

116TH CONGRESS
2D SESSION

S. 4247

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

JULY 21, 2020

Mr. ALEXANDER introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Loan Repay-
5 ment and FAFSA Simplification Act”.

6 **SEC. 2. SIMPLIFYING STUDENT LOAN REPAYMENT.**

7 (a) IN GENERAL.—Section 455 of the Higher Edu-
8 cation Act of 1965 (20 U.S.C. 1087e) is amended—

1 (1) in subsection (d)(1)—

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

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

6 (C) by adding at the end the following:

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

14 (2) by adding at the end the following:

15 “(r) REPAYMENT.—

16 “(1) IN GENERAL.—For loans described under
17 subsection (a) that enter repayment on or after Oc-
18 tober 1, 2020, or for which the borrower seeks to
19 change to a different repayment plan on or after Oc-
20 tober 1, 2020, only the following repayment options
21 shall be made available:

22 “(A) A standard repayment plan, with a
23 fixed annual repayment amount paid over a
24 fixed period of time, not to exceed 10 years.

1 “(B) An income determined repayment
2 plan, with an annual repayment amount in the
3 amount determined in accordance with para-
4 graph (2).

5 “(2) INCOME DETERMINED REPAYMENT
6 PLANS.—

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

13 “(i) the borrower’s, and the bor-
14 rower’s spouse’s (if applicable), adjusted
15 gross income; exceeds

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

21 “(B) EXCEPTIONS.—

22 “(i) REDUCTION FOR CERTAIN BOR-
23 ROWERS.—For a borrower, and the bor-
24 rower’s spouse (if applicable), whose ad-
25 justed 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-

1 ance of principal and interest due on any
2 loan repaid under the repayment plan de-
3 scribed under paragraph (1)(B)—

4 “(I) for any undergraduate bor-
5 rower who has made payments under
6 such plan for 20 years; or

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

10 “(ii) LIMITATION.—Any period of
11 time in which a borrower is in delinquency
12 or default shall not count toward the re-
13 payment or cancellation described in clause
14 (i).

15 “(3) MONTHLY PAYMENTS.—The Secretary
16 shall determine the borrower’s monthly payment ob-
17 ligation to satisfy the payment amount determined
18 in accordance with subparagraphs (A) or (B) of
19 paragraph (1).

20 “(4) BORROWER CHOICE.—A borrower who is
21 repaying a loan under paragraph (1)(B) may elect,
22 at any time, to terminate repayment pursuant to the
23 income determined repayment plan and repay such
24 loan under the standard repayment plan under para-
25 graph (1)(A).”.

1 (b) PUBLIC SERVICE LOAN FORGIVENESS RULES
 2 FOR INCOME-DETERMINED REPAYMENT PLANS.—Section
 3 455(m) of the Higher Education Act of 1965 (20 U.S.C.
 4 1087e(m)) is amended—

5 (1) in paragraph (1)(A)—

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

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

10 (C) by adding at the end the following:

11 “(v) payments under an income deter-
 12 mined repayment plan or a standard re-
 13 payment plan under subsection (r), except
 14 as provided in paragraph (3); and”;

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

17 (3) by inserting after paragraph (2) the fol-
 18 lowing:

19 “(3) EXCEPTION.—

20 “(A) IN GENERAL.—To be eligible for loan
 21 cancellation under this subsection, a borrower
 22 who elects an income determined repayment
 23 plan under subsection (r) shall remain in such
 24 plan for the duration of repayment until such
 25 loan is cancelled.

1 “(B) REQUIRED NOTIFICATION AND AC-
2 KNOWLEDGEMENT.—

3 “(i) NOTIFICATION.—If a borrower
4 who has elected an income determined re-
5 payment plan under subsection (r) subse-
6 quently indicates that the borrower wishes
7 to change repayment plans, the Secretary
8 shall notify the borrower that changing re-
9 payment plans will cause any monthly pay-
10 ments made prior to such change to not
11 qualify toward the 120 monthly payments
12 required for loan cancellation under this
13 subsection.

14 “(ii) ACKNOWLEDGEMENT.—The Sec-
15 retary shall require acknowledgment of re-
16 ceipt of the notification under clause (i)
17 from any borrower who has elected an in-
18 come determined repayment plan under
19 subsection (r) and subsequently indicates
20 that the borrower wishes to change repay-
21 ment plans.”.

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

24 (a) NEED ANALYSIS.—

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

4 **“SEC. 471. AMOUNT OF NEED.**

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

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

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

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

16 “(b) EFFECTIVE DATE OF CHANGES.—The amend-
 17 ments made to this title under the Student Loan Repay-
 18 ment and FAFSA Simplification Act shall take effect be-
 19 ginning with award year 2022–2023. The amounts pro-
 20 vided under such amendments for award year 2020–2021
 21 shall be used solely as a base to determine adjustments
 22 for subsequent award years.”.

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

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

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

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

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

18 **“SEC. 472. COST OF ATTENDANCE.**

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

21 “(1) tuition and fees normally assessed a stu-
 22 dent carrying the same academic workload as deter-
 23 mined by the institution, and including costs for
 24 rental or purchase of any equipment, materials, or

1 supplies required of all students in the same course
2 of study;

3 “(2) an allowance for books, supplies, and
4 transportation, including a reasonable allowance for
5 the documented rental or purchase of suggested elec-
6 tronic equipment, as determined by the institution;

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

11 “(4) an allowance for living expenses, including
12 food and housing costs, to be incurred by the stu-
13 dent attending the institution on at least a half-time
14 basis, as determined by the institution, which in-
15 cludes—

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

21 “(B) for students not electing institution-
22 ally owned or operated food services, such as
23 board or meal plans, shall be a standard allow-
24 ance for purchasing food off campus that pro-
25 vides the equivalent of three meals each day,

1 which shall not exceed the standard allowance
2 provided in paragraph (A);

3 “(C) for students without dependents re-
4 siding in institutionally owned or operated
5 housing, shall be a standard allowance deter-
6 mined by the institution based on average or
7 median amount assessed to such residents for
8 housing charges, whichever is greater;

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

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

22 “(F) for dependent students residing at
23 home with parents shall be a standard allow-
24 ance determined by the institution;

1 “(G) for students who live in housing lo-
2 cated on a military base or for which a basic al-
3 lowance is provided under section 403(b) of title
4 37, United States Code, shall be a standard al-
5 lowance for food based upon a student’s choice
6 of purchasing food on-campus or off-campus
7 (determined respectively in accordance with
8 subparagraph (A) or (B)), but not for housing
9 costs; and

10 “(H) for all other students shall be an al-
11 lowance based on the expenses reasonably in-
12 curred by such students for housing and food;

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

18 “(6) for incarcerated students, only tuition,
19 fees, books, supplies, and the cost of obtaining a li-
20 cense, certification, or a first professional credential
21 in accordance with paragraph (13);

22 “(7) for a student enrolled in an academic pro-
23 gram in a program of study abroad approved for
24 credit by the student’s home institution, reasonable

1 costs associated with such study (as determined by
2 the institution at which such student is enrolled);

3 “(8) for a student with one or more dependents,
4 an allowance based on the estimated actual expenses
5 incurred for such dependent care, based on the num-
6 ber and age of such dependents, except that—

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

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

15 “(9) for a student with a disability, an allow-
16 ance (as determined by the institution) for those ex-
17 penses related to the student’s disability, including
18 special services, personal assistance, transportation,
19 equipment, and supplies that are reasonably in-
20 curred and not provided for by other assisting agen-
21 cies;

22 “(10) for a student receiving all or part of the
23 student’s instruction by means of telecommuni-
24 cations technology, no distinction shall be made with

1 respect to the mode of instruction in determining
2 costs;

3 “(11) for a student engaged in a work experi-
4 ence under a cooperative education program, an al-
5 lowance for reasonable costs associated with such
6 employment (as determined by the institution);

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

14 “(13) for a student in a program requiring pro-
15 fessional licensure, certification, or a first profes-
16 sional credential the cost of obtaining the license,
17 certification, or a first professional credential.

18 “(b) SPECIAL RULE FOR LIVING EXPENSES FOR
19 LESS-THAN-HALF-TIME STUDENTS.—An institution of
20 higher education may include an allowance for living ex-
21 penses, including food and housing costs in accordance
22 with subsection (a)(4) for up to three semesters, or the
23 equivalent, with no more than two semesters being con-
24 secutive.

1 “(c) DISCLOSURE OF COST OF ATTENDANCE ELE-
 2 MENTS.—Each institution shall make publicly available on
 3 the institution’s website a list of all the elements of cost
 4 of attendance described in subsection (a), including, for
 5 a student with one or more dependents, an allowance
 6 based on the estimated actual expenses incurred for de-
 7 pendent care, as described in subsection (a)(8).

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

9 “(a) IN GENERAL.—For the purpose of this title,
 10 other than subpart 1 or 2 of part A, the term ‘student
 11 aid index’ means, with respect to a student, an index that
 12 reflects an evaluation of a student’s approximate financial
 13 resources to contribute toward the student’s postsecondary
 14 education for the academic year, as determined in accord-
 15 ance with this part.

16 “(b) SPECIAL RULE FOR STUDENTS ELIGIBLE FOR
 17 THE TOTAL MAXIMUM PELL GRANT.—The Secretary
 18 shall consider an applicant to automatically have a student
 19 aid index equal to zero if the applicant is eligible for the
 20 total maximum Federal Pell Grant under subpart 1 of
 21 part A, except that, if the applicant has a calculated stu-
 22 dent aid index of less than zero the Secretary shall con-
 23 sider the negative number as the student aid index for
 24 the applicant.

1 “(c) SPECIAL RULE FOR NONFILERS.—For an appli-
 2 cant (or, as applicable, an applicant and spouse, or an ap-
 3 plicant’s parents) who is not required to file a Federal tax
 4 return for the second preceding tax year, the Secretary
 5 shall for the purposes of this title consider the student
 6 aid index as equal to $-\$1,500$ for the applicant.

7 “(d) SPECIAL RULE FOR RECIPIENTS OF MEANS-
 8 TESTED BENEFITS.—For an applicant (including the stu-
 9 dent, the student’s parent, or the student’s spouse, as ap-
 10 plicable) who at any time during the previous 24-month
 11 period, received a benefit under a means-tested Federal
 12 benefit program, the Secretary shall consider an applicant
 13 to automatically have a student aid index equal to zero,
 14 except if the applicant has a calculated student aid index
 15 of less than zero the Secretary shall consider the negative
 16 number as the student aid index for the applicant.

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

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

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

1 “(3) The program of block grants for States for
2 temporary assistance for needy families established
3 under part A of title IV of the Social Security Act
4 (42 U.S.C. 601 et seq.).

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

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

11 “(6) Federal housing assistance programs, in-
12 cluding tenant-based assistance under section 8(o) of
13 the United States Housing Act of 1937 (42 U.S.C.
14 1437f(o)), and public housing, as defined in section
15 3(b)(1) of such Act (42 U.S.C. 1437a(b)(1)).

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

20 “(f) SPECIAL RULE FOR NONFILERS WHO ARE ALSO
21 RECIPIENTS OF MEANS-TESTED BENEFITS.—For an ap-
22 plicant (or, as applicable, and applicant and spouse, or an
23 applicant’s parents) who is not required to file a Federal
24 tax return for the second preceding tax year and who at
25 any time during the previous 24-month period received a

1 benefit under a means-tested Federal benefit program, the
 2 Secretary shall, for the purposes of this title, consider the
 3 student aid index as equal to $-\$1,500$ for the applicant.”.

4 (c) DETERMINATION OF STUDENT AID INDEX.—Sec-
 5 tion 474 of the Higher Education Act of 1965 (20 U.S.C.
 6 1087nn) is amended to read as follows:

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

8 “The student aid index—

9 “(1) for a dependent student shall be deter-
 10 mined in accordance with section 475;

11 “(2) for a single independent student or a mar-
 12 ried independent student without dependents (other
 13 than a spouse) shall be determined in accordance
 14 with section 476; and

15 “(3) for an independent student with depend-
 16 ents other than a spouse shall be determined in ac-
 17 cordance with section 477.”.

18 (d) STUDENT AID INDEX FOR DEPENDENT STU-
 19 DENTS.—Section 475 of the Higher Education Act of
 20 1965 (20 U.S.C. 1087oo) is amended to read as follows:

21 **“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STU-**
 22 **DENTS.**

23 “(a) COMPUTATION OF STUDENT AID INDEX.—

1 “(1) IN GENERAL.—For each dependent stu-
 2 dent, the student aid index is equal to (except as
 3 provided in paragraph (2)) the sum of—

4 “(A) the assessment of the parents’ ad-
 5 justed available income (determined in accord-
 6 ance with subsection (b));

7 “(B) the assessment of the student’s avail-
 8 able income (determined in accordance with
 9 subsection (g)); and

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

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

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

19 “(1) computing adjusted available income by
 20 adding—

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

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

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

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

7 “(c) PARENTS’ AVAILABLE INCOME.—

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

11 “(A) Federal income taxes;

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

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

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

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

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

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

1 efit base (twice such contribution and benefit
2 base, in the case of a joint return) for the year
3 of the earnings, multiplied by the rate of tax
4 applicable to such earnings under section
5 3101(a) of the Internal Revenue Code of 1986.

6 “(3) INCOME PROTECTION ALLOWANCE.—The
7 income protection allowance for award year 2021–
8 2022 and each succeeding award year shall equal
9 the amount determined in the following table, as ad-
10 justed by the Secretary pursuant to section 478(b):

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

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

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

17 “(d) PARENTS’ AVAILABLE ASSETS.—

18 “(1) IN GENERAL.—

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

4 “(i) the difference between the par-
 5 ents’ net assets and the education savings
 6 and asset protection allowance (determined
 7 in accordance with paragraph (2)); multi-
 8 plied by

9 “(ii) 12 percent.

10 “(B) NOT LESS THAN ZERO.—Parents’
 11 available assets under this subsection shall not
 12 be less than zero.

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

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

If the age of the oldest parent is—	And there are	
	two parents	one parent
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000

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

If the age of the oldest parent is—	And there are	
	two parents then the allowance is—	one parent
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,300
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
61	\$8,400	\$2,700
62	\$8,600	\$2,800
63	\$8,900	\$2,900
64	\$9,200	\$2,900
65 or more	\$9,400	\$3,000.

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

“Parents’ Contribution From AAI

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

1 “(f) CONSIDERATION OF PARENTAL INCOME.—

2 “(1) PARENTS WHO LIVE TOGETHER.—Paren-
3 tal income and assets in the case of student whose
4 parents are married and not separated, or who are
5 unmarried but live together, shall include the income
6 and assets of both parents.

7 “(2) DIVORCED OR SEPARATED PARENTS.—Pa-
8 rental income and assets for a student whose par-
9 ents are divorced or separated, but not remarried, is
10 determined by including only the income and assets
11 of the parent who provides the greater portion of the
12 student’s financial support.

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

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

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

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

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

16 “(g) STUDENT’S AVAILABLE INCOME.—

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

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

24 “(B) 50 percent.

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

4 “(A) Federal income taxes;

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

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

9 “(i) \$9,110 for award year 2021–
10 2022; and

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

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

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

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

23 “(B) the amount earned by the student
24 that does not exceed such contribution and ben-
25 efit base for the year of the earnings, multiplied

1 by the rate of tax applicable to such earnings
 2 under section 3101(a) of the Internal Revenue
 3 Code of 1986.

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

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

16 (e) STUDENT AID INDEX FOR INDEPENDENT STU-
 17 DENTS WITHOUT DEPENDENTS OTHER THAN A
 18 SPOUSE.—Section 476 of the Higher Education Act of
 19 1965 (20 U.S.C. 1087pp) is amended to read as follows:

20 **“SEC. 476. STUDENT AID INDEX FOR INDEPENDENT STU-**
 21 **DENTS WITHOUT DEPENDENTS OTHER THAN**
 22 **A SPOUSE.**

23 “(a) COMPUTATION OF STUDENT AID INDEX.—

24 “(1) IN GENERAL.—For each independent stu-
 25 dent without dependents other than a spouse, the

1 student aid index is equal to (except as provided in
2 paragraph (2)) the sum of—

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

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

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

12 “(b) FAMILY’S AVAILABLE INCOME.—

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

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

17 “(i) Federal income taxes;

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

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

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

1 “(aa) \$14,190 for award
2 year 2021–2022; and

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

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

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

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

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

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

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

22 “(A) the total amount earned by the stu-
23 dent (and spouse, if appropriate), multiplied by
24 the rate of tax under section 3101(b) of the In-
25 ternal 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))

1 and the asset protection allowance (deter-
 2 mined in accordance with paragraph (2));
 3 multiplied by

4 “(ii) 20 percent.

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

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

“Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
25 or less	\$0	\$0
26	\$300	\$100
27	\$700	\$200
28	\$1,000	\$300
29	\$1,300	\$500
30	\$1,600	\$600
31	\$2,000	\$700
32	\$2,300	\$800
33	\$2,600	\$900
34	\$2,900	\$1,000
35	\$3,300	\$1,100
36	\$3,600	\$1,200
37	\$3,900	\$1,400
38	\$4,200	\$1,500
39	\$4,600	\$1,600
40	\$4,900	\$1,700
41	\$5,100	\$1,700
42	\$5,200	\$1,700
43	\$5,300	\$1,800
44	\$5,400	\$1,800
45	\$5,500	\$1,900
46	\$5,700	\$1,900
47	\$5,800	\$1,900
48	\$6,000	\$2,000

“Asset Protection Allowances for Families and Students—
Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
49	\$6,100	\$2,000
50	\$6,300	\$2,100
51	\$6,400	\$2,100
52	\$6,600	\$2,200
53	\$6,800	\$2,200
54	\$6,900	\$2,300
55	\$7,100	\$2,300
56	\$7,300	\$2,400
57	\$7,500	\$2,500
58	\$7,700	\$2,500
59	\$7,900	\$2,600
60	\$8,200	\$2,700
61	\$8,400	\$2,700
62	\$8,600	\$2,800
63	\$8,900	\$2,900
64	\$9,200	\$2,900
65 or more	\$9,400	\$3,000.

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

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

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

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

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

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

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

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

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

20 “(b) FAMILY’S AVAILABLE INCOME.—

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

24 “(A) Federal income taxes;

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

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

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

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

7 “(A) the total amount earned by the stu-
8 dent (and spouse, if appropriate), multiplied by
9 the rate of tax under section 3101(b) of the In-
10 ternal Revenue Code of 1986; and

11 “(B) the amount earned by the student
12 (and spouse, if appropriate) that does not ex-
13 ceed such contribution and benefit base (twice
14 such contribution and benefit base, in the case
15 of a joint return) for the year of the earnings,
16 multiplied by the rate of tax applicable to such
17 earnings under section 3101(a) of the Internal
18 Revenue Code of 1986.

19 “(3) INCOME PROTECTION ALLOWANCE.—The
20 income protection allowance for award year 2021–
21 2022 and each succeeding award year shall equal
22 the amount determined in the following table, as ad-
23 justed by the Secretary pursuant to section 478(b):

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

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

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

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

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

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

3 “(4) EMPLOYMENT EXPENSE ALLOWANCE.—

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

10 “(c) FAMILY’S AVAILABLE ASSETS.—

11 “(1) IN GENERAL.—

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

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

6 “(ii) 7 percent.

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

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

“Asset Protection Allowances for Families and Students

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

“Asset Protection Allowances for Families and Students—
Continued

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

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

“Assessment From Adjusted Available Income

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

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

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

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

10 “(a) AUTHORITY TO PRESCRIBE REGULATIONS RE-
 11 STRICTED.—Notwithstanding any other provision of law,
 12 the Secretary shall not have the authority to prescribe reg-
 13 ulations to carry out this part except—

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

16 “(2) with respect to the definition of cost of at-
 17 tendance under section 472, excluding section
 18 472(a)(1).

19 “(b) INCOME PROTECTION ALLOWANCE ADJUST-
 20 MENTS.—For award year 2022–2023 and each succeeding
 21 award year, the Secretary shall publish in the Federal
 22 Register revised income protection allowances for the pur-
 23 poses of subsections (c)(3) and (g)(2)(C) of section 475,
 24 subclauses (I) and (II) of section 476(b)(1)(A)(iii), and
 25 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 rounding the result to the nearest \$10.

“(c) ADJUSTED NET WORTH OF A FARM OR BUSINESS.—

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

“Business/Farm Net Worth Adjustment

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

“(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 purposes 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

1 award year, and rounding the result to the
2 nearest \$5,000; and

3 “(B) by adjusting the dollar amounts in
4 the column referring the adjusted net worth to
5 reflect the changes made pursuant to subpara-
6 graph (A).

7 “(d) EDUCATION SAVINGS AND ASSET PROTECTION
8 ALLOWANCE.—For award year 2022–2023 and each suc-
9 ceeding award year, the Secretary shall publish in the
10 Federal Register a revised table of allowances for the pur-
11 pose of sections 475(d)(2), 476(c)(2), and 477(c)(2). Such
12 revised table shall be developed by determining the present
13 value cost, rounded to the nearest \$100, of an annuity
14 that would provide, for each age cohort of 40 and above,
15 a supplemental income at age 65 (adjusted for inflation)
16 equal to the difference between the moderate family in-
17 come (as most recently determined by the Bureau of
18 Labor Statistics), and the current average social security
19 retirement benefits. For each age cohort below 40, the al-
20 lowance shall be computed by decreasing the allowance for
21 age 40, as updated, by one-fifteenth for each year of age
22 below age 40 and rounding the result to the nearest \$100.
23 In making such determinations—

24 “(1) inflation shall be presumed to be 6 percent
25 per year;

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

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

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

11 “(1) by increasing each dollar amount that re-
12 fers to adjusted available income by a percentage
13 equal to the percentage increase in the Consumer
14 Price Index between April 2019 and the April prior
15 to the beginning of such academic year, rounded to
16 the nearest \$100; and

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

19 “(f) CONSUMER PRICE INDEX DEFINED.—In this
20 section, the term ‘Consumer Price Index’ means the Con-
21 sumer Price Index for All Urban Consumers published by
22 the Department of Labor. Each annual update of tables
23 to reflect changes in the Consumer Price Index shall be
24 corrected for misestimation of actual changes in such
25 Index in previous years.

1 “(g) EMPLOYMENT EXPENSE ALLOWANCE.—For
 2 award year 2022–2023 and each succeeding award year,
 3 the Secretary shall publish in the Federal Register a re-
 4 vised table of employment expense allowances for the pur-
 5 pose of sections 475(c)(4), 476(b)(3), and 477(b)(4). Such
 6 revised table shall be developed by increasing the dollar
 7 amount specified in sections 475(c)(4), 476(b)(3), and
 8 477(b)(4) to reflect the inflationary adjustment that is
 9 used for the income protection allowances in subsection
 10 (b).”.

11 (h) APPLICANTS EXEMPT FROM ASSET REPORT-
 12 ING.—Section 479 of the Higher Education Act of 1965
 13 (20 U.S.C. 1087ss) is amended to read as follows:

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

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

20 “(b) APPLICANTS EXEMPT FROM ASSET REPORT-
 21 ING.—

22 “(1) IN GENERAL.—Except as provided in para-
 23 graph (3), in carrying out section 483, the Secretary
 24 shall not use asset information from an eligible ap-

1 plicant or, as applicable, the parent or spouse of an
 2 eligible applicant.

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

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

10 “(B) Is an applicant who is a dependent
 11 student and the student’s parents have a total
 12 adjusted gross income (excluding any income of
 13 the dependent student) that is less than
 14 \$75,000 and do not file a Schedule A, B, D, E,
 15 F, or H (or equivalent successor schedules),
 16 with the Federal income tax return for the sec-
 17 ond preceding tax year, and—

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

22 “(ii) file a Schedule C (or the equiva-
 23 lent successor schedule) with net business
 24 income of not more than a \$10,000 loss or

1 gain with the Federal income tax return
2 for the second preceding tax year.

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

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

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

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

24 “(A) reside in the United States or a
25 United States territory; or

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

6 “(4) DEFINITIONS.—In this section:

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

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

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

19 “(D) SCHEDULE D.—The term Schedule D
20 means a form or information filed by a tax-
21 payer to report sales, exchanges or some invol-
22 untary conversions of capital assets, certain
23 capital gain distributions, and nonbusiness bad
24 debts.

1 “(E) SCHEDULE E.—The term Schedule E
 2 means a form or information filed by a tax-
 3 payer to report income from rental properties,
 4 royalties, partnerships, S corporations, estates,
 5 trusts, and residual interests in real estate
 6 mortgage investment conduits.

7 “(F) SCHEDULE F.—The term Schedule F
 8 means a form or information filed by a tax-
 9 payer to report farm income and expenses.

10 “(G) SCHEDULE H.—The term Schedule H
 11 means a form or information filed by a tax-
 12 payer to report household employment taxes.”.

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

17 **“SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID AD-**
 18 **MINISTRATORS.**

19 “(a) IN GENERAL.—

20 “(1) AUTHORITY OF FINANCIAL AID ADMINIS-
 21 TRATORS.—A financial aid administrator shall have
 22 the authority to, on the basis of adequate docu-
 23 mentation, make adjustments to any or all of the
 24 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 sec-
tion 480(d)(9), under subsection (c) to the de-
pendency status.

“(2) LIMITATIONS ON AUTHORITY.—

“(A) USE OF AUTHORITY.—No institution
of higher education or financial aid adminis-
trator shall maintain a policy of denying all re-
quests 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 ad-
ministrator or for the review of a student or
parent’s request for adjustments under this sec-
tion 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-

1 cumstances and documents the person's re-
2 lationship to the student; or

3 “(v) documents, such as utility bills or
4 health insurance documentation, that dem-
5 onstrate a separation from parents or legal
6 guardians; and

7 “(vi) in the absence of documentation
8 described in this subparagraph, other doc-
9 umentation the financial aid administrator
10 determines is adequate to confirm the un-
11 usual circumstances, as defined in section
12 480(d)(9); and

13 “(C) supplementary information, as nec-
14 essary, about the financial status or personal
15 circumstances of eligible applicants as it relates
16 to the special circumstances or unusual cir-
17 cumstances based on which the applicant is re-
18 questing an adjustment.

19 “(4) SPECIAL RULE.—In making adjustments
20 under paragraph (1), a financial aid administrator
21 may offer a dependent student financial assistance
22 under a Federal Direct Unsubsidized Stafford Loan
23 without requiring the parents of such student to pro-
24 vide their parent information on the Free Applica-
25 tion for Federal Student Aid if the student does not

1 qualify for, or does not choose to uses, the unusual
 2 circumstance option specified in accordance with sec-
 3 tion 480(d)(9), and the financial aid administrator
 4 determines that the parents of such student ended
 5 financial support of such student and refuse to file
 6 such form.

7 “(5) PUBLIC DISCLOSURE.—Each institution of
 8 higher education shall make publicly available infor-
 9 mation that students applying for aid under this
 10 title have the opportunity to pursue adjustments
 11 under this section.

12 “(b) ADJUSTMENTS FOR STUDENTS WITH SPECIAL
 13 CIRCUMSTANCES.—

14 “(1) SPECIAL CIRCUMSTANCES FOR ADJUST-
 15 MENTS RELATED TO PELL GRANTS.—Special cir-
 16 cumstances for adjustments to calculate a Federal
 17 Pell Grant award—

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

22 “(B) may include—

23 “(i) recent unemployment of a family
 24 member or an independent student;

1 “(ii) a student or family member who
2 is a dislocated worker (as defined in sec-
3 tion 3 of the Workforce Innovation and
4 Opportunity Act);

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

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

15 “(v) receipt of substantial foreign in-
16 come of permanent residents or United
17 States citizens exempt from Federal tax-
18 ation, or the foreign income for which a
19 permanent resident or citizen received a
20 foreign tax credit; or

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

24 “(2) SPECIAL CIRCUMSTANCES FOR ADJUST-
25 MENTS RELATED TO COST OF ATTENDANCE AND

1 STUDENT AID INDEX.—Special circumstances for ad-
 2 justments to the cost of attendance or the values of
 3 the data used to calculate the student aid index—

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

8 “(B) may include—

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

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

13 “(iii) unusually high child care or de-
 14 pendent care costs not covered by the de-
 15 pendent care cost allowance calculated in
 16 accordance with section 472;

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

19 “(v) a student or family member who
 20 is a dislocated worker (as defined in sec-
 21 tion 3 of the Workforce Innovation and
 22 Opportunity Act);

23 “(vi) the number of family members
 24 enrolled in a degree, certificate, or other
 25 program leading to a recognized edu-

1 cational credential at an institution with a
2 program participation agreement under
3 section 487;

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

9 “(viii) in the case of a dependent stu-
10 dent, a recent condition of severe disability
11 of the student, the dependent student’s
12 parent or guardian, or an independent stu-
13 dent’s dependent or spouse;

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

19 “(x) receipt of substantial foreign in-
20 come of permanent residents or United
21 States citizens exempt from Federal tax-
22 ation, or the foreign income for which a
23 permanent resident or citizen receives a
24 foreign tax credit; or

1 “(C) other changes or adjustments in the
2 income, assets, or size of a family, or a stu-
3 dent’s dependency status.

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

13 “(c) UNUSUAL CIRCUMSTANCES ADJUSTMENTS.—

14 “(1) IN GENERAL.—Unusual circumstances for
15 adjustments to the dependency status of an indi-
16 vidual eligible applicant shall be—

17 “(A) conditions that differentiate an indi-
18 vidual student from a group of students; and

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

21 “(2) PROVISIONAL INDEPENDENT STUDENTS.—

22 “(A) REQUIREMENTS FOR THE SEC-
23 RETARY.—The Secretary shall—

24 “(i) enable each student who, based
25 on an unusual circumstance specified in

1 section 480(d)(9), may qualify for an ad-
2 justment under subsection (a)(1)(B) that
3 will result in a determination of independ-
4 ence under this section and section 479D
5 to complete the Free Application for Fed-
6 eral Student Aid as an independent stu-
7 dent for the purpose of a provisional deter-
8 mination of the student's Federal financial
9 aid award, but subject to the authority
10 under subsection (a)(3), for the purpose of
11 the final determination of the award;

12 “(ii) upon completion of the Free Ap-
13 plication for Federal Student Aid provide
14 an estimate of the student's Federal Pell
15 Grant award, and other information as
16 specified in section 483(a)(3)(A), based on
17 the assumption that the student is deter-
18 mined to be an independent student; and

19 “(iii) specify, on the Free Application
20 for Federal Student Aid, the consequences
21 under section 490(a) of knowingly and
22 willfully completing the Free Application
23 for Federal Student Aid as an independent
24 student under clause (i) without meeting

1 the unusual circumstances to qualify for
2 such a determination.

3 “(B) REQUIREMENTS FOR FINANCIAL AID
4 ADMINISTRATORS.—With respect to a student
5 accepted for admission who completes the Free
6 Application for Federal Student Aid as an inde-
7 pendent student under subparagraph (A), a fi-
8 nancial aid administrator shall—

9 “(i) notify the student of the institu-
10 tional process, requirements, and timeline
11 for an adjustment under this section and
12 section 480(d)(9) that will result in a re-
13 view of the student’s request for an adjust-
14 ment and a determination of the student’s
15 dependency status under such sections
16 within a reasonable time after the student
17 completes the Free Application for Federal
18 Student Aid;

19 “(ii) provide the student a final deter-
20 mination of the student’s dependency sta-
21 tus and Federal financial aid award as
22 soon as practicable after all requested doc-
23 umentation is provided;

24 “(iii) retain all documents related to
25 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 recordkeeping 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

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

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

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

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

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

3 “Notwithstanding any other provision of law, student
 4 financial assistance received under this title, Bureau of In-
 5 dian Affairs student assistance programs, and employ-
 6 ment and training programs under section 134 of the
 7 Workforce Innovation and Opportunity Act (29 U.S.C.
 8 3174 et seq.) shall not be taken into account in deter-
 9 mining the need or eligibility of any person for benefits
 10 or assistance, or the amount of such benefits or assistance,
 11 under any Federal, State, or local program financed in
 12 whole or in part with Federal funds.”.

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

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

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

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

1 “(2) any income received by the student (and
 2 spouse) and student’s parents under the Alaska Na-
 3 tive Claims Settlement Act (43 U.S.C. 1601 et seq.)
 4 or the Maine Indian Claims Settlement Act of 1980
 5 (25 U.S.C. 1721 et seq.).”.

6 (l) DEFINITIONS.—The Higher Education Act of
 7 1965 (20 U.S.C. 1001 et seq.) is amended—

8 (1) by inserting after section 479C the fol-
 9 lowing:

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

11 “(a) DETERMINATION PROCESS FOR UNACCOM-
 12 PANIED YOUTH.—In making a determination of independ-
 13 ence under section 480(d)(8), a financial aid adminis-
 14 trator shall—

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

20 “(A) a local education agency homeless li-
 21 aison, designated pursuant to section
 22 722(g)(1)(J)(ii) of the McKinney-Vento Home-
 23 less Assistance Act or a designee of the liaison;

24 “(B) the director or a recognized emer-
 25 gency shelter, transitional living, street out-

1 reach program, or other program serving indi-
2 viduals who are homeless or a designee of the
3 director;

4 “(C) the director of a Federal TRIO pro-
5 gram or a Gaining Early Awareness and Readiness for Undergraduate program under chapter
6 1 or 2 of subpart 2 of part A or a designee of
7 the director; or
8

9 “(D) by a financial aid administrator at
10 another institution who documented the stu-
11 dent’s circumstance in a prior award year;

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

15 “(A) based on a written statement from or
16 a documented interview with the student which
17 confirms that the student is homeless (as such
18 term is defined in section 725 of the McKinney-
19 Vento Homeless Assistance Act), or unaccom-
20 panied, at risk of homelessness, and self-sup-
21 porting; and

22 “(B) made independent from the reasons
23 that the student is homeless (as such term is
24 defined in section 725 of the McKinney-Vento
25 Homeless Assistance Act), or unaccompanied,

1 at risk of homelessness, and self-supporting;
 2 and

3 “(3) consider a determination made under this
 4 paragraph as distinct from a determination of inde-
 5 pendence under section 480(d)(9).

6 “(b) DOCUMENTATION PROCESS FOR FOSTER CARE
 7 YOUTH.—If an institution requires that a student provide
 8 documentation that they were in foster care when the stu-
 9 dent was age 13 or older, a financial aid administrator
 10 shall consider any of the following as adequate documenta-
 11 tion, in the absence of documented conflicting information:

12 “(1) Submission of a court order or official
 13 State documentation that the student received Fed-
 14 eral or State support in foster care.

15 “(2) A documented phone call, written state-
 16 ment, or verifiable electronic data match, which con-
 17 firms the student was in foster care at an applicable
 18 age, from—

19 “(A) a State or tribal agency administering
 20 a program under part B or E of title IV of the
 21 Social Security Act (42 U.S.C. 621 et seq. and
 22 670 et seq.);

23 “(B) a State Medicaid agency; or

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

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

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

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

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

15 “(2) may be made as early as the year before
 16 the award year for which the student initially sub-
 17 mits an application; and

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

21 “(d) USE OF EARLIER DETERMINATIONS.—

22 “(1) EARLIER DETERMINATION BY THE INSTI-
 23 TUTION.—Any student who is determined to be inde-
 24 pendent under paragraph (2), (8) or (9) of section
 25 480(d) for a preceding award year at an institution

1 shall be presumed to be independent for each subse-
 2 quent award year at the same institution unless—

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

5 “(B) the institution has specific conflicting
 6 information about the student’s independence,
 7 and has informed the student of this informa-
 8 tion.

9 “(2) EARLIER DETERMINATION BY ANOTHER
 10 INSTITUTION.—

11 “(A) SIMPLIFYING THE DEPENDENCY
 12 OVERRIDE PROCESS.—A financial aid adminis-
 13 trator may make a determination of independ-
 14 ence under section 480(d)(9), based upon a
 15 documented determination of independence that
 16 was previously made by another financial aid
 17 administrator under such paragraph in the
 18 same award year.

19 “(e) RETENTION OF DOCUMENTS.—A financial aid
 20 administrator shall retain all documents related to the de-
 21 termination of independence under paragraphs (2) or (8)
 22 of section 480(d), including documented interviews.”; and

23 (2) by striking section 480 and inserting the
 24 following:

1 **“SEC. 480. DEFINITIONS.**

2 “In this part:

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

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

14 “(1) deductions and payments to self-employed
15 SEP, SIMPLE, Keogh, and other qualified indi-
16 vidual retirement accounts excluded from income for
17 Federal tax purposes, except such term shall not in-
18 clude payments made to tax-deferred pension and
19 retirement plans, paid directly or withheld from
20 earnings, that are not delineated on the Federal tax
21 return;

22 “(2) tax-exempt interest income;

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

25 “(4) untaxed portion of pensions.

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

4 “(d) INDEPENDENT STUDENTS AND DETERMINA-
5 TIONS.— The term ‘independent’, when used with respect
6 to a student, means any individual who—

7 “(1) is 24 years of age or older by December
8 31 of the award year;

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

11 “(A) an orphan;

12 “(B) ward of the court; or

13 “(C) in foster care;

14 “(3) is, or was immediately prior to attaining
15 the age of majority, an emancipated minor or in
16 legal guardianship as determined by a court of com-
17 petent jurisdiction in the individual’s State of legal
18 residence;

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

23 “(5) is a graduate or professional student;

24 “(6) is married and not separated;

25 “(7) has legal dependents other than a spouse;

1 “(8) an unaccompanied youth 23 years of age
 2 or younger who is homeless (as such term is defined
 3 in section 725 of the McKinney-Vento Homeless As-
 4 sistance Act), or unaccompanied, at risk of home-
 5 lessness, and self-supporting, or—

6 “(9) is a student for whom a financial aid ad-
 7 ministrator makes a documented determination of
 8 independence by reason of other unusual cir-
 9 cumstances as described under section 479A(c) in
 10 which the student is unable to contact a parent or
 11 where contact with parents poses a risk to such stu-
 12 dent, which includes circumstances of—

13 “(A) human trafficking, as described in
 14 the Trafficking Victims Protection Act of 2000
 15 (22 U.S.C. 7101 et seq.);

16 “(B) legally granted refugee or asylum sta-
 17 tus;

18 “(C) parental abandonment or estrange-
 19 ment; or

20 “(D) parental incarceration.

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

25 “(f) ASSETS.—

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

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

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

18 “(A) the student if the student is an inde-
 19 pendent student; or

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

24 “(g) NET ASSETS.—The term ‘net assets’ means the
 25 market value at the time of application of the assets (as

1 defined in subsection (f)), minus the outstanding liabilities
 2 or indebtedness against the assets.

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

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

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

22 “(i) OTHER FINANCIAL ASSISTANCE.—

23 “(1) For purposes of determining a student’s
 24 eligibility for funds under this title, other financial
 25 assistance not received under this title shall include

1 all scholarships, grants, loans, or other assistance
2 known to the institution at the time the determina-
3 tion of the student's need is made, including na-
4 tional service educational awards or post-service ben-
5 efits under title I of the National and Community
6 Service Act of 1990 (42 U.S.C. 12511 et seq.).

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

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

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

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

20 “(j) DEPENDENTS.—

21 “(1) Except as otherwise provided, the term
22 ‘dependent of the parent’ means the student who is
23 deemed to be a dependent students when applying
24 for aid under this title, and any other person who
25 lives with and receives more than one-half of their

1 support from the parent (or parents) and will con-
 2 tinue to receive more than half of their support from
 3 the parent (or parents) during the award year.

4 “(2) Except as otherwise provided, the term
 5 ‘dependent of the student’ means the student’s de-
 6 pendent children and other persons (except the stu-
 7 dent’s spouse) who live with and receive more than
 8 one-half of their support from the student and will
 9 continue to receive more than half of their support
 10 from the student during the award year.

11 “(k) FAMILY SIZE.—

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

15 “(A) if the parents are not divorced or sep-
 16 arated, family members include the student’s
 17 parents, and any dependent (within the mean-
 18 ing of section 152 of the Internal Revenue Code
 19 of 1986 or an eligible individual for purposes of
 20 the credit under section 32 of the Internal Rev-
 21 enue Code of 1986) of the student’s parents for
 22 the taxable year used in determining the
 23 amount of need of the student for financial as-
 24 sistance under this title;

1 “(B) if the parents are divorced or sepa-
2 rated, family members include the parent whose
3 income is included in computing available in-
4 come and any dependent (within the meaning of
5 section 152 of the Internal Revenue Code of
6 1986 or an eligible individual for purposes of
7 the credit under section 32 of the Internal Rev-
8 enue Code of 1986) of that parent for the tax-
9 able year used in determining the amount of
10 need of the student for financial assistance
11 under this title;

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

1 come is included in determining the parent's
2 adjusted available income; and

3 “(D) if the student is not considered as a
4 dependent (within the meaning of section 152
5 of the Internal Revenue Code of 1986 or an eli-
6 gible individual for purposes of the credit under
7 section 32 of the Internal Revenue Code of
8 1986) of any parent, the parents' family size
9 shall include the student and the family mem-
10 bers applicable to the parents' situation under
11 subparagraph (A), (B), or (C).

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

15 “(A) family members include the student,
16 the student's spouse, and any dependent (within
17 the meaning of section 152 of the Internal Rev-
18 enue Code of 1986 or an eligible individual for
19 purposes of the credit under section 32 of the
20 Internal Revenue Code of 1986) of that student
21 for the taxable year used in determining the
22 amount of need of the student for financial as-
23 sistance under this title; and

24 “(B) if the student is divorced or sepa-
25 rated, family members do not include the

1 spouse (or ex-spouse), but do include the stu-
2 dent and any dependent (within the meaning of
3 section 152 of the Internal Revenue Code of
4 1986 or an eligible individual for purposes of
5 the credit under section 32 of the Internal Rev-
6 enue Code of 1986) of that student for the tax-
7 able year used in determining the amount of
8 need of the student for financial assistance
9 under this title.

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

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

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

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

2 “(a) SIMPLIFIED APPLICATION FOR FEDERAL STU-
3 DENT FINANCIAL AID.—

4 “(1) IN GENERAL.—Each individual seeking to
5 apply for Federal financial aid under this title for
6 any award year shall file a free application with the
7 Secretary, known as the ‘Free Application for Fed-
8 eral Student Aid’, to determine eligibility for such
9 aid, as described in paragraph (2), and in accord-
10 ance with section 479.

11 “(2) FREE APPLICATION.—

12 “(A) IN GENERAL.—The Secretary shall
13 make available, for the purposes of paragraph
14 (1), a free application to determine the eligi-
15 bility of a student for Federal financial aid
16 under this title.

17 “(B) INFORMATION REQUIRED BY THE AP-
18 PPLICANT.—

19 “(i) IN GENERAL.—The applicant,
20 and, if necessary, the parents or spouse of
21 the applicant, shall provide the Secretary
22 with the applicable information described
23 in clause (ii) in order to be eligible for
24 Federal financial aid under this title.

1 “(ii) INFORMATION TO BE PRO-
2 VIDED.—The information described in this
3 clause is the following:

4 “(I) Name.

5 “(II) Contact information, in-
6 cluding address, phone number, email
7 address, or other electronic address.

8 “(III) Social security number.

9 “(IV) Date of birth.

10 “(V) Marital status.

11 “(VI) Citizenship status, includ-
12 ing alien registration number, if appli-
13 cable.

14 “(VII) Sex.

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

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

19 “(aa) Name and location of
20 the high school from which the
21 applicant received, or will receive
22 prior to the period of enrollment
23 for which aid is sought, a regular
24 high school diploma;

1 “(bb) name and location of
2 the entity from which the appli-
3 cant received, or will receive prior
4 to the period of enrollment for
5 which aid is sought, a recognized
6 equivalent of a regular high
7 school diploma; or

8 “(cc) if the applicant com-
9 pleted or will complete prior to
10 the period of enrollment for
11 which aid is sought, a secondary
12 school education in a home school
13 setting that is treated as a home
14 school or private school under
15 State law.

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

19 “(XI) Year in school for period
20 of enrollment for which aid is sought,
21 including whether applicant will have
22 finished first bachelor’s degree prior
23 to the period of enrollment for which
24 aid is sought.

1 “(XII) Whether one or both of
2 the applicant’s parents attended col-
3 lege.

4 “(XIII) Any required asset infor-
5 mation, unless exempt under section
6 479, in which the applicant shall indi-
7 cate—

8 “(aa) the annual amount of
9 child support received, if applica-
10 ble; and

11 “(bb) all required asset in-
12 formation not described in item
13 (aa).

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

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

22 “(aa) Homeless, at risk of
23 being homeless, or an unaccom-
24 panied youth.

25 “(bb) Emancipated minor.

1 “(cc) In legal guardianship.

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

5 “(ee) In foster care at any
6 time since the applicant turned
7 13.

8 “(ff) If both parents have
9 died since the applicant turned
10 13.

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

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

20 “(ii) Does not have access to
21 parental income due to an un-
22 usual circumstance in accordance
23 with section 480(d)(9).

24 “(XVI) If the applicant receives
25 or has received any of the following

1 means-tested Federal benefits within
2 the last two years:

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

7 “(bb) The supplemental nu-
8 trition assistance program under
9 the Food and Nutrition Act of
10 2008 (7 U.S.C. 2011 et seq.).

11 “(cc) The free and reduced
12 price school lunch program estab-
13 lished under the Richard B. Rus-
14 sell National School Lunch Act
15 (42 U.S.C. 1751 et seq.).

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

22 “(ee) The special supple-
23 mental nutrition program for
24 women, infants, and children es-
25 tablished by section 17 of the

1 Child Nutrition Act of 1966 (42
2 U.S.C. 1786).

3 “(ff) The Medicaid program
4 under title XIX of the Social Se-
5 curity Act (42 U.S.C. 1396 et
6 seq.).

7 “(gg) Federal housing as-
8 sistance programs, including ten-
9 ant-based assistance under sec-
10 tion 8(o) of the United States
11 Housing Act of 1937 (42 U.S.C.
12 1437f(o)), and public housing, as
13 defined in section 3(b)(1) of such
14 Act (42 U.S.C. 1437a(b)(1)).

15 “(hh) Any other means-test-
16 ed program determined by the
17 Secretary to be appropriate.

18 “(XVII) If the applicant, or, if
19 necessary, the parents or spouse of
20 the applicant, reported receiving tax
21 exempt payments from an individual
22 retirement plan (as defined in section
23 7701 of the Internal Revenue Code of
24 1986) distribution or from pensions or
25 annuities on a Federal tax return, in-

1 formation as to how much of the indi-
2 vidual retirement plan distribution or
3 pension or annuity disbursement was
4 a qualified rollover.

5 “(iii) PROHIBITION AGAINST RE-
6 QUESTING INFORMATION MORE THAN
7 ONCE.—Any information requested during
8 the process of creating an account for com-
9 pleting the free application under this sub-
10 section, shall not be required a second time
11 for the same award year, or in a duplica-
12 tive manner, when completing such free
13 application except in the case of an un-
14 usual situation.

15 “(iv) CHANGE IN FAMILY SIZE.—The
16 Secretary shall provide a process by which
17 an applicant shall confirm the accuracy of
18 family size or update the family size with
19 respect to such applicant for purposes of
20 determining the need of such applicant for
21 financial assistance under this title based
22 on a change in family size from the tax
23 year data used for such determination.

1 “(v) SINGLE QUESTION FOR HOME-
2 LESS STATUS.—The Secretary shall ensure
3 that—

4 “(I) on the form developed under
5 this section for which the information
6 is applicable, there is a single, easily
7 understood screening question to iden-
8 tify an applicant who is an unaccom-
9 panied homeless child or youth (as
10 such term is defined in section 725 of
11 the McKinney-Vento Homeless Assist-
12 ance Act) or an unaccompanied youth
13 who is self-supporting and at risk of
14 homelessness; and

15 “(II) such question is distinct
16 from those relating to an individual
17 who does not have access to parental
18 income due to an unusual cir-
19 cumstance.

20 “(vi) ADJUSTMENTS.—The Secretary
21 shall disclose on the FAFSA that the stu-
22 dent may, on a case-by-case basis, qualify
23 for an adjustment under section 479A to
24 the cost of attendance or the values of the

1 data items required to calculate the stu-
2 dent aid index for the student or parent.

3 “(C) NOTIFICATION OF REQUEST FOR TAX
4 RETURN INFORMATION.—The Secretary shall
5 advise students and borrowers who submit an
6 application for Federal student financial aid
7 under this title (as well as parents and spouses
8 who sign such an application or request or a
9 Master Promissory Note on behalf of those stu-
10 dents and borrowers) of the authority of the
11 Secretary to request that the Internal Revenue
12 Service disclose their tax return information as
13 described in section 494.

14 “(D) AUTHORIZATIONS AVAILABLE TO THE
15 APPLICANT.—

16 “(i) AUTHORIZATION TO RELEASE
17 AND TRANSMIT TO INSTITUTION.—An ap-
18 plicant and, if necessary, the parents or
19 spouse of the applicant shall provide the
20 Secretary with authorization to release and
21 transmit to an institution, as specified by
22 the applicant, in order for the applicant’s
23 eligibility for Federal financial aid pro-
24 grams to be determined, the following:

1 “(I) Information described under
 2 section 6103(l)(13) of the Internal
 3 Revenue Code of 1986.

4 “(II) All information provided by
 5 the applicant on the application de-
 6 scribed by this subsection to deter-
 7 mine the applicant’s eligibility for
 8 Federal financial aid under this title
 9 and for the application, award, and
 10 administration of such Federal finan-
 11 cial aid.

12 “(ii) AUTHORIZATION TO RELEASE
 13 AND TRANSMIT TO STATE AND INSTITU-
 14 TION.—

15 “(I) IN GENERAL.—An applicant
 16 and, if necessary, the parents or
 17 spouse of the applicant may provide
 18 the Secretary with authorization to re-
 19 lease and transmit to the State of res-
 20 idence of the applicant and to any in-
 21 stitution specified by the applicant, in
 22 order for the applicant’s eligibility for
 23 State student financial aid programs
 24 or institution-based student financial

aid programs to be determined, the following:

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

“(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:

1 “(I) Information described under
2 section 6103(l)(13) of the Internal
3 Revenue Code of 1986.

4 “(II) All information provided by
5 the applicant on the application de-
6 scribed by this subsection to deter-
7 mine the applicant’s eligibility for the
8 application, award, and administration
9 of such means-tested Federal benefits
10 programs.

11 “(E) ACTION BY THE SECRETARY.—Upon
12 receiving—

13 “(i) an application under this section,
14 the Secretary shall, as soon as practicable,
15 perform the necessary functions with the
16 Commissioner of Internal Revenue to cal-
17 culate the applicant’s student aid index
18 and scheduled award for a Federal Pell
19 Grant, if applicable, assuming full-time en-
20 rollment for an academic year, and note to
21 the applicant the assumptions relationship
22 to the scheduled award; and

23 “(ii) an authorization under subpara-
24 graph (D), the Secretary shall, as soon as
25 practicable, release and transmit the infor-

1 mation described under such subparagraph
2 to the State of residence of the applicant
3 or an institution, as specified by the appli-
4 cant, in order for the applicant’s eligibility
5 for Federal, State, or institutional student
6 financial aid programs to be estimated or
7 determined.

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

10 “(A) IN GENERAL.—Upon receiving and
11 timely processing a free application that con-
12 tains the information described in paragraph
13 (2), the Secretary shall provide to the applicant
14 (and the parents of a dependent student appli-
15 cant, or spouse of the independent student ap-
16 plicant, if applicable) the following information
17 based on full-time attendance for an academic
18 year:

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

23 “(ii) Information on other types of
24 Federal financial aid for which the appli-
25 cant may be eligible (including situations

1 in which the applicant could qualify for
2 150 percent of a schedule Federal Pell
3 Grant award and loans made under this
4 title) and how the applicant can find addi-
5 tional information regarding such aid.

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

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

15 “(aa) Net price by income
16 quintile.

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

19 “(cc) Graduation rate.

20 “(dd) Retention rate.

21 “(ee) Transfer rate, if avail-
22 able.

23 “(II) Institutional default rate,
24 as calculated under section 435.

1 “(iv) If the student is eligible for a
 2 student aid index of less than or equal to
 3 zero under section 473 but has not indi-
 4 cated that they receive Federal means-test-
 5 ed benefits, a notification of the Federal
 6 means-tested benefits for which they may
 7 be eligible.

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

12 “(vi) If the individual identified as a
 13 veteran, or as serving (on the date of the
 14 application) on active duty in the Armed
 15 Forces for other than training purposes,
 16 information on benefits administered by
 17 the Department of Veteran Affairs or De-
 18 partment of Defense, respectively.

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

22 “(B) INFORMATION PROVIDED TO THE
 23 STATE.—

24 “(i) IN GENERAL.—The Secretary
 25 shall provide, with authorization from the

1 applicant in accordance with paragraph
2 (2)(D)(ii), to a State agency administering
3 State-based financial aid and serving the
4 applicant's State of residence, the informa-
5 tion described under section 6103(l)(13) of
6 the Internal Revenue Code of 1986 and in-
7 formation described in paragraph (2)(B)
8 for the application, award, and administra-
9 tion of grants and other aid provided di-
10 rectly from the State to be determined by
11 such State. Such information shall include
12 the list of institutions provided by the ap-
13 plicant on the application.

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

17 “(I) shall use the information
18 provided under clause (i) solely for the
19 application, award, and administration
20 of State-based financial aid for which
21 the applicant is eligible and for State
22 agency research that does not release
23 any individually identifiable informa-
24 tion on any applicant to promote col-

1 lege attendance, persistence, and com-
2 pletion;

3 “(II) may use identifying infor-
4 mation for student applicants to de-
5 termine whether or not a graduating
6 secondary student has filed the appli-
7 cation in coordination with local edu-
8 cational agencies or secondary schools
9 to encourage students to complete the
10 application; and

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

16 “(iii) LIMITATION ON CONSENT PROC-
17 ESS.—A State may provide a consent proc-
18 ess whereby an applicant may elect to
19 share the information described in clause
20 (i) through explicit written consent to Fed-
21 eral, State, or local government agencies or
22 tribal organizations to assist such appli-
23 cant in applying for and receiving Federal,
24 State, or local government assistance, or
25 tribal assistance for any component of the

1 applicant's cost of attendance which may
2 include financial assistance or non-mone-
3 tary assistance.

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

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

11 “(i) IN GENERAL.—The Secretary
12 shall provide, with authorization from the
13 applicant in accordance with paragraph
14 (2)(D)(ii), to each institution selected by
15 the applicant on the application, the infor-
16 mation described under section 6103(l)(13)
17 of the Internal Revenue Code of 1986 and
18 information described in paragraph (2)(B)
19 for the application, award, and administra-
20 tion of grants and other aid provided di-
21 rectly from the institution to be deter-
22 mined by such institution and grants and
23 other aid provided directly from the State
24 or Federal Government.

1 “(ii) USE OF INFORMATION.—An in-
2 stitution—

3 “(I) shall use the information
4 provided to it under clause (i) solely
5 for the application, award, and admin-
6 istration of financial aid to the appli-
7 cant, and for institutional research
8 that does not release any individually
9 identifiable information on any appli-
10 cant, to promote college attendance,
11 persistence and completion; and

12 “(II) shall not share such infor-
13 mation with any other entity without
14 the explicit written consent of the ap-
15 plicant.

16 “(iii) LIMITATION ON CONSENT PROC-
17 ESS.—An institution may provide a con-
18 sent process whereby an applicant can
19 elect to share the information described in
20 clause (i) with explicit written consent to a
21 scholarship granting organization, includ-
22 ing a tribal organization (defined in section
23 4 of the Indian Self-Determination and
24 Education Assistance Act (25 U.S.C.
25 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

1 “(iii) determine the best practices for
 2 outreach to students and families during
 3 the transition to the streamlined process
 4 for the determination of Federal financial
 5 aid and Federal Pell Grant eligibility while
 6 reducing the data burden on applicants
 7 and families; and

8 “(B) solicit public comments for the for-
 9 mat of the free application that provides for
 10 adequate time to incorporate feedback prior to
 11 development of the application for the suc-
 12 ceeding award year.

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

21 “(6) STATE-RUN PROGRAMS.—

22 “(A) IN GENERAL.—The Secretary shall
 23 conduct outreach to States in order to research
 24 the benefits to students of States relying solely
 25 on the financial data made available, upon au-

1 thorization by the applicant, as a result of an
 2 application for aid under this subsection for de-
 3 termining the eligibility of the applicant for
 4 State provided financial aid.

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

17 “(i) a list of States that do not re-
 18 quire additional financial information sepa-
 19 rate from the Free Application for Federal
 20 Student Aid and do not require asset infor-
 21 mation from students who qualify for the
 22 exemption from asset reporting under sec-
 23 tion 479 for the purposes of awarding
 24 State scholarships and grant aid;

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

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

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

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

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

1 aid. The Secretary shall make readily available
2 to the public through its websites and other
3 means—

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

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

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

22 “(iv) with the publication of the list in
23 clause (iii), information about additional
24 resources available to applicants.

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

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

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

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

14 “(9) REPORT TO CONGRESS.—

15 “(A) IN GENERAL.—Not later than one
16 year after the date of enactment of the Student
17 Loan Repayment and FAFSA Simplification
18 Act, the Secretary shall report to the Com-
19 mittee on Health, Education, Labor, and Pen-
20 sions of the Senate and the Committee on Edu-
21 cation and Labor of the House of Representa-
22 tives on the progress of the Secretary in car-
23 rying out this subsection, including planning
24 and stakeholder consultation. Such report shall
25 include—

1 “(i) benchmarks for implementation;

2 “(ii) entities and organization that the
3 Secretary consulted;

4 “(iii) system requirements for such
5 implementation and how they will be ad-
6 dressed;

7 “(iv) any areas of concern and poten-
8 tial problem issues uncovered that may
9 hamper such implementation; and

10 “(v) solutions determined to address
11 such issues.

12 “(B) QUARTERLY UPDATES.—The Sec-
13 retary shall provide updates to the Committees
14 described in subparagraph (A)—

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

20 “(ii) at least 6 months and 1 year
21 after implementation of the Free Applica-
22 tion for Federal Student Aid.

23 “(b) ADJUSTMENTS AND IMPROVEMENTS.—

24 “(1) IN GENERAL.—The Secretary shall dis-
25 close in a consumer-tested format, upon completion

1 of the Free Application for Federal Student Aid
 2 under this section, that the student may, on a case-
 3 by-case basis, qualify for an adjustment under sec-
 4 tion 479A to the cost of attendance or the values of
 5 the data items required to calculate the Federal Pell
 6 Grant or the need analysis for the student or parent.
 7 Such disclosure shall specify—

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

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

16 “(2) CONSUMER TESTING.—

17 “(A) IN GENERAL.—Not later than 9
 18 months after the date of enactment of the Stu-
 19 dent Loan Repayment and FAFSA Simplifica-
 20 tion Act, the Secretary shall begin consumer
 21 testing the design of the Free Application for
 22 Federal Student Aid under this section with
 23 prospective first-generation college students,
 24 representatives of students (including low-in-
 25 come students, first generation college students,

1 adult students, veterans, servicemembers, and
2 prospective students), students' families (includ-
3 ing low-income families, families with first gen-
4 eration college students, and families with pro-
5 spective students), institutions of higher edu-
6 cation, secondary school and postsecondary
7 counselors, and nonprofit consumer groups.

8 “(B) UPDATES.—For award year 2021
9 and each fourth succeeding award year there-
10 after, the Secretary shall update the design of
11 the Free Application for Federal Student Aid
12 based on additional consumer testing with the
13 populations described in subparagraph (A) in
14 order to improve the usability and accessibility
15 of the application.

16 “(3) ACCESSIBILITY OF THE FAFSA.—The Sec-
17 retary shall—

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

22 “(B) develop versions of the Free Applica-
23 tion for Federal Student Aid form in each of
24 the languages determined in subparagraph (A);
25 and

1 “(C) ensure the Free Application for Fed-
 2 eral Student Aid is compliant with the most re-
 3 cent Web Content Accessibility Guidelines, or
 4 successor guidelines.

5 “(4) REAPPLICATION IN A SUCCEEDING ACA-
 6 DEMIC YEAR.—In order to streamline applicant’s ex-
 7 perience applying for financial aid, the Secretary
 8 shall allow an applicant who electronically applies for
 9 financial assistance under this title for an academic
 10 year subsequent to an academic year for which such
 11 applicant applied for financial assistance under this
 12 title to automatically electronically import all of the
 13 applicant’s (including parents, guardians, or
 14 spouses, as applicable) identifying, demographic, and
 15 school data from the previous application and to up-
 16 date such information to reflect any circumstances
 17 that have changed.

18 “(5) TECHNOLOGY ACCESSIBILITY.—The Sec-
 19 retary shall make the application under this section
 20 available through prevalent technology. Such tech-
 21 nology shall, at a minimum, enable applicants to—

22 “(A) save data; and

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

1 “(6) VERIFICATION BURDEN.—The Secretary
2 shall—

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

7 “(B) in establishing policies and proce-
8 dures to verify applicants’ eligibility for Federal
9 financial aid, consider—

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

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

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

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

20 “(C) issue a report not less often than an-
21 nually sharing the percentage of applicants sub-
22 ject to verification, whether the applicants ulti-
23 mately received Federal financial aid disburse-
24 ments, and whether the student aid index

1 changed enough to affect the applicant’s award
2 of any Federal financial aid under this title.

3 “(7) STUDIES.—The Secretary shall periodi-
4 cally conduct studies on—

5 “(A) the effect of States requiring addi-
6 tional information specified in clauses (ii) and
7 (iii) of paragraph (6)(B) on the determination
8 of State financial aid awards and whether the
9 additional information required is a barrier to
10 college enrollment by examining—

11 “(i) how much financial aid awards
12 would change if the additional information
13 were not required;

14 “(ii) the number of students who
15 started but did not finish the Free Appli-
16 cation for Federal Student Aid, compared
17 to the baseline year of 2021; and

18 “(iii) the number of students who—

19 “(I) started a Free Application
20 for Federal Student Aid but did not
21 receive financial assistance under this
22 title for the applicable academic year;
23 and

1 “(II) if available, did not enroll
 2 in an institution of higher education
 3 in the applicable academic year;

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

7 “(C) the most common reasons that stu-
 8 dents and families do not fill out the Free Ap-
 9 plications for Federal Student Aid.

10 “(c) DATA AND INFORMATION.—

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

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

21 “(B) quarterly on the total number of Free
 22 Applications for Federal Student Aid submitted
 23 by application cycle, disaggregated by type of
 24 institution or institutions of higher education to
 25 which the applicant applied, the applicant’s

1 State of legal residence, and high school and
2 public school district;

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

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

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

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

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

23 “(i) by State; and

24 “(ii) by the sources of determination
25 as described in section 479D(b).

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

8 “(d) ENSURING FORM USABILITY.—

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

15 “(2) FREE PREPARATION AUTHORIZED.—Not-
16 withstanding any other provision of this title, an ap-
17 plicant may use a preparer for consultative or prepa-
18 ration services for the completion of the Free Appli-
19 cation for Federal Student Aid without charging a
20 fee to the applicant if the preparer—

21 “(A) includes, at the time the application
22 is submitted to the Department, the name, ad-
23 dress or employer’s address, social security
24 number or employer identification number, and

1 organizational affiliation of the preparer on the
2 applicant's form;

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

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

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

15 “(3) CHARGES TO STUDENTS AND PARENTS
16 FOR USE OF FORMS PROHIBITED.—The need and
17 eligibility of a student for financial assistance under
18 this title may be determined only by using the Free
19 Application for Federal Student Aid developed by
20 the Secretary under this section. Such application
21 shall be produced, distributed, and processed by the
22 Secretary, and no parent or student shall be charged
23 a fee by the Secretary, a contractor, a third-party
24 servicer or private software provider, or any other
25 public or private entity for the collection, processing,

1 or delivery of Federal financial aid through the use
2 of such application. No data collected on a form for
3 which a fee is charged shall be used to complete the
4 Free Application for Federal Student Aid prescribed
5 under this section, except that a Federal or State in-
6 come tax form prepared by a paid income tax pre-
7 parer or preparer service for the primary purpose of
8 filing a Federal or State income tax return may be
9 used to complete the Free Application for Federal
10 Student Aid prescribed under this section.

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

19 “(5) EARLY ESTIMATES.—The Secretary shall
20 maintain an electronic method for applicants to
21 enter income and family size information to calculate
22 a non-binding estimate of the applicant’s Federal fi-
23 nancial aid available under this title and shall place
24 such calculator on a prominent location at the begin-

1 ning of the Free Application for Federal Student
2 Aid.”.

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

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

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

12 (2) by striking subsection (r);

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

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

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

1 ance with any rule or regulation issued under such sec-
2 tion.”.

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

7 (p) EARLY AWARENESS OF FINANCIAL AID ELIGI-
8 BILITY.—Section 485E of the Higher Education Act of
9 1965 (20 U.S.C. 1092f) is amended to read as follows:
10 **“SEC. 485E. EARLY AWARENESS AND OUTREACH OF FINAN-**
11 **CIAL AID ELIGIBILITY.**

12 “(a) IN GENERAL.—The Secretary shall implement
13 early outreach activities in order to provide prospective
14 students and their families with information about finan-
15 cial aid and estimates of financial aid. Such early outreach
16 activities shall include the activities described in sub-
17 sections (b), (c), and (d).

18 “(b) PELL GRANT EARLY AWARENESS ESTI-
19 MATES.—

20 “(1) IN GENERAL.—The Secretary shall
21 produce a consumer-tested method of estimating stu-
22 dent eligibility for Federal Pell Grants outlined in
23 section 401(b) utilizing the variables of family size
24 and adjusted gross income, and presented in elec-

1 tronic format. There shall be a method for students
2 to indicate whether they are, or will be in—

3 “(A) a single-parent household;

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

5 “(C) a household with no children or de-
6 pendents.

7 “(2) CONSUMER TESTING.—

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

13 “(B) UPDATES.—For award year 2023–
14 2024 and each fourth succeeding award year
15 thereafter, the design of the method of esti-
16 mating eligibility shall be updated based on ad-
17 ditional consumer testing with the populations
18 described in subparagraph (A).

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

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

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

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

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

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

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

1 manner that encourages students to fill out the
2 FAFSA.

3 “(c) EARLY AWARENESS PLANS.—The Secretary
4 shall establish and implement early awareness and out-
5 reach plans to provide early information about the avail-
6 ability of Federal financial aid and estimates of prospec-
7 tive students’ eligibility for Federal financial aid as well
8 as to promote the attainment of postsecondary education
9 specifically among prospective first-generation students
10 and families as well as low-income individuals and fami-
11 lies, as follows:

12 “(1) OUTREACH PLANS FOR LOW-INCOME FAMI-
13 LIES.—

14 “(A) IN GENERAL.—The Secretary shall
15 develop plans for each population described in
16 this subparagraph to disseminate information
17 about the availability of Federal financial aid
18 under this title, in addition to and in coordina-
19 tion with the distribution of the method of esti-
20 mating eligibility under subsection (b), to—

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

1 “(ii) local educational agencies and
 2 middle schools and high schools that serve
 3 students not less than 25 percent of whom
 4 meet a measure of poverty as described in
 5 section 1113(a)(5) of the Elementary and
 6 Secondary Education Act; and

7 “(iii) households receiving assistance
 8 under the supplemental nutrition assist-
 9 ance program established under the Food
 10 and Nutrition Act of 2008 (7 U.S.C. 2011
 11 et seq.).

12 “(B) CONTENT OF PLANS.—The plans de-
 13 scribed in paragraph (A) shall—

14 “(i) provide students and their fami-
 15 lies with information on—

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

18 “(II) the electronic estimates of
 19 financial aid available under sub-
 20 section (b);

21 “(III) Federal financial aid avail-
 22 able to students, including eligibility
 23 criteria for the Federal financial aid
 24 and an explanation of the Federal fi-
 25 nancial aid programs (including appli-

1 cable Federal educational tax credits);
2 and

3 “(IV) resources that can inform
4 students of financial aid that may be
5 available from State-based financial
6 aid, State-based college savings pro-
7 grams, and scholarships and other
8 non-governmental sources; and

9 “(ii) describe how the dissemination of
10 information will be conducted by the Sec-
11 retary.

12 “(C) REPORTING AND UPDATES.—The
13 Secretary shall post the information about the
14 plans under subparagraph (A) and associated
15 goals publicly on the Department of Education
16 website. On an annual basis, the Secretary shall
17 report qualitative and quantitative outcomes re-
18 garding the implementation of the plans under
19 subparagraph (A). The Secretary shall review
20 and update such plans not less often than every
21 4 award years with the goal of progressively in-
22 creasing the impact of the activities under this
23 paragraph.

24 “(D) PARTNERSHIP.—The Secretary may
25 partner with States, State systems of higher

1 education, institutions of higher education, or
2 college access organizations to carry out this
3 paragraph.

4 “(2) INTERAGENCY COORDINATION PLANS.—

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

14 “(i) The Secretary of the Treasury.

15 “(ii) The Secretary of Labor.

16 “(iii) The Secretary of Health and
17 Human Services.

18 “(iv) The Secretary of Agriculture.

19 “(v) The Secretary of Housing and
20 Urban Development.

21 “(vi) The Secretary of Commerce.

22 “(vii) The Secretary of Veterans Af-
23 fairs.

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

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

4 “(i) to identify opportunities in which
5 low-income individuals and families could
6 be informed of the availability of Federal
7 financial aid under this title through ac-
8 cess to other Federal programs that serve
9 low-income individuals and families;

10 “(ii) to identify methods to effectively
11 inform low-income individuals and families
12 of the availability of Federal financial aid
13 for postsecondary education under this
14 title;

15 “(iii) develop early awareness activi-
16 ties that align with the opportunities and
17 methods identified under clauses (ii) and
18 (iii);

19 “(iv) establish goals regarding the ef-
20 fects of the activities to be implemented
21 under clause (iii); and

22 “(v) provide information on how stu-
23 dents and families can maintain access to
24 Federal programs that serve low-income
25 individuals and families operated by the

1 agencies identified under subsection (A)
2 while attending an institution of higher
3 education.

4 “(C) PLAN WITH SECRETARY OF THE
5 TREASURY.—The interagency coordination plan
6 under subparagraph (A)(i) between the Sec-
7 retary and the Secretary of the Treasury shall
8 further include specific methods to increase the
9 application for Federal financial aid under this
10 title from individuals who file Federal tax re-
11 turns, including collaboration with tax prepara-
12 tion entities or other third parties, as appro-
13 priate.

14 “(D) REPORTING AND UPDATES.—The
15 Secretary shall post the information about the
16 interagency coordination plans under paragraph
17 (2) and associated goals publicly on the Depart-
18 ment of Education website. The plans shall
19 have the goal of progressively increasing the im-
20 pact of the activities under this paragraph by
21 increasing the number of low-income applicants
22 for, and recipients of, Federal financial aid. The
23 plans shall be updated not less than once every
24 4 years.

1 “(3) NATIONWIDE PARTICIPATION IN EARLY
2 AWARENESS PLANS.—

3 “(A) IN GENERAL.—The Secretary shall
4 solicit voluntary public commitments from enti-
5 ties, such as States, State systems of higher
6 education, institutions of higher education, and
7 other interested organizations, to carry out
8 early awareness plans, which shall include
9 goals, to—

10 “(i) notify prospective and existing
11 students who are low-income individuals
12 and families about their eligibility for Fed-
13 eral aid under this title, as well as State-
14 based financial aid, if applicable, on an an-
15 nual basis;

16 “(ii) increase the number of prospec-
17 tive and current students who are low-in-
18 come individuals and families filing the
19 Free Application for Federal Student Aid;
20 and

21 “(iii) increase the number of prospec-
22 tive and current students who are low-in-
23 come individuals and families enrolling in
24 postsecondary education.

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

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

20 “(d) PUBLIC AWARENESS CAMPAIGN.—

21 “(1) IN GENERAL.—The Secretary shall develop
22 and implement a public awareness campaign de-
23 signed using current and relevant independent re-
24 search regarding strategies and media platforms
25 found to be most effective in communicating with

1 low-income populations in order to increase national
2 awareness regarding the availability of Federal Pell
3 Grants and financial aid under this title and, at the
4 option of the Secretary, potential availability of
5 State need-based financial aid.

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

21 “(3) REPORTING.—The Secretary shall report
22 on the success of the public awareness campaign de-
23 scribed in paragraph (1) annually regarding the ex-
24 tent to which the public and target populations were
25 reached using data commonly used to evaluate ad-

1 vertising and outreach campaigns and data regard-
2 ing whether the campaign produced any increase in
3 applicants for Federal aid under this title publicly
4 on the Department of Education website.”.

○