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matching requirements and the provision of AmeriCorps educational awards for participants supported with disaster relief funds.

PART 2525—NATIONAL SERVICE TRUST

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Subpart A—Purpose and Definitions

§ 2525.1 What is the National Service Trust?

The National Service Trust is an account in the Treasury of the United States from which AmeriCorps makes payments of education awards, pays interest that accrues on qualified student loans for AmeriCorps participants during terms of service in approved national service positions, and makes other payments authorized by Congress.

§ 2525.2 Definitions.

In addition to the definitions in § 2510.20 of this chapter, the following definitions apply to terms used this part:

AmeriCorps means the Corporation for National and Community Service.

Cost of attendance has the same meaning as in Title IV of the Higher Edu-

cation Act of 1965, as amended (20 U.S.C. 1070 et. seq.).

Current educational expenses means the cost of attendance, or other costs attributable to an educational course offered by an institution of higher education that has in effect a program participation agreement under Title IV of the Higher Education Act, for a period of enrollment that begins after an individual enrolls in an approved national service position.

Designated Recipient means the person to whom an earned education award is transferred.

Economically disadvantaged youth means a child who is eligible for a free lunch or breakfast under the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)).

Education award means the Segal AmeriCorps Education Award of financial assistance available under this part, including the Silver Scholar education awards, and Summer of Service education awards.

Educational expenses means—

(1) Cost of attendance as determined by the Title IV institution of higher education or G.I. Bill-approved program as provided in 20 U.S.C. 1087*ll*; or

(2) Tuition or associated costs as determined by a program offered by an educational institution or training establishment approved for educational benefits under 38 U.S.C. 3670 *et seq.* for offering programs of education, apprenticeship, or on-job training for which educational assistance may be provided by the Secretary for Veterans Affairs; and

(3) Expenses incurred participating in a school-to-work program approved by the Secretaries of Labor and Education.

Eligible Individual means an individual who has enrolled in and successfully completed a term of service in an approved national service position, as certified under § 2525.15.

G.I. Bill-approved program is an educational institution or training establishment approved for educational benefits under the Montgomery G.I. Bill (38 U.S.C. 3670 *et seq.*) for offering programs of education, apprenticeship, or on-job training for which educational assistance may be provided by the Secretary for Veterans Affairs.

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Holder means—

- (1) The original lender; or
- (2) Any other entity to which a loan is subsequently sold, transferred, or assigned if such entity acquires a legally enforceable right to receive payments from the borrower.

Institution of higher education has the same meaning given the term in section 102 of the Higher Education Act of 1965, as amended (20 U.S.C. 1002).

Period of enrollment means the period that the institution has established for which institutional charges are generally assessed (*e.g.*, length of the student's course, program, or academic year.)

Qualified student loan means:

- (1) Any loan made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 *et seq.*), other than a loan to a parent of a student under section 428B of that Act (20 U.S.C. 1078-2);
- (2) Any loan made under Title VII or VIII of the Public Service Health Act (42 U.S.C. 292a *et seq.*); or
- (3) Any other loan determined by an institution of higher education or an approved veterans' benefits program to be necessary to cover a student's educational expenses and made, insured, or guaranteed by:
 - (i) An eligible lender, as defined in section 435 of the Higher Education Act of 1965 (20 U.S.C. 1085);
 - (ii) The direct student loan program under part D of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a *et seq.*);
 - (iii) A State agency; or
 - (iv) A lender otherwise determined by AmeriCorps to be eligible to receive disbursements from the National Service Trust.

Silver Scholar education award means the financial assistance available under this part for which an individual in an approved Silver Scholar position may be eligible.

Summer of Service education award means the financial assistance available under this part for which an individual in an approved Summer of Service position may be eligible.

Term of service means—

- (1) For an individual serving in an approved AmeriCorps position, one of the

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terms of service specified in § 2522.220 of this chapter

- (2) For an individual serving in an approved Silver Scholar position, not less than 350 hours during a one-year period

- (3) For an individual serving in an approved Summer of Service position, not less than 100 hours during the summer months of a single year.

Subpart B—Eligibility for an Education Award

§ 2525.10 When can an Eligible Individual receive an education award from the National Service Trust?

(a) *General.* An Eligible Individual is entitled to receive an education award from the National Service Trust if that person:

- (1) Is a citizen or national of the United States or a lawful permanent resident alien of the United States; and,

- (2) Met the applicable eligibility requirements for the approved national service program as appropriate; and,

- (3) Either:

- (i) Is certified by their supervising entity to have successfully completed a term of service—whether a full-time 1,700-hour term corresponding to a full education award or a less than full-time term of service with a corresponding partial award amount described in § 2525.100(b)—as certified under § 2525.15; or

- (ii) For a pro-rated education award amount described in § 2525.100(c), is certified by their supervising entity to have completed at least 15 percent of the originally-approved term of service and performed satisfactorily prior to being granted a release for compelling personal circumstances, consistent with § 2522.230(a) of this chapter.

(b) *Prohibition on duplicate benefits.* An Eligible Individual who receives a post-service benefit in lieu of an education award may not receive an education award for the same term of service.

(c) *Penalties for false information.* Any individual who makes a materially false statement or representation in connection with the approval or disbursement of an education award or

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other payment from the National Service Trust may be liable for the recovery of funds and subject to civil and criminal sanctions.

§ 2525.15 Upon what basis may an entity responsible for the supervision of an Eligible Individual certify that the Eligible Individual successfully completed a term of service?

(a) An Eligible Individual's supervising entity must certify that the individual has successfully completed a term of service. The individual successfully completed a term of service if the individual has:

- (1) Completed the number of service hours required;
- (2) Satisfactorily performed on assignments, tasks, or projects;
- (3) Met any performance criteria as determined by the program and communicated to the member; and
- (4) Fulfilled any other enrollment and program requirements to earn an education award.

(b) A certification by the supervising entity that an individual did or did not successfully complete a term of service will be deemed to incorporate an end-of-term evaluation.

§ 2525.20 Under what circumstances is an Eligible Individual who does not complete an approved term of service eligible to receive a pro-rated education award?

(a) *Release for compelling personal circumstances.* An Eligible Individual who is released before they complete an approved term of service is eligible for a pro-rated education award if their supervising entity:

- (1) Released the Eligible Individual for compelling personal circumstances in accordance with the requirements of § 2522.230(a) of this chapter, including requirements for maintaining documentation of the basis for the entity's decision;
- (2) Certifies that the Eligible Individual:
 - (i) Performed satisfactorily before they were granted a release for compelling personal circumstances; and
 - (ii) Completed at least 15 percent of the originally approved term of service.
- (b) *Release for cause.* An individual who is released for cause before they

completed an originally approved term of service is not eligible for any portion of an education award.

§ 2525.25 If a participant in an approved Summer of Service or Silver Scholar position does not complete their term of service, are they eligible to receive a pro-rated education award?

No. An individual released for any reason before they complete an approved term of service in a Silver Scholar or Summer of Service position is not eligible to receive a pro-rated award.

§ 2525.30 How do convictions for the possession or sale of controlled substances affect an Eligible Individual's ability to use their award?

(a) Except as provided in paragraph (b) of this section, an Eligible Individual who is convicted under Federal or State law of the possession or sale of a controlled substance is not eligible to use his or her education award from the date of the conviction until the end of a specified time period, which is determined based on the type of conviction as follows:

(1) For conviction of the possession of a controlled substance, the individual is ineligible from the date of conviction for—

- (i) One year for a first conviction;
- (ii) Two years for a second conviction; and
- (iii) For a third or subsequent conviction, indefinitely, as determined by AmeriCorps according to the following factors:

- (A) Type and amount of controlled substance;
- (B) Whether firearms or other dangerous weapons were involved in the offense;
- (C) Employment history;
- (D) Service to the community;
- (E) Recommendations from community members and local officials, including experts in substance abuse and treatment; and
- (F) Any other relevant aggravating or ameliorating circumstances.

(2) For conviction of the sale of a controlled substance, the individual is ineligible from the date of conviction for—

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(i) Two years for a first conviction; and

(ii) Two years plus any additional time AmeriCorps determines is appropriate for second and subsequent convictions, based on the factors set forth in paragraphs (a)(1)(iii)(A) through (F) of this section.

(b) AmeriCorps will restore the Eligible Individual's access to use the education award if AmeriCorps determines that the individual has successfully completed a legitimate drug rehabilitation program, or in the case of a first conviction that the individual has enrolled in a legitimate drug rehabilitation program and:

(1) The drug rehabilitation program is recognized as legitimate by appropriate Federal, State, or local authorities; and

(2) The Eligible Individual's enrollment in or successful completion of the legitimate drug rehabilitation program has been certified by an appropriate official of that program.

§ 2525.40 How long is an education award available for use?

Unless AmeriCorps approves an extension under § 2525.42, the use period for an education award is as follows:

(a) An education award is available for an Eligible Individual to use until seven years from the date when they successfully completed the term of service for which the award was earned;

(b) An education award that is transferred to a Designated Recipient under subpart F of this part may be used until 10 years from the date when the Eligible Individual who transferred the award successfully completed their term of national service.

§ 2525.41 When must an application for an extension be submitted?

An application for an extension must be submitted to AmeriCorps before the award use period ends, or the individual must have been unavoidably prevented from timely submitting the extension application.

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§ 2525.42 Under what circumstances will AmeriCorps grant an extension?

(a) AmeriCorps will automatically grant an extension to the use period of an education award if the individual served and successfully completed a term of service in an approved national service position that fell within the use period for that education award and applies for an extension under § 2525.41.

(1) The use period will be extended by the length of the individual's additional approved and completed term of service at the time of the extension application.

(2) For purposes of this extension, AmeriCorps will treat all service in AmeriCorps and the Peace Corps as service in another AmeriCorps-approved national service position.

(3) If the additional of service is in the Peace Corps, the individual requesting an extension will need to provide a Description of Service, signed by the country's director or designee for the Peace Corps service.

(b) If AmeriCorps determines that an Eligible Individual or Designated Recipient was unavoidably prevented from using the education award during the original use period, AmeriCorps may grant an extension for a period of time that AmeriCorps deems appropriate, but generally not for more than one year from the end of the original use period. Also, AmeriCorps will grant only one extension of the use period except in very limited circumstances, such as, for example, when the event preventing the member from timely using their education award is likely to exist for more than 12 months, such as active military duty.

(1) Examples of situations that may warrant an extension if they hinder use of an education award may include, but are not limited to:

(i) The Eligible Individual's serious illness, injury, or disability;

(ii) The death, serious illness, injury, or disability of someone in the Eligible Individual's immediate family that occurs close to the end of the use period;

(iii) The destruction or inaccessibility of important service records maintained by the program;

(iv) Natural disasters;

(v) Military service that prevents the use of an education award, such as active duty overseas (but a person in the reserves or National Guard who has not been called up on active duty, or who is enlisted in the military, is not necessarily unavoidably prevented from timely using their education award because of their military service).

(2) When considering whether to grant an extension, AmeriCorps also will consider whether:

(i) The extension is a result of the individual's choices or actions or factors beyond the individual's control;

(ii) The need for the extension is in any part attributable to AmeriCorps' or an AmeriCorps-funded entity's actions;

(iii) The lending institution or institution entitled to the payment failed to take an action, or took an action, that resulted in the individual needing/wanting the extension.

(c) Examples of circumstances that do not meet the criteria for granting an extension may include but are not limited to:

(1) Employment or unemployment, even in a position with a non-profit organization involved in community service.

(2) Forgetting to use the education award, being unaware of the use-period restrictions, or not receiving his or her education award expiration notice.

(3) Being too young to use a transferred education award.

§ 2525.43 What if the request for an extension is missing information or documentation?

If the extension application lacks necessary information or documentation, AmeriCorps may request additional documentation. If the requested additional documentation is not provided to AmeriCorps within 30 days, AmeriCorps may close the request for an extension.

§ 2525.44 How will AmeriCorps notify the Eligible Individual or Designated Recipient of its decision on the extension request?

AmeriCorps will notify the Eligible Individual or Designated Recipient in writing if the request for an extension has been granted or denied. The notification will advise the requester of the

process for appealing the denial if the requester has a good-faith basis to believe their request was erroneously denied.

§ 2525.45 Can an Eligible Individual or Designated Recipient appeal a denied request for an extension?

(a) If an Eligible Individual or Designated Recipient submits a timely application for an extension and the application is denied, the individual may file an appeal. The appeal must:

(1) Be received within 30 days of the denial determination;

(2) Be made in writing—either online through the *My AmeriCorps* portal if the education award has not expired—or through a submission to the National Service Hotline at 1-800-942-2677;

(3) Explain why the initial determination was erroneous/should be reviewed; and,

(4) Include supporting documentation, if applicable.

(b) AmeriCorps may grant an appeal when, after review of all the information provided originally and on appeal, it appears that the extension should have been granted. AmeriCorps may ask for additional documentation to inform the appeal determination.

(c) Individuals who submit appeals will be notified in writing of the final determination.

§ 2525.50 Is there a limit on the total amount of education awards an individual may receive?

(a) *General limitation.* While there is no limit on the specific dollar amount, no individual may receive more than the amount equal to the aggregate value of two full-time education awards.

(b) *Calculation of aggregate value of awards received.* The aggregate value of education awards received is the sum of:

(1) The value of each education award received for successful completion of an approved national service position;

(2) The value of each partial education award received upon release from an approved national service position for compelling personal circumstances; and

(3) The value of any amount received from a transferred education award, except as provided in § 2525.460.

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(c) *Determination of receipt of award.* For purposes of determining the aggregate value of education awards, an award is considered to be received at the time it becomes available for use.

§ 2525.55 What is the impact of the aggregate value of education awards received on an individual's ability to serve in additional terms of service?

The aggregate value of education awards received does not limit an individual's ability to serve in additional terms of service, but does impact the amount of the education award the individual may receive pursuant to § 2525.100(d) upon successful completion of any additional term of service.

§ 2525.60 May an individual receive an education award and related interest benefits from the National Service Trust as well as other loan cancellation benefits for the same term of service?

An individual may not receive an education award and related interest benefits from the National Service Trust for a term of service and have that same service credited toward repayment, discharge, or cancellation of other student loans, except an individual may credit the service toward the Public Service Loan Forgiveness Program, as provided under 34 CFR 685.219.

§ 2525.70 What are the effects of an erroneous certification of successful completion of a term of service?

(a) If AmeriCorps determines that the certification made by a national service program under § 2525.10(a)(2) is erroneous, AmeriCorps shall assess against the national service program a

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charge for the amount of any associated payment or potential payment from the National Service Trust, taking into consideration the full facts and circumstances that led to the erroneous or incorrect certification.

(b) If AmeriCorps determines that the certification made is knowingly false or inaccurate, AmeriCorps will disallow the education award and/or initiate a debt collection process for any education award funds disbursed.

(c) Nothing in this section prohibits AmeriCorps from taking any action authorized by law based upon any certification that is knowingly made in a false, materially misleading, or fraudulent manner.

Subpart C—Determining the Amount of an Education Award

§ 2525.100 What is the amount of an education award?

(a) *Full-time term of service.* Except as provided in paragraph (d) of this section, the education award for a full-time term of service in an approved national service position of at least 1,700 hours will be equal to the maximum amount of a Federal Pell Grant under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) that a student eligible for that grant may receive in the aggregate for the award year in which the term of service is approved by AmeriCorps.

(b) *Less than full-time term of service.* Except as provided in paragraph (d) of this section, the amount of an education award for an approved national service position for less than full-time term of service (*i.e.*, partial award) is determined in accordance with the following table:

TABLE 1 TO PARAGRAPH (b)

For:	In an approved position of at least: (hours)	Is equal to the following percentage of the amount of an education award for a full-time term of service described in paragraph (a) of this section:
Three quarters time term of service (TQT)	1,200	70 percent.
Half-time term of service (HT)	900	50 percent.
Reduced half-time term of service (RHT)	675	Approximately 39 percent.
Quarter-time term of service (QT)	450	Approximately 26 percent.
Minimal time and summer associate (MT & SA)	300	Approximately 21 percent.
Abbreviated time (AT)	100	5.6 percent.

(c) *Calculating a pro-rated award following release for compelling personal circumstances.* The education award for an Eligible Individual who is released from completing an approved term of service for compelling personal circumstances is equal to the product of:

(1) The number of hours completed divided by the number of hours in the approved term of service; and

(2) The amount of the education award for the approved term of service.

(d) *Calculating a discounted education award amount.* To ensure that an Eligible Individual receives no more than the aggregate value of two awards, pursuant to § 2525.50, if the sum of the education award value offered for a term of service and the aggregate value of previously-received education awards exceeds the value of two awards, then the individual may receive only a portion of that offered education award, such that the aggregate value of the education awards is not greater than the value of two awards.

Subpart D—Using an Education Award

§ 2525.210 For what purposes may an education award be used?

(a) An education award may be used to pay educational expenses and/or to repay qualified student loans, as defined in § 2525.2;

(b) An education award is divisible and may be applied to any combination of loans, costs, or expenses described in paragraph (a) of this section.

§ 2525.220 What steps are necessary to use an education award to repay a qualified student loan?

(a) *Required information.* Before disbursing an amount from an education award to repay a qualified student loan, AmeriCorps must receive:

(1) An Eligible Individual's written authorization and request for a specific payment amount; and

(2) Any identifying and other information from the loan holder as requested by AmeriCorps.

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the loan holder and notify the Eligible Individual of the payment.

(c) *Aggregate payments.* AmeriCorps may establish procedures to aggregate payments to holders of loans for more than a single individual.

§ 2525.230 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?

(a) *Required information.* Before disbursing funds from an education award to pay all or part of the current educational expenses at an institution of higher education, AmeriCorps must receive:

(1) An Eligible Individual's written authorization and request for a specific payment amount;

(2) Information from the institution of higher education as requested by AmeriCorps, including verification that—

(i) It has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094);

(ii) Its eligibility to participate in any of the programs under Title IV of the Higher Education Act of 1965 has not been limited, suspended, or terminated;

(iii) If an Eligible Individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the institution of higher education will ensure an appropriate refund to AmeriCorps of the unused portion of the education award under its own published refund policy, or if it does not have one, provide a pro-rata refund to AmeriCorps of the unused portion of the education award;

(iv) Individuals using education awards to pay for current educational expenses at that institution do not comprise more than 15 percent of the institution's total student population;

(v) The requested amount will be used to pay all or part of the Eligible Individual's educational expenses attributable to a course offered by the institution;

(vi) The requested amount does not exceed the difference between:

(A) The Eligible Individual's cost of attendance and other educational expenses; and

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(B) The Eligible Individual's estimated student financial assistance for that period under Part A of Title IV of the Higher Education Act (20 U.S.C. 1070 *et seq.*).

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the institution and notify the Eligible Individual of the payment.

(c) *Installment payments.* AmeriCorps will disburse the education award payment to the institution in at least two separate installments, none of which exceeds 50 percent of the total amount. The interval between installments may not be less than one-half of the period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or other division of a period of enrollment.

§ 2525.240 Is there a limit on the amount of an Eligible Individual's education award that AmeriCorps will disburse to an institution for a given period of enrollment?

Yes. AmeriCorps' disbursement from an Eligible Individual's education award for any period of enrollment may not exceed the difference between:

(a) The Eligible Individual's educational expenses, determined by the institution; and

(b) The Eligible Individual's estimated financial assistance for that period under part A of Title IV of the Higher Education Act.

§ 2525.250 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which AmeriCorps has disbursed all or part of that individual's education award?

(a) If an Eligible Individual for whom AmeriCorps has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, then an institution that receives a disbursement of education award funds from AmeriCorps must:

(1) Provide a refund to AmeriCorps in an amount determined under that institution's published refund requirements, unless the institution charged the Eligible Individual for the

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uncompleted period of study or training.

(2) Provide a pro-rata refund to AmeriCorps of the unused portion of the education award if the institution does not have a published refund policy.

(b) AmeriCorps will credit any refund received for an Eligible Individual under paragraph (a) of this section to the individual's education award allocation in the National Service Trust.

§ 2525.260 Who may use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?

To use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program, an Eligible Individual must have received an education award for successfully completing a term in an approved national service position, in which they enrolled on or after October 1, 2009.

§ 2525.270 What steps are necessary to use an education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?

(a) *Required information.* Before disbursing funds from an education award for this purpose, AmeriCorps must receive:

(1) An individual's written authorization and request for a specific payment amount;

(2) Verification from the individual that they meet the criteria in § 2525.260; and

(3) Information from the educational institution or training establishment as requested by AmeriCorps, including verification that—

(i) The amount requested will be used to pay all or part of the individual's expenses attributable to a course, program of education, apprenticeship, or job training offered by the institution or establishment;

(ii) The course(s) or program(s) for which the individual is requesting to use the education award has been and is currently approved by the State approving agency for the State where the institution or establishment is located, or by the Secretary of Veterans Affairs; and

(iii) If an individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the institution or establishment will ensure a pro-rata refund to AmeriCorps of the unused portion of the education award.

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the institution or establishment and notify the individual of the payment.

§ 2525.280 What happens if an individual for whom AmeriCorps has disbursed education award funds withdraws or fails to complete the period of enrollment in a G.I. Bill approved program?

(a) If an individual for whom AmeriCorps has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, the approved educational institution or training establishment that received a disbursement of education award funds from AmeriCorps must provide a pro-rata refund to AmeriCorps of the unused portion of the education award.

(b) AmeriCorps will credit any refund received for an individual under paragraph (a) of this section to the individual's education award allocation in the National Service Trust.

§ 2525.290 What happens to an education award upon divorce or death?

(a) *Prohibition on treatment of an education award as marital property.* An education award may not be treated as marital property, or the asset of a marital estate, subject to division in a divorce or other civil proceeding.

(b) *Death of Eligible Individual.* An educational award expires and is no longer available for any purpose upon the death of the Eligible Individual, except for:

(1) Any award or portion of the educational award the Eligible Individual transferred prior to death;

(2) Any amount for which the Eligible Individual submitted a request for disbursement prior to death that the National Service Trust had not yet ei-

ther received or acted upon as of the date of death.

Subpart E—Payment of Accrued Interest

§ 2525.310 Under what circumstances will AmeriCorps pay interest that accrues on qualified student loans during an individual's term of service in an approved position?

(a) *Eligibility.* AmeriCorps will pay interest that accrues on an Eligible Individual's qualified student loan, subject to the limitation on amount in paragraph (b) of this section, if:

(1) The Eligible Individual successfully completes a term of national service in an approved position; and

(2) The loan holder approves the Eligible Individual's request for forbearance for a time period specified by the loan holder during the term of service.

(b) *Amount.* The portion of accrued interest that AmeriCorps will pay is determined by the length of service. The percentage of accrued interest that AmeriCorps will pay is the lesser of—

(1) The product of—

(i) The number of completed service hours divided by the number of days for which forbearance was granted; and

(ii) 365 divided by 17; and

(2) One hundred (100).

(c) *Supplemental to education award.* A payment of accrued interest under this part is supplemental to an education award received by an Eligible Individual under this part.

(d) *Limitation.* AmeriCorps is not responsible for the payment of any accrued interest in excess of the amount determined in accordance with paragraph (b) of this section.

(e) *Suspended service.* AmeriCorps will not pay interest expenses that accrue on an Eligible Individual's qualified student loan during a period of suspended service.

§ 2525.320 What steps are necessary to obtain forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?

(a) An Eligible Individual seeking forbearance must submit a request to the loan holder.

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(b) If, before approving a request for forbearance, the loan holder requires verification that the Eligible Individual is serving in an approved national service position, AmeriCorps will provide verification upon a request from the Eligible Individual or the loan holder.

§ 2525.330 What steps are necessary for AmeriCorps to pay interest that has accrued on a qualified student loan in forbearance?

(a) If an Eligible Individual has obtained forbearance on a qualified student loan, AmeriCorps will make payments from the National Service Trust for interest that has accrued on that student loan during the individual's term of service, after:

(1) The program verifies that the Eligible Individual has successfully completed the term of service and the dates when the term of service began and ended;

(2) The holder of the loan verifies the amount of interest that has accrued during the term of service.

(b) When AmeriCorps receives all necessary information from the program and the loan holder, it will pay the loan holder and notify the individual of the payment.

Subpart F—Transfer of Education Awards

§ 2525.410 Under what circumstances may an Eligible Individual transfer an education award?

An Eligible Individual may transfer an education award if—

(a) The Eligible Individual was 55 or older on the day they began the term of service in an approved national service position;

(b) The Eligible Individual successfully completed a term of service in an approved national service position;

(c) The education award the Eligible Individual is requesting to transfer has not expired, consistent with the period of availability set forth in § 2525.40(a);

(d) The individual designated to receive the transferred education award (the Designated Recipient) is:

(1) The Eligible Individual's child, grandchild, stepchild, step-grandchild, or foster child; and

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(2) A citizen, national, or lawful permanent resident of the United States.

(e) The Designated Recipient is not entitled to the education award until their citizenship status has been verified. Once citizenship is confirmed, the Designated Recipient has all the benefits of an Eligible Individual.

§ 2525.420 For what purposes may a transferred award be used?

A transferred award may be used by the Designated Recipient to repay qualified student loans or to pay current educational expenses at an institution of higher education, as described in § 2525.210.

§ 2525.430 What steps are necessary to transfer an education award?

(a) *Request for transfer.* Before transferring an education award to a Designated Recipient, AmeriCorps must receive a request from the transferring Eligible Individual, including:

(1) The Eligible Individual's written authorization to transfer the education award, the year in which the education award was earned, and the specific amount of the education award to be transferred;

(2) Identifying information for the Designated Recipient who is to receive the transferred education award;

(3) A certification that the transferring Eligible Individual and the Designated Recipient have completed or satisfy the requirements of § 2525.410.

(b) *Notification to Designated Recipient.* Upon receipt of a request, including all required information listed in paragraph (a) of this section, AmeriCorps will contact the Designated Recipient to:

(1) Notify the Designated Recipient, or their legal guardian, of the proposed transfer;

(2) Confirm the Designated Recipient's identity;

(3) Confirm that the Designated Recipient is a citizen, national, or lawful permanent resident of the United States; and

(4) Give the Designated Recipient the opportunity to accept or reject the proposed transferred education award.

(c) *Acceptance by Designated Recipient.* To accept an education award, a Designated Recipient, or their legal guardian, must certify that the Designated Recipient is eligible under § 2525.410. Upon receipt of the Designated Recipient's acceptance and verification of the Designated Recipient's eligibility, AmeriCorps will create an account in the National Service Trust for the Designated Recipient, if an account does not already exist, and the accepted amount will be deducted from the transferring Eligible Individual's account and credited to the Designated Recipient's account.

(d) *Timing of transfer.* AmeriCorps must receive the request from the transferring Eligible Individual before the date the education award expires.

(e) *Refusal.* The Designated Recipient can refuse to accept the transferred education award under § 2525.470.

(f) *Revocation.* The Eligible Individual can revoke part or all of the remaining balance of the transfer that has not yet been requested for use under §§ 2525.480 and 2525.485.

§ 2525.440 Is there a limit on the number of recipients an individual may designate to receive a transferred award?

(a) An Eligible Individual may transfer all or part of a non-expired education award to no more than two recipients.

(b) If a Designated Recipient rejects, in whole or in part, a transferred education award, or a transfer was revoked in accordance with § 2525.480, the education award can be transferred to another Designated Recipient, so long as the education award has not yet expired.

§ 2525.450 Is there a limit on the amount of transferred education awards a Designated Recipient may receive?

(a) If the sum of the value of the requested transfer plus the aggregate value of education awards a Designated Recipient has previously earned or received, through the Designated Recipient's own service term or having previously been transferred an education award, would exceed the aggregate value of two full-time education awards, as determined pursuant to

§ 2525.50(b), the Designated Recipient will be deemed to have rejected that portion of the education award that would result in the excess.

(b) If a Designated Recipient has already received the aggregate value of two full-time education awards, they may not receive a transferred education award, and the Designated Recipient will be deemed to have rejected the education award in full.

§ 2525.460 What is the impact of transferring or receiving a transferred education award on an Eligible Individual's eligibility to receive additional education awards?

(a) *Impact on transferring individual.* Pursuant to § 2525.50, an education award is considered to be received at the time it becomes available for a Designated Recipient's use. Transferring all or part of an award does not reduce the aggregate value of education awards the transferring individual is considered to have received.

(b) *Impact on Designated Recipient.* For the purposes of determining the value of the transferred education award under § 2525.50, a Designated Recipient will be considered to have received a value equal to the amount received divided by the amount of a full-time education award in the year the transferring Eligible Individual's position for that education award was approved.

(c) *Result of revocation on education award value.* If the Eligible Individual revokes the transferred education award, in whole or in part, the value of the education award considered to have been received by the Designated Recipient for purposes of § 2525.50 will be reduced accordingly.

§ 2525.470 Is a Designated Recipient required to accept a transferred education award?

(a) *General rule.* No. A Designated Recipient is not required to accept a transferred education award and may reject an education award in whole or in part.

(b) *Result of rejection in full.* If the Designated Recipient rejects a transferred education award in whole, the amount is credited back to the transferring Eligible Individual's account in the National Service Trust, and may be

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transferred to another individual, or may be used by the transferring Eligible Individual, consistent with the original period of availability set forth in § 2525.40(a).

(c) *Result of rejection in part.* If the Designated Recipient rejects a transferred education award in part, the rejected portion is credited to the transferring Eligible Individual's account in the National Service Trust for their use, including re-transfer of the education award, consistent with the original period of availability set forth in § 2525.40(a).

(d) *Rescission.* A Designated Recipient who originally accepted a transferred education award may rescind their acceptance of any unused portion of the award at any time before the education award expires, and for any reason.

§ 2525.480 Under what circumstances is a transfer revocable?

(a) *Revocation.* An Eligible Individual who transferred an award may revoke the transfer at any time and for any reason before the education award's expiration and use by the Designated Recipient.

(b) *Use of award.* Upon revocation, the revoked amount will be deducted from the Designated Recipient's account and credited to the transferring Eligible Individual's account. The transferring Eligible Individual may use the revoked transferred education award for any of the purposes described in § 2525.210, consistent with the original time period of availability set forth in § 2525.40(a).

(c) *Re-transfer.* An Eligible Individual may re-transfer an education award to another qualifying individual after revoking the education award.

§ 2525.485 What steps are necessary to revoke a transfer?

(a) *Request for revocation.* Before revoking a transfer, the transferring Eligible Individual must submit a request to AmeriCorps that includes:

(1) The Eligible Individual's written authorization to revoke the education award;

(2) The year in which the education award was earned;

(3) The specific amount to be revoked; and

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(4) The identity of the Designated Recipient.

(b) *Used education awards.* A revocation may only apply to the portion of the transferred education award that has not been used by the Designated Recipient. If the Designated Recipient has used the entire transferred amount before AmeriCorps receives the revocation request, no amount will be returned to the transferring Eligible Individual. An amount is considered to be used when it is disbursed from the National Service Trust, not when a request is received for its use.

(c) *Notification to Designated Recipient.* AmeriCorps will notify the Designated Recipient of the amount being revoked as of the date of its receipt of the revocation request.

(d) *Timing of revocation.* AmeriCorps must receive the request to revoke the transfer from the transferring Eligible Individual before the education award's expiration as calculated pursuant to § 2525.40(a)(2), from the date the education award was originally earned.

§ 2525.487 What happens to a transferred education award upon divorce or death?

(a) *Prohibition on treatment of a transferred education award as marital property.* An education award transferred under this subsection may not be treated as marital property, or the asset of a marital estate, subject to division in a divorce or other civil proceeding.

(b) *Death of transferor.* The death of an Eligible Individual who has transferred, or initiated the transfer of, an education award under this subsection does not affect the use of the education award by the Designated Recipient.

§ 2525.490 Is a recipient of a transferred education award eligible for the payment of accrued interest for their own student loans?

No. The transfer of an education award does not convey eligibility for payment of accrued interest under subpart E of this part.

PARTS 2526–2530 [RESERVED]