



DRAFT

Higher Education Opportunity Act (HEOA)

Impact Summary

Title IV Parts A, B, D, F, G, H, and I/ Title I Parts A, C, and D/Title X

The [Higher Education Opportunity Act \(Public Law 110-315\)](#) reauthorizes the programs under Higher Education Act of 1965 (HEA), as amended. The Higher Education Opportunity Act (HEOA) was signed by President Bush on August 14, 2008. The last reauthorization of the HEA was in 1998.

This law is a compromise of reauthorization legislation introduced in Congress. The Higher Education Amendments of 2007 (S.1642) passed by the Senate (95-0) on July 24, 2007 and the College Opportunity and Affordability Act of 2007 (H.R.4137) passed by the House Education Committee on November 9, 2007. On February 7, 2008, the House passed the bill (354-58) and renamed it the College Opportunity and Affordability Act of 2008 (H.R.4137). The House and Senate are required to pass identical versions of a bill. The College Opportunity and Affordability Act of 2008 (H.R.4137) was unanimously passed by the Senate with amendments on July 29, 2008. The Conference Committee, made up of members of the Senate and House, renamed the bill the Higher Education Opportunity Act (H.R. 4137). The bill was voted on and agreed to by the House (380-49) and Senate (83-8) on July 31, 2008 and sent to the White House.

This Impact Summary has been developed by OGSLP to highlight major loan provisions of the HEOA. The information contained in this document will be updated as OGSLP receives clarification and additional guidance from the U.S. Department of Education (ED), the National Council of Higher Education Loan Programs (NCHELP), and other industry sources.

This document includes any effective trigger dates listed in the HEOA provisions, some beginning as early as August 14, 2008, the date of enactment. OGSLP will continue to work with NCHELP regarding the effective dates of these provisions.

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Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
Title IV Student Assistance - Part A - Grants					
PELL GRANTS					
1	Pell Grants – Maximum Award Bill Section: 401 HEA Section: 401(b)(2)(A)	Maximum annual limits for the Pell Grant Program is increased by HEOA as follows: <ul style="list-style-type: none"> • \$6,000 for AY 2009-2010 • \$6,400 for AY 2010-2011 • \$6,800 for AY 2011-2012 • \$7,200 for AY 2012-2013 • \$7,600 for AY 2013-2014 • \$8,000 for AY 2014-2015 	Begins Academic Year 2009-2010	The College Cost Reduction and Access Act (CCRAA) implemented mandatory increases to the Pell Grant Program maximum annual limits as provided below: <ul style="list-style-type: none"> • \$4,800 for AY 2008-2009 • \$4,800 for AY 2009-2010 (increase of \$490) • \$5,000 for AY 2010-2011 • \$5,000 for AY 2011-2012 (increase of \$690) • \$5,400 for AY 2012-2013 (increase of \$1,090) If appropriations are sufficient, the maximum Pell Grant awards could be the HEOA maximum amount plus the CCRAA increase amount. Example: For AY 2010-2011 maximum HEOA Pell Grant award amount is \$6,400 plus the increase of \$690 from CCRAA equals a maximum grant amount of \$7,090. (HEOA+CCRAA= Maximum Pell Grant Amount)	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 103)
2	Pell Grants – Minimum Award Bill Section: 401 HEA Section: 401(b)(2)(C)	The \$400 minimum annual Pell Grant is eliminated. The Pell Grant minimum award is calculated at 10% of the “appropriated” maximum award. No student shall be awarded a Pell Grant that is less than 10% of the maximum basic grant level for a single academic year, provided for via appropriations. <ul style="list-style-type: none"> • If the calculated Pell Grant award amount is 	July 1, 2009	The minimum award is based on the HEOA appropriated maximum award which does not include the CCRAA mandatory add-on. Example: AY 2010-2011 the maximum HEOA is \$6,400 and the CCRAA mandatory add-on is \$690 giving a zero EFC student a Pell Grant maximum award of \$7,090. For a student who qualifies only	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 103)

Note: This summary is intended for informational purposes only. Refer to the bill for specific information.
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		<p>equal to or greater than 5% but less than 10% of the basic level, the student shall be awarded 10%.</p> <ul style="list-style-type: none"> If the amount is less than 5%, then no award is made. 		for the minimum Pell Grant award, the student will receive 10% of the <u>appropriated</u> maximum award which is \$640.	
3	Pell Grants - Year Around Bill Section: 401 HEA Section: 401(b)(5)(A)	<p>The new law eliminates the case-by-case basis, provided for, in prior law, and provides that a student may receive not more than two Pell grants during a single award year to allow the student to progress toward a degree or certificate program.</p> <p>The student must be enrolled at least half-time for a period of more than one academic year, or more than two semesters or an equivalent period of time, during a single award year; AND be enrolled in a program which leads to an associate, or baccalaureate degree or certificate.</p> <p>Total amount awarded to such a student may exceed the maximum basic grant level specified in the Appropriations Act.</p>	July 1, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 103-104)
4	Pell Grants - Maximum Duration of Eligibility Bill Section: 401 HEA Section: 401(c)(5)	Current law allows a student to receive a Pell Grant until completion of his or her first undergraduate baccalaureate degree. The HEOA provision limits the student's eligibility to 18 semesters, or equivalent.	August 14, 2008 (but applies to students who receive a Federal Pell Grant for the first time on or after July 1, 2008)	NSLDS will track maximum duration. The regulations are to provide fractional equivalents for terms in which a student is enrolled less than full-time. As a result, a student is eligible to receive up to nine Federal Pell Grant Scheduled Awards.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 105-105)

Title IV Student Assistance - Part B – Federal Family Education Loan Program (FFELP)

Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
ESTIMATED FINANCIAL ASSISTANCE					
5	<p>Estimated Financial Assistance Calculations</p> <p>Bill Section: 422(a) HEA Section: 428(a)(2)</p>	<p>HEOA redefines estimated financial assistance to exclude all veterans' education benefits as defined in Section 480(c) of the Higher Education Act. The specific benefits now excluded are as follows:</p> <ul style="list-style-type: none"> • United States Code, title 10, chapter 2: Reserve Officer Training Corps scholarship • United States Code, title 10, chapter 106: Selective Reserve • United States Code, title 10, chapter 107: Selective Reserve Educational Assistance Program • United States Code, title 37, chapter 2: Reserve Officer Training Corps Program • United States Code, title 38, chapter 30: Montgomery GI Bill—active duty • United States Code, title 38, chapter 31: vocational rehabilitation • United States Code, title 38, chapter 32: Post-Vietnam Era Veterans' Educational Assistance Program • United States Code, title 38, chapter 35: Dependents Educational Assistance Program • Public Law 97–376, Section 156: Restored Entitlement Program for Survivors (or Quayle benefits) • Public Law 96–342, Section 903: Educational Assistance Pilot Program 	<p>For FFEL and DL eligibility determinations made on or after July 1, 2010</p>	<p>Prior to this change only certain veterans' education benefits were excluded (only those under paragraph (2)(E) of Section 480(c) were excluded). Now all benefits under Section 480(c) are excluded.</p> <p>National service education awards and post-service benefits under Title I of the National and Community Service Act of 1990 were already excluded prior to this change.</p>	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 118)</p>
DEFERMENTS					
	<p>Confirmation of In-School Deferment through</p>	<p>HEOA adds a new condition, if requested by the school; the lender shall determine a borrower's eligibility for an in-school deferment based on confirmation of the</p>	<p>For deferments granted on or after August 14, 2008</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on</p>

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6	NSLDS Bill Section: 422(c)(1) HEA Section: 428(b)(1)(Y)(i)	borrower's half-time enrollment status through NSLDS. The other conditions that allow a lender to determine the borrower's eligibility for an in-school deferment are as follows: <ul style="list-style-type: none"> • documentation from the borrower • new loan certification that determines eligibility • student status information 			changes made to the HEA by enactment of the HEOA - (DCL page 133)
7	Deferment - Disclosure of Interest Capitalization Bill Section: 422(c)(1) HEA Section: 428(b)(1)(Y)(iii)	A lender, shall at the time it grants an in-school, graduate fellowship, unemployment, military or economic hardship deferment (deferments to new borrowers on or after 7/1/93) on an <u>unsubsidized Stafford loan</u> , provide information to help a borrower understand the impact of interest capitalization both on the principal amount and with regard to interest paid over the life of the loan.	For deferments granted on or after August 14, 2008	Lenders are not precluded from building this disclosure into existing processes at the time the deferment is requested	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 133)
LOAN TRANSFER OR SALE					
8	Loan Transfer or Sale Notification Notice Bill Section: 422(c)(2) HEA Section: 428(b)(2)(F)(i)	In cases where a loan transfer or sale changes the identity of the party with whom the borrower needs to communicate or send payments, both the transferor and transferee (notification can be joint) must now, in addition to current requirements, notify the borrower of: <ul style="list-style-type: none"> • the effective date of the transfer, • the date the current servicer will stop accepting payments (as known on the date of such notice), and • the date the new servicer will begin accepting payments 	For any required notification to a borrower on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 133)
GUARANTOR PROHIBITED INDUCEMENTS					

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9	<p>Guarantor Prohibited Inducements - Restrictions on Payments, Mailings, and Advertising</p> <p>Bill Section: 422(d) HEA Section: 428(b)(3)</p>	<p>In addition to the current restrictions on premiums, payments and other inducements, new prohibited inducement provisions applicable to guarantors are added by HEOA.</p> <ul style="list-style-type: none"> • Additionally guarantors are prohibited from offering directly or indirectly, stock or other securities, prizes, travel, entertainment expenses, and tuition payment or reimbursement to any school or school employee in order to secure FFELP loan applications or to any lender, or an agent or employee of the lender, in order to secure the designation of the guarantor as the insurer of a FFELP loan. It also removes the exception for inducements to lenders for Unsubsidized Stafford loans, leaving only an exception for lender-of – last-resort (LLR) loans. • Revises the prohibition against unsolicited mailings of loan applications by guarantors to also include by electronic means. • Adds new prohibitions against the guarantor performing any function, or paying another person to perform any function, that a school is required to perform (other than required exit counseling). • Adds additional prohibitions regarding a guarantor conducting fraudulent or misleading advertising concerning loan availability, terms or conditions. The prohibition was expanded to include “terms or conditions.” • Revised the assistance guarantors may provide to schools by adding the word “technical” to assistance comparable to the kinds of “technical” assistance provided to schools by the Department. 	<p>Guaranty agency and lender activities undertaken on or after August 14, 2008</p>	<p>Current regulations prohibit:</p> <ul style="list-style-type: none"> • Payments or offerings of other benefits • including prizes or additional financial aid funds to 1) a prospective borrower in exchange for processing a loan using the agency’s loan guarantee or 2) a school or school-affiliated organization based on the school’s or organization’s voluntary or coerced agreement to use the guaranty agency for processing loans, or to provide a specified volume of loans using the agency’s loan guarantee. • Mailing or distributing unsolicited loan applications to students or to parents, unless the potential borrower has previously received loans insured by the guaranty agency. • Staffing services to a school, except for services provided to participating foreign schools at the direction of ED, as a third-party servicer or otherwise on more than a short-term, emergency basis, which is non-recurring, to assist the institution with financial aid-related functions. • Fraudulent or misleading advertising concerning loan availability. 	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 134)</p>
INCOME-BASED REPAYMENT PLAN					
	Income-Based	Income-Based Repayment (IBR) plan is added to the list	August 14, 2008,		DCL GEN-08-12/

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10	Repayment Plan Bill Section: 422(e) HEA Section: 428(b)(9)(A)	of repayment plans that a lender must offer to a FFELP borrower and the borrower may chose. Borrowers who have FFELP loans (other than a Parent PLUS loan or a Consolidation Loan that discharged the liability of Parent PLUS loans) and who have a partial financial hardship may repay the balance of their loans under an income-based repayment plan.	for the July 1, 2009 implementation of IBR		<p>FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119)</p> <p>DCL-FP-09-03: This letter provides updated guidance to FFEL Program loan holders concerning the completion and return of Loan Verification Certificates in connection with a borrower's application to consolidate a single FFEL Program consolidation loan into a new Federal Direct Consolidation loan.</p> <p>6/12/2009 Electronic Announcement: Income Documentation for the Income Based Repayment Plan - Until the new IRS electronic consent submission process is implemented or other guidance is issued by the Department, FFEL lenders may, at their option, use the procedures in this announcement.</p>
11	Income-Based Repayment Plan Bill Section: 422(e)(2) HEA Section: 428(b)(1)(L)(i)	HEOA adds exception to the \$600 annual payment requirement for the Income-Based Repayment (IBR) plan.	August 14, 2008, for the July 1, 2009 implementation of IBR		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119)</p> <p>6/12/2009 Electronic Announcement: Income Documentation for the Income Based</p>

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					Repayment Plan - Until the new IRS electronic consent submission process is implemented or other guidance is issued by the Department, FFEL lenders may, at their option, use the procedures in this announcement.
12	Income-Based Repayment Plan Bill Section: 494F HEA Section: 493C	This section is amended by HEOA so that the Income-Based Repayment (IBR) plan option is not eligible for loans currently in default. However, loans that are in default aversion or have been successfully rehabilitated are eligible for the IBR plan.	August 14, 2008, for the July 1, 2009 implementation of IBR		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119) 6/12/2009 Electronic Announcement: Income Documentation for the Income Based Repayment Plan - Until the new IRS electronic consent submission process is implemented or other guidance is issued by the Department, FFEL lenders may, at their option, use the procedures in this announcement.
FORBEARANCE					
13	Lender Forbearance Notification Requirements specified in Guaranty Agreements Bill Section: 422(f) HEA Section: 428(c)(3)(D)(iii)	HEOA adds new lender requirements regarding forbearance notifications to the borrower: <ul style="list-style-type: none"> At the time the lender grants a forbearance, the lender is to provide information on the impact of capitalization of interest on the principal balance and the total amount of interest to be paid on the loan, and Every 180 days during the forbearance, the lender is to contact the borrower with information on the following: 	For forbearances granted on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119)

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		<ul style="list-style-type: none"> ○ The amount of principal and interest that has accrued since the last statement, ○ The fact that interest will accrue during the forbearance period, and ○ The amount of interest that will be capitalized and the dates of such capitalization, and ○ Provide a notice that the borrower can pay interest before it is capitalized, and ○ That the forbearance can be terminated at any time (not a new requirement) 			
SERVICEMEMBERS CIVIL RELIEF ACT					
14	Servicemembers Civil Relief Act - FFELP Reduction in Interest Bill Section: 422(g)(1) HEA Section: 428(d)(1)	<p>HEOA revises the statute to state that Section 207 of the Servicemembers Civil Relief Act (SCRA) now applies to FFELP loans (including eligible borrowers with loans in default). Eligible service members, upon request, will have the “interest” on their eligible FFELP loans capped at 6%. The 6% limit applies to fees and other charges.</p> <p>The SCRA states that the term "interest" includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to an obligation or liability.</p> <p>Eligible loans include those obtained by the borrower or jointly by the borrower and his or her spouse under the following conditions:</p> <ul style="list-style-type: none"> • Loan must be disbursed prior to the date that the servicemember was called to active duty military service • Borrower must provide written notice and copy of orders <p>Covered servicemembers include:</p> <ul style="list-style-type: none"> • full-time active duty members of the Armed Forces (Army Navy, Air Force, Marine Corps, and Coast Guard) under 10 U.S.C. 101(d)(1) • commissioned members of the National 	August 14, 2008 (applies to borrowers in military service as of August 14, 2008, who present written requests on or after August 14, 2008)	<p>Per Section 207 of the Servicemembers Civil Relief Act, the servicemember must request this reduction in writing; include a copy of his/her orders; and this must be provided to the holder of the loan no later than 180 days after the date of the servicemember’s termination or release from military service.</p> <p>The 6% cap is applicable to subsidized and unsubsidized Stafford, PLUS, and Consolidation loans.</p> <p>ED advises that endorsers are only eligible for the 6% interest rate limitation if they themselves qualify as an eligible service member under the SCRA. Endorsers who do not qualify can be billed at the applicable statutory interest rate.</p> <p>Per U.S.C. 101(a)(5), this rate reduction is applicable to members of the Reserve only if they are on active duty.</p> <p>If a borrower’s military orders are open-ended, the following Website can be utilized to track continued eligibility</p>	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)</p>

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		<p>Oceanographic and Atmospheric Administration (NOAA) and Public Health Service</p> <ul style="list-style-type: none"> members of the National Guard, who are called to active duty for a period of more than 30 consecutive days, for purposes of responding to a national emergency (32 U.S.C. 502(f)) declared by the President or the Secretary of Defense and supported by federal funds <p>Request for reduced rate must be made no later than 180 days after end of applicable military service.</p>		<p>through this Website: https://www.dmdc.osd.mil/scra/owa/home 10 U.S.C. 101(d)(1) - The term “active duty” means full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.</p> <p>32 U.S.C. 502(f) – (1) Under regulations to be prescribed by the Secretary of the Army or Secretary of the Air Force, as the case may be, a member of the National Guard may— (A) without his consent, but with the pay and allowances provided by law; or (B) with his consent, either with or without pay and allowances; be ordered to perform training or other duty in addition to that prescribed under subsection (a) (2) The training or duty ordered to be performed under paragraph (1) may include the following: (A) Support of operations or missions undertaken by the member’s unit at the request of the President or Secretary of Defense. (B) Support of training operations and training missions assigned in whole or in part to the National Guard by the Secretary concerned, but only to the extent that such training missions and training operations— (i) are performed in the United</p>	

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				States or the Commonwealth of Puerto Rico or possessions of the United States; and (ii) are only to instruct active duty military, foreign military (under the same authorities and restrictions applicable to active duty troops), Department of Defense contractor personnel, or Department of Defense civilian employees (3) Duty without pay shall be considered for all purposes as if it were duty with pay.	
15	Servicemembers Civil Relief Act - FFELP Special Allowance Bill Section: 422(g)(2) HEA Section: 438(g)	For FFELP loans, the 6% reduced interest rate for eligible servicemembers shall be used as the applicable interest rate in calculating special allowance.	Loans first disbursed on or after July 1, 2008	For loans disbursed prior to July 1, 2008 that have applicable (statutory rates) above 6%, the lender will lose any special allowance payments applicable to the interest rate over 6% and will be required to remit Excess Interest Rebates applicable to the interest rate over 6%.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)
DUPLICATIVE NOTICE REQUIREMENT					
16	Repeal of Duplicative Notice Requirement Bill Section: 422(h) HEA Section: 428(e)	HEOA removes duplicative requirement for lenders to disclose to borrowers the availability of the income-sensitive repayment option because there are more general disclosures that lenders are required that contain the same requirement.			
GUARANTOR INFORMATION ON DEFAULTS					
17	Guarantor - Information on Defaults Bill Section: 422(i) HEA Section: 428(k)	A guaranty agency that receives a default claim is required on at least two occasions to notify the borrower of the options available to remove the loan from default, and the fees and conditions involved.	FFEL lender default claims received by a guaranty agency on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)

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PLUS LOANS					
18	PLUS Loans - Applicant Credit Review Bill Section: 424(a)(1) HEA Section: 428B(a)(3)(B)(i)	HEOA corrects the specific criteria for extenuating circumstance. No 90- plus day delinquencies on debts, other than mortgage loan or medical bill payments, as stipulated in the Ensuring Continued Access to Student Loans Act (ECASLA). For debts other than a mortgage loan or medical bill, adverse credit reverts back to the regulatory requirements that were in place prior to ECASLA: <ul style="list-style-type: none"> • 90 days or more delinquent on the repayment of any debt • Debt discharged in bankruptcy during the 5-year period before the date of the credit report • Applicant has been the subject of a default determination on any debt, foreclosure, tax lien, repossession, wage garnishment, or a write-off of a Title IV debt during the 5-year period before the date of the credit report. 	FFEL and DL PLUS loans that were first disbursed on or after July 1, 2008, for special extenuating circumstances that exist between January 1, 2007 and December 31, 2009	For mortgage loans and medical bills, the 180 days extenuating circumstance is still in place for the period of January 1, 2007 through December 31, 2009.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 121)
19	PLUS Loans - Repayment Start Date Bill Section: 424(a)(2) HEA Section: 428B(d)(1)	This provision takes the rule back to the way it was prior to the passage of Ensuring Continued Access to Student Loans Act (ECASLA). Eliminates the optional “deferred repayment start date” on parent PLUS loans (established by the ECASLA) and stipulates that repayment of principal will always begin within 60 days of the final disbursement date.	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)
20	PLUS Loans - Borrower Deferment Eligibility Bill Section: 424(a)(2) HEA Section: 428B(d)(1)(A)(i)	PLUS loan deferment for both parent PLUS and Grad PLUS loans first disbursed on or after 7/1/2008. Both the parent PLUS loan and the Grad PLUS loan borrower can defer their loan indefinitely, based on their own enrollment in an eligible school on at least a half-time basis. The deferment applies to all loans disbursed on or after	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008	10/30/2008 – per Pam Moran with ED, ED’s interpretation is that this deferment and the post-enrollment deferment are loan-specific and not borrower- specific. There is no change in regards to the other deferment types that are cross-referenced (graduate fellowship program, rehabilitation training program, qualifying National Guard duty, unemployment, and economic hardship	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)

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		July 1, 2008 regardless of the previous “new borrower” category applicable to the borrower for deferments on prior loans. This deferment is loan specific and not borrower specific.		deferment). The time-limited deferment types continue to be borrower-specific. ED also states that for lenders, in reviewing information to determine eligibility for PLUS loan deferment, it is acceptable to use NSLDS. However, the parent PLUS loan borrower needs to initiate the request for deferment or post-enrollment deferment based on the dependent student.	
21	Parent PLUS Loans – Dependent Student Deferment Eligibility Bill Section: 424(a)(2) HEA Section: 428B(d)(1)(A)(ii)	New deferment eligibility for parent PLUS loans. Stipulates that parent PLUS loan borrowers can defer their loan, upon request, while the student for whom they acquired the loan is enrolled in an eligible school on at least a half-time basis. The deferment applies to all loans disbursed on or after July 1, 2008 regardless of the previous “new borrower” category applicable to the borrower for deferments on prior loans. This deferment is loan specific and not borrower specific.	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)
22	Parent PLUS Loans – Dependent Student - Post-Enrollment Deferment Period Bill Section: 424(a)(2) HEA Section: 428B(d)(1)(B)(i)(I)	New post-enrollment deferment period for parent PLUS loan borrowers. Stipulates that the parent PLUS borrower can, upon request , defer his/her loan for the six-month period immediately following the date on which the student for whom the borrower acquired the loan ceased to be enrolled at an eligible school on at least a half-time basis. The deferment applies to all loans disbursed on or after July 1, 2008 regardless of the previous “new borrower” category applicable to the borrower for deferments on prior loans. This deferment is loan specific and not borrower specific.	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008	The borrower must request this deferment.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)
	Parent PLUS Loans – Borrower Post-Enrollment	New post-enrollment deferment period for parent PLUS loans. Stipulates that the parent PLUS loan borrower can, upon request, defer his/her loan for the six-month period immediately following the date on which the borrower	FFEL and DL PLUS loans for which the first disbursement of the loan was made	The borrower must request this deferment separately; it cannot be assumed based on the borrower’s earlier request for an in-school deferment.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA -

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23	Deferment Period Bill Section: 424(a)(2) HEA Section: 428B(d)(1)(B)(i)(II)	ceased to be enrolled at an eligible school on at least a half-time basis. The deferment applies to all loans disbursed on or after July 1, 2008 regardless of the previous “new borrower” category applicable to the borrower for deferments on prior loans. This deferment is loan specific and not borrower specific.	on or after July 1, 2008	Can be applied after each continuous enrollment period; is not confined to the first such period.	(DCL page 120)
24	Graduate and Professional PLUS Loans – Post-Enrollment Deferment Period Bill Section: 424(a)(2) HEA Section: 428B(d)(1)(B)(ii)	New deferment period for Grad PLUS loans. Stipulates that the Grad PLUS loan borrower can defer his/her loan for the six-month period immediately following the date on which the borrower ceased to be enrolled at an eligible school on at least a half-time basis. The deferment applies to all loans disbursed on or after July 1, 2008 regardless of the previous “new borrower” category applicable to the borrower for deferments on prior loans. This deferment is loan specific and not borrower specific.	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008	There is no language in the law that requires the Grad PLUS loan borrower to request this deferment separately. If the Grad PLUS loan borrower has a Grad PLUS loan eligible for this new deferment and an old Grad PLUS loan that is not eligible, lenders have the option to align repayment start dates through a discretionary forbearance.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 120)
25	PLUS Loans - Capitalization of Interest Bill Section: 424(a)(2) HEA Section: 428B(d)(2)(A)	HEOA stipulates that the interest accrued during any of the deferment periods for the in-school deferment and the post-enrollment deferment periods must, upon agreement by the borrower and lender, be paid monthly or quarterly, or be capitalized by the lender no more frequently than quarterly, as was current practice prior to passage of the Ensuring Continued Access to Student Loans Act (ECASLA).	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 121)
26	PLUS Loans - Capitalization of Interest Bill Section: 424(a)(2) HEA Section: 428B(d)(2)(B)	HEOA stipulates that, by capitalizing interest, lenders are not causing any of the annual insurable loan limits for the borrower to be exceeded.	FFEL and DL PLUS loans for which the first disbursement of the loan was made on or after July 1, 2008	No change to existing practice.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 121)
27	PLUS Loans - Repayment Period Start Date Bill Section: 424(b)	HEOA stipulates that the repayment period on all federal PLUS loans will once again begin on the disbursement date or, in the event of multiple disbursements, on the final disbursement date. This stipulation had been eliminated by the Ensuring Continued Access to Student	FFEL and DL PLUS loans for which the first disbursement of the loan was made	Restores the provision in 34 CFR 682.205(c)(1) requiring the lender to disclose the repayment information “at or prior to the beginning of the repayment period”, for lenders who may have suspended the	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA -

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	HEA Section: 428(b)(7)(C)	Loans Act (ECASLA). Also restores provision that any deferment or forbearance time is excluded from the repayment period.	on or after July 1, 2008	production of this disclosure in order to accommodate the deferred repayment requirements of the ECASLA.	(DCL page 121)
CONSOLIDATION LOANS					
28	Consolidation Loans – Military Borrowers Bill Section: 425(a) HEA Section: 428C(a)(3)(B)(i)(V)	HEOA allows an eligible military borrower to re-consolidate a FFELP Consolidation loan into the Direct Loan Program for purposes of using the new “no accrual of interest” benefit for active duty service members. Requires the Department to make a Direct Consolidation loan for this purpose. The zero-interest benefit under FDLP is only applicable to FDLP loans first disbursed on or after 10/1/2008, or in the case of a consolidation loan, only for that portion of the consolidation loan that repaid a FDLP loan first disbursed on or after 10/1/2008. This is for a period of not more than 60 months. An eligible military borrower is an individual who— <ul style="list-style-type: none"> • is serving on active duty during a war or other military operation or national emergency; or • is performing qualifying National Guard duty during a war or other military operation or national emergency; and is serving in an area of hostilities in which service qualifies for special pay under 37 U.S.C. 310. 	FFEL Consolidation: Direct Consolidation loan, or portion of a Direct Consolidation loan, first disbursed on or after October 1, 2008 DL Consolidation: Direct Loans first disbursed on or after October 1, 2008, and any portion of a Direct Consolidation loan that repaid a Direct Loan first disbursed on or after October 1, 2008	In clarification received from ED for the “no accrual of interest” benefit for active duty service members, a borrower may consolidate his or her FFELP loans first disbursed on or after October 1, 2008 (including Federal Consolidation Loans that repaid FFELP or Direct Loan Program loans first disbursed on or after October 1, 2008) into the Direct Loan Program to take advantage of the no accrual of interest benefit for active duty service members. No interest will be charged on the portion of the borrower’s Direct Consolidation Loan that repaid FFELP or Direct Loan Program loans first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months). Per DCL FP-09-03 - Statutory changes made to section 428C(a)(3) of the HEA by the CCRAA and the HEOA allow a borrower to consolidate a single FFEL Program consolidation loan into the Direct Loan Program if: <ul style="list-style-type: none"> • The FFEL consolidation loan has been submitted for default aversion or is already in default and the borrower wishes to obtain, effective July 1, 2009, an Income-Based Repayment plan on the Direct Consolidation Loan; 	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 135 and 138) DCL FP-09-03 - This letter provides updated guidance to FFEL Program loan holders concerning the completion and return of Loan Verification Certificates in connection with a borrower’s application to consolidate a single FFEL Program consolidation loan into a new Federal Direct Consolidation loan.

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				<ul style="list-style-type: none"> The borrower wishes to use the Direct Loan Program's Public Service Loan Forgiveness Program under section 455(m) of the HEA (effective July 1, 2008); or The borrower wishes to take advantage of the Direct Loan Program's no interest accrual benefit for active duty service members under section 455(o) of the HEA and the FFEL Program consolidation loan is one that repaid FFEL Program loans that were first disbursed on or after October 1, 2008. 	
29	Consolidation Loans – Disclosure Bill Section: 425(b) HEA Section: 428C(b)(1) (F)	HEOA requires a FFELP lender to disclose, in simple and understandable terms, at the time the lender provides a consolidation loan application: <ul style="list-style-type: none"> whether consolidation would result in a loss of benefits under the FFEL or Direct Loans (e.g., loan forgiveness, cancellation, deferment), or under Perkins (e.g., interest-free periods, deferment, cancellation), including a list of occupations that qualify for forgiveness under Perkins available repayment plans, options to prepay (e.g., shorter schedule, change repayment plans), that benefit programs may vary among lenders, the consequences of default, that the submission of an application does not obligate the borrower to take the loan 	FFEL Consolidation applications provided to potential borrowers on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 135)
	Consolidation Loans - Repayment Plans Bill Section: 425(d) HEA Section: 428C(c) (2) (A) and	HEOA requires a FFELP Consolidation lender to offer a consolidation borrower an income-based repayment plan, except for a Consolidation loan that repays any FFELP or Direct parent PLUS loan. <ul style="list-style-type: none"> Exempts Consolidation loans repaid under income-based repayment from the repayment 	August 14, 2008, for the July 1, 2009, implementation of IBR		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119)

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30	428C(c)(3)(C)	<p>period lengths based on borrower's education loan balance if the terms of the income-based repayment plan conflicts.</p> <ul style="list-style-type: none"> Exempts Consolidation loans repaid under an income-based repayment plan from the minimum payment of no less than the accrued unpaid interest. 			
REHABILITATION					
31	Rehabilitation - Removal of Default Record Bill Section: 426(l) HEA Section: 428F(a)	HEOA clarifies that when a guaranty agency rehabilitates and sells a loan to a lender that the guaranty agency must remove the record of default from the borrower's credit history.	Applies to all loan rehabilitation sales to eligible lenders that take place on or after August 14, 2008, and to all prior holders of the rehabilitated defaulted loan		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 121-122)
32	Rehabilitation - Limitations Bill Section: 426(l) HEA Section: 428F(a)	A borrower can only rehabilitate once.	Limitation applies to any defaulted loan that is rehabilitated on or after August 14, 2008	<p>This limitation is loan-based, not borrower-based.</p> <p>Allows rehabilitation for a borrower with previously rehabilitated defaulted loans if the borrower was in a rehabilitation program on or before August 14, 2008.</p> <p>The Higher Education Opportunity Act (HEOA) provision limits a FFEL and Direct Loan borrower to loan rehabilitation only one time per defaulted loan. Initial guidance from ED suggested that a borrower had to have been in a rehabilitation program prior to the HEOA effective date of August 14, 2008, in order to rehabilitate any loans that had been previously rehabilitated and subsequently defaulted.</p> <p>The guidance in the December 2008 HEOA DCL appeared to limit the restriction to borrowers who rehabilitate defaulted loans on or after August 14, 2008, and subsequently default on those loans. The student loan industry questioned the guidance and NCHelp received</p>	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 122)

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				confirmation from ED regarding the impact to borrowers. Per ED, this new restriction impacts only borrowers who rehabilitate defaulted loans on or after August 14, 2008. A borrower's loans included in any rehabilitation on or after August 14, 2008, are not eligible to be included in a future rehabilitation. The triggering event is the borrower's attempt to rehabilitate a second or subsequent time for loans that were rehabilitated on or after August 14, 2008.	
33	Rehabilitation - Financial and Economic Literacy Bill Section: 426(2) HEA Section: 428F(c)	HEOA requires a guaranty agency to provide financial and economic educational materials to borrowers that rehabilitate their loans.	Guaranty agencies must provide these educational materials to each borrower who successfully rehabilitates a defaulted loan with the agency on or after August 14, 2008	Per DCL GEN-08-12/FP-08-10, the guaranty agency should make the same materials generally available to all other borrowers who have rehabilitated loans previously with the agency.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 122)
UNSUBSIDIZED STAFFORD LOANS					
34	Unsubsidized Stafford Loan Limits: Teacher Certification and Graduate and Professional Programs Bill Section: 428 HEA Section: 428H(d)	This is a post Ensuring Continued Access to Student Loans Act (ECASLA) technical correction regarding the unsubsidized Stafford annual loan limits for students pursuing coursework necessary for enrollment in a graduate or professional program and students pursuing a teacher certification. Independent undergraduate students pursuing coursework necessary for enrollment in an undergraduate degree or certificate program are eligible for the increased loan limit of \$6,000. Students enrolled in coursework necessary for enrollment in a graduate or professional program, or students enrolled in a program that is necessary to attain a professional credential or certification to become a teacher, continue to be eligible for the	Loans first disbursed on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 123)

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		loan limit of \$7,000 for which they were eligible prior to the enactment of Ensuring Continued Access to Student Loans Act (ECASLA).			
TEACHER LOAN FORGIVENESS					
35	Teacher Loan Forgiveness - Teachers Employed by Educational Service Agencies Bill Section: 429 HEA Section: 428J	HEOA amends the existing FFEL Teacher Loan Forgiveness program as follows: <ul style="list-style-type: none"> allows a teacher to have been employed in a qualifying location as well as a school special education teachers may now also qualify if they are employed by an educational service agency Also added prevention of double benefits for the same service. A borrower may not receive this benefit and a benefit under the following programs: <ul style="list-style-type: none"> the new loan forgiveness for service in areas of national need (428K) DL public service loan forgiveness (455(m)) DL teacher loan forgiveness (460), or subtitle D of title I of the National Community Service Act of 1990 	Teacher Loan Forgiveness and Teacher Loan Forgiveness Forbearance applications received on or after August 14, 2008		DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 123)
LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED					
36	Loan Forgiveness - Child Care Providers Bill Section: 430 HEA Section: 428K	Deletes the prior program for Child Care Provider Loan Forgiveness and replaces it with the new Loan Forgiveness for Service in Areas of National Need.			
	Loan Forgiveness for Service in Areas of National Need Bill Section: 430 HEA Section: 428K	New loan forgiveness program for FFEL and DL Stafford, Grad PLUS, and Consolidation loan borrowers employed full-time in areas of national need, including: <ul style="list-style-type: none"> early childhood educators nurses foreign language specialists librarians teachers educating students who are limited English proficient teachers serving in low-income communities and teachers in underrepresented populations 	School, academic, or calendar year of full-time employment, in an area of national need, that a borrower completes on or after August 14, 2008	Subject to appropriation by Congress, which means funds have to be approved by Congress before any forgiveness can occur. Defaulted borrowers, parent PLUS loans, and consolidations that paid off parent PLUS loans are not eligible. DCL GEN-08-12/FP-08-10, defines the following: <ul style="list-style-type: none"> Audiologist 	DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 124-127)

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37		<ul style="list-style-type: none"> • child welfare workers • speech-language pathologists and audiologists • school counselors • public safety workers • emergency management workers • emergency medical technicians • public health workers • public interest legal services • nutritional specialists • medical specialists • mental health professionals • dentists • applied sciences, technology, engineering, or mathematics employees • physical therapists • school superintendents, principals, or other administrators in low-income areas • occupational therapists <p>Loan forgiveness may be up to \$2,000 a year, not to exceed five years of service for a total aggregate forgiveness amount of \$10,000. Authorized to be appropriated by Congress for 2009 through 2014. Forgiveness is granted on a first-come, first-served basis, subject to the availability of funds. There are no refunds of any payments.</p> <p>A borrower may not receive forgiveness of loan obligations for the same <u>service</u> under this benefit and under the following programs:</p> <ul style="list-style-type: none"> • FFEL teacher loan forgiveness (428J) • Loan repayment for civil legal assistance attorneys (428L) • DL public service loan forgiveness (455(m), or • DL teacher loan forgiveness (460) 		<ul style="list-style-type: none"> ○ Early childhood educator ○ Eligible preschool program ○ Eligible early childhood education program ○ Low-Income community ○ Nurse ○ Occupational therapist ○ Physical therapist ○ Speech-language pathologist <p>Pertinent sections of the Social Security Act can be found at - http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC1395x</p> <p>Pertinent sections of the Head Start Act can be found at - http://www.access.gpo.gov/uscode/title42/chapter105_subchapterii_.html The Public Service Health Act can be found at - http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=browse_usc&docid=Cite:+42USC296</p>	
LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE ATTORNEYS					

Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
38	<p>Loan Repayment for Civil Legal Assistance Attorneys</p> <p>Bill Section: 431 HEA Section: 428 L</p>	<p>HEOA creates a new forgiveness program to encourage qualified individuals to enter and continue employment as civil legal assistance attorneys by repaying a portion of their eligible loan(s).</p> <p>An eligible attorney must be a civil legal assistance attorney, continually licensed to practice law. The attorney must be a full-time employee of either:</p> <ul style="list-style-type: none"> • a non-profit organization that provides free civil legal assistance to low-income individuals, or • a protection and advocacy system or client assistance program funded by a qualified federal program <p>Loan forgiveness may be up to \$6,000 a year not to exceed \$40,000. Authorized to be appropriated by Congress for 2009 through 2014. Distributed on a first-come first-served basis, with priority given to those who,</p> <ul style="list-style-type: none"> • practiced for first 5 years, or less, as an attorney and has been spent 90% or more as a civil legal assistance attorney • received this benefit the previous year • completed less than 3 years of their service <p>ED will make payments on behalf of the borrower directly to the loan holder for eligible FFEL and DL Stafford, Grad PLUS, Consolidations loans and Perkins loans.</p>	August 14, 2008	<p>Subject to appropriation by Congress, which means funds have to be approved by Congress before any forgiveness can occur.</p> <p>ED is authorized to make regulations. Defaulted loans, parent PLUS loans, and Consolidation loans that were used to pay off parent PLUS loans are ineligible.</p> <p>No double benefits for the same service. A borrower may not receive this benefit and a benefit under the following programs:</p> <ul style="list-style-type: none"> • the new loan forgiveness for service in areas of national need (428K) • DL public service loan forgiveness (455(m)) <p>Per DCL GEN-08-12/FP-08-10, a civil legal assistance attorney is defined as an attorney who is a full-time employee of:</p> <ul style="list-style-type: none"> • a nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals without a fee; or • a protection and advocacy system or client assistance program that provides legal assistance with respect to civil matters and receives funding under <ul style="list-style-type: none"> ○ subtitle C of Title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.) ○ section 112 or 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e) ○ Part A of Title I of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 et seq.) ○ section 5 of the Assistive Technology Act of 1998 (29 	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 116-118)</p>

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				<ul style="list-style-type: none"> ○ U.S.C. 3004); ○ section 1150 of the Social Security Act (42 U.S.C. 1320b-21); ○ section 1253 of the Public Health Service Act (42 U.S.C. 300d-53); or ○ section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461); ● as such employee, provides civil legal assistance as described in subparagraph (A) on a full-time basis; and ● is continually licensed to practice law 	
39	<p>Loan Repayment for Civil Legal Assistance Attorneys - Agreement with ED</p> <p>Bill Section: 431 HEA Section: 428 L</p>	<p>The borrower must enter into a written agreement with The U.S. Department of Education (ED). The borrower must agree to be employed for at least 3 years, unless involuntarily separated from that employment.</p> <p>If the borrower ends employment before the agreed upon term of employment, the borrower is involuntary separated from employment because of misconduct, or voluntarily resigns, the borrower must repay the payments made by ED.</p> <p>If the borrower is required and fails to repay, ED may recover the amount owed by any means allowable under the law. ED may waive the right to recover the amount owed by the borrower.</p>	August 14, 2008		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 116-118)</p>
REPORTS TO CONSUMER REPORTING AGENCIES AND SCHOOLS					
40	Reports to Consumer Reporting Agencies and Schools	HEOA replaces the term “credit bureaus” with “consumer reporting agencies” for reporting purposes throughout the HEA. Lenders, guarantors, and subsequent holders, in addition to current requirements, must report the following to all national credit bureaus:	Apply to all reports made to consumer reporting agencies on or after August 14, 2008	Per DCL GEN-08-12/FP-08-10, the kinds of information reported is also amended to include information concerning the repayment status of the loan for inclusion in the borrower’s file, provided no otherwise applicable provision of the Fair Credit Reporting Act (15 U.S.C. 1681 et	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 127)</p>

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	Bill Section: 432 HEA Section: 430A	<ul style="list-style-type: none"> FFEL loans as an “education loan” and the repayment status of a loan 		seq.) is affected. The Fair Credit Reporting Act can be found at http://www.access.gpo.gov/uscode/title15/chapter41_subchapteriii_.html	
LENDER REQUIRED DISCLOSURES					
41	Lender Disclosure - Before Disbursement Bill Section: 434(a) HEA Section: 433(a)	<p>HEOA revises the FFELP initial disclosure information sent at or before first disbursement of a Stafford and PLUS loan.</p> <p>The disclosure must now contain the additional new items listed below:</p> <ul style="list-style-type: none"> whether the amount of any charges, such as origination fee or federal default fee will be paid by the lender statement that unsubsidized Stafford and graduate PLUS borrowers may pay interest while in school and, if not paid, the frequency of capitalization statement that parent PLUS borrowers have the option to defer payment while the student is enrolled at least half-time, may pay interest while dependent student is in school and, if not paid, the frequency of capitalization statement that parent PLUS borrowers may defer during a parent’s half-time enrollment in school descriptions of repayment plans that are available for the loan statement of circumstance in which the borrower may obtain forbearance description of forgiveness options and requirements explanation of any costs or fees the borrower may be charged, including late payment fees and collection costs that a borrower may incur during repayment or in collection 	August 14, 2008	<p>The following are the current disclosure requirements:</p> <ul style="list-style-type: none"> Disclosures may be in written or electronic format and may be part of federal loan materials, promissory note or other written form Disclosures must contain: <ul style="list-style-type: none"> lender telephone number electronic address for additional loan information (optional) a statement that the borrower must repay the loan lender name address to send communication and payment principal amount of loan amount of any charges, such as origination fee or federal default fee, and whether the fee will be: <ul style="list-style-type: none"> collected at or prior to disbursement deducted from proceeds paid separately by borrower stated interest rate on PLUS loans yearly and cumulative maximum amounts that may be borrowed total cumulative balance, including the loan being applied 	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 128)</p>

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		<p>Also revises the disclosure of cumulative balance to include the “loan being disbursed to the borrower” instead of the “loan applied for by the student.” Clarification of loans that require disclosures.</p>		<p>for, owed by the student to the lender</p> <ul style="list-style-type: none"> • an estimate of the projected monthly payment • when repayment is required • when the borrower will be obligated to pay interest that accrues on the loan • minimum and maximum repayment terms • minimum annual payment required by law • explanation of option for consolidation or refinancing • statement of right to prepay at any time without penalty • circumstance in which repayment of the loan or interest may be deferred • description of default consequences • description that a default will be reported to a consumer reporting agency • explanation of costs that a borrower may incur during repayment or in collection 	
42	<p>Lender Disclosure - Before Repayment</p> <p>Bill Section: 434(b) HEA Section: 433(b)</p>	<p>HEOA revises the FFELP repayment disclosure information sent for repayment of a Stafford (subsidized and unsubsidized) and PLUS loan. Must be provided not less than 30 days nor more than 150 (currently 240 days) days before the first payment due date.</p> <p>The disclosure must now contain the additional new items listed below:</p> <ul style="list-style-type: none"> • lender name or servicer, if applicable • scheduled date on which repayment period will begin or deferment end date for parent and graduate PLUS 	August 14, 2008	<p>The following are the current disclosure requirements:</p> <ul style="list-style-type: none"> • Disclosures may be in written or electronic format • Disclosures must contain: <ul style="list-style-type: none"> • lender telephone number • electronic address for additional loan information (optional) 	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 128-129)</p>

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		<p>loans that are deferred under the new PLUS deferments</p> <ul style="list-style-type: none"> • estimated balance and interest to be capitalized, if applicable, as of the scheduled date on which the repayment period is to begin or deferment is to end for parent and graduate PLUS loans that are deferred under the new PLUS deferments • information on any loan repayment benefits, including: <ul style="list-style-type: none"> ○ contingencies, such as rate reduction tied to automatic payroll or checking account deduction or making a specified number of payments, or other benefits that could reduce the amount of repayment or length of repayment period ○ limitations, such as explicit information on reasons a borrower may lose eligibility, for a interest rate reduction, examples of the impact on repayment amount and length, the effect on the payoff amount and time for repayment (if requested by borrower), whether and how to regain eligibility if a benefit is lost • description of repayment plans available to the borrower and statement that the borrower may change plans during repayment • repayment schedule for all loans covered by the disclosure,-based on a standard plan unless the borrower has selected another plan • any interest the borrower has already paid, unless, for PLUS and Unsubsidized Stafford loans, lender has provided projected monthly payment amounts previously • options to avoid or remove a default, including any fees • additional resources, including nonprofit organizations, advocates, and counselors (including ED Ombudsman) of which the lender is aware, where borrowers may receive advice and assistance on loan repayment 		<ul style="list-style-type: none"> • lender name • address to send communication and payment • scheduled date on which repayment period will begin • estimated balance of loans covered by the disclosure • estimated interest to be capitalized, if applicable, as of the scheduled date on which the repayment period is to begin • stated interest rate on the loan or loans, or the combined interest rate of loans with different stated interest rates • repayment schedule for all loans covered by the disclosure, including: <ul style="list-style-type: none"> ▪ first payment due date ▪ payment number, amount, and frequency • options and terms for loan consolidation or refinancing • projected total interest assuming payments made as scheduled • any fees that may be charged during the repayment period • statement of right to prepay at any time without penalty <p>This disclosure does not need to be sent out for Consolidation Loans. Previous language specifically excluded</p>	

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				Consolidation loans but new language appears to exclude consolidation loans by not listing them in the applicable loan types.	
43	Lender Disclosure - Separate Notification Bill Section: 434(c) HEA Section: 433(c)	HEOA restates current requirement that lender must provide FFELP borrowers a rights and responsibilities statement separate from the initial disclosure, and that it must include a statement of the consequences of default and that a default will be reported to a consumer reporting agency. Clarifies that this disclosure must be “in simple and understandable terms” instead of “in plain English.”		No real change to current practice.	
44	Lender Disclosure - Special Disclosure Rules on PLUS Loans and Unsubsidized Stafford Loans Bill Section: 434(d) HEA Section: 433(d)	HEOA restates current requirement that PLUS and unsubsidized Stafford loans are exempt from the lender providing a disclosure of monthly payment amounts. The lender may provide a sample projection of monthly repayment amounts assuming different levels of borrowing and interest accruals resulting from capitalization of interest. HEOA also provides a new requirement to include the cost capitalization and of paying interest as it accrues.	August 14, 2008		DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 129)
45	Lender Disclosure - During Repayment Bill Section: 434(e)(1) HEA Section: 433(e)(1)	HEOA requires a lender to provide Stafford, PLUS and Consolidation borrowers with a bill or statement (as applicable) that corresponds to each payment installment time period in which a payment is due and that includes: <ul style="list-style-type: none"> • original principal amount • current balance, as of the time of the bill or statement • interest rate • total amount paid in interest • aggregate amount paid for the loan, including amount paid in interest, amount paid in fees, and amount paid against the balance • description of each fee charged for the most recent installment • date by which the borrower needs to make a payment in order to avoid additional fees and the amount of such payment and the amount of such 	Loans for which the first payment is due on or after July 1, 2009		DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 129-130)

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		fees <ul style="list-style-type: none"> • address and toll-free phone number for payment and billing error purposes • a reminder of the option to change repayment plans • a list of repayment plans • link to the Department’s Website to obtain repayment plan information and directions to change plans 			
46	Lender Disclosure - Information Provided to Borrowers Experiencing Difficulty in Making Loan Payments Bill Section: 434(e)(2) HEA Section: 433(e)(2)	HEOA requires a lender to provide a borrower who notifies the lender of difficulty making payments on a Stafford, PLUS or Consolidation loan with the following, in simple and understandable terms: <ul style="list-style-type: none"> • description of repayment plans available to the borrower • how to request a change in plans • description of the requirements for obtaining forbearance and associated costs • description of the options to avoid default, and any fees or costs associated with these options 	Loans for which the first payment is due on or after July 1, 2009	The lender may provide this notice verbally, in writing, or electronically.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 130)
47	Lender Disclosure – During Delinquency Bill Section: 434(e)(3) HEA Section: 433(e)(3)	HEOA requires a lender to provide a borrower who is 60 days delinquent on a Stafford, PLUS or Consolidation with a notice of the following: <ul style="list-style-type: none"> • date on which the loan will default if no payment is made • minimum payment to avoid default • description of options to avoid default (and any fees or costs) including a description of deferment and forbearance • discharge options • resources, including nonprofit organizations, advocates, and counselors (ED Ombudsman) where the borrower can receive advice and assistance on repayment 	Loans that became delinquent on or after July 1, 2009	The lender may provide this language within existing delinquency letters.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 130-131)

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48	Lender Disclosure – Cost of Disclosure and Consequences of Nondisclosure Bill Section: 434 HEA Section: 433(f)	HEOA restates current provisions for all disclosures under HEA Section 433 that: <ul style="list-style-type: none"> • disclosures shall be available without cost to the borrower • lender’s failure to provide information shall not relieve a borrower of the obligation to repay a loan or provide a basis for a claim for civil damages • disclosures are not subject to the Truth in Lending Act • Secretary may limit, suspend, or terminate the a lender’s participation for non-compliance 	August 14, 2008	Removes lender protection from loss of guarantee or reinsurance for failure to provide any of the disclosures under HEA Section 433. The following language was stricken from 433(c): <i>The failure of an eligible lender to provide information as required by this section shall not (3) be deemed to abrogate the obligation of the Secretary under a contract of insurance or reinsurance, or the obligation of a guaranty agency under a contract of guaranty.</i>	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 128)
GUARANTORS – CONSUMER EDUCATION INFORMATION					
49	Guarantors - Consumer Education Information Bill Section: 435 HEA Section: 433A(a)	New HEA Section 433A requires guaranty agencies to work with their schools to develop high-quality educational programs, materials and training for students and families in budgeting and financial management relating to student loans. Programs and materials are to be provided before, during, and after a students’ enrollment in an institution of higher education. These activities shall be considered default reduction activities.	August 14, 2008	Guaranty agencies are not prohibited from using existing programs and materials in meeting requirements or from providing materials to Direct Loan schools. Per DCL GEN-08-12/FP-08-10, a guaranty agency’s activities under this section are considered default reduction activities for the purpose of using restricted reserve funds as provided under section 422(h)(4)(B) of the HEA. Lenders and loan servicers may also provide outreach and financial literacy information consistent with these requirements to schools.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 136)
COHORT DEFAULT RATE					
50	Cohort Default Rate – Definition Bill Section: 436(e) HEA Section: 435(m)	The definition of cohort default rate changes. Cohort default rate now means students who default before the end of the second fiscal year following the fiscal year in which students entered repayment. For the transition period, cohort default rates used for any sanctions imposed will be calculated as before this change until there are 3 years of rates under this new statutory calculation.	FY 2009	Change from 2 to 3 year calculation methodology. ED’s transition plan for providing cohort default rate calculations beginning with the FY 2009 rates are as follows: <ul style="list-style-type: none"> • ED will calculate the draft FY 2009 cohort rates in January 2011 (released February 2011), and the official rates 	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 131-132)

Note: This summary is intended for informational purposes only. Refer to the bill for specific information.
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				<p>in August 2011 (released September 2011) using the current two year default period (loans entering repayment between 10/01/08 and 09/30/09 and defaulted between 10/01/08 and 09/30/10).</p> <ul style="list-style-type: none"> ED will recalculate the draft FY 2009 cohort rates in January 2012 (released February 2012), and the official rates in August 2012 (released September 2012) using the three year default period (loans entering repayment between 10/01/08 and 09/30/09 and defaulted between 10/01/08 and 09/30/11). 	
51	<p>Cohort Default Rate – School Ineligibility</p> <p>Bill Section: 436(a) HEA Section: 435(a)(2)(ii) 435(a)(2) (B)(ii) 435(a)(2) (B)(iii)</p>	<p>HEOA continues the cohort default rate ineligibility provisions for schools through fiscal year 2011. The trigger remains at 25 %.</p> <p>HEOA raises the default rate that triggers ineligibility to 30 % on or after fiscal year 2012.</p>	FY 2012	Fiscal year 2009 data that will be published in FY 2012 cohort default rate calculations.	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 131)</p>
52	<p>Exceptions to Multiple Disbursement Rules</p> <p>Bill Section: 427 HEA Section: 428G(a)</p>	<p>The cohort default rate used to determine exceptions to rules that would otherwise require the multiple disbursements of loans where the period of enrollment is a single term and the 30 day delayed delivery for loans to first year, first time borrowers is raised from 10% to 15% by the HEOA.</p>	October 1, 2011	These changes are made to allow for higher cohort default rates under the new 3-year period of determining cohort default rates.	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 122)</p>
53	<p>Cohort Default Rate – Default Prevention and Assessment of Eligibility</p> <p>Bill Section: 436(a)</p>	<p>HEOA adds new default prevention and assessment of eligibility requirements for default rates that are equal to or greater than the 30% threshold percentage applicable for the fiscal year 2012 and beyond.</p> <ul style="list-style-type: none"> For the first year that any institution that is greater than the 30% threshold, they must establish a default prevention task force to 	FY 2012	Fiscal year 2009 data that will be published in FY 2012 cohort default rate calculations.	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 132)</p>

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	HEA Section: 435(a)(7)(A) and 435(a)(7)(B)	<p>prepare and submit a plan to ED that:</p> <ul style="list-style-type: none"> ○ identifies factors, ○ establish steps to improve rate, and ○ specify actions that can improve student repayment <ul style="list-style-type: none"> ● If an institution's threshold is still equal or greater than the 30% threshold for 2 consecutive years the task force must reevaluate the plan. ● ED will review plans submitted and may direct that plans be amended to include actions that ED determines will promote student loan repayment. 			
54	<p>Cohort Default Rate – Appeals for Regulatory Relief</p> <p>Bill Section: 436(a) HEA Section: 435(a)(3) and 435(a)(5)</p>	<p>HEOA adds a new appeal for relief in regards to a school's cohort default rate:</p> <ul style="list-style-type: none"> ● An institution whose cohort default rate is equal to or greater than the 30% threshold percentage for fiscal year 2012 and beyond for 2 consecutive years has 30 days to file an appeal after receiving notification from ED. ● Within 45 days ED will issue a decision. ● If the institution is found to have exceptional mitigating circumstance, ED may not subject the institution to provisional certification solely based on the cohort default rate. 	August 14, 2008	<p>Fiscal year 2009 data that will be published in FY 2012 cohort default rate calculations.</p> <p>Per DCL GEN-08-12/FP-08-10, the HEA also now provides, effective August 14, 2008, that if a school files a successful extenuating mitigating circumstances appeal after two consecutive years of cohort default rates that equal or exceed the applicable cohort threshold percentage, ED may not place the institution in provisional certification status based solely on the institution's cohort default rate.</p>	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 131)</p>
55	<p>Cohort Default Rate - Participation Rate</p> <p>Bill Section: 436(a) HEA Section: 435(a)(8) (A)</p>	<p>HEOA increases the participation rate index (PRI) threshold from 0.0375 to 0.0625. Institutions with a participation rate index equal to or less than 0.0625 for the 3 most recent years are not subject to ineligibility due to high default rates.</p>	FY beginning on or after October 1, 2011		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 131)</p>
56	<p>Cohort Default Rate – Published Report</p> <p>Bill Section: 436(e) HEA Section: 435(m)</p>	<p>ED must publish annually, a list of current and lifetime cohort default rates by school type. This list must include percentage of loan receiving students (former and current) who enter repayment during that fiscal year and who defaulted before the end of the succeeding fiscal year.</p>	FY 2009	<p>ED will have to continue calculating the default cohort rates using the old method (1-year cohorts) for purposes of this reporting, until such time as they have 3 consecutive years of calculations under the new method.</p>	
LENDER PROHIBITED INDUCEMENTS					

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57	<p>Lender Prohibited Inducements</p> <p>Bill Section: 436(c) HEA Section: 435(d)(5)</p>	<p>HEOA adds new prohibited inducements and actions to the existing ones that will disqualify a lending institution as an eligible lender for Title IV purposes if it engages in such activities:</p> <ul style="list-style-type: none"> • Payments include payments for referrals, and processing or finder fees. Lists specific new inducements such as prizes, stock or securities, travel, entertainment expenses, tuition payment or reimbursement, provision of information technology equipment at below-market value, and additional financial aid funds that are paid to a school or school employee in order to secure FFELP loan applicants. Points, premiums and other inducements remain as well. • Specifies unsolicited mailings as postal or electronic means. Adds clarification that mailings cannot be done to students in secondary or post-secondary schools or the families of such students. Retains exception for those students or borrowers who have already received a FFELP loan from the lender. • May not enter into a consulting agreement or contract providing services to a lender with an employee who works in the financial aid office or has responsibilities with respect to student loans or other financial aid at an institution of higher education. • May not compensate an employee who works in the financial aid office or person with responsibilities with respect to student loans or other financial aid, at an institution of higher education and serves on an advisory board or a commission established by lenders or a group of lenders. Provides an exception for reasonable expenses incurred in providing such service. • Perform or paid for someone to perform a function an institution of higher education is required to perform under any Title IV program. Provides an exception that lenders can perform 	<p>Guaranty Agency and lender activities undertaken on or after August 14, 2008</p>	<p>Takes effect after notice and opportunity for a hearing with ED</p>	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 134-135)</p>

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		<p>exit counseling functions in accordance with Section 485(b).</p> <ul style="list-style-type: none"> • Pay a student at an institution of higher education to act as the lender’s representative to secure applications unless the student is employed by the lender for other purposes and the lender has made all appropriate disclosures regarding employment. • Offered, directly or indirectly loans as an inducement for a borrower to purchase a policy of insurance or other product, or any other fraudulent or misleading information. • Engaged in fraudulent advertising <p>Revises the permitted activities to state that a lender may provide <u>technical</u> assistance to institutions of higher education comparable to <u>technical</u> assistance provided by the ED.</p>			
SCHOOL AS LENDER					
58	School as a Lender - Program Audit Bill Section: 436(d) HEA Section: 435(d)(8)	Each institution serving as an eligible lender and each lender serving as a trustee must complete and submit a compliance audit annually. The audit must show that all proceeds minus reasonable expenses are being used for need based grants and that these grants are not being used in place of other grants, but in addition to these grants.	First auditable period of the school lender or ELT that begins on or after August 14, 2008	The regulations governing lender trustee relationships with a school or school-affiliated organization are under 34 CFR 682.602.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 136-137)
TOTAL AND PERMANENT DISABILITY DISCHARGE					
59	Total and Permanent Disability Discharge - Medically Physical or Mental Impairment Bill Section: 437(a) HEA Section: 437(a)(1)	HEOA establishes a new condition for total and permanent disability (TPD) discharge. It stipulates that all borrowers who are “unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that: <ul style="list-style-type: none"> ○ can be expected to result in death, ○ has lasted for a continuous period of not less than 60 months, or ○ can be expected to last for a continuous period of not less than 60 months” will be eligible for discharge <p>HEOA allows ED to develop safeguards in the administration of</p>	July 1, 2010	This discharge applies all Title IV loans.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 132-133)

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		the new TPD condition described above, in order to prevent fraud and abuse. ED can still require a conditional discharge period.			
60	Total and Permanent Disability Discharge - Medical Impairment Bill Section: 437(a) HEA Section: 437(a)(1) (A) and (B)	HEOA authorizes ED to establish regulations requiring the reinstatement of, and resumption of collection activities on, any loan previously discharged under the new medically physical or mental impairment discharge type, in the event the borrower, after the discharge date, receives a new Title IV loan or earns income in excess of the poverty line. Subparagraph B allows reinstatement for any other reason ED deems appropriate.	July 1, 2010	Per DCL GEN-08-12/FP-08-10, the HEOA authorizes the Department to develop any necessary safeguards to prevent fraud and abuse in discharging loans on the basis of death or total and permanent disability, including developing regulations to require the reinstatement and resumption of collections on a discharged loan, if after the discharge, the borrower <ul style="list-style-type: none"> • receives another Title IV loan; • the borrower earns income in excess of the poverty line; or • for any other reason the Department determines necessary 	DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 132-133)
61	Total and Permanent Disability Discharge - Veterans Affairs Documentation Bill Section: 437(b) HEA Section: 437(a)(2)	HEOA establishes that, for the purposes of loan discharge, a “borrower who has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition and who provides documentation of such determination to Secretary of Education, shall be considered permanently and totally disabled.” It also stipulates that a borrower in this condition will not be required to present further supporting documentation.	August 14, 2008	ED makes the determination. There is not a three-year conditional period for borrowers in this category of total and permanent disability. Borrower requests for loan discharge based on the Secretary of Veterans Affairs determination that the borrower is unemployable due to a service connected condition, received by the loan holder on or after August 14, 2008. Per DCL GEN-09-07, a 100% or total disability rating from the VA represents a determination that the veteran has a total impairment in earning capacity, i.e., is unemployable. In addition, a veteran with a less than 100% disability rating may qualify for total disability based on an individual unemployability determination, if the VA determines that the veteran's service-connected disabilities are sufficient to result in unemployability. There are two types of VA determinations that qualify a veteran for a discharge of his or her Title IV student loans based on the statutory standard:	DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 132-133) DCLGEN-09-07/FP-09-05/CB-09-04 : This letter explains the change of the HEA by the HEOA that establishes a separate standard for determining whether certain veterans are totally and permanently disabled for Title IV loan discharge purposes. This letter provides implementation guidance to FFEL lenders, guaranty agencies, and Perkins school lenders on the procedures for processing total and permanent disability discharge requests.

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				<p>1. A determination that the veteran has a service-connected disability, or service connected disabilities, that are 100% disabling; or</p> <p>2. A determination that the veteran is totally disabled based on an individual unemployability determination.</p> <p>The VA grants individual unemployability only for service-connected conditions. Therefore, any determination of individual unemployability qualifies a veteran for discharge. In the case of a determination that a veteran is 100% disabled, the determination must specify that the disabilities are service-connected.</p>	
Title IV Student Assistance - Part F – Need Analysis					
COST OF ATTENDANCE					
62	Needs Analysis - Cost of Attendance Bill Section: 471 HEA Section: 472(3)	HEOA adds a new subparagraph (C) which permits students living in military housing or receiving a basic allowance for housing to receive an allowance for board, but not for room, when determining the cost of attendance.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 78-79)
PROFESSIONAL JUDGMENT					
63	Professional Judgment – Special Circumstances Bill Section: 472 HEA Section: 479A(a)(1)-(3)	HEOA expands the list of special circumstances a school may consider: <ul style="list-style-type: none"> • medical, dental, or nursing home expenses not covered by insurance • unusually high child care or dependent care costs • and student or a family member who is a dislocated worker 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 79) DCL GEN-09-04 - This letter reminds financial aid administrators of their ability to exercise professional judgment when determining the eligibility of students for federal student aid and encourages aid

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					<p>administrators to consider special circumstances of students and families during these challenging economic times.</p> <p>DCL GEN-09-05 - This letter provides information to financial aid administrators regarding their ability to exercise, if properly documented, professional judgment when determining the eligibility of a student for federal student aid. It also informs aid administrators about letters that will be provided to all recipients of unemployment insurance benefits by state unemployment agencies that can be used by a financial aid administrator to document special circumstances of students during these challenging economic times.</p>
64	<p>Professional Judgment - Parental Non-Support and FAFSA Refusal</p> <p>Bill Section: 472 HEA Section: 479A(a)(4)</p>	<p>HEOA permits a school to offer an unsubsidized Stafford loan to a dependent student without parental completion of the FAFSA if the school verifies that the parent(s) does not provide financial support and refuses to file the FAFSA.</p>	<p>Beginning with a loan for any loan period that begins on or after August 14, 2008, or includes that date</p>	<p>This new provision is not the same as the dependency override provision of section 480(d)(1)(I) of the HEA.</p> <p>Per DCL GEN-08-12/FP-08-10, in instances when a financial aid administrator decides, based upon documentation submitted by the dependent student, to award an unsubsidized FFEL or Direct Loan without the student's parent or parents having completed the FAFSA, but not to perform a full dependency override, the dependent student would be eligible to receive only an unsubsidized loan and not any other Title IV assistance. In addition, the student's parent(s) would not be eligible to apply for a PLUS loan on the student's behalf.</p>	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 79-82)</p>

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				<p>The maximum annual unsubsidized loan amount that a dependent student may receive under the new authority described in this letter is the “base” annual loan limit for the student’s grade level plus the additional unsubsidized amount of \$2,000 that was added to the annual loan limits for dependent students by the ECASLA.</p> <p>Note that the additional unsubsidized loan amount that a dependent student may receive under this new authority is only the \$2,000 that is available to all dependent students.</p> <p>Before a financial aid administrator exercises his or her discretion to award a dependent student an unsubsidized loan without parental FAFSA information, the financial aid administrator must verify that the parent(s) has ended financial support of the student and refuses to complete the parental sections of the FAFSA. Self-certification from the dependent student is not sufficient. In most instances, this requirement can be met by the financial aid administrator obtaining a signed and dated statement from one of the student’s parents specifically stating that the parent(s)</p> <ul style="list-style-type: none"> • has stopped providing financial support to the student (including the date when the financial support stopped); • will not provide financial support in the future; and • refuses to complete the parental section of a FAFSA. <p>There is no requirement that the parent provide a reason for ending financial support and refusing to complete the FAFSA. If the student informs the financial aid administrator that his or her parent(s) will not provide the required verification statement, the financial aid administrator must obtain documentation from a third party (e.g., teacher, counselor, clergy, court) describing the student’s relationship with</p>	

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				his or her parents. Finally, before making a decision the financial aid administrator may, but is not required to, determine how the student intends to financially support himself or herself without parental support.	
SIMPLIFIED NEEDS TEST					
65	Needs Analysis - Simplified Needs Test Change Bill Section: 472 HEA Section: 479A(a)	HEOA amends the effective date of Section 603(b) of the College Cost Reduction and Access Act (CCRAA), which modified the criteria for simplified needs test, from the July 1, 2009 effective date, to “the date of enactment of H.R. 4137” which is August 14, 2008.	August 14, 2008		
FAFSA SIMPLIFICATION					
66	Needs Analysis - FAFSA Simplification Bill Section: 473 HEA Section: 480(a)(1)(B)	HEOA adds new subparagraph which authorizes ED to issue regulations that allow the use of the second preceding tax year information to simplify the FAFSA and the application process. This may include data sharing between the IRS and ED of Education with the taxpayer’s permission.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 82)
EXPECTED FAMILY CONTRIBUTION					
67	Needs Analysis - VA Educational Benefits Exclusion Bill Section: 473 HEA Section: 480(a)(2)	HEOA excludes veterans’ education benefits from income or assets when determining the borrower’s expected family contribution (EFC).	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 82)
68	Needs Analysis - Untaxed Income and Benefits	HEOA excludes value of military housing or basic housing allowance from taxable income when determining the borrower’s expected family contribution (EFC).	July 1, 2010	This allowance is determined under section 403(b) of Title 37, U.S.C. and can be found at - http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cg	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by

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	Bill Section: 473 HEA Section: 480(b)(1)(E)			i?dbname=browse_usc&docid=Cite:+37USC403b	enactment of the HEOA - (DCL page 82)
69	Needs Analysis - Determining EFC Bill Section: 473 HEA Section: 480(e)	HEOA excludes income earned from work under a cooperative education program at a school when determining expected family contribution (EFC).	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 82)
INDEPENDENT STUDENT					
70	Needs Analysis - Independent Student Bill Section: 473 HEA Section: 480(d)(1)	HEOA amends the dependency status changes enacted by the College Cost Reduction and Access Act (CCRAA) to clarify that the following students are considered independent: <ul style="list-style-type: none"> • orphans, those in foster care, or wards of the court • or those that were orphans, in foster care, or a ward of the court at any time when the individual was 13-years-old or older • students who are or were immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the student's state of legal residence 	July 1, 2010	This CCRAA change is effective 7/1/2009; but the HEOA <i>clarification</i> will not be reflected until the 2009-2010 FAFSA is available (1/1/2010). Prior to the clarification provided in HEOA, students whose emancipated minor status or legal guardianship terminated due solely to their age would be reclassified as dependent students.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 82)
OTHER FINANCIAL ASSISTANCE					
71	Needs Analysis - Other Financial Assistance Bill Section: 473 HEA Section: 480(j)(1)	HEOA removes veterans' education benefits from the definition of "other financial assistance" in the need analysis.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 82)
Title IV Student Assistance - Part D – Federal Direct Student Loan					
FEDERAL DIRECT STUDENT LOAN (DL) PROVISIONS					
	Federal Direct Student Loan -	HEOA adds a new paragraph as a technical amendment allowing for the income-based repayment plan as an	August 14, 2008, for the	Grad PLUS loans are eligible	DCL GEN-08-12/FP-08-10:

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72	Income Based Repayment Bill Section: 451(a) HEA Section: 455 (d)(1)	additional repayment plan under DL. Clarifies that the income-based repayment plan is not available to the borrower of a parent DL PLUS loan or a DL Consolidation loan, if the proceeds of the loan were used to discharge the liability on a parent DL PLUS loan or a parent FFEL PLUS loan (428B).	July 1, 2009, implementation of IBR		Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 119)
73	Federal Direct Student Loan – Public Service Job Definition Bill Section: 451(b) HEA Section: 455(m)(3)(B)(i)	<p>The definition of public service job is expanded for public health workers to include those who have a full-time job as:</p> <ul style="list-style-type: none"> • nurses • nurse practitioners • nurses in a clinical setting • full-time professionals engaged in health care practitioner occupations, as such terms are defined by the Bureau of Labor Statistics <p>The definition of public service job is expanded for early childhood workers to include those who have a full-time job in:</p> <ul style="list-style-type: none"> • licensed or regulated child care • Head Start • State funded prekindergarten <p>The definition of public service job is clarified for government workers to exclude time served as a member of Congress.</p>	August 14, 2008	Bureau of Labor and Statistics web site: http://www.bls.gov/soc/	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 137-138)
74	Federal Direct Student Loan – Public Service Job Definition Bill Section: 451(b) HEA Section: 455(m)(3)(B)(ii)	<p>The definition of public service job for teachers in high-needs areas is expanded to include those in shortage areas, including those:</p> <ul style="list-style-type: none"> • teaching as nurse faculty • foreign language faculty • part-time faculty at community colleges 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 137-138)
75	Federal Direct Student Loan – Public Service Ineligibility for Double Benefits Bill Section: 451(b)	<p>HEOA adds new paragraph (4) stating no borrower may receive forgiveness of loan obligations for the same service under public service loan forgiveness and HEA Sections:</p> <ul style="list-style-type: none"> • 428J – FFELP Loan Forgiveness for Teachers • 428K – FFELP Loan Forgiveness for Service in Areas of National Need 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 137-138)

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	HEA Section: 455(m)(4)	<ul style="list-style-type: none"> • 428L – FFELP Loan Repayment for Civil Legal Assistance Attorneys • 460 – DL Loan Cancellation for Teachers 			
76	Federal Direct Student Loan - Active Duty Service Members Bill Section: 451(d) HEA Section: 455(o)	HEOA adds new paragraph, Section 455(o), stating that interest shall not accrue on DL loans for an eligible active duty military borrower. An eligible military borrower is an individual who is serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency. It also includes an individual who is serving in an area of hostilities in which the service qualifies for special pay under Section 310 of Title 37, U.S.C. - “Special pay: duty subject to hostile fire or imminent danger.” In the case of a DL Consolidation loan first disbursed on or after 10/1/2008, these provisions only apply to the portion of the Consolidation loan that repaid a DL loan made on or after 10/1/2008. A qualified borrower may receive this benefit for no more than 60 months.	Direct Loan first disbursed on or after October 1, 2008, and any portion of a Direct Consolidation Loan that repaid a Direct Loan first disbursed on or after October 1, 2008	The 60-month limit appears to be borrower specific, not loan specific. Per DCL GEN-08-12/FP-08-10, for a Direct Loan borrower who also qualifies for the military service deferment, the borrower’s deferment period and 60-month period of no interest accrual run concurrently.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 138)
77	Federal Direct Student Loan – Teacher Loan Forgiveness Bill Section: 454 HEA Section: 460(b)	HEOA adds “location” to the requirements for where a qualifying person must teach. A teacher can now be at a school or location that qualifies.	Teacher Loan Forgiveness and Teacher Loan Forgiveness Forbearance Applications received on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 123-124)
78	Federal Direct Student Loan - Teacher Loan Forgiveness Bill Section: 454 HEA Section: 460(c)(3)	HEOA adds the chief administrative officer of an educational service agency as a person authorized to certify a borrower’s eligibility for those employed by an educational service agency.	Teacher Loan Forgiveness and Teacher Loan Forgiveness Forbearance Applications received on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 123)

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79	Federal Direct Student Loan - Teacher Loan Forgiveness Bill Section: 454 HEA Section: 460(g)(2)	Consolidates the double benefit exceptions into one paragraph. No borrower may receive forgiveness of loan obligations for the <u>same service</u> under teacher loan forgiveness and <ul style="list-style-type: none"> • 428J – FFELP Loan Forgiveness for Teachers • 428K – FFELP Loan Forgiveness for Service in Areas of National Need • 455 (m) – DL Repayment Plan for Public Service Employees • Subtitle D of Title I of the National and Community Service Act of 1990 (AmeriCorp Program) 	Teacher Loan Forgiveness and Teacher Loan Forgiveness Forbearance Applications received on or after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 123)
Title IV Student Assistance - Part G – General Provisions					

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FORMS					
80	Forms – Reduction of Income and Asset Information to Determine Eligibility for Student Financial Aid – Continuation of Current FAFSA Simplification Efforts Bill Section: 483 HEA Section: 483(f)(1)	ED shall continue to examine: <ul style="list-style-type: none"> • How the IRS can provide ED with income and other data needed to compute expected family contribution for taxpayers and dependents of taxpayers, and when in the application cycle the information can be made available. • Whether data provided by the IRS can be used to pre-populate the electronic version of the FAFSA with student and parent taxpayer information or generate an expected family contribution without additional action by the student or taxpayer. • Whether the data elements collected on the FAFSA that are needed to determine eligibility but not expected family contribution, such as citizenship status and driver’s license number, can be reduced without adverse effect. 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 90-91)
81	Forms – Reduction of Income and Asset Information to determine Eligibility for Student Financial Aid – Report on FAFSA Simplification Efforts to Date Bill Section: 483 HEA Section: 483(f)(2)	ED shall provide a written report to the authorizing committees on the work the Department has done with Treasury regarding the following: <ul style="list-style-type: none"> • How expected family contribution can be calculated using substantially less income and asset information than was used 3/21/08. • The extent to which the reduced income and asset information will result in a redistribution of Federal grants and subsidized loans, State aid, or institutional aid, or in a change in the composition of the group of recipients of such aid and the amount of such redistribution. • How the alternative approaches for calculating the expected family contribution will rely on information available on the 1040, 1040EZ, and 1040A include formulas for adjusting income or asset information to produce similar results to the existing approach with less data. • How the IRS can provide ED income and other data 	No later than 90 days after date of enactment - November 12, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 91 and 185)

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		<p>needed to compute an expected family contribution and when in the application cycle the data can be made available.</p> <ul style="list-style-type: none"> • Whether data provided by the IRS can be used to pre-populate the electronic version of the FAFSA with student and parent taxpayer data or generate an expected family contribution without additional action from the student and taxpayer. • The extent to which the use of income data from two years prior the a student’s planned enrollment date changes the expected family contribution computed pursuant to part F, and potential adjustments to the need analysis formula that will minimize the change. • The extent to which the data elements collected on the FAFSA on 3/31/08 that are needed to determine eligibility but not expected family contribution, such as citizenship status and driver’s license number, can be reduced without adverse effect. 			
82	<p>Forms – Reduction of Income and Asset Information to Determine Eligibility for Student Financial Aid – Study – Formation of Study Group</p> <p>Bill Section: 483 HEA Section: 483(f)(3)(A) and (B)</p>	<p>By November 12, 2008, the Comptroller General shall convene a study group including the Secretaries of Education and Treasury, the Director of the Congressional Budget Office, representatives of institution of higher education , state chief executive officers of higher education to review the work of ED and Treasury to assess alternative approaches and make recommendations to the authorizing committees for calculating expected family contribution under the statutory need analysis formula in effect on August 13, 2008 and under a new calculation that will use less income and asset information than was used for the 2008-2009 FAFSA.</p>	<p>No later than 90 days after date of enactment - November 12, 2008</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages, 91 and 185-186)</p>
83	<p>Forms – Adjustments</p> <p>Bill Section: 483 HEA Section: 483(h)</p>	<p>On the form notifying students of expected family contributions ED shall notify students that, on a case-by-case basis, they may qualify for an adjustment to the cost of attendance or values of data items required to calculate the expected family contribution.</p> <p>The notification shall specify the special circumstances</p>	<p>August 14, 2008</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 92)</p>

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		under which a student or family member may qualify for such an adjustment and additional information regarding the steps a student or family member may take in order to seek an adjustment.			
84	Forms – Model Institution Financial Aid Offer Form Bill Section: 484 HEA Section: 483(h)	For the financial aid offer form, ED shall convene a group consisting of: <ul style="list-style-type: none"> • Students • Families of students • Secondary school guidance counselors • Representatives of institutions of higher education • Nonprofit consumer groups <p>This group will make recommendations to improve financial aid offer forms. ED must then:</p> <ul style="list-style-type: none"> • Report to the Congressional Education Committees • Include a model financial aid offer form which includes: <ul style="list-style-type: none"> ○ Cost of attendance ○ Amount of aid that does not have to be repaid ○ Types and amounts of loans for which the student is eligible ○ The net amount the student will have to pay for the year ○ Where additional information on the financial aid offered may be sought ○ Any other information determined necessary by ED 	Convene the group no later than six months after August 14, 2008 (February 14, 2009) and develop a model form no later than August 14, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 92-93)
SPECIAL CIRCUMSTANCES					
	Special Circumstances - Unsubsidized	HEOA adds Unsubsidized Stafford loans for middle-income borrowers to the list of loan types that are excluded from certain requirements when a financial aid	July 1, 2010		

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85	Stafford Loans Bill Section: 485 HEA Section: 484(b)	administrator can exercise discretion that special circumstances exist.			
ABILITY TO BENEFIT					
86	Ability to Benefit - Non-High School Graduates Bill Section: 485 HEA Section: 484(d)(4)	HEOA adds that students who have not graduated from high school, and have completed six credit hours or equivalent coursework applicable to a degree or certificate shall be determined by the institution of higher education as having the ability to benefit from the education or training and are therefore, eligible for financial aid.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 93)
DISTANCE EDUCATION					
87	Definition of Distance Education Bill Section: 103 HEA Section: 103(7)	Distance Education – means the use of one or more technologies (internet, one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communication devices, audio conferencing or video cassettes, DVDs, CD-ROMs, if cassettes, DVDs or CD-ROMs are used in a course in conjunction with any of the technologies as stated above) to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor synchronously or asynchronously.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 21)

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88	Distance Education - Courses offered Bill Section: 485 HEA Section: 484(l)	Changes “Telecommunication courses” to “Distance Education” courses and clarifies that these distance education courses are not considered correspondence courses when the certificates or degrees obtained by students from the institution are recognized certificates or degrees by that institution. For award years prior to July 1, 2008, ED may not penalize students or institutions based on prior award violations of this subsection, if the institution can demonstrate to ED that its course of instruction would have been in conformance with the requirements of this subsection.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 94)
INCOME DATA FROM Internal Revenue Service					
89	Income Data from Internal Revenue Service (IRS) Bill Section: 485 HEA Section: 484(q)	The new provision permits ED to obtain information from the IRS to pre-populate the student’s financial aid application as opposed to only being able to verify with the IRS, that the information reported on the student’s financial aid application was accurate.	July 1, 2010	Permits ED to require applicants to consent to the disclosure of such information as a condition to receive financial assistance.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 94)
SUSPENSION OF ELIGIBILITY					
90	Suspension of Eligibility - Drug-related offenses Bill Section: 485 HEA Section: 484(r)(2)	HEOA adds that students who lose eligibility based on drug-related offenses may regain their eligibility before the ineligibility period expires if the student successfully passes two unannounced drug tests conducted by a drug rehabilitation program that complies with ED’s criteria.	July 1, 2010	Per DCL GEN-08-12/FP-08-10, the HEOA adds a new section 484(t) of the HEA that now requires the Secretary, by August 14, 2009, to analyze data from the FAFSA for students denied Federal assistance based on a drug conviction while receiving Federal aid. The results from the analysis must be made available continuously on the Department’s website and the Digest of Education Statistics. Each fiscal year, the results must also be provided to Congress.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 94)
STUDENTS WITH INTELLECTUAL DISABILITIES					

Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
91	Students with Intellectual Disabilities Bill Section: 485 HEA Section: 484(s)	HEOA adds new provisions that require students with intellectual disabilities be accepted or enrolled in a program for students with intellectual disabilities and requires those students to maintain satisfactory progress to receive certain grants or work assistance. ED is authorized to waive any statutory provision under certain conditions to ensure that programs enrolling students with intellectual disabilities may receive financial assistance.	August 14, 2008	Subject to regulation.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 94-95 and 163)
READMISSION REQUIREMENTS					
92	Readmission Requirements - Service Members Bill Section: 487 HEA Section: 484C	HEOA adds new section outlining the following requirements: <ul style="list-style-type: none"> • Defines “service in the uniformed services” to mean active duty in the Armed Forces, National Guard or Reserve for a period of more than 30 days. • Prohibits discrimination with respect to readmission against students who serve in the uniformed services. • A student is entitled to readmission to the institution of higher education if the student provides advance notice to the appropriate school official, submits a notice to reenroll, and the cumulative length of absences from that institution due to uniformed service does not exceed 5 years. Some exceptions to the 5 year period exist as described in 484C(c)(3). • A notice to reenroll is not required if such notice is precluded by military necessity where such notice could compromise or adversely affect the mission or military operation. • A student who fails to give advance notice may submit, at the time the student seeks readmission, an attestation to the school that the student performed uniformed services that necessitated the student’s absence from the school. • A student must notify the institution of higher education of the student’s intent to return to the institution no later than 3 years after the uniformed service has been completed, or 2 years after the recovery period for students who are hospitalized or 	August 14, 2008	Per DCL GEN-08-12/FP-08-10, a student who submits an application for readmission to an institution must provide to the institution documentation to establish that <ul style="list-style-type: none"> ○ the student has not exceeded the specified service limitations; and ○ the student’s eligibility for readmission has not been terminated. <p>An institution may not delay or attempt to avoid a readmission of a student under this section by demanding documentation that does not exist, or is not readily available, at the time of readmission.</p> <p>A student’s eligibility for readmission to an institution under this section by reason of such student’s service in the uniformed services terminates upon the occurrence of any of the following events: <ul style="list-style-type: none"> ○ a separation of such person from the Armed Forces (including the National Guard and Reserves) with a dishonorable or bad conduct discharge; ○ a dismissal of such person </p>	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 63-65)

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		<p>recovering from an illness or injury incurred during the uniformed service period.</p> <ul style="list-style-type: none"> • A student who fails to apply for readmission within the 2 or 3 year periods is subject to the institution's leave of absence policy. • A student applying for readmission must provide the school necessary documentation, and the school may not delay or deny readmission to the student. • The school must readmit the student with the same academic status the student achieved when that student last attended the school. • A student's eligibility for readmission to the institution terminates when the student is separated from the Armed Forces due to a dishonorable or bad conduct discharge, court-martial, or is incarcerated in a Federal or State facility after having been found guilty of the offense by a court. 		<p>permitted under section 1161(a) of Title 10, U.S.C.; or</p> <ul style="list-style-type: none"> ○ a dropping of such person from the rolls pursuant to section 1161(b) of Title 10, U.S.C. <p>Title 10 of the U.S.C. can be accessed at http://www.access.gpo.gov/uscode/title10/title10.html</p> <p>Title 14 of the U.S.C. can be accessed at http://www.access.gpo.gov/uscode/title14/title14.html</p>	

SCHOOL INFORMATION TO STUDENTS

93	<p>ED List of Reports and Disclosures to Schools – Master Calendar</p> <p>Bill Section: 482 HEA Section: 482(e)</p>	<p>A new paragraph (e) is added to require ED to provide to schools a list of all reports and disclosures the school is required to complete or submit under the Act. ED must publish this list prior to the beginning of each award year. The list shall include:</p> <ul style="list-style-type: none"> • the date the report or disclosure is due • the required recipients • the method of transmittal or dissemination • a description of the contents of each report • references to the statutory • regulatory or guidance that authorizes the report of disclosure • any other information that is pertinent to the content or distribution of the report or disclosure 	August 14, 2008	ED is developing the compliance calendar and intends to post it to a Website prior to the start of the 2009-2010 award year.	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 62- 63)</p>
	School and Financial Assistance Information -	An eligible school must carry out information dissemination activities for prospective or enrolled students. Additional information that schools must provide to students include:	August 14, 2008		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by</p>

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94	Prospective or Enrolled Students Bill Section: 488 HEA Section: 485(a)(1)	<ul style="list-style-type: none"> • Any plans for improving the academic program of the school. • The terms and conditions of loans the students receive. (Perkins loan program has been added to this section.) • The school’s policies and sanctions related to copyright infringement. • The student body diversity at the school • The types of graduate and professional education in which the graduates enrolled. • Information on the school’s placement in employment for students attending that school. • The fire safety report, retention rate of certain undergraduate students entering the school, and the school’s policies regarding vaccinations. 			enactment of the HEOA - (DCL pages 95-96)
95	School and Financial Assistance Information - Prospective or Enrolled Students - Campus Security and Crime Statistics Bill Section: 488 HEA Section: 485(f)	<p>Additional requirements are added for disclosures by the school regarding security policies and crime statistics. Foreign institutions are exempt from this requirement.</p> <ul style="list-style-type: none"> • Requires institutions to disclose in their annual security report if the institution has agreements with State and local law enforcement agencies that include an understanding for the investigation of alleged criminal offenses. • Adds larceny-theft, simple assault, intimidation, destruction, damage, or vandalism of property to the list of crimes that must be reported as prejudice if the victim was intentionally selected because of the actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability. • Requires institutions to include in their annual security report a statement of current campus policies regarding immediate emergency response and evacuation procedures that describe the process of notifying the campus community of an emergency or dangerous situation. • The annual security report must also include a description of the institution’s procedures to publicize emergency response and evacuation procedures to students and staff annually along with testing those procedures annually. • Requires ED to annually report information to the authorizing committees, permits ED to seek advice from the Attorney General, and prohibits retaliation, intimidation, 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 98)

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		threats, discrimination against any individual with respect to the implementation of the requirements in this section.			
96	School and Financial Assistance Information - Missing Person Procedures Bill Section: 488 HEA Section: 485(j)(1)	HEOA provides that institutions of higher education that provide on campus housing must establish procedures for notification to a contact person to be named by the student, if over 18, or to the parent, if under 18, if a student is missing for more than 24 hours. Also provides that the institution must develop policies for notification of college officials, including campus police, and local police in the event a student is missing for more than 24 hours.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 100-101)
97	School and Financial Assistance Information - Drug Violation Penalties Bill Section: 488 HEA Section: 485(k)(1) and (2)	Each institution must notify each student, upon enrollment, of the penalties under Section 484(r) (suspension from participation in any Title IV program for drug offenses for a time which is dependent on offense). Each institution is required to notify students who have lost eligibility for participation in Title IV programs under 484(r) and of the actions a student can take for early reinstatement as provided in Section 484(r)(2).	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 101-102)
98	School and Financial Assistance Information - Entering Students Bill Section: 488 HEA Section: 485(a)(7)	Schools are required to distribute to students who are entering the institution the completion or graduation rates of full-time, undergraduate students who are seeking a certificate or degree, segmented by various statistically significant subgroups. Two-year schools will be aided by ED in fulfilling this requirement.	Date of enactment (August 14, 2008) for most schools, Academic year 2011-2012 for two-year, degree granting institutions		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 95-96)
EXIT COUNSELING					
	Exit Counseling for Borrowers Bill Section: 488 HEA Section: 485(b)	HEOA Adds clarifying language that requires eligible schools to provide exit counseling to borrowers with federal loans. Consolidation and parent PLUS loans are excluded from this requirement.	August 14, 2008	Prior language required schools to make exit counseling “available” to borrowers. Per DCL GEN-08-12/FP-08-10, the	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA -

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99		<p>Mandates exit counseling for Grad PLUS students, and establishes a single counseling standard for both Stafford and Grad PLUS exit counseling.</p> <p>The following requirements are new:</p> <ul style="list-style-type: none"> ○ Exit counseling must include information on repayment plans available, ○ a description of the different features of each plan, ○ sample information showing the anticipated monthly payments, and ○ the differences in interest paid and total payments for each plan <p>Additional counseling must include:</p> <ul style="list-style-type: none"> ○ an explanation that the borrower may prepay each loan, ○ pay each loan on a shorter schedule, ○ change repayment plans, and ○ a general description about loan forgiveness <p>Exit counseling must also include:</p> <ul style="list-style-type: none"> ○ information about forbearance and deferment, ○ the consequences of defaulting on a loan (including delinquent debt collection), ○ information on the effects of loan consolidation (including at minimum the effects on total interest and fees to be paid, and length of repayment; the effects on underlying loan benefits, including grace periods, and forgiveness, cancellation, and deferment options; the option to prepay the loan or change repayment plans; and variation in borrower benefit programs among different lenders), ○ a general description of the types of tax benefits that may be available, and ○ a notice to borrowers about the availability of NSLDS 		<p>counseling must include:</p> <ul style="list-style-type: none"> ○ information on repayment plans which includes a description of the different features of each plan and samples showing average anticipated monthly payments with the difference in interest paid and total payments shown with each plan; ○ debt management strategies to assist the borrower in repaying the debt; ○ options the borrower has to prepay each loan or pay each loan on a compressed schedule or to change repayment plans; ○ information on loan forgiveness and cancellation provisions and the conditions under which the borrower may obtain full or partial forgiveness or cancellation of principal and interest; ○ information on forbearance provisions and a general description of terms and conditions under which the borrower may defer repayment of principal or interest or be granted forbearance; ○ information on the consequences of default on a loan which includes adverse credit reports and Federal delinquent debt collection procedures and litigation; ○ information with respect to Consolidation loans to 	(DCL pages 96-97)

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		Exit counseling must include a copy of the information provided by ED under Section 485(d).		<p>discharge FFEL, Direct Loan, and Perkins Loan program loans which includes:</p> <ul style="list-style-type: none"> ▪ the effects of the consolidation on total interest to be paid, fees, and length of repayment; ▪ the effect on a borrower's underlying loan benefits, which includes grace periods, loan forgiveness, cancellation and deferment; ▪ the option the borrower has to prepay the loan or to change repayment plans; and ▪ that borrower benefit programs may vary depending on the lender; <ul style="list-style-type: none"> ○ a general description of the types of tax benefits that might be available to borrowers; and ○ information on how a borrower can use NSLDS to get information on the status of their loans 	
TRANSFER OF CREDIT					
100	Transfer of Credit Bill Section: 488(g) HEA Section: 485(h)(1)and (2)	HEOA adds a new provision requiring schools to publish in a readable and comprehensible manner its policies on acceptance of credits from other institutions, and shall include, at a minimum, established criteria used by the school and a list of schools with which the reporting school has an articulation agreement. ED or the National Advisory Committee on Institutional	August 14, 2008		DCL GEN-08-12/FP-08-10 : Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 99)

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		Quality does not have the authority to dictate a school's policy on transfer of credits and that it does not create a right of action on the part of a student to compel a school to accept transfer credit.			
NOTICE TO STUDENTS					
101	Notice to Students - Drug Violation Penalties Bill Section: 488(g) HEA Section: 485(k)(1)	Each school must notify each student, upon enrollment, of the penalties under Section 484(r) - suspension from participation in any Title IV program for drug offenses for a time which is dependent on offense.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 101-102)
102	Notice to Students - Drug Violations Penalties Bill Section: 488(g) HEA Section: 485(k)(2)	Each school is required to notify students who have lost eligibility for participation in Title IV programs under 484(r) and of the actions a student can take for early reinstatement as provided in Section 484(r)(2).	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 101-102)
ENTRANCE COUNSELING					
103	Entrance Counseling - Acknowledgement by Borrower Bill Section: 488(g) HEA Section: 485(l)(1)	HEOA provides that each school shall provide at or prior to first disbursement to first-time borrowers comprehensive, easy-to-read information on the terms and conditions of the loan and that the information may be provided during entrance counseling performed in person, on a separate written form that is signed by the borrower and returned, or online with borrower acknowledgement of receipt.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 102)
	Entrance Counseling -	Permits a school to provide written counseling materials, either prior to or at the first disbursement of a loan, which	August 14, 2008	Entrance counseling requirement is added to statute (previously only required per	DCL GEN-08-12/FP-08-10: Contains information on

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104	<p>Requirements</p> <p>Bill Section: 488(g) HEA Section: 485(l)(2)</p>	<p>the borrower must sign and return. Electronic counseling must also require the borrower to acknowledge receipt of the online information.</p> <p>The below requirements are new:</p> <ul style="list-style-type: none"> • Effect of accepting the loan on eligibility for other forms of financial aid • Explanation of how interest accrues and is capitalized if it is not paid • Option to pay interest rather than allowing it to capitalize • School's definition of half-time enrollment during regular and summer terms • Consequences of not maintaining at least half-time enrollment • Importance of contacting the appropriate offices at the school if the borrower withdraws • Obligation to repay the full amount of the loan, even if borrower does not complete the program within the regular completion time (current regulations also reference the borrower's obligation to repay even if she is unable to obtain employment upon completion or is otherwise dissatisfied with or does not receive the educational or other services that she expected.) • Likely consequences of default, including delinquent debt collection procedures (current regulations also reference adverse credit reports, federal offset, and litigation.) • Information on NSLDS and how the borrower can access loan records • Name and contact information for person to contact with questions about rights and responsibilities or the terms and conditions of the loan. <p>Also revises sample repayment information to provide such information based upon:</p> <ul style="list-style-type: none"> • A range of levels of indebtedness of <ul style="list-style-type: none"> ○ Borrowers of subsidized or unsubsidized Stafford loans; and 		<p>regulations).</p> <p>Per DCL GEN-08-12/FP-08-10, Institutions must include the following information:</p> <ul style="list-style-type: none"> ○ to the extent practicable, what the effect of accepting the loan to be disbursed will have on the eligibility of the borrower for other forms of student aid; ○ an explanation of the use of the master promissory note; ○ information on how interest accrues and is capitalized during periods when the interest is not paid by the borrower or the Secretary; ○ for Unsubsidized Stafford Loans or PLUS Loans made under the FFEL or Direct Loan programs, the option of the borrower to pay the interest while in school; ○ the definition of half-time enrollment at the institution, during regular terms and summer school, and the consequences of not maintaining half-time enrollment; ○ an explanation of the importance of contacting the appropriate offices at the institutions if the borrower withdraws prior to completing the program of study so the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation; ○ examples of monthly repayment amounts based on a range of level of indebtedness of borrowers of loans under section 428 or 428H of the HEA and, as appropriate, graduate borrowers of loans under section 428, 428B or 	<p>changes made to the HEA by enactment of the HEOA - (DCL page 102)</p>

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		<ul style="list-style-type: none"> ○ As appropriate, graduate borrowers of unsubsidized Stafford loans or Grad PLUS loans; or • The average cumulative indebtedness of other borrowers in the same program as the borrower, at the same school 		<p>428H of the HEA, or the average cumulative indebtedness of other borrowers in the same programs as the borrower at the same institution;</p> <ul style="list-style-type: none"> ○ the obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes the program in which the borrower is enrolled within the regular time for completion; ○ the likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation; ○ information on the NSLDS and how the borrower may access their records; and ○ the name and contact information of the individual a borrower can contact with questions regarding the borrower's rights and responsibilities for the terms and conditions of the loan 	
NSLDS DISCLOSURES					
105	NSLDS Disclosure - to Borrowers Bill Section: 489(3) HEA Section: 485B(d)(4)	ED is to require guaranty agencies, eligible lenders, and eligible institutions of higher education that enter into agreements with a potential student, student, or parent of such student regarding a loan to inform the student or parent that the loan shall be: <ul style="list-style-type: none"> • Submitted to NSLDS; • Accessible to guaranty agencies, lenders, and institutions of higher education determined to be authorized users by ED. 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 65-66)
TRUTH IN LENDING DISCLOSURE					
	Truth in Lending	The school is required, upon request of a student for a	Subject to	Section 140 of the TILA: the term "private	DCL GEN-08-12/

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106	Disclosure – Private Loan Bill Section: 493(a) HEA Section: 487(a)(28)	private education loan, to provide the new Truth in Lending Act (TILA) disclosure form and the information required to complete the form, to the extent the school has the information. Specifies that “private education loan” has the meaning given in Section 140 of TILA.	regulation by the Federal Reserve Board in consultation with the Secretary of Education	education loan”— (A) means a loan provided by a private educational lender that— (i) is not made, insured, or guaranteed under of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and (ii) is issued expressly for postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender; and (B) does not include an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling	FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 71-72)
90-10 RULE					
107	90/10 Rule - Proprietary Schools Bill Section: 102 HEA Section: 102(b) (1)(F)	The 90/10 rule has been moved to Section 493 of the HEA.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 24)
108	90-10 Rule Bill Section: 493(a) HEA Section: 487(a)(24)	HEOA provides that a proprietary school must derive not less than 10% of its revenue from sources other than Title IV funds as that amount is calculated in accordance with new accounting provisions or be subject to sanctions.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 24)
109	90-10 Rule - Calculations Bill Section: 493(c) (2)	In making 90-10 rule calculations, proprietary school shall use cash basis of accounting except for loans made by a proprietary school on or after July 1, 2008, and prior to July 1, 2012.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by

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	HEA Section: 487(d)(1)(A)				enactment of the HEOA - (DCL pages 68-69)
110	90-10 Rule – Calculations for Revenue Bill Section: 493(c)(2) HEA Section: 487(d)(1)(B)	In making 90-10 rule calculations, proprietary school shall consider as revenue only those funds generated from: (i) tuition, fees, and institutional charges for enrollment in programs eligible for Title IV aid and (ii) activities conducted by the school that are necessary for education and training of students if activities are: • Conducted on campus or a campus controlled facility; • Performed by the institution’s faculty; and • Required for all students in a particular program of study and (iii) funds paid by a student, or on behalf of the student by someone other than the school, for an education or training program that is not eligible for Title IV aid, if the program is: • Approved or licensed by the State; • Is accredited by an accrediting agency recognized by ED; or • Provides an industry-recognized credential or certification.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
111	90-10 Rule – Calculations of Non-Title IV Revenue Requirement Bill Section: 493(c)(2) HEA Section: 487(d)(1)(C)	In making 90-10 rule calculations, proprietary school shall presume that any funds received under Title IV for or on behalf of a student will be used for tuition, fees and other institutional charges, regardless of whether these funds are credited to the student’s account with the school or paid directly to the student, except to the extent the tuition, fees and other institutional charges are paid by: • Non federal grant funds paid by other public agencies or private sources; • Funds provided under a contract with a Federal, State, or local government agency for job-training for low-income persons in need of the training • Funds used by a student from college savings plans approved for special tax treatment under Internal Revenue Code • Institutional scholarships	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
	90-10 Rule - Calculations Under	In making 90-10 Rule calculations, proprietary school shall include institutional aid as revenue to the school	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on

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112	Non-Title IV Revenue Requirements Bill Section: 493(c)(2) HEA Section: 487(d)(1)(D)(i)	only as follows: for loans made by the school on or after July 1, 2008 and prior to July 1, 2012, only loan payments received during the institutional fiscal year accounted for on an accrual basis and estimated in accordance with generally accepted accounting principles (GAAP) if the loans: <ul style="list-style-type: none"> • Are evidenced by enforceable promissory notes; • Are issued at intervals related to the school's enrollment periods; and • are subject to regular loan repayments and collections. 			changes made to the HEA by enactment of the HEOA - (DCL page 69)
113	90-10 Rule - Calculations Under Non-Title IV Revenue Requirements Bill Section: 493(c)(2) HEA Section: 487(d)(1)(D)(ii) and iii)	In making 90-10 rule calculations, proprietary school shall include institutional aid as revenue to the school only as follows, in the case of scholarships provided by the school: <ul style="list-style-type: none"> • only those scholarships in the form of monetary or tuition discounts based on academics or financial need disbursed from an established restricted account, • only to the extent that funds in the account represent designated funds from an outside source or from income earned on those funds 	July 1, 2012		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
114	90-10 Rule - Calculations Under Non-Title IV Revenue Requirement Bill Section: 493(c)(2) HEA Section: 487(d)(1)(E)	In making 90-10 rule calculations, proprietary school shall treat overawards of unsubsidized Stafford loans (Direct or FFELP) received by a student on or after July 1, 2008, and prior to July 1, 2011, as revenue received by the school from sources other than funds received under Title IV. Overawards are to be determined using the loan limit prior to effective date of ECASLA.	Applies to any unsubsidized Stafford loan received by a student on or after July 1, 2008, but before July 1, 2011		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
115	90-10 Rule - Exclusions from Revenue Calculations Bill Section: 493(c)(2) HEA Section: 487(d)(1)(F)	In making 90-10 rule calculations, proprietary school shall exclude the following from revenues: <ul style="list-style-type: none"> • The amount of funds received for federal work study unless those funds were used to pay student's institutional charges; • The amount of LEAP funds received; • The amount of funds provided by the institution as part of Title IV matching funds; • The amount of Title IV funds that are required to be refunded or returned; and 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)

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		<ul style="list-style-type: none"> The amount charged for books, supplies, and equipment, unless the institution includes that amount as tuition, fees, or other institutional charges. 			
116	90-10 Rule - Sanctions Bill Section: 493(c)(2) HEA Section: 487(d)(2)(A) and (B)	HEOA provides that if the proprietary institution fails to meet the 90-10 rule requirements: <ul style="list-style-type: none"> For two consecutive institutional years, it is ineligible to participate in Title IV for a minimum of 2 institutional fiscal years. To regain eligibility, the school must demonstrate compliance with all eligibility and certification requirements of HEA Section 498 (Eligibility and Certification Procedures) for a minimum of 2 fiscal years after the fiscal year in which the school became ineligible. For one institutional fiscal year, the institution's eligibility becomes provisional for the following two institutional fiscal years, except that the provisional eligibility shall terminate on the expiration of the school's participation agreement that is in effect at the time of the failure to meet 90-10 rule requirements or on the date ED determines that the institution is determined ineligible if the institution fails to meet 90-10 rule requirements for 2 consecutive institutional fiscal years. 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
117	90-10 Rule – List of Sanctioned Schools Bill Section: 493(c)(2) HEA Section: 487(d)(3)	ED shall publicly disclose on the College Navigator Website the identity of any proprietary school that fails to meet 90-10 rule requirements and the extent to which the school failed to meet the requirement.			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 68)
118	90-10 Rule - Statistics Bill Section: 493(c)(2) HEA Section: 487(d)(4)	ED is to report to the authorizing committees by July 1, 2009, and by each July 1 thereafter, for each proprietary school authorized to receive Title IV funds, the amount and percentage of such school's revenues received from sources other than Title IV and the amount and percentage of such school's revenues received from Title IV.	Report by July 1, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 68, 188, and 199)
SCHOOL CODE OF CONDUCT					
	Code of Conduct –	Each school and each school-affiliated organization that	August 14, 2008		DCL GEN-08-12/

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119	General Bill Section: 120 HEA Section: 153(c)(3)(A)	has a preferred lender arrangement must comply with the Code of Conduct requirements [HEA Section 487(a)(25)].			FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 69-70)
120	Applicable Code of Conduct Bill Section: 120 HEA Section: 153(c)(3)(B)	A school-affiliated organization must: <ul style="list-style-type: none"> • comply with its Code of Conduct developed and published by the school [HEA Section 487(a)(25)]; • if the institution has a Website, publish its Code of Conduct prominently on the Website; and • administer and enforce its Code of Conduct by, at a minimum, requiring that all of the organization's agents with responsibilities with respect to education loans be informed annually of the provisions of the code of conduct 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)
121	School Code of Conduct Bill Section: 493(a) HEA Section: 487(a)(25)(A)-(C)	HEOA codifies requirement that schools participating in Title IV loan programs must develop a code of conduct with respect to loans to which the institution's officers, employees, and agents shall comply that: <ul style="list-style-type: none"> • Prohibits conflict of interest with the responsibility of the officer, employee, or agent, and • At a minimum, includes provisions already mentioned in the HEA. • Ensures it is published prominently on the school's Website, • Require all officers, employees and agents are informed of the code annually 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 69)
	School Code of Conduct Bill Section: 493 HEA Section: 487(e)	A school's code of conduct shall include the following requirements: <ul style="list-style-type: none"> • Ban on Revenue-Sharing Arrangements – A school shall not enter into a revenue-sharing arrangement, which is any arrangement between a school and a Title IV lender where the lender pays a fee or provides other material benefits to 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 69-70)

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122		<p>the school or its officers, employees or agents in exchange for the school recommending the lender to its students, with any lender.</p> <ul style="list-style-type: none"> • Gift Ban – Any school officer, employee or agent with responsibilities with respect to education loans or financial aid is prohibited from requesting or receiving gifts from lenders, guarantors or loan servicers. A gift is any item or service having a monetary value or more than a de minimus amount. <p>Exceptions include the following:</p> <ul style="list-style-type: none"> • materials or services related to loan issues, default aversion and prevention, or financial literacy; • expenses integrally related to training designed to improve service to the school and contribute to professional development; • favorable loan conditions provided to students employed by the school if the same conditions provided to all other students at the school; • entrance and exit counseling services controlled by school staff and that do not promote a specific lender; • contributions from a lender, guarantor or servicer made to a school that are philanthropic, unrelated to education loans or are not made in exchange for an advantage related to education loans; • education grants, scholarships or financial aid administered by or on behalf of a state <ul style="list-style-type: none"> • Gifts to Family Members – Gifts to family members and others with relationships to school employees, officers, and agents shall be 			

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		<p>considered gifts to said employees, officers and agents if they know about the gift and believe the gift was based on the position of the employee, officer or agent.</p> <ul style="list-style-type: none"> • Contracting Arrangements Prohibited – A school officer, employee or agent with responsibilities with respect to education loans or financial aid is prohibited from receiving financial benefit from a lender or lender affiliate as compensation for any consulting or services provided to or for a lender. 			
123	<p>School Code of Conduct</p> <p>Bill Section: 493 HEA Section: 487(e)</p>	<p>A school's code of conduct shall include the following requirements:</p> <ul style="list-style-type: none"> • Interaction With Borrowers – A school shall not assign a loan from a first-time borrower to a particular lender or delay or refuse to certify a loan based on the borrower's choice of lender or guarantor. • Prohibition on Offers of Funds for Private Loans – A school shall not request or receive an offer of funds from a lender for private education loans including funds for opportunity pool loans to its students in exchange for concessions or promises to the lender regarding the number or volume of Title IV loans made by said lender or a preferred lender status for such loans. • Ban on Staffing Assistance – A school shall not request or accept assistance from a lender for call center or financial aid office staffing. A school can receive assistance for FAA training; 	August 14, 2008		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 69-70)</p>

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		<p>lender identified educational materials for borrowers, and short-term non-recurring staffing assistance during emergencies.</p> <ul style="list-style-type: none"> • Advisory Board Compensation – Any school employee with responsibilities with respect to education loans or financial aid who serves on an advisory group established by a lender, guarantor or group of lenders or guarantors may only receive reimbursement for reasonable expenses related to serving in group. 			
124	School Code of Conduct - Violations Published Bill Section: 493 HEA Section: 487(g)	The Office of Inspector General of the Department will submit and publish through the Department’s Website an annual report identifying all substantiated gift ban violations in a school’s code of conduct.			
PREFERRED LENDER ARRANGEMENTS					
125	Definition – Agent Bill Section: 120 HEA Section: 151(1)	New Definition An officer or employee of a school or school-affiliated organization.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)
126	Definition - Covered Institution Bill Section: 120 HEA Section: 151(2)	New Definition Any school (defined in HEA Section 102) that receives any federal funding or assistance.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)
	Definition - Education Loan Bill Section: 120	New Definition Education loans are:	August 14, 2008	Education loan has an exception when used as part of the term private education loan.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by

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127	HEA Section: 151(3)	<ul style="list-style-type: none"> • FFELP loans, or • Direct loans, or A private education loan.			enactment of the HEOA - (DCL page 40)
128	Definition - Eligible Lender Bill Section: 120 HEA Section: 151(4)	New Definition Eligible lender has the same meaning given such a term in HEA Section 435(d).			
129	Definition - Institution-Affiliated Organization Bill Section: 120 HEA Section: 151(5)	New Definition Any organization that is: <ul style="list-style-type: none"> • Directly or indirectly related to a covered institution; and • Is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students. Such organizations may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization, of a covered institution, but excludes lenders with respect to any education loan secured, made or extended by such lender.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)
130	Definition - Lender Bill Section: 120 HEA Section: 151(6)	New Definition Except as used as part of the term eligible lender or private educational lender means: <ul style="list-style-type: none"> • An eligible lender for FFEL loans, • ED for Direct Loans, and • A private education lender as defined in Section 140 of the Truth in Lending Act (TILA) for a private education loan. The definition also includes any other person engaged in the business of security, making, or extending education loans on behalf of the lender.	August 14, 2008	Section 140 of the TILA: the term “private education loan”— (A) means a loan provided by a private educational lender that— <ul style="list-style-type: none"> (i) is not made, insured, or guaranteed under of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and (ii) is issued expressly for postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender; and 	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)

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				(B) does not include an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling	
131	Definition - Officer Bill Section: 120 HEA Section: 151(7)	New Definition Includes a director or a trustee of a covered institution or institution-affiliated organization if such individual is treated as their employee.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)
132	Definition - Preferred Lender Arrangement Bill Section: 120 HEA Section: 151(8)	New Definition An arrangement or agreement between a lender and a covered institution or an institution-affiliated organization— <ul style="list-style-type: none"> • Under which a lender provides or issues education loans to students for attendance at the covered institution, or to their families, and • Involves the school or school-affiliated organization recommending, promoting, or endorsing the lender’s education loans. • Does not include: <ul style="list-style-type: none"> ▪ Arrangements or agreements regarding Direct Loans or ▪ Arrangements or agreements regarding Federal PLUS Loan made under the pilot auction program are excluded. 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)
133	Definition - Private Education Loan Bill Section: 120 HEA Section: 151(9)	Private education loan has the same meaning given the term in Section 140 of the Truth in Lending Act (TILA).	August 14, 2008	Section 140 of the TILA: the term “private education loan”— (A) means a loan provided by a private educational lender that— (i) is not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and (ii) is issued expressly for	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 40)

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				<p>postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender; and</p> <p>(B) does not include an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling</p>	
134	<p>Preferred Lender Arrangement Disclosures - FFELP loans</p> <p>Bill Section: 120 HEA Section: 152(a)(1)(A)</p>	<p>New section of Law</p> <p>A school, or a school-affiliated organization, that participates in a preferred lender arrangement must disclose (in addition to the annual list of lenders to be provided to students and families), on the school's Website and in all informational materials that describe or discuss education loans—</p> <ul style="list-style-type: none"> • the maximum amount of Federal grant and loan aid under Title IV available to students, in an easy to understandable format; • the information required to be disclosed for each type of loan that is offered; and • statement that the school is required to process the documents required to obtain a FFELP loan from any eligible lender the student selects 	August 14, 2008		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 41)</p>
	<p>Preferred Lender Arrangement Disclosure - Private Education Loans</p> <p>Bill Section: 120 HEA Section: 152(a)(1)(A)</p>	<p>A school, or a school-affiliated organization, that participates in a preferred lender arrangement must disclose (in addition to the annual list of lenders to be provided to students and families), –</p> <ul style="list-style-type: none"> • on the school's Website and in all informational materials that describe or discuss education loans • Information the Board of Governors of the Federal Reserve System will require: 	No later than 18 months after the date of enactment (February 14, 2010)		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 41)</p>

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135		<ul style="list-style-type: none"> • in the case of a covered institution, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under Section 128(e)(11) of the Truth in Lending Act [15 U.S.C. 1638(e)(11)], for each type of private education loan offered pursuant to a preferred lender arrangement of the institution to students of the institution or the families of such students; and • in the case of a school-affiliated organization of a covered institution, the information the Board of Governors of the Federal Reserve System requires to be disclosed under Section 128(e)(1) of the Truth in Lending Act [15 U.S.C. 1638(e)(1)] for each type of private education loan offered pursuant to a preferred lender arrangement of the organization to students of such institution or the families of such students. 			
136	Private Education Loan Disclosures by Schools Bill Section: 120 HEA Section: 152(a)(1)(B)	A school, or school-affiliated organization, that provides information regarding a private education loan from a lender to a prospective borrower must— <ul style="list-style-type: none"> • provide the prospective borrower with the information the Board of Governors of the Federal Reserve System requires for a private loan • inform the prospective borrower that— <ul style="list-style-type: none"> ○ may qualify for loans or other assistance under Title IV; and ○ the terms and conditions of loans made, insured, or guaranteed under Title IV may be more favorable than the provisions of private education loans; and ○ ensure that information on private loans is distinct from information 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 41)

Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
		Title IV loans			
137	Informational Materials Bill Section: 120 HEA Section: 152(a)(1)(C)	The informational materials regarding preferred lender relationships and private loans are publications, mailings, or electronic messages or materials that— <ul style="list-style-type: none"> • are distributed to prospective or current students of a school and their families; and • describe or discuss the financial aid opportunities available to students at the school 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 41)
138	Use of Institution Name Bill Section: 120 HEA Section: 152(a)(2)	A school, or a school-affiliated organization, that enters into a preferred lender arrangement with a lender regarding private education loans cannot agree to the lender's use of the name, emblem, mascot, or logo of the school or organization, or use of other words, pictures, or symbols readily identified with the school or organization, in the marketing of private education loans to students attending the school in any way that implies that the loan is offered or made by the school or organization and not the lender.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)
139	Use of Lender Name Bill Section: 120 HEA Section: 152(a)(3)	A covered institution or institution-affiliated organization must ensure that the name of the lender is displayed in all information and documentation related to private education loans under a preferred lender arrangement.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)
140	Disclosures by Lenders to Borrowers – FFEL and DL Bill Section: 120 HEA Section: 152(b)(1)(A)(i)	For each FFELP or DL loan (other than a Consolidation loan), at or prior to the time the lender disburses the loan, the lender must provide the borrower in writing (including through electronic means), with a FFELP Disclosure and Plain Language Disclosure [disclosures described in HEA Section 433(a) and (c)].	August 14, 2008	No change from current law.	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)
141	Disclosure by Lenders to Borrowers - Private Education Loans	Private Education Loans - For each of a lender's private education loans, the lender must comply with the disclosure requirements under the Truth in Lending Act [Section 128(e), see Title X].	No later than 18 months after date of enactment (February 10, 2010)	Subject to regulation by the Board of Governors of the Federal Reserve System	DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)

Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
	Bill Section: 120 HEA Section: 152(b)(1)(A)(ii)				
142	Disclosure by Lenders to ED – Bill Section: 120 HEA Section: 152(b)(1)(B)	<p>In general - Each FFELP lender must report annually to ED:</p> <ul style="list-style-type: none"> • any reasonable expenses paid or provided to any agent of a school who— <ul style="list-style-type: none"> ○ is employed in the financial aid office of a covered institution; or ○ otherwise has responsibilities with respect to education loans or other financial aid of the institution; and • any similar expenses paid or provided to any agent of an school-affiliated organization who is involved in the practice of recommending, promoting, or endorsing education loans <p>Contents of reports – Each report will include—</p> <ul style="list-style-type: none"> • the amount for each specific instance in which the lender provided such expenses; • the name of any agent to whom the expenses were paid or provided; • the dates of the activity for which the expenses were paid or provided; and • a brief description of the activity for which the expenses were paid or provided 	No later than 18 months after date of enactment (February 10, 2010)		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 43)
143	Annual Certification by Lenders Bill Section: 120 HEA Section: 152(b)(2)	Each FFELP lender that participates in one or more preferred lender arrangements must: <ul style="list-style-type: none"> • Certify their compliance with the requirements of this Act; and • If an audit of a lender is required, the lender’s compliance with the requirements under this section must be reported on and attested to annually by the auditor of such lender. 	Annual certification no later than 18 months after date of enactment (February 10, 2010)		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 43)
144	Determination of Minimum Information Disclosure Bill Section: 120	ED in coordination with the Board of Governors of the Federal Reserve System, and in consultation with representatives of covered institutions, institution-affiliated organization, high school counselors, lenders, loans servicers, and guaranty agencies, must determine the minimum information to be made available for FFEL	No later than 18 months after date of enactment (February 10, 2010)		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA- (DCL page 39)

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	HEA Section: 153(a)(1)(A) & (B)(i)	loans under a preferred lender arrangement. Such information is to be provided by the covered institutions, institution-affiliated organizations, and lenders in such arrangements. The minimum information must include information required under the Truth in Lending Act, modified as necessary to apply to FFELP loans.			
145	Content of Minimum Information Disclosure Bill Section: 120 HEA Section: 153(a)(1)(B)(ii) and (iii)	In determining the content to be provided under preferred lender arrangements, ED must include the information that the Board of Governors of the Federal Reserve System requires to be disclosed under Section 128(e)(1) of the Truth in Lending Act, modified as necessary for student loans; and must assess the merits of providing: <ul style="list-style-type: none"> • Interest rate and terms and conditions of a loan for the next award year, including loan forgiveness and deferment; • Information on charges, such as origination and Federal Default fees, and how those charges are to be deducted, remitted, or paid by the lender; • Annual and aggregate maximums; • Average amounts borrowed from the lender for students who graduated from the institution in the prior year with a certificate, undergraduate degree, or graduate or professional degree, as applicable; • Average interest the borrower may pay in interest under a standard repayment plan, specified for subsidized Stafford Loans, distinguished between unsubsidized Stafford Loans, and Graduate PLUS Loans for those who pay interest while in school and those who do not (whose interest is capitalized); • Consequences of default and limitations of bankruptcy discharges for education loans; • Contact information for the lender; and • Other information suggested by those with whom ED consulted 	No later than 18 months after date of enactment (February 10, 2010)		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 39)

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146	Model Form Bill Section: 120 HEA Section: 153(a)(2)(A)	ED shall require covered institutions and institution-affiliated organizations to disclose the information determined with the Board of Governors of the Federal Reserve System and after consultation with the public for FFEL loans offered under preferred lender arrangements. ED must develop a model form for the disclosure, but the institutions and organization may use a form of their own design. The model must be easily usable by students, families, institutions, institution-affiliated organizations, lenders, loans servicers, and guaranty agencies. The model must also be similar in design to the form developed by the Board of Governors of the Federal Reserve System under Section 128(e)(1) and (5)(A) for easy comparison of FFEL and private education loans.			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 43-44)
147	Model Disclosure Form Bill Section: 120 HEA Section: 153(a)(2)(B)	ED must develop a model disclosure form containing the minimum disclosure information which may be used by institutions, institution-affiliated organizations, and preferred lenders. The form must be in a format that is easily usable by students, families, institutions, institution-affiliated organizations, lenders, loan servicers, and guaranty agencies. The form must be similar in format to the form developed by the Federal Reserve under the Truth in Lending Act in order to permit students and their families to easily compare FFELP and private education loans. The model form must be updated periodically, as necessary.			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 43-44)
148	Lender Reporting of Required Minimum Disclosures Bill Section: 120 HEA Section: 153(b)	On an annual basis, each lender must provide the covered institution and each institution-affiliated organization with the information necessary for them to make the required disclosures for FFEL loan offered under a preferred lender arrangement for the next award year by a due date established by ED.	Annually on a date determined by ED		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)
	Providing Information to Students and	Schools and school-affiliated organizations that have preferred lender arrangements must provide the following information to students (or the families of students)			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by

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149	Families Bill Section: 120 HEA Section: 153(c)(1)(A)	attending each school: <ul style="list-style-type: none"> the information that ED requires per the Minimum Disclosure Requirements, for each type of education loan (FFELP, DL, private education loans in the case of schools, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under the Truth in Lending Act; in the case of a school-affiliated organization, the information the Board of Governors of the Federal Reserve System requires to be disclosed under the Truth in Lending Act 			enactment of the HEOA - (DCL page 42)
150	Timely Provision of Information Bill Section: 120 HEA Section: 153(c)(1)(B)	The information provided to students or the families of students must be in a manner that allows the student or the student's family to take the information into account before selecting a lender or applying for an education loan.			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 44)
151	Annual Report Bill Section: 120 HEA Section: 153(c)(2)(A)	Schools and school-affiliated organizations that have preferred lender arrangements must prepare and submit to ED, an annual report that includes: <ul style="list-style-type: none"> the information provided to Students and Families [HEA Section 153(c)(1)(A)] a detailed explanation of why the school or school-affiliated organization entered into a preferred lender arrangement with the lender, including why the terms, conditions, and provisions of each type of education loan provided are beneficial for students or the families of students attending the institution. 	ED will determine when the report is due		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 44)
152	Availability of the Report Bill Section: 120 HEA Section: 153(c)(2)(B)	Ensure that the Annual report sent to ED is made available to the public and provided to students or the families of the students attending or planning to attend the covered institution.			DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 44)
153	Code of Conduct Bill Section: 120 HEA Section: 153(c)(3)	Covered institutions and each institution-affiliated organization under a preferred lender arrangement must comply with the code of conduct requirement in Section 487(a)(25)(A) through (C). The institution-affiliated organization must comply with the code of conduct developed and published by the covered institution, publish the code of conduct prominently on its Website if	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 42)

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		it has a Website, and enforce the code of conduct with its agents who are to be annually informed of the code.			
154	Disclosure and Model Form for Direct Loans Bill Section: 120 HEA Section: 154	ED must provide each institution participating in the Direct Loan program with a completed model disclosure form including the same information as determined for FFEL loans. The Direct Loan institution must make information available to prospective and continuing students and their families as applicable. If the Direct Loan institution provides information on private education loans to prospective borrower, it must provide concurrently provide the Direct Loan disclosure information. The institution may use a comparable form to the model form provided by ED.	Not later than 180 days after the development of a model form for FFEL loans		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 43)
155	Preferred Lender Arrangements - Schools Bill Section: 493(a) HEA Section: 487(a)(27)	Schools that have entered a preferred lender arrangement, must annually compile, maintain, and make available to students (and families) attending the school a list of lenders for Title IV or private loans that the school promotes, recommends, endorses in accordance with the arrangement. Lenders are to comply with HEA Section 487(h) in compiling the list.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA (DCL page 71)
156	Preferred Lender Lists - Schools Bill Section: 493 HEA Section: 487(h)	Preferred Lender List Requirements – In addition to what is required per Section 153(a)(2)(A), a school must fully disclose the reason for including the lender, especially borrower terms and benefits, and a statement that the student or student’s family does not have to choose a lender on the list. The list for federal loans must include at least three unaffiliated lenders, and a list for private education loans must include at least two unaffiliated lenders. The list must disclose the details of any affiliations between any of the lenders on the list. The school must disclose the method and criteria for selecting lenders with the most beneficial terms to the borrowers including:	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 71)

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		<ul style="list-style-type: none"> • Payment of loan fees for borrower, • Competitive interest rates or terms, • Quality servicing, or • Additional benefits beyond the standard terms. <p>The school shall exercise care in preparing the list without prejudice and with the sole benefit of the borrowers in mind.</p> <p>The school shall not deny the borrower's right to choose a lender not on the list nor shall the school delay certification because the borrower chose a different lender.</p> <p>The Department of Education shall maintain an updated list of all eligible lenders and their affiliates for the use of schools in preparing preferred lender lists. Schools shall use the most recent list available from the Department.</p>			
157	Affiliate Definition Bill Section: 493 HEA Section: 487(i)	<p>An affiliate is defined as an entity that controls, is controlled by, or under common control with another entity. Criteria is met if:</p> <ul style="list-style-type: none"> (a) The entity directly or indirectly owns, controls, or has the power to vote 5% of the voting securities of the other entity, (b) Controls in any manner the election of a majority of directors or trustees of the other entity, or (c) ED (after a possible hearing) determines that the entity has a controlling interest over the management or policies of the other entity's education loans. 			
EXPERIMENTAL SITES					
158	Experimental Sites – Regulatory Improvement and Streamlining Experiments Bill Section: 494 HEA Section: 487A(b)	<p>Any experimental site in existence as of July 1, 2007 is allowed to continue unless deemed unsuccessful by ED. Any previously approved activities that have not been successful shall be discontinued by June 30, 2009.</p> <p>ED shall continue to report every two years to the authorizing committees. ED is authorized to select new institutions as experimental sites without consulting with</p>	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 72)

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		the authorizing committees.			
Title IV Student Assistance - Part H -Program Integrity					
TEACH OUT					
159	Teach-Out Plan Bill Section: 493 HEA Section: 487(f)	Requires a school to provide a Teach-Out plan to its accrediting organization if the institute is under limitation, suspension or termination by the Department of Education. A Teach-Out Plan is a written plan that provides for fair treatment of students if the school closes before the students have completed their programs of study.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 72)
160	Closed School Location used as Teach-Out Bill Section: 496 HEA Section: 498	Allows a location of a closed institution to be used as an additional location for the purposes of a teach-out, if the teach-out has been approved by the institution's accrediting agency and permits an institution that conducts a teach-out by establishing an additional location at a closed institution to establish a permanent location at the closed institution.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 74)
Title IV Student Assistance - Part I -Competitive Loan Auction Pilot Program					
COMPETITIVE LOAN AUCTION PILOT PROGRAM					
161	Competitive Loan Auction Pilot Program – PLUS Loans Bill Section: 499 HEA Section: 499(b)(3)(B)	Adds requirement to the prequalification process in order for lenders to participate. Lenders must commit that if they have a winning bid, the lender will enter into agreements with Secretary regarding the terms of the auction program.	July 1, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 75-76)
162	Competitive Auction Pilot Program – PLUS Loans - Winning Bidder Penalties Bill Section: 499	The first part of the terms of the agreement between ED and the lender is the same as current College Cost Reduction and Access Act (CCRAA) statute. New requirement - If the lender wins the bid and fails to enter into agreements or fails to comply with agreements, the following sanctions could apply: 1. Penalty in the amount of additional costs to ED	July 1, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 75-76)

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	HEA Section: 499(b)(3)(G)	<p>in obtaining another eligible PLUS lender (this includes the increase in special allowance payments). The penalty could be assessed by:</p> <ul style="list-style-type: none"> • Reducing payments otherwise due from ED, or • Reducing payments due that lender from any other federal agency, pursuant to Section 3716 of Title 31 <ol style="list-style-type: none"> 2. Prohibiting the lender from bidding in other auctions under this section 3. Limitation, suspension, or termination of the lender's participation in FFELP loan program 4. Any other enforcement action ED is authorized to take under FFELP. 			
163	<p>Competitive Auction Pilot Program – PLUS Loans - Loans with 100% Insurance.</p> <p>Bill Section: 499 HEA Section: 499(b)(3)(J)</p>	<p>Federal PLUS loans guaranteed by a FFEL Program guarantor.</p> <p>Verbiage added that the insurance is subject to Section 428(b)(1)(G) which adds the 100% insurance on exempt claims and lender of last resort. Otherwise, insurance on loans in the competitive auction pilot program is 99% reinsurance.</p>	July 1, 2009	Insurance on loans is 99% except for exempt claims (100%) and Lender of Resort (100%).	<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 75-76)</p>
164	<p>Competitive Auction Pilot Program - PLUS Loans - Required Initial Evaluation</p> <p>Bill Section: 499 HEA Section: 499(c)</p>	<p>Requires that ED and the Secretary of Treasury to jointly conduct (in consultation with OMB, CBO and Comptroller General) an evaluation of the pilot program to determine the following six items:</p> <ol style="list-style-type: none"> 1. Extent of savings generated via the Pilot vs. operating the PLUS program under Title IV Part B 2. Number of lenders that participated and the extent the pilot generated competition 3. Number and volume of loans made under the pilot in each state 4. Effect of the transition to and operation of the pilot in the ability of lenders and schools to originate loans smoothly and efficiently 5. Differential impact of the auction among the states, including between rural and non-rural 	July 1, 2009		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 75-76)</p>

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		states, and 6. Feasibility of using this mechanism to operate other Title IV Part B loan programs.			
165	Competitive Auction Pilot Program – PLUS Loans - Report by ED Bill Section: 499 HEA Section: 499(d)	ED and the Secretary of the Treasury must submit to the authorizing committees not later than: <ul style="list-style-type: none"> 9/1/2010 a preliminary report of the findings in the initial evaluation findings 9/1/2012 an interim report of findings 9/1/2013 a final report of findings Included in each of these three reports will be ED’s recommendations for: <ul style="list-style-type: none"> Improving the operation and administration of the auction, and Improving the operation and administration of other Title IV Part B loan programs 	July 1, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 188)
TITLE I General Provisions - Part A - Definitions					
INSTITUTION OF HIGHER EDUCATION					
166	General Definition of Institution of Higher Education Bill Section: 101 HEA Section: 101(a)(1), 101(a)(3), and 101(b)(2)	Institution of Higher Education includes: <ul style="list-style-type: none"> Institutions that admit as regular students, students that have completed a secondary school education in a home school setting that is treated as a home school or private school under state law. Institutions that could award a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by ED. Institutions who admit individuals who will be dually or concurrently enrolled in the institution and a secondary school. 	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 23)
PROPRIETARY SCHOOL					
	Proprietary School	Proprietary institution of higher education definition:	July 1, 2010		DCL GEN-08-12/

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167	Definition Bill Section: 102 HEA Section: 102 (a) (2)(b)(A)	<ul style="list-style-type: none"> provides an eligible program of training that leads to gainful employment in a recognized occupation, or provides a program leading to a BA in liberal arts and has provided such a program since 1/1/09 and is accredited by an accreditation agency or association and has continuously been accredited since 10/1/07 			FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 23)
168	Proprietary School Definition Bill Section: 102 HEA Section: 102 (b)(2)(B)	Definition of a proprietary institution of higher education includes schools in any state who admit as regular students, individuals who will be dually or concurrently enrolled in the institution and a secondary school.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 24)
POST SECONDARY VOCATIONAL INSTITUTION					
169	Post Secondary Vocational Institution Definition Bill Section: 102 HEA Section: 102 (c)(2)(B)	The term post secondary vocational institution admits as regular students, individuals who will be dually or concurrently enrolled in the institution and a secondary school.	July 1, 2010		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 24)
Title I General Provisions - Part C – Cost of Higher Education					
COLLEGE NAVIGATOR WEBSITE					
170	Definition - College Navigator Website Bill Section: 111 HEA Section: 132(a)	College Navigator Website as defined in Section 132 of the HEA which is operated by ED and includes any successor Website	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 30)
	College Navigator Website - Lists Bill Section: 111	Using the “College Navigator” Website, ED will provide lists that will be sortable and searchable by state and by the following categories of institutions of higher education participating in Title IV programs: <ul style="list-style-type: none"> Four-year public 	July 1, 2011		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA -

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171	HEA Section: 132 (c) and (d)	<ul style="list-style-type: none"> • Four-year private, non profit • Four-year private, for profit • Two-year public • Two-year private, non-profit • Two-year private, for-profit • Less than two-year public • Less than two-year private, non-profit • Less than two-year private, for profit <ul style="list-style-type: none"> • A list of the five percent of institutions in each category in subsection (d) that have the highest tuition and fees for the most recent academic year for which data is available. • A list of the five percent of institutions in each category that have the highest net price for the most recent academic year for which data is available. • A list of the five percent of institutions in each category that have the largest increase, expressed as a percentage of change, in tuition and fees over the most recent three academic years in which data is available. The first academic year of the three year period will be used as the base year to calculate the percentage change. • A list of the five percent of institutions with the largest increase, as a percentage change, in net price over the three most recent academic years for which data is available. The first academic year of the three year period to be used as the base year of the three year period to compute the percentage change. • A list of ten percent of institutions that have the lowest tuition and fees in the most recent academic year that data is available. • A list of ten percent of institutions that have the lowest net price for the most recent academic year for which data are available. 			(DCL pages 31-32)
	College Navigator Website – State Higher Education Spending Report Bill Section: 111	ED will report annually, through its College Navigator Website, increases to the percentage change in: <ul style="list-style-type: none"> • Spending by state for full time students for each of the five most recent preceding academic years • Percentage change in average tuition and fees 	Annually after August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 33)

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172	HEA Section: 132(g)	<p>for all public institutions in each state for the five most recent preceding years.</p> <ul style="list-style-type: none"> Percentage change in total amount of need and merit based aid provided by each state to full time students enrolled in the state for each of the five preceding academic years. 			
173	<p>College Navigator Website - Consumer Information Regarding Schools</p> <p>Bill Section: 111 HEA Section: 132(i)(1)(A-Z)</p>	<p>ED will provide data on its College Navigator Website about each institution that participates in Title IV for the most recent academic year which will inform student's and their families with the institutions:</p> <ul style="list-style-type: none"> Mission number of undergraduate students who applied, were admitted and enrolled Scores for reading writing mathematics scores where ACT and SAT scores are required, for the middle range of the freshman class number of first-time, full-time and part-time students at undergraduate and graduate levels number of degree or certificate seeking undergraduate who have transferred percentage of male and female undergraduates percentage of first-time, full-time, degree or certificate students who are from the state in which the institution is located; the percentage of students who are from other states, the percentage of students who are international students percentage of first-time, full-time, degree or certificate undergraduates enrolled by race and ethnic background percentage of undergraduate students formally registered with the office of disability services as student's with disabilities, if the percentage is 3% or less the institution reports "3% or less" percentage of first-time, full-time, degree or certificate undergraduates who obtain a degree or certificate within, the normal time for completion 	Not later than August 14, 2009		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 33)</p>

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		<p>from the program, 150% of the normal time to complete the program, 200% percent of the normal time to complete the program</p> <ul style="list-style-type: none"> • number of certificates, associate degrees, baccalaureate degrees, master’s degrees, professional degrees and doctoral degrees awarded • undergraduate major areas of study with the highest number awarded • student-faculty ratio, the number of full-time and part-time faculty, number of graduate assistants with instructional responsibilities • Cost of attendance for first-time, full-time undergraduates living on campus • Cost of attendance for first-time, full-time undergraduate living off campus • In the case of public institutions the costs for first-time, full-time students enrolled as residents, and the costs for first-time, full-time students enrolled as non-residents • Average annual grant amount (Federal, State and institutional) awarded to first-time, full-time undergraduates receiving financial aid • Average annual amount of Federal student loans to enrolled undergraduate students • Total annual grant aid awarded to undergraduate students from the Federal government, a State, the institution or other sources • Percentage of first-time, full-time undergraduate students receiving Federal State and institutional grants, student loans and any other type of student financial assistance known by the institutions • Number of students enrolled receiving Pell Grants • Cohort default rate • Information on campus safety required under Section 485(i) • A link to the institutions Website that provides student activities offered, services offered for student with disabilities, career and placement 			

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		<p>services, policies related to transfer of credit from other institutions</p> <ul style="list-style-type: none"> • A link to the applicable section of the Bureau of Labor and Statistics Website providing information on regional starting salaries in major occupations • The availability of alternative tuition plans including guaranteed tuition plans 			
174	<p>College Navigator Website – School Pricing Summary</p> <p>Bill Section: 111 HEA Section: 132(i)(5-6)</p>	<p>ED will disclose on its College Navigator Website a list of institutions participating in Title IV that will include:</p> <ul style="list-style-type: none"> • The average full-time undergraduate tuition and fees for each of the three most recent years that date is available. • The average net price of each of the three most recent years. • Beginning and ending 7/10/2010-6/30/2013 the average net price by income categories for the most recent academic year. • Beginning 7/1/2013 the average net price of students receiving Title IV aid by income categories for the three most recent academic years. • The average annual percentage change and the annual dollar change in the institution’s net price for the three most recent years. • A link to the College Navigator webpage providing the information in paragraph (1). • The Secretary will update the lists described in the College Navigator annually. <p>Provides the income categories that will apply to students who receive Federal Student Aid as:</p> <ul style="list-style-type: none"> • \$0-\$30,000 • \$30,001-\$48,000 • \$48,001-\$75,000 • \$75,001-\$110,000 • \$110,001 and more 	<p>Not later than August 14, 2009</p> <p>Beginning July 10, 2010, and ending June 30, 2013</p> <p>Beginning July 1, 2013</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 33-34)</p>

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		At the Secretaries discretion income adjustments may be made based on the Consumer Price Index.			
COST OF ATTENDANCE					
175	Definition – Cost of Attendance Definition Bill Section: 111 HEA Section: 132(a)	The average annual cost of tuition, books, supplies, room and board and transportation for full time first-year, undergraduates enrolled at an institution of higher education.			
NET PRICE					
176	Definition – Net Price Bill Section: 111 HEA Section: 132(a)	The average yearly price charged to a full-time, undergraduate student receiving student aid after deducting aid by calculating the difference between the cost of attendance minus the total amount of need-based grant and merit based aid, from Federal State and institutional sources provided to students enrolled that year divided by the total number of students receiving need-based and merit based grants for the same year	July 1, 2011		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 32)
TUITION AND FEES					
177	Definition - Tuition and Fees Bill Section: 111 HEA Section: 132(a)	The average annual cost of tuition and fees for a full-time, first-time undergraduate enrolled in an institution of higher education			
CALCULATIONS - NET PRICE AND TUITION AND FEES					
178	Calculations of COA, Net Price and Tuition and Fees for Public Institutions Bill Section: 111 HEA Section: 132(b)	ED shall calculate the cost of attendance (COA), net price, and tuition and fees at a public institution except that : <ul style="list-style-type: none"> • The COA, net price and tuition and fees shall be calculated for full-time, first-time undergraduates who are residents of the State in which the institution is located • In determining the net price, the average need-based 	Not later than August 14, 2009		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 32-34)

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		and merit-based grant aid will be calculated based on the average total amount of said aid received by full-time, first-time undergraduate students who are residents of the state the institution is located, divided by the total number of resident students receiving need-based or merit-based aid at the institution.			
SCHOOL REPORT TO ED					
179	Report to ED Bill Section: 111 HEA Section: 132(e)(1)	If an institution is on the list of institutions that have the largest increase of percentage change in tuition and fees or net price over that last three academic periods, the institution shall submit a report to ED containing: <ul style="list-style-type: none"> • A description of the major areas in the institution's budget with the greatest cost increases. • An explanation of the cost increases. • A description of steps the institution will take towards reducing costs in those areas. • If included in this list for two or more consecutive years. • Provide a description of progress made on steps taken to reduce costs that were included in the report for the prior year. • If the institution determines that any cost increases is not within the exclusive control of the institution: <ol style="list-style-type: none"> 1. An explanation of extent to which the institution determined the cost increase. 2. Identifying the agency or State government responsible for determining the cost increase 	July 1, 2011		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 32)
IN-STATE TUITION					
	In-state Tuition for Active Duty Military	States may not charge more than the in-state tuition rate at public institutions of higher education to service members (on active duty for at least 30 days), or their	The first period of enrollment that begins after		DCL GEN-08-12/FP-08-10: Contains information on

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180	Bill Section: 114 HEA Section: 135(a)-(c)	spouses, or dependent children. In-state rates continue to apply if the service member is re-assigned to a permanent duty station outside the state.	July 1, 2009		changes made to the HEA by enactment of the HEOA - (DCL page 36)
MAINTENANCE OF EFFORT					
181	Maintenance of Effort Bill Section: 116 HEA Section: 137(a)-(b)	States must provide financial resources to institutions of higher education of at least the average amount over the last five years for: <ul style="list-style-type: none"> • Non-capital and non-direct research and development expenses for public institution, and • Student financial aid for private institutions 	August 14, 2008 For any academic year beginning on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 37)
182	Maintenance of Effort - Penalty and Waiver for States Bill Section: 116 HEA Section: 137(c)-(d)	States that violate the maintenance of effort requirements lose funding under the College Access Challenge Grant Program, until significant efforts are made to correct the violation. The requirements may be waived for exceptional circumstances, including natural disasters or unforeseen declines in state financial resources.	August 14, 2008 For any academic year beginning on or after July 1, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 37)
Title I General Provisions - Part D – Administrative Provisions for Delivery of Student Financial Assistance					
ANNUAL SCHOOL CERTIFICATION					
183	Annual School Certification - Prohibited Uses of Federal Funds Bill Section: 119 HEA Section: 151	Institutions of higher education and other postsecondary educational institutions must annually certify that they have not used any federal funds received under the HEA to pay any person to influence individuals within Congress or any agency, in regard to federal contracts, grants, loans, or cooperative agreements.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 38- 39)
	Annual School	No federal student aid funding under the HEA may be	August 14, 2008		DCL GEN-08-12/

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184	Certification - Lobbying and Earmarks Bill Section: 119 HEA Section: 151	used to hire a registered lobbyist or to pay for securing an earmark. The institution's annual certification must also attest to adherence to this provision.			FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 39)
Title X – Private Student Loan Improvement					
PRIVATE STUDENT LOAN TRANSPARENCY AND IMPROVEMENT ACT OF 2008					
185	Title of Act Bill Section: 1011 Truth In Lending Act (TILA) 15 USC 1631 Section 140(c)	This title may be cited as the “Private Student Loan Transparency and Improvement Act of 2008”	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 173)
186	Timing of Regulations Bill Section: 1002 TILA Section: 140(c)	Not later than 365 days after the date of enactment of this Act, Board of Governors of the Federal Reserve System (Board) shall issue regulations in final form to implement paragraphs (1), (2), (3), (4), (6), (7), and (8) of Section 128(e) and Section 140(c) of the Truth in Lending Act (TILA), as added by this title, which regulations shall become effective not later than 6months after their date of issuance.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 173)
187	Effective Dates Bill Section: 1003 TILA Section: 140(c)	The effective dates of the provisions of Title X are as follows: (a) In general, except as provided for in subsection (b), below, which is the timing of the implementation of the TILA changes, and as otherwise provided in this title, this Title X and the amendments made by this Title X shall become effective on the date of enactment. (b) Effect notwithstanding regulations - Paragraphs (1), (2), (3), (4), (6), (7), and (8) of new TILA Section 128(e) and Section 140(c) shall become effective on the earlier of the date which the regulations issued under Section 1002 become effective or 18 months after the date of enactment.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 173)

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188	Amendments to Truth in Lending Act Bill Section: 1011 Pub. L. 90-321	The Truth in Lending Act (TILA) is the common name given to the National Consumer Credit Protection Act, which requires lenders to make credit disclosures to individual borrowers for certain types of loans. The provisions of the act are implemented by the Federal Reserve Board as Regulation Z.			
189	Preventing Unfair and Deceptive Private Educational Lending Practices Bill Section: 1011(a) 15 USC 1601 et seq; 82 Stat. 146; Pub. L. 90-321	The TILA is amended, by adding at the end of Chapter 2, a new section. New section attempts to regulate the relationships between schools and lenders by prohibiting certain gifts to school representatives from lenders, defining preferred lender arrangements, prohibiting co-branding, and managing lender advisory boards, among other provisions.	Earlier of February 14, 2010, or effective date of regulations		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)
190	Definition - Covered Educational Institution Bill Section: 1011(a) TILA Section: 140(a)(1)(A) and (B)	The term covered educational institution means: <ul style="list-style-type: none"> • Any educational institution that offers a postsecondary educational degree, certificate, or program of study (including any institution of higher learning); and • Includes an agency, officer, or employee of the education institution. 			
191	Definition - Gift Bill Section: 1011(a) TILA Section: 140(a)(2)(A)(i)	Any gratuity, favor, discount, entertainment, hospitality, loan, or other item having more than a de minimis monetary value, including services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.			
192	Definition – Gift Recipients Bill Section: 1011(a) TILA Section: 140(a)(2)(A)(ii) (I) and (II)	A gift as defined by the law, provided to a family member of an officer, employee, or agent of a covered educational institution, or to any other individual based on that individual's relationship with the officer, employee, or agent, if- <ul style="list-style-type: none"> • the item is provided with the knowledge and acquiescence of the officer, employee, or agent; and • the officer, employee, or agent has reason to believe the item was provided because of the official position 			

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193	Definition – Gift Exclusions Bill Section: 1011(a) TILA Section: 140(a)(2)(B)(i-iv)	of the officer, employee, or agent The term “gift” <u>does not</u> include: <ul style="list-style-type: none"> • Standard informational material related to a loan, default aversion, default prevention, or financial literacy; • Food, refreshments, training, or informational material furnished to an officer, employee, or agent of a covered educational institution, as an integral part of a training session or through participation in an advisory council that is designed to improve the service of the private educational lender to the covered educational institution, if such training or participation contributes to the professional development of the officer, employee, or agent of the covered educational institution; • Favorable terms, conditions, and borrower benefits on a private education loan provided to a student employed by the covered educational institution, if such terms, conditions, or benefits are not provided because of the student’s employment with the covered educational institution; • the provision of financial literacy counseling or services, including counseling or services provided in coordination with a covered educational institution, to the extent that such counseling or services are not undertaken to secure— <ul style="list-style-type: none"> • applications for private education loans or private education loan volume; • applications or loan volume for any Title IV loan, or • the purchase of a product or service of a specific private educational lender; • philanthropic contributions to a covered 			

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		<p>educational institution from a private educational lender that are unrelated to private education loans and are not made in exchange for any advantage related to private education loans; or</p> <ul style="list-style-type: none"> state education grants, scholarships, or financial aid funds administered by or on behalf of a state 			
194	<p>Definition - Institution of Higher Education</p> <p>Bill Section: 1011(a) TILA Section: 140(a)(3)</p>	<p>The term “institution of higher education” has the same meaning as in HEA Section 102.</p>			
195	<p>Definition - Postsecondary Educational Expenses</p> <p>Bill Section: 1011(a) TILA Section: 140(a)(4)</p>	<p>Any of the expenses that are included as part of the cost of education, as defined under HEA Section 472.</p>			
196	<p>Definition - Preferred Lender Arrangement</p> <p>Bill Section: 1011(a) TILA section: 140(a)(5)</p>	<p>The term preferred lender arrangement has the same meaning as in HEA Section 151.</p>			
197	<p>Definition - Private Educational Lender</p> <p>Bill Section: 1011(a) TILA Section: 140(a)(6)</p>	<p>The term private education lender means:</p> <ul style="list-style-type: none"> a financial institution, as defined in Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) that solicits, makes, or extends private education loans; a federal credit unions, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. 1752) that solicits, makes, or extends private education loans; and any other person engaged in the business of soliciting, making, or extending private education loans 			
198	<p>Definition – Private Educational Loan</p>	<p>A closed-end, non-government insured consumer credit transaction not secured by real property or a dwelling that is made to the consumer expressly for postsecondary</p>			

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	Bill Section: 1011(a) TILA Section: 140(a)(7)	educational expenses.			
199	Definition - Revenue Sharing Bill Section: 1011(a) TILA Section: 140(a)(8)(A-C)	An arrangement between a covered educational institution and a private educational lender under which— <ul style="list-style-type: none"> • a private educational lender provides or issues private education loans with respect to students attending the covered educational institution; • the covered educational institution recommends to students or others the private educational lender or the private education loans of the private educational lender; and • the private educational lender pays a fee or provides other material benefits, including profit sharing, to the covered educational institution in connection with the private education loans provided to students attending the covered educational institution or a borrower acting on behalf of a student 			
200	Lender Prohibition - Gifts for Consideration or Revenue Sharing Bill Section: 1011(a) TILA Section: 140(b)(1-2)	A private educational lender may not, directly or indirectly: <ul style="list-style-type: none"> • offer or provide any gift to a covered educational institution in exchange for any advantage or consideration provided to such private educational lender related to its private education loan activities • or engage in revenue sharing with a covered educational institution 	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)
201	Lender Prohibition - Co-Branding Bill Section: 1011(a) TILA Section: 140(c)	A private educational lender may not use the name, emblem, mascot, or logo of the covered educational institution, or other words, pictures, or symbols readily identified with the covered educational institution, in the marketing of private educational loans in any way that implies that the covered educational institution endorses the private education loans offered by the private educational lender.	On the earlier of the date on which regulations issued under HEOA Section 002 become effective or 18 months after date of enactment		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)
	Lender Prohibition	Any person who is employed in the financial aid office of	August 14, 2008		DCL GEN-08-12/FP-08-10:

Note: This summary is intended for informational purposes only. Refer to the bill for specific information.
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Item #	Subject [Includes HEOA and HEA section citations]	The Higher Education Opportunity Act	*Effective Date	Comments	Guidance and Sources
202	<p>- Advisory Board Compensation other than Reasonable Expenses</p> <p>Bill Section: 1011(a) TILA Section: 140(d)</p>	<p>a covered educational institution, or who otherwise has responsibilities with respect to private education loans or other financial aid of the institution, and who serves on an advisory board, commission, or group established by a private educational lender or group of such lenders shall be prohibited from receiving anything of value from the private educational lender or group of lenders.</p> <p>Nothing in this subsection shall prohibit the reimbursement of reasonable expenses incurred by an employee of a school as part of their service on an advisory board, commission, or group described in this subsection.</p>			<p>Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)</p>
203	<p>Lender Prohibition - Prepayment Fees or Penalty</p> <p>Bill Section: 1011(a) TILA Section: 140(e)</p>	<p>It shall be unlawful for any private educational lender to impose a fee or penalty on a borrower for early repayment or prepayment of any private education loan.</p>	<p>August 14, 2008</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)</p>
204	<p>Definition - Creditor</p> <p>Bill Section: 1011(b) TILA Section: 140(b)</p>	<p>TILFA Section 103(f) is amended by adding at the end the following: “The term ‘creditor’ includes a private educational lender (as that term is defined in Section 140) for purposes of this title.”</p>			
205	<p>School Disclosure - Reimbursements for Service on Advisory Boards</p> <p>Bill Section: 1011(c) HEA Section: 485 TILA Section: 140(c)</p>	<p>HEA Section 485, as amended by this Act, is further amended by adding at the end the following: Disclosures of Reimbursements for Service on Advisory Boards-</p> <p>(1) Disclosure: Each institution of higher education participating in any program under this title must report, on an annual basis, to ED, any reasonable expenses paid or provided under TILA 140(d) to any employee who is employed in the financial aid office of the institution, or who otherwise has responsibilities with respect to education loans or other financial aid of the institution. Such reports must include—</p> <ul style="list-style-type: none"> • the amount for each specific instance of reasonable expenses paid or provided; 	<p>August 14, 2008</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL pages 173-174)</p>

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		<ul style="list-style-type: none"> • the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided; • the dates of the activity for which the expenses were paid or provided; and • a brief description of the activity for which the expenses were paid or provided <p>(2) Report To Congress: ED is required to summarize the information received from schools above in a report and transmit such report annually to the authorizing committees.</p>			
206	Lender Civil Liabilities Bill Section: 1012 TILA Section: 130(a) and Sec. 130(e)	In the case of any successful action to enforce the damage claim or in any action in which a person is determined to have a right of rescission, the costs of the action, together with a reasonable attorney's fee as determined by the court.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)
207	Lender Disclosure - Private Education Loan Applications and Solicitations Bill Section: 1021(a) TILA Section: 128(e)(1)	In any application for a private education loan, or a solicitation for a private education loan without requiring an application, the private educational lender must disclose to the borrower, clearly and conspicuously: <ul style="list-style-type: none"> (A) the potential range of rates of interest; (B) whether the rate of interest applicable to the loan is fixed or variable; (C) limitations on interest rate adjustments, both in terms of frequency and amount, or the lack thereof; (D) requirements for a co-borrower, including any changes in the applicable interest rates without a co-borrower; (E) potential finance charges, late fees, penalties and adjustments to principal, based on defaults or late payments of the borrower; (F) fees or range of fees applicable to the private education loan; (G) term of the loan; (H) whether interest will accrue while the borrower is in school; (I) payment deferral options; (J) general eligibility criteria; (K) example of the total cost of the loan over the life of the 	On the earlier of the date on which regulations issued under HEOA Section 1002 become effective or 18 months after date of enactment		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)

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		<p>loan: which must be calculated using the principal amount and the maximum rate of interest actually offered by the private educational lender; and calculated both with and without capitalization of interest, if an option exists for postponing interest payments;</p> <p>(L) that a covered educational institution may have school-specific education loan benefits and terms not detailed on the disclosure form</p> <p>(M) that the borrower may qualify for Federal financial assistance through a program HEA Title IV, in lieu of, or in addition to, a loan from a non-Federal source;</p> <p>(N) the interest rates available with respect to such Federal student financial assistance through HEA Title IV;</p> <p>(O) Borrower must:</p> <ul style="list-style-type: none"> o have the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days (or such longer period as the private loan educational lender may provide) following the date on which the application is approved and the borrower receives the disclosure documents required under this subsection for the loan; and o except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the lender during the period described in clause (i), above; <p>(P) that, before a private education loan may be consummated, the borrower must obtain from the relevant institution of higher education the form required under paragraph (3), and complete, sign, and return such form to the private educational lender;</p> <p>(Q) that the consumer may obtain additional information concerning such Federal student financial assistance from their covered educational institution or at the Website of the Department of Education; and</p> <p>(R) other such information as the Board shall prescribe, by rule, as necessary or appropriate for consumers to make informed borrowing decisions</p>			
	<p>Lender Disclosure - Private Education Loan Approval</p> <p>Bill Section: 1021(a)</p>	<p>With the approval of a private education loan application, and before the loan transaction is consummated, the private educational lender must disclose to the borrower, clearly and conspicuously, the following:</p> <p>(A) the applicable rate of interest in effect on the date of</p>	<p>On the earlier of the date on which regulations issued under HEOA Sec. 1002 become</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA -</p>

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208	TILA Section: 128(e)(2)	<p>approval;</p> <p>(B) whether the rate of interest applicable to the private education loan is fixed or variable;</p> <p>(C) limitations on interest rate adjustments, in terms of frequency and amount, or the lack thereof;</p> <p>(D) the initial approved principal amount;</p> <p>(E) applicable finance charges, late fees, penalties, and adjustments to principal, based on borrower defaults or late payments, including limitations on the discharge of a private education loan in bankruptcy;</p> <p>(F) fees or range of fees applicable to the loan;</p> <p>(G) maximum term under the loan program;</p> <p>(H) estimate of total amount for repayment, at both the interest rate in effect on the date of approval and at the maximum possible rate of interest offered by the private educational lender and applicable to the borrower, to the extent that such maximum rate may be determined, of if not, a good faith estimate thereof;</p> <p>(I) any principal and interest payments required while the student to whom the loan relates is enrolled at a covered institution and unpaid interest which will accrue during such enrollment;</p> <p>(J) payment deferral options applicable to the borrower;</p> <p>(K) whether monthly payments are graduated;</p> <p>(L) Firm offer period</p> <p style="padding-left: 20px;">(i) borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days (or such longer period as the private loan educational lender may provide) following the date on which the application is approved and the borrower receives the disclosure documents required under this subsection for the loan; and</p> <p style="padding-left: 20px;">(ii) except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the lender during the period described in clause (i), above;</p> <p>(M) that the borrower</p> <p style="padding-left: 20px;">(i) may qualify for Federal financial assistance through a program under Title IV of the Higher Education Act of 1965, in lieu of, or in addition to, a loan from a non-federal source;</p> <p style="padding-left: 20px;">(ii) may obtain additional information concerning such</p>	effective or 18 months after date of enactment		(DCL page 174)

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		<p>assistance from their institution of higher education or the Website of the Department of Education</p> <p>(N) the interest rates available with respect to Federal financial assistance through a program under title IV of the Higher Education Act of 1965;</p> <p>(O) the maximum monthly payment, calculated using the maximum rate of interest actually offered by the lender and applicable to the borrower, to the extent that such maximum rate may be determined, or if not, a good faith estimate thereof; and</p> <p>(P) other information as the Board shall prescribe, by rule, as necessary or appropriate for consumers to make informed borrower decisions</p>			
209	<p>Applicant Self-Certification</p> <p>Bill Section: 1021(a) TILA Section: 128(e)(3)</p>	<p>Before a private educational lender may consummate a private education loan with respect to a student attending school, the lender must obtain from the applicant for the private education loan the form developed by ED under HEA Section 155 (Self-Certification Form for Private Education Loans), signed by the applicant, in written or electronic form.</p> <p>RULE OF CONSTRUCTION- No other provision of this subsection shall be construed to require a private educational lender to perform any additional duty under this paragraph, other than collecting the form required under subparagraph (A).</p>	<p>On the earlier of the date on which regulations issued under HEOA Section 1002 become effective or 18 months after date of enactment</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)</p>
210	<p>Lender Disclosure – Private Loan Consummation</p> <p>Bill Section: 1021(a) TILA Section: 128(e)(4)</p>	<p>With the consummation of a private education loan, a private educational lender must disclose to the borrower:</p> <ul style="list-style-type: none"> • rate of interest (adjusted, as necessary, for the rate of interest in effect on the date of consummation, based on the index used for the loan); • subparagraphs (B) through (K) and (M) through (P) above; and • the right to cancel within 3 business days of the date on which the loan is consummated 	<p>On the earlier of the date on which regulations issued under HEOA Section 1002 become effective or 18 months after date of enactment</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)</p>
	<p>Lender Disclosures – Model Form</p> <p>Bill Section: 1021(a)</p>	<p>Not later than 2 years after the date of enactment of this subsection, the Board shall, based on consumer testing, and in consultation with ED, develop and issue model forms that may be used, at the option of the lender, for the provision of</p>	<p>Not later than 2 years after date of enactment</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA</p>

Note: This summary is intended for informational purposes only. Refer to the bill for specific information.
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211	TILA Section: 128(e)(5)	<p>disclosures required under this subsection. Model forms developed under this paragraph shall -</p> <ul style="list-style-type: none"> • be comprehensible to borrowers, with a clear format and design; • provide for clear and conspicuous disclosures; • enable borrowers easily to identify material terms of the loan and to compare such terms among private education loans; and • be succinct, and use an easily readable type font <p>Safe Harbor - any lender that elects to provide a model form developed under this subsection that accurately reflects the practices of the private educational lender shall be deemed to be in compliance with the disclosures required under this subsection.</p>			by enactment of the HEOA - (DCL page 174)
212	<p>Borrower – Acceptance of Loan Terms and Prohibition on Changes</p> <p>Bill Section: 1021(a) TILA Section: 128(e)(6)</p>	<p>With respect to a private education loan, the borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days (or such longer period as the private educational lender may provide) following the date on which the application for the private education is approved and the borrower receives the disclosure documents required under this subsection for the loan, and the rates and terms of the loan may not be changed by the private educational lender during that period.</p> <p>Prohibition on Changes – Except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the lender prior to the earlier of:</p> <ul style="list-style-type: none"> • the date of acceptance of the terms of the loan and consummation of the transaction by the borrower, as described in subparagraph (A); or • the expiration of the 30-day period [subparagraph (A)] 			<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)</p>
213	<p>Borrower – Right to Cancel</p> <p>Bill Section: 1021(a) TILA Section: 128(e)(7)</p>	<p>With respect to a private education loan, the borrower may cancel the loan, without penalty to the borrower, at any time within 3 business days of the date the loan is consummated, and the lender must disclose such right to the borrower.</p>	<p>On the earlier of the date on which regulations issued under Section 1002 become effective or 18 months after date of enactment</p>		<p>DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)</p>

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214	Lender - Prohibition on Disbursement Bill Section: 1021(a) TILA Section: 128(e)(8)	No funds may be disbursed with respect to a loan until the expiration of the 3-day period prior to consummation of the loan.	On the earlier of the date on which regulations issued under Section 1002 become effective or 18 months after date of enactment		
215	Regulations - Duplicative Disclosure Requirements Bill Section: 1021(a) TILA Section: 128(e)(9)	In issuing regulations under this subsection, the Board shall prevent, to the extent possible, duplicative disclosure requirements for private educational lenders that are otherwise required to make disclosures under this title, except that in any case in which the disclosure requirements of this subsection differ or conflict with the disclosure requirements of any other provision of this title, the requirements of this subsection shall be controlling.	August 14, 2008		DCL GEN-08-12/FP-08-10: Contains information on changes made to the HEA by enactment of the HEOA - (DCL page 174)
216	Definitions Bill Section: 1021(a) TILA Section: 128(e)(10)	The terms covered educational institution, private educational lender, and private education loan have the same meanings as in Section 140.			
217	Lender - Preferred Lender Arrangements Bill Section: 1021(a) TILA Section: 128(e)(11)	Each lender, that has a preferred lender arrangement with a covered educational institution, must annually, (by a date determined by the Board, in consultation with ED) provide to the covered educational institution such information as the Board determines to include in the model form developed under TILA Section 128(e)(5) (Format of Disclosures) for each type of private education loan that the lender plans to offer to students attending the covered educational institution, or to the families of such students, for the next award year.			
218	Applicant - Self-Certification Form Bill Section: 1021(b) HEA Section: Title I Part E Sec. 155	HEA Title I Part E, as added by this Act, is further amended by inserting Section 155. The language in Section 1021(b) is the same as Section 120 of HEOA.			
219	Exemption - Truth in Lending Act Bill Section: 1022	The exemption from the Truth in Lending requirements for private student loans with an amount financed over \$25,000 is removed.			

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	TILA Section: 104(3)				

* This document includes any effective dates listed in the CCRAA provisions. OGSLP will continue to work with the National Council of Higher Education Loan Programs (NCHELP) regarding the effective date of these provisions.

NOTE: This impact summary has been developed by OGSLP to highlight major provisions of the Higher Education Opportunity Act (HEOA). The information contained in this document will be updated as OGSLP receives clarification and additional guidance from the U.S. Department of Education, the National Council of Higher Education Loan Programs (NCHELP), and other industry sources.