

116TH CONGRESS
1ST SESSION

S. _____

To amend the Higher Education Act of 1965 to make it easier to apply for Federal student aid, to make that aid predictable, to amend the Federal Pell Grant program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to make it easier to apply for Federal student aid, to make that aid predictable, to amend the Federal Pell Grant program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FAFSA Simplification
5 Act of 2019”.

6 **SEC. 2. MAKING IT EASIER TO APPLY FOR FEDERAL AID**

7 **AND MAKING THAT AID PREDICTABLE.**

8 (a) **NEED ANALYSIS.**—

1 (1) IN GENERAL.—Section 471 of the Higher
2 Education Act of 1965 (20 U.S.C. 1087kk) is
3 amended to read as follows:

4 **“SEC. 471. AMOUNT OF NEED.**

5 “(a) IN GENERAL.—Except as otherwise provided
6 therein, beginning with award year 2021-2022, the
7 amount of need of any student for financial assistance
8 under this title (except subparts 1 or 2 of part A) is equal
9 to—

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

12 “(2) the student aid index (as defined in section
13 473) for such student, minus;

14 “(3) other financial assistance not received
15 under this title (as defined in section 480(j)).

16 “(b) EFFECTIVE DATE OF CHANGES.—The amend-
17 ments made to this title under the FAFSA Simplification
18 Act of 2019 shall take effect beginning with award year
19 2021-2022. The amounts provided under such amend-
20 ments for award year 2020-2021 shall be used solely as
21 a base to determine adjustments for subsequent award
22 years.”.

23 (2) MAXIMUM AID UNDER PART D.—Section
24 451 of the Higher Education Act of 1965 (20

1 U.S.C. 1087a) is amended by adding at the end the
2 following:

3 “(c) **MAXIMUM AID.**—The maximum dollar amount
4 of financial assistance provided under this part to a stu-
5 dent shall not exceed the cost of attendance for such stu-
6 dent.”.

7 (3) **GUIDANCE TO STATES.**—The Secretary of
8 Education shall issue guidance for States on inter-
9 pretation and implementation of the terminology and
10 formula adjustments made under the amendments
11 made by this Act, including the student aid index,
12 formerly known as the expected family contribution,
13 and the need analysis formulas.

14 (b) **STUDENT AID INDEX.**—Section 473 of the High-
15 er Education Act of 1965 (20 U.S.C. 1087mm) is amend-
16 ed to read as follows:

17 **“SEC. 473. STUDENT AID INDEX.**

18 “(a) **IN GENERAL.**—For the purpose of this title,
19 other than subparts 1 or 2 of part A, the term ‘student
20 aid index’ means, with respect to a student, an index that
21 reflects an evaluation of a student’s approximate financial
22 resources to contribute toward the student’s postsecondary
23 education for the academic year, as determined in accord-
24 ance with this part.

1 “(b) SPECIAL RULE FOR STUDENTS ELIGIBLE FOR
2 THE TOTAL MAXIMUM PELL GRANT.—The Secretary
3 shall consider an applicant to automatically have a student
4 aid index equal to zero if the applicant is eligible for the
5 total maximum Federal Pell Grant under subpart 1 of
6 part A, except if the applicant has a calculated student
7 aid index of less than zero the Secretary shall consider
8 the negative number as the student aid index for the appli-
9 cant.

10 “(c) SPECIAL RULE FOR NONFILERS.—For an appli-
11 cant (or, as applicable, an applicant and spouse, or an ap-
12 plicant’s parents) not required filed a Federal tax return
13 for the applicable tax year, the Secretary shall for the pur-
14 poses of this title consider the student aid index as equal
15 to $-\$1,500$ for the applicant.

16 “(d) SPECIAL RULE FOR RECIPIENTS OF MEANS-
17 TESTED BENEFITS.—For an applicant (including the stu-
18 dent, the student’s parent, or the student’s spouse, as ap-
19 plicable) who at any time during the previous 24-month
20 period was a recipient of a means-tested Federal benefit
21 program, the Secretary shall consider an applicant to
22 automatically have a student aid index equal to zero, ex-
23 cept if the applicant has a calculated student aid index
24 of less than zero the Secretary shall consider the negative
25 number as the student aid index for the applicant.

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

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

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

10 “(3) The program of block grants for States for
11 temporary assistance for needy families established
12 under part A of title IV of the Social Security Act
13 (42 U.S.C. 601 et seq.).

14 “(4) The special supplemental nutrition pro-
15 gram for women, infants, and children established
16 by section 17 of the Child Nutrition Act of 1966 (42
17 U.S.C. 1786).

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

20 (c) DETERMINATION OF STUDENT AID INDEX.—Sec-
21 tion 474 of the Higher Education Act of 1965 (20 U.S.C.
22 1087nn) is amended to read as follows:

23 **“SEC. 474. DETERMINATION OF STUDENT AID INDEX.**

24 “The student aid index—

1 “(C) the student’s available assets (deter-
2 mined in accordance with subsection (h)).

3 “(2) EXCEPTION.—If the sum of paragraphs
4 (1), (2), and (3) with respect to a dependent student
5 is less than $-\$1,500$, the student aid index for the
6 dependent student shall be $-\$1,500$.

7 “(b) ASSESSMENT OF PARENTS’ ADJUSTED AVAIL-
8 ABLE INCOME.—The assessment of parents’ adjusted
9 available income is equal to the amount determined by—

10 “(1) computing adjusted available income by
11 adding—

12 “(A) the parents’ available income (deter-
13 mined in accordance with subsection (c)); and

14 “(B) the parents’ available assets (deter-
15 mined in accordance with subsection (d));

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

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

22 “(c) PARENTS’ AVAILABLE INCOME.—

23 “(1) IN GENERAL.—The parents’ available in-
24 come is determined by subtracting from total income
25 (as defined in section 480)—

1 “(A) Federal income taxes;

2 “(B) an allowance for payroll taxes, deter-
3 mined in accordance with paragraph (2);

4 “(C) an income protection allowance, de-
5 termined in accordance with paragraph (3); and

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

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

10 “(A) the total amount earned by the par-
11 ents, multiplied by the rate of tax under section
12 3101(b) of the Internal Revenue Code of 1986;
13 and

14 “(B) the amount earned by the parents
15 that does not exceed such contribution and ben-
16 efit base (twice such contribution and benefit
17 base, in the case of a joint return) for the year
18 of the earnings, multiplied by the rate of tax
19 applicable to such earnings under section
20 3101(a) of such Code.

21 “(3) INCOME PROTECTION ALLOWANCE.—The
22 income protection allowance for award year 2020–
23 2021 and each succeeding award year shall equal
24 the amount determined in the following table, as ad-
25 justed by the Secretary pursuant to section 478(b):

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

Family Size (including student)	Amount
2	\$19,080
3	\$23,760
4	\$29,340
5	\$34,620
6	\$40,490
For each additional add	\$4,750

1 “(4) EMPLOYMENT EXPENSE ALLOWANCE.—

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

7 “(d) PARENTS’ AVAILABLE ASSETS.—

8 “(1) IN GENERAL.—

9 “(A) DETERMINATION.—Except as pro-
10 vided in subparagraph (B), the parents’ avail-
11 able assets are equal to—

12 “(i) the difference between the par-
13 ents’ net assets and the education savings
14 and asset protection allowance (determined
15 in accordance with paragraph (2)); multi-
16 plied by

17 “(ii) 12 percent.

18 “(B) NOT LESS THAN ZERO.—Parents’
19 available assets under this subsection shall not
20 be less than zero.

1 “(2) EDUCATION SAVINGS AND ASSET PROTEC-
 2 TION ALLOWANCE.—The education savings and asset
 3 protection allowance is calculated according to the
 4 following table (or a successor table prescribed by
 5 the Secretary under section 478(d)):

“Education Savings and Asset Protection Allowances for Parents
 of Dependent Students

If the age of the oldest parent is—	And there are	
	two parents	one parent
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,300
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700

“Education Savings and Asset Protection Allowances for Parents of Dependent Students—Continued

If the age of the oldest parent is—	And there are	
	two parents	one parent
	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

1 “(e) ASSESSMENT SCHEDULE.—The assessment of
 2 the parents’ adjusted available income (as determined
 3 under subsection (b)(1) and hereafter in this subsection
 4 referred to as ‘AAI’) is calculated according to the fol-
 5 lowing table (or a successor table prescribed by the Sec-
 6 retary under section 478(e)):

“Parents’ Contribution from AAI

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

7 “(f) CONSIDERATION OF PARENTAL INCOME.—

8 “(1) MARRIED PARENTS.—Parental income and
 9 assets in the case of student whose parents are mar-
 10 ried and not separated shall include the income and
 11 assets of both parents.

12 “(2) DIVORCED OR SEPARATED PARENTS.—Pa-
 13 rental income and assets for a student whose par-

1 ents are divorced or separated, but not remarried, is
2 determined:

3 “(A) By including only the income and as-
4 sets of the parent with whom the student re-
5 sided for the greater portion of the 12-month
6 period preceding the date of the application.

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

12 “(C) If neither of the preceding criteria
13 apply, include only the income and assets of the
14 parent who provided the greater support during
15 the most recent calendar year for which paren-
16 tal support was provided.

17 “(3) DEATH OF A PARENT.—Parental income
18 and assets in the case of the death of any parent is
19 determined as follows:

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

23 “(B) If both parents have died, the student
24 shall not report any parental income or assets.

1 “(4) REMARRIED PARENTS.—If a parent whose
2 income and assets are taken into account under
3 paragraph (2), or if a parent who is a widow or wid-
4 ower and whose income is taken into account under
5 paragraph (3), has remarried, the income of that
6 parent’s spouse shall be included in determining the
7 parent’s assessment of adjusted available income if
8 the student’s parent and the stepparent are married
9 as of the date of application for the award year con-
10 cerned.

11 “(5) SINGLE PARENT WHO IS NOT DIVORCED
12 OR SEPARATED.—Parental income and assets in the
13 case of a student whose parent is a single parent but
14 who is not divorced, separated, or remarried, shall
15 include the income and assets of such single parent.

16 “(g) STUDENT’S AVAILABLE INCOME.—

17 “(1) IN GENERAL.—The student’s available in-
18 come is equal to—

19 “(A) the difference between the student’s
20 total income (determined in accordance with
21 section 480) and the adjustment to student in-
22 come (determined in accordance with paragraph
23 (2)); multiplied by

24 “(B) 50 percent.

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

4 “(A) the Federal income taxes of the stu-
5 dent;

6 “(B) an allowance for payroll taxes deter-
7 mined in accordance with paragraph (3);

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

10 “(i) \$9,110 for award year 2020–
11 2021; and

12 “(ii) for each succeeding award year,
13 the amount adjusted pursuant to section
14 478(b); and

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

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

20 “(A) the total amount earned by the stu-
21 dent, multiplied by the rate of tax under section
22 3101(b) of the Internal Revenue Code of 1986;
23 and

24 “(B) the amount earned by the student
25 that does not exceed such contribution and ben-

1 “(1) IN GENERAL.—For each independent stu-
2 dent without dependents other than a spouse, the
3 student aid index is equal to (except as provided in
4 paragraph (2)) the sum of—

5 “(A) the family’s available income (deter-
6 mined in accordance with subsection (b)); and

7 “(B) the family’s available assets (deter-
8 mined in accordance with subsection (c)).

9 “(2) EXCEPTION.—If the sum of paragraphs
10 (1) and (2) with respect to a independent student
11 without dependents other than a spouse is less than
12 –\$1,500, the student aid index for the independent
13 student shall be –\$1,500.

14 “(b) FAMILY’S AVAILABLE INCOME.—

15 “(1) IN GENERAL.—The family’s available in-
16 come is determined by—

17 “(A) deducting from total income (as de-
18 fined in section 480)—

19 “(i) Federal income taxes;

20 “(ii) an allowance for payroll taxes,
21 determined in accordance with paragraph
22 (2);

23 “(iii) an income protection allowance
24 that is equal to—

1 “(I) in the case of a single inde-
2 pendent student without dependents—

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

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

8 “(II) in the case of a married
9 independent student without depend-
10 ents—

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

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

16 “(iv) in the case of a married inde-
17 pendent student, an employment expense
18 allowance, as determined in accordance
19 with paragraph (3); and

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

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

24 “(A) the total amount earned by the stu-
25 dent (and spouse, if appropriate), multiplied by

1 the rate of tax under section 3101(b) of the In-
2 ternal Revenue Code of 1986; and

3 “(B) the amount earned by the student
4 (and spouse, if appropriate) that does not ex-
5 ceed such contribution and benefit base (twice
6 such contribution and benefit base, in the case
7 of a joint return) for the year of the earnings,
8 multiplied by the rate of tax applicable to such
9 earnings under section 3101(a) of such Code.

10 “(3) EMPLOYMENT EXPENSES ALLOWANCE.—
11 The employment expense allowance is equal to the
12 following:

13 “(A) If the student is married, such allow-
14 ance is equal to the lesser of \$4,000 or 35 per-
15 cent of the couple’s combined earned income (or
16 is equal to a successor amount as adjusted by
17 the Secretary pursuant to section 478(g)).

18 “(B) If the student is not married, the em-
19 ployment expense allowance is zero.

20 “(c) FAMILY’S AVAILABLE ASSETS.—

21 “(1) IN GENERAL.—

22 “(A) DETERMINATION.—Except as pro-
23 vided in subparagraph (B), the family’s avail-
24 able assets are equal to—

1 “(i) the difference between the fam-
 2 ily’s assets (as defined in section 480(f))
 3 and the asset protection allowance (deter-
 4 mined in accordance with paragraph (2));
 5 multiplied by

6 “(ii) 20 percent.

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

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

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,400
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800

“Asset Protection Allowances for Families and Students—
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
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

1 “(d) COMPUTATIONS IN CASE OF SEPARATION, DI-
2 VORCE, OR DEATH.—In the case of a student who is di-
3 vorced or separated, or whose spouse has died, the
4 spouse’s income and assets shall not be considered in de-
5 termining the family’s available income or assets.”.

6 (f) STUDENT AID INDEX FOR INDEPENDENT STU-
7 DENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—
8 Section 477 of the Higher Education Act of 1965 (20
9 U.S.C. 1087qq) is amended to read as follows:

1 **“SEC. 477. STUDENT AID INDEX FOR INDEPENDENT STU-**
2 **DENTS WITH DEPENDENTS OTHER THAN A**
3 **SPOUSE.**

4 “(a) COMPUTATION OF STUDENT AID INDEX.—For
5 each independent student with dependents other than a
6 spouse, the student aid index is equal to the amount deter-
7 mined by—

8 “(1) computing adjusted available income by
9 adding—

10 “(A) the family’s available income (deter-
11 mined in accordance with subsection (b)); and

12 “(B) the family’s available assets (deter-
13 mined in accordance with subsection (c)); and

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

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

20 “(b) FAMILY’S AVAILABLE INCOME.—

21 “(1) IN GENERAL.—The family’s available in-
22 come is determined by deducting from total income
23 (as defined in section 480)—

24 “(A) Federal income taxes;

25 “(B) an allowance for payroll taxes, deter-
26 mined in accordance with paragraph (2);

1 “(C) an income protection allowance, de-
2 termined in accordance with paragraph (3); and

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

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

7 “(A) the amount earned by the student
8 (and spouse, if appropriate), multiplied by the
9 rate of tax under section 3101(b) of the Inter-
10 nal Revenue Code of 1986; and

11 “(B) the amount earned by the student
12 (and spouse, if appropriate) that does not ex-
13 ceed such contribution and benefit base (twice
14 such contribution and benefit base, in the case
15 of a joint return) for the year of the earnings,
16 multiplied by the rate of tax applicable to such
17 earnings under section 3101(a) of such Code.

18 “(3) INCOME PROTECTION ALLOWANCE.—The
19 income protection allowance for award year 2020–
20 2021 and each succeeding award year shall equal
21 the amount determined in the following table, as ad-
22 justed by the Secretary pursuant to section 478(b):

23 “(A) In the case of a married independent
24 student with dependents:

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

Family Size (including student)	Amount
3	\$44,470
4	\$55,260
5	\$65,190
6	\$76,230
For each additional add	\$8,610

1 “(B) In the case of single independent stu-
 2 dent with dependents:

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

Family Size (including student)	Amount
2	\$43,128
3	\$54,364
4	\$66,312
5	\$78,228
6	\$91,476
For each additional add	\$10,332

3 “(4) EMPLOYMENT EXPENSE ALLOWANCE.—
 4 The employment expense allowance is equal to the
 5 lesser of \$4,000 or 35 percent of the student’s
 6 earned income or the combined earned income of the
 7 student and the student’s spouse (or is equal to a
 8 successor amount as adjusted by the Secretary
 9 under section 478(g)).

10 “(c) FAMILY’S AVAILABLE ASSETS.—

11 “(1) IN GENERAL.—

12 “(A) DETERMINATION.—Except as pro-
 13 vided in subparagraph (B), the family’s avail-
 14 able assets are equal to—

1 “(i) the difference between the fam-
 2 ily’s assets (as defined in 480(f)) and the
 3 asset protection allowance (determined in
 4 accordance with paragraph (2)); multiplied
 5 by

6 “(ii) 7 percent.

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

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

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
then the allowance is—		
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,400
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800

“Asset Protection Allowances for Families and Students—
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
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

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

“Assessment From Adjusted Available Income

If AAI is—	Then the assessment is—
Less than -\$6,820	-\$1,500
\$-6,820 to \$17,000	22% of AAI
\$17,001 to \$21,400	\$3,740 + 25% of AAI over \$17,000
\$21,401 to \$25,700	\$4,840 + 29% of AAI over \$21,400
\$25,701 to \$30,100	\$6,087 + 34% of AAI over \$25,700
\$30,101 to \$34,500	\$7,583 + 40% of AAI over \$30,100
\$34,501 or more	\$9,343 + 47% of AAI over \$34,500

1 “(e) COMPUTATIONS IN CASE OF SEPARATION, DI-
2 VORCE, OR DEATH.—In the case of a student who is di-
3 vorced or separated, or whose spouse has died, the
4 spouse’s income and assets shall not be considered in de-
5 termining the family’s available income or assets.”.

6 (g) REGULATIONS; UPDATED TABLES.—Section 478
7 of the Higher Education Act of 1965 (20 U.S.C. 1087rr)
8 is amended to read as follows:

9 **“SEC. 478. REGULATIONS; UPDATED TABLES.**

10 “(a) AUTHORITY TO PRESCRIBE REGULATIONS RE-
11 STRICTED.—

12 “(1) IN GENERAL.—Notwithstanding any other
13 provision of law, the Secretary shall not have the au-
14 thority to prescribe regulations to carry out this part
15 except—

16 “(A) to prescribe updated tables in accord-
17 ance with subsections (b) through (g); or

18 “(B) to propose modifications in the need
19 analysis methodology required by this part.

20 “(2) NOTIFICATION AND APPROVAL.—Any reg-
21 ulation proposed by the Secretary that updates ta-
22 bles in a manner that does not comply with sub-
23 sections (b) through (g), or that proposes modifica-
24 tions under paragraph (1)(B), shall not be effective
25 unless subject to notification and approval by the

1 authorizing committees not less than 90 days before
 2 such regulation is published in the Federal Register
 3 in accordance with section 482.

4 “(b) INCOME PROTECTION ALLOWANCE ADJUST-
 5 MENTS.—For award year 2021–2022 and each succeeding
 6 award year, the Secretary shall publish in the Federal
 7 Register revised income protection allowances for the pur-
 8 poses of subsections (c)(3) and (g)(2)(C) of section 475,
 9 subclauses (I) and (II) of section 476(b)(1)(A)(iii), and
 10 section 477(b)(3), by increasing the income protection al-
 11 lowances in each of such provisions, by a percentage equal
 12 to the percentage increase in the Consumer Price Index,
 13 as defined in subsection (f), between April 2019 and the
 14 April prior to the beginning of the award year and round-
 15 ing the result to the nearest \$10.

16 “(c) ADJUSTED NET WORTH OF A FARM OR BUSI-
 17 NESS.—

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

“Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$135,000	40% of net worth of business/farm
\$135,001 to \$410,000	\$54,000 + 50% of net worth over \$135,000
\$410,001 to \$680,000	\$191,500 + 60% of net worth over \$410,000
\$680,001 or more	\$353,500 + 100% of net worth over \$680,000

1 “(2) REVISED TABLES.—For each award year
2 after award year 2020–2021, the Secretary shall
3 publish in the Federal Register a revised table of ad-
4 justed net worth of a farm or business for purposes
5 of section 480(f). Such revised table shall be devel-
6 oped—

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

14 “(B) by adjusting the dollar amounts in
15 the column referring the adjusted net worth to
16 reflect the changes made pursuant to subpara-
17 graph (A).

18 “(d) EDUCATION SAVINGS AND ASSET PROTECTION
19 ALLOWANCE.—For each award year after award year
20 2020–2021, the Secretary shall publish in the Federal
21 Register a revised table of allowances for the purpose of
22 sections 475(d)(2), 476(e)(2), and 477(c)(2). Such revised
23 table shall be developed by determining the present value
24 cost, rounded to the nearest \$100, of an annuity that
25 would provide, for each age cohort of 40 and above, a sup-

1 plemental income at age 65 (adjusted for inflation) equal
2 to the difference between the moderate family income (as
3 most recently determined by the Bureau of Labor Statis-
4 tics), and the current average social security retirement
5 benefits. For each age cohort below 40, the allowance shall
6 be computed by decreasing the allowance for age 40, as
7 updated, by one-fifteenth for each year of age below age
8 40 and rounding the result to the nearest \$100. In making
9 such determinations—

10 “(1) inflation shall be presumed to be 6 percent
11 per year;

12 “(2) the rate of return of an annuity shall be
13 presumed to be 8 percent; and

14 “(3) the sales commission on an annuity shall
15 be presumed to be 6 percent.

16 “(e) ASSESSMENT SCHEDULES AND RATES.—For
17 each award year after award year 2020–2021, the Sec-
18 retary shall publish in the Federal Register a revised table
19 of assessments from adjusted available income for the pur-
20 pose of sections 475(e) and 477(d). Such revised table
21 shall be developed—

22 “(1) by increasing each dollar amount that re-
23 fers to adjusted available income by a percentage
24 equal to the percentage increase in the Consumer
25 Price Index between April 2019 and the April prior

1 to the beginning of such academic year, rounded to
2 the nearest \$100; and

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

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

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

21 (h) APPLICANTS EXEMPT FROM ASSET REPORT-
22 ING.—Section 479 of the Higher Education Act of 1965
23 (20 U.S.C. 1087ss) is amended to read as follows:

1 **“SEC. 479. APPLICANTS EXEMPT FROM ASSET REPORTING.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of law, this section shall be effective for each indi-
4 vidual seeking to apply for Federal financial aid under this
5 title, as part of the simplified application for Federal stu-
6 dent financial aid under section 483.

7 “(b) APPLICANTS EXEMPT FROM ASSET REPORT-
8 ING.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (3), in carrying out section 483, the Secretary
11 shall not use asset information from an eligible ap-
12 plicant or, as applicable, the parent or spouse of an
13 eligible applicant.

14 “(2) ELIGIBLE APPLICANTS.—In this sub-
15 section, the term ‘eligible applicant’ means an appli-
16 cant who meets at least 1 of the following criteria:

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

21 “(B) Is an applicant who is a dependent
22 student and the student’s parents have a total
23 adjusted gross income (excluding any income of
24 the dependent student) that is less than
25 \$75,000 and do not file a Schedule A, B, D, E,
26 F, or H (or equivalent successor schedules),

1 with the Federal income tax return for the sec-
2 ond preceding tax year, and—

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

7 “(ii) file a Schedule C (or the equiva-
8 lent successor schedule) with net business
9 income of not more than a \$10,000 loss or
10 gain with the Federal income tax return
11 for the second preceding tax year.

12 “(C) Is an applicant who is an independent
13 student and the student (and including the stu-
14 dent’s spouse, if any) has a total adjusted gross
15 income that is less than \$75,000 and does not
16 file a Schedule A, B, C, D, E, F, or H (or
17 equivalent successor schedules), with the Fed-
18 eral income tax return for the second preceding
19 tax year, and—

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

24 “(ii) files a Schedule C (or the equiva-
25 lent successor schedule) with net business

1 income of not more than a \$10,000 loss or
2 gain with the Federal income tax return
3 for the second preceding tax year.

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

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

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

15 (i) DISCRETION OF STUDENT FINANCIAL AID AD-
16 MINISTRATORS.—Section 479A of the Higher Education
17 Act of 1965 (20 U.S.C. 1087tt) is amended to read as
18 follows:

19 **“SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID AD-
20 MINISTRATORS.**

21 “(a) AUTHORITY OF FINANCIAL AID ADMINIS-
22 TRATOR.—

23 “(1) GENERAL AUTHORITY.—A financial aid
24 administrator shall have the authority to, on the
25 basis of documentation, make adjustments on a

1 case-by-case basis to the cost of attendance or the
2 values of the data used to calculate the student aid
3 index or Federal Pell Grant award (or both) for an
4 individual eligible applicant with special cir-
5 cumstances. In making adjustments described in this
6 paragraph, a financial aid administrator may—

7 “(A) request and use supplementary infor-
8 mation, as necessary, about the financial status
9 or personal circumstances of eligible applicants
10 as it relates to the special circumstances based
11 on which the applicant is requesting an adjust-
12 ment; or

13 “(B) offer a dependent student financial
14 assistance under a Federal Direct Unsubsidized
15 Stafford Loan without requiring the parents of
16 such student to file the Free Application for
17 Federal Student Aid if the student does not
18 qualify for, or chooses not utilize, the unusual
19 circumstance option specified in accordance
20 with section 480(d)(1)(I), and the financial aid
21 administrator determines that the parents of
22 such student ended financial support of such
23 student and refuse to file such form.

24 “(2) LIMITATION RELATING TO AUTHORITY OF
25 THE FINANCIAL AID ADMINISTRATOR.—In the ab-

1 sence of special circumstances as described in sub-
2 paragraphs (A) and (B) of this paragraph, the au-
3 thority under paragraph (1) shall not be construed
4 to permit financial aid administrators to deviate
5 from the cost of attendance, the values of the data
6 used to calculate the student aid index or the values
7 of the data used to calculate the Federal Pell Grant
8 award (or both) for awarding aid under this title.

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

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

17 “(ii) may include—

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

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

1 “(III) a change in housing status
2 that results in an individual being a
3 homeless child or youth (as defined in
4 section 725 of the McKinney-Vento
5 Homeless Assistance Act); or

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

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

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

20 “(ii) may include—

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

23 “(II) medical, dental, or nursing
24 home expenses not covered by insur-
25 ance;

1 “(III) unusually high child care
2 or dependent care costs;

3 “(IV) recent unemployment of a
4 family member or an independent stu-
5 dent;

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

10 “(VI) the number of family mem-
11 bers enrolled in a degree, certificate,
12 or other program leading to a recog-
13 nized educational credential at an in-
14 stitution with a program participation
15 agreement under section 487;

16 “(VII) a change in housing sta-
17 tus that results in an individual being
18 a homeless child or youth (as defined
19 in section 725 of the McKinney-Vento
20 Homeless Assistance Act);

21 “(VIII) in the case of a depend-
22 ent student, a recent condition of se-
23 vere disability of the student, the de-
24 pendent student’s parent or guardian,

1 or an independent student's depend-
2 ent or spouse;

3 “(IX) unusual amount of claimed
4 losses against income on the Federal
5 tax return that substantially lower ad-
6 justed gross income, such as business,
7 investment, or real estate losses; or

8 “(X) other changes or adjust-
9 ments in the income, assets, or size of
10 a family, or a student's dependency
11 status.

12 “(3) USE OF AUTHORITY.—No institution of
13 higher education or financial aid administrator shall
14 maintain a policy of denying all requests for adjust-
15 ments under this subsection.

16 “(4) DOCUMENTATION AND PROHIBITION ON
17 FEES.—

18 “(A) IN GENERAL.—Documentation for
19 adjustments under paragraph (1) shall substan-
20 tiate the special circumstances of individual stu-
21 dents, and may include a documented interview
22 between the student and the financial aid ad-
23 ministrator.

24 “(B) NO ADDITIONAL FEE.—No student or
25 parent shall be charged a fee for a documented

1 interview of the student by the financial aid ad-
2 ministrator or for the review of a student or
3 parent's request for adjustments under this
4 subsection including the review of any supple-
5 mentary information or documentation of a stu-
6 dent or parent's special circumstance.

7 “(C) DISCLOSURE.—Each institution of
8 higher education shall make publicly available
9 information that students applying for aid
10 under this title shall have the opportunity to
11 pursue adjustments under this subsection, such
12 as through an easily accessible notice on the in-
13 stitution's website or direct disclosures to stu-
14 dents.

15 “(b) PROVISIONAL INDEPENDENT STUDENTS.—

16 “(1) REQUIREMENTS FOR THE SECRETARY.—

17 The Secretary shall—

18 “(A) enable each student who, based on an
19 unusual circumstance specified in accordance
20 with section 480(d)(1)(I), may qualify for an
21 adjustment under subsection (a) that will result
22 in a determination of independence under this
23 section and section 480(d)(1)(I) to complete the
24 Free Application For Federal Student Aid as
25 an independent student for the purpose of a

1 provisional determination of the student's Fed-
2 eral financial aid award, but subject to the au-
3 thority under paragraph (2)(E), for the purpose
4 of the final determination of the award;

5 “(B) upon completion of the Free Applica-
6 tion for Federal Student Aid provide an esti-
7 mate of the student's Federal Pell Grant
8 award, based on the assumption the student is
9 determined to be an independent student; and

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

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

23 “(A) shall notify the student of the institu-
24 tional process, requirements, and timeline for
25 an adjustment under this section and section

1 480(d)(1)(I) that will result in a review of the
2 student’s request for an adjustment and a de-
3 termination of the student’s dependency status
4 under such sections within a reasonable time
5 after the student completes the Free Applica-
6 tion for Federal Student Aid;

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

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

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

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

23 “(I) a child welfare agency au-
24 thorized by a State or county;

1 “(II) a Tribal child welfare au-
2 thority;

3 “(III) an independent living case
4 worker; or

5 “(IV) a public or private agency,
6 facility, or program serving the vic-
7 tims of abuse, neglect, assault, or vio-
8 lence;

9 “(iii) a documented phone call or a
10 written statement from an attorney, a
11 guardian ad litem, or a court appointed
12 special advocate, which confirms the spe-
13 cific unusual circumstances and documents
14 the person’s relationship to the student;

15 “(iv) a documented phone call or a
16 written statement from a representative of
17 a program under chapter 1 or 2 of subpart
18 2 of part A, which confirms the specific
19 unusual circumstances and documents the
20 person’s relationship to the student; or

21 “(v) in the absence of documentation
22 described in this subparagraph, other doc-
23 umentation the financial aid administrator
24 determines is adequate and appropriate to
25 confirm the unusual circumstances;

1 “(D) shall retain all documents related to
2 the adjustment under this section and section
3 480(d)(1)(I), including documented interviews,
4 for at least the duration of the student’s enroll-
5 ment, and shall abide by all other record keep-
6 ing requirements of this Act; and

7 “(E) shall presume that any student who
8 has obtained an adjustment under this section
9 and section 480(d)(1)(I) and a final determina-
10 tion of independence for a preceding award year
11 at an institution to be independent for a subse-
12 quent award year at the same institution un-
13 less—

14 “(i) the student informs the institu-
15 tion that circumstances have changed; or

16 “(ii) the institution has specific con-
17 flicting information about the student’s
18 independence.

19 “(c) ADJUSTMENTS TO ASSETS OR INCOME TAKEN
20 INTO ACCOUNT.—A financial aid administrator shall be
21 considered to be making a necessary adjustment in accord-
22 ance with subsection (a) if—

23 “(1) the administrator makes adjustments ex-
24 cluding from family income or assets any proceeds
25 or losses from a sale of farm or business assets of

1 a family if such sale results from a voluntary or in-
2 voluntary foreclosure, forfeiture, or bankruptcy or a
3 voluntary or involuntary liquidation; or

4 “(2) the administrator makes adjustments for a
5 student with a disability so as to take into consider-
6 ation the additional costs such student incurs as a
7 result of such student’s disability.

8 “(d) REFUSAL OR ADJUSTMENT OF LOAN CERTIFI-
9 CATIONS.—On a case-by-case basis, an eligible institution
10 may refuse to use the authority provided under this sec-
11 tion, certify a statement that permits a student to receive
12 a loan under part D, certify a loan amount, or make a
13 loan that is less than the student’s determination of need
14 (as determined under this part), if the reason for the ac-
15 tion is documented and provided in written form to the
16 student. No eligible institution shall discriminate against
17 any borrower or applicant in obtaining a loan on the basis
18 of race, national origin, religion, sex, marital status, age,
19 or disability status.”.

20 (j) DISREGARD OF STUDENT AID IN OTHER PRO-
21 GRAMS.—Section 479B of the Higher Education Act of
22 1965 (20 U.S.C. 1087uu) is amended to read as follows:

1 **“SEC. 479B. DISREGARD OF STUDENT AID IN OTHER PRO-**
2 **GRAMS.**

3 “Notwithstanding any other provision of law, student
4 financial assistance received under this title, or under Bu-
5 reau of Indian Affairs student assistance programs, shall
6 not be taken into account in determining the need or eligi-
7 bility of any person for benefits or assistance, or the
8 amount of such benefits or assistance, under any Federal,
9 State, or local program financed in whole or in part with
10 Federal funds.”.

11 (k) NATIVE AMERICAN STUDENTS.—Section 479C of
12 the Higher Education Act of 1965 (20 U.S.C. 1087uu-
13 1) is amended to read as follows:

14 **“SEC. 479C. NATIVE AMERICAN STUDENTS.**

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

18 “(1) any income and assets of \$2,000 or less
19 per individual payment received by the student (and
20 spouse) and student’s parents under Public Law 98–
21 64 (25 U.S.C. 117a et seq.; 97 Stat. 365) (com-
22 monly known as the ‘Per Capita Act’) or the Indian
23 Tribal Judgment Funds Use or Distribution Act (25
24 U.S.C. 1401 et seq.); and

25 “(2) any income received by the student (and
26 spouse) and student’s parents under the Alaska Na-

1 tive Claims Settlement Act (43 U.S.C. 1601 et seq.)
2 or the Maine Indian Claims Settlement Act of 1980
3 (25 U.S.C. 1721 et seq.).”.

4 (l) DEFINITIONS.—Section 480 of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1087vv) is amended to read
6 as follows:

7 **“SEC. 480. DEFINITIONS.**

8 “In this part:

9 “(a) TOTAL INCOME.—The term ‘total income’
10 means the amount equal to adjusted gross income for the
11 second preceding tax year plus untaxed income and bene-
12 fits for the second preceding tax year minus excludable
13 income for the second preceding tax year. The factors used
14 to determine total income shall be derived from the Fed-
15 eral income tax return, if available, except for the appli-
16 cant’s ability to indicate a qualified rollover in the second
17 preceding tax year as outlined in section 483.

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

20 “(1) deductions and payments to self-employed
21 SEP, SIMPLE, Keogh, and other qualified indi-
22 vidual retirement accounts excluded from income for
23 Federal tax purposes, except such term shall not in-
24 clude payments made to tax-deferred pension and
25 retirement plans, paid directly or withheld from

1 earnings, that are not delineated on the Federal tax
2 return;

3 “(2) tax-exempt interest income;

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

6 “(4) untaxed portion of pensions; and

7 “(5) untaxed contributions to health savings ac-
8 counts.

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

12 “(d) INDEPENDENT STUDENTS AND DETERMINA-
13 TIONS.—

14 “(1) DEFINITION.—The term ‘independent’,
15 when used with respect to a student, means any in-
16 dividual who—

17 “(A) is 24 years of age or older by Decem-
18 ber 31 of the award year;

19 “(B) is an orphan, in foster care, or a
20 ward of the court, or was an orphan, in foster
21 care, or a ward of the court at any time when
22 the individual was 13 years of age or older;

23 “(C) is, or was immediately prior to attain-
24 ing the age of majority, an emancipated minor
25 or in legal guardianship as determined by a

1 court of competent jurisdiction in the individ-
2 ual's State of legal residence;

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

7 “(E) is a graduate or professional student;

8 “(F) is married and not separated;

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

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

18 “(i) by a local educational agency
19 homeless liaison, designated pursuant to
20 section 722(g)(1)(J)(ii) of the McKinney-
21 Vento Homeless Assistance Act or a des-
22 ignee of the liaison;

23 “(ii) by the director of a recognized
24 emergency shelter, transitional living,
25 street outreach program, or other program

1 serving individuals who are homeless or a
2 designee of the director;

3 “(iii) by the director of a Federal
4 TRIO program or a Gaining Early Aware-
5 ness and Readiness for Undergraduate
6 program under chapter 1 or 2 of subpart
7 2 of part A or a designee of the director;

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

11 “(v) pursuant to paragraph (3); or

12 “(I) is a student for whom a financial aid
13 administrator makes a documented determina-
14 tion of independence by reason of other unusual
15 circumstances in which the student is unable to
16 contact a parent or where contact with parents
17 poses a risk to such student, which may include
18 circumstances of—

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

22 “(ii) legally granted refugee or asylum
23 status;

24 “(iii) parental abandonment; or

25 “(iv) parental imprisonment.

1 “(2) SIMPLIFYING THE DEPENDENCY OVER-
2 RIDE PROCESS.—A financial aid administrator may
3 make a determination of independence under para-
4 graph (1)(I) based upon a documented determina-
5 tion of independence that was previously made by
6 another financial aid administrator under such para-
7 graph in the same award year.

8 “(3) DETERMINATION PROCESS FOR UNACCOM-
9 PANIED YOUTH.—A financial aid administrator shall
10 make a case-by-case determination under paragraph
11 (1)(H) if a student does not have, and cannot get,
12 documentation from any of the other designated au-
13 thorities described in such paragraph. A financial
14 aid administrator may verify, in the absence of con-
15 flicting information, a status described in paragraph
16 (1)(H). Such a determination shall be—

17 “(A) distinct from a determination of inde-
18 pendence under paragraph (1)(I);

19 “(B) based on, and limited to, the defini-
20 tions outlined in paragraph (1)(H);

21 “(C) based on a written statement from or
22 a documented interview with the student which
23 confirms the student’s status as an unaccom-
24 panied youth; and

1 “(D) made independent from the reasons
2 for the student’s homelessness.

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

11 “(A) Submission of a court order or offi-
12 cial State documentation that the student re-
13 ceived Federal or State support in foster care.

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

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

22 “(ii) a State Medicaid agency; or

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

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

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

12 “(5) TIMING; USE OF EARLIER DETERMINA-
13 TION.—

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

17 “(i) shall be made as quickly as prac-
18 ticable;

19 “(ii) may be made as early as the year
20 before the award year for which the stu-
21 dent initially submits an application; and

22 “(iii) shall be made not later than
23 during the award year for which the stu-
24 dent initially submits an application.

1 “(B) USE OF EARLIER DETERMINATION.—

2 Any student who is determined to be inde-
3 pendent under subparagraph (B), (H) or (I) of
4 paragraph (1) for a preceding award year at an
5 institution shall be presumed to be independent
6 for each subsequent award year at the same in-
7 stitution unless—

8 “(i) the student informs the institu-
9 tion that circumstances have changed; or

10 “(ii) the institution has specific con-
11 flicting information about the student’s
12 independence, and has informed the stu-
13 dent of this information.

14 “(6) RETENTION OF DOCUMENTS.—A financial
15 aid administrator shall retain all documents related
16 to the determination of independence under subpara-
17 graph (B) or (H) of paragraph (1), including docu-
18 mented interviews.

19 “(e) EXCLUDABLE INCOME.—The term ‘excludable
20 income’ means an amount equal to the education credits
21 described in paragraphs (1) and (2) of section 25A(a) of
22 the Internal Revenue Code of 1986.

23 “(f) ASSETS.—

24 “(1) IN GENERAL.—The term ‘assets’ means
25 cash on hand, including the amount in checking and

1 savings accounts, time deposits, money market
2 funds, trusts, stocks, bonds, derivatives, other secu-
3 rities, mutual funds, tax shelters, qualified education
4 benefits (except as provided in paragraph (3)), the
5 annual amount of child support received and the net
6 value of real estate, income producing property, and
7 business and farm assets, determined in accordance
8 with section 478(e).

9 “(2) EXCLUSIONS.—With respect to determina-
10 tions of need under this title, the term ‘assets’ shall
11 not include the net value of the family’s principal
12 place of residence.

13 “(3) QUALIFIED EDUCATION BENEFIT.—A
14 qualified education benefit shall be considered an
15 asset of—

16 “(A) the student if the student is an inde-
17 pendent student; or

18 “(B) the parent if the student is a depend-
19 ent student and the account is designated for
20 the student, regardless of whether the owner of
21 the account is the student or the parent.

22 “(g) NET ASSETS.—The term ‘net assets’ means the
23 current market value at the time of application of the as-
24 sets (as defined in subsection (f)), minus the outstanding
25 liabilities or indebtedness against the assets.

1 “(h) TREATMENT OF INCOME TAXES PAID TO
2 OTHER JURISDICTIONS.—

3 “(1) The tax on income paid to the Govern-
4 ments of the Commonwealth of Puerto Rico, Guam,
5 American Samoa, the Virgin Islands, or the Com-
6 monwealth of the Northern Mariana Islands, the Re-
7 public of the Marshall Islands, the Federated States
8 of Micronesia, or Palau under the laws applicable to
9 those jurisdictions, or the comparable tax paid to the
10 central government of a foreign country, shall be
11 treated as Federal income taxes.

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

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

25 “(j) OTHER FINANCIAL ASSISTANCE.—

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

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

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

1 sistance or cost of attendance, it shall be excluded
2 from both.

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

14 “(k) DEPENDENTS.—

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

24 “(2) Except as otherwise provided, the term
25 ‘dependent of the student’ means the student’s de-

1 pendent children and other persons (except the stu-
2 dent's spouse) who live with and receive more than
3 one-half of their support from the student and will
4 continue to receive more than half of their support
5 from the student during the award year.

6 “(1) FAMILY SIZE.—

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

10 “(A) if the parents are not divorced or sep-
11 arated, family members include the student's
12 parents, and any dependent (within the mean-
13 ing of section 152 of the Internal Revenue Code
14 of 1986 or was an eligible individual for pur-
15 poses of the credit under section 32 of the In-
16 ternal Revenue Code of 1986) of the student's
17 parents for the taxable year used in deter-
18 mining the amount of need of the student for
19 financial assistance under this title;

20 “(B) if the parents are divorced or sepa-
21 rated, family members include the parent whose
22 income is included in computing available in-
23 come and any dependent (within the meaning of
24 section 152 of the Internal Revenue Code of
25 1986 or was an eligible individual for purposes

1 of the credit under section 32 of the Internal
2 Revenue Code of 1986) of that parent for the
3 taxable year used in determining the amount of
4 need of the student for financial assistance
5 under this title;

6 “(C) if the parents are divorced and the
7 parents whose income is so included is remar-
8 ried, or if the parent was a widow or widower
9 who has remarried, family members also in-
10 clude, in addition to those individuals referred
11 to in paragraph (B), and any dependent (within
12 the meaning of section 152 of the Internal Rev-
13 enue Code of 1986 or was an eligible individual
14 for purposes of the credit under section 32 of
15 the Internal Revenue Code of 1986) of the new
16 spouse for the taxable year used in determining
17 the amount of need of the student for financial
18 assistance under this title, if that spouse’s in-
19 come is included in determining the parent’s
20 adjusted available income; and

21 “(D) if the student is not considered as a
22 dependent (within the meaning of section 152
23 of the Internal Revenue Code of 1986 or was
24 an eligible individual for purposes of the credit
25 under section 32 of the Internal Revenue Code

1 of 1986) of any parent, the parents' family size
2 shall include the student and the family mem-
3 bers applicable to the parents' situation under
4 subparagraph (A), (B), or (C).

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

8 “(A) family members include the student,
9 the student's spouse, and any dependent (within
10 the meaning of section 152 of the Internal Rev-
11 enue Code of 1986 or was an eligible individual
12 for purposes of the credit under section 32 of
13 the Internal Revenue Code of 1986) of that stu-
14 dent for the taxable year used in determining
15 the amount of need of the student for financial
16 assistance under this title; and

17 “(B) if the student is divorced or sepa-
18 rated, family members do not include the
19 spouse (or ex-spouse), but do include the stu-
20 dent and any dependent (within the meaning of
21 section 152 of the Internal Revenue Code of
22 1986 or was an eligible individual for purposes
23 of the credit under section 32 of the Internal
24 Revenue Code of 1986) of that student for the
25 taxable year used in determining the amount of

1 need of the student for financial assistance
2 under this title.

3 “(3) PROCEDURES AND MODIFICATION.—The
4 Secretary shall provide procedures for determining
5 family size in cases in which information for the tax-
6 able year used in determining the amount of need of
7 the student for financial assistance under this title
8 has changed or does not accurately reflect the appli-
9 cant’s current household size.

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

15 (m) FAFSA.—Section 483 of the Higher Education
16 Act of 1965 (20 U.S.C. 1090) is amended to read as fol-
17 lows:

18 **“SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID.**

19 “(a) SIMPLIFIED APPLICATION FOR FEDERAL STU-
20 DENT FINANCIAL AID.—

21 “(1) IN GENERAL.—Each individual seeking to
22 apply for Federal financial aid under this title for
23 any award year shall file a free application with the
24 Secretary, known as the ‘Free Application for Fed-
25 eral Student Aid,’ to determine eligibility for such

1 aid, as described in paragraph (2), and in accord-
2 ance with section 479.

3 “(2) FREE APPLICATION.—

4 “(A) IN GENERAL.—The Secretary shall
5 make available, for the purposes of paragraph
6 (1), a free application to determine the eligi-
7 bility of a student for Federal financial aid
8 under this title.

9 “(B) INFORMATION REQUIRED BY THE AP-
10 PPLICANT.—

11 “(i) IN GENERAL.—The applicant,
12 and, if necessary, the parents or spouse of
13 the applicant, shall provide the Secretary
14 with the applicable information described
15 in clause (ii) in order to be eligible for
16 Federal financial aid under this title.

17 “(ii) INFORMATION TO BE PRO-
18 VIDED.—The information described in this
19 clause is the following:

20 “(I) Name.

21 “(II) Contact information, in-
22 cluding address, phone number, email
23 address, or other electronic address.

24 “(III) Social security number.

25 “(IV) Date of birth.

1 “(V) Marital status.

2 “(VI) Citizenship status, includ-
3 ing alien registration number, if appli-
4 cable.

5 “(VII) Gender.

6 “(VIII) State of legal residence
7 and date of residency.

8 “(IX) Name and location of the
9 high school from which the applicant
10 received, or will receive prior to the
11 period of enrollment for which aid is
12 sought, a regular high school diploma,
13 name and location of the entity from
14 which the applicant received, or will
15 receive prior to the period of enroll-
16 ment for which aid is sought, a recog-
17 nized equivalent of a regular high
18 school diploma, or if the applicant
19 completed or will complete prior to the
20 period of enrollment for which aid is
21 sought, a secondary school education
22 in a home school setting that is treat-
23 ed as a home school or private school
24 under State law.

1 “(X) Name of each institution
2 where the applicant intends to apply
3 for enrollment or continue enrollment.

4 “(XI) Year in school for period
5 of enrollment for which aid is sought,
6 including whether applicant will have
7 finished first bachelor’s degree prior
8 to the period of enrollment for which
9 aid is sought.

10 “(XII) Whether one or both of
11 an applicant’s parents attended col-
12 lege.

13 “(XIII) Any required asset infor-
14 mation, unless exempt under section
15 479, in which the applicant shall indi-
16 cate—

17 “(aa) the annual amount of
18 child support received, if applica-
19 ble; and

20 “(bb) all required asset in-
21 formation not described in item
22 (aa).

23 “(XIV) The number of members
24 of the applicant’s family who will also
25 be enrolled in an eligible institution of

1 higher education on at least a half-
2 time basis during the same enrollment
3 period as the applicant.

4 “(XV) If the applicant meets any
5 of the following designations:

6 “(aa) Homeless, at risk of
7 being homeless, or an unaccom-
8 panied youth.

9 “(bb) Emancipated minor.

10 “(cc) In legal guardianship.

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

14 “(ee) In foster care at any
15 time since the applicant turned
16 13.

17 “(ff) If both parents have
18 died since the applicant turned
19 13

20 “(gg) Is a veteran of the
21 Armed Forces of the United
22 States or is serving (on the date
23 of the application) on active duty
24 in the Armed Forces for other
25 than training purposes.

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

4 “(ii) Does not have access to
5 parental income due to an un-
6 usual circumstance.

7 “(XVI) If the applicant receives
8 or has received any of the following
9 means-tested Federal benefits within
10 the last two years—

11 “(aa) the supplemental secu-
12 rity income program under title
13 XVI of the Social Security Act
14 (42 U.S.C. 1381 et seq.);

15 “(bb) the supplemental nu-
16 trition assistance program under
17 the Food and Nutrition Act of
18 2008 (7 U.S.C. 2011 et seq.);

19 “(cc) the free and reduced
20 price school lunch program estab-
21 lished under the Richard B. Rus-
22 sell National School Lunch Act
23 (42 U.S.C. 1751 et seq.);

24 “(dd) the program of block
25 grants for States for temporary

1 assistance for needy families es-
2 tablished under part A of title IV
3 of the Social Security Act (42
4 U.S.C. 601 et seq.);

5 “(ee) the special supple-
6 mental nutrition program for
7 women, infants, and children es-
8 tablished by section 17 of the
9 Child Nutrition Act of 1966 (42
10 U.S.C. 1786);

11 “(ff) Medicaid program
12 under title XIX of the Social Se-
13 curity Act (42 U.S.C. 1396 et
14 seq.);

15 “(gg) Federal housing as-
16 sistance programs, including ten-
17 ant-based assistance under sec-
18 tion 8(o) of the United States
19 Housing Act of 1937 (42 U.S.C.
20 1437f(o)), and public housing, as
21 defined in section 3(b)(1) of such
22 Act (42 U.S.C. 1437a(b)(1)); and

23 “(hh) any other means-test-
24 ed program determined by the
25 Secretary to be appropriate.

1 “(XVII) If the applicant, or, if
2 necessary, the parents or spouse of
3 the applicant, reported receiving tax
4 exempt payments from an IRA dis-
5 tribution or from pensions or annu-
6 ities on a Federal tax return the Sec-
7 retary shall request the applicant, or,
8 if necessary, the parents or spouse of
9 the applicant to provide information
10 as to how much of the IRA distribu-
11 tion or the pension or annuity dis-
12 bursement was a qualified rollover
13 and the applicant, or, if necessary, the
14 parents or spouse of the applicant
15 shall provide such information to the
16 Secretary for the purpose of the need
17 analysis.

18 “(iii) PROHIBITION AGAINST RE-
19 QUESTING INFORMATION MORE THAN
20 ONCE.—Any information requested during
21 the process of creating an account for com-
22 pleting the web-based free application
23 under this subsection, shall not be required
24 a second time for the same award year, or

1 in a duplicative manner, when completing
2 such web-based free application.

3 “(iv) CHANGE IN FAMILY SIZE.—The
4 Secretary shall provide a process by which
5 an applicant shall confirm the accuracy of
6 family size or update the family size with
7 respect to such applicant for purposes of
8 determining the need of such applicant for
9 financial assistance under this title based
10 on a change in family size from the tax
11 year data used for such determination.

12 “(v) SINGLE QUESTION FOR HOME-
13 LESS STATUS.—The Secretary shall ensure
14 that—

15 “(I) on the form developed under
16 this section for which the information
17 is applicable, there is a single, easily
18 understood screening question to iden-
19 tify an applicant who is an unaccom-
20 panied homeless child or youth (as
21 such term is defined in section 725 of
22 the McKinney-Vento Homeless Assist-
23 ance Act) or an unaccompanied youth
24 who is self-supporting and at risk of
25 homelessness; and

1 “(II) such question is distinct
2 from those relating to an individual
3 who does not have access to parental
4 income due to an unusual cir-
5 cumstance.

6 “(vi) ADJUSTMENTS.—The Secretary
7 shall disclose on the FAFSA that the stu-
8 dent may, on a case-by-case basis, qualify
9 for an adjustment under section 479A to
10 the cost of attendance or the values of the
11 data items required to calculate the stu-
12 dent aid index for the student or parent.

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

24 “(D) AUTHORIZATIONS AVAILABLE TO THE
25 APPLICANT.—

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

10 “(I) Information described under
11 section 6103(l)(13) of the Internal
12 Revenue Code of 1986.

13 “(II) All information provided by
14 the applicant on the application de-
15 scribed by this subsection to deter-
16 mine the applicant’s eligibility for
17 Federal financial aid under this title
18 and for the application, award, and
19 administration of such Federal finan-
20 cial aid.

21 “(ii) AUTHORIZATION TO RELEASE
22 AND TRANSMIT TO STATE AND INSTITU-
23 TION.—

24 “(I) IN GENERAL.—An applicant
25 and, if necessary, the parents or

1 spouse of the applicant may provide
2 the Secretary with authorization to re-
3 lease and transmit to the State of res-
4 idence of the applicant and to any in-
5 stitution specified by the applicant, in
6 order for the applicant's eligibility for
7 State student financial aid programs
8 or institution-based student financial
9 aid programs to be determined, the
10 following:

11 “(aa) Information described
12 under section 6103(l)(13) of the
13 Internal Revenue Code of 1986.

14 “(bb) All information pro-
15 vided by the applicant on the ap-
16 plication described by this sub-
17 section for the application,
18 award, and administration of fi-
19 nancial aid by a State or an in-
20 stitution of higher education.

21 “(II) SPECIAL RULE.—An insti-
22 tution to which an applicant selects to
23 release and transmit information
24 under subelause (I) shall not be dis-
25 closed to any other institution.

1 “(iii) AUTHORIZATION TO RELEASE
2 AND TRANSMIT TO BENEFITS PRO-
3 GRAMS.—An applicant and, if necessary,
4 the parents or spouse of the applicant may
5 provide the Secretary with authorization to
6 release and transmit to means-tested Fed-
7 eral benefit programs, as defined in section
8 473(e), the following:

9 “(I) Information described under
10 section 6103(l)(13) of the Internal
11 Revenue Code of 1986.

12 “(II) All information provided by
13 the applicant on the application de-
14 scribed by this subsection to deter-
15 mine the applicant’s eligibility for the
16 application, award, and administration
17 of such means-tested Federal benefits
18 programs.

19 “(E) ACTION BY THE SECRETARY.—Upon
20 receiving—

21 “(i) an application under this section,
22 the Secretary shall, as soon as practicable,
23 perform the necessary functions with the
24 Commissioner of Internal Revenue to cal-
25 culate the applicant’s student aid index

1 and scheduled award for a Federal Pell
2 Grant, if applicable, assuming full-time en-
3 rollment for an academic year, and note to
4 the applicant the assumptions relationship
5 to the scheduled award; and

6 “(ii) an authorization under subpara-
7 graph (D), the Secretary shall, as soon as
8 practicable, release and transmit the infor-
9 mation described under such subparagraph
10 to the State of residence of the applicant
11 or an institution, as specified by the appli-
12 cant, in order for the applicant’s eligibility
13 for Federal, State, or institutional student
14 financial aid programs to be estimated or
15 determined.

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

18 “(A) IN GENERAL.—Upon receiving and
19 timely processing a free application that con-
20 tains the information described in paragraph
21 (2), the Secretary shall provide to the applicant
22 (and the parents of a dependent student appli-
23 cant, or spouse of the independent student ap-
24 plicant, if applicable) the following information

1 based on full-time attendance for an academic
2 year:

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

7 “(ii) Information on other types of
8 Federal financial aid for which the appli-
9 cant may be eligible (including situations
10 in which the applicant could qualify for
11 150 percent of a schedule Federal Pell
12 Grant award and loans made under this
13 title) and how the applicant can find addi-
14 tional information regarding such aid.

15 “(iii) Information regarding each in-
16 stitution selected by the applicant in ac-
17 cordance with paragraph (2)(B)(ii)(X), in-
18 cluding the following:

19 “(I) The following information,
20 as collected through the Integrated
21 Postsecondary Education Data Sys-
22 tem or a successor Federal data sys-
23 tem as designated by the Secretary:

24 “(aa) Net price by income
25 quintile.

1 “(bb) Median debt of stu-
2 dents upon completion.

3 “(cc) Graduation rate.

4 “(dd) Retention rate.

5 “(ee) Transfer rate, if avail-
6 able.

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

9 “(iv) If the student is eligible for a
10 student aid index of less than or equal to
11 zero under section 473 but has not indi-
12 cated that they receive Federal means-test-
13 ed benefits, a notification of the Federal
14 means-tested benefits for which they may
15 be eligible.

16 “(v) Information on education tax
17 credits described in paragraphs (1) and (2)
18 of section 25A(a) of the Internal Revenue
19 Code of 1986.

20 “(vi) If the individual identified as a
21 veteran, or as serving (on the date of the
22 application) on active duty in the Armed
23 Forces for other than training purposes,
24 information on benefits administered by

1 the Department of Veteran Affairs or De-
2 partment of Defense, respectively.

3 “(vii) If applicable, the applicant’s
4 current outstanding balance of loans under
5 this title.

6 “(B) INFORMATION PROVIDED TO THE
7 STATE.—

8 “(i) IN GENERAL.—The Secretary
9 shall provide, with authorization from the
10 applicant in accordance with paragraph
11 (2)(D)(ii), to a State agency administering
12 State-based financial aid and serving the
13 applicant’s State of residence, the informa-
14 tion described under section 6103(l)(13) of
15 the Internal Revenue Code of 1986 and in-
16 formation described in paragraph (2)(B)
17 for the application, award and administra-
18 tion of grants and other aid provided di-
19 rectly from the State to be determined by
20 such State, such information shall include
21 the list of institutions provided by the ap-
22 plicant on the application.

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

1 “(I) shall use the information
2 provided under clause (i) solely for the
3 application, award, and administration
4 of State-based financial aid for which
5 the applicant is eligible and for State
6 agency research that does not release
7 any individually identifiable informa-
8 tion on any applicant to promote col-
9 lege attendance, persistence, and com-
10 pletion;

11 “(II) may use identifying infor-
12 mation for student applicants to de-
13 termine whether or not a graduating
14 secondary student has filed the appli-
15 cation in coordination with local edu-
16 cational agencies or secondary schools
17 to encourage students to complete the
18 application; and

19 “(III) shall be prohibited from
20 sharing application information with
21 any other entity without the explicit
22 written consent of the applicant, ex-
23 cept as provided in subclause (II).

24 “(iii) LIMITATION ON CONSENT PROC-
25 ESS.—A State may provide a consent proc-

1 ess whereby an applicant may elect to
2 share the information described in clause
3 (i) through explicit written consent to Fed-
4 eral, State or local government agencies or
5 tribal organizations to assist such appli-
6 cant in applying for and receiving Federal,
7 State, or local government assistance, or
8 tribal assistance for any component of the
9 applicant's cost of attendance which may
10 include financial assistance or non-mone-
11 tary assistance.

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

17 “(C) INFORMATION PROVIDED TO THE IN-
18 STITUTION.—

19 “(i) IN GENERAL.—The Secretary
20 shall provide, with authorization from the
21 applicant in accordance with paragraph
22 (2)(D)(ii), to each institution selected by
23 the applicant on the application, the infor-
24 mation described under section 6103(l)(13)
25 of the Internal Revenue Code of 1986 and

1 information described in paragraph (2)(B)
2 for the application, award and administra-
3 tion of grants and other aid provided di-
4 rectly from the institution to be deter-
5 mined by such institution and grants and
6 other aid provided directly from the State
7 or Federal government.

8 “(ii) USE OF INFORMATION.—An in-
9 stitution—

10 “(I) shall use the information
11 provided to it under clause (i) solely
12 for the application, award, and admin-
13 istration of financial aid to the appli-
14 cant, and for institutional research
15 that does not release any individually
16 identifiable information on any appli-
17 cant, to promote college attendance,
18 persistence and completion; and

19 “(II) be prohibited from sharing
20 such information with any other enti-
21 ty without the explicit written consent
22 of the applicant.

23 “(iii) LIMITATION ON CONSENT PROC-
24 ESS.—An institution may provide a con-
25 sent process whereby an applicant can

1 elect to share the information described in
2 clause (i) with explicit written consent to a
3 scholarship granting organization, includ-
4 ing a tribal organization (defined in section
5 4 of the Indian Self-Determination and
6 Education Assistance Act (25 U.S.C.
7 5304)), or to Federal, State or local gov-
8 ernment agencies or tribal organizations to
9 assist the applicant in applying for and re-
10 ceiving private assistance, or Federal,
11 State, local government assistance, or trib-
12 al assistance for any component of the ap-
13 plicant's cost of attendance which may in-
14 clude financial assistance or non-monetary
15 assistance.

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

21 “(4) DEVELOPMENT OF FORM AND INFORMA-
22 TION EXCHANGE.—Prior to the design of the free
23 application under this subsection, the Secretary
24 shall, to the maximum extent practicable, on an an-
25 nual basis—

1 “(A) consult with stakeholders to gather
2 information about innovations and technology
3 available to—

4 “(i) ensure an efficient and effective
5 process;

6 “(ii) mitigate unintended con-
7 sequences; and

8 “(iii) determine the best practices for
9 outreach to students and families during
10 the transition to the streamlined process
11 for the determination of Federal financial
12 aid and Federal Pell Grant eligibility while
13 reducing the data burden on applicants
14 and families; and

15 “(B) solicit public comments for the for-
16 mat of the free application that provides for
17 adequate time to incorporate feedback prior to
18 development of the application for the suc-
19 ceeding award year.

20 “(5) NO ADDITIONAL INFORMATION REQUESTS
21 PERMITTED.—In carrying out this subsection, the
22 Secretary may not require additional information to
23 be submitted by an applicant (or the parents or
24 spouse of an applicant) for Federal financial aid
25 through other requirements or reporting.

1 “(6) STATE-RUN PROGRAMS.—

2 “(A) IN GENERAL.—The Secretary shall
3 conduct outreach to States in order to research
4 the benefits to students of States relying solely
5 on the financial data made available, upon au-
6 thorization by the applicant, as a result of an
7 application for aid under this subsection for de-
8 termining the eligibility of the applicant for
9 State provided financial aid.

10 “(B) SECRETARIAL REVIEW.—If a State
11 determines that there is a need for additional
12 data elements beyond those provided pursuant
13 to this subsection for determining the eligibility
14 of an applicant for State provided financial aid,
15 the State shall forward a list of those additional
16 data elements determined necessary, but not
17 provided by virtue of the application under this
18 subsection, to the Secretary. The Secretary
19 shall make readily available to the public
20 through its websites and other means—

21 “(i) a list of States that do not re-
22 quire additional financial information sepa-
23 rate from the Free Application for Federal
24 Student Aid and do not require asset infor-
25 mation from students who qualify for the

1 exemption from asset reporting under sec-
2 tion 479 for the purposes of awarding
3 State scholarships and grant aid;

4 “(ii) a list of States that require asset
5 information from students who qualify for
6 the exemption from asset reporting under
7 section 479 for the purposes of awarding
8 State scholarships and grant aid;

9 “(iii) a list of States that have indi-
10 cated that they require additional financial
11 information separate from the Free Appli-
12 cation for Federal Student Aid for pur-
13 poses of awarding State scholarships and
14 grant aid; and

15 “(iv) with the publication of the lists
16 under this subparagraph, information
17 about additional resources available to ap-
18 plicants, including links to such State
19 websites.

20 “(C) STUDIES.—The Secretary shall con-
21 duct studies on the effect of States requiring
22 additional information specified in clauses (ii)
23 and (iii) of subparagraph (B) on the determina-
24 tion of State financial aid awards and whether

1 the additional information required is a barrier
2 to college enrollment by examining—

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

6 “(ii) the number of students who
7 started but did not finish the Free Appli-
8 cation for Federal Student Aid, compared
9 to the baseline year of 2021; and

10 “(iii) the number of students who—

11 “(I) started a Free Application
12 for Federal Student Aid but did not
13 receive financial assistance under this
14 title for the applicable academic year;
15 and

16 “(II) if available, did not enroll
17 in an institution of higher education
18 in the applicable academic year .

19 “(7) INSTITUTION-RUN FINANCIAL AID.—

20 “(A) IN GENERAL.—The Secretary shall
21 conduct outreach to institutions of higher edu-
22 cation to describe the benefits to students of re-
23 lying solely on the financial data made avail-
24 able, upon authorization for release by the ap-
25 plicant, as a result of an application for aid

1 under this subsection for determining the eligi-
2 bility of the applicant for institutional financial
3 aid. The Secretary shall make readily available
4 to the public through its websites and other
5 means—

6 “(i) a list of institutions that do not
7 require additional financial information
8 separate from the Free Application for
9 Federal Student Aid and do not require
10 asset information from students who qual-
11 ify for the exemption from asset reporting
12 under section 479 for the purpose of
13 awarding institution-run financial aid;

14 “(ii) a list of institutions that require
15 asset information from students who qual-
16 ify for the exemption from asset reporting
17 under section 479 for the purpose of
18 awarding institution-run financial aid;

19 “(iii) a list of institutions that require
20 additional financial information separate
21 from the Free Application for Federal Stu-
22 dent Aid for the purpose of awarding insti-
23 tution-run financial aid; and

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

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

7 “(A) safeguard the data required to be
8 transmitted for the purpose of this section be-
9 tween Federal agencies and to States and insti-
10 tutions of higher education;

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

13 “(C) provide guidance to States and insti-
14 tutions of higher education regarding their obli-
15 gation to ensure the security of the data pro-
16 vided under this section.

17 “(9) REPORT TO CONGRESS.—

18 “(A) IN GENERAL.—Not later than one
19 year after the date of enactment of the FAFSA
20 Simplification Act of 2019, the Secretary shall
21 report to the Committee on Health, Education,
22 Labor, and Pensions of the Senate and the
23 Committee on Education and Labor of the
24 House of Representatives on the progress of the
25 Secretary in carrying out this subsection, in-

1 including planning and stakeholder consultation.

2 Such report shall include—

3 “(i) benchmarks for implementation;

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

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

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

13 “(v) solutions determined to address
14 such issues.

15 “(B) QUARTERLY UPDATES.—The Sec-
16 retary shall provide updates to the Committees
17 described in subparagraph (A)—

18 “(i) as to the progress and planning
19 described in subparagraph (A) prior to im-
20 plementation of the Free Application for
21 Federal Student Aid under this subsection
22 not less often than quarterly; and

23 “(ii) at least 6 months and 1 year
24 post implementation of the Free Applica-
25 tion for Federal Student Aid.

1 “(b) ADJUSTMENTS AND IMPROVEMENTS.—

2 “(1) IN GENERAL.—The Secretary shall dis-
3 close in a consumer-tested format, upon completion
4 of the Free Application for Federal Student Aid
5 under this section, that the student may, on a case-
6 by-case basis, qualify for an adjustment under sec-
7 tion 479A to the cost of attendance or the values of
8 the data items required to calculate the Federal Pell
9 Grant or the need analysis for the student or parent.
10 Such disclosure shall specify—

11 “(A) examples of the special circumstances
12 under which a student or family member may
13 qualify for such adjustment or determination of
14 independence; and

15 “(B) additional information regarding the
16 steps a student or family member may take in
17 order to seek an adjustment under section
18 479A.

19 “(2) CONSUMER TESTING.—

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

1 “(B) UPDATES.—For award year 2021
2 and each fourth succeeding award year there-
3 after, the design of the Free Application for
4 Federal Student Aid shall be updated based on
5 additional consumer testing with the popu-
6 lations described in subparagraph (A) in order
7 to improve communication.

8 “(3) LANGUAGES FOR FAFSA.—The Secretary,
9 in conjunction with the Director of the Census Bu-
10 reau, shall determine the most common languages
11 spoken at home in the United States and shall de-
12 velop versions of the Free Application for Federal
13 Student Aid form in each of those languages.

14 “(4) REAPPLICATION IN A SUCCEEDING ACA-
15 DEMIC YEAR.—In order to streamline applicant’s ex-
16 perience applying for financial aid, the Secretary
17 shall allow an applicant who electronically applies for
18 financial assistance under this title for an academic
19 year subsequent to an academic year for which such
20 applicant applied for financial assistance under this
21 title to automatically electronically import all of the
22 applicant’s (including parents, guardians, or
23 spouses, as applicable) identifying, demographic, and
24 school data from the previous application and to up-

1 date such information to reflect any circumstances
2 that have changed.

3 “(5) TECHNOLOGY ACCESSIBILITY.—The Sec-
4 retary shall make the application under this section
5 available through the prevalent technology. Such
6 technology shall, at a minimum, enable applicants
7 to—

8 “(A) save data; and

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

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

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

17 “(B) in establishing policies and proce-
18 dures to verify applicants’ eligibility for Federal
19 financial aid, consider—

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

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

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

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

6 “(C) issue a report not less often than an-
7 nually sharing the percentage of applicants sub-
8 ject to verification, whether the applicants ulti-
9 mately received Federal financial aid disburse-
10 ments, and whether the student aid index
11 changed enough to affect the applicant’s award
12 of any Federal financial aid under this title.

13 “(c) DATA AND INFORMATION.—

14 “(1) IN GENERAL.—The Secretary shall publish
15 data in a publicly-accessible manner—

16 “(A) annually on the total number of Free
17 Applications for Federal Student Aid submitted
18 by application cycle, disaggregated by demo-
19 graphic characteristics, type of institution or in-
20 stitutions of higher education to which the ap-
21 plicant applied, the applicant’s State of legal
22 residence, and high school and public school
23 district;

24 “(B) quarterly on the total number of Free
25 Applications for Federal Student Aid submitted

1 by application cycle, disaggregated by type of
2 institution or institutions of higher education to
3 which the applicant applied, the applicant's
4 State of legal residence, and high school and
5 public school district;

6 “(C) weekly on the total number of Free
7 Applications for Federal Student Aid sub-
8 mitted, disaggregated by high school and public
9 school district; and

10 “(D) annually on the number of individ-
11 uals who apply for Federal financial aid pursu-
12 ant to this section who indicated they are a
13 homeless child or youth (as defined in section
14 725 of the McKinney-Vento Homeless Assist-
15 ance Act), an unaccompanied youth, or a foster
16 care youth.

17 “(2) CONTENTS.—The data described in para-
18 graph (1) with respect to homeless children and
19 youth shall include, at a minimum, for each applica-
20 tion cycle—

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

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

1 “(i) by State; and

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

5 “(3) DATA SHARING.—The Secretary may enter
6 into data sharing agreements with the appropriate
7 Federal or States agencies to conduct outreach re-
8 garding, and connect applicants directly with, the
9 means-tested Federal benefit programs described in
10 subsection (a)(2)(B)(ii)(XVI) for which the appli-
11 cants may be eligible.

12 “(d) ENSURING FORM USABILITY.—

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

19 “(2) FREE PREPARATION AUTHORIZED.—Not-
20 withstanding any provision of this title, an applicant
21 may use a preparer for consultative or preparation
22 services for the completion of the Free Application
23 for Federal Student Aid without charging a fee to
24 the applicant if the preparer—

1 “(A) includes, at the time the application
2 is submitted to the Department, the name, ad-
3 dress or employer’s address, social security
4 number or employer identification number, and
5 organizational affiliation of the preparer on the
6 applicant’s form;

7 “(B) is subject to the same penalties as an
8 applicant for purposely giving false or mis-
9 leading information in the application;

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

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

19 “(3) CHARGES TO STUDENTS AND PARENTS
20 FOR USE OF FORMS PROHIBITED.—The need and
21 eligibility of a student for financial assistance under
22 this title may be determined only by using the Free
23 Application for Federal Student Aid developed by
24 the Secretary under this section. Such application
25 shall be produced, distributed, and processed by the

1 Secretary, and no parent or student shall be charged
2 a fee by the Secretary, a contractor, a third-party
3 servicer or private software provider, or any other
4 public or private entity for the collection, processing,
5 or delivery of Federal financial aid through the use
6 of such application. No data collected on a form for
7 which a fee is charged shall be used to complete the
8 Free Application for Federal Student Aid prescribed
9 under this section, except that a Federal or State in-
10 come tax form prepared by a paid income tax pre-
11 parer or preparer service for the primary purpose of
12 filing a Federal or State income tax return may be
13 used to complete the Free Application for Federal
14 Student Aid prescribed under this section.

15 “(4) APPLICATION PROCESSING CYCLE.—The
16 Secretary shall enable students to submit a Free Ap-
17 plication for Federal Student Aid developed under
18 this section and initiate the processing of such appli-
19 cation, not later than January 1 of the student’s
20 planned year of enrollment, to the maximum extent
21 practicable, on or around October 1 prior to the stu-
22 dent’s planned year of enrollment.

23 “(5) EARLY ESTIMATES.—The Secretary shall
24 maintain an electronic method for applicants to
25 enter income and family size information to calculate

1 a non-binding estimate of the applicant’s Federal fi-
2 nancial aid available under this title and shall place
3 such calculator on a prominent location at the begin-
4 ning of the Free Application for Federal Student
5 Aid.”.

6 (n) STUDENT ELIGIBILITY.—Section 484 of the
7 Higher Education Act of 1965 (20 U.S.C. 1091) is
8 amended—

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

11 “(q) USE OF INCOME DATA WITH IRS.—The Sec-
12 retary, in cooperation with the Secretary of the Treasury,
13 shall fulfill the data transfer requirements under section
14 6103(l)(13) of the Internal Revenue Code of 1986.”;

15 (2) by striking subsection (r);

16 (3) by redesignating subsections (s) and (t) as
17 subsections (r) and (s), respectively; and

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

19 “(t) EXCEPTION TO REQUIRED REGISTRATION WITH
20 THE SELECTIVE SERVICE SYSTEM.—Notwithstanding
21 section 12(f) of the Military Selective Service Act (50
22 U.S.C. 3811(f)), an individual shall not be ineligible for
23 assistance or a benefit provided under this title if the indi-
24 vidual is required under section 3 of such Act (50 U.S.C.
25 3802) to present himself for and submit to registration

1 under such section and fails to do so in accordance with
2 any proclamation issued under such section, or in accord-
3 ance with any rule or regulation issued under such sec-
4 tion.”.

5 (o) INSTITUTIONAL AND FINANCIAL ASSISTANCE IN-
6 FORMATION FOR STUDENTS.—Section 485 of the Higher
7 Education Act of 1965 (20 U.S.C. 1092) is amended by
8 striking subsection (k).

9 (p) EARLY AWARENESS OF FINANCIAL AID ELIGI-
10 BILITY.—Section 485E of the Higher Education Act of
11 1965 (20 U.S.C. 1092f) is amended to read as follows:

12 **“SEC. 485E. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
13 **BILITY.**

14 “(a) IN GENERAL.—The Secretary shall implement
15 early outreach activities in order to provide prospective
16 students and families with early information about finan-
17 cial aid and estimates of such prospective students’ eligi-
18 bility for financial aid. Such early outreach activities shall
19 include the activities described in subsections (b), (c), and
20 (d).

21 “(b) PELL GRANT EARLY AWARENESS.—

22 “(1) IN GENERAL.—The Secretary shall
23 produce a consumer-tested method of estimating stu-
24 dent eligibility for Federal Pell Grants outlined in
25 section 401(b) utilizing the variables of family size

1 and adjusted gross income, and presented in elec-
2 tronic format. There shall be a method for students
3 to indicate whether they are, or will be in—

4 “(A) a single parent household;

5 “(B) a household with two parents; or

6 “(C) a household with no children or de-
7 pendants.

8 “(2) CONSUMER TESTING.—

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

14 “(B) UPDATES.—For award year 2022–
15 2023 and each fourth succeeding award year
16 thereafter, the design of the method of esti-
17 mating eligibility shall be updated based on ad-
18 ditional consumer testing with the populations
19 described in subparagraph (A).

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

23 “(A) made publicly and prominently avail-
24 able on the Department of Education website;
25 and

1 “(B) actively shared by the Secretary
2 with—

3 “(i) institutions of higher education
4 participating in programs under this title;

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

9 “(iii) local educational agencies and
10 middle schools and secondary schools that
11 serve students not less than 25 percent of
12 whom meet a measure of poverty as de-
13 scribed in section 1113(a)(5) of the Ele-
14 mentary and Secondary Education Act of
15 1965.

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

24 “(c) EARLY AWARENESS PLANS.—The Secretary
25 shall establish and implement early awareness plans to

1 provide early information about the availability of Federal
2 financial aid and estimates of prospective students' eligi-
3 bility for Federal financial aid as well as to promote the
4 attainment of postsecondary education specifically among
5 prospective first-generation students and families as well
6 as low-income individuals and families, as follows:

7 “(1) AWARENESS PLANS FOR LOW-INCOME
8 CHILDREN.—

9 “(A) IN GENERAL.—The Secretary shall
10 develop plans to disseminate information about
11 the availability of Federal financial aid under
12 this title, in addition to and in coordination
13 with the distribution of the method of esti-
14 mating eligibility under subsection (b), to—

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

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

1 “(iii) households receiving assistance
2 under the supplemental nutrition assist-
3 ance program established under the Food
4 and Nutrition Act of 2008 (7 U.S.C. 2011
5 et seq.).

6 “(B) REPORTING AND UPDATES.—The
7 Secretary shall post the information about the
8 plans under subparagraph (A) and associated
9 goals publicly on the Department of Education
10 website. On an annual basis, the Secretary shall
11 report qualitative and quantitative outcomes re-
12 garding the implementation of the plans under
13 subparagraph (A). The Secretary shall review
14 and update such plans not less often than every
15 4 award years with the goal of progressively in-
16 creasing the impact of the activities under this
17 paragraph.

18 “(C) PARTNERSHIP.—The Secretary may
19 partner with States, State systems of higher
20 education, institutions of higher education, or
21 college access organizations to carry out this
22 paragraph.

23 “(2) INTERAGENCY COORDINATION PLANS.—

24 “(A) IN GENERAL.—The Secretary shall
25 develop interagency coordination plans in order

1 to inform more prospective students and fami-
2 lies, including low-income individuals or fami-
3 lies, about the availability of Federal financial
4 aid under this title through participation in ex-
5 isting Federal programs or tax benefits that
6 serve low-income individuals or families, in co-
7 ordination with the following Secretaries:

8 “(i) The Secretary of Treasury.

9 “(ii) The Secretary of Labor.

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

12 “(iv) The Secretary of Agriculture.

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

15 “(vi) The Secretary of Commerce.

16 “(vii) The Secretary of Veterans Af-
17 fairs.

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

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

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

1 grams that serve low-income individuals
2 and families;

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

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

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

15 “(C) REPORTING AND UPDATES.—The
16 Secretary shall post the information about the
17 interagency coordination plans under subpara-
18 graph (B) and associated goals publicly on the
19 Department of Education website. On not less
20 often than a quadrennial basis, the Secretary
21 shall publicly report qualitative and quantitative
22 outcomes regarding the implementation of the
23 plans on the Department of Education website.
24 The Secretary shall review and update the plans
25 not less often than upon each change in Secre-

1 tarial leadership with an agency that is party to
2 a plan. Updates to the plans shall have the goal
3 of progressively increasing the impact of the ac-
4 tivities under this paragraph by increasing the
5 number of low-income applicants for, and re-
6 cipients of, Federal financial aid.

7 “(3) NATIONWIDE PARTICIPATION IN EARLY
8 AWARENESS PLANS.—

9 “(A) IN GENERAL.—The Secretary shall
10 solicit voluntary public commitments from enti-
11 ties, such as States, State systems of higher
12 education, institutions of higher education, and
13 other interested organizations, to carry out
14 early awareness plans, which shall include
15 goals, to—

16 “(i) notify prospective and existing
17 students who are low-income individuals
18 and families about their eligibility for Fed-
19 eral aid under this title, as well as State-
20 based financial aid, if applicable, on an an-
21 nual basis;

22 “(ii) increase the number of prospec-
23 tive and current students who are low-in-
24 come individuals and families filing the

1 Free Application for Federal Student Aid;
2 and

3 “(iii) increase the number of prospec-
4 tive and current students who are low-in-
5 come individuals and families enrolling in
6 postsecondary education.

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

14 “(C) EARLY AWARENESS CHAMPIONS.—
15 Based on data submitted by entities, the Sec-
16 retary shall select and designate entities sub-
17 mitting public commitments, plans, and goals,
18 as Early Awareness Champions on an annual
19 basis. Those entities designated as Early
20 Awareness Champions shall provide one or
21 more case studies regarding the activities the
22 entity undertook under this paragraph which
23 shall be made public by the Secretary on the
24 Department of Education website to promote
25 the spread of best practices.

1 “(d) PUBLIC AWARENESS CAMPAIGN.—

2 “(1) IN GENERAL.—The Secretary shall develop
3 and implement a public awareness campaign de-
4 signed using current and relevant independent re-
5 search regarding strategies and media platforms
6 found to be most effective in communicating with
7 low-income populations in order to increase national
8 awareness regarding the availability of Federal Pell
9 Grants and financial aid under this title.

10 “(2) COORDINATION.—The public awareness
11 campaign described in paragraph (1) shall leverage
12 the activities in subsections (b) and (c) to highlight
13 eligibility among low-income populations. In devel-
14 oping and implementing the campaign, the Secretary
15 may work in coordination with States, institutions of
16 higher education, early intervention and outreach
17 programs under this title, other Federal agencies,
18 organizations involved in college access and student
19 financial aid, secondary schools, local educational
20 agencies, public libraries, community centers, busi-
21 nesses, employers, workforce investment boards, and
22 organizations that provide services to individuals
23 that are or were homeless, in foster care, or are dis-
24 connected youth.

1 “(3) REPORTING.—The Secretary shall report
2 on the success of the public awareness campaign de-
3 scribed in paragraph (1) annually regarding the ex-
4 tent to which the public and target populations were
5 reached using data commonly used to evaluate ad-
6 vertising and outreach campaigns and data regard-
7 ing whether the campaign produced any increase in
8 applicants for Federal aid under this title publicly
9 on the Department of Education website.”.

10 **SEC. 3. FEDERAL PELL GRANTS: AMOUNT AND DETERMINA-**
11 **TIONS; APPLICATIONS.**

12 (a) FEDERAL PELL GRANTS.—Beginning on the ef-
13 fective date described in subsection (b), section 401 of the
14 Higher Education Act of 1965 (20 U.S.C. 1070a) is
15 amended to read as follows:

16 **“SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETER-**
17 **MINATIONS; APPLICATIONS.**

18 “(a) PURPOSE; DEFINITIONS.—

19 “(1) PURPOSE.—The purpose of this subpart is
20 to provide a Federal Pell Grant to low-income stu-
21 dents.

22 “(2) DEFINITIONS.—In this section—

23 “(A) the term ‘adjusted gross income’
24 means—

1 “(i) in the case of a dependent stu-
2 dent, the adjusted gross income (as defined
3 in section 62 of the Internal Revenue Code
4 of 1986) of the student’s parents in the
5 second tax year preceding the academic
6 year; and

7 “(ii) in the case of an independent
8 student, the adjusted gross income (as de-
9 fined in section 62 of the Internal Revenue
10 Code of 1986) of the student (and the stu-
11 dent’s spouse, if applicable) in the second
12 tax year preceding the academic year;

13 “(B) the term ‘family size’ has the mean-
14 ing given the term in section 480(l);

15 “(C) the term ‘poverty line’ means the pov-
16 erty line (as determined under the poverty
17 guidelines updated periodically in the Federal
18 Register by the Department of Health and
19 Human Services under the authority of section
20 673(2) of the Community Services Block Grant
21 Act (42 U.S.C. 9902(2)) applicable to the stu-
22 dent’s family size and applicable to the second
23 tax year preceding the academic year;

24 “(D) the term ‘single parent’ means—

1 “(i) a parent of a dependent student
2 who was a head of household (as defined
3 in section 2(b) of the Internal Revenue
4 Code of 1986) or a surviving spouse (as
5 defined in section 2(a) of the Internal Rev-
6 enue Code of 1986) or was an eligible indi-
7 vidual for purposes of the credit under sec-
8 tion 32 of such Code, in the second tax
9 year preceding the academic year; or

10 “(ii) an independent student who was
11 a head of household (as defined in section
12 2(b) of the Internal Revenue Code of
13 1986) or a surviving spouse (as defined in
14 section 2(a) of the Internal Revenue Code
15 of 1986) or was an eligible individual for
16 purposes of the credit under section 32 of
17 such Code, in the second tax year pre-
18 ceding the academic year;

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

23 “(F) the term ‘minimum Federal Pell
24 Grant’ means the minimum amount of a Fed-
25 eral Pell Grant that shall be awarded to a stu-

1 dent eligible under this subpart for any aca-
2 demic year in which that student is attending
3 full time, which shall be equal to 10 percent of
4 the total maximum Federal Pell Grant for such
5 academic year.

6 “(b) AMOUNT AND DISTRIBUTION OF GRANTS.—

7 “(1) DETERMINATION OF AMOUNT OF A FED-
8 ERAL PELL GRANT.—Subject to paragraphs (2) and
9 (3), the amount of a Federal Pell Grant for a stu-
10 dent eligible under this subpart shall be determined
11 in accordance with the following:

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

17 “(i) if the student or, in the case of
18 a dependent student, the dependent stu-
19 dent’s parent, is not required to file a Fed-
20 eral income tax return in the second year
21 preceding the academic year;

22 “(ii) if the student or, in the case of
23 a dependent student, the dependent stu-
24 dent’s parent, is a single parent, if the ad-

1 justed gross income is equal to or less than
2 210 percent of the poverty line; or

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

8 “(B) A student eligible under this subpart
9 who is not eligible for a total maximum Federal
10 Pell Grant under subparagraph (A) for an aca-
11 demic year, shall be eligible for a Federal Pell
12 Grant for an academic year in which the stu-
13 dent is enrolled in an eligible program full time
14 in an amount that is not more than the amount
15 determined in accordance with the following:

16 “(i) If the student or, in the case of
17 a dependent student, the dependent stu-
18 dent’s parent, is a single parent and the
19 adjusted gross income is greater than 210
20 percent of the poverty line and is less than
21 310 percent of the poverty line, the
22 amount shall be equal to the greater of—

23 “(I) the minimum Federal Pell
24 Grant for the academic year, and

1 “(II) the total maximum Federal
2 Pell Grant for the academic year,
3 minus the product of—

4 “(aa) the adjusted gross in-
5 come, less an amount equal to
6 210 percent of the poverty line;
7 and

8 “(bb) the total maximum
9 Federal Pell Grant for the aca-
10 demic year, divided by an amount
11 equal to 100 percent of the pov-
12 erty line.

13 “(ii) If the student or, in the case of
14 a dependent student, the dependent stu-
15 dent’s parent, is not a single parent and
16 the adjusted gross income is greater than
17 160 percent of the poverty line and is less
18 than 260 percent of the poverty line, the
19 amount shall be equal to the greater of—

20 “(I) the minimum Federal Pell
21 Grant for the academic year, and

22 “(II) the total maximum Federal
23 Pell Grant for the academic year,
24 minus the product of—

1 “(aa) the adjusted gross in-
2 come, less an amount equal to
3 160 percent of the poverty line;
4 and

5 “(bb) the total maximum
6 Federal Pell Grant for the aca-
7 demic year, divided by an amount
8 equal to 100 percent of the pov-
9 erty line.

10 “(2) LESS THAN FULL-TIME ENROLLMENT.—In
11 any case where a student is enrolled in an eligible
12 program of an institution of higher education on less
13 than a full-time basis (including a student who at-
14 tends an institution of higher education on less than
15 a half-time basis) during any academic year, the
16 amount of the Federal Pell Grant to which that stu-
17 dent is entitled shall be reduced in direct proportion
18 to the degree to which that student is not so enrolled
19 on a full-time basis, rounded to the nearest whole
20 percentage point, as provided in a schedule of reduc-
21 tions published by the Secretary computed in accord-
22 ance with this subpart. Such schedule of reductions
23 shall be published in the Federal Register in accord-
24 ance with section 482 of this Act. Such reduced
25 Federal Pell Grant for a student enrolled on a less

1 than full-time basis shall also apply proportionally to
2 students who are otherwise eligible to receive the
3 minimum Federal Pell Grant, if enrolled full-time.

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

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

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

7 “(5) TOTAL MAXIMUM FEDERAL PELL
8 GRANT.—

9 “(A) IN GENERAL.—For award year 2021–
10 2022, and each subsequent award year, the
11 total maximum Federal Pell Grant award per
12 student shall be equal to the sum of—

13 “(i) \$1,060; and

14 “(ii) the amount specified as the max-
15 imum Federal Pell Grant in the last en-
16 acted appropriation Act applicable to that
17 award year.

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

21 “(6) FUNDS BY FISCAL YEAR.—To carry out
22 this section for each of fiscal years 2021 through
23 2030—

24 “(A) there are authorized to be appro-
25 priated and are appropriated (in addition to

1 any other amounts appropriated to carry out
2 this section and out of any money in the Treas-
3 ury not otherwise appropriated) such sums as
4 are necessary to carry out paragraph (5)(A)(i);
5 and

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

9 “(7) APPROPRIATION.—

10 “(A) IN GENERAL.—In addition to any
11 funds appropriated under paragraph (6) and
12 any funds made available for this section under
13 any appropriations Act, there are authorized to
14 be appropriated, and there are appropriated
15 (out of any money in the Treasury not other-
16 wise appropriated) to carry out this section,
17 \$1,145,000,000 for fiscal year 2021 and each
18 subsequent award year.

19 “(B) NO EFFECT ON PREVIOUS APPRO-
20 PRIATIONS.—The amendments made to this
21 section by the FAFSA Simplification Act of
22 2019 shall not—

23 “(i) increase or decrease the amounts
24 that have been appropriated or are avail-
25 able to carry out this section for fiscal

1 years 2017, 2018, 2019, or 2020 as of the
2 day before the effective date of such Act;
3 or

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

8 “(8) METHOD OF DISTRIBUTION.—

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

18 “(B) ALTERNATIVE DISBURSEMENT.—
19 Nothing in this section shall be interpreted to
20 prohibit the Secretary from paying directly to
21 students, in advance of the beginning of the
22 academic term, an amount for which they are
23 eligible, in the cases where an eligible institu-
24 tion does not participate in the disbursement
25 system under subparagraph (A).

1 “(9) ADDITIONAL PAYMENT PERIODS IN SAME
2 AWARD YEAR.—

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

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

22 “(C) Any period of study covered by a
23 Federal Pell Grant awarded under subpara-
24 graph (A) shall be included in determining a

1 student's duration limit under subsection
2 (d)(5).

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

10 “(c) SPECIAL RULE.—

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

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

17 “(A) who is eligible to receive a Federal
18 Pell Grant for the award year for which the de-
19 termination is made;

20 “(B) whose parent or guardian was—

21 “(i) an individual who, on or after
22 September 11, 2001, died in the line of
23 duty while serving on active duty as a
24 member of the Armed Forces; or

1 “(ii) actively serving as a public safety
2 officer and died in the line of duty while
3 performing as a public safety officer; and
4 “(C) who is less than 33 years of age.

5 “(3) INFORMATION.—Notwithstanding any
6 other provision of law, the Secretary shall establish
7 the necessary data-sharing agreements with the Sec-
8 retary of Veterans Affairs and the Secretary of De-
9 fense, as applicable, to provide the information nec-
10 essary to determine which students meet the require-
11 ments of paragraph (2).

12 “(4) TREATMENT OF PELL AMOUNT.—Notwith-
13 standing section 1212 of the Omnibus Crime Control
14 and Safe Streets Act of 1968 (34 U.S.C. 10302), in
15 the case of a student who receives an increased Fed-
16 eral Pell Grant amount under this section, the total
17 amount of such Federal Pell Grant, including the in-
18 crease under this subsection, shall not be considered
19 in calculating that student’s educational assistance
20 benefits under the Public Safety Officers’ Benefits
21 program under subpart 2 of part L of title I of such
22 Act.

23 “(5) DEFINITION OF PUBLIC SAFETY OFFI-
24 CER.—For purposes of this subsection, the term
25 ‘public safety officer’ means—

1 “(A) a public safety officer, as defined in
2 section 1204 of title I of the Omnibus Crime
3 Control and Safe Streets Act of 1968 (34
4 U.S.C. 10284); or

5 “(B) a fire police officer, defined as an in-
6 dividual who—

7 “(i) is serving in accordance with
8 State or local law as an officially recog-
9 nized or designated member of a legally or-
10 ganized public safety agency;

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

14 “(iii) provides scene security or di-
15 rects traffic—

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

19 “(II) at a planned special event.

20 “(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

21 “(1) IN GENERAL.—The period during which a
22 student may receive Federal Pell Grants shall be the
23 period required for the completion of the first under-
24 graduate baccalaureate course of study being pur-
25 sued by that student at the institution at which the

1 student is in attendance, except that any period dur-
2 ing which the student is enrolled in a noncredit or
3 remedial course of study, as described in paragraph
4 (2), shall not be counted for the purpose of this
5 paragraph.

6 “(2) NONCREDIT OR REMEDIAL COURSES;
7 STUDY ABROAD.—Nothing in this section shall ex-
8 clude from eligibility courses of study which are non-
9 credit or remedial in nature (including courses in
10 English language instruction) which are determined
11 by the institution to be necessary to help the student
12 be prepared for the pursuit of a first undergraduate
13 baccalaureate degree or certificate or, in the case of
14 courses in English language instruction, to be nec-
15 essary to enable the student to utilize already exist-
16 ing knowledge, training, or skills. Nothing in this
17 section shall exclude from eligibility programs of
18 study abroad that are approved for credit by the
19 home institution at which the student is enrolled.

20 “(3) NO CONCURRENT PAYMENTS.—No student
21 is entitled to receive Pell Grant payments concur-
22 rently from more than one institution or from the
23 Secretary and an institution.

24 “(4) POSTBACCALAUREATE PROGRAM.—Not-
25 withstanding paragraph (1), the Secretary may

1 allow, on a case-by-case basis, a student to receive
2 a Federal Pell Grant if the student—

3 “(A) is carrying at least one-half the nor-
4 mal full-time work load for the course of study
5 the student is pursuing, as determined by the
6 institution of higher education; and

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

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

19 “(5) MAXIMUM PERIOD.—

20 “(A) IN GENERAL.—Except as provided in
21 subparagraph (B), the period during which a
22 student may receive Federal Pell Grants shall
23 not exceed 12 semesters, or the equivalent of 12
24 semesters, as determined by the Secretary by
25 regulation. Such regulations shall provide, with

1 respect to a student who received a Federal Pell
2 Grant for a term but was enrolled at a fraction
3 of full time, that only that same fraction of
4 such semester or equivalent shall count towards
5 such duration limits.

6 “(B) EXCEPTION.—

7 “(i) IN GENERAL.—Any Federal Pell
8 Grant that a student received during a pe-
9 riod described in subclause (I) or (II) of
10 clause (ii) shall not count towards the stu-
11 dent’s duration limits under this para-
12 graph.

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

17 “(I) during a period of a stu-
18 dent’s attendance at an institution—

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

23 “(bb) for which the student
24 was falsely certified as eligible for
25 Federal aid under this title; or

1 “(II) during a period—

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

5 “(bb) for which the loan de-
6 scribed in item (aa) is discharged
7 under—

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

10 “(BB) section
11 432(a)(6).

12 “(e) APPLICATIONS FOR GRANTS.—

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

17 “(2) APPLICATION.—Each student desiring a
18 Federal Pell Grant for any year shall file the Free
19 Application for Federal Student Aid containing the
20 information necessary to enable the Secretary to
21 carry out the functions and responsibilities of this
22 subpart.

23 “(f) DISTRIBUTION OF GRANTS TO STUDENTS.—
24 Payments under this section shall be made in accordance
25 with regulations promulgated by the Secretary for such

1 purpose, in such manner as will best accomplish the pur-
2 pose of this section. Any disbursement allowed to be made
3 by crediting the student's account shall be limited to tui-
4 tion and fees, and food and housing if that food and hous-
5 ing is institutionally owned or operated. The student may
6 elect to have the institution provide other such goods and
7 services by crediting the student's account.

8 “(g) INSUFFICIENT APPROPRIATIONS.—If, for any
9 fiscal year, the funds appropriated for payments under
10 this subpart are insufficient to satisfy fully all entitle-
11 ments, as calculated under subsection (b) (but at the max-
12 imum grant level specified in such appropriation), the Sec-
13 retary shall promptly transmit a notice of such insuffi-
14 ciency to each House of the Congress, and identify in such
15 notice the additional amount that would be required to
16 be appropriated to satisfy fully all entitlements (as so cal-
17 culated at such maximum grant level).

18 “(h) USE OF EXCESS FUNDS.—

19 “(1) 15 PERCENT OR LESS.—If, at the end of
20 a fiscal year, the funds available for making pay-
21 ments under this subpart exceed the amount nec-
22 essary to make the payments required under this
23 subpart to eligible students by 15 percent or less,
24 then all of the excess funds shall remain available

1 for making payments under this subpart during the
2 next succeeding fiscal year.

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

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

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

24 “(1) IN GENERAL.—No institution of higher
25 education shall be an eligible institution for purposes

1 of this subpart if such institution of higher edu-
2 cation is ineligible to participate in a loan program
3 under part B or D as a result of a final default rate
4 determination made by the Secretary under part B
5 or D after the final publication of cohort default
6 rates for fiscal year 1996 or a succeeding fiscal year.

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

18 (b) EFFECTIVE DATE.—This section, and the amend-
19 ments made by this section, shall take effect on July 1,
20 2021.