

General Provisions—Part G

General Provisions Issue 1: Overaward Tolerance [New Section 481(d) & conforming amendments to Sections 428G(d)(2), 443(b)(4), and 484A(a)(1)]

Recommendation: Establish in Part G (General Provisions) a common overaward tolerance of \$500, applicable to the campus-based and Stafford programs.

Rationale: Currently, there is a \$300 tolerance for the campus-based programs and a limited tolerance for Stafford Loans applicable only when an overaward results from the \$300 tolerance in FWS only. Thus, receipt of an additional scholarship may have a disproportionate effect on a student's awards. This recommendation seeks to ensure consistent treatment of students across the Title IV programs and simplify institutional procedures. The need for the increase from \$300 to \$500 is an absolutely necessary one since the last time this figure was adjusted was in 1992.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 428G(d)(2) STUDENTS RECEIVING OVERAWARDS.—If the sum of a disbursement for any student and the other financial aid obtained by such student exceeds the amount of assistance for which the student is eligible under this title, the institution such student is attending shall withhold and return to the lender or escrow agent the portion (or all) of such installment that exceeds such eligible amount, except that overawards permitted pursuant to section 443(b)(4) of the Act shall not be construed to be overawards for purposes of this paragraph. Any portion (or all) of a disbursement installment which is so returned shall be credited to the borrower's loan and treated as a prepayment thereon.</p> <p>Section 443(b)(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the determination of</p>	<p>Section 428G(d)(2) STUDENTS RECEIVING OVERAWARDS.—If the sum of a disbursement for any student and the other financial aid obtained by such student exceeds the amount of assistance for which the student is eligible under this title, the institution such student is attending shall withhold and return to the lender or escrow agent the portion (or all) of such installment that exceeds such eligible amount, except that overawards permitted pursuant to section 443(b)(4) of the Act shall not be construed to be overawards for purposes of this paragraph. Any portion (or all) of a disbursement installment which is so returned shall be credited to the borrower's loan and treated as a prepayment thereon.</p> <p>Section 443(b)(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the</p>

National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003

the amount of such student's need by more than \$300, continued employment shall not be subsidized with funds appropriated under this part;

No comparable provision.

Section 484A. STATUTE OF LIMITATIONS, AND STATE COURT JUDGMENTS.(a) IN GENERAL.—(1) It is the purpose of this subsection to ensure that obligations to repay loans and grant overpayments are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

~~determination of the amount of such student's need by more than \$300, continued employment shall not be subsidized with funds appropriated under this part;~~

Section 481(d) OVERAWARDS. For the purpose of subparts 1, 3, and 4 and parts B, C, D, and E of this title, the term "overaward" shall be defined as not more than \$500 and such overawards shall be permitted. Upon repayment of an overaward, a student regains eligibility for all assistance grant, loan, and work assistance under this title retroactively from the beginning of the academic year from the date in which a repayment is made.

Section 484A. STATUTE OF LIMITATIONS, AND STATE COURT JUDGMENTS.(a) IN GENERAL.—(1) It is the purpose of this subsection to ensure that obligations to repay loans and grant overpayments are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced. **An overpayment or over award occurs if the sum of a disbursement for any student and the other financial aid obtained by such student exceeds the amount of assistance for which the student is eligible under this title by more than \$500.**

General Provisions Issue 2: FISAP Schedule [Section 482(a)(2)(B)]

Recommendation: Establish October 1 as the date for submission of the FISAP.

Rationale: NASFAA's recommendation would prevent the Department from setting too early a date for completion of FISAPs and would allow schools adequate time to complete this form. The current statute states the final date for submission is by October 1. This wording could become subject to interpretation that an earlier deadline could be set.

Current HEA Law	NASFAA Proposed Statutory Language
Section 482. MASTER CALENDAR.(a) SECRETARY REQUIRED TO COMPLY WITH SCHEDULE.—To assure adequate notification and timely delivery of student aid funds under this title, the Secretary shall adhere to the following calendar dates in the year preceding the award year: (2) Allocations of campus-based and Pell Grant funds— (B) by October 1: final date for submission of FISAP by institutions to the Department;	Section 482. MASTER CALENDAR.(a) SECRETARY REQUIRED TO COMPLY WITH SCHEDULE.—To assure adequate notification and timely delivery of student aid funds under this title, the Secretary shall adhere to the following calendar dates in the year preceding the award year: (2) Allocations of campus-based and Pell Grant funds (A) by August 1: distribution of institutional application for campus-based funds (FISAP) to institutions; (B) by no earlier than October 1: final date for submission of FISAP by institutions to the Department;

General Provisions Issue 3: Toll-Free Information [Section 483(d)]

Recommendation: Retain current law.

Rationale: NASFAA believes the toll-free number is a useful aid and should be retained to continue providing services for students, families, and high school guidance counselors among others.

Current HEA Law	NASFAA Proposed Statutory Language
Section 483 (d) TOLL-FREE INFORMATION.—The Secretary shall contract for, or establish, and publicize a toll-free telephone service to provide timely and accurate information to the general public. The information provided shall include specific instructions on completing the application form for assistance under this title. Such service shall also include a service accessible by telecommunications devices for the deaf (TDD's) and shall, in addition to the services provided for in the previous sentence, refer such students to the national clearinghouse on postsecondary education that is authorized under section 685(d)(2)(C) of the Individuals with Disabilities Education Act.	Retain unchanged current provision.

General Provisions Issue 4: Student Eligibility [Section 484(d)]

Recommendation: Expand the Ability to Benefit (ATB) provisions to permit a student to meet the ATB requirement by successfully completing, with the equivalent of a grade of C or better, at least six units of college courses that are applicable toward a degree or certificate.

Rationale: The Ability to Benefit regulations were established as a measure to determine if a student who had not earned a high school diploma or its equivalent has the ability to understand and be successful in his or her program of study. Data from a recent experimental site project show that students who do not have a high school diploma or its equivalent but who pass at least six units of college courses have grades and retention rates that are equal to or higher than students with high school diplomas.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 484(d) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subparts 1, 3, and 4 of part A and parts B, C, D, and E of this title, the student shall meet one of the following standards: ...</p> <p>No comparable provision.</p>	<p>Section 484(d) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subparts 1, 3, and 4 of part A and parts B, C, D, and E of this title, the student shall meet one of the following standards: ...</p> <p>(4) The student shall be determined as having the ability to benefit from the education or training offered by an eligible institution upon completion of six units of coursework with a grade of not less than C or its equivalent that are applicable toward the awarding of such a degree or certificate.</p>

General Provisions Issue 5: I-9 Employment Eligibility Verification [Section 484(g)(3)]

Recommendation: Include the results of data base matches as acceptable in lieu of documents used to establish employment eligibility.

Rationale: The current practice requires the collection of copies of social security cards, alien registration cards, citizenship documents, or passports even though citizenship, social security and INS matches are performed in the application process. NASFAA's recommendation would vastly simplify this process without compromising the law's intent of verifying identity and eligibility for employment.

Current HEA Law	NASFAA Proposed Statutory Language
Section 484(g) VERIFICATION OF IMMIGRATION STATUS.—(3) VERIFICATION MECHANISMS.—The Secretary is authorized to verify such statements and supporting documentation through a data match, using an automated or other system, with other Federal agencies that may be in possession of information relevant to such statements and supporting documentation.	Section 484(g) VERIFICATION OF IMMIGRATION STATUS.—(3) VERIFICATION MECHANISMS.—The Secretary is authorized to verify such statements and supporting documentation through a data match, using an automated or other system, with other Federal agencies that may be in possession of information relevant to such statements and supporting documentation. The Secretary shall implement such a data match no later than two years after the date of enactment of the Higher Education Amendments of 2003.

General Provisions Issue 6: Selective Service Data Base Matching [Section 484(n)]

Recommendation: Eliminate the provisions that require schools to track Selective Service registration.

Rationale: NASFAA recommends eliminating the provisions related to Selective Service registration from the Higher Education Act and repeal section 1113 of P.L. 97-252 (50 U.S.C. sec. 462(f). If the government believes that Selective Service registration is useful, it should use means other than the Title IV programs to force compliance. NASFAA recommends that compliance can be attained in more cost effective ways and with less paperwork and bureaucracy than through use of the Title IV programs. NASFAA recommends retaining section 484(n), however, if the Congress does not repeal the statute requiring Selective Service registration.

Current HEA Law	NASFAA Proposed Statutory Language
<p>50 U.S.C. sec. 462(f)(1) Except as provided in subsection (g), any person who is required under section 3 (section 453 of this Appendix) to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accordance with any rule or regulation issued under such section, shall be ineligible for any form of assistance or benefit provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.; 42 U.S.C. 2751 et seq.).</p> <p>(2) In order to receive any grant, loan, or work assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq. (and 42 U.S.C. 2751 et seq.)), a person who is required under section 3 (section 453 of this Appendix) to present himself for and submit to registration under such section shall file with the institution of higher education which the person intends to attend, or is attending, a statement of compliance with section 3 and regulations issued thereunder.</p> <p>(3) The Secretary of Education, in agreement with the Director, shall prescribe methods for verifying such statements of compliance filed pursuant to paragraph (2). Such methods may</p>	<p>Repeal section 1113 of P.L. 97-252 (50 U.S.C. sec. 462(f).</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

include requiring institutions of higher education to provide a list to the Secretary of Education or to the Director of persons who have submitted such statements of compliance.

(4) The Secretary of Education, in consultation with the Director, shall issue regulations to implement the requirements of this subsection. Such regulations shall provide that any person to whom the Secretary of Education proposes to deny assistance or benefits under title IV (20 U.S.C. 1070 et seq.; 42 U.S.C. 2751 et seq.) for failure to meet the registration requirements of section 3 (section 453 of this Appendix) and regulations issued hereunder shall be given notice of the proposed denial and shall have a suitable period (of not less than thirty days) after such notice to provide the Secretary with information and materials establishing that he has complied with the registration requirement under section 3. Such regulations shall also provide that the Secretary may afford such person an opportunity for a hearing to establish his compliance or for any other purpose.

General Provisions Issue 7: Coordination with IRS [Section 484(q)]

Recommendation: Require an IRS Data-Match Demonstration Project and mandate that ED and the IRS implement a verification system of student data by a certain date.

Rationale: The 1998 HEA reauthorization authorized ED and IRS to set up a system to verify student financial aid applicant data. Such data elements included adjusted gross income, Federal income taxes paid, filing status, and exemptions reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications. There has been some reluctance on the part of the IRS and the Dept. of Education to begin wholesale income data matches. In order to identify the potential costs, savings, levels of error and operational benefits/pitfalls, the secretaries of Education and Treasury should set up a controlled data match demonstration project for a period of three years with plans to implement for all applicants in subsequent years if the demonstration project proves successful. Some progress has been made in the last four years, but the earliest the Department and IRS could even begin a pilot project would be in 2004-2005. Assuming the HEA reauthorization is signed into law in 2004, NASFAA would set a statutory date for implementation of such a system no later than four years from the date of enactment of this law with three years devoted to a demonstration program to identify and correct any operational problems. Current estimates show savings of some \$300 to \$800 million by implementation of such a verification system in the Federal Pell Grant Program alone. These savings could be used to support increases proposed by NASFAA elsewhere in our recommendations for change. If ED and IRS cannot meet this date for implementation, they could petition the Congress for an extension and explain why they cannot implement such a system nine years after Congress first authorized this verification system.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 484 (q) VERIFICATION OF INCOME DATA.—</p> <p>(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the adjusted gross income, Federal income taxes paid, filing status, and exemptions reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.</p>	<p>Section 484 (q) VERIFICATION OF INCOME DATA.—</p> <p>(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the adjusted gross income, Federal income taxes paid, filing status, and exemptions reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

(2) NOTIFICATION.—The Secretary shall establish procedures under which an applicant is notified that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(1)(13) of the Internal Revenue Code of 1986.

No comparable provisions.

(2) NOTIFICATION.—The Secretary shall establish procedures under which an applicant is notified that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(1)(13) of the Internal Revenue Code of 1986.

(3) DEMONSTRATION PROJECT: Under the terms of this subsection, a demonstration project shall be initiated and shall take effect six months after the date of enactment of the Higher Education Amendments of 2003 and shall conclude no later than three years after such date.

(4) EFFECTIVE DATE: This subsection shall become effective one year after the conclusion of the demonstration program authorized by the previous subsection unless the Secretaries of Education and the Treasury contact Committee on Education and the Workforce in the House and the Committee on Health, Education, Labor, and Pensions in the Senate requesting an extension which may be granted with the concurrence of both committees.

General Provisions Issue 8: Elimination of Drug-Related Suspension [Section 484(r)]

Recommendation: Eliminate requirement to suspend or terminate a student's eligibility for Title IV funds based on drug-related convictions.

Rationale: This requirement is unrelated to postsecondary enrollment or financial need and should not be a factor in financial aid eligibility. Additionally, it denies students a second chance to improve their lives after having made a mistake with illegal drugs. These students have already been punished by the law and should not be punished a second time.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 484(r) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES. —</p> <p>(1) IN GENERAL.—A student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the following table:</p> <p>If convicted of an offense involving:</p> <p>The possession of a controlled substance: Ineligibility period is:</p> <p>First offense 1 year</p> <p>Second offense 2 years</p> <p>Third offense Indefinite.</p> <p>The sale of a controlled substance: Ineligibility period is:</p> <p>First offense 2 years</p> <p>Second offense Indefinite.</p> <p>(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the ineligibility period determined under such paragraph if—</p> <p>(A) the student satisfactorily completes a drug rehabilitation program that—</p>	<p>Repeal Section 484(r)</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

<p>(i) complies with such criteria as the Secretary shall prescribe in regulations for purposes of this paragraph; and (ii) includes two unannounced drug tests; or (B) the conviction is reversed, set aside, or otherwise rendered nugatory. (3) DEFINITIONS.—In this subsection, the term “controlled substance” has the meaning given the term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).</p>	
---	--

General Provisions Issue 9: Grant Forgiveness [Section 484A]

Recommendation: Eliminate the liability of a student's estate or family to repay a grant in the event of a student's death.

Rationale: Currently loans, including PLUS loans, may be forgiven in the case of the death of a student. Under current statute this forgiveness does not apply to the repayment of grants under similar circumstances. While such cases are rare, NASFAA believes this compassionate treatment should be extended when a student dies and has a grant repayment pending.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 484A (a) IN GENERAL.—(1) It is the purpose of this subsection to ensure that obligations to repay loans and grant overpayments are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced...</p> <p>No comparable provision.</p>	<p>Section 484A (a) IN GENERAL.—(1) It is the purpose of this subsection to ensure that obligations to repay loans and grant overpayments are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced...</p> <p>New subsection (d)</p> <p>(d) SPECIAL RULE. This section shall not apply in the case of a student who is deceased or to such a student’s or family’s estate. If a student is deceased, then neither the student’s or the family’s estate is required to repay a grant under this title.</p>

General Provisions Issue 10: Student Consumer Information [Section 485(a)(1)]

Recommendation: Eliminate consumer notifications that must be sent to every student/prospective student. Instead, require that this information be made available upon request and that this availability be publicized on the institution's Web site, course catalog, or other widely disseminated publication.

Rationale: Dissemination of massive amounts of student consumer information has not been demonstrated to be necessary or effective and is costly. Schools should have the information readily available upon request.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 485. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS. (a) INFORMATION DISSEMINATION ACTIVITIES.—(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students (including those attending or planning to attend less than full time) regarding the institution and all financial assistance under this title. The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (also referred to as the Family Educational Rights and Privacy Act of 1974), together with a statement of the procedures required to obtain such information. The information required by this section shall accurately describe—</p>	<p>Section 485. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS. (a) INFORMATION DISSEMINATION ACTIVITIES.—(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students (including those attending or planning to attend less than full time) regarding the institution and all financial assistance under this title. The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students upon request of an enrolled student or prospective student provide such student with a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (also referred to as the Family Educational Rights and Privacy Act of 1974), together with a statement of the procedures required to obtain such information. The information required by this section shall accurately describe—</p>

General Provisions Issue 11: Information Dissemination Activities For Prospective Students [Section 485(a)(2)]

Recommendation: Target information dissemination activities for prospective students.

Rationale: NASFAA strongly believes prospective students must be adequately informed of student financial aid procedures and policies and must understand their rights and responsibilities on the campus. NASFAA recommends rewriting this section so that consumer information is provided to prospective students in a more cost effective manner and not waste resources. The current statutory requirement that consumer information provided under Section 485 goes to “prospective student” which means any individual “who has contacted an eligible institution” is a waste of institutional resources. We suggest that such information be made available to those individuals who are serious about attending that school and the best indicator of seriously considering attending a school is if the individual makes an application for admission to the institution. We believe a targeted approach for provision of consumer information to prospective students who apply is a more business-like and cost effective use of scarce resources.

Current HEA Law	NASFAA Proposed Statutory Language
Section 485(a)(2) For the purpose of this section, the term “prospective student” means any individual who has contacted an eligible institution requesting information concerning admission to that institution.	Section 485(a)(2) is amended to read as follows: For the purpose of this section, the term “prospective student” means any individual who has made an application for admission to contacted an eligible institution requesting information concerning admission to that institution.

General Provisions Issue 12: Provision of State Grant Assistance [Section 485(d)(2) & conforming amendment to Section 487(a)(9)]

Recommendation: Move to student consumer information section the requirement that postsecondary institutions provide students with information concerning state grant assistance.

Rationale: Providing information on the availability and eligibility of students for state grant assistance is not the responsibility of postsecondary institutions. Schools attempting to assemble such information find it so general as to be of little use. NASFAA recommends developing alternative and more effective means of carrying out the purpose of this section by modifying Section 485(d), and, then, to require the Department of Education to provide such sources of information for students.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 487(a)(9) In the case of an institution participating in a program under part B or D, the institution will inform all eligible borrowers enrolled in the institution about the availability and eligibility of such borrowers for State grant assistance from the State in which the institution is located, and will inform such borrowers from another State of the source for further information concerning such assistance from that State.</p> <p>Section 485(d)(2) The Secretary, to the extent the information is available, shall compile information describing State and other prepaid tuition programs and savings programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications.</p>	<p>Delete Section 487(a)(9) and renumber (10) through (23) as (9) through (22) and add following language to</p> <p>Section 485(d)(2) The Secretary, to the extent the information is available, shall compile information describing State grant assistance, as well as, State and other prepaid tuition programs and savings programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications, including websites.</p>

General Provisions Issue 13: Campus Crime Reporting [Section 485(f)]

Recommendation: NASFAA will make recommendations for change in these provisions at a later date after consultation with other higher education associations.

Rationale: NASFAA will identify and negotiate changes in these requirements with other higher education associations. This does not mean we do not want changes in the law. Such changes affect a wide swath of campus offices and interests, not only the financial aid office, and, therefore, such changes to streamline, refine, and reform these requirements is better accomplished in concert with all in the higher education community.

Current HEA Law	NASFAA Proposed Statutory Language
Section 485(f)	See higher education community proposals

General Provisions Issue 14: Loan Counseling [Section 485(h) New Subsection]

Recommendation: Require Part B lenders or guaranty agencies and the Department of Education under Part D to perform all statutory loan-counseling activities, unless the school elects to perform these duties in whole or in part.

Rationale: NASFAA recommends that the HEA statutory entrance and exit counseling be performed by lenders (including ED for the Direct Loan Program), or by guaranty agencies on behalf of lenders. Schools would be able to select the lender(s) or agency(ies) or combination of those entities, or the Department of Education under Part D, to perform these counseling activities. Schools could provide such services themselves either in whole or in part.

Current HEA Law	NASFAA Proposed Statutory Language
No comparable provision.	<p>New Section 485(h) Notwithstanding any provision under this Act, an eligible institution may select any lender, guaranty agency or third party servicer to provide, in whole or in part, all required statutory or regulatory entrance and exit counseling activities for borrowers under this title, except under part E of this title. The Secretary shall perform such activities, in whole or in part as determined by the eligible institution, for borrowers under part D of this title. Any lender, guaranty agency or third party servicer selected to perform such counseling activities shall not refuse to do so under sanctions determined by the Secretary.</p>

General Provisions Issue 15: Distance/Non-Traditional Education and Financial Aid [Several HEA Sections]

Recommendation: NASFAA will make recommendations for change in these provisions at a later date after consultation with other higher education associations.

Rationale: NASFAA will identify and negotiate changes in these requirements with other higher education associations. This does not mean we do not want changes in the law. Such changes affect a wide swath of campus offices and interests, not only the financial aid office, and, therefore, such changes to streamline, refine, and reform these requirements is better accomplished in concert with all in the higher education community.

Current HEA Law	NASFAA Proposed Statutory Language
Section 486	See higher education community recommendations.

General Provisions Issue 16: Distribution of Voter Registration Materials [Section 487(a)(23)]

Recommendation: Eliminate requirement to distribute voter registration materials.

Rationale: NASFAA recommends elimination of this provision. This provision and several others should not be requirements in the HEA. Such provisions are tangential to the vital purposes of the authorizing law, at best, and, at worst, micromanage financial aid offices and are unfunded mandates. Such provisions purposes can be better accomplished outside the HEA.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 487(a)(23)(A) The institution, if located in a State to which section 4(b) of the National Voter Registration Act (42 U.S.C. 1973gg-2(b)) does not apply, will make a good faith effort to distribute a mail voter registration form, requested and received from the State, to each student enrolled in a degree or certificate program and physically in attendance at the institution, and to make such forms widely available to students at the institution.</p> <p>(B) The institution shall request the forms from the State 120 days prior to the deadline for registering to vote within the State. If an institution has not received a sufficient quantity of forms to fulfill this section from the State within 60 days prior to the deadline for registering to vote in the State, the institution shall not be held liable for not meeting the requirements of this section during that election year.</p> <p>(C)1 This paragraph shall apply to general and special elections for Federal office, as defined in section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)), and to the elections for Governor or other chief executive within such State).</p>	<p>Repeal Section 487(a)(23)</p>

General Provisions Issue 17: Experimental Sites and Quality Assurance Programs (QAP). [Section 487A]

Recommendation: Authorize the Secretary to select institutions for voluntary participation in Quality Assurance Programs and Experimental Sites. Require the Secretary to evaluate the results of the Quality Assurance Program and Distance Education Demonstration Project and recommend appropriate changes to law and regulation based on the successful components of those programs. This section shall not be used as a criterion for participation in any activity or program authorized by this title. Expand Experimental Sites authority to all sections of Title I and Title IV. Require the Secretary to establish policies and procedures for conducting the experiments and evaluating the results. Require the Secretary to report annually to the Congress, including proposing changes to the regulations in the areas addressed by successful experiments or making recommendations to Congress for statutory changes.

Rationale: NASFAA believes both the Experimental Sites and QAP authorized in Section 487A are valuable programs. NASFAA would like to add legislative language to ensure that participation in each program is voluntary and that diversity among postsecondary institutions selected is a priority of the Secretary. These programs have been in existence long enough for the Secretary to draw conclusions about what is working and what is not. Those pieces that have been successful should be incorporated into the law. NASFAA recommends that continued experimentation be broadly focused and not subject to any limitation, such as a focus on verification. The purpose of experiments is to demonstrate the success or failure of different ways of doing things. If experiments prove successful, these experiments should be models for modifying the law for all institutions. Experimental sites should be true experiments for new ways of doing things and not seen just as regulatory relief or selective exemption from federal laws/regulations.

Current HEA Law	NASFAA Proposed Statutory Language
<p>SEC. 487A. REGULATORY RELIEF AND IMPROVEMENT. (a) QUALITY ASSURANCE PROGRAM.— (1) IN GENERAL.—The Secretary is authorized to select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems, related to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews, thereby enhancing program</p>	<p>SEC. 487A. REGULATORY RELIEF AND IMPROVEMENT. (a) QUALITY ASSURANCE PROGRAM.— (1) IN GENERAL.—The Secretary is authorized to select institutions that apply for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems, including but not limited, related to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews,</p>

integrity within the student aid delivery system.

(2) CRITERIA AND CONSIDERATION.—The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary. The selection criteria shall ensure the participation of a diverse group of institutions of higher education with respect to size, mission, and geographical distribution.

(3) WAIVER.—The Secretary is authorized to waive for any institution participating in the Quality Assurance Program any regulations dealing with reporting or verification requirements in this title that are addressed by the institution's alternative management system, and may substitute such quality assurance reporting as the Secretary determines necessary to ensure accountability and compliance with the purposes of the programs under this title. The Secretary shall not modify or waive any statutory requirements pursuant to this paragraph.

(4) DETERMINATION.—The Secretary is authorized to determine—

(A) when an institution that is unable to administer the Quality Assurance Program shall be removed from such program; and
(B) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

(5) REVIEW AND EVALUATION.—The Secretary shall review

thereby enhancing program integrity within the student aid delivery system.

(2) CRITERIA AND CONSIDERATION.—The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary. The selection criteria shall ensure the participation of a diverse group of institutions of higher education with respect to size, mission, and geographical distribution.

(3) WAIVER.—The Secretary is authorized to waive for any institution participating in the Quality Assurance Program any regulations dealing with reporting or verification requirements in this title, **including but not limited, to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews or other management procedures or processes as determined in the section 492 review process**, that are addressed by the institution's alternative management system, and may substitute such quality assurance reporting as the Secretary determines necessary to ensure accountability and compliance with the purposes of the programs under this title. The Secretary shall not modify or waive any statutory requirements pursuant to this paragraph.

(4) DETERMINATION.—The Secretary is authorized to determine—

(A) when an institution that is unable to administer the Quality Assurance Program shall be removed from such program; and
(B) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

(5) REVIEW AND EVALUATION.—The Secretary shall review and evaluate the Quality Assurance Program conducted by

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

and evaluate the Quality Assurance Program conducted by each participating institution and, on the basis of that evaluation, make recommendations regarding amendments to this Act that will streamline the administration and enhance the integrity of Federal student assistance programs. Such recommendations shall be submitted to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives.

(b) REGULATORY IMPROVEMENT AND STREAMLINING EXPERIMENTS.—

(1) **IN GENERAL.**—The Secretary may continue any experimental sites in existence on the date of enactment of the Higher Education Amendments of 1998. Any activities approved by the Secretary prior to such date that are inconsistent with this section shall be discontinued not later than June 30, 1999.

(2) **REPORT.**—The Secretary shall review and evaluate the experience of institutions participating as experimental sites during the period of 1993 through 1998 under this section (as such section was in effect on the day before the date of enactment of the Higher Education Amendments of 1998), and shall submit a report based on this review and evaluation to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 6 months after the enactment of the Higher Education Amendments of 1998. Such report shall include—

- (A) a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;
- (B) the findings and conclusions reached regarding each of the experiments conducted; and

each participating institution and, on the basis of that evaluation, make recommendations regarding amendments to this Act that will streamline the administration and enhance the integrity of Federal student assistance programs. Such recommendations shall be submitted to the Committee on ~~Labor and Human Resources~~ **Health, Education, Labor and Pensions** of the Senate and the Committee on Education and the Workforce of the House of Representatives.

(b) REGULATORY IMPROVEMENT AND STREAMLINING EXPERIMENTS.—

(1) **IN GENERAL.**—The Secretary may continue any experimental sites in existence on the date of enactment of the Higher Education Amendments of 1998. Any activities approved by the Secretary prior to such date that are inconsistent with this section shall be discontinued not later than June 30, 1999.

(2) **REPORT.**—The Secretary shall review and evaluate the experience of institutions participating as experimental sites ~~during the period of 1993 through 1998 under this section (as such section was in effect on the day before the date of enactment of the Higher Education Amendments of 1998)~~, and **annually** shall submit a report based on this review and evaluation to the Committee on ~~Labor and Human Resources~~ **Health, Education, Labor and Pensions** of the Senate and the Committee on Education and the Workforce of the House of Representatives ~~not later than 6 months after the enactment of the Higher Education Amendments of 1998~~. Such report shall include—

- (A) a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;
- (B) the findings and conclusions reached regarding each of the experiments conducted; and
- (C) recommendations for amendments to improve and streamline

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

(C) recommendations for amendments to improve and streamline this Act, based on the results of the experiment.

(3) SELECTION.—

(A) IN GENERAL.—Upon the submission of the report required by paragraph (2), the Secretary is authorized to select a limited number of additional institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

(B) CONSULTATION.—Prior to approving any additional experimental sites, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives and shall provide to such Committees—

- (i) a list of institutions proposed for participation in the experiment and the specific statutory or regulatory waivers proposed to be granted to each institution;
- (ii) a statement of the objectives to be achieved through the experiment; and
- (iii) an identification of the period of time over which the experiment is to be conducted.

(C) WAIVERS.—The Secretary is authorized to waive, for any institution participating as an experimental site under subparagraph (A), any requirements in this title, or regulations prescribed under this title, that will bias the results of the experiment, except that the Secretary shall not waive any provisions with respect to award rules, grant and loan maximum award amounts, and need analysis requirements.

this Act, based on the results of the experiment.

(3) SELECTION.—

(A) IN GENERAL.—~~Upon the submission of the report required by paragraph (2), the~~ **The** Secretary **annually** is authorized to select a limited number of additional institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

(B) CONSULTATION.—Prior to approving any additional experimental sites, the Secretary shall consult with the Committee on ~~Labor and Human Resources~~ **Health, Education, Labor, and Pensions** of the Senate and the Committee on Education and the Workforce of the House of Representatives and shall provide to such Committees—

- (i) a list of institutions proposed for participation in the experiment and the specific statutory or regulatory waivers proposed to be granted to each institution;
- (ii) a statement of the objectives to be achieved through the experiment; and
- (iii) an identification of the period of time over which the experiment is to be conducted.

(C) WAIVERS.—The Secretary is authorized to waive, for any institution participating as an experimental site under subparagraph (A), any requirements in this title **or title I**, or regulations prescribed under this title **or title I**, that will bias the results of the experiment, except that the Secretary shall not waive any provisions with respect to award rules, grant and loan maximum award amounts, and need analysis requirements, **except as authorized under this title.**

(c) DEFINITIONS.—For purposes of this section, the term

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

(c) **DEFINITIONS.**—For purposes of this section, the term “current award year” means the award year during which the participating institution indicates the institution’s intention to cease participation.

“current award year” means the award year during which the participating institution indicates the institution’s intention to cease participation.

(d) SPECIAL RULE.—The Secretary shall not require or use as a criterion for selection of an eligible institution in any activity or program authorized by this title participation in any activity or program authorized by this section.

General Provisions Issue 18: Transfer of Campus-based Program Funds. [Section 488]

Recommendation: Expand the authority of schools to transfer funds between all campus-based programs.

Rationale: NASFAA believes postsecondary institutions should have authority to transfer up to 25% of funds in one campus-based program to another, rather than the more limited transfer authority in current law. Additionally, given the small appropriation for new FCC in the Federal Perkins Loan program, this expansion of authority to transfer funds would be extended to permit transfer of 25% of annual loan collections to FSEOG or FWS. NASFAA believes this is a common sense change that provides administrative flexibility allowing schools to make decisions according to institutional and student needs and such total flexibility to move campus-based funds among all programs is a highly desirable policy change. This change would not increase campus-based program appropriations or increase allocations to individual schools.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 488. TRANSFER OF ALLOTMENTS. In order to offer an arrangement of types of aid, including institutional and State aid which best fits the needs of each individual student, an institution may (1) transfer a total of 25 percent of the institutions allotment under section 462 to the institution’s allotment under section 413D or 442 (or both); and (2) transfer 25 percent of the institution’s allotment under section 442 to the institution’s allotment under section 413D</p>	<p>Section 488. TRANSFER OF ALLOTMENTS. In order to offer an arrangement of types of aid, including institutional and State aid which best fits the needs of each individual student, an institution may (1) transfer a total of 25 percent of the institutions allotment under section 462 to the institution’s allotment under section 413D or 442 (or both); and (2) transfer 25 percent of the institution’s allotment under section 442 to the institution’s allotment under sections 413D or 462 (or both); (3) transfer 25 percent of the institution’s allotment under section 413D to the institution’s allotment under sections 442 or 462 (or both); (4) transfer 25 percent of an institution’s collections under part E to the institution’s allotment under sections 413D or 442 or both.</p>

General Provisions Issue 19: Administrative Expenses [Section 489]

Recommendation: Delete the word “offsetting” from subsection (b).

Rationale: The current statute states the sole purpose of the administrative expense allowance is to offset the administrative costs of the Federal Pell Grant and campus-based programs. The deletion of the reference to offsetting recognizes the need for institutions to use these funds directly for financial aid administration.

Current HEA Law	NASFAA Proposed Statutory Language
Section 489 (b) PURPOSE OF PAYMENTS.—(1) The sums paid to institutions under this part are for the sole purpose of offsetting the administrative costs of the programs described in subsection (a).	Section 489 (b) PURPOSE OF PAYMENTS.—(1) The sums paid to institutions under this part are for the sole purpose of offsetting the administrative costs of administering the programs described in subsection (a).

General Provisions Issue 20: Funds for Administrative Expenses [Section 458 is moved to General Provisions]

Recommendation: Move this section from Part D to Part G in the statute.

Rationale: This section currently is in Part D pertaining to Federal Direct Loans. However, the administrative funds authorized in this section are used for payments to guaranty agencies and for the Department's financial aid systems operations. Therefore, since the funds are applicable to programs authorized under different parts of the statute, it appropriately should be written in the General Provisions part of the Act.

Current HEA Law	NASFAA Proposed Statutory Language
<p>Section 458. FUNDS FOR ADMINISTRATIVE EXPENSES. (a) ADMINISTRATIVE EXPENSES.— (1) IN GENERAL.—Each fiscal year there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for— (A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and (B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c), not to exceed (from such funds not otherwise appropriated) \$617,000,000 in fiscal year 1999, \$735,000,000 in fiscal year 2000, \$770,000,000 in fiscal year 2001, \$780,000,000 in fiscal year 2002, and \$795,000,000 in fiscal year 2003. (2) ACCOUNT MAINTENANCE FEES.—Account maintenance fees under paragraph (1)(B) shall be paid quarterly and deposited in the Agency Operating Fund established under section 422B. (3) CARRYOVER.—The Secretary may carry over funds made available under this section to a subsequent fiscal year. (b) CALCULATION BASIS.—Except as provided in subsection (c), account maintenance fees payable to guaranty agencies under paragraph (1)(B) shall be calculated— (1) for fiscal years 1999 and 2000, on the basis of 0.12 percent of</p>	<p>Move from Section 458 to General Provisions and update dollar amounts per that necessary for length of reauthorization. Do not change mandatory nature of any of the provisions.</p>

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

the original principal amount of outstanding loans on which insurance was issued under part B; and
(2) for fiscal years 2001, 2002, and 2003, on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

(c) SPECIAL RULES.— (1) FEE CAP.—The total amount of account maintenance fees payable under this section—

(A) for fiscal year 1999, shall not exceed \$177,000,000;

(B) for fiscal year 2000, shall not exceed \$180,000,000;

(C) for fiscal year 2001, shall not exceed \$170,000,000;

(D) for fiscal year 2002, shall not exceed \$180,000,000; and

(E) for fiscal year 2003, shall not exceed \$195,000,000.

(2) INSUFFICIENT FUNDING.—

(A) IN GENERAL.—If the amounts set forth in paragraph

(1) are insufficient to pay the account maintenance fees payable to guaranty agencies pursuant to subsection

(b) for a fiscal year, the Secretary shall pay the insufficiency by requiring guaranty agencies to transfer funds from the Federal Student Loan Reserve Funds under section 422A to the Agency Operating Funds under section 422B.

(B) ENTITLEMENT.—A guaranty agency shall be deemed to have a contractual right against the United States to receive payments according to the provisions of subparagraph (A).(d)

BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.

General Provisions Issue 21: Non-Allowable Charges [New HEA Section]

Recommendation: Permit schools to provide notice to students on their policies for paying non-allowable charges with Title IV aid and allow students to opt out.

Rationale: Experimental Site studies over the past seven years have demonstrated that advising students about an institutional policy to apply Title IV to non-allowable institutional charges and permitting the student to "opt out" produces significant institutional administrative savings, with little or no negative effect on students. Institutions participating in the experiment reported improved customer service, faster delivery and improved student retention since this option enabled students to re-enroll without first paying off library, infirmary charges, transportation passes etc. NASFAA believes that requiring institutions to publish their policies and permitting students to decline this option provides sufficient consumer information protections while enhancing customer service to the student and producing administrative cost savings.

Current HEA Law	NASFAA Proposed Statutory Language
	NASFAA believes that a modification in ED regulations, not the law, is the most appropriate vehicle to forward the policy goal in this recommendation and we urge the Secretary, at the earliest opportunity, to review relevant regulations to effect this change.

General Provisions Issue 22: Prior Term Institutional Charges [New HEA Section]

Recommendation: Require schools to provide notice to students of their policies for paying a maximum of \$500 in prior award year charges with Title IV aid and allow the student to opt out, rather than require advance permission from the student.

Rationale: Experimental site studies over the past seven years have demonstrated that permitting students to use a portion of their current term aid to pay prior award year charges has aided student retention. Students, who would otherwise have been denied the ability to re-enroll due to outstanding prior award year charges and no means to pay those charges, have been able to re-enroll through use of this provision. NASFAA recognizes, however, that a limit should be placed on the amount of prior charges paid with current term aid in order to ensure that the student retains sufficient funds to successfully complete the current term. NASFAA recommends that institutions be permitted, without the student’s specific authorization and unless the student objects, to pay up to \$500 of prior charges from current term financial aid.

Current HEA Law	NASFAA Proposed Statutory Language
	NASFAA believes that a modification in ED regulations, not the law, is the most appropriate vehicle to forward the policy goal in this recommendation and we urge the Secretary, at the earliest opportunity, to review relevant regulations to effect this change.

General Provisions Issue 23: Error Tolerance [New HEA Section]

Recommendation: Establish a tolerance for the assessment of liabilities connected with audit and program review exceptions.

Rationale: An institution with procedures in place that are in compliance with Title IV requirements may experience a limited amount of human error that does not indicate any pattern of incompetence, fraud, or abuse. It is reasonable to allow nominal tolerances to account for simple error.

Current HEA Law	NASFAA Proposed Statutory Language
No comparable provision.	New Section in Part H Section unnumbered. Subject to the requirements of Section 492, the Secretary shall establish a reasonable error tolerance for which the assessment of liabilities resulting from audits, program reviews, and other administrative examinations of eligible postsecondary institutions under this title.

General Provisions Issue 24: Safe Harbor Provision [New HEA Section]

Recommendation: Establish a waiver of liability resulting from unclear, conflicting, or incorrect guidance from the Department of Education.

Rationale: The complexity of student aid administration is reflected not only by error on the part of institutions but also error on the part of the Department. We believe institutions should be held harmless when this occurs.

Current HEA Law	NASFAA Proposed Statutory Language
No comparable provision.	<p>New Section in Part H Section unnumbered.</p> <p>Subject to the requirements of Section 492, the Secretary shall establish a waiver of liability or safe harbor resulting from unclear, conflicting, or incorrect guidance provided by the Secretary. The Secretary shall provide all eligible institutions a notice of each waiver of liability or safe harbor granted to a specific eligible institution or groups of such schools.</p>

General Provisions Issue 25: Consultation and Negotiated Rulemaking. [Section 492]

Recommendation: NASFAA will make recommendations for change in these provisions at a later date after consultation with other higher education associations.

Rationale: NASFAA will identify and negotiate changes in these requirements with other higher education associations. This does not mean we do not want changes in the law. Such changes affect a wide swath of campus offices and interests, not only the financial aid office, and, therefore, such changes to streamline, refine, and reform these requirements is better accomplished in concert with all in the higher education community.

NASFAA strongly supports continuing the negotiated rulemaking process to promulgate all regulations associated with the Higher Education Act. The participation of affected players in the field of student financial aid has unquestionably improved the quality, reasonableness, and efficiency of regulations governing the administration of Title IV funds. Only by involving those professionals and other parties who implement and live by these rules can an element of realism be ensured. Only by allowing such broad involvement can the best ideas and the most thorough analysis be obtained.

Current HEA Law	NASFAA Proposed Statutory Language
Section 492.	See higher education community recommendations.

General Provisions Issue 26: Recognized Occupation Requirement for Proprietary Institutions [Title I, IV, and ED regulations]

Recommendation: Modify statute and regulations to define eligibility based on the nature of the degree, not the type of institution so that:

- All programs should be reviewed for eligibility for the purpose of this provision, based on the nature of the degree. Programs that are at the associate, bachelor's, or graduate level should be exempt from the requirement that the program lead to a specific occupation.
- Programs that do not lead to an associate, bachelor's, or graduate degree could be eligible if they met the following criteria:
 1. The program is at least two years in length and the credits are fully acceptable towards a bachelor's program, OR
 2. The program leads to a recognized occupation and meets the following minimums:
 - It is an undergraduate program that provides at least 15 weeks of instruction and 600 clock hours, 16 semester or trimester hours, or 24-quarter hours. The program may admit students without an associate degree or equivalent.
 - It is a graduate/professional program, or admits only students with an associate degree, and provides at least 10 weeks of instruction and 300 clock hours, 8 semester or trimester hours, or 12-quarter hours.
 - It is a program that admits some students who do not have an associate degree or equivalent, and must meet specific qualitative standards. (These programs are only eligible for FFEL and Direct Loans.) The program provides at least 10 weeks of undergraduate instruction and 300-599 clock hours. The program may admit students without an associate degree or equivalent.

Rationale: The regulations currently have different definitions for determining program eligibility based on the type of institution offering the program. We believe that the determination of program eligibility should not be based on whether a school is for-profit, public or private non-profit. Currently, institutions offering similar programs are not treated similarly under Title IV regulations. Only for-profit institutions are blocked from offering degree or certificate program unless they "provide training for gainful employment in a recognized occupation" (as found in the U.S. Department of Labor's Dictionary of Occupational Titles). Although a for-profit institution and a public institution may offer identical programs, accredited by the same authorizing body, the students attending the proprietary institution may be barred from receiving federal aid due to this provision.

These limitations are unfair to students and consumers. Their choice of schools will be driven by the wrong conditions; rather than choosing a school based on quality, location, or services provided that meet their needs, the student may be forced to choose based on institutional type. This provision creates inequity among otherwise similar programs.

**National Association of Student Financial Aid Administrators
Higher Education Act Reauthorization Recommendations June 27, 2003**

Current HEA Law	NASFAA Proposed Statutory Language
Title I, IV, and ED regulations.	NASFAA is unable to produce legislative language to date due to the complexity of the issues involved. Staff continues to explore solutions that avoid unintended consequences in the eligibility provisions.