

Trade Commission, shall jointly submit to Congress each year a report on fraud in the offering of financial assistance for purposes of financing an education at an institution of higher education. Each report shall contain an assessment of the nature and quantity of incidents of such fraud during the one-year period ending on the date of such report.

(2) Initial report

The first report under paragraph (1) shall be submitted not later than 18 months after November 1, 2000.

(b) National awareness activities

The Secretary of Education shall, in conjunction with the Federal Trade Commission, maintain a scholarship fraud awareness site on the Internet web site of the Department of Education. The scholarship fraud awareness site may include the following:

(1) Appropriate materials from the Project Scholarscam awareness campaign of the Commission, including examples of common fraudulent schemes.

(2) A list of companies and individuals who have been convicted of scholarship fraud in Federal or State court.

(3) An Internet-based message board to provide a forum for public complaints and experiences with scholarship fraud.

(4) An electronic comment form for individuals who have experienced scholarship fraud or have questions about scholarship fraud, with appropriate mechanisms for the transfer of comments received through such forms to the Department and the Commission.

(5) Internet links to other sources of information on scholarship fraud, including Internet web sites of appropriate nongovernmental organizations, colleges and universities, and government agencies.

(6) An Internet link to the Better Business Bureau in order to assist individuals in assessing the business practices of other persons and entities.

(7) Information on means of communicating with the Federal Student Aid Information Center, including telephone and Internet contact information.

(Pub. L. 106-420, §5, Nov. 1, 2000, 114 Stat. 1868.)

Editorial Notes

CODIFICATION

Section was enacted as part of the College Scholarship Fraud Prevention Act of 2000, and not as part of title IV of the Higher Education Act of 1965 which comprises this subchapter.

Statutory Notes and Related Subsidiaries

FINDINGS

Pub. L. 106-420, §2, Nov. 1, 2000, 114 Stat. 1867, provided that: "Congress makes the following findings:

"(1) A substantial amount of fraud occurs in the offering of college education financial assistance services to consumers.

"(2) Such fraud includes the following:

"(A) Misrepresentations regarding the provision of sources from which consumers may obtain financial assistance (including scholarships, grants, loans, tuition, awards, and other assistance) for purposes of financing a college education.

"(B) Misrepresentations regarding the provision of portfolios of such assistance tailored to the needs of specific consumers.

"(C) Misrepresentations regarding the pre-selection of students as eligible to receive such assistance.

"(D) Misrepresentations that such assistance will be provided to consumers who purchase specified services from specified entities.

"(E) Misrepresentations regarding the business relationships between particular entities and entities that award or may award such assistance.

"(F) Misrepresentations regarding refunds of processing fees if consumers are not provided specified amounts of such assistance, and other misrepresentations regarding refunds.

"(3) In 1996, the Federal Trade Commission launched 'Project Scholarscam', a joint law enforcement and consumer education campaign directed at fraudulent purveyors of so-called 'scholarship services'.

"(4) Despite the efforts of the Federal Trade Commission, colleges and universities, and nongovernmental organizations, the continued lack of awareness about scholarship fraud permits a significant amount of fraudulent activity to occur."

§ 1092e. College access initiative

(a) State-by-State information

The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 1078(c) of this title to provide to the Secretary the information necessary for the development of Internet web links and access for students and families to a comprehensive listing of the postsecondary education opportunities, programs, publications, Internet web sites, and other services available in the States for which such agency serves as the designated guarantor.

(b) Guaranty agency activities

(1) Plan and activity required

Each guaranty agency with which the Secretary has an agreement under section 1078(c) of this title shall develop a plan, and undertake the activity necessary, to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a form and manner as prescribed by the Secretary.

(2) Activities

Each guaranty agency shall undertake such activities as are necessary to promote access to postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that either provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

(3) Funding

The activities required by this section may be funded from the guaranty agency's Operating Fund established pursuant to section 1072b of this title and, to the extent funds remain, from earnings on the restricted account established pursuant to section 1072(h)(4) of this title.

(4) Rule of construction

Nothing in this subsection shall be construed to require a guaranty agency to dupli-

cate any efforts under way on February 8, 2006, that meet the requirements of this section.

(c) Access to information

(1) Secretary's responsibility

The Secretary shall ensure the availability of the information provided, by the guaranty agencies in accordance with this section, to students, parents, and other interested individuals, through Internet web links or other methods prescribed by the Secretary.

(2) Guaranty agency responsibility

The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

(3) Publicity

Not later than 270 days after February 8, 2006, the Secretary and guaranty agencies shall publicize the availability of the information required by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.

(Pub. L. 89-329, title IV, § 485D, as added Pub. L. 109-171, title VIII, § 8023, Feb. 8, 2006, 120 Stat. 179.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective July 1, 2006, except as otherwise provided, see section 8001(c) of Pub. L. 109-171, set out as an Effective Date of 2006 Amendment note under section 1002 of this title.

§ 1092f. Early awareness and outreach of financial aid eligibility

(a) In general

The Secretary shall implement early outreach activities in order to provide prospective students and their families with information about financial aid and estimates of financial aid. Such early outreach activities shall include the activities described in subsections (b), (c), and (d).

(b) Pell Grant early awareness estimates

(1) In general

The Secretary shall produce a consumer-tested method of estimating student eligibility for Federal Pell Grants under section 1070a(b) of this title utilizing the variables of family size and adjusted gross income, presented in electronic format. There shall be a method for students to indicate whether they are, or will be in—

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

(2) Consumer testing

(A) In general

The method of estimating eligibility described in paragraph (1) shall be consumer tested with prospective first-generation stu-

dents and families as well as low-income individuals and families.

(B) Updates

For award year 2024-2025 and each fourth succeeding award year thereafter, the design of the method of estimating eligibility shall be updated based on additional consumer testing with the populations described in subparagraph (A).

(3) Distribution

The method of estimating eligibility described in paragraph (1) shall be—

(A) made publicly and prominently available on the Department's website; and

(B) actively shared by the Secretary with—

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

(ii) all middle and secondary schools eligible for funds under part A of title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6311 et seq.];

(iii) local educational agencies and middle schools and high schools that serve students not less than 25 percent of whom meet a measure of poverty as described in section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6313(a)(5)]; and

(iv) agencies responsible for administering means-tested Federal benefit programs, as defined in section 1087ss(b)(4)(H) of this title.

(4) Electronic estimator on FAFSA

In accordance with subsection (d)(5) of section 1090 of this title, the Secretary shall maintain an electronic method for applicants to enter income and family size, and level of education sought information to calculate a non-binding estimate (which may include a range, ceiling, or minimum) of the applicant's Federal financial aid available under this subchapter and shall place such calculator on a prominent location on the FAFSA website and in a manner that encourages students to fill out the FAFSA.

(c) Early awareness plans

The Secretary shall establish and implement early awareness and outreach plans to provide early information about the availability of Federal financial aid and estimates of prospective students' eligibility for Federal financial aid as well as to promote the attainment of postsecondary education specifically among prospective first-generation students and families as well as low-income individuals and families, as follows:

(1) Outreach plans for low-income families

(A) In general

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