

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

---

IN THE SENATE OF THE UNITED STATES

Mr. ALEXANDER (for himself, Mr. BENNET, Mr. BURR, Mr. KING, Mr. ISAKSON, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

---

**A BILL**

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Aid Sim-  
5 plification and Transparency Act of 2015”.

6 **SEC. 2. REFERENCES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22               “(C) The free and reduced price school  
23               lunch program established under the Richard  
24               B. Russell National School Lunch Act (42  
25               U.S.C. 1751 et seq.).





1 file an application with the Secretary to determine eligi-  
2 bility for aid as described in subsection (b).

3 “(b) FREE APPLICATION.—

4 “(1) IN GENERAL.—The Secretary shall make  
5 available, for the purposes of subsection (a), a free  
6 application to determine the eligibility of a student  
7 for a Federal Pell Grant under section 401 or a  
8 Federal loan under part F based—

9 “(A) in the case of a Federal Pell Grant,  
10 on the adjusted gross income and family size of  
11 a student applicant, as described under section  
12 401(b); and

13 “(B) in the case of a loan, on the max-  
14 imum amount allowed as determined under sec-  
15 tion 470(e)(4)(B).

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

20 “(A) For the purposes of attaining a Fed-  
21 eral Pell Grant—

22 “(i) the applicant’s name and address;

23 “(ii) the applicant’s social security  
24 number;



1           “(3) INFORMATION TO BE SUPPLIED BY THE  
2           SECRETARY.—Upon receiving and timely processing  
3           an application described under paragraph (1), the  
4           Secretary will provide to only the applicant, the fol-  
5           lowing information:

6                   “(A) If the applicant applied for a Federal  
7                   Pell Grant, the amount of the applicant’s Fed-  
8                   eral Pell Grant award.

9                   “(B) If the applicant applied for a Federal  
10                  loan under section 470, the amount of the Fed-  
11                  eral loan that the applicant may receive if the  
12                  applicant chooses, and the following informa-  
13                  tion:

14                           “(i) If the interest rate on the loan  
15                           has been determined at the time such in-  
16                           formation is provided, the interest rate on  
17                           the loan.

18                           “(ii) If the interest rate on the loan  
19                           has not been determined at the time such  
20                           information is provided, the current inter-  
21                           est rate and a statement that the interest  
22                           rate is subject to change.

23                           “(iii) The monthly amount that the  
24                           applicant would be required to repay if the

1 applicant chooses to accept the loan, based  
2 on—

3 “(I) the amount of the Federal  
4 loan under section 470 that the appli-  
5 cant may choose to receive; and

6 “(II) payment of such loan on a  
7 10-year repayment plan.

8 “(iv) The monthly amount that the  
9 applicant would be required to repay if the  
10 applicant chooses to accept a loan of the  
11 same amount and paid according to the  
12 same repayment plan as described in  
13 clause (iii)—

14 “(I) if the applicant were to at-  
15 tend a program 2 years in length; and

16 “(II) if the applicant were to at-  
17 tend a program 4 years in length.

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

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

1                   “(II) payment of such loan ac-  
2                   cording to the income-based repay-  
3                   ment plan, reflecting not less than 5  
4                   different income levels.

5                   “(vi) The monthly amount (based on  
6                   not less than 5 different income levels)  
7                   that the applicant would be required to  
8                   repay if the applicant chooses to accept a  
9                   loan of the same amount and paid accord-  
10                  ing to the same repayment plan as de-  
11                  scribed in clause (v)—

12                   “(I) if the applicant were to at-  
13                   tend a program 2 years in length; and

14                   “(II) if the applicant were to at-  
15                   tend a program 4 years in length.”.

16 **SEC. 5. ONE GRANT PROGRAM.**

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

19                  (1) in subpart 1, by striking sections 401 and  
20                  401A and inserting the following:

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

22                  “(a) PROGRAM AUTHORITY AND METHOD OF DIS-  
23                  TRIBUTION.—

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

1           “(2) PROGRAM AUTHORIZED.—For each of fis-  
2           cal years 2016 through 2022, the Secretary shall  
3           pay to each eligible institution such sums as may be  
4           necessary to pay to each eligible student, as defined  
5           in accordance with section 400(a), for each academic  
6           year during which that student is in attendance at  
7           an institution of higher education, as an under-  
8           graduate, a Federal Pell Grant in the amount for  
9           which that student is eligible, as determined pursu-  
10          ant to subsection (b).

11          “(3) METHOD OF DISTRIBUTION.—The Sec-  
12          retary shall provide funds to each eligible institution  
13          of higher education in an accurate and timely man-  
14          ner based upon an amount requested by the institu-  
15          tion for eligible students at that institution that have  
16          submitted an approved application in accordance  
17          with subsection (d).

18          “(b) PURPOSE AND AMOUNT OF GRANT.—

19                 “(1) PURPOSE.—The purpose of this part is to  
20                 assist in making available the benefits of postsec-  
21                 ondary education to eligible students in institutions  
22                 of higher education by providing Federal Pell Grants  
23                 to all eligible students.

24                 “(2) DETERMINATION OF AMOUNT.—

## 16

1                   “(A) QUALIFICATION FOR FEDERAL PELL  
 2 GRANT AWARD.—An eligible student shall auto-  
 3 matically qualify to receive a Federal Pell Grant  
 4 award, which shall be determined in accordance  
 5 with subparagraph (B)(ii) if the student or the  
 6 student’s family received benefits at some time  
 7 during the previous 24-month period under a  
 8 means-tested Federal benefit program, as de-  
 9 fined in section 400.

10                   “(B) AWARD AMOUNT.—

11                   “(i) AWARD YEAR 2015.—An eligible  
 12 student shall receive a Federal Pell Grant  
 13 award for award year 2015 in an amount  
 14 determined in accordance with clause (ii).

15                   “(ii) CALCULATION OF INDIVIDUAL  
 16 AWARD AMOUNT.—

17                   “(I) For family size of 1:

“2013 AGI	Pell Award
\$0–\$11,670 .....	\$5,730
\$11,671–\$12,837 .....	\$5,380
\$12,838–\$14,004 .....	\$4,890
\$14,005–\$15,171 .....	\$4,400
\$15,172–\$16,338 .....	\$3,910
\$16,339–\$17,505 .....	\$3,420
\$17,506–\$18,672 .....	\$2,930
\$18,673–\$19,839 .....	\$2,440
\$19,840–\$21,006 .....	\$1,950
\$21,007–\$22,173 .....	\$1,460
\$22,174–\$23,340 .....	\$970

18                   “(II) For family size of 2:



## 17

“2013 AGI	Pell Award
\$0–\$15,730 .....	\$5,730
\$15,731–\$17,303 .....	\$5,505
\$17,304–\$18,876 .....	\$5,235
\$18,877–\$20,449 .....	\$4,965
\$20,450–\$22,022 .....	\$4,695
\$22,023–\$23,595 .....	\$4,425
\$23,596–\$25,168 .....	\$4,155
\$25,169–\$26,741 .....	\$3,885
\$26,742–\$28,314 .....	\$3,615
\$28,315–\$29,887 .....	\$3,345
\$29,888–\$31,460 .....	\$3,075
\$31,461–\$33,033 .....	\$3,130
\$33,034–\$34,606 .....	\$2,890
\$34,607–\$36,179 .....	\$2,650
\$36,180–\$37,752 .....	\$2,410
\$37,753–\$39,325 .....	\$2,170

1

“(III) For family size of 3:

“2013 AGI	Pell Award
\$0–\$19,790 .....	\$5,730
\$19,791–\$21,769 .....	\$5,555
\$21,770–\$23,748 .....	\$5,345
\$23,749–\$25,727 .....	\$5,135
\$25,728–\$27,706 .....	\$4,925
\$27,707–\$29,685 .....	\$4,715
\$29,686–\$31,664 .....	\$4,505
\$31,665–\$33,643 .....	\$4,295
\$33,644–\$35,622 .....	\$4,085
\$35,623–\$37,601 .....	\$3,875
\$37,602–\$39,580 .....	\$3,665
\$39,581–\$41,559 .....	\$3,130
\$41,560–\$43,538 .....	\$2,890
\$43,539–\$45,517 .....	\$2,650
\$45,518–\$47,496 .....	\$2,410
\$47,497–\$49,475 .....	\$2,170

2

“(IV) For family size of 4:

“2013 AGI	Pell Award
\$0–\$23,850 .....	\$5,730
\$23,851–\$26,235 .....	\$5,555
\$26,236–\$28,620 .....	\$5,345
\$28,621–\$31,005 .....	\$5,135
\$31,006–\$33,390 .....	\$4,925
\$33,391–\$35,775 .....	\$4,715
\$35,776–\$38,160 .....	\$4,505
\$38,161–\$40,545 .....	\$4,295

## 18

“2013 AGI	Pell Award
\$40,546–\$42,930 .....	\$4,085
\$42,931–\$45,315 .....	\$3,875
\$45,316–\$47,700 .....	\$3,665
\$47,701–\$50,085 .....	\$3,130
\$50,086–\$52,470 .....	\$2,890
\$52,471–\$54,855 .....	\$2,650
\$54,856–\$57,240 .....	\$2,410
\$57,241–\$59,625 .....	\$2,170

## 1 “(V) For family size of 5:

“2013 AGI	Pell Award
\$0–\$27,910 .....	\$5,730
\$27,911–\$30,701 .....	\$5,530
\$30,702–\$33,492 .....	\$5,290
\$33,493–\$36,283 .....	\$5,050
\$36,284–\$39,074 .....	\$4,810
\$39,075–\$41,865 .....	\$4,570
\$41,866–\$44,656 .....	\$4,330
\$44,657–\$47,447 .....	\$4,090
\$47,448–\$50,238 .....	\$3,850
\$50,239–\$53,029 .....	\$3,610
\$53,030–\$55,820 .....	\$3,370
\$55,821–\$58,611 .....	\$3,130
\$58,612–\$61,402 .....	\$2,890
\$61,403–\$64,193 .....	\$2,650
\$64,194–\$66,984 .....	\$2,410
\$66,985–\$69,775 .....	\$2,170

## 2 “(VI) For family size of 6:

“2013 AGI	Pell Award
\$0–\$31,970 .....	\$5,730
\$31,971–\$35,167 .....	\$5,530
\$35,168–\$38,364 .....	\$5,290
\$38,365–\$41,561 .....	\$5,050
\$41,562–\$44,758 .....	\$4,810
\$44,759–\$47,955 .....	\$4,570
\$47,956–\$51,152 .....	\$4,330
\$51,153–\$54,349 .....	\$4,090
\$54,350–\$57,546 .....	\$3,850
\$57,547–\$60,743 .....	\$3,610
\$60,744–\$63,940 .....	\$3,370
\$63,941–\$67,137 .....	\$3,130
\$67,138–\$70,334 .....	\$2,890
\$70,335–\$73,531 .....	\$2,650
\$73,532–\$76,728 .....	\$2,410

## 19

“2013 AGI	Pell Award
\$76,729–\$79,925 .....	\$2,170

## 1 “(VII) For family size of 7:

“2013 AGI	Pell Award
\$0–\$36,030 .....	\$5,730
\$36,031–\$39,633 .....	\$5,530
\$39,634–\$43,236 .....	\$5,290
\$43,237–\$46,839 .....	\$5,050
\$46,840–\$50,442 .....	\$4,810
\$50,443–\$54,045 .....	\$4,570
\$54,046–\$57,648 .....	\$4,330
\$57,649–\$61,251 .....	\$4,090
\$61,252–\$64,854 .....	\$3,850
\$64,855–\$68,457 .....	\$3,610
\$68,458–\$72,060 .....	\$3,370
\$72,061–\$75,663 .....	\$3,130
\$75,664–\$79,266 .....	\$2,890
\$79,267–\$82,869 .....	\$2,650
\$82,870–\$86,472 .....	\$2,410
\$86,473–\$90,075 .....	\$2,170

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

“2013 AGI	Pell Award
\$0–\$40,909 .....	\$5,730
\$40,910–\$45,000 .....	\$5,505
\$45,001–\$49,091 .....	\$5,235
\$49,092–\$53,182 .....	\$4,943
\$53,183–\$57,273 .....	\$4,628
\$57,274–\$61,364 .....	\$4,290
\$61,365–\$65,454 .....	\$3,953
\$65,455–\$69,545 .....	\$3,615
\$69,546–\$73,636 .....	\$3,278
\$73,637–\$77,727 .....	\$2,940
\$77,728–\$81,818 .....	\$2,603
\$81,819–\$85,909 .....	\$3,130
\$85,910–\$90,000 .....	\$2,890
\$90,001–\$94,091 .....	\$2,650
\$94,092–\$98,182 .....	\$2,410
\$98,182–\$102,273 .....	\$2,170



1 are appropriated (in addition to any other  
2 amounts appropriated to carry out this  
3 section and out of any money in the Treas-  
4 ury not otherwise appropriated) the fol-  
5 lowing amounts—

6 “(I) to carry out clause (iii), such  
7 sums as may be necessary for fiscal  
8 year 2010 and each subsequent fiscal  
9 year to provide the amount of increase  
10 of the maximum Federal Pell Grant  
11 required by clause (iii); and

12 “(II) to carry out this section—

13 “(aa) \$0 for fiscal year  
14 2015;

15 “(bb) \$0 for fiscal year  
16 2016;

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

19 “(dd) \$1,382,000,000 for  
20 fiscal year 2018;

21 “(ee) \$1,409,000,000 for  
22 fiscal year 2019;

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

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

4                   “(iii) INCREASE IN FEDERAL PELL  
5                   GRANTS.—The amounts made available  
6                   pursuant to clause (ii)(I) shall be used to  
7                   increase the amount of the maximum Fed-  
8                   eral Pell Grant for which a student shall  
9                   be eligible during an award year, as speci-  
10                  fied in the last enacted appropriation Act  
11                  applicable to that award year, by the  
12                  amount determined under clause (iv) for  
13                  each succeeding award year.

14                  “(iv) ADJUSTMENT AMOUNTS.—

15                  “(I) AWARD YEARS 2015–2016  
16                  THROUGH 2017–2018.—For each of the  
17                  award years 2015–2016 through  
18                  2017–2018, the amount determined  
19                  under this clause for purposes of  
20                  clause (iii) shall be equal to—

21                  “(aa) the total maximum  
22                  Federal Pell Grant for the pre-  
23                  ceding award year (as determined  
24                  under subclause (IV)), increased  
25                  by a percentage equal to the an-

1                   annual adjustment percentage for  
2                   the award year for which the  
3                   amount under this subparagraph  
4                   is being determined, reduced by

5                   “(bb) \$4,860 or the max-  
6                   imum Federal Pell Grant for  
7                   which a student was eligible for  
8                   the preceding award year, as  
9                   specified in the last enacted ap-  
10                  propriation Act applicable to that  
11                  year, whichever is greater; and

12                  “(cc) rounded to the nearest  
13                  \$5.

14                  “(II)     SUBSEQUENT     AWARD  
15                  YEARS.—For award year 2018–2019  
16                  and each subsequent award year, the  
17                  amount determined under this clause  
18                  for purposes of clause (iii) shall be  
19                  equal to the amount determined under  
20                  subclause (IV) for award year 2017–  
21                  2018.

22                  “(III)    ANNUAL     ADJUSTMENT  
23                  PERCENTAGE.—For purposes of this  
24                  clause, the term ‘annual adjustment  
25                  percentage’ as applied to an award

1 year, is equal to the estimated per-  
2 centage change in the Consumer Price  
3 Index (as determined by the Sec-  
4 retary, using the definition in section  
5 478(f)) for the most recent calendar  
6 year ending prior to the beginning of  
7 that award year.

8 “(IV) TOTAL MAXIMUM FEDERAL  
9 PELL GRANT.—For purposes of this  
10 clause, the term ‘total maximum Fed-  
11 eral Pell Grant’ as applied to a pre-  
12 ceding award year, is equal to the  
13 sum of—

14 “(aa) the maximum Federal  
15 Pell Grant for which a student is  
16 eligible during an award year, as  
17 specified in the last enacted ap-  
18 propriation Act applicable to that  
19 preceding award year; and

20 “(bb) the amount of the in-  
21 crease in the maximum Federal  
22 Pell Grant required by this sub-  
23 paragraph for that preceding  
24 award year.



1                   “(v) PROGRAM REQUIREMENTS AND  
2                   OPERATIONS OTHERWISE UNAFFECTED.—  
3                   Except as provided in clauses (iii) and (iv),  
4                   nothing in this subparagraph shall be con-  
5                   strued to alter the requirements and oper-  
6                   ations of the Federal Pell Grant Program  
7                   as authorized under this section, or au-  
8                   thorize the imposition of additional re-  
9                   quirements or operations for the deter-  
10                  mination and allocation of Federal Pell  
11                  Grants under this section.

12                  “(vi) RATABLE INCREASES AND DE-  
13                  CREASES.—The amounts specified in  
14                  clause (iii) shall be ratably increased or de-  
15                  creased to the extent that funds available  
16                  under clause (ii) exceed or are less than  
17                  (respectively) the amount required to pro-  
18                  vide the amounts specified in clause (iii).

19                  “(vii) AVAILABILITY OF FUNDS.—The  
20                  amounts made available by clause (ii) for  
21                  any fiscal year shall be available beginning  
22                  on October 1 of that fiscal year, and shall  
23                  remain available through September 30 of  
24                  the succeeding fiscal year.

1           “(D) EXCEPTION.—Nothing in this part  
2 shall be interpreted as limiting the authority of  
3 the financial aid administrator, on the basis of  
4 adequate documentation, to make adjustments  
5 on a case-by-case basis to the values of the data  
6 items required to calculate the amount of a  
7 Federal Pell Grant award as described under  
8 subparagraph (B) to allow only for treatment of  
9 an individual eligible applicant with a change in  
10 family income or family size.

11           “(E) LIMITATIONS.—

12           “(i) PART-TIME STUDENTS.—In any  
13 case where a student attends an institution  
14 of higher education on less than a full-time  
15 basis (including a student who attends an  
16 institution of higher education on less than  
17 a half-time basis) during any academic  
18 year, the amount of the Federal Pell Grant  
19 to which that student is entitled shall be  
20 reduced in proportion to the degree to  
21 which that student is not so attending on  
22 a full-time basis in accordance with a  
23 schedule of reductions established by the  
24 Secretary for the purposes of this clause,  
25 computed in accordance with this subpart.

1                   “(ii) COST OF ATTENDANCE.—No  
2                   Federal Pell Grant under this subpart  
3                   shall exceed the cost of attendance at the  
4                   institution at which that student is in at-  
5                   tendance.

6                   “(iii) INCARCERATION.—No Federal  
7                   Pell Grant shall be awarded under this  
8                   subpart to any individual who is incarcer-  
9                   ated in any Federal or State penal institu-  
10                  tion or who is subject to an involuntary  
11                  civil commitment upon completion of a pe-  
12                  riod of incarceration for a forcible or non-  
13                  forcible sexual offense (as determined in  
14                  accordance with the Federal Bureau of In-  
15                  vestigation’s Uniform Crime Reporting  
16                  Program).

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

18                  “(1) IN GENERAL.—The period during which a  
19                  student may receive Federal Pell Grants shall be the  
20                  period required for the completion of the first under-  
21                  graduate baccalaureate program of study being pur-  
22                  sued by that student at the institution at which the  
23                  student is in attendance, except that any period dur-  
24                  ing which the student is enrolled in a non-credit or  
25                  remedial program of study as defined in paragraph

1 (2) shall not be counted for the purpose of this para-  
2 graph.

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

6 “(A) programs of study which are non-  
7 credit or remedial in nature (including courses  
8 in English language instruction) which are de-  
9 termined by the institution to be necessary to  
10 help the student be prepared for the pursuit of  
11 a first undergraduate baccalaureate degree or  
12 certificate or, in the case of courses in English  
13 language instruction, to be necessary to enable  
14 the student to utilize already existing knowl-  
15 edge, training, or skills; or

16 “(B) programs of study abroad that are  
17 approved for credit by the home institution at  
18 which the student is enrolled.

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

22 “(4) EXCEPTIONS.—Notwithstanding para-  
23 graph (1), the Secretary may allow, on a case-by-  
24 case basis, a student to receive a basic grant if the  
25 student—

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

5           “(B) is enrolled or accepted for enrollment  
6 in a postbaccalaureate program that does not  
7 lead to a graduate degree, and in courses re-  
8 quired by a State in order for the student to re-  
9 ceive a professional certification or licensing  
10 credential that is required for employment as a  
11 teacher in an elementary school or secondary  
12 school in that State, except that this paragraph  
13 shall not apply to a student who is enrolled in  
14 an institution of higher education that offers a  
15 baccalaureate degree in education.

16           “(5) ANNUAL AWARD.—

17           “(A) IN GENERAL.—The period during  
18 which a student may receive Federal Pell  
19 Grants shall not exceed 12 semesters, or the  
20 equivalent of 12 semesters, as determined by  
21 the Secretary by regulation. Such regulation  
22 shall provide, with respect to a student who re-  
23 ceived a Federal Pell Grant for a semester and  
24 was enrolled on a less than full-time basis dur-  
25 ing that semester, that only a fraction of such

1 semester shall count towards the semester limit  
2 described in this subparagraph.

3 “(B) EXCEPTIONS FOR ACCELERATED  
4 COMPLETION.—

5 “(i) ACCELERATED COURSEWORK.—

6 An eligible student who completes  
7 coursework equivalent to one academic  
8 year before the end of an award year and  
9 has exhausted the Federal Pell Grant  
10 award funding for which that student is el-  
11 igible for such award year may receive all,  
12 or a portion of, the Federal Pell Grant  
13 funds that the student would otherwise be  
14 eligible to receive in the next award year to  
15 pay additional tuition and fees charged to  
16 the student due to enrolling in additional  
17 courses during such award year. A student  
18 who receives all, or a portion, of such Fed-  
19 eral Pell Grant funds for the next award  
20 year in accordance with this clause shall  
21 not have the amount of Federal Pell Grant  
22 funds reduced in that next award year due  
23 to such accelerated coursework.

24 “(ii) 2 PELL GRANTS IN A SINGLE  
25 AWARD YEAR.—

1                   “(I) 2 PELL GRANTS IN A SINGLE  
2                   AWARD YEAR.—In addition to the ex-  
3                   ception described in clause (i), the  
4                   Secretary shall award an eligible stu-  
5                   dent who has not completed  
6                   coursework equivalent to one aca-  
7                   demic year before the end of an award  
8                   year not more than 2 Federal Pell  
9                   Grants during a single award year to  
10                  permit such student to complete aca-  
11                  demic progress for that award year so  
12                  that the student may receive a degree  
13                  or certificate on time. Such eligible  
14                  student may earn academic credits ex-  
15                  ceeding the minimum number of cred-  
16                  its needed to maintain academic  
17                  progress toward receiving a degree or  
18                  certificate on time, if those credits are  
19                  earned in the course of pursuing aca-  
20                  demic progress for on time completion  
21                  of a degree or certificate.

22                  “(II) EXCEPTION TO ANNUAL  
23                  PELL GRANT LIMIT.—In the case of a  
24                  student receiving more than 1 Federal  
25                  Pell Grant in a single award year

1 under subclause (I), the total amount  
2 of Federal Pell Grants awarded to  
3 such student for the award year may  
4 exceed the maximum basic grant level  
5 calculated in accordance with sub-  
6 section (b)(2)(C)(i) for such award  
7 year, but shall not exceed an amount  
8 equal to 150 percent of such max-  
9 imum basic grant level.

10 “(III) INCLUSION IN DURATION  
11 LIMIT.—Any period of study covered  
12 by a Federal Pell Grant awarded  
13 under this clause shall be included in  
14 determining a student’s duration limit  
15 under subparagraph (A).

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

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

23 “(1) IN GENERAL.—Payments under this sec-  
24 tion shall be made in accordance with regulations  
25 promulgated by the Secretary for such purpose, in



1 such manner as will best accomplish the purpose of  
2 this section.

3 “(2) LIMITATIONS.—Any disbursement allowed  
4 to be made by crediting the student’s account shall  
5 be limited to tuition and fees and, in the case of in-  
6 stitutionally owned housing, room and board.

7 “(3) EXCEPTION.—A student may elect to have  
8 the institution provide other such goods and services  
9 by crediting the student’s account.

10 “(f) TREATMENT OF INSTITUTIONS AND STUDENTS  
11 UNDER OTHER LAWS.—Any institution of higher edu-  
12 cation which enters into an agreement with the Secretary  
13 to disburse to students attending that institution the  
14 amounts those students are eligible to receive under this  
15 subpart shall not be deemed, by virtue of such agreement,  
16 a contractor maintaining a system of records to accom-  
17 plish a function of the Secretary. Recipients of Federal  
18 Pell Grants shall not be considered to be individual grant-  
19 ees for purposes of subtitle D of title V of Public Law  
20 100–690.

21 “(g) INSUFFICIENT APPROPRIATIONS.—If, for any  
22 fiscal year, the funds appropriated for payments under  
23 this subpart are insufficient to satisfy fully all entitle-  
24 ments, as calculated under subsection (b) (but at the max-  
25 imum grant level specified in such appropriation), the Sec-

1   retary shall promptly transmit a notice of such insuffi-  
2   ciency to each House of the Congress, and identify in such  
3   notice the additional amount that would be required to  
4   be appropriated to satisfy fully all entitlements (as so cal-  
5   culated at such maximum grant level).

6       “(h) USE OF EXCESS FUNDS.—If, at the end of a  
7   fiscal year, the funds available for making payments under  
8   this subpart exceed the amount necessary to make the  
9   payments required under this subpart to eligible students,  
10  then all of the excess funds shall remain available for mak-  
11  ing payments under this subpart during the next suc-  
12  ceeding fiscal year.”.

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

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

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

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

19           (1) in section 451(a), by inserting “, and end-  
20   ing on the June 30 following the date of enactment  
21   of the Financial Aid Simplification and Trans-  
22   parency Act of 2015” after “during the period be-  
23   ginning July 1, 1994”; and

24           (2) by striking part F and inserting the fol-  
25   lowing:

1                   **“PART F—ONE LOAN PROGRAM**  
2 **“SEC. 470. LOANS TO STUDENTS AND FAMILIES FOR POST-**  
3                   **SECONDARY AND GRADUATE EDUCATION.**

4           “(a) PROGRAM AUTHORIZED.—

5                   “(1) IN GENERAL.—There are hereby made  
6 available, in accordance with the provisions of this  
7 part, such sums as may be necessary to make loans  
8 (including consolidation loans, as described in sub-  
9 section (f)) to all eligible students (and the eligible  
10 parents of such students) in attendance at partici-  
11 pating institutions of higher education, to enable  
12 such students to pursue their programs of study at  
13 such institutions during the period beginning on the  
14 July 1 after the date of enactment of the Financial  
15 Aid Simplification and Transparency Act of 2015.

16                   “(2) LOAN ORIGINATION.—Loans made under  
17 this part shall be made by participating institutions,  
18 or consortia thereof, that have agreements with the  
19 Secretary to originate loans, or by alternative origi-  
20 nators designated by the Secretary to make loans for  
21 students in attendance at participating institutions.

22           “(b) FUNDS FOR ORIGINATION.—

23                   “(1) IN GENERAL.—The Secretary shall pro-  
24 vide, on the basis of the estimated loan amount de-  
25 termined under subsection (e)(4) and the eligibility  
26 of students at each participating institution, and

1 parents of such students, for such loans, funds for  
2 student and parent loans under this part directly to  
3 an institution of higher education that has an agree-  
4 ment with the Secretary under subsection (d)(1) to  
5 participate in the student loan programs under this  
6 part and that also has an agreement with the Sec-  
7 retary under subsection (d)(2) to originate loans  
8 under this part.

9 “(2) NO ENTITLEMENT TO PARTICIPATE OR  
10 ORIGINATE.—No institution of higher education  
11 shall have a right to participate in the program au-  
12 thorized by this part, to originate loans, or to per-  
13 form any program function under this part. Nothing  
14 in this paragraph shall be construed so as to limit  
15 the entitlement of an eligible student attending a  
16 participating institution (or the eligible parent of  
17 such student) to borrow under this part.

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

24 “(4) INSTITUTIONS OUTSIDE THE UNITED  
25 STATES.—Loan funds for students (and parents of

1 students) attending institutions outside the United  
2 States shall be disbursed through a financial institu-  
3 tion located or operating in the United States and  
4 designated by the Secretary to serve as the agent of  
5 such institutions with respect to the receipt of the  
6 disbursements of such loan funds and the transfer of  
7 such funds to such institutions. To be eligible to re-  
8 ceive funds under this part, an institution outside  
9 the United States shall make arrangements with the  
10 agent designated by the Secretary under this para-  
11 graph to receive funds under this part.

12 “(c) SELECTION OF INSTITUTIONS FOR PARTICIPA-  
13 TION AND ORIGINATION.—

14 “(1) GENERAL AUTHORITY.—The Secretary  
15 shall enter into agreements pursuant to subsection  
16 (d)(1) with institutions of higher education to par-  
17 ticipate in the student loan program under this part,  
18 and agreements pursuant to subsection (d)(2) with  
19 institutions of higher education, or consortia thereof,  
20 to originate loans in such program, for academic  
21 years beginning on or after the July 1 after the date  
22 of enactment of the Financial Aid Simplification and  
23 Transparency Act of 2015. Such agreements for the  
24 academic year 2015–2016 shall, to the extent fea-

1       sible, be entered into not later than January 1,  
2       2015.

3               “(2) SELECTION CRITERIA.—

4                       “(A) APPLICATION.—Each institution of  
5       higher education desiring to participate in the  
6       student loan program under this part shall sub-  
7       mit an application satisfactory to the Secretary  
8       containing such information and assurances as  
9       the Secretary may require.

10                      “(B) SELECTION PROCEDURE.—The Sec-  
11       retary shall select institutions for participation  
12       in the student loan program under this part,  
13       and shall enter into agreements with such insti-  
14       tutions under subsection (d)(1), from among  
15       those institutions that submit the applications  
16       described in subparagraph (A), and meet such  
17       other eligibility requirements as the Secretary  
18       shall prescribe.

19               “(3) SELECTION CRITERIA FOR ORIGINATION.—

20                      “(A) IN GENERAL.—The Secretary may  
21       enter into a supplemental agreement with an  
22       institution (or a consortium of such institu-  
23       tions) that—

24                               “(i) has an agreement under sub-  
25       section (d)(1);



1           endar years immediately preceding the  
2           date of application;

3                   “(v) provides an assurance that such  
4           institution has no delinquent outstanding  
5           debts to the Federal Government, unless  
6           such debts are being repaid under or in ac-  
7           cordance with a repayment arrangement  
8           satisfactory to the Federal Government, or  
9           the Secretary in the Secretary’s discretion  
10          determines that the existence or amount of  
11          such debts has not been finally determined  
12          by the cognizant Federal agency; and

13                   “(vi) meets such other criteria as the  
14          Secretary may establish to protect the fi-  
15          nancial interest of the United States and  
16          to promote the purposes of this part.

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

21                   “(5) CONSORTIA.—Subject to such require-  
22          ments as the Secretary may prescribe, eligible insti-  
23          tutions of higher education (as determined under  
24          paragraph (4)) with agreements under subsection  
25          (d)(1) may apply to the Secretary as consortia to



1 originate loans under this part for students in at-  
2 tendance at such institutions. Each such institution  
3 shall be required to meet the requirements of para-  
4 graph (3) with respect to loan origination.

5 “(d) AGREEMENTS WITH INSTITUTIONS.—

6 “(1) PARTICIPATION AGREEMENTS.—An agree-  
7 ment with any institution of higher education for  
8 participation in the student loan program under this  
9 part shall—

10 “(A) provide for the establishment and  
11 maintenance of a student loan program at the  
12 institution under which the institution will—

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

16 “(ii) estimate the loan amount of each  
17 such student in accordance with subsection  
18 (e)(4)(A)(i);

19 “(iii) provide a statement that cer-  
20 tifies the eligibility of any student to re-  
21 ceive a loan under this part that is not in  
22 excess of the annual or aggregate limit ap-  
23 plicable to such loan, except that the insti-  
24 tution may, in exceptional circumstances  
25 identified by the Secretary, refuse to cer-

1           tify a statement that permits a student to  
2           receive a loan under this part, or certify a  
3           loan amount that is less than the amount  
4           the student may otherwise be eligible to re-  
5           ceive, as described in clauses (iii) and (iv)  
6           of subsection (e)(4)(B);

7                   “(iv) set forth a schedule for disburse-  
8                   ment of the proceeds of the loan in install-  
9                   ments, consistent with the requirements of  
10                  section 428G; and

11                   “(v) provide timely and accurate in-  
12                   formation concerning the status of student  
13                   borrowers (and students on whose behalf  
14                   parents borrow under this part) while such  
15                   students are in attendance at the institu-  
16                   tion and concerning any new information  
17                   of which the institution becomes aware for  
18                   such students (or their parents) after such  
19                   borrowers leave the institution, to the Sec-  
20                   retary for the servicing and collecting of  
21                   loans made under this part;

22                   “(B) provide assurances that the institu-  
23           tion will comply with requirements established  
24           by the Secretary relating to student loan infor-

1           mation with respect to loans made under this  
2           part;

3           “(C) provide that the institution accepts  
4           responsibility and financial liability stemming  
5           from its failure to perform its functions pursu-  
6           ant to the agreement;

7           “(D) provide for the implementation of a  
8           quality assurance system, as established by the  
9           Secretary and developed in consultation with in-  
10          stitutions of higher education, to ensure that  
11          the institution is complying with program re-  
12          quirements and meeting program objectives;

13          “(E) provide that the institution will not  
14          charge any fees of any kind, however described,  
15          to student or parent borrowers for origination  
16          activities or the provision of any information  
17          necessary for a student or parent to receive a  
18          loan under this part, or any benefits associated  
19          with such loan; and

20          “(F) include such other provisions as the  
21          Secretary reasonably determines are necessary  
22          to protect the interests of the United States  
23          and to promote the purposes of this part.

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

4                   “(A) supplement the agreement entered  
5                   into in accordance with paragraph (1);

6                   “(B) include provisions established by the  
7                   Secretary that are similar to the participation  
8                   agreement provisions described in subpara-  
9                   graphs (A)(v), (B), (C), (D), (E), and (F) of  
10                  paragraph (1), as modified to relate to the  
11                  origination of loans by the institution or consor-  
12                  tium;

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

16                  “(D) provide that the note or evidence of  
17                  obligation on the loan shall be the property of  
18                  the Secretary.

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

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

24                   “(1) PARALLEL TERMS, CONDITIONS, BENE-  
25                   FITS, AND AMOUNTS OF LOANS.—Unless otherwise

1 specified in this part, loans made to borrowers under  
2 this part shall have the same terms, conditions, and  
3 benefits as Federal Direct Unsubsidized Stafford  
4 Loans under part D made to borrowers and first  
5 disbursed on July 1, 1994.

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

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

10 “(B) an eligible graduate or professional  
11 student as defined in section 400(a); or

12 “(C) a parent or legal guardian of an eligi-  
13 ble student who is an undergraduate, as defined  
14 in section 400(a).

15 “(3) APPLICATION FOR LOANS.—Each eligible  
16 student (or the parent of such student) desiring to  
17 obtain a Federal loan under this part for any year  
18 shall file an application with the Secretary to deter-  
19 mine eligibility for a loan as described in section  
20 400A.

21 “(4) AMOUNT OF LOAN.—

22 “(A) IN GENERAL.—The amount of a loan  
23 disbursed by a participating institution under  
24 this section shall be the lesser of—

1                   “(i) an amount that is equal to the es-  
2                   timated loan amount, as determined by the  
3                   institution by calculating—

4                   “(I) the estimated cost of attend-  
5                   ance at the eligible institution; minus

6                   “(II)(aa) any estimated financial  
7                   assistance that the student will receive  
8                   from a Federal grant, including a  
9                   Federal Pell Grant, a State grant, an  
10                  institutional grant, or a scholarship or  
11                  grant from another source, that is  
12                  known to the institution at the time  
13                  the student’s determination of need is  
14                  made; and

15                  “(bb) in the case of a loan to a  
16                  parent, the amount of a loan awarded  
17                  under this part to the parent’s child;  
18                  or

19                  “(ii) the maximum Federal loan  
20                  amount for which such student is eligible  
21                  in accordance with subparagraph (B).

22                  “(B) LOAN LIMITS.—

23                  “(i) ANNUAL LIMITS.—Except as pro-  
24                  vided under clause (iv), the annual amount

1 of loans under this section that an eligible  
2 student may borrow shall be—

3 “(I) \$8,000, in the case of a stu-  
4 dent who is an undergraduate student  
5 attending a participating institution;  
6 and

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

10 “(ii) AGGREGATE LIMITS.—Except as  
11 provided under clause (iv), the maximum  
12 aggregate amount of loans under this sec-  
13 tion that an eligible student may borrow  
14 shall be—

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

18 “(II) \$150,000 in the case of a  
19 student who is a graduate or profes-  
20 sional student attending an eligible in-  
21 stitution, except that such aggregate  
22 limit shall not include any debt that  
23 the student incurred as an under-  
24 graduate.





1                   “(BB) subject to item  
2                   (bb), any proration or lim-  
3                   iting of loan amounts are  
4                   applied in the same manner  
5                   to all students enrolled in  
6                   the institution or program of  
7                   study.

8                   “(bb)     EXCEPTION.—Not-  
9                   withstanding item (aa)(BB),  
10                  upon the request of an individual  
11                  student, an institution (at the  
12                  discretion of a financial aid ad-  
13                  ministrator) may increase the an-  
14                  nual amount limit established  
15                  under this subclause for an indi-  
16                  vidual student if that student  
17                  demonstrates special cir-  
18                  cumstances.

19                  “(II)    INSTITUTIONAL    DETER-  
20                  MINED    INCREASES.—Notwithstanding  
21                  the annual loan limits described in  
22                  clause (i) and subject to subclause  
23                  (III), a participating institution may  
24                  increase the annual amount that grad-  
25                  uate and professional students en-

1 rolled in an identified program of  
2 study at that institution may borrow  
3 under this section and allow the an-  
4 nual amount to exceed such limit, if—

5 “(aa) the institution can  
6 reasonably demonstrate that stu-  
7 dents enrolled in a program of  
8 study have an increased need and  
9 should not be subject to the loan  
10 limitations described in clauses  
11 (i) and (iii); and

12 “(bb) any increase of loan  
13 amounts are applied in the same  
14 manner to all students enrolled  
15 in the institution or program of  
16 study.

17 “(III) LIMITATION ON INSTITU-  
18 TIONAL DETERMINED INCREASES.—  
19 An increase in the annual loan  
20 amount under subclause (II) shall not  
21 be for an amount that results in more  
22 than a 50 percent increase to the ag-  
23 gregate loan limit amount established  
24 under clause (ii)(II).

25 “(5) REPAYMENT.—



1                   tion if such loan is paid under a 10-  
2                   year repayment plan; and

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

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

13                         “**(I)** a repayment plan with a  
14                         fixed monthly repayment amount paid  
15                         over a fixed period of time, not to ex-  
16                         ceed 10 years; or

17                         “**(II)** an income-based repayment  
18                         plan under section 493C.

19                  “**(f)** **CONSOLIDATION LOANS.**—

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

22                                 “**(A)** another loan made under this part;

23                                 “**(B)** a loan described in section  
24                                 428C(a)(4) that was first disbursed before July  
25                                 1, 2010; or

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

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

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

11 **SEC. 7. EARLY AWARENESS OF FINANCIAL AID ELIGI-**  
12 **BILITY.**

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

15          “(c) EARLY AWARENESS.—

16               “(1) IN GENERAL.—Not later than 180 days  
17               after the date of enactment of the Financial Aid  
18               Simplification and Transparency Act of 2015, the  
19               Secretary shall develop and implement a plan to dis-  
20               seminate information about eligibility for Federal fi-  
21               nancial aid under title IV to local educational agen-  
22               cies and to middle and secondary schools that serve  
23               students at least 25 percent of whom are eligible for  
24               a free or reduced price school lunch under the Rich-

1       ard B. Russell National School Lunch Act (42  
2       U.S.C. 1751 et seq.).

3               “(2) RECOMMENDATIONS TO CONGRESS.—Not  
4       later than 365 days after the date of enactment of  
5       the Financial Aid Simplification and Transparency  
6       Act of 2015, the Secretary, in consultation with  
7       State educational agencies, local educational agen-  
8       cies, and the Secretary of Agriculture, shall make  
9       recommendations to Congress on ways to provide in-  
10      dividualized information about eligibility for Federal  
11      financial aid under title IV to elementary school and  
12      secondary school students who are eligible for a free  
13      or reduced price school lunch under the Richard B.  
14      Russell National School lunch Act (42 U.S.C. 1751  
15      et seq.).”.

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

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

19               (1) by repealing section 483;

20               (2) in section 484—

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

24                       (B) in subsection (b), by striking “other  
25                       than a loan under section 428B” and inserting

1 “other than a loan under part F, section  
2 428B,”;

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

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

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

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

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

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

24 (I) in subsection (q)(1), by striking “Fed-  
25 eral student financial aid application” and all

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

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

11 (4) in section 484B—

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

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

18 (C) in subsection (b)(3)(A)—

19 (i) by redesignating clauses (v)  
20 through (vii) as clauses (vi) through (viii);  
21 and

22 (ii) by inserting after clause (iv) the  
23 following:

24 “(v) To outstanding balances on loans  
25 made under part F for the payment period



1 or period of enrollment for which a return  
2 of funds is required.”;

3 (5) in section 485—

4 (A) in subsection (a)—

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

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

11 (B) in subsection (b)—

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

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

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

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

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

1 (D) in subsection (l)(1)—

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

13 (ii) in subparagraph (B), by striking  
14 “part B or D” and inserting “part B, D,  
15 or F”;

16 (6) in section 485B—

17 (A) by striking “parts D and E” and in-  
18 serting “parts D, E, and F” each place the  
19 term appears; and

20 (i) by striking “part B, D, or E” and  
21 inserting “part B, D, E, or F” each place  
22 the term appears;

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

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

4 **SEC. 9. TRANSITION PROVISION.**

5           The Secretary of Education shall take such actions  
6 as the Secretary determines to be appropriate to provide  
7 for the orderly transition from any authority to issue loans  
8 under part D of the Higher Education Act of 1965 (20  
9 U.S.C. 1087a et seq.) to any authority to issue loans  
10 under part F of the Higher Education Act of 1965, as  
11 amended by this Act.