

Military Personnel and Veterans: Higher Education Act Provisions Amended by P.L. 110-315

Title I

Sec. 131 Improved Availability and Coordination of Information Concerning Student Financial Aid Programs for Military Members and Veterans

The Departments of Education, Defense, and Veterans Affairs must in collaboration create a searchable Web site giving understandable information about all federal and state student financial assistance, readmission requirements under section 484C (see further below), and other student services, for which members of the Armed Forces (including members of the National Guard and Reserves), veterans, and their dependents may be eligible. The Web site must be operative within one year of 8/14/08, and its availability made widely known.

Sec. 135 In-State Tuition Rates for Armed Forces Members, Spouses, and Dependent Children at Public Institutions

A State may not charge tuition at rates higher than in-state charges for:

- Members of the Armed Forces on active duty for more than thirty days, whose domicile or permanent duty station is in the state
- Spouses and dependent children of service members described above
- Service members and their spouses or children who were paying in-state rates as described above, but have since experienced a change in permanent duty station

Effective for periods of enrollment that begin on or after 7/1/09.

Title IV

Part A, Sec. 401 Federal Pell Grants

A student's EFC for Pell Grant purposes is set to zero if

- The student's parent or guardian was a member of the Armed Forces who died as a result of performing military service in Iraq or Afghanistan after September 11, 2001
- The student was under twenty-four years of age or enrolled at an institution of higher education at the time of the death

The Departments of Defense and Veterans Affairs are to provide the Department of Education with the information necessary to determine which students qualify.

Effective 7/1/09.

Parts B, D & E FFEL, Direct Loan, and Perkins Loan Programs

Title IV loans will be discharged on the basis of a finding by the Department of Veterans Affairs that a borrower is unemployable due to a service-connected condition.

Effective 7/1/08 for Federal Perkins Loans.

Effective 7/1/10 for FFEL and Direct Loans.

Parts B & D Federal Family Education Loan (FFEL) & Direct Loan Programs

Interest rate provisions are amended as follows:

- Interest rate limitations under the Servicemembers Civil Relief Act (SCRA) apply to FFEL Program loans
 - SCRA caps interest rates at 6% for active duty service members

Part D Direct Loan Program

Interest does not accrue for up to 5 years on Direct Loans:

- That were first disbursed on or after 10/1/08
- During periods the borrower is an eligible military borrower, i.e., is:
 - During a war or other military operation or national emergency, serving on active duty or performing qualifying National Guard duty; and
 - Serving in an area of hostilities in which service qualifies for special pay under 37 USC 310
- Representing the portion of a Consolidation loan used to pay off loans for which the first disbursement was made on or after 10/1/08

Part E Federal Perkins Loans

Perkins Loan borrowers no longer need to request forbearance in writing, provided the agreed-upon terms of forbearance are documented by both:

- Confirming the agreement of the borrower by notice to the borrower from the institution of higher education
- Recording the terms in the borrower's file

Under the HEROES Act of 2003, ED has permitted, in specified and limited circumstances, waivers of the written application requirement.

Effective 8/14/08.

Part F Need Analysis

Cost of attendance

- Exclude housing from cost of attendance for military personnel who live in base housing or receive a military basic allowance
- Effective 7/1/10

Total Income

- Veterans education benefits may not be considered income or assets in the calculation of expected family contribution (EFC)
- Effective 7/1/10

Untaxed income or benefits

- Exclude the value of military housing or a military housing allowance from consideration in the need analysis formula
- Effective 7/1/10

Estimated financial assistance

- Exclude veteran's education benefits from being counted as available financial assistance when determining eligibility for federal student financial aid
- This same exclusion is made to the definition of estimated financial assistance for subsidized Stafford loans under Part B
- Effective 7/1/10

Part G General Provisions Relating to Student Assistance

Readmission Requirements for Service Members (new §484C)

Institutions are prohibited from having readmission policies that discriminate on the basis of a student's active duty service in the Armed Forces (whether voluntary or involuntary, and including National Guard or Reserve members).

A student who had to leave an institution because of active duty service for more than 30 days is entitled to readmission with the same academic status if all of the following criteria are met:

- The student (or an appropriate officer of the Armed Forces or official of the Department of Defense) gives advance written or verbal notice of that service to the appropriate institutional official
 - Unless notice is precluded for security reasons by the nature of the service
 - waived if student submits attestation upon seeking readmission that he or she performed service that necessitated his or her absence
- The documented cumulative length of all such absences from that institution does not exceed five years, with certain exceptions
- The student submits a notification of intent to reenroll in the institution of higher education within:
 - three years after the completion of the period of service; or
 - two years after recovery from an illness or injury incurred in or aggravated during the performance of service

A student who applies for readmission after the period of entitlement lapses is subject to normal institutional leave of absence policy and general practices

- The student's documented separation status was not dishonorable

An institution may not delay or attempt to avoid readmitting a student by demanding documentation that does not exist, or is not readily available, at the time of readmission.

Effective 8/14/08.