

Comparison of Select Financial Aid/Student Loan Provisions in Legislative Packages to Address COVID-19
 (as of July 28, 2020 and is subject to updates)

	CARES Act (P.L. 116-136)	HEROES Act (H.R. 6800)	HEALS Act
	<i>Passed into law on March 27, 2020 (See: CGS Summary)</i>	<i>House Democrat proposal passed the House on May 15, 2020 (See: CGS summary)</i>	<i>Senate Republican proposal introduced on July 27, 2020 (See: CGS summary)</i>
<i>Higher Education Funding</i>	<p>Created the Education Stabilization Fund to support K-12 and higher ed.</p> <p>Total: \$30.75 billion for K-12 and higher ed.</p> <p>Portion for higher ed (Higher Education Emergency Relief Fund (HEERF)): \$13.9 billion (46%)</p> <ul style="list-style-type: none"> Requires at least 50% of each IHE’s HEERF share to go toward direct student financial support Remaining 50% could be used on IHE costs (or student financial support) <p><u>IHE Allocation Formula:</u> HEERF allocations for each IHE based on a formula that proportions the amount by weighting: 75% based on FTE Pell Grant recipients not enrolled</p>	<p>Created the State Fiscal Stabilization Fund to support K-12 and higher ed.</p> <p>Total: \$90 billion for K-12 and higher ed.</p> <p>Portion for higher ed: \$36.7 billion (30%)</p> <ul style="list-style-type: none"> For public IHEs and can be used to cover student financial need and institutional costs <p>An additional \$10.15 billion set aside for other IHEs in need, including those fully online.</p> <p><u>IHE Allocation Formula:</u> Allocations for each public IHE based on total headcount, rather than FTE of both Pell Grant and non-Pell Grant recipients, who</p>	<p>Provides \$105 billion for the existing Education Stabilization Fund.</p> <p>Total: \$105 billion for K-12 and higher ed.</p> <p>Portion for higher ed: \$29 billion (28%) reserved for HEERF created through CARES Act</p> <ul style="list-style-type: none"> No stipulation on what portion of an IHE’s allocation must be spent on student financial support vs. institutional costs. <p><u>IHE Allocation Formula:</u> HEERF allocations for each IHE based on a formula that proportions the amount by weighting: 90% based on FTE Pell Grant recipients not exclusively</p>

Student Loans

<p>exclusively online, and 25% based on FTE non-Pell Grant recipients not enrolled exclusively online.</p> <p><u>Funding for HBCUs, MSIs:</u> \$1.05 billion</p>	<p>were not enrolled exclusively online prior to the pandemic.</p> <p>Restricts Sec. of Dept. of Ed. from imposing any restrictions or defining a student for the purposes of CARES Act and HEROES Act other than their enrollment status at an IHE (to prevent restricting access to emergency grant aid to students).</p> <p><u>Funding for HBCUs, MSIs:</u> \$1.7 billion</p>	<p>enrolled online, and 10% based on FTE non-Pell Grant recipients not enrolled exclusively online.</p> <p>Does not address student eligibility re: receiving grant aid.</p> <p>Likely lower allocations for IHEs that paid endowment tax in 2019. Aid received can only be spent on student needs.</p> <p><u>Funding for HBCUs, MSIs:</u> \$2.9 billion</p>
<p><u>Loan Repayment:</u> Suspends borrowers' payments on Federal Direct loans through September 30, 2020.</p> <p><u>Interest Accrual:</u> Suspends interest accrual on federal loans through September 30, 2020 and garnishment of wages, Social Security, and tax refunds for borrowers in default during this period.</p>	<p><u>Loan Repayment:</u> Would extend suspension of repayment and interest accrual on FEEL-program federal loans and Perkins Loans retroactively to give them the same considerations as federal loans in CARES Act.</p> <p>Extends suspension of federal loan repayment in CARES Act through September 30, 2021.</p> <p><u>Interest Accrual:</u> Extends suspension of interest accrual on federal loans through September 30, 2021.</p>	<p><u>Loan Repayment:</u> Streamlines to two repayment plan options:</p> <ol style="list-style-type: none"> 1. Standard 10-year 2. Income Driven Repayment (IDR) that limits repayment to 10% of discretionary income. above 150% of the federal poverty level. If earnings less than 150% and no income, payment = \$0. <p>Undergraduate debt forgiven after 20 years of payments; graduate debt after 25 years. Parent PLUS loans would be ineligible for IDR plan.</p>

Student Financial Aid

<p><u>Public Service Loan Forgiveness (PSLF):</u> Temporary suspension of federal student loan repayment would still allow for non-payments through September 30, 2020, to count as qualifying payments for PSLF.</p>	<p><u>Loan Forgiveness:</u> Provides up to \$10,000 in federal <u>and</u> private student debt relief for “economically distressed” borrowers (terms & conditions apply).</p> <p><u>Public Service Loan Forgiveness (PSLF):</u> Borrowers may consolidate loans while maintaining previous payments towards 120 threshold.</p>	<p>Does <u>not</u> extend suspension of loan repayment and interest accrual included in the CARES Act.</p> <p><u>Public Service Loan Forgiveness (PSLF):</u> Borrower may not remain eligible for PSLF if they switch from IDR to standard repayment plan, and any monthly payments made prior to switching would <u>not</u> qualify towards 120 monthly payments.</p>
<p><u>Federal Work Study (FWS):</u> Allows IHEs to continue making FWS payments to students through the fall, even if students are unable to perform their work due to COVID-19.</p> <p><u>Supplemental Educational Opportunity Grants and FWS:</u> Allows an institution to use SEOG funding to be dispersed as emergency aid for both undergraduate and graduate students.</p> <p><u>TEACH Grants:</u> Waives requirement that years of service must be consecutive if disrupted due to COVID-19.</p>	<p><u>Federal Work Study (FWS):</u> Extends flexibility granted through CARES Act to allow IHEs to continue making payments to students through the fall, even if students are unable to perform their work due to COVID-19.</p>	<p><u>Federal Work Study (FWS):</u> Extends flexibility granted through CARES Act to allow IHEs to continue making payments to students into 2020-2021 award year, even if students are unable to perform their work due to COVID-19.</p>

Unemployment Benefits in Relation to Students
 (See: [CGS Summary on Unemployment Benefits in CARES Act](#))

<p><u>Pandemic Unemployment Assistance (PUA):</u> Dept. of Labor guidance dated April 27 notes that students may be eligible for PUA if unable to work due to COVID-19.</p> <p><u>Federal Pandemic Unemployment Compensation (FPUC):</u> Provides an additional \$600/week on top of unemployment benefits to eligible individuals. Those receiving PUA would be eligible.</p> <p><u>Pandemic Emergency Unemployment Compensation (PEUC):</u> Provides additional 13 weeks of unemployment benefits to individuals who have exhausted regular unemployment benefits.</p> <p>With respect to graduate student eligibility for the provisions, students should be aware of their eligibility at the state level as well.</p>	<p>Allows students who are receiving or have applied for unemployment benefits to be treated as a dislocated worker at the time which they apply for their FAFSA.</p> <p>Requires the Dept. of Ed. to work with IHEs to ensure students are aware of their eligibility for, and benefits allowed to them.</p> <p>Would extend FPUA compensation of \$600 through January 31, 2021. Currently set to expire July 31, 2020.</p>	<p>Would extend supplemental unemployment compensation at a rate of \$200/week, rather than \$600/week (PUA), through October 5, 2020.</p>
<p>Tax Provisions</p> <p>Expands Sec. 127 to include student loan repayment up to \$5,250/year made by an employer to the employee on any qualified education loan as a tax-free benefit.</p>	<p><u>Taxability of emergency grant aid:</u> Exempts emergency grant aid provided through CARES Act and HEROES Act from taxable income.</p>	<p><u>Taxability of emergency grant aid:</u> Exempts emergency grant aid provided through CARES Act from counting as taxed or untaxed income EFC analysis for the current or future award years.</p>