



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

NOV 8 2005

DCL ID: GEN-05-17

Subject: Notice of waiver of Title IV grant repayment for students affected by a disaster

Summary: This letter announces the waiver of student Title IV grant repayments due in accordance with the Return of Title IV Aid requirements for students affected by a disaster.

Dear Colleague:

The Pell Grant Hurricane and Disaster Relief Act (Public Law 109-66) and the Student Grant Hurricane and Disaster Relief Act (Public Law 109-67) were enacted on September 21, 2005. These laws amend the Higher Education Act of 1965, as amended (HEA), to permit the Secretary to waive a student's Title IV grant repayment if the student withdrew from an institution of higher education because of a major disaster.

Section 484B of the HEA prescribes the "Return of Title IV Aid" requirements, which address the disposition of Title IV funds when a student withdraws from an institution during a payment period or period of enrollment. Section 484B(b)(2) of the HEA requires a student who withdraws during a payment period or period of enrollment to repay 50 percent of any unearned Title IV grant funds that are not required to be repaid by the institution. The Secretary hereby exercises her authority under Public Laws 109-66 and 109-67 and waives a student's Title IV grant overpayment otherwise due under the Return of Title IV Aid requirements if the student withdrew because of a disaster under the following conditions:

- The student was residing in, employed in, or attending an institution that is located in an area in which the President has declared that a major disaster exists;
- The student withdrew because of the impact of the disaster on the student or the institution; and
- The student's withdrawal occurred within the academic year during which the designation as a major disaster occurred or during the next succeeding academic year.

For purposes of this waiver, a "major disaster" must have been declared by the President in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170). Major disaster designations are available by date of declaration on the Federal Emergency Management Agency's (FEMA) Web site at <http://www.fema.gov/news/disasters.fema>.

This waiver applies to student withdrawals occurring within an institution's academic year or the following academic year, beginning with any academic year that occurs, in whole or in part, within the 2005-2006 award year (July 1, 2005-June 30, 2006).

If a student's grant overpayment has been waived in accordance with this guidance, an institution is not required to notify the student or the National Student Loan Database System (NSLDS) of the overpayment, or refer any portion of the overpayment to the Department. In addition, an institution must not apply any Title IV credit balance to pay down the grant overpayment.

An institution must document in the student's file the application of this waiver as well as the amount of any overpayment that has been waived.

For additional information on the Return of Title IV Aid requirements, please refer to Chapter 2, Volume 5, "Overawards, Overpayments, and Withdrawal Calculations" in the Federal Student Aid Handbook, available at <http://ifap.ed.gov>.

If you have questions about any of the information contained in this letter, please contact the FSA Customer Service Call Center. The Center staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Standard Time) at 1-800-433-7327. After hours, calls are accepted by an automated voice response system. Callers leaving their name and phone number receive a return call the next business day. You may also send an inquiry by facsimile to the Customer Service Call Center at (202) 260-4199, or e-mail one to fsa_customer_support@ed.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sally Stroup".

Sally Stroup
Assistant Secretary
Office of Postsecondary Education