

§ 2525.240

(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.