FAFSA Simplification Act of 2020
Section by Section

SECTION 1 – FAFSA SIMPLIFICATION ACT OF 2020

- Title and effective date of July 1, 2023 (beginning of Award Year 2023-24), except as otherwise provided.

SECTION 2 – MAKING IT EASIER TO APPLY FOR FEDERAL AID AND MAKING THAT AID PREDICTABLE

- This section simplifies the Free Application for Federal Student Aid by amending sections in Part F – Needs Analysis, which establishes the methodology for determining the relative financial need of an applicant.

Section 471 – Amount of Need.

- Renames the “expected family contribution” (EFC) as the “Student Aid Index” (SAI) to clarify for families that this number is used to assess a family’s financial need relative to other applicants, and is not the amount a family should or must pay.
- Maintains the “amount of need” calculation from current law.
- Directs the Secretary to provide guidance to States regarding the change in terminology and the formula adjustments in needs analysis.

Section 472 – Cost of Attendance.

- Defines “cost of attendance to include the following items:
  - Tuition and fees
  - Allowance for books and other course materials
  - Allowance for transportation
  - Allowance for miscellaneous personal expenses
  - Allowance for living expenses (including a food allowance equivalent to three meals a day, and housing based in part on where a student is living, as well as whether a student is in a correspondence program, incarcerated, or in a study abroad program)
  - Allowance for students with dependents
  - Allowance for students enrolled in a course of study offered by correspondence
  - Allowance for students with disabilities
  - Allowance for students in a cooperative education program
  - Allowance to cover loan fees for students who receive a Federal student loan
  - Allowance for students in a program requiring professional licensure or certification

- Renames “room and board” to “housing and food.”
For students living off-campus, housing costs are based on the cost of rent or other housing costs, and will no longer be linked to institutionally owned or operated housing.

Requires that for students living at home with parents, the living cost shall not be zero.

Allows incarcerated students an allowance for the cost of a first professional credential.

Maintains current law for students attending less than half-time to receive an allowance for living expenses.

Requires disclosure of cost of attendance elements on an institution’s website, including any portion of the website describing tuition and fees.

Section 473 – Special Rules for Student Aid Index.

Defines the “Student Aid Index” (SAI) to approximate a student’s/family’s financial resources to contribute toward higher education expenses.

Students who are eligible for the total maximum Pell Grant according to the AGI thresholds set out in Sec. 401(b)(1)(A) will receive an automatic zero SAI (which identifies these students as high financial need and could reduce an applicant’s SAI), unless the student has a calculated negative SAI.

Allows the “Student Aid Index” to go below zero to identify the students with the greatest financial need so that states and institutions of higher education may target state, institutional, and Federal campus-based aid to students with the greatest need.

Students who are in families that are not required to file a Federal income tax return will automatically be considered to have the greatest financial need and receive the lowest possible SAI, which is established at -$1,500.

Students outside of these categories may still receive a calculated zero or a calculated negative SAI.

Note: Under this legislation, the Student Aid Index will continue to be used to calculate Pell Grants for students who do not qualify based on the simple AGI thresholds for maximum or minimum awards or subsidized loans. Financial aid administrators will continue to have the authority to use their professional discretion to allocate Supplemental Education Opportunity Grants and Federal Work Study. See Section 7 of this legislation for the specifics regarding Pell Grants.

Section 474 – Determination of Student Aid Index.

Establishes a table of contents for the sections that lay out how to calculate the SAI for dependent students, independent students without dependents, and independent students with dependents.

Notes regarding revisions to sections 475 through 477:

The “number in college” will no longer be considered in the federal formula, although such information will remain a question on the FAFSA for institutions to consider. Financial aid administrators are additionally provided professional judgment discretion in Sec. 479A for cost of attendance or the SAI for situations of multiple family members in college.
• The state and local tax adjustment has been removed, although students and families receive significant Income Protection Allowance (IPA) increases to compensate.

Section 475 – Student Aid Index for Dependent Students.

• Defines a dependent student’s SAI as the sum of:
  o The “assessment of the parents’ adjusted available income”;
  o The “assessment of the student’s available income”; and
  o The “student’s available assets.”

• Details:
  o The parents’ “adjusted available income” is equal to the sum of their “available income” and “available assets”:
  o “Available income” equals the parents’ “total income” minus “allowances.”
    ▪ “Available income” equals
    ▪ “Total income”
    ▪ minus “Federal income taxes”
    ▪ minus “allowance for payroll taxes”
    ▪ minus “income protection allowance” ***
    ▪ minus “employment expense allowance.”

*** The parent’s income protection is raised by 20% to $23,330 for a two person family with one dependent (in current law two person families have an IPA of $19,080). For a family of three, the new IPA is $29,040 (in current law three person families have an IPA of $23,760).

  o “Parents’ available assets” equals the “parents’ assets” minus the “education savings and asset protection allowance” (which depends on a parent’s age and if the parent is married) for parents of dependent students; then the difference is multiplied by “12 percent.” “Parents’ available assets” may not be a negative number. This portion of parents’ assets will be considered when making determinations about financial aid need.
    ▪ “Available assets” equals
    ▪ “assets”
    ▪ minus “education savings and asset protection allowance” (which depends on a parents age and if the parent is married)
    ▪ multiplied by “12 percent.”

  o In general, a student’s parents will be the individuals that claimed the student on their Federal income tax return in the second tax year before the academic year for which the student is applying for aid, with some exceptions:
    ▪ When the student’s parents are divorced or separated, the student will only use the income and assets of the parent that they lived with the most, or, if the student did not live with either parent, the income and assets of the parent that provided the most amount of support to the student.
The “student’s available income” equals the student’s “total income” minus “allowances”
- “Available income” equals
- “Total income”
- minus “Federal income taxes”
- minus “allowance for payroll taxes”
- minus “income protection allowance” ***
- minus “allowance for parents’ negative income”
- multiplied by “50 percent.”

***The student’s income protection allowance is raised by 35% to $9,410 (in current law, the IPA for 2020-2021 is $6,840).

The “student’s assets” equals the “assets” of the student multiplied by “20 percent.”

Section 476 – Student Aid Index for Independent Students without Dependents.

- Defines the SAI calculation for an independent student who does not have dependents, but may have a spouse, as the sum of:
  - The “family’s available income”, and
  - The “family’s available assets.”

- Details:
  - The “available income” equals the family’s “total income” minus “allowances” multiplied by “50 percent.”
    - “Available income” equals
    - “Total income”
    - minus “Federal income taxes”
    - minus “allowance for payroll taxes”
    - minus “income protection allowance” ***
    - minus “employment expense allowance” (married student only)
    - multiplied by “50 percent.”

***The student’s income protection allowance is raised by 35% to $14,630 for single independents without dependents (in current law single independents without dependents have an IPA of $10,640).

***The student’s income protection allowance is raised by 35% to $23,460 for married independents without dependents (in current law married independents without dependents have an IPA of $17,060).

- The “family’s available assets” are equal to the “family’s assets” minus an “asset protection allowance” (which depends on the age of the student and whether the student is married); then the difference is multiplied by “20 percent.” The “family’s available assets” may not be a negative number. This
portion of parents’ assets will be considered when making determinations about financial aid need.

- “Available assets” equals
- “assets” minus “asset protection allowance” (which depends on the student’s age and if the student is married)
- multiplied by “20 percent.”

- When a student is divorced or separated, or the student’s spouse had died, the student will only use their own income and assets for the Student Aid Index calculation.

Section 477 – Student Aid Index for Independent Students with Dependents other than a Spouse.

- Defines the SAI calculation for an independent student who has dependents is equal to the “adjusted available income”, which is equal to the “family’s available income” plus the “family’s available assets”, the sum is then adjusted by the “assessment of adjusted available income” table.

- Details:
  - The “available income” equals the family’s “total income” minus “allowances”
    - “Available income” equals
    - “total income” minus “Federal income taxes”
    - minus “payroll taxes”
    - minus an “income protection allowance” ***
    - minus an “employment expense allowance”

***For single independent students with dependents with a family of 2 people, the IPA is raised by 35% and set at $43,920 (current IPA for a family size of 2 is $26,940).

***For married independent students with dependents with a family size of 3 people, the IPA is raised by 35% and set at $46,140 (current IPA for a family size of 3 is $33,550).

- The “family’s available assets” equals the “family’s assets” minus “asset protection allowance” (which depends on the age of the student and whether the student is married), then the difference is multiplied by “7 percent.” The “family’s available assets” may not be a negative number. This portion of parents’ assets will be considered when making determinations about financial aid need.
  - “Available assets” equals
  - “assets” minus “asset protection allowance” (which depends on the student’s age and if the student is married)
  - multiplied by “7 percent.”
When a student is divorced or separated, or the student’s spouse had died, the student will only use their own income and assets for the Student Aid Index calculation.

Section 478 – Regulations; Updated Tables.

- Authorizes the Secretary to annually update tables necessary for the calculation of the Student Aid Index to reflect changes in the Consumer Price Index.
- Authorizes the Secretary to regulate all cost of attendance items except tuition and fees.

Section 479 – Eligible Applicants Exempt from Asset Reporting.

- Revises thresholds for applicants to be eligible for the “Simplified Needs Test,” which exempts applicants from reporting their assets.
- Outlines three groups of applicants who will not have to report assets to calculate their SAI:
  - Students who qualify for an automatic zero or automatic negative SAI based on qualifying for the total maximum Pell Grant on AGI thresholds or not being required to file taxes;
  - Students in families with an adjusted gross income below $60,000 that were not required by the Internal Revenue Service to file, as part of their income tax forms schedules A, B, D, E, F, or H, and not required to file a Schedule C or have less than a $10,000 net gain or loss reported on a Schedule C in the tax year used for need analysis calculations; and
  - Students who received a means-tested Federal benefit program (or whose parent or spouse received such benefit) in the past 24 months.
- If applicants have filed such schedules, this information will be imported from the applicant’s federal tax return, in accordance with the FUTURE Act
- Adds a category of dependent students who cannot be exempted from asset reporting based on feedback from financial aid administrators. Asset reporting will be required from parents of dependent students who do not:
  - reside in the United States or United States territories; or
  - file taxes in United States or United States territories, unless the family does not file taxes due to a low income.

Section 479A – Discretion of Student Financial Aid Administrators.

- Authorizes financial aid administrators to make adjustments on a case-by-case basis for students with special circumstances to the cost of attendance, the values used to calculate the Student Aid Index, or the values used to calculate the Pell Grant award.
- Authorizes financial aid administrators to make an adjustment to the dependency status of a student with unusual circumstances on a case-by-case basis.
- Prohibits institutions from maintaining a policy that denies all requests for adjustments under professional judgment.
- Prohibits financial aid administrators from charging a fee for a documented interview of a student or for the review of a request for adjustments under this section.
• Outlines what qualifies as adequate documentation to make an adjustment based on special or unusual circumstances, including how students with unusual circumstances can qualify for provisional independence and subsequently qualify for a final determination of independence.
• Requires institutions to publicly disclose the option for a student to pursue a professional judgment.
• Outlines and makes minor changes to the conditions under which a student would qualify for a special circumstance adjustment to their Cost of Attendance, Student Aid Index, or Pell Grant.
• Outlines the conditions under which an adjustment to dependency status can be made under unusual circumstances.
• Directs the Secretary to enable students to file the FAFSA as provisional independent students, which are generally students who are not in contact with their parents.
• Outlines the process financial administrators shall use when processing students who file as provisional independents.
• Allows the financial aid administrator to make adjustments to income or assets based on certain financial situations or a disability in the family.
• Maintains the ability for a dependent student to get an unsubsidized loan without including their parents’ information on the FAFSA.
• Adds a “Special Rule Regarding Professional Judgment During a Disaster, Emergency, or Economic Downturn” that provides rules for financial aid administrators on how to adjust financial aid for applicants due to unemployment in the family during specified time periods such as a national emergency or economic downturn, including permitting that income earned from work may be set to “zero” so as not to count unemployment benefits received. This includes adjustments to program review selection by the Secretary during such time periods.

Section 479B – Disregard of Student Aid in Other Programs.

• Maintains current law by prohibiting the Education Department from including financial assistance received in Title IV of the HEA, the Bureau of Indian Affairs student assistance programs, and employment and training programs under the Workforce Innovation and Opportunity Act in financial aid calculations.

Section 479C – Native American Students.

• Maintains current law by prohibiting the Education Department from including income or assets of $2,000 or less in Student Aid Index calculations for Native American students, when the income or assets come from the “Per Capita Act” or the Indian Tribal Judgment Funds Use or Distribution Act.
• Prohibits the Department from including income received by students or a student’s parents under the Alaska Native Claims Settlement Act or the Maine Indian Claims Settlement Act of 1980.
• Directs the Secretary to develop guidance in consultation with the affected states to carry out this part of the law.
Section 479D – Special Rules for Independent Students.

- Reduces barriers for homeless and foster youth to access Federal financial aid by:
  - Clarifying the process for how financial aid administrators should go about documenting a determination of independence for homeless and foster youth who file the FAFSA without parental information;
  - Allowing a determination of homeless or foster youth status to be applied to multiple years of a student’s enrollment, rather than requiring a yearly process, and to be transferred between institutions;
  - Expanding the list of persons who can verify the status of homeless and foster youth; and
  - Outlining the timeline for financial aid administrators to make a determination, the way financial aid administrators can use earlier determinations, as well as the rules for retaining documents.

Section 480 – Definitions.

- This section modifies definitions used in the Student Aid Index to be compatible with the information that can be obtained from a Federal income tax return.
- Provides a more detailed and accurate definition of veteran and veterans’ education benefits.
- Defines students who are independent.
- Defines family size for the different dependency situations.
- Requires that the Secretary to provide each FAFSA applicant an opportunity to confirm the accuracy of the family size indicated on the applicant’s tax return or to amend it to reflect the applicant’s current household.
- Adds a new definition for homeless youth, unaccompanied youth, or unaccompanied homeless youth.
- Adjusts the definition of assets to (1) remove “cash on hand,” (2) remove the limitation that small businesses with 100 or fewer employees, or a family farm, are excluded from consideration, and (3) incorporate modernized language regarding investments.

Section 483 – Free Application for Federal Student Aid.

- This section lists and describes the questions on the FAFSA:
  - Name;
  - Contact information;
  - Social security number;
  - Date of birth;
  - Marital status;
  - Citizenship status;
  - Sex;
  - Race or ethnicity;
  - State of legal residency and date of residency;
  - Name and location of high school the applicant has or will graduate from;
  - List of institutions of higher education the student is applying/returning to;
- Class level, including whether the student has already completed a bachelor’s degree;
- Whether any of the student’s parents attended college;
- Assets and child support received;
- Number of family members also attending college;
- Whether the applicant is in one of the special categories that would make them an independent student (is an unaccompanied homeless youth or is unaccompanied, at risk of homelessness, and self-supporting, emancipated minor, in legal guardianship, dependent ward of the court, in foster care, both parents have died, veteran or active duty military, has a dependent, or has an unusual circumstance that keeps the student from accessing parental income information);
- Whether the student has received Federal means-tested benefits in the last two years, including an expanded list of such benefits;
- Whether any distributions from pensions, annuities, or IRAs were a qualified rollover (only asked to applicants in families with pension, annuity, and IRA distributions);
- Whether the student or the student’s spouse/parents reported receiving foreign income that is exempt from Federal taxation or that qualifies for a foreign tax credit, and the amount of such income;
- Whether the student or the student’s spouse/parents elects to report receiving college grant and scholarship aid included in gross income on a Federal tax return, and the amount of such aid; and
- Directs the Secretary to provide a process by which the student can confirm the size of their family or update their family size.

- This section outlines procedures for the Secretary to receive and share applicant data:
  - The Secretary shall provide notice to applicants that their Federal tax information will be obtained through the Secretary’s authority to receive it from the Internal Revenue Service.
  - The applicant shall provide authorization to the Secretary to submit their FAFSA and tax information to the institutions selected by the applicant in order for the institution to determine the applicant’s eligibility for Title IV programs.
  - The applicant may provide authorization to the Secretary to submit their FAFSA information and tax information to the applicant’s State of residence or institution for the purposes of those entities determining the applicant’s eligibility for State or institution-based financial aid or to scholarship organizations designated prior to the enactment of PL 116-91.
  - The applicant may provide the Secretary authorization to transmit their FAFSA information only to other Federal agencies to determine eligibility for means-tested Federal benefit programs outside of the Department of Education.

- Requires the Secretary to process the completed FAFSAs and provide the applicant with:
  - Estimated Pell Grant amount and other Federal aid eligibility to students.
  - Consumer-tested information about the institutions selected by the applicant on the FAFSA, such as graduation rates, median debt, retention rates, transfer rates, default rates and net costs.
The applicant’s potential eligibility for means-tested benefits if they have a SAI of zero or less.

- Information on tax benefits.
- Information on military service member or veteran’s benefits, as applicable.
- The outstanding balance of Federal student loans held by the applicant, if applicable.

Outlines the ways that the institution of higher education or the State receives and can use data obtained through the FAFSA:

- Describes the rules for using FAFSA information and the differences on how tax information can be used and how non-tax information can be used.
- Describes how non-tax FAFSA information can be shared, including consent requirements.
- Refers to Sec. 494 for procedures on rules for discussing or sharing tax information obtained through the FAFSA.
- Prohibits entities that receive access to an applicant’s application from using or sharing the information other than for the purposes of applying for monetary and non-monetary assistance to assist the student.

Requires the Secretary to engage stakeholders prior to the design of the FAFSA.

Limits additional information requests of applicants.

Instructs the Department to conduct studies on the effect of States and institutions requiring further data from applicants when applying for State financial aid or institutional aid.

Requires the Department to collect and publish information on States’ and institutions’ applicant information requirements for aid.

Requires the Secretaries of Education and the Treasury to provide guidance to States and institutions on how to keep FAFSA data secure, including guidance on the differences in laws governing tax data and education data.

During the implementation of the new FAFSA, the Department will provide reports to Congress on its progress, conduct consumer testing, and consider changes to the verification process that will minimize detrimental effects on applicants.

Requires the Secretary to make the FAFSA accessible, including for students with disabilities and through 11 common languages.

Requires the Secretary to streamline processes for students who are reapplying.

Requires an annual verification report to help reduce verification burden.

Directs periodic studies on reasons why students fail to file FAFSA.

Directs the Department to publish data on FAFSA applications and the characteristics of applicants to help improve the filing of the FAFSA.

Allows the Secretary to enter data-sharing agreements with Federal or State agencies that provide means-tested benefits for which applicants may be eligible.

Addresses usability issues for FAFSA by allowing signatures to be submitted at a later date and free preparation services.

Maintains current law that prohibits preparers from charging applicants to file a FAFSA.

Requires the Secretary to provide a tool that gives early aid estimates to students.
• Ensures that no additional forms or information requests can be required of students who want Federal aid, unless the information is required for verification, determination of independence, or professional judgement.

Section 484 – Student Eligibility.

• Requires the Secretary to fulfill any data transfer agreement with the Secretary of the Treasury, enacted in the Internal Revenue Code.
• Removes two barriers to accessing Federal financial aid by repealing:
  o The suspension on eligibility for drug-related offenses; and
  o The requirement that male students register with the Selective Service System in order to receive Federal Student Aid.
• Creates definitions for the terms “confined or incarcerated individuals” and “prison education program.”
• Stipulates that for confined or incarcerated students to be eligible for a Federal Pell Grant, they must be enrolled or accepted for enrollment in a prison education program.
• Provides that eligible prison education programs are only at public and non-profit institutions of higher education, and have been approved to operate in a state by the appropriate State department of corrections or Bureau of Prisons.
• Directs the Secretary in partnership with the Director of the IES to award grants to assess the ability of confined or incarcerated students to complete the FAFSA and to examine in-custody outcomes and post-release outcomes related to provided Pell Grants to these individuals.
• Requires public reports regarding the institutions, programs, and students participating in prison education programs.
• Allows the Secretary to remove the drug conviction and Selective Service questions, and associated federal aid limitations, from the FAFSA prior to July 1, 2023.
• Allows the Secretary to implement new Pell Grant eligibility for incarcerated students prior to July 1, 2023.

Section 485E – Early Awareness of Financial Aid Eligibility.

• This section outlines a set of activities the Secretary will conduct to help prospective students and their families learn about their eligibility for Pell Grant and other Federal aid at a younger age.
• These activities will consist of:
  o Consumer testing of methods to provide eligibility information;
  o Providing an electronic tool students can use to estimate their aid eligibility;
  o Developing and conducting early awareness plans that target low-income families, which may be in partnership with institutions, State agencies, States, and college access organizations;
  o Working with other Federal agencies serving low-income families to do outreach to these families;
  o Creating of a process by which governmental and non-governmental organizations can commit to implementing early awareness plans for low-income
individuals and based on data awarding early awareness champion designations to feature in a best practices section of the Department of Education website; and
- Conducting a public awareness campaign.
- Requires reporting and updates to increase the efficacy of such activities.

Section 494 – Procedure and requirements for requesting tax return information from the Internal Revenue Service

- Clarifies that a student pursuing a determination of independence does not need their parent to provide approval on the FAFSA to transfer their tax information.

SECTION 3 – FEDERAL PELL GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS

Section 401 - Federal Pell Grants: Amount and Determinations; Applications.

- Further amends the Pell Grant for 2023-2024 award year and each subsequent award year by creating new simple eligibility guidelines for some applicants and maintaining the Student Aid Index eligibility formula for other applicants.
- The new Pell eligibility guidelines will simply determine many students’ eligibility for the total maximum or minimum Pell Grant using 3 variables:
  1) Income;
  2) Family size; and
  3) Family type (family led by a single parent or all other types of families).

- Income will be measured by a student’s adjusted gross income if they are an independent student.
- Income will be measured by the student’s parents’ adjusted gross income if they are a dependent student.
- In all cases, adjusted gross income and filing status will be obtained from the IRS.
- Family size will include:
  - dependents and spouse if the student is an independent student; and
  - parents and dependents of parents if the student is a dependent student.

- Family type will be determined by whether the student is in a single-parent family or in another family.
  - Independent students will be in a single-parent family if they are unmarried and have dependents. If the student files taxes the student must qualify as a head of household, surviving spouse or receive the Earned Income Tax Credit for a child or dependent.
  - Dependent students will be in a single parent family if their parent who provides the majority of the student’s support is unmarried. If the parent files taxes the parent must qualify as a head of household, surviving spouse or receive the Earned Income Tax Credit for a child or dependent.
All of these factors will be measured using the second tax year preceding the academic year for which the student is applying (e.g., tax year 2018 for the 2020-21 academic year), sometimes commonly called “prior-prior year.”

A student’s income will be measured against the Federal poverty guideline for the student’s family size to evaluate student’s income as a percentage of the Federal poverty line (FPL).

Students that are eligible for the maximum Pell Grant will include:
- Students not required to file a Federal income tax return in the second year preceding the academic year.
- Students in single-parent families with incomes at or below 225 percent FPL ($38,790 in 2020 for a family of 2, one parent and one child).
- Students in other families with incomes at or below 175 percent FPL ($38,010 in 2020 for a family of 3, two parents and one child).
- Students in families that are not required to file a Federal income tax return.
- Students who are less than 33 years old whose parents died in the line of duty while serving in the armed forces after September 11, 2001 or died in the line of duty while serving as public safety officer, who are eligible for any size Pell Grant.

Students that are not eligible for the maximum award under the simple guidelines shall be evaluated for eligibility based on the Student Aid Index.
- Such students do not have a guarantee of a maximum or minimum award, but may qualify for any size award based on the Student Aid Index calculation.

Students that are not eligible based on their Student Aid Index shall be eligible for the minimum award under the following guidelines:
- Students in single-parent families with incomes equal to or less than 325 percent FPL;
- Students in other families with incomes equal to or less than 275 percent FPL; and
- Student who are parents will receive a minimum Pell:
  - For single student parents with income equal to or less than 400 percent FPL; or
  - For married student parents with incomes equal to or less than 350 percent FPL.

Less-than-full-time students will receive a prorated Pell Grant in direct proportion to their enrollment.

Maintains the “year-round” Pell Grant, but removes the limitation that students must be enrolled half-time to receive such grant.

Maintains the 3-stream funding formula for Pell Grants and other rules regarding Pell Grant eligibility.

Restores Pell Grant eligibility for students whose loans were discharged under the Secretary’s “borrower defense” authority or section 432(a)(6), in addition to codifying current practices for Pell Grant restoration for students whose schools closed or were falsely certified as eligible for student aid.
SECTION 4 - CONFORMING AMENDMENTS

- Conforming amendments related to the change in terminology from expected family contribution to Student Aid Index.

SECTION 5 – REPEAL OF THE SUBSIDIZED USAGE LIMIT APPLIES (SULA) RESTRICTION

- Repeals the time-based limit for student subsidized loan eligibility of 150% of a student’s program length.
- Note: a student’s borrowing limits for subsidized loans are not adjusted by this Act.

SECTION 6 – FORGIVENESS OF HBCU CAPITAL FINANCING LOANS

- Directs the Secretary of Education to repay the outstanding balance of principal, interest, fees, and costs on the disbursed loan amounts for each institution with an HBCU Capital Financing Loan.