disclosure that verification of financial circumstances may require the student to submit further documentation.
“(iv) Information about where a student or the student’s family can seek additional information regarding the financial aid offered, including contact information for the institution’s financial aid office and the Department of Education’s website on financial aid.

“(G) ADDITIONAL INFORMATION.—If in consultation with the heads of relevant Federal agencies, including the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, the Secretary determines the inclusion of additional information is necessary (based on the results of the consumer testing under paragraph (7)(B)) so that students and parents can make informed loan borrowing decisions, this information shall be included. Such information may include—

“(i) the most recent cohort default rate, as defined in section 435(m) with respect to an institution where more than 30 percent of enrolled students borrow loans to pay for their education, and a comparison to the national average cohort default rate;
“(ii) the percentage of students at the institution who borrow student loans;

“(iii) the median loan debt at graduation for students at the institution (clearly marked as including only Federal loans if private loan data are not available to be included);

“(iv) the estimated monthly loan payment based on—

“(I) the median loan debt at graduation calculated under clause (iii) and the standard repayment plan;

and

“(II) the median loan debt at graduation calculated under clause (iii) and the median payment for various example salaries under the Income Contingent Repayment plan known as Revised Pay As You Earn;

and

“(v) the estimated institutional charges that the student, or the student’s family on behalf of the student, will have to pay directly to the institution for the student to attend the institution for the
academic period described in subparagraph (A)(ii), equal to—

“(I) the total direct costs described in subparagraph (A)(i)(I) for the student for the period indicated in subparagraph (A)(ii); minus

“(II) the amount of grant aid described in subparagraph (B) that is included on the financial aid offer.

“(3) Other required contents for the financial aid offer.—The standard financial aid offer developed under paragraph (1) shall include, in addition to the information described in paragraph (2), the following information in a concise format located after the requirements of paragraph (2), where the format shall be designed by the Secretary of Education in consultation with the heads of relevant Federal agencies:

“(A) Information at the institution’s discretion.—At the institution’s discretion—

“(i) additional options and potential resources for paying for the amount listed in paragraph (2)(C), such as tuition payment plans;
“(ii) for an undergraduate student, a disclosure that Federal Direct Parent PLUS Loans borrowed on behalf of the student or private education loans may be available to cover unmet financial need, except that the institution must include a disclosure that such loans are subject to an additional application process, have to be repaid by the borrower or the borrower’s parents, as applicable, include the applicable interest rate in the case of Federal Direct PLUS Loans, and that such loans may not be eligible for all the benefits available for Federal Direct Subsidized Loans or Federal Direct Unsubsidized Loans; and

“(iii) for a graduate student, a disclosure that private education loans may be available to cover unmet financial need, except that the institution must include a disclosure that such loans are subject to an additional application process, have to be repaid by the borrower, and are not eligible for all the benefits available for Federal Direct Loans or Federal PLUS Loans.
“(B) DISCLOSURES REGARDING PRIVATE EDUCATION LOANS.—If the institution includes private education loans in the financial aid offer, as allowed under subparagraph (A), the following information shall be included:

“(i) A statement that students considering borrowing to cover unmet need should exhaust available Federal financial aid, including Federal student loans, prior to applying for or taking out private education loans, including an explanation that Federal student loans offer generally more favorable terms and beneficial repayment options than private education loans.

“(ii) The impact of private education loans on the student’s potential eligibility for other financial assistance, including Federal financial assistance under this title.

“(iii) A statement explaining the student’s ability to select a private educational lender of the student’s choice.

“(iv) For any dependent student, information about the availability of, and terms and conditions associated with, Fed-
eral Direct PLUS Loans under section 455 for the student’s parents regardless of family income.

“(v) For any dependent student, a notification of the student’s increased eligibility for Federal student loans under this title if the student’s parents apply for a Federal Direct PLUS loan and are denied.

“(C) TOTAL COST OF DEGREE OR CERTIFICATE PROGRAM INFORMATION.—The following information regarding the total cost of a degree or certificate program:

“(i) TOTAL COST OF ATTENDANCE.—Information on the student’s estimated total cost of attendance, based on the published program length, including the following:

“(I) Total estimated direct costs based on the published program length, including the component totals each for—

“(aa) tuition and fees, as determined under section 472; and
“(bb) institutionally owned or operated housing and food costs (as determined based on the costs for housing and food under section 472).

“(II) Total estimated other expenses based on the published program length, including—

“(aa) the component totals each for housing and food costs for students who reside off-campus; and

“(bb) for all students, books, supplies, transportation, miscellaneous personal expenses, health insurance (if applicable), and child care (if applicable), as determined under section 472.

“(ii) TOTAL NET PRICE.—

“(I) The estimated total net price that the student, or the student’s family on behalf of the student, is estimated to have to pay for the student to attend the institution for the published program length, equal to—
“(aa) the estimated total cost of attendance as described in clause (i) for the student based on the published program length; minus

“(bb) the estimated total amount of grant aid described in paragraph (2)(B) that is estimated to continue for the program length and is included in the financial aid offer, based on the published program length.

“(II) A disclosure that the estimated total net price is an estimate of the total expenses for the published program length and not equivalent to the amount the student will owe directly to the institution over the published program length.

“(4) ADDITIONAL REQUIREMENTS FOR FINANCIAL AID OFFER.—The financial aid offer shall meet the following requirements:

“(A) Include, in addition to the requirements described in paragraphs (2) and (3), a concise summary, in plain language, of—
“(i) the terms and conditions of financial aid recommended under subparagraphs (B), (D), and (E) of paragraph (2), and a method to provide students with additional information about such terms and conditions, such as links to the supplementary information; and

“(ii) Federal, State, or institutional conditions required to receive and renew financial aid and a method to provide students with additional information about these conditions, such as links to the supplementary information.

“(B) Clearly distinguish between the aid offered in subparagraphs (B), (D), and (E) of paragraph (2), by including a subtotal for the aid offered in each of such subparagraphs which shall not combine the different types of aid described in such subparagraphs.

“(C) Use standard terminology and definitions, as required in paragraph (5)(A), and use plain language where possible.

“(D) Use the standard financial aid offer described in paragraph (5)(B).
“(E) Include the standardized statement regarding the possible availability of Federal education benefits, as established by the Secretary in accordance with paragraph (5)(C).

“(F) Include a delivery confirmation for electronic financial aid offer, except that receipt of the financial aid offer shall not be considered an acceptance or rejection of aid by the student.

“(5) STANDARD INFORMATION ESTABLISHED BY THE SECRETARY.—

“(A) STANDARD TERMINOLOGY.—The Secretary of Education shall use the standard terminology developed under paragraph (8).

“(B) STANDARD FINANCIAL AID OFFER.—

“(i) IN GENERAL.—The Secretary of Education shall develop multiple draft financial aid offers for consumer testing, carry out consumer testing for such offers, and establish a finalized standard financial aid offer or offers, in accordance with the process established in paragraph (7) and the requirements of this subsection.

“(ii) STANDARD FINANCIAL AID OFFER FORMS FOR DIFFERENT TYPES OF STUDENTS.—Subject to the requirements
for consumer testing and development described in paragraph (7), the Secretary may develop separate financial aid offer formatting for each of the following individual types of students that must follow a standard format within each such individual type of students:

“(I) New undergraduate students.

“(II) Returning undergraduate students.

“(III) New graduate and professional students.

“(IV) Returning graduate and professional students.

“(C) ADDITIONAL EDUCATION BENEFITS.—The Secretary of Education, in consultation with the heads of relevant Federal agencies, including the Secretary of the Treasury, the Secretary of Veterans Affairs, the Secretary of Defense, and the Director of the Consumer Financial Protection Bureau, shall establish standard language notifying students that they may be eligible for education benefits (and where students can locate more information
about such benefits), including benefits in accordance with each of the following:

“(i) Chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code.


“(iii) Section 1784a, 2005, or 2007 of title 10, United States Code.

“(D) ADDITIONAL MEANS-TESTED BENEFITS.—The Secretary of Education, in consultation with the heads of relevant Federal agencies, shall establish standard language notifying students that they may be eligible for means-tested benefits (and where students can locate more information about such benefits) including benefits from—

“(i) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

“(ii) the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

“(iii) the program of block grants for States for temporary assistance for needy
families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(iv) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

“(v) the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); and

“(vi) any other means-tested program determined by the Secretary to be appropriate.

“(6) SUPPLEMENTAL INFORMATION; REMOVAL OF INFORMATION.—

“(A) SUPPLEMENTAL INFORMATION.—
Nothing in this section shall preclude an institution from supplementing the financial aid offer with additional information if such additional information supplements the financial aid offer and is not located on the financial aid offer, and provided such information utilizes the same standard terminology identified in paragraph (5)(A).
“(B) Removal of information.—Nothing in this section shall preclude an institution from deleting a required item if the borrower is ineligible for such aid.

“(7) Development of standardized financial aid offer.—

“(A) Draft standardized offer.—Not later than 13 months after the date of enactment of the Student Aid Improvement Act of 2019, the Secretary of Education, in consultation with the heads of relevant Federal agencies, including the Secretary of the Treasury and the Director of the Consumer Financial Protection Bureau, representatives of institutions of higher education, nonprofit consumer groups, students, and secondary school and higher education guidance counselors, shall design and produce multiple draft financial aid offers for consumer testing with postsecondary students or prospective students. In developing that offer or those offers, the Secretary shall ensure—

“(i) that the information described in subparagraphs (A) through (E) of paragraph (2) is in the same font, appears in
the same order, and is displayed prominently on the first page of the financial aid offer, if in paper format, or in a similarly prominent place if in electronic format, such that none of that information is inappropriately omitted or de-emphasized;

“(ii) that the other information required in paragraph (2) appears in a standard format and design on the financial aid offer; and

“(iii) that the institution may include a logo or brand alongside the title of the financial aid offer.

“(B) CONSUMER TESTING.—

“(i) IN GENERAL.—The Secretary of Education, in consultation with the heads of relevant Federal agencies, shall establish a process to submit the financial aid offer drafts developed under subparagraph (A) for consumer testing among representatives of students (including low-income students, first generation college students, adult students, veterans, servicemembers, and prospective students), students’ families (including low-income families, families
with first generation college students, and
families with prospective students), institutions of higher education, secondary school
and postsecondary counselors, and non-
profit consumer groups.

“(ii) PILOT.—During such consumer
testing, the Secretary shall ensure that not
less than 25 and not more than 50 eligible
institutions use the draft offers developed
under subparagraph (A), including institu-
tions—

“(I) that reflect a proportionate
representation (based on the total
number of students enrolled in post-
secondary education) of community
colleges, for-profit institutions, 4-year
public institutions, and 4-year private
nonprofit institutions; and

“(II) that reflect geographic di-
versity.

“(C) FINAL OFFER FORMAT.—

“(i) IN GENERAL.—The results of
consumer testing under subparagraph (B)
shall be used in the final development of
the financial aid offer.
“(ii) Reporting requirement.—

Not later than 2 years after the date of enactment of the Student Aid Improvement Act of 2019, the Secretary of Education shall submit to Congress and publish on its website the final standard financial aid offer and a report detailing the results of such testing, including whether the Secretary of Education added any additional items to the standard financial aid offer pursuant to paragraph (2)(G) or whether the Secretary of Education is recommending the use of multiple formats under paragraph (5)(B).

“(iii) Special rule for different formats.—If, based on the consumer testing under subparagraph (B), there is strong evidence for the use of different offers that follow a standard format for individual types of students as described in paragraph (5)(B)(ii), the Secretary shall release more than one standardized final financial aid offer so long as each form follows a standard format for each individual type of student.
“(D) AUTHORITY TO MODIFY.—The Secretary of Education may modify the definitions, terms, formatting, and design of the financial aid offer based on the results of consumer testing required under this subsection and before finalizing the offer, or in subsequent consumer testing. The Secretary may also recommend additional changes to Congress.

“(E) USE BY INSTITUTIONS.—As soon as practicable, and not later than for the 2023–2024 award year, each eligible institution shall use the final standard financial aid offer, as published in accordance with subparagraph (C) (which may include different standardized final financial aid offers if established under subparagraph (C)(iii)).

“(8) DEVELOPMENT OF STANDARD TERMINOLOGY FOR FEDERAL STUDENT AID.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of the Student Aid Improvement Act of 2019, the Secretary, in consultation with other relevant Federal agencies, representatives of institutions of higher education, nonprofit consumer groups, students, and secondary school and postsecondary school
guidance counselors, shall develop or identify
and release for notice and comment for a period
of 60 days—

“(i) standard terms and definitions
for each term listed in subparagraphs (A)
through (E) of paragraph (2);

“(ii) standard names and a summary
of the terms and conditions of each indi-
vidual Federal grant and work-study pro-
gram under this title, including general in-
formation about eligibility; and

“(iii) standard names and a summary
of the terms and conditions of each Fed-
eral loan program under this title, includ-
ing general information about eligibility,
current interest rates, the ability to make
payments based on income, forgiveness,
cancellation, and any other available bene-
fits of the Federal loan program.

“(B) CONSUMER TESTING.—

“(i) IN GENERAL.—The Secretary
shall conduct consumer testing on the
items developed under this paragraph
among representatives of students (includ-
ing low-income students, first generation
college students, adult students, and prospective students), students’ families (including low-income families, families of first generation college students, and families of prospective students), institutions of higher education, secondary school and postsecondary school counselors, and nonprofit consumer groups.

“(ii) USE OF RESULTS.—The Secretary shall—

“(I) use the results of the consumer testing under this clause in the final establishment of each of the items listed in subparagraph (A); and

“(II) share the results of that testing with relevant stakeholders.

“(C) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of the Student Aid Improvement Act of 2019, and after the consideration of public comments received pursuant to subparagraph (A), the Secretary shall submit a report to Congress containing—

“(i) the final names, definitions, summaries, terms, conditions, and other infor-
information described in subparagraph (A) determined necessary by the Secretary; and

“(ii) the results of the consumer testing under subparagraph (B).

“(D) ISSUANCE, USE, UPDATES.—

“(i) ISSUANCE.—Not later than 1 year after the date of enactment of the Student Aid Improvement Act of 2019, the Secretary shall publish in the Federal Register and make publicly available the final established names, definitions, summaries, terms, and conditions, as described in subparagraph (A) and contained in the report under subparagraph (C).

“(ii) USE BY INSTITUTIONS.—As soon as practicable, and not later than for the 2022–2023 award year, each eligible institution shall use the final established names, definitions, summaries, and terms and conditions, as published in accordance with clause (i), for any communication that is required under this subsection.

“(iii) USE BY THE DEPARTMENT.—As soon as practicable, the Department of Education shall use the final established
names, definitions, summaries, terms, and conditions, as published in accordance with clause (i), for any communication regarding programs under this title.

“(iv) Updates.—The Secretary shall—

“(I) issue updates to the items listed in subparagraph (A) as necessary and appropriate;

“(II) issue such updates in a manner that is consistent with and sensitive to established institutional financial aid processes;

“(III) issue significant updates only after conducting additional consumer testing in accordance with subparagraph (B); and

“(IV) publish any such updates in the Federal Register and make them publicly available.”.

SEC. 9. CREATING FAIRNESS IN LOAN REPAYMENT.

Section 455(d) (20 U.S.C. 1087e(d)) is amended—

(1) by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively;
(2) in paragraph (4), as redesignated by paragraph (1), by striking “paragraph (2)” and inserting “paragraph (3)”; and

(3) by inserting after paragraph (1) the following:

“(2) FAIRNESS IN LOAN REPAYMENT.—With respect to any new borrower on or after July 1, 2020, who elects a repayment plan that is authorized, created under the authority of, or otherwise offered by the Secretary under subparagraph (D) or (E) of paragraph (1), the borrower shall not be subject to a maximum monthly payment based on a 10-year standard repayment plan as described in section 493C(b)(6)(A) or any other maximum monthly payment.”.