To simplify loan repayment for Federal student loans under title IV of the Higher Education Act of 1965, to make it easier to apply for Federal aid and making that aid predictable, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. ALEXANDER introduced the following bill; which was read twice and referred to the Committee on

A BILL

To simplify loan repayment for Federal student loans under title IV of the Higher Education Act of 1965, to make it easier to apply for Federal aid and making that aid predictable, and for other purposes.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Student Loan Repay-

ment and FAFSA Simplification Act”.

SEC. 2. SIMPLIFYING STUDENT LOAN REPAYMENT.

(a) In General.—Section 455 of the Higher Edu-

cation Act of 1965 (20 U.S.C. 1087e) is amended—
(1) in subsection (d)(1)—

(A) in subparagraph (D), by striking “and” after the semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(F) notwithstanding any other provision of law, in the case of a loan described in subsection (a) that enters repayment on or after October 1, 2020, or for which a borrower seeks to change to a different repayment plan on or after October 1, 2020, only a repayment plan described in subsection (r).”; and

(2) by adding at the end the following:

“(r) REPAYMENT.—

“(1) IN GENERAL.—For loans described under subsection (a) that enter repayment on or after October 1, 2020, or for which the borrower seeks to change to a different repayment plan on or after October 1, 2020, only the following repayment options shall be made available:

“(A) A standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed 10 years.
“(B) An income determined repayment plan, with an annual repayment amount in the amount determined in accordance with paragraph (2).

“(2) INCOME DETERMINED REPAYMENT PLANS.—

“(A) IN GENERAL.—An income determined repayment plan under paragraph (1)(B) shall require a borrower to pay an amount equal to 10 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

“(i) the borrower’s, and the borrower’s spouse’s (if applicable), adjusted gross income; exceeds

“(ii) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

“(B) EXCEPTIONS.—

“(i) REDUCTION FOR CERTAIN BORROWERS.—For a borrower, and the borrower’s spouse (if applicable), whose adjusted gross income exceeds 800 percent of
the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), the percentage amount calculated under subparagraph (A)(ii) shall decrease by 5 percent for each percentage point that the borrower’s adjusted gross income exceeds 800 percent.

“(ii) UNAVAILABILITY TO CERTAIN BORROWERS.—The plan described in paragraph (1)(B) shall not be available to the borrower of a Federal Direct PLUS Loan made on behalf of a dependent student or a Federal Direct Consolidation Loan, if proceeds of such loan were used to discharge the liability on such Federal Direct PLUS Loan.

“(C) REPAYMENT PERIOD.—The amount of time a borrower is permitted to repay such loans under paragraph (1)(B) may exceed 10 years.

“(D) LOAN FORGIVENESS.—

“(i) IN GENERAL.—The Secretary shall repay or cancel any outstanding bal-
ance of principal and interest due on any loan repaid under the repayment plan described under paragraph (1)(B)—

“(I) for any undergraduate borrower who has made payments under such plan for 20 years; or

“(II) for any graduate borrower who has made payments under such plan for 25 years.

“(ii) LIMITATION.—Any period of time in which a borrower is in delinquency or default shall not count toward the repayment or cancellation described in clause (i).

“(3) MONTHLY PAYMENTS.—The Secretary shall determine the borrower’s monthly payment obligation to satisfy the payment amount determined in accordance with subparagraphs (A) or (B) of paragraph (1).

“(4) BORROWER CHOICE.—A borrower who is repaying a loan under paragraph (1)(B) may elect, at any time, to terminate repayment pursuant to the income determined repayment plan and repay such loan under the standard repayment plan under paragraph (1)(A).”.
(b) **Public Service Loan Forgiveness Rules for Income-determined Repayment Plans.**—Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (iii), by striking “or” after the semicolon;

(B) in clause (iv), by striking “; and” and inserting “; or”; and

(C) by adding at the end the following:

“(v) payments under an income determined repayment plan or a standard repayment plan under subsection (r), except as provided in paragraph (3); and”;

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

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

“(3) **Exception.**—

“(A) **In General.**—To be eligible for loan cancellation under this subsection, a borrower who elects an income determined repayment plan under subsection (r) shall remain in such plan for the duration of repayment until such loan is cancelled.
“(B) Required notification and acknowledgment.—

“(i) Notification.—If a borrower who has elected an income determined repayment plan under subsection (r) subsequently indicates that the borrower wishes to change repayment plans, the Secretary shall notify the borrower that changing repayment plans will cause any monthly payments made prior to such change to not qualify toward the 120 monthly payments required for loan cancellation under this subsection.

“(ii) Acknowledgement.—The Secretary shall require acknowledgment of receipt of the notification under clause (i) from any borrower who has elected an income determined repayment plan under subsection (r) and subsequently indicates that the borrower wishes to change repayment plans.”.

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

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

"SEC. 471. AMOUNT OF NEED.

“(a) IN GENERAL.—Except as otherwise provided therein, beginning with award year 2022–2023, the amount of need of any student for financial assistance under this title (except subpart 1 or 2 of part A) is equal to—

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

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

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

“(b) EFFECTIVE DATE OF CHANGES.—The amendments made to this title under the Student Loan Repayment and FAFSA Simplification Act shall take effect beginning with award year 2022–2023. The amounts provided under such amendments for award year 2020–2021 shall be used solely as a base to determine adjustments for subsequent award years.”.

(2) MAXIMUM AID UNDER PART D.—Section 451 of the Higher Education Act of 1965 (20
U.S.C. 1087a) is amended by adding at the end the following:

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

(3) GUIDANCE TO STATES.—The Secretary of Education shall issue guidance for States on interpretation and implementation of the terminology and formula adjustments made under the amendments made by this Act, including the student aid index, formerly known as the expected family contribution, and the need analysis formulas.

(b) COST OF ATTENDANCE AND STUDENT AID INDEX.—Sections 472 and 473 of the Higher Education Act of 1965 (20 U.S.C. 1087ll and 1087mm) are amended to read as follows:

“SEC. 472. COST OF ATTENDANCE.

“(a) IN GENERAL.—For the purpose of this title, the term ‘cost of attendance’ means—

“(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or
supplies required of all students in the same course of study;

“(2) an allowance for books, supplies, and transportation, including a reasonable allowance for the documented rental or purchase of suggested electronic equipment, as determined by the institution;

“(3) an allowance for miscellaneous personal expenses, for a student attending the institution on at least a half-time basis, as determined by the institution;

“(4) an allowance for living expenses, including food and housing costs, to be incurred by the student attending the institution on at least a half-time basis, as determined by the institution, which includes—

“(A) for students electing institutionally owned or operated food services, such as board or meal plans, shall be a standard allowance for such services that provides the equivalent of three meals each day;

“(B) for students not electing institutionally owned or operated food services, such as board or meal plans, shall be a standard allowance for purchasing food off campus that provides the equivalent of three meals each day,
which shall not exceed the standard allowance provided in paragraph (A);

“(C) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on average or median amount assessed to such residents for housing charges, whichever is greater;

“(D) for students with dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the average or median amount assessed to such residents for housing charges, whichever is greater;

“(E) for students living off campus, and not in institutionally owned or operated housing, shall be a standard allowance for rent or other housing costs, which, if applicable, shall not exceed the standard allowance provided in paragraph (C) or (D) with respect to whether the student has dependents;

“(F) for dependent students residing at home with parents shall be a standard allowance determined by the institution;
“(G) for students who live in housing located on a military base or for which a basic allowance is provided under section 403(b) of title 37, United States Code, shall be a standard allowance for food based upon a student’s choice of purchasing food on-campus or off-campus (determined respectively in accordance with subparagraph (A) or (B)), but not for housing costs; and

“(H) for all other students shall be an allowance based on the expenses reasonably incurred by such students for housing and food;

“(5) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and housing and food costs incurred specifically in fulfilling a required period of residential training;

“(6) for incarcerated students, only tuition, fees, books, supplies, and the cost of obtaining a license, certification, or a first professional credential in accordance with paragraph (13);

“(7) for a student enrolled in an academic program in a program of study abroad approved for credit by the student’s home institution, reasonable
costs associated with such study (as determined by the institution at which such student is enrolled);

“(8) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that—

“(A) such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and

“(B) the period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;

“(9) for a student with a disability, an allowance (as determined by the institution) for those expenses related to the student’s disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;

“(10) for a student receiving all or part of the student’s instruction by means of telecommunications technology, no distinction shall be made with
respect to the mode of instruction in determining costs;

“(11) for a student engaged in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution);

“(12) for a student who receives a Federal student loan made under this title or any other Federal law, to cover a student’s cost of attendance at the institution, an allowance for the actual cost of any loan fee, origination fee, or insurance premium charged to such student or such parent on such loan; and

“(13) for a student in a program requiring professional licensure, certification, or a first professional credential the cost of obtaining the license, certification, or a first professional credential.

“(b) Special Rule for Living Expenses for Less-than-Half-Time Students.—An institution of higher education may include an allowance for living expenses, including food and housing costs in accordance with subsection (a)(4) for up to three semesters, or the equivalent, with no more than two semesters being consecutive.
“(c) Disclosure of Cost of Attendance Elements.—Each institution shall make publicly available on the institution’s website a list of all the elements of cost of attendance described in subsection (a), including, for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for dependent care, as described in subsection (a)(8).

“SEC. 473. SPECIAL RULES FOR STUDENT AID INDEX.

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

“(b) Special Rule for Students Eligible for the Total Maximum Pell Grant.—The Secretary shall consider an applicant to automatically have a student aid index equal to zero if the applicant is eligible for the total maximum Federal Pell Grant under subpart 1 of part A, except that, if the applicant has a calculated student aid index of less than zero the Secretary shall consider the negative number as the student aid index for the applicant.
“(c) Special Rule for Nonfilers.—For an applicant (or, as applicable, an applicant and spouse, or an applicant’s parents) who is not required to file a Federal tax return for the second preceding tax year, the Secretary shall for the purposes of this title consider the student aid index as equal to −$1,500 for the applicant.

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

“(e) Means-Tested Federal Benefit Program.—In this section, the term ‘means-tested Federal benefit program’ means any of the following:

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

“(2) The supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).
“(3) The program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).


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

“(6) Federal housing assistance programs, including tenant-based assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), and public housing, as defined in section 3(b)(1) of such Act (42 U.S.C. 1437a(b)(1)).

“(7) Other means-tested programs determined by the Secretary to be approximately consistent with the income eligibility requirements of the means-tested programs under paragraphs (1) through (6).

“(f) SPECIAL RULE FOR NONFILING WHO ARE ALSO RECIPIENTS OF MEANS-TESTED BENEFITS.—For an applicant (or, as applicable, and applicant and spouse, or an applicant’s parents) who is not required to file a Federal tax return for the second preceding tax year and who at any time during the previous 24-month period received a
benefit under a means-tested Federal benefit program, the Secretary shall, for the purposes of this title, consider the student aid index as equal to -$1,500 for the applicant.”.

(c) Determination of Student Aid Index.—Section 474 of the Higher Education Act of 1965 (20 U.S.C. 1087nn) is amended to read as follows:

“SEC. 474. DETERMINATION OF STUDENT AID INDEX.

“The student aid index—

“(1) for a dependent student shall be determined in accordance with section 475;

“(2) for a single independent student or a married independent student without dependents (other than a spouse) shall be determined in accordance with section 476; and

“(3) for an independent student with dependents other than a spouse shall be determined in accordance with section 477.”.

(d) Student Aid Index for Dependent Students.—Section 475 of the Higher Education Act of 1965 (20 U.S.C. 1087oo) is amended to read as follows:

“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STUDENTS.

“(a) Computation of Student Aid Index.—
“(1) IN GENERAL.—For each dependent student, the student aid index is equal to (except as provided in paragraph (2)) the sum of—

“(A) the assessment of the parents’ adjusted available income (determined in accordance with subsection (b));

“(B) the assessment of the student’s available income (determined in accordance with subsection (g)); and

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

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

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

“(1) computing adjusted available income by adding—

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

“(B) the parents’ available assets (determined in accordance with subsection (d));
“(2) assessing such adjusted available income in accordance with the assessment schedule set forth in subsection (e); and

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

“(c) PARENTS’ AVAILABLE INCOME.—

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

“(A) Federal income taxes;

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

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

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

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

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

“(B) the amount earned by the parents that does not exceed such contribution and ben-
efit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of the Internal Revenue Code of 1986.

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

Income Protection Allowance 2021–2022 (to be adjusted for 2022–2023 and succeeding years)

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

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

“(d) PARENTS’ AVAILABLE ASSETS.—

“(1) IN GENERAL.—
"(A) DETERMINATION.—Except as provided in subparagraph (B), the parents' available assets are equal to—

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

"(ii) 12 percent.

"(B) NOT LESS THAN ZERO.—Parents' available assets under this subsection shall not be less than zero.

"(2) EDUCATION SAVINGS AND ASSET PROTECTION ALLOWANCE.—The education savings and asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478(d)):

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

<table>
<thead>
<tr>
<th>If the age of the oldest parent is—</th>
<th>two parents</th>
<th>one parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 or less ................................</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>26 ......................................</td>
<td>$300</td>
<td>$100</td>
</tr>
<tr>
<td>27 ......................................</td>
<td>$700</td>
<td>$200</td>
</tr>
<tr>
<td>28 ......................................</td>
<td>$1,000</td>
<td>$300</td>
</tr>
<tr>
<td>29 ......................................</td>
<td>$1,300</td>
<td>$500</td>
</tr>
<tr>
<td>30 ......................................</td>
<td>$1,600</td>
<td>$600</td>
</tr>
<tr>
<td>31 ......................................</td>
<td>$2,000</td>
<td>$700</td>
</tr>
<tr>
<td>32 ......................................</td>
<td>$2,300</td>
<td>$800</td>
</tr>
<tr>
<td>33 ......................................</td>
<td>$2,600</td>
<td>$900</td>
</tr>
<tr>
<td>34 ......................................</td>
<td>$2,900</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
"Education Savings and Asset Protection Allowances for Parents of Dependent Students—Continued

If the age of the oldest parent is—

<table>
<thead>
<tr>
<th>Age</th>
<th>Allowance two parents</th>
<th>Allowance one parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>$3,300</td>
<td>$1,100</td>
</tr>
<tr>
<td>36</td>
<td>$3,600</td>
<td>$1,200</td>
</tr>
<tr>
<td>37</td>
<td>$3,900</td>
<td>$1,300</td>
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<tr>
<td>38</td>
<td>$4,200</td>
<td>$1,500</td>
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<td>39</td>
<td>$4,600</td>
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<tr>
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<tr>
<td>50</td>
<td>$6,300</td>
<td>$2,100</td>
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<tr>
<td>51</td>
<td>$6,400</td>
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<td>52</td>
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<td>55</td>
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<td>56</td>
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<tr>
<td>57</td>
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<tr>
<td>58</td>
<td>$7,700</td>
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<tr>
<td>59</td>
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<tr>
<td>60</td>
<td>$8,200</td>
<td>$2,700</td>
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<td>61</td>
<td>$8,400</td>
<td>$2,700</td>
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<tr>
<td>62</td>
<td>$8,600</td>
<td>$2,800</td>
</tr>
<tr>
<td>63</td>
<td>$8,900</td>
<td>$2,900</td>
</tr>
<tr>
<td>64</td>
<td>$9,200</td>
<td>$2,900</td>
</tr>
<tr>
<td>65 or more</td>
<td>$9,400</td>
<td>$3,000,</td>
</tr>
</tbody>
</table>

1 "(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)): 

ZFB SB 862
“Parents’ Contribution From AAI

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

“(f) CONSIDERATION OF PARENTAL INCOME.—

“(1) PARENTS WHO LIVE TOGETHER.—Parental income and assets in the case of a student whose parents are married and not separated, or who are unmarried but live together, shall include the income and assets of both parents.

“(2) DIVORCED OR SEPARATED PARENTS.—Parental income and assets for a student whose parents are divorced or separated, but not remarried, is determined by including only the income and assets of the parent who provides the greater portion of the student’s financial support.

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

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

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

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

“(g) Student’s Available Income.—

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

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

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

‘‘(A) Federal income taxes;

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

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

‘‘(i) $9,110 for award year 2021–2022; and

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

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

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

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

‘‘(B) the amount earned by the student that does not exceed such contribution and benefit base for the year of the earnings, multiplied
by the rate of tax applicable to such earnings under section 3101(a) of the Internal Revenue Code of 1986.

“(4) ALLOWANCE FOR PARENTS’ NEGATIVE AVAILABLE INCOME.—The allowance for parents’ negative available income is the amount, if any, by which the sum of the amounts deducted under subsection (c)(1) exceeds the sum of the parents’ total income (as defined in section 480) and the parents’ available assets (as determined in accordance with subsection (d)).

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

(e) STUDENT AID INDEX FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Section 476 of the Higher Education Act of 1965 (20 U.S.C. 1087pp) is amended to read as follows:

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

“(a) COMPUTATION OF STUDENT AID INDEX.—

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

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

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

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

“(b) FAMILY’S AVAILABLE INCOME.—

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

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

“(i) Federal income taxes;

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

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

“(I) in the case of a single independent student without dependents—
“(aa) $14,190 for award year 2021–2022; and

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

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

“(aa) $22,750 for award year 2021–2022; and

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

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

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

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

“(A) the total amount earned by the student (and spouse, if appropriate), multiplied by the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and
“(B) the amount earned by the student (and spouse, if appropriate) that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of the Internal Revenue Code of 1986.

“(3) Employment expenses allowance.—

The employment expense allowance is equal to the following:

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

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

“(c) Family’s available assets.—

“(1) In general.—

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

“(i) the difference between the family’s assets (as defined in section 480(f))
and the asset protection allowance (determined in accordance with paragraph (2)); multiplied by

“(ii) 20 percent.

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

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

<table>
<thead>
<tr>
<th>If the age of the student is—</th>
<th>And the student is</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>married</td>
</tr>
<tr>
<td>25 or less</td>
<td>$0</td>
</tr>
<tr>
<td>26</td>
<td>$300</td>
</tr>
<tr>
<td>27</td>
<td>$700</td>
</tr>
<tr>
<td>28</td>
<td>$1,000</td>
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<tr>
<td>29</td>
<td>$1,300</td>
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<tr>
<td>30</td>
<td>$1,600</td>
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<tr>
<td>31</td>
<td>$2,000</td>
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<tr>
<td>32</td>
<td>$2,300</td>
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<tr>
<td>33</td>
<td>$2,600</td>
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<td>34</td>
<td>$2,900</td>
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<td>36</td>
<td>$3,600</td>
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<td>37</td>
<td>$3,900</td>
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<tr>
<td>38</td>
<td>$4,200</td>
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<tr>
<td>39</td>
<td>$4,600</td>
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<tr>
<td>40</td>
<td>$4,900</td>
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<tr>
<td>41</td>
<td>$5,100</td>
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<tr>
<td>42</td>
<td>$5,200</td>
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<td>43</td>
<td>$5,300</td>
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<tr>
<td>44</td>
<td>$5,400</td>
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<tr>
<td>45</td>
<td>$5,500</td>
</tr>
<tr>
<td>46</td>
<td>$5,700</td>
</tr>
<tr>
<td>47</td>
<td>$5,800</td>
</tr>
<tr>
<td>48</td>
<td>$6,000</td>
</tr>
</tbody>
</table>
“Asset Protection Allowances for Families and Students—Continued

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

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

6 (f) Student Aid Index for Independent Students With Dependents Other Than a Spouse.—

Section 477 of the Higher Education Act of 1965 (20 U.S.C. 1087qq) is amended to read as follows:
"SEC. 477. STUDENT AID INDEX FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

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

“(1) computing adjusted available income by adding—

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

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

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

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

(b) Family’s Available Income.—

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

“(A) Federal income taxes;

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

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

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

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

“(B) the amount earned by the student (and spouse, if appropriate) that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of the Internal Revenue Code of 1986.

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

“(A) In the case of a married independent student with dependents:
“Income Protection Allowance 2021–2022 (to be adjusted for 2022–2023 and succeeding years)

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

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

“Income Protection Allowance 2021–2022 (to be adjusted for 2022–2023 and succeeding years)

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

“(4) EMPLOYMENT EXPENSE ALLOWANCE.—

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

“(c) FAMILY’S AVAILABLE ASSETS.—

“(1) IN GENERAL.—

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

“(ii) 7 percent.

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

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

<table>
<thead>
<tr>
<th>Age of the Student</th>
<th>Married Allowance</th>
<th>Single Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 or less</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>26</td>
<td>$300</td>
<td>$100</td>
</tr>
<tr>
<td>27</td>
<td>$700</td>
<td>$200</td>
</tr>
<tr>
<td>28</td>
<td>$1,000</td>
<td>$300</td>
</tr>
<tr>
<td>29</td>
<td>$1,300</td>
<td>$500</td>
</tr>
<tr>
<td>30</td>
<td>$1,600</td>
<td>$600</td>
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<tr>
<td>31</td>
<td>$2,000</td>
<td>$700</td>
</tr>
<tr>
<td>32</td>
<td>$2,300</td>
<td>$800</td>
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<td>33</td>
<td>$2,600</td>
<td>$900</td>
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<tr>
<td>34</td>
<td>$2,900</td>
<td>$1,000</td>
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<td>$3,300</td>
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<td>36</td>
<td>$3,600</td>
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<td>$1,500</td>
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<td>$4,600</td>
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<td>40</td>
<td>$4,900</td>
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<tr>
<td>41</td>
<td>$5,100</td>
<td>$1,700</td>
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<tr>
<td>42</td>
<td>$5,200</td>
<td>$1,700</td>
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<tr>
<td>43</td>
<td>$5,300</td>
<td>$1,800</td>
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<tr>
<td>44</td>
<td>$5,400</td>
<td>$1,800</td>
</tr>
</tbody>
</table>
**(d) Assessment Schedule.—** The assessment of adjusted available income (as determined under subsection (a)(1) and hereafter in this subsection referred to as ‘AAI’) is calculated according to the following table (or a successor table prescribed by the Secretary pursuant to section 478(e)):

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

"Assessment From Adjusted Available Income"
“(e) Computations in Case of Separation, Divorce, or Death.—In the case of a student who is divorced or separated, or whose spouse has died, the spouse’s income and assets shall not be considered in determining the family’s available income or assets.”.

(g) Regulations; Updated Tables.—Section 478 of the Higher Education Act of 1965 (20 U.S.C. 1087rr) is amended to read as follows:

“SEC. 478. REGULATIONS; UPDATED TABLES.

“(a) Authority To Prescribe Regulations Restricted.—Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this part except—

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

“(2) with respect to the definition of cost of attendance under section 472, excluding section 472(a)(1).

“(b) Income Protection Allowance Adjustments.—For award year 2022–2023 and each succeeding award year, the Secretary shall publish in the Federal Register revised income protection allowances for the purposes of subsections (c)(3) and (g)(2)(C) of section 475, subclauses (I) and (II) of section 476(b)(1)(A)(iii), and section 477(b)(3), by increasing the income protection al-
lowances in each of such provisions, by a percentage equal
to the percentage increase in the Consumer Price Index,
as defined in subsection (f), between April 2019 and the
April prior to the beginning of the award year and round-
ing the result to the nearest $10.

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

“(1) TABLE.—The table of the net worth of a
business or farm for purposes of making determina-
tions of assets as defined under section 480(f) for
award year 2021–2022 is the following:

<table>
<thead>
<tr>
<th>If the net worth of a business or farm is—</th>
<th>Then the adjusted net worth is—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1 ................................</td>
<td>$0</td>
</tr>
<tr>
<td>$1 to $135,000 ................................</td>
<td>40% of net worth of business/farm</td>
</tr>
<tr>
<td>$135,001 to $410,000 .......................</td>
<td>$54,000 + 50% of net worth over $135,000</td>
</tr>
<tr>
<td>$410,001 to $680,000 ........................</td>
<td>$191,500 + 60% of net worth over $410,000</td>
</tr>
<tr>
<td>$680,001 or more ..........................</td>
<td>$353,500 + 100% of net worth over $680,000.</td>
</tr>
</tbody>
</table>

“(2) REVISED TABLES.—For award year 2022–
2023 and each succeeding award year, the Secretary
shall publish in the Federal Register a revised table
of adjusted net worth of a farm or business for pur-
poses of section 480(f). Such revised table shall be
developed—

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

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

“(d) EDUCATION SAVINGS AND ASSET PROTECTION ALLOWANCE.—For award year 2022–2023 and each succeeding award year, the Secretary shall publish in the Federal Register a revised table of allowances for the purpose of sections 475(d)(2), 476(c)(2), and 477(c)(2). Such revised table shall be developed by determining the present value cost, rounded to the nearest $100, of an annuity that would provide, for each age cohort of 40 and above, a supplemental income at age 65 (adjusted for inflation) equal to the difference between the moderate family income (as most recently determined by the Bureau of Labor Statistics), and the current average social security retirement benefits. For each age cohort below 40, the allowance shall be computed by decreasing the allowance for age 40, as updated, by one-fifteenth for each year of age below age 40 and rounding the result to the nearest $100.

In making such determinations—

“(1) inflation shall be presumed to be 6 percent per year;
“(2) the rate of return of an annuity shall be presumed to be 8 percent; and
“(3) the sales commission on an annuity shall be presumed to be 6 percent.

“(e) ASSESSMENT SCHEDULES AND RATES.—For award year 2022–2023 and each succeeding award year, the Secretary shall publish in the Federal Register a revised table of assessments from adjusted available income for the purpose of sections 475(e) and 477(d). Such revised table shall be developed—

“(1) by increasing each dollar amount that refers to adjusted available income by a percentage equal to the percentage increase in the Consumer Price Index between April 2019 and the April prior to the beginning of such academic year, rounded to the nearest $100; and

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

“(f) CONSUMER PRICE INDEX DEFINED.—In this section, the term ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers published by the Department of Labor. Each annual update of tables to reflect changes in the Consumer Price Index shall be corrected for misestimation of actual changes in such Index in previous years.
“(g) Employment Expense Allowance.—For award year 2022–2023 and each succeeding award year, the Secretary shall publish in the Federal Register a revised table of employment expense allowances for the purpose of sections 475(c)(4), 476(b)(3), and 477(b)(4). Such revised table shall be developed by increasing the dollar amount specified in sections 475(c)(4), 476(b)(3), and 477(b)(4) to reflect the inflationary adjustment that is used for the income protection allowances in subsection (b).”.

(h) Applicants Exempt From Asset Reporting.—Section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss) is amended to read as follows:

“SEC. 479. Applicants Exempt From Asset Reporting.

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

“(b) Applicants Exempt From Asset Reporting.—

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

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

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

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

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

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

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

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

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

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

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

“(4) DEFINITIONS.—In this section:

“(A) SCHEDULE A.—The term Schedule A
means a form or information by a taxpayer to
report itemized deductions.

“(B) SCHEDULE B.—The term Schedule B
means a form or information filed by a tax-
payer to report interest and ordinary dividend
income.

“(C) SCHEDULE C.—The term Schedule C
means a form or information filed by a tax-
payer to report income or loss from a business
operated or a profession practiced as a sole pro-
prietor.

“(D) SCHEDULE D.—The term Schedule
D means a form or information filed by a tax-
payer to report sales, exchanges or some invol-
untary conversions of capital assets, certain
capital gain distributions, and nonbusiness bad
debts.
“(E) Schedule E.—The term Schedule E means a form or information filed by a taxpayer to report income from rental properties, royalties, partnerships, S corporations, estates, trusts, and residual interests in real estate mortgage investment conduits.

“(F) Schedule F.—The term Schedule F means a form or information filed by a taxpayer to report farm income and expenses.

“(G) Schedule H.—The term Schedule H means a form or information filed by a taxpayer to report household employment taxes.”.

(i) Discretion of Student Financial Aid Administrators.—Section 479A of the Higher Education Act of 1965 (20 U.S.C. 1087tt) is amended to read as follows:

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

“(a) In General.—

“(1) Authority of financial aid administrators.—A financial aid administrator shall have the authority to, on the basis of adequate documentation, make adjustments to any or all of the following on a case-by-case basis—
“(A) for an individual eligible applicant with special circumstances under subsection (b) to—

“(i) the cost of attendance;

“(ii) the values of the data used to calculate the student aid index; or

“(iii) the values of the data used to calculate the Federal Pell Grant award; or

“(B) for an individual eligible applicant with unusual circumstances, as defined in section 480(d)(9), under subsection (c) to the dependency status.

“(2) LIMITATIONS ON AUTHORITY.—

“(A) USE OF AUTHORITY.—No institution of higher education or financial aid administrator shall maintain a policy of denying all requests for adjustments under this section.

“(B) NO ADDITIONAL FEE.—No student or parent shall be charged a fee for a documented interview of the student by the financial aid administrator or for the review of a student or parent’s request for adjustments under this section including the review of any supplementary information or documentation of a student or
parent’s special circumstances or a student’s unusual circumstances.

“(C) Rule of Construction.—The authority to make adjustments under paragraph (1)(A) shall not be construed to permit financial aid administrators to deviate from the cost of attendance, the values of data used to calculate the student aid index or the values of data used to calculate the Federal Pell Grant award (or both) for awarding aid under this title in the absence of special circumstances.

“(3) Adequate Documentation.—Adequate documentation for adjustments under this section shall substantiate the special circumstances or unusual circumstances of individual students, and may include, to the extent relevant and appropriate—

“(A) a documented interview between the student and the financial aid administrator;

“(B) for the purposes of determining that a student qualifies for an adjustment under paragraph (1)(B)—

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

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

“(I) a child welfare agency authorized by a State or county;

“(II) a Tribal welfare authority;

“(III) an independent living case worker; or

“(IV) a public or private agency, facility, or program servicing the victims of abuse, neglect, assault, or violence;

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

“(iv) a documented phone call or written statement from a representative under chapter 1 or 2 of subpart 2 of part A, which confirms the specific unusual cir-
cumstances and documents the person’s relationship to the student; or

“(v) documents, such as utility bills or health insurance documentation, that demonstrate a separation from parents or legal guardians; and

“(vi) in the absence of documentation described in this subparagraph, other documentation the financial aid administrator determines is adequate to confirm the unusual circumstances, as defined in section 480(d)(9); and

“(C) supplementary information, as necessary, about the financial status or personal circumstances of eligible applicants as it relates to the special circumstances or unusual circumstances based on which the applicant is requesting an adjustment.

“(4) SPECIAL RULE.—In making adjustments under paragraph (1), a financial aid administrator may offer a dependent student financial assistance under a Federal Direct Unsubsidized Stafford Loan without requiring the parents of such student to provide their parent information on the Free Application for Federal Student Aid if the student does not
qualify for, or does not choose to use, the unusual
 circumstance option specified in accordance with sec-
 tion 480(d)(9), and the financial aid administrator
determines that the parents of such student ended
financial support of such student and refuse to file
such form.

“(5) Public disclosure.—Each institution of
higher education shall make publicly available infor-
mation that students applying for aid under this
title have the opportunity to pursue adjustments
under this section.

“(b) Adjustments for Students With Special
Circumstances.—

“(1) Special circumstances for adjustments related to Pell grants.—Special cir-
cumstances for adjustments to calculate a Federal
Pell Grant award—

“(A) shall be conditions that differentiate
an individual student from a group of students
rather than conditions that exist across a group
of students; and

“(B) may include—

“(i) recent unemployment of a family
member or an independent student;
“(ii) a student or family member who is a dislocated worker (as defined in section 3 of the Workforce Innovation and Opportunity Act);

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

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

“(v) receipt of substantial foreign income of permanent residents or United States citizens exempt from federal taxation, or the foreign income for which a permanent resident or citizen received a foreign tax credit; or

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

“(2) Special circumstances for adjustments related to cost of attendance and
STUDENT AID INDEX.—Special circumstances for adjustments to the cost of attendance or the values of the data used to calculate the student aid index—

“(A) shall be conditions that differentiate an individual student from a group of students rather than conditions that exist across a group of students; and

“(B) may include—

“(i) tuition expenses at an elementary school or secondary school;

“(ii) medical, dental, or nursing home expenses not covered by insurance;

“(iii) unusually high child care or dependent care costs not covered by the dependent care cost allowance calculated in accordance with section 472;

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

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

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

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

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

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

“(x) receipt of substantial foreign income of permanent residents or United States citizens exempt from Federal taxation, or the foreign income for which a permanent resident or citizen receives a foreign tax credit; or
“(C) other changes or adjustments in the income, assets, or size of a family, or a student’s dependency status.

“(3) SPECIAL RULE.—The Secretary shall not consider conditions that are widespread to a group of students due to a major disaster or an emergency declared by the President under section 401 or 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 and 5191) as special circumstances for adjustment for purposes of paragraphs (1)(A) and (2)(A) for a time period determined by such Secretary.

“(e) UNUSUAL CIRCUMSTANCES ADJUSTMENTS.—

“(1) IN GENERAL.—Unusual circumstances for adjustments to the dependency status of an individual eligible applicant shall be—

“(A) conditions that differentiate an individual student from a group of students; and

“(B) based on unusual circumstances, as defined by section 480(d)(9).

“(2) PROVISIONAL INDEPENDENT STUDENTS.—

“(A) REQUIREMENTS FOR THE SECRETARY.—The Secretary shall—

“(i) enable each student who, based on an unusual circumstance specified in
section 480(d)(9), may qualify for an adjustment under subsection (a)(1)(B) that will result in a determination of independence under this section and section 479D to complete the Free Application for Federal Student Aid as an independent student for the purpose of a provisional determination of the student’s Federal financial aid award, but subject to the authority under subsection (a)(3), for the purpose of the final determination of the award; 

“(ii) upon completion of the Free Application for Federal Student Aid provide an estimate of the student’s Federal Pell Grant award, and other information as specified in section 483(a)(3)(A), based on the assumption that the student is determined to be an independent student; and 

“(iii) specify, on the Free Application for Federal Student Aid, the consequences under section 490(a) of knowingly and willfully completing the Free Application for Federal Student Aid as an independent student under clause (i) without meeting
the unusual circumstances to qualify for such a determination.

“(B) Requirements for financial aid administrators.—With respect to a student accepted for admission who completes the Free Application for Federal Student Aid as an independent student under subparagraph (A), a financial aid administrator shall—

“(i) notify the student of the institutional process, requirements, and timeline for an adjustment under this section and section 480(d)(9) that will result in a review of the student’s request for an adjustment and a determination of the student’s dependency status under such sections within a reasonable time after the student completes the Free Application for Federal Student Aid;

“(ii) provide the student a final determination of the student’s dependency status and Federal financial aid award as soon as practicable after all requested documentation is provided;

“(iii) retain all documents related to the adjustment under this section and sec-
tion 480(d)(9), including documented interviews, for at least the duration of the student’s enrollment, and shall abide by all other record keeping requirements of this Act; and

“(iv) presume that any student who has obtained an adjustment under this section and section 480(d)(9) and a final determination of independence for a preceding award year at an institution to be independent for a subsequent award year at the same institution unless—

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

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

“(d) ADJUSTMENTS TO ASSETS OR INCOME TAKEN INTO ACCOUNT.—A financial aid administrator shall be considered to be making a necessary adjustment in accordance with this section if—

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

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

“(e) REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS.—On a case-by-case basis, an eligible institution may refuse to use the authority provided under this section, certify a statement that permits a student to receive a loan under part D, certify a loan amount, or make a loan that is less than the student’s determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status.”

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

“Notwithstanding any other provision of law, student financial assistance received under this title, Bureau of Indian Affairs student assistance programs, and employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174 et. seq.) shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.”

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

“SEC. 479C. NATIVE AMERICAN STUDENTS.

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

“(1) any income and assets of $2,000 or less per individual payment received by the student (and spouse) and student’s parents under Public Law 98–64 (25 U.S.C. 117a et seq.; 97 Stat. 365) (commonly known as the ‘Per Capita Act’) or the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.); and
“(2) any income received by the student (and spouse) and student’s parents under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) or the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721 et seq.).”.

(l) Definitions.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) by inserting after section 479C the following:

“SEC. 479D. SPECIAL RULES FOR INDEPENDENT STUDENTS.

“(a) Determination Process for Unaccompanied Youth.—In making a determination of independence under section 480(d)(8), a financial aid administrator shall—

“(1) consider documentation of the student’s circumstance provided by an individual described by this subparagraph to be acceptable in the absence of documented conflicting information, such individuals include—

“(A) a local education agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act or a designee of the liaison;

“(B) the director or a recognized emergency shelter, transitional living, street out-
reach program, or other program serving individuals who are homeless or a designee of the director;

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

“(D) by a financial aid administrator at another institution who documented the student’s circumstance in a prior award year;

“(2) if a student is unable to provide documentation from any individual under paragraph (1), make a case-by-case determination, which shall be—

“(A) based on a written statement from or a documented interview with the student which confirms that the student is homeless (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act), or unaccompanied, at risk of homelessness, and self-supporting; and

“(B) made independent from the reasons that the student is homeless (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act), or unaccompanied,
at risk of homelessness, and self-supporting;
and
“(3) consider a determination made under this paragraph as distinct from a determination of independence under section 480(d)(9).
“(b) DOCUMENTATION PROCESS FOR FOSTER CARE YOUTH.—If an institution requires that a student provide documentation that they were in foster care when the student was age 13 or older, a financial aid administrator shall consider any of the following as adequate documentation, in the absence of documented conflicting information:
“(1) Submission of a court order or official State documentation that the student received Federal or State support in foster care.
“(2) A documented phone call, written statement, or verifiable electronic data match, which confirms the student was in foster care at an applicable age, from—
“(A) a State or tribal agency administering a program under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq.);
“(B) a State Medicaid agency; or
“(C) a public or private foster care placing agency or foster care facility or placement.
“(3) A documented phone call or a written statement from an attorney, a guardian ad litem, or a Court Appointed Special Advocate that confirms that the student was in foster care at an applicable age, and documents the person’s relationship to the student.

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

“(c) TIMING.—A determination of independence under paragraphs (2), (8) or (9) of section 480(d) for a student—

“(1) shall be made as quickly as practicable;

“(2) may be made as early as the year before the award year for which the student initially submits an application; and

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

“(d) USE OF EARLIER DETERMINATIONS.—

“(1) EARLIER DETERMINATION BY THE INSTITUTION.—Any student who is determined to be independent under paragraph (2), (8) or (9) of section 480(d) for a preceding award year at an institution
shall be presumed to be independent for each subsequent award year at the same institution unless—

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

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

“(2) **Earlier Determination by Another Institution.**—

“(A) **Simplifying the Dependency Override Process.**—A financial aid administrator may make a determination of independence under section 480(d)(9), based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.

“(e) **Retention of Documents.**—A financial aid administrator shall retain all documents related to the determination of independence under paragraphs (2) or (8) of section 480(d), including documented interviews.”; and

(2) by striking section 480 and inserting the following:
“SEC. 480. DEFINITIONS.

“In this part:

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

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

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

“(2) tax-exempt interest income;

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

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

“(d) INDEPENDENT STUDENTS AND DETERMINATIONS.— The term ‘independent’, when used with respect to a student, means any individual who—

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

“(2) is, or was at any time when the individual was 13 years of age or older;

“(A) an orphan;

“(B) ward of the court;

“(C) in foster care;

“(3) is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s State of legal residence;

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

“(5) is a graduate or professional student;

“(6) is married and not separated;

“(7) has legal dependents other than a spouse;
“(8) an unaccompanied youth 23 years of age or younger who is homeless (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act), or unaccompanied, at risk of homelessness, and self-supporting, or—

“(9) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances as described under section 479A(e) in which the student is unable to contact a parent or where contact with parents poses a risk to such student, which includes circumstances of—

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

“(B) legally granted refugee or asylum status;

“(C) parental abandonment or estrangement; or

“(D) parental incarceration.

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

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

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

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

“(A) the student if the student is an independent student; or

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

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

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

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

“(2) References in this part to the Internal
Revenue Code of 1986, Federal income tax forms,
and the Internal Revenue Service shall, for purposes
of the tax described in paragraph (1), be treated as
references to the corresponding laws, tax forms, and
tax collection agencies of those jurisdictions, respec-
tively, subject to such adjustments as the Secretary
may provide by regulation.

“(i) OTHER FINANCIAL ASSISTANCE.—

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

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

“(3) Notwithstanding paragraph (1) and sec-
tion 472, assistance not received under this title may
be excluded from both other financial assistance and
cost of attendance, if that assistance is provided by
a State and is designated by such State to offset a
specific component of the cost of attendance. If that
assistance is excluded from either other financial as-
sistance or cost of attendance, it shall be excluded
from both.
“(4) Notwithstanding paragraph (1), payments made and services provided under part E of title IV of the Social Security Act to or on behalf of any child or youth over whom the State agency has responsibility for placement, care, or supervision, including the value of vouchers for education and training and amounts expended for room and board for youth who are not in foster care but are receiving services under section 477 of such Act, shall not be treated as other financial assistance for purposes of section 471(a)(3).

“(5) Notwithstanding paragraph (1), emergency financial assistance in an amount less than $1,500 provided to the student for unexpected expenses that are a component of the student’s cost of attendance, and not otherwise considered when the determination of the student’s need is made, shall not be treated as other financial assistance for purposes of section 471(a)(3).

“(j) DEPENDENTS.—

“(1) Except as otherwise provided, the term ‘dependent of the parent’ means the student who is deemed to be a dependent students when applying for aid under this title, and any other person who lives with and receives more than one-half of their
support from the parent (or parents) and will continue to receive more than half of their support from the parent (or parents) during the award year.

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

“(k) FAMILY SIZE.—

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

“(A) if the parents are not divorced or separated, family members include the student’s parents, and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of the student’s parents for the taxable year used in determining the amount of need of the student for financial assistance under this title;
“(B) if the parents are divorced or separated, family members include the parent whose income is included in computing available income and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of that parent for the taxable year used in determining the amount of need of the student for financial assistance under this title;

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

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

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

“(A) family members include the student, the student’s spouse, and any dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 or an eligible individual for purposes of the credit under section 32 of the Internal Revenue Code of 1986) of that student for the taxable year used in determining the amount of need of the student for financial assistance under this title; and

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

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

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

(m) FAFSA.—Section 483 of the Higher Education
Act of 1965 (20 U.S.C. 1090) is amended to read as fol-
lows:
"SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID."

“(a) SIMPLIFIED APPLICATION FOR FEDERAL STUDENT FINANCIAL AID.—

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

“(2) FREE APPLICATION.—

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

“(B) INFORMATION REQUIRED BY THE APPLICANT.—

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

“(I) Name.

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

“(III) Social security number.

“(IV) Date of birth.

“(V) Marital status.

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

“(VII) Sex.

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

“(IX) The following information on secondary school completion—

“(aa) Name and location of the high school from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a regular high school diploma;
“(bb) name and location of the entity from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a recognized equivalent of a regular high school diploma; or

“(cc) if the applicant completed or will complete prior to the period of enrollment for which aid is sought, a secondary school education in a home school setting that is treated as a home school or private school under State law.

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

“(XI) Year in school for period of enrollment for which aid is sought, including whether applicant will have finished first bachelor’s degree prior to the period of enrollment for which aid is sought.
“(XII) Whether one or both of the applicant’s parents attended college.

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

“(aa) the annual amount of child support received, if applicable; and

“(bb) all required asset information not described in item (aa).

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

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

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

“(bb) Emancipated minor.
“(cc) In legal guardianship.

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

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

“(ff) If both parents have died since the applicant turned 13.

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

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

“(ii) Does not have access to parental income due to an unusual circumstance in accordance with section 480(d)(9).

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

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

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

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

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

“(ee) The special supple-
mental nutrition program for
women, infants, and children es-
established by section 17 of the

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

“(gg) Federal housing assistance programs, including tenant-based assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), and public housing, as defined in section 3(b)(1) of such Act (42 U.S.C. 1437a(b)(1)).

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

“(XVII) If the applicant, or, if necessary, the parents or spouse of the applicant, reported receiving tax exempt payments from an individual retirement plan (as defined in section 7701 of the Internal Revenue Code of 1986) distribution or from pensions or annuities on a Federal tax return, in-
formation as to how much of the individual retirement plan distribution or pension or annuity disbursement was a qualified rollover.

“(iii) PROHIBITION AGAINST REQUESTING INFORMATION MORE THAN ONCE.—Any information requested during the process of creating an account for completing the free application under this subsection, shall not be required a second time for the same award year, or in a duplicative manner, when completing such free application except in the case of an unusual situation.

“(iv) CHANGE IN FAMILY SIZE.—The Secretary shall provide a process by which an applicant shall confirm the accuracy of family size or update the family size with respect to such applicant for purposes of determining the need of such applicant for financial assistance under this title based on a change in family size from the tax year data used for such determination.
“(v) SINGLE QUESTION FOR HOMELESS STATUS.—The Secretary shall ensure that—

“(I) on the form developed under this section for which the information is applicable, there is a single, easily understood screening question to identify an applicant who is an unaccompanied homeless child or youth (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act) or an unaccompanied youth who is self-supporting and at risk of homelessness; and

“(II) such question is distinct from those relating to an individual who does not have access to parental income due to an unusual circumstance.

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

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

“(D) Authorizations available to the applicant.—

“(i) Authorization to release and transmit to institution.—An applicant and, if necessary, the parents or spouse of the applicant shall provide the Secretary with authorization to release and transmit to an institution, as specified by the applicant, in order for the applicant’s eligibility for Federal financial aid programs to be determined, the following:

“(II) All information provided by the applicant on the application described by this subsection to determine the applicant’s eligibility for Federal financial aid under this title and for the application, award, and administration of such Federal financial aid.

“(ii) AUTHORIZATION TO RELEASE AND TRANSMIT TO STATE AND INSTITUTION.—

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


“(bb) All information provided by the applicant on the application described by this subsection for the application, award, and administration of financial aid by a State or an institution of higher education.

“(II) SPECIAL RULE.—An institution to which an applicant selects to release and transmit information under subclause (I) shall not be disclosed to any other institution.

“(iii) AUTHORIZATION TO RELEASE AND TRANSMIT TO BENEFITS PROGRAMS.—An applicant and, if necessary, the parents or spouse of the applicant may provide the Secretary with authorization to release and transmit to means-tested Federal benefit programs, as defined in section 473(e), the following:
(I) Information described under section 6103(l)(13) of the Internal Revenue Code of 1986.

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

(E) ACTION BY THE SECRETARY.—Upon receiving—

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

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

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

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

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

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

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

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

“(aa) Net price by income
quintile.

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

“(cc) Graduation rate.

“(dd) Retention rate.

“(ee) Transfer rate, if avail-
able.

“(II) Institutional default rate,
as calculated under section 435.
“(iv) If the student is eligible for a student aid index of less than or equal to zero under section 473 but has not indicated that they receive Federal means-tested benefits, a notification of the Federal means-tested benefits for which they may be eligible.

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

“(vi) If the individual identified as a veteran, or as serving (on the date of the application) on active duty in the Armed Forces for other than training purposes, information on benefits administered by the Department of Veteran Affairs or Department of Defense, respectively.

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

“(B) INFORMATION PROVIDED TO THE STATE.—

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

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

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

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

“(III) shall not share application information with any other entity without the explicit written consent of the applicant, except as provided in subclause (II).

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

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

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

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

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

“(II) shall not share such information with any other entity without the explicit written consent of the applicant.

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

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

“(4) Development of Form and Information Exchange.—Prior to the design of the free application under this subsection, the Secretary shall, to the maximum extent practicable, on an annual basis—

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

“(i) ensure an efficient and effective process;

“(ii) mitigate unintended consequences; and
“(iii) determine the best practices for outreach to students and families during the transition to the streamlined process for the determination of Federal financial aid and Federal Pell Grant eligibility while reducing the data burden on applicants and families; and

“(B) solicit public comments for the format of the free application that provides for adequate time to incorporate feedback prior to development of the application for the succeeding award year.

“(5) NO ADDITIONAL INFORMATION REQUESTS PERMITTED.—In carrying out this subsection, the Secretary may not require additional information to be submitted by an applicant (or the parents or spouse of an applicant) for Federal financial aid through other requirements or reporting, except as required under a process or procedure exercised in accordance with the authority under section 479A.

“(6) STATE-RUN PROGRAMS.—

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

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

“(i) a list of States that do not require additional financial information separate from the Free Application for Federal Student Aid and do not require asset information from students who qualify for the exemption from asset reporting under section 479 for the purposes of awarding State scholarships and grant aid;
“(ii) a list of States that require asset information from students who qualify for the exemption from asset reporting under section 479 for the purposes of awarding State scholarships and grant aid;

“(iii) a list of States that have indicated that they require additional financial information separate from the Free Application for Federal Student Aid for purposes of awarding State scholarships and grant aid; and

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

“(7) INSTITUTION-RUN FINANCIAL AID.—

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

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

“(ii) a list of institutions that require asset information from students who qualify for the exemption from asset reporting under section 479 for the purpose of awarding institution-run financial aid;

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

“(iv) with the publication of the list in clause (iii), information about additional resources available to applicants.
“(8) SECURITY OF DATA.—The Secretary shall, in consultation with the Secretary of the Treasury, take all steps necessary to—

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

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

“(C) provide guidance to States and institutions of higher education regarding their obligation to ensure the security of the data provided under this section.

“(9) REPORT TO CONGRESS.—

“(A) IN GENERAL.—Not later than one year after the date of enactment of the Student Loan Repayment and FAFSA Simplification Act, the Secretary shall report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives on the progress of the Secretary in carrying out this subsection, including planning and stakeholder consultation. Such report shall include—
“(i) benchmarks for implementation;
“(ii) entities and organization that the Secretary consulted;
“(iii) system requirements for such implementation and how they will be addressed;
“(iv) any areas of concern and potential problem issues uncovered that may hamper such implementation; and
“(v) solutions determined to address such issues.

“(B) QUARTERLY UPDATES.—The Secretary shall provide updates to the Committees described in subparagraph (A)—
“(i) as to the progress and planning described in subparagraph (A) prior to implementation of the Free Application for Federal Student Aid under this subsection not less often than quarterly; and
“(ii) at least 6 months and 1 year after implementation of the Free Application for Federal Student Aid.

“(b) ADJUSTMENTS AND IMPROVEMENTS.—
“(1) IN GENERAL.—The Secretary shall disclose in a consumer-tested format, upon completion
of the Free Application for Federal Student Aid under this section, that the student may, on a case-
by-case basis, qualify for an adjustment under section 479A to the cost of attendance or the values of
the data items required to calculate the Federal Pell Grant or the need analysis for the student or parent.

Such disclosure shall specify—

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

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

“(2) CONSUMER TESTING.—

“(A) IN GENERAL.—Not later than 9 months after the date of enactment of the Student Loan Repayment and FAFSA Simplification Act, the Secretary shall begin consumer testing the design of the Free Application for Federal Student Aid under this section with prospective first-generation college students, representatives of students (including low-income students, first generation college students,
adult students, veterans, servicemembers, and prospective students), students’ families (including low-income families, families with first generation college students, and families with prospective students), institutions of higher education, secondary school and postsecondary counselors, and nonprofit consumer groups.

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

“(3) ACCESSIBILITY OF THE FAFSA.—The Secretary shall—

“(A) in conjunction with the Director of the Census Bureau, shall determine the most common languages spoken at home in the United States

“(B) develop versions of the Free Application for Federal Student Aid form in each of the languages determined in subparagraph (A); and
“(C) ensure the Free Application for Federal Student Aid is compliant with the most recent Web Content Accessibility Guidelines, or successor guidelines.

“(4) Reapplication in a succeeding academic year.—In order to streamline applicant’s experience applying for financial aid, the Secretary shall allow an applicant who electronically applies for financial assistance under this title for an academic year subsequent to an academic year for which such applicant applied for financial assistance under this title to automatically electronically import all of the applicant’s (including parents, guardians, or spouses, as applicable) identifying, demographic, and school data from the previous application and to update such information to reflect any circumstances that have changed.

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

“(A) save data; and

“(B) submit the application under this title to the Secretary through such technology.
“(6) VERIFICATION BURDEN.—The Secretary shall—

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

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

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

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

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

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

“(C) issue a report not less often than annually sharing the percentage of applicants subject to verification, whether the applicants ultimately received Federal financial aid disbursements, and whether the student aid index
changed enough to affect the applicant’s award
of any Federal financial aid under this title.
“(7) STUDIES.—The Secretary shall periodi-
cally conduct studies on—
“(A) the effect of States requiring addi-
tional information specified in clauses (ii) and
(iii) of paragraph (6)(B) on the determination
of State financial aid awards and whether the
additional information required is a barrier to
college enrollment by examining—
“(i) how much financial aid awards
would change if the additional information
were not required;
“(ii) the number of students who
started but did not finish the Free Appli-
cation for Federal Student Aid, compared
to the baseline year of 2021; and
“(iii) the number of students who—
“(I) started a Free Application
for Federal Student Aid but did not
receive financial assistance under this
title for the applicable academic year;
and
“(II) if available, did not enroll in an institution of higher education in the applicable academic year;

“(B) the most common barriers faced by applications in completing the Free Applications for Federal Student Aid; and

“(C) the most common reasons that students and families do not fill out the Free Applications for Federal Student Aid.

“(c) DATA AND INFORMATION.—

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

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

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

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

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

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

“(A) the total number of all applicants who were determined to be individuals described in section 480(d)(8); and

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

“(i) by State; and

“(ii) by the sources of determination as described in section 479D(b).
“(3) DATA SHARING.—The Secretary may enter into data sharing agreements with the appropriate Federal or State agencies to conduct outreach regarding, and connect applicants directly with, the means-tested Federal benefit programs described in subsection (a)(2)(B)(ii)(XVI) for which the applicants may be eligible.

“(d) ENSURING FORM USABILITY.—

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

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

“(A) includes, at the time the application is submitted to the Department, the name, address or employer’s address, social security number or employer identification number, and
organizational affiliation of the preparer on the applicant’s form;

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

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

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

“(3) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—The need and eligibility of a student for financial assistance under this title may be determined only by using the Free Application for Federal Student Aid developed by the Secretary under this section. Such application shall be produced, distributed, and processed by the Secretary, and no parent or student shall be charged a fee by the Secretary, a contractor, a third-party servicer or private software provider, or any other public or private entity for the collection, processing,
or delivery of Federal financial aid through the use of such application. No data collected on a form for which a fee is charged shall be used to complete the Free Application for Federal Student Aid prescribed under this section, except that a Federal or State income tax form prepared by a paid income tax preparer or preparer service for the primary purpose of filing a Federal or State income tax return may be used to complete the Free Application for Federal Student Aid prescribed under this section.

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

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

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

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

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

(2) by striking subsection (r);

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

(4) by adding at the end the following:

“(t) EXCEPTION TO REQUIRED REGISTRATION WITH THE SELECTIVE SERVICE SYSTEM.—Notwithstanding section 12(f) of the Military Selective Service Act (50 U.S.C. 3811(f)), an individual shall not be ineligible for assistance or a benefit provided under this title if the individual is required under section 3 of such Act (50 U.S.C. 3802) to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accord-
ance with any rule or regulation issued under such sec-

(o) Institutional and Financial Assistance In-
formation for Students.—Section 485 of the Higher
Education Act of 1965 (20 U.S.C. 1092) is amended by
striking subsection (k).

(p) Early Awareness of Financial Aid Eligibility.—Section 485E of the Higher Education Act of
1965 (20 U.S.C. 1092f) is amended to read as follows:

"SEC. 485E. EARLY AWARENESS AND OUTREACH OF FINAN-
CIAL AID ELIGIBILITY.

"(a) In General.—The Secretary shall implement
early outreach activities in order to provide prospective
students and their families with information about finan-
cial aid and estimates of financial aid. Such early outreach
activities shall include the activities described in sub-
sections (b), (c), and (d).

"(b) Pell Grant Early Awareness Estimates.—

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

“(A) a single-parent household;
“(B) a household with two parents; or
“(C) a household with no children or dependents.

“(2) CONSUMER TESTING.—

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

“(B) UPDATES.—For award year 2023–2024 and each fourth succeeding award year thereafter, the design of the method of estimating eligibility shall be updated based on additional consumer testing with the populations described in subparagraph (A).

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

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

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

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

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

“(4) Electronic estimator on FAFSA.—In
accordance with subsection (d)(5) of section 483, the
Secretary shall maintain an electronic method for
applicants to enter income and family size, and level
of education sought information to calculate a non-
binding estimate (which may include a range or ceil-
ing) of the applicant’s Federal financial aid available
under this title and shall place such calculator on a
prominent location on the FAFSA website and in a
manner that encourages students to fill out the FAFSA.

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

“(1) OUTREACH PLANS FOR LOW-INCOME FAMILIES.—

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

“(i) all middle schools and secondary schools eligible for funds under part A of title I of the Elementary and Secondary Education Act of 1965;
“(ii) local educational agencies and middle schools and high schools that serve students not less than 25 percent of whom meet a measure of poverty as described in section 1113(a)(5) of the Elementary and Secondary Education Act; and

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

“(B) CONTENT OF PLANS.—The plans described in paragraph (A) shall—

“(i) provide students and their families with information on—

“(I) the availability of the College Scorecard described in section 132;

“(II) the electronic estimates of financial aid available under subsection (b);

“(III) Federal financial aid available to students, including eligibility criteria for the Federal financial aid and an explanation of the Federal financial aid programs (including appli-
cable Federal educational tax credits); and

“(IV) resources that can inform students of financial aid that may be available from state-based financial aid, state-based college savings programs, and scholarships and other non-governmental sources;

“(ii) describe how the dissemination of information will be conducted by the Secretary.

“(C) REPORTING AND UPDATES.—The Secretary shall post the information about the plans under subparagraph (A) and associated goals publicly on the Department of Education website. On an annual basis, the Secretary shall report qualitative and quantitative outcomes regarding the implementation of the plans under subparagraph (A). The Secretary shall review and update such plans not less often than every 4 award years with the goal of progressively increasing the impact of the activities under this paragraph.

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

“(2) INTERAGENCY COORDINATION PLANS.—

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

“(i) The Secretary of the Treasury.
“(ii) The Secretary of Labor.
“(iii) The Secretary of Health and Human Services.
“(iv) The Secretary of Agriculture.
“(v) The Secretary of Housing and Urban Development.
“(vi) The Secretary of Commerce.
“(vii) The Secretary of Veterans Af-
“(B) PROCESS, ACTIVITIES, AND GOALS.—

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

“(i) to identify opportunities in which

low-income individuals and families could

be informed of the availability of Federal

financial aid under this title through ac-

cess to other Federal programs that serve

low-income individuals and families;

“(ii) to identify methods to effectively

inform low-income individuals and families

of the availability of Federal financial aid

for postsecondary education under this

title;

“(iii) develop early awareness activi-

ties that align with the opportunities and

methods identified under clauses (ii) and

(iii);

“(iv) establish goals regarding the ef-

fects of the activities to be implemented

under clause (iii); and

“(v) provide information on how stu-

dents and families can maintain access to

Federal programs that serve low-income

individuals and families operated by the
agencies identified under subsection (A) while attending an institution of higher education.

“(C) PLAN WITH SECRETARY OF THE TREASURY.—The interagency coordination plan under subparagraph (A)(i) between the Secretary and the Secretary of the Treasury shall further include specific methods to increase the application for Federal financial aid under this title from individuals who file Federal tax returns, including collaboration with tax preparation entities or other third parties, as appropriate.

“(D) REPORTING AND UPDATES.—The Secretary shall post the information about the interagency coordination plans under paragraph (2) and associated goals publicly on the Department of Education website. The plans shall have the goal of progressively increasing the impact of the activities under this paragraph by increasing the number of low-income applicants for, and recipients of, Federal financial aid. The plans shall be updated not less than once every 4 years.
“(3) Nationwide participation in early awareness plans.—

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

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

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

“(iii) increase the number of prospective and current students who are low-income individuals and families enrolling in postsecondary education.
“(B) Reporting and Updates.—Each entity that makes a voluntary public commitment to carry out an early awareness plan may submit quantitative and qualitative data based on the entity’s progress toward the goals of the plan annually prior to a date selected by the Secretary.

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

“(d) Public Awareness Campaign.—

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

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

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