

113TH CONGRESS
2D SESSION

S. _____

To amend the Higher Education Act of 1965 to improve access for students to Federal grants and loans to help pay for postsecondary, graduate, and professional educational opportunities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. ALEXANDER (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Higher Education Act of 1965 to improve access for students to Federal grants and loans to help pay for postsecondary, graduate, and professional educational opportunities, 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 “Financial Aid Sim-
5 plification and Transparency Act of 2014”.

6 **SEC. 2. REFERENCES.**

7 Except as otherwise specifically provided, whenever in
8 this Act a section or other provision is amended or re-

1 pealed, such amendment or repeal shall be considered to
2 be made to that section or other provision of the Higher
3 Education Act of 1965 (20 U.S.C. 1001 et seq.).

4 **SEC. 3. STATEMENT OF PURPOSE.**

5 The purpose of this Act is to simplify the Federal
6 student aid programs in order to provide—

7 (1) access to postsecondary education for stu-
8 dents and families; and

9 (2) information that will allow students and
10 families to make better consumer choices.

11 **SEC. 4. DEFINITIONS; SPECIAL RULE FOR PARENT BOR-**
12 **ROWERS.**

13 Part A of title IV (20 U.S.C. 1070 et seq.) is amend-
14 ed, in the matter preceding subpart 1, by striking section
15 400 and inserting the following:

16 **“SEC. 400. DEFINITIONS; SPECIAL RULE FOR PARENT BOR-**
17 **ROWERS.**

18 “(a) DEFINITIONS.—In part A and part F:

19 “(1) COST OF ATTENDANCE.—The term ‘cost of
20 attendance’ means—

21 “(A) tuition and fees normally assessed a
22 student carrying the same academic workload
23 as determined by the institution, and including
24 costs for rental or purchase of any equipment,

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

3 “(B) an allowance for books, supplies,
4 transportation, and miscellaneous personal ex-
5 penses, including a reasonable allowance for the
6 documented rental or purchase of a personal
7 computer, for a student attending the institu-
8 tion on at least a half-time basis, as determined
9 by the institution;

10 “(C) an allowance (as determined by the
11 institution) for room and board costs incurred
12 by the student which—

13 “(i) shall be an allowance determined
14 by the institution for a student without de-
15 pendants residing at home with parents;

16 “(ii) for students without dependents
17 residing in institutionally owned or oper-
18 ated housing, shall be a standard allowance
19 determined by the institution based on the
20 amount normally assessed most of its resi-
21 dents for room and board;

22 “(iii) for students who live in housing
23 located on a military base or for which a
24 basic allowance is provided under section
25 403(b) of title 37, United States Code,

1 shall be an allowance based on the ex-
2 penses reasonably incurred by such stu-
3 dents for board but not for room; and

4 “(iv) for all other students shall be an
5 allowance based on the expenses reason-
6 ably incurred by such students for room
7 and board;

8 “(D) for less than half-time students (as
9 determined by the institution), tuition and fees
10 and an allowance for only—

11 “(i) books, supplies, and transpor-
12 tation (as determined by the institution);

13 “(ii) dependent care expenses (deter-
14 mined in accordance with subparagraph
15 (H)); and

16 “(iii) room and board costs (deter-
17 mined in accordance with subparagraph
18 (C)), except that a student may receive an
19 allowance for such costs under this sub-
20 paragraph for not more than 3 semesters
21 or the equivalent, of which not more than
22 2 semesters or the equivalent may be con-
23 secutive;

24 “(E) for a student engaged in a program
25 of study by correspondence, only tuition and

1 fees and, if required, books and supplies, travel,
2 and room and board costs incurred specifically
3 in fulfilling a required period of residential
4 training;

5 “(F) for incarcerated students only tuition
6 and fees and, if required, books and supplies;

7 “(G) for a student enrolled in an academic
8 program in a program of study abroad ap-
9 proved for credit by the student’s home institu-
10 tion, reasonable costs associated with such
11 study (as determined by the institution at which
12 such student is enrolled);

13 “(H) for a student with one or more de-
14 pendants, an allowance based on the estimated
15 actual expenses incurred for such dependent
16 care, based on the number and age of such de-
17 pendants, except that—

18 “(i) such allowance shall not exceed
19 the reasonable cost in the community in
20 which such student resides for the kind of
21 care provided; and

22 “(ii) the period for which dependent
23 care is required includes, but is not limited
24 to, class-time, study-time, field work, in-
25 ternships, and commuting time;

1 “(I) for a student with a disability, an al-
2 lowance (as determined by the institution) for
3 those expenses related to the student’s dis-
4 ability, including special services, personal as-
5 sistance, transportation, equipment, and sup-
6 plies that are reasonably incurred and not pro-
7 vided for by other assisting agencies;

8 “(J) for a student receiving all or part of
9 the student’s instruction by means of tele-
10 communications technology, no distinction shall
11 be made with respect to the mode of instruction
12 in determining costs;

13 “(K) for a student engaged in a work ex-
14 perience under a cooperative education pro-
15 gram, an allowance for reasonable costs associ-
16 ated with such employment (as determined by
17 the institution);

18 “(L) for a student who receives a loan
19 under this or any other Federal law, or, at the
20 option of the institution, a conventional student
21 loan incurred by the student to cover a stu-
22 dent’s cost of attendance at the institution, an
23 allowance for the actual cost of any loan fee,
24 origination fee, or insurance premium charged
25 to such student or such parent on such loan, or

1 the average cost of any such fee or premium
2 charged by the Secretary, lender, or guaranty
3 agency making or insuring such loan, as the
4 case may be; and

5 “(M) at the option of the institution, for a
6 student in a program requiring professional li-
7 censure or certification, the one-time cost of ob-
8 taining the first professional credentials (as de-
9 termined by the institution).

10 “(2) ELIGIBLE STUDENT.—The term ‘eligible
11 student’ means an individual who—

12 “(A) is enrolled or accepted for enrollment
13 in a program of study at an eligible institution
14 of higher education leading to a degree, certifi-
15 cate, or credential issued by such institution;

16 “(B) in the case of a student who is en-
17 rolled at an eligible institution, is maintaining
18 satisfactory academic progress in the program
19 of study the student is pursuing while attending
20 the institution (as defined in accordance with
21 section 484(c));

22 “(C) does not owe a refund on grants pre-
23 viously received at any institution under this
24 title;

1 “(D) is not in a default status on any loan
2 made, insured, or guaranteed by the Secretary
3 under this title for attendance at any institu-
4 tion;

5 “(E) is a citizen or national of the United
6 States, a permanent resident of the United
7 States, or able to provide evidence from the Im-
8 migration and Naturalization Service that he or
9 she is in the United States for other than a
10 temporary purpose with the intention of becom-
11 ing a citizen or permanent resident; and

12 “(F) in the case of eligibility for a Federal
13 Pell Grant, is also participating in the Federal
14 loan program described under section 470.

15 “(3) MEANS-TESTED FEDERAL BENEFIT PRO-
16 GRAM.—The term ‘means-tested Federal benefit pro-
17 gram’ means any of the following mandatory spend-
18 ing programs of the Federal Government:

19 “(A) The supplemental security income
20 program established under title XVI of the So-
21 cial Security Act (42 U.S.C. 1381 et seq.).

22 “(B) The supplemental nutrition assist-
23 ance program established under the Food and
24 Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

1 “(C) The free and reduced price school
2 lunch program established under the Richard
3 B. Russell National School Lunch Act (42
4 U.S.C. 1751 et seq.).

5 “(D) The program of block grants to
6 States for temporary assistance for needy fami-
7 lies program established under part A of title
8 IV of the Social Security Act (42 U.S.C. 601 et
9 seq.).

10 “(E) The special supplemental nutrition
11 program for women, infants, and children es-
12 tablished by section 17 of the Child Nutrition
13 Act of 1966 (42 U.S.C. 1786).

14 “(4) GRADUATE OR PROFESSIONAL STU-
15 DENT.—The term ‘graduate or professional student’
16 means a student who has received a baccalaureate
17 degree and is enrolled in a program of study requir-
18 ing a baccalaureate degree as a condition of that en-
19 rollment.

20 “(b) SPECIAL RULE FOR PARENT BORROWERS.—
21 Whenever necessary to carry out the provisions of this sec-
22 tion, the terms ‘student’ and ‘borrower’ as used in this
23 part shall include a parent borrower under this section.

1 **“SEC. 400A. SIMPLIFIED APPLICATION FOR FEDERAL PELL**
2 **GRANTS AND LOANS UNDER PART A AND**
3 **PART F.**

4 “(a) IN GENERAL.—Each individual desiring to apply
5 for Federal financial aid under this title for any year shall
6 file an application with the Secretary to determine eligi-
7 bility for aid as described in subsection (b).

8 “(b) FREE APPLICATION.—

9 “(1) IN GENERAL.—The Secretary shall make
10 available, for the purposes of subsection (a), a free
11 application to determine the eligibility of a student
12 for a Federal Pell Grant under section 401 or a
13 Federal loan under part F based—

14 “(A) in the case of a Federal Pell Grant,
15 on the adjusted gross income and family size of
16 a student applicant, as described under section
17 401(b); and

18 “(B) in the case of a loan, on the student’s
19 estimated loan amount, as determined by the
20 institution in accordance with section 470(e)(4).

21 “(2) INFORMATION REQUIRED OF THE APPLI-
22 CANT.—The Secretary shall request the following in-
23 formation in order to determine an applicant’s eligi-
24 bility for Federal student aid:

25 “(A) For the purposes of attaining a Fed-
26 eral Pell Grant, the student’s—

1 “(i) name and address;

2 “(ii) social security number;

3 “(iii) date of birth; and

4 “(iv) income and family size as re-

5 ported to the Internal Revenue Service in

6 the year prior to the current prior year tax

7 filing (as determined by the date of enroll-

8 ment), which data, in the case of electronic

9 filers, shall be retrieved from the Internal

10 Revenue Service.

11 “(B) For the purpose of attaining a Fed-

12 eral loan, the applicant’s—

13 “(i) name and address;

14 “(ii) social security number;

15 “(iii) date of birth; and

16 “(iv) if the applicant so chooses, a list

17 of institutions of higher education that the

18 applicant is interested in attending.

19 “(3) INFORMATION TO BE SUPPLIED BY THE

20 SECRETARY.—Upon receiving and timely processing

21 an application described under paragraph (1), the

22 Secretary will provide to only the applicant, the fol-

23 lowing information:

1 “(A) If the applicant applied for a Federal
2 Pell Grant, the amount of the applicant’s Fed-
3 eral Pell Grant award.

4 “(B) If the applicant applied for a Federal
5 loan under section 470, the amount of the Fed-
6 eral loan that the applicant may receive if the
7 applicant chooses, and the following informa-
8 tion:

9 “(i) If the interest rate on the loan
10 has been determined at the time such in-
11 formation is provided, the interest rate on
12 the loan.

13 “(ii) If the interest rate on the loan
14 has not been determined at the time such
15 information is provided, the current inter-
16 est rate and a statement that the interest
17 rate is subject to change.

18 “(iii) The monthly amount that the
19 applicant would be required to repay if the
20 applicant chooses to accept the loan, based
21 on—

22 “(I) the amount of the Federal
23 loan under section 470 that the appli-
24 cant may choose to receive; and

1 “(II) payment of such loan on a
2 standard 10-year repayment plan.

3 “(iv) The monthly amount that the
4 applicant would be required to repay if the
5 applicant chooses to accept a loan of the
6 same amount and paid according to the
7 same repayment plan as described in
8 clause (iii)—

9 “(I) for 2 years; and

10 “(II) for 4 years.

11 “(v) The monthly amount that the ap-
12 plicant would be required to repay if the
13 applicant chooses to accept the loan, based
14 on—

15 “(I) the amount of the Federal
16 loan under section 470 that the appli-
17 cant may choose to receive; and

18 “(II) payment of such loan ac-
19 cording to the income-based repay-
20 ment plan, reflecting not less than 5
21 different income levels.

22 “(vi) The monthly amount (based on
23 not less than 5 different income levels)
24 that the applicant would be required to
25 repay if the applicant chooses to accept a

1 loan of the same amount and paid accord-
2 ing to the same repayment plan as de-
3 scribed in clause (v)—

4 “(I) for 2 years; and

5 “(II) for 4 years.”.

6 **SEC. 5. ONE GRANT PROGRAM.**

7 Part A of title IV of the Act (20 U.S.C. 1070 et seq.)
8 is further amended—

9 (1) in subpart 1, by striking sections 401 and
10 401A and inserting the following:

11 **“SEC. 401. FEDERAL PELL GRANTS.**

12 “(a) PROGRAM AUTHORITY AND METHOD OF DIS-
13 TRIBUTION.—

14 “(1) IN GENERAL.—Grants made under this
15 subpart shall be known as ‘Federal Pell Grants’.

16 “(2) PROGRAM AUTHORIZED.—For each of fis-
17 cal years 2015 through 2021, the Secretary shall
18 pay to each eligible institution such sums as may be
19 necessary to pay to each eligible student, as defined
20 in accordance with section 400(a), for each academic
21 year during which that student is in attendance at
22 an institution of higher education, as an under-
23 graduate, a Federal Pell Grant in the amount for
24 which that student is eligible, as determined pursu-
25 ant to subsection (b).

1 “(3) METHOD OF DISTRIBUTION.—The Sec-
2 retary shall provide funds to each eligible institution
3 of higher education in an accurate and timely man-
4 ner based upon an amount requested by the institu-
5 tion for eligible students at that institution that have
6 submitted an approved application in accordance
7 with subsection (d).

8 “(b) PURPOSE AND AMOUNT OF GRANT.—

9 “(1) PURPOSE.—The purpose of this part is to
10 assist in making available the benefits of postsec-
11 ondary education to eligible students in institutions
12 of higher education by providing Federal Pell Grants
13 to all eligible students.

14 “(2) DETERMINATION OF AMOUNT.—

15 “(A) QUALIFICATION FOR FEDERAL PELL
16 GRANT AWARD.—An eligible student shall auto-
17 matically qualify to receive a Federal Pell Grant
18 award, which shall be determined in accordance
19 with subparagraph (B)(ii) if the student or the
20 student’s family received benefits at some time
21 during the previous 24-month period under a
22 means-tested Federal benefit program, as de-
23 fined in section 400.

24 “(B) AWARD AMOUNT.—

16

1 “(i) AWARD YEAR 2014.—An eligible
 2 student shall receive a Federal Pell Grant
 3 award for award year 2014 in an amount
 4 determined in accordance with clause (ii).

5 “(ii) CALCULATION OF INDIVIDUAL
 6 AWARD AMOUNT.—

7 “(I) For family size of 1:

“2012 AGI	Pell Award
\$0–\$11,670	\$5,730
\$11,671–\$12,837	\$5,380
\$12,838–\$14,004	\$4,890
\$14,005–\$15,171	\$4,400
\$15,172–\$16,338	\$3,910
\$16,339–\$17,505	\$3,420
\$17,506–\$18,672	\$2,930
\$18,673–\$19,839	\$2,440
\$19,840–\$21,006	\$1,950
\$21,007–\$22,173	\$1,460
\$22,174–\$23,340	\$970

8 “(II) For family size of 2:

“2012 AGI	Pell Award
\$0–\$15,730	\$5,730
\$15,731–\$17,303	\$5,505
\$17,304–\$18,876	\$5,235
\$18,877–\$20,449	\$4,965
\$20,450–\$22,022	\$4,695
\$22,023–\$23,595	\$4,425
\$23,596–\$25,168	\$4,155
\$25,169–\$26,741	\$3,885
\$26,742–\$28,314	\$3,615
\$28,315–\$29,887	\$3,345
\$29,888–\$31,460	\$3,075
\$31,461–\$33,033	\$3,130
\$33,034–\$34,606	\$2,890
\$34,607–\$36,179	\$2,650
\$36,180–\$37,752	\$2,410
\$37,753–\$39,325	\$2,170

9 “(III) For family size of 3:

17

“2012 AGI	Pell Award
\$0–\$19,790	\$5,730
\$19,791–\$21,769	\$5,555
\$21,770–\$23,748	\$5,345
\$23,749–\$25,727	\$5,135
\$25,728–\$27,706	\$4,925
\$27,707–\$29,685	\$4,715
\$29,686–\$31,664	\$4,505
\$31,665–\$33,643	\$4,295
\$33,644–\$35,622	\$4,085
\$35,623–\$37,601	\$3,875
\$37,602–\$39,580	\$3,665
\$39,581–\$41,559	\$3,130
\$41,560–\$43,538	\$2,890
\$43,539–\$45,517	\$2,650
\$45,518–\$47,496	\$2,410
\$47,497–\$49,475	\$2,170

1

“(IV) For family size of 4:

“2012 AGI	Pell Award
\$0–\$23,850	\$5,730
\$23,851–\$26,235	\$5,555
\$26,236–\$28,620	\$5,345
\$28,621–\$31,005	\$5,135
\$31,006–\$33,390	\$4,925
\$33,391–\$35,775	\$4,715
\$35,776–\$38,160	\$4,505
\$38,161–\$40,545	\$4,295
\$40,546–\$42,930	\$4,085
\$42,931–\$45,315	\$3,875
\$45,316–\$47,700	\$3,665
\$47,701–\$50,085	\$3,130
\$50,086–\$52,470	\$2,890
\$52,471–\$54,855	\$2,650
\$54,856–\$57,240	\$2,410
\$57,241–\$59,625	\$2,170

2

“(V) For family size of 5:

“2012 AGI	Pell Award
\$0–\$27,910	\$5,730
\$27,911–\$30,701	\$5,530
\$30,702–\$33,492	\$5,290
\$33,493–\$36,283	\$5,050
\$36,284–\$39,074	\$4,810
\$39,075–\$41,865	\$4,570
\$41,866–\$44,656	\$4,330
\$44,657–\$47,447	\$4,090

18

“2012 AGI	Pell Award
\$47,448–\$50,238	\$3,850
\$50,239–\$53,029	\$3,610
\$53,030–\$55,820	\$3,370
\$55,821–\$58,611	\$3,130
\$58,612–\$61,402	\$2,890
\$61,403–\$64,193	\$2,650
\$64,194–\$66,984	\$2,410
\$66,985–\$69,775	\$2,170

1

“(VI) For family size of 6:

“2012 AGI	Pell Award
\$0–\$31,970	\$5,730
\$31,971–\$35,167	\$5,530
\$35,168–\$38,364	\$5,290
\$38,365–\$41,561	\$5,050
\$41,562–\$44,758	\$4,810
\$44,759–\$47,955	\$4,570
\$47,956–\$51,152	\$4,330
\$51,153–\$54,349	\$4,090
\$54,350–\$57,546	\$3,850
\$57,547–\$60,743	\$3,610
\$60,744–\$63,940	\$3,370
\$63,941–\$67,137	\$3,130
\$67,138–\$70,334	\$2,890
\$70,335–\$73,531	\$2,650
\$73,532–\$76,728	\$2,410
\$76,729–\$79,925	\$2,170

2

“(VII) For family size of 7:

“2012 AGI	Pell Award
\$0–\$36,030	\$5,730
\$36,031–\$39,633	\$5,530
\$39,634–\$43,236	\$5,290
\$43,237–\$46,839	\$5,050
\$46,840–\$50,442	\$4,810
\$50,443–\$54,045	\$4,570
\$54,046–\$57,648	\$4,330
\$57,649–\$61,251	\$4,090
\$61,252–\$64,854	\$3,850
\$64,855–\$68,457	\$3,610
\$68,458–\$72,060	\$3,370
\$72,061–\$75,663	\$3,130
\$75,664–\$79,266	\$2,890
\$79,267–\$82,869	\$2,650
\$82,870–\$86,472	\$2,410

“2012 AGI	Pell Award
\$86,473–\$90,075	\$2,170

1 “(VIII) For family size of 8 or
2 more:

“2012 AGI	Pell Award
\$0–\$40,909	\$5,730
\$40,910–\$45,000	\$5,505
\$45,001–\$49,091	\$5,235
\$49,092–\$53,182	\$4,943
\$53,183–\$57,273	\$4,628
\$57,274–\$61,364	\$4,290
\$61,365–\$65,454	\$3,953
\$65,455–\$69,545	\$3,615
\$69,546–\$73,636	\$3,278
\$73,637–\$77,727	\$2,940
\$77,728–\$81,818	\$2,603
\$81,819–\$85,909	\$3,130
\$85,910–\$90,000	\$2,890
\$90,001–\$94,091	\$2,650
\$94,092–\$98,182	\$2,410
\$98,182–\$102,273	\$2,170

3 “(iii) SUBSEQUENT AWARD YEARS.—
4 For each award year subsequent to 2014,
5 the dollar amounts in the table under
6 clause (ii) shall be adjusted (rounded to
7 the nearest dollar) by the percentage by
8 which—

9 “(I) the maximum Federal Pell
10 Grant award amount calculated in ac-
11 cordance with subparagraph (C)(i),
12 exceeds or decreases below;

13 “(II) \$5730.

1 “(C) MAXIMUM AMOUNT OF FEDERAL
2 PELL GRANT AWARD.—

3 “(i) IN GENERAL.—The maximum
4 amount of the Federal Pell Grant for a
5 student eligible under this part shall be—

6 “(I) the maximum Federal Pell
7 Grant, as specified in the last enacted
8 appropriation Act applicable to that
9 award year, plus

10 “(II) the amount of the increase
11 calculated under clause (ii) for that
12 year.

13 “(ii) ADDITIONAL FUNDS.—There are
14 authorized to be appropriated, and there
15 are appropriated (in addition to any other
16 amounts appropriated to carry out this
17 section and out of any money in the Treas-
18 ury not otherwise appropriated) the fol-
19 lowing amounts—

20 “(I) to carry out clause (iii), such
21 sums as may be necessary for fiscal
22 year 2010 and each subsequent fiscal
23 year to provide the amount of increase
24 of the maximum Federal Pell Grant
25 required by clause (iii); and

21

1 “(II) to carry out this section—

2 “(aa) \$0 for fiscal year
3 2015;

4 “(bb) \$0 for fiscal year
5 2016;

6 “(cc) \$1,574,000,000 for fis-
7 cal year 2017;

8 “(dd) \$1,382,000,000 for
9 fiscal year 2018;

10 “(ee) \$1,409,000,000 for
11 fiscal year 2019;

12 “(ff) \$1,430,000,000 for fis-
13 cal year 2020; and

14 “(gg) \$1,145,000,000 for
15 fiscal year 2021 and each suc-
16 ceeding fiscal year.

17 “(iii) INCREASE IN FEDERAL PELL
18 GRANTS.—The amounts made available
19 pursuant to clause (ii)(I) shall be used to
20 increase the amount of the maximum Fed-
21 eral Pell Grant for which a student shall
22 be eligible during an award year, as speci-
23 fied in the last enacted appropriation Act
24 applicable to that award year, by the

1 amount determined under clause (iv) for
2 each succeeding award year.

3 “(iv) ADJUSTMENT AMOUNTS.—

4 “(I) AWARD YEARS 2014–2015
5 THROUGH 2017–2018.—For each of the
6 award years 2014–2015 through
7 2017–2018, the amount determined
8 under this clause for purposes of
9 clause (iii) shall be equal to—

10 “(aa) the total maximum
11 Federal Pell Grant for the pre-
12 ceding award year (as determined
13 under subclause (IV)), increased
14 by a percentage equal to the an-
15 nual adjustment percentage for
16 the award year for which the
17 amount under this subparagraph
18 is being determined, reduced by

19 “(bb) \$4,860 or the max-
20 imum Federal Pell Grant for
21 which a student was eligible for
22 the preceding award year, as
23 specified in the last enacted ap-
24 propriation Act applicable to that
25 year, whichever is greater; and

1 “(cc) rounded to the nearest
2 \$5.

3 “(II) SUBSEQUENT AWARD
4 YEARS.—For award year 2018–2019
5 and each subsequent award year, the
6 amount determined under this clause
7 for purposes of clause (iii) shall be
8 equal to the amount determined under
9 subclause (IV) for award year 2017–
10 2018.

11 “(III) ANNUAL ADJUSTMENT
12 PERCENTAGE.—For purposes of this
13 clause, the term ‘annual adjustment
14 percentage’ as applied to an award
15 year, is equal to the estimated per-
16 centage change in the Consumer Price
17 Index (as determined by the Sec-
18 retary, using the definition in section
19 478(f)) for the most recent calendar
20 year ending prior to the beginning of
21 that award year.

22 “(IV) TOTAL MAXIMUM FEDERAL
23 PELL GRANT.—For purposes of this
24 clause, the term ‘total maximum Fed-
25 eral Pell Grant’ as applied to a pre-

1 ceding award year, is equal to the
2 sum of—

3 “(aa) the maximum Federal
4 Pell Grant for which a student is
5 eligible during an award year, as
6 specified in the last enacted ap-
7 propriation Act applicable to that
8 preceding award year; and

9 “(bb) the amount of the in-
10 crease in the maximum Federal
11 Pell Grant required by this sub-
12 paragraph for that preceding
13 award year.

14 “(v) PROGRAM REQUIREMENTS AND
15 OPERATIONS OTHERWISE UNAFFECTED.—
16 Except as provided in clauses (iii) and (iv),
17 nothing in this subparagraph shall be con-
18 strued to alter the requirements and oper-
19 ations of the Federal Pell Grant Program
20 as authorized under this section, or au-
21 thorize the imposition of additional re-
22 quirements or operations for the deter-
23 mination and allocation of Federal Pell
24 Grants under this section.

1 “(vi) RATABLE INCREASES AND DE-
2 CREASES.—The amounts specified in
3 clause (iii) shall be ratably increased or de-
4 creased to the extent that funds available
5 under clause (ii) exceed or are less than
6 (respectively) the amount required to pro-
7 vide the amounts specified in clause (iii).

8 “(vii) AVAILABILITY OF FUNDS.—The
9 amounts made available by clause (ii) for
10 any fiscal year shall be available beginning
11 on October 1 of that fiscal year, and shall
12 remain available through September 30 of
13 the succeeding fiscal year.

14 “(D) EXCEPTION.—Nothing in this part
15 shall be interpreted as limiting the authority of
16 the financial aid administrator, on the basis of
17 adequate documentation, to make adjustments
18 on a case-by-case basis to the values of the data
19 items required to calculate the amount of a
20 Federal Pell Grant award as described under
21 subparagraph (B) to allow only for treatment of
22 an individual eligible applicant with a change in
23 family income or family size.

24 “(E) LIMITATIONS.—

1 “(i) PART-TIME STUDENTS.—In any
2 case where a student attends an institution
3 of higher education on less than a full-time
4 basis (including a student who attends an
5 institution of higher education on less than
6 a half-time basis) during any academic
7 year, the amount of the Federal Pell Grant
8 to which that student is entitled shall be
9 reduced in proportion to the degree to
10 which that student is not so attending on
11 a full-time basis in accordance with a
12 schedule of reductions established by the
13 Secretary for the purposes of this clause,
14 computed in accordance with this subpart.

15 “(ii) COST OF ATTENDANCE.—No
16 Federal Pell Grant under this subpart
17 shall exceed the cost of attendance at the
18 institution at which that student is in at-
19 tendance.

20 “(iii) INCARCERATION.—No Federal
21 Pell Grant shall be awarded under this
22 subpart to any individual who is incarcer-
23 ated in any Federal or State penal institu-
24 tion or who is subject to an involuntary
25 civil commitment upon completion of a pe-

1 riod of incarceration for a forcible or non-
2 forcible sexual offense (as determined in
3 accordance with the Federal Bureau of In-
4 vestigation’s Uniform Crime Reporting
5 Program).

6 “(c) PERIOD OF ELIGIBILITY FOR GRANTS.—

7 “(1) IN GENERAL.—The period during which a
8 student may receive Federal Pell Grants shall be the
9 period required for the completion of the first under-
10 graduate baccalaureate program of study being pur-
11 sued by that student at the institution at which the
12 student is in attendance, except that any period dur-
13 ing which the student is enrolled in a non-credit or
14 remedial program of study as defined in paragraph
15 (2) shall not be counted for the purpose of this para-
16 graph.

17 “(2) NON-CREDIT OR REMEDIAL COURSEWORK
18 AND STUDY ABROAD PROGRAMS.—Nothing in this
19 section shall exclude from eligibility—

20 “(A) programs of study which are non-
21 credit or remedial in nature (including courses
22 in English language instruction) which are de-
23 termined by the institution to be necessary to
24 help the student be prepared for the pursuit of
25 a first undergraduate baccalaureate degree or

1 certificate or, in the case of courses in English
2 language instruction, to be necessary to enable
3 the student to utilize already existing knowl-
4 edge, training, or skills; or

5 “(B) programs of study abroad that are
6 approved for credit by the home institution at
7 which the student is enrolled.

8 “(3) LIMITATION.—No student is entitled to re-
9 ceive Federal Pell Grant payments concurrently
10 from more than one institution.

11 “(4) EXCEPTIONS.—Notwithstanding para-
12 graph (1), the Secretary may allow, on a case-by-
13 case basis, a student to receive a basic grant if the
14 student—

15 “(A) is carrying at least one-half the nor-
16 mal full-time work load for the program of
17 study the student is pursuing, as determined by
18 the institution of higher education; and

19 “(B) is enrolled or accepted for enrollment
20 in a postbaccalaureate program that does not
21 lead to a graduate degree, and in courses re-
22 quired by a State in order for the student to re-
23 ceive a professional certification or licensing
24 credential that is required for employment as a
25 teacher in an elementary school or secondary

1 school in that State, except that this paragraph
2 shall not apply to a student who is enrolled in
3 an institution of higher education that offers a
4 baccalaureate degree in education.

5 “(5) ANNUAL AWARD.—

6 “(A) IN GENERAL.—The period during
7 which a student may receive Federal Pell
8 Grants shall not exceed 12 semesters, or the
9 equivalent of 12 semesters, as determined by
10 the Secretary by regulation. Such regulation
11 shall provide, with respect to a student who re-
12 ceived a Federal Pell Grant for a semester and
13 was enrolled on a less than full-time basis dur-
14 ing that semester, that only a fraction of such
15 semester shall count towards the semester limit
16 described in this subparagraph.

17 “(B) EXCEPTIONS FOR ACCELERATED
18 COMPLETION.—

19 “(i) ACCELERATED COURSEWORK.—

20 An eligible student who completes
21 coursework equivalent to one academic
22 year before the end of an award year and
23 has exhausted the Federal Pell Grant
24 award funding for which that student is el-
25 ible for such award year may receive all,

1 or a portion of, the Federal Pell Grant
2 funds that the student would otherwise be
3 eligible to receive in the next award year to
4 pay additional tuition and fees charged to
5 the student due to enrolling in additional
6 courses during such award year. A student
7 who receives all, or a portion, of such Fed-
8 eral Pell Grant funds for the next award
9 year in accordance with this clause shall
10 not have the amount of Federal Pell Grant
11 funds reduced in that next award year due
12 to such accelerated coursework.

13 “(ii) 2 PELL GRANTS IN A SINGLE
14 AWARD YEAR.—

15 “(I) 2 PELL GRANTS IN A SINGLE
16 AWARD YEAR.—In addition to the ex-
17 ception described in clause (i), the
18 Secretary shall award an eligible stu-
19 dent who has not completed
20 coursework equivalent to one aca-
21 demic year before the end of an award
22 year not more than 2 Federal Pell
23 Grants during a single award year to
24 permit such student to complete aca-
25 demic progress for that award year so

1 that the student may receive a degree
2 or certificate on time. Such eligible
3 student may earn academic credits ex-
4 ceeding the minimum number of cred-
5 its needed to maintain academic
6 progress toward receiving a degree or
7 certificate on time, if those credits are
8 earned in the course of pursuing aca-
9 demic progress for on time completion
10 of a degree or certificate.

11 “(II) EXCEPTION TO ANNUAL
12 PELL GRANT LIMIT.—In the case of a
13 student receiving more than 1 Federal
14 Pell Grant in a single award year
15 under subclause (I), the total amount
16 of Federal Pell Grants awarded to
17 such student for the award year may
18 exceed the maximum basic grant level
19 calculated in accordance with sub-
20 section (b)(2)(C)(i) for such award
21 year, but shall not exceed an amount
22 equal to 150 percent of such max-
23 imum basic grant level.

24 “(III) INCLUSION IN DURATION
25 LIMIT.—Any period of study covered

1 by a Federal Pell Grant awarded
2 under this clause shall be included in
3 determining a student's duration limit
4 under subparagraph (A).

5 “(d) APPLICATION FOR GRANTS.—The Secretary
6 shall from time to time set dates by which students shall
7 file applications for Federal Pell Grants under this sub-
8 part. Each student desiring a Federal Pell Grant for any
9 year shall file an application with the Secretary to deter-
10 mine eligibility for an award as described in section 400A.

11 “(e) DISTRIBUTION OF GRANTS TO STUDENTS.—

12 “(1) IN GENERAL.—Payments under this sec-
13 tion shall be made in accordance with regulations
14 promulgated by the Secretary for such purpose, in
15 such manner as will best accomplish the purpose of
16 this section.

17 “(2) LIMITATIONS.—Any disbursement allowed
18 to be made by crediting the student's account shall
19 be limited to tuition and fees and, in the case of in-
20 stitutionally owned housing, room and board.

21 “(3) EXCEPTION.—A student may elect to have
22 the institution provide other such goods and services
23 by crediting the student's account.

24 “(f) TREATMENT OF INSTITUTIONS AND STUDENTS
25 UNDER OTHER LAWS.—Any institution of higher edu-

1 cation which enters into an agreement with the Secretary
2 to disburse to students attending that institution the
3 amounts those students are eligible to receive under this
4 subpart shall not be deemed, by virtue of such agreement,
5 a contractor maintaining a system of records to accom-
6 plish a function of the Secretary. Recipients of Federal
7 Pell Grants shall not be considered to be individual grant-
8 ees for purposes of subtitle D of title V of Public Law
9 100–690.

10 “(g) INSUFFICIENT APPROPRIATIONS.—If, for any
11 fiscal year, the funds appropriated for payments under
12 this subpart are insufficient to satisfy fully all entitle-
13 ments, as calculated under subsection (b) (but at the max-
14 imum grant level specified in such appropriation), the Sec-
15 retary shall promptly transmit a notice of such insuffi-
16 ciency to each House of the Congress, and identify in such
17 notice the additional amount that would be required to
18 be appropriated to satisfy fully all entitlements (as so cal-
19 culated at such maximum grant level).

20 “(h) USE OF EXCESS FUNDS.—If, at the end of a
21 fiscal year, the funds available for making payments under
22 this subpart exceed the amount necessary to make the
23 payments required under this subpart to eligible students,
24 then all of the excess funds shall remain available for mak-

1 ing payments under this subpart during the next suc-
2 ceeding fiscal year.”.

3 (2) by striking subparts 3, 4, and 6; and

4 (3) by redesignating subparts 5, 7, 9, and 10
5 as subparts 3, 4, 5, and 6, respectively.

6 **SEC. 6. ONE LOAN PROGRAM.**

7 Title IV of the Act (20 U.S.C. 1070, et. seq.) is fur-
8 ther amended—

9 (1) in section 451(a), by inserting “, and end-
10 ing on the June 30 following the date of enactment
11 of the Financial Aid Simplification and Trans-
12 parency Act of 2014” after “during the period be-
13 ginning July 1, 1994”; and

14 (2) by striking part F and inserting the fol-
15 lowing:

16 **“PART F—ONE LOAN PROGRAM**

17 **“SEC. 470. LOANS TO STUDENTS AND FAMILIES FOR POST-**
18 **SECONDARY AND GRADUATE EDUCATION.**

19 **“(a) PROGRAM AUTHORIZED.—**

20 **“(1) IN GENERAL.—**There are hereby made
21 available, in accordance with the provisions of this
22 part, such sums as may be necessary to make loans
23 (including consolidation loans, as described in sub-
24 section (f)) to all eligible students (and the eligible
25 parents of such students) in attendance at partici-

1 participating institutions of higher education, to enable
2 such students to pursue their programs of study at
3 such institutions during the period beginning on the
4 July 1 after the date of enactment of the Financial
5 Aid Simplification and Transparency Act of 2014.

6 “(2) LOAN ORIGINATION.—Loans made under
7 this part shall be made by participating institutions,
8 or consortia thereof, that have agreements with the
9 Secretary to originate loans, or by alternative origi-
10 nators designated by the Secretary to make loans for
11 students in attendance at participating institutions.

12 “(b) FUNDS FOR ORIGINATION.—

13 “(1) IN GENERAL.—The Secretary shall pro-
14 vide, on the basis of the estimated loan amount de-
15 termined under subsection (e)(4) and the eligibility
16 of students at each participating institution, and
17 parents of such students, for such loans, funds for
18 student and parent loans under this part directly to
19 an institution of higher education that has an agree-
20 ment with the Secretary under subsection (d)(1) to
21 participate in the student loan programs under this
22 part and that also has an agreement with the Sec-
23 retary under subsection (d)(2) to originate loans
24 under this part.

1 “(2) NO ENTITLEMENT TO PARTICIPATE OR
2 ORIGINATE.—No institution of higher education
3 shall have a right to participate in the program au-
4 thorized by this part, to originate loans, or to per-
5 form any program function under this part. Nothing
6 in this paragraph shall be construed so as to limit
7 the entitlement of an eligible student attending a
8 participating institution (or the eligible parent of
9 such student) to borrow under this part.

10 “(3) DELIVERY OF LOAN FUNDS.—Loan funds
11 shall be paid and delivered to an institution by the
12 Secretary prior to the beginning of the payment pe-
13 riod established by the Secretary in a manner that
14 is consistent with payment and delivery of Federal
15 Pell Grants under subpart 1 of part A of this title.

16 “(4) INSTITUTIONS OUTSIDE THE UNITED
17 STATES.—Loan funds for students (and parents of
18 students) attending institutions outside the United
19 States shall be disbursed through a financial institu-
20 tion located or operating in the United States and
21 designated by the Secretary to serve as the agent of
22 such institutions with respect to the receipt of the
23 disbursements of such loan funds and the transfer of
24 such funds to such institutions. To be eligible to re-
25 ceive funds under this part, an institution outside

1 the United States shall make arrangements with the
2 agent designated by the Secretary under this para-
3 graph to receive funds under this part.

4 “(c) SELECTION OF INSTITUTIONS FOR PARTICIPA-
5 TION AND ORIGINATION.—

6 “(1) GENERAL AUTHORITY.—The Secretary
7 shall enter into agreements pursuant to subsection
8 (d)(1) with institutions of higher education to par-
9 ticipate in the student loan program under this part,
10 and agreements pursuant to subsection (d)(2) with
11 institutions of higher education, or consortia thereof,
12 to originate loans in such program, for academic
13 years beginning on or after the July 1 after the date
14 of enactment of the Financial Aid Simplification and
15 Transparency Act of 2014. Such agreements for the
16 academic year 2014–2015 shall, to the extent fea-
17 sible, be entered into not later than January 1,
18 2014.

19 “(2) SELECTION CRITERIA.—

20 “(A) APPLICATION.—Each institution of
21 higher education desiring to participate in the
22 student loan program under this part shall sub-
23 mit an application satisfactory to the Secretary
24 containing such information and assurances as
25 the Secretary may require.

1 “(B) SELECTION PROCEDURE.—The Sec-
2 retary shall select institutions for participation
3 in the student loan program under this part,
4 and shall enter into agreements with such insti-
5 tutions under subsection (d)(1), from among
6 those institutions that submit the applications
7 described in subparagraph (A), and meet such
8 other eligibility requirements as the Secretary
9 shall prescribe.

10 “(3) SELECTION CRITERIA FOR ORIGINATION.—

11 “(A) IN GENERAL.—The Secretary may
12 enter into a supplemental agreement with an
13 institution (or a consortium of such institu-
14 tions) that—

15 “(i) has an agreement under sub-
16 section (d)(1);

17 “(ii) desires to originate loans under
18 this part; and

19 “(iii) meets the criteria described in
20 subparagraph (B).

21 “(B) SELECTION CRITERIA.—The Sec-
22 retary may approve an institution to originate
23 loans only if such institution—

24 “(i) is not on the reimbursement sys-
25 tem of payment for any of the programs

1 under subpart 1 of part A or part C of this
2 title;

3 “(ii) is not overdue on program or fi-
4 nancial reports or audits required under
5 this title;

6 “(iii) is not subject to an emergency
7 action, or a limitation, suspension, or ter-
8 mination under section 428(b)(1)(T),
9 432(h), or 487(c);

10 “(iv) in the opinion of the Secretary,
11 has not had severe performance defi-
12 ciencies for any of the programs under this
13 title, including such deficiencies dem-
14 onstrated by audits or program reviews
15 submitted or conducted during the 5 cal-
16 endar years immediately preceding the
17 date of application;

18 “(v) provides an assurance that such
19 institution has no delinquent outstanding
20 debts to the Federal Government, unless
21 such debts are being repaid under or in ac-
22 cordance with a repayment arrangement
23 satisfactory to the Federal Government, or
24 the Secretary in the Secretary’s discretion
25 determines that the existence or amount of

1 such debts has not been finally determined
2 by the cognizant Federal agency; and

3 “(vi) meets such other criteria as the
4 Secretary may establish to protect the fi-
5 nancial interest of the United States and
6 to promote the purposes of this part.

7 “(4) ELIGIBLE INSTITUTIONS.—The Secretary
8 may not select an institution of higher education for
9 participation under this section unless such institu-
10 tion is an eligible institution under section 435(a).

11 “(5) CONSORTIA.—Subject to such require-
12 ments as the Secretary may prescribe, eligible insti-
13 tutions of higher education (as determined under
14 paragraph (4)) with agreements under subsection
15 (d)(1) may apply to the Secretary as consortia to
16 originate loans under this part for students in at-
17 tendance at such institutions. Each such institution
18 shall be required to meet the requirements of para-
19 graph (3) with respect to loan origination.

20 “(d) AGREEMENTS WITH INSTITUTIONS.—

21 “(1) PARTICIPATION AGREEMENTS.—An agree-
22 ment with any institution of higher education for
23 participation in the student loan program under this
24 part shall—

1 “(A) provide for the establishment and
2 maintenance of a student loan program at the
3 institution under which the institution will—

4 “(i) identify eligible students who seek
5 student financial assistance at such institu-
6 tion in accordance with subsection (e)(2);

7 “(ii) estimate the loan amount of each
8 such student in accordance with subsection
9 (e)(4)(A)(i);

10 “(iii) provide a statement that cer-
11 tifies the eligibility of any student to re-
12 ceive a loan under this part that is not in
13 excess of the annual or aggregate limit ap-
14 plicable to such loan, except that the insti-
15 tution may, in exceptional circumstances
16 identified by the Secretary, refuse to cer-
17 tify a statement that permits a student to
18 receive a loan under this part, or certify a
19 loan amount that is less than the amount
20 the student may otherwise be eligible to re-
21 ceive, as described in clauses (iii) and (iv)
22 of subsection (e)(4)(B);

23 “(iv) set forth a schedule for disburse-
24 ment of the proceeds of the loan in install-

1 ments, consistent with the requirements of
2 section 428G; and

3 “(v) provide timely and accurate in-
4 formation concerning the status of student
5 borrowers (and students on whose behalf
6 parents borrow under this part) while such
7 students are in attendance at the institu-
8 tion and concerning any new information
9 of which the institution becomes aware for
10 such students (or their parents) after such
11 borrowers leave the institution, to the Sec-
12 retary for the servicing and collecting of
13 loans made under this part;

14 “(B) provide assurances that the institu-
15 tion will comply with requirements established
16 by the Secretary relating to student loan infor-
17 mation with respect to loans made under this
18 part;

19 “(C) provide that the institution accepts
20 responsibility and financial liability stemming
21 from its failure to perform its functions pursu-
22 ant to the agreement;

23 “(D) provide for the implementation of a
24 quality assurance system, as established by the
25 Secretary and developed in consultation with in-

1 stitutions of higher education, to ensure that
2 the institution is complying with program re-
3 quirements and meeting program objectives;

4 “(E) provide that the institution will not
5 charge any fees of any kind, however described,
6 to student or parent borrowers for origination
7 activities or the provision of any information
8 necessary for a student or parent to receive a
9 loan under this part, or any benefits associated
10 with such loan; and

11 “(F) include such other provisions as the
12 Secretary reasonably determines are necessary
13 to protect the interests of the United States
14 and to promote the purposes of this part.

15 “(2) ORIGINATION.—An agreement with any in-
16 stitution of higher education, or consortia thereof,
17 for the origination of loans under this part shall—

18 “(A) supplement the agreement entered
19 into in accordance with paragraph (1);

20 “(B) include provisions established by the
21 Secretary that are similar to the participation
22 agreement provisions described in subpara-
23 graphs (A)(v), (B), (C), (D), (E), and (F) of
24 paragraph (1), as modified to relate to the

1 origination of loans by the institution or consor-
2 tium;

3 “(C) provide that the institution or consor-
4 tium will originate loans to eligible students and
5 parents in accordance with this part; and

6 “(D) provide that the note or evidence of
7 obligation on the loan shall be the property of
8 the Secretary.

9 “(3) WITHDRAWAL AND TERMINATION PROCE-
10 DURES.—The Secretary shall establish procedures by
11 which institutions or consortia may withdraw or be
12 terminated from the program under this part.

13 “(e) TERMS AND CONDITIONS OF LOANS.—

14 “(1) PARALLEL TERMS, CONDITIONS, BENE-
15 FITS, AND AMOUNTS OF LOANS.—Unless otherwise
16 specified in this part, loans made to borrowers under
17 this part shall have the same terms, conditions, and
18 benefits as Federal Direct Unsubsidized Stafford
19 Loans under part D made to borrowers and first
20 disbursed on July 1, 1994.

21 “(2) ELIGIBILITY.—In order to be eligible for a
22 loan under this section, an individual must be—

23 “(A) an eligible student, as defined in sec-
24 tion 400(a), who is an undergraduate;

1 grant from another source, that is
2 known to the institution at the time
3 the student's determination of need is
4 made; and

5 “(bb) in the case of a loan to a
6 parent, the amount of a loan awarded
7 under this part to the parent's child;
8 or

9 “(ii) the maximum Federal loan
10 amount for which such student is eligible
11 in accordance with subparagraph (B).

12 “(B) LOAN LIMITS.—

13 “(i) ANNUAL LIMITS.—Except as pro-
14 vided under clause (iv), the annual amount
15 of loans under this section that an eligible
16 student may borrow shall be—

17 “(I) \$8,000, in the case of a stu-
18 dent who is an undergraduate student
19 attending a participating institution;
20 and

21 “(II) \$30,000, in the case of a
22 graduate or professional student at-
23 tending a participating institution.

24 “(ii) AGGREGATE LIMITS.—Except as
25 provided under clause (iv), the maximum

1 aggregate amount of loans under this sec-
2 tion that an eligible student may borrow
3 shall be—

4 “(I) \$37,500 in the case of a stu-
5 dent who is an undergraduate student
6 attending an eligible institution; and

7 “(II) \$150,000 in the case of a
8 student who is a graduate or profes-
9 sional student attending an eligible in-
10 stitution.

11 “(iii) PART-TIME STUDENTS.—Any el-
12 igible student receiving loans under this
13 section that is enrolled in a program of
14 study on less than a full-time basis shall
15 have their loans prorated based on actual
16 enrollment status.

17 “(iv) INSTITUTIONAL DETERMINED
18 LIMITS AND INCREASES.—

19 “(I) INSTITUTIONAL DETER-
20 MINED LIMITS.—

21 “(aa) IN GENERAL.—Not-
22 withstanding any other provision
23 of this paragraph, a participating
24 institution may limit the annual
25 amount that students enrolled in

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1 an identified program of study at
2 that institution may borrow
3 under this section, if—

4 “(AA) the institution
5 can reasonably demonstrate,
6 based on previous student
7 income following such pro-
8 gram, that student debt lev-
9 els are excessive; and

10 “(BB) subject to item
11 (bb), any proration or lim-
12 iting of loan amounts are
13 applied in the same manner
14 to all students enrolled in
15 the institution or program of
16 study.

17 “(bb) EXCEPTION.—Not-
18 withstanding item (aa)(BB),
19 upon the request of an individual
20 student, an institution (at the
21 discretion of a financial aid ad-
22 ministrator) may increase the an-
23 nual amount limit established
24 under this subclause for an indi-
25 vidual student if that student

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1 demonstrates special cir-
2 cumstances.

3 “(II) INSTITUTIONAL DETER-
4 MINED INCREASES.—Notwithstanding
5 the annual loan limits described in
6 clause (i), a participating institution
7 may increase the annual amount that
8 graduate and professional students
9 enrolled in an identified program of
10 study at that institution may borrow
11 under this section and allow the an-
12 nual amount to exceed such limit (ex-
13 cept that the increased annual loan
14 amount shall be equal to not more
15 than \$45,000), if—

16 “(aa) the institution can
17 reasonably demonstrate that stu-
18 dents enrolled in a program of
19 study have an increased need and
20 should not be subject to the loan
21 limitations described in clauses
22 (i) and (iii); and

23 “(bb) any increase of loan
24 amounts are applied in the same
25 manner to all students enrolled

1 in the institution or program of
2 study.

3 “(5) REPAYMENT.—

4 “(A) IN GENERAL.—Repayment of prin-
5 cipal and interest accrued on loans made under
6 this part shall commence not later than the day
7 after 6 months after the date the student, or
8 the student on whose behalf the loan was
9 made—

10 “(i) ceases to carry at least one-half
11 of the normal full-time academic workload,
12 as determined by the institution; or

13 “(ii) successfully completes the pro-
14 gram of study in which the student is en-
15 rolled, as determined by the institution.

16 “(B) REPAYMENT PLANS.—

17 “(i) IN GENERAL.—Not later than 2
18 months after a student enters the status
19 described under clause (i) or (ii) of sub-
20 paragraph (A), the Secretary shall inform
21 a borrower of a loan made under this part
22 of the borrower’s repayment options, by
23 providing—

24 “(I) the monthly payment
25 amount that the borrower will owe

1 based on the total amount of the bor-
2 rower's Federal loan under this sec-
3 tion if such loan is paid under a 10-
4 year repayment plan; and

5 “(II) estimates of the monthly
6 payment amounts that the borrower
7 may owe under the income-based re-
8 payment plan, based on the total
9 amount of the borrower's Federal loan
10 under this section and a schedule of
11 different income levels.

12 “(ii) REPAYMENT OPTIONS.—A bor-
13 rower of a loan made under this part may
14 choose from—

15 “(I) a standard repayment plan,
16 with a fixed annual repayment
17 amount paid over a fixed period of
18 time, not to exceed 10 years; or

19 “(II) an income-based repayment
20 plan under section 493C.

21 “(f) CONSOLIDATION LOANS.—

22 “(1) IN GENERAL.—A borrower of a loan made
23 under this part may consolidate such loan with—

24 “(A) another loan made under this part;

1 “(B) a loan described in section
2 428C(a)(4) that was first disbursed before July
3 1, 2010; or

4 “(C) a loan made under section 455 that
5 was first disbursed before the July 1 prior to
6 the date of enactment of this Act..

7 “(2) ELIGIBILITY.—To be eligible for a consoli-
8 dation loan under this part, a borrower shall meet
9 the eligibility criteria set forth in section 428C(a)(3).

10 “(3) TERMS AND CONDITIONS.—A consolidation
11 loan under this subsection shall have the same terms
12 and conditions as a consolidation loan made under
13 section 455(g).”.

14 **SEC. 7. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
15 **BILITY.**

16 Section 485E of the Act (20 U.S.C. 1092f) is amend-
17 ed by adding at the end the following:

18 “(c) EARLY AWARENESS.—

19 “(1) IN GENERAL.—Not later than 180 days
20 after the date of enactment of the Financial Aid
21 Simplification and Transparency Act of 2014, the
22 Secretary shall develop and implement a plan to dis-
23 seminate information about eligibility for Federal fi-
24 nancial aid under title IV to local educational agen-
25 cies and to middle and secondary schools that serve

1 students at least 25 percent of whom are eligible for
2 a free or reduced price school lunch under the Rich-
3 ard B. Russell National School Lunch Act (42
4 U.S.C. 1751 et seq.).

5 “(2) RECOMMENDATIONS TO CONGRESS.—Not
6 later than 365 days after the date of enactment of
7 the Financial Aid Simplification and Transparency
8 Act of 2014, the Secretary, in consultation with
9 State educational agencies, local educational agen-
10 cies, and the Secretary of Agriculture, shall make
11 recommendations to Congress on ways to provide in-
12 dividualized information about eligibility for Federal
13 financial aid under title IV to elementary school and
14 secondary school students who are eligible for a free
15 or reduced price school lunch under the Richard B.
16 Russell National School lunch Act (42 U.S.C. 1751
17 et seq.).”

18 **SEC. 8. AMENDMENTS TO GENERAL PROVISIONS.**

19 Part G of the Act (20 U.S.C. 1088 et seq.) is amend-
20 ed—

21 (1) by repealing section 483;

22 (2) in section 484—

23 (A) in subsection (a), by striking “under
24 this title” and inserting “under parts A through
25 E of this title”;

1 (B) in subsection (b), by striking “other
2 than a loan under section 428B” and inserting
3 “other than a loan under part F, section
4 428B,”;

5 (C) in subsection (c), by striking “sub-
6 section (a)(2)” and inserting “subsection (a)(2)
7 or section 400(a)(2)” each place the term ap-
8 pears;

9 (D) in subsection (d), by striking “under
10 subparts 1, 3, and 4 of part A and parts B, C,
11 D, and E of this title” and inserting “under
12 subpart 1 of part A and parts B, C, D, E, and
13 F of this title”;

14 (E) in subsection (f)(1), by striking “part
15 B, part D, or part E” and inserting “part B,
16 part D, part E, or part F” each place the term
17 appears;

18 (F) in subsection (g)(1), by inserting “or
19 section 400(a)(2)” after “subsection (a)(5)”;

20 (G) in subsection (m), by striking “under
21 parts B, C, D, and E” and inserting “under
22 parts B, C, D, E, and F”;

23 (H) in subsection (p), by inserting “or sec-
24 tion 400A” after “under subsection (a)(4)”;
25 and

1 (I) in subsection (q)(1), by striking “Fed-
2 eral student financial aid application” and all
3 that follows through the end of that paragraph
4 and inserting “application described under sec-
5 tion 400A (in the case of a student applying for
6 a Federal Pell Grant) as the Secretary deter-
7 mines is necessary for the purpose of
8 populating or verifying the information on
9 such student financial aid applications.”;

10 (3) in section 484A(a)(2)(C) by striking “made
11 under part D or E” and inserting “made under part
12 D, E, or F”;

13 (4) in section 484B—

14 (A) in subsection (a)(3)(C)(i), by striking
15 “parts B, D, and E” and inserting “parts B,
16 D, E, and F”;

17 (B) in subsection (b)(2)(B), by striking
18 “under part B or D” and inserting “under part
19 B, D, or F”; and

20 (C) in subsection (b)(3)(A)—

21 (i) by redesignating clauses (v)
22 through (vii) as clauses (vi) through (viii);
23 and

24 (ii) by inserting after clause (iv) the
25 following:

1 “(v) To outstanding balances on loans
2 made under part F for the payment period
3 or period of enrollment for which a return
4 of funds is required.”;

5 (5) in section 485—

6 (A) in subsection (a)—

7 (i) by striking “under parts B, D, and
8 E” and inserting “under parts B, D, E,
9 and F” each place the term appears; and

10 (ii) by striking “part B or D” and in-
11 serting “part B, D, or F” each place the
12 term appears;

13 (B) in subsection (b)—

14 (i) in paragraph (1)(A),

15 (I) in the matter preceding clause
16 (i), by inserting “or part F” after “or
17 made under part E”; and

18 (II) in clause (vii), by striking
19 “parts B, D, and E” and inserting
20 “parts B, D, E, and F”;

21 (ii) in paragraph (2)(A), in the matter
22 preceding clause (i), by striking “part B,
23 D, or E” and inserting “part B, D, E, or
24 F”;

1 (C) in subsection (d)(1), by inserting “or
2 part F” after “repayment plans for loans made
3 under part D”; and

4 (D) in subsection (l)(1)—

5 (i) in subparagraph (A), in the matter
6 preceding clause (i), by striking “or made
7 under part D (other than a Federal Direct
8 Consolidation Loan or a Federal Direct
9 PLUS loan made on behalf of a student),”
10 and inserting “, made under part D (other
11 than a Federal Direct Consolidation Loan
12 or a Federal Direct PLUS loan made on
13 behalf of a student), or made under part F
14 (other than a consolidation loan made
15 under part F)”; and

16 (ii) in subparagraph (B), by striking
17 “part B or D” and inserting “part B, D,
18 or F”;

19 (6) in section 485B—

20 (A) by striking “parts D and E” and in-
21 sserting “parts D, E, and F” each place the
22 term appears; and

23 (i) by striking “part B, D, or E” and
24 inserting “part B, D, E, or F” each place
25 the term appears;

1 (7) in section 487, by striking “part B or D”
2 and inserting “part B, D, or F” each place the term
3 appears; and

4 (8) in section 493C by striking “part B or D”
5 and inserting “part B, D, or F” each place the term
6 appears.

7 **SEC. 9. TRANSITION PROVISION; CONFORMING AMEND-**
8 **MENTS.**

9 (a) **TRANSITION PROVISION.**—The Secretary of Edu-
10 cation shall take such actions as the Secretary determines
11 to be appropriate to provide for the orderly transition from
12 any authority to issue loans under part D to any authority
13 to issue loans under part F.

14 (b) **CONFORMING AMENDMENTS.**—