

**Issue 5**

**Proposed Regulatory Language**

**Team II - School-based Loan Issues**

**Origin:** HEOA section 488(a)  
**Issue:** Information and Dissemination  
Activities  
**Statutory cites:** HEA section 485(a)  
**Regulatory cites:** §668.42  
**DCL GEN-08-12 cite:** Page 95  
**Status:** Tentative agreement reached

**Regulatory language:**

**§ 668.42 Financial assistance information.**

(a) (1) Information on financial assistance that the institution must publish and make readily available to current and prospective students under this subpart includes, but is not limited to, a description of all the Federal, State, local, private and institutional student financial assistance programs available to students who enroll at that institution.

(2) These programs include both need-based and non-need-based programs.

(3) The institution may describe its own financial assistance programs by listing them in general categories.

**(4) The institution must describe the terms and conditions of the loans students receive under the Federal Stafford Loan Family Education Loan Program, the William D. Ford Federal Direct Student Loan Program, and the Federal Perkins Loan Program.**

(b) For each program referred to in paragraph (a) of this section, the information provided by the institution must describe—

(1) The procedures and forms by which students apply for assistance;

(2) The student eligibility requirements;

(3) The criteria for selecting recipients from the group of eligible applicants; and

(4) The criteria for determining the amount of a student's award.

(c) The institution ~~shall~~ **must** describe the rights and responsibilities of students receiving financial assistance and, specifically, assistance under the title IV, HEA

programs. This description must include specific information regarding—

(1) Criteria for continued student eligibility under each program;

(2) (i) Standards which the student must maintain in order to be considered to be making satisfactory progress in his or her course of study for the purpose of receiving financial assistance; and

(ii) Criteria by which the student who has failed to maintain satisfactory progress may re-establish his or her eligibility for financial assistance;

(3) The method by which financial assistance disbursements will be made to the students and the frequency of those disbursements;

(4) The terms of any loan received by a student as part of the student's financial assistance package, a sample loan repayment schedule for sample loans and the necessity for repaying loans;

(5) The general conditions and terms applicable to any employment provided to a student as part of the student's financial assistance package; and

(6) ~~The institution shall provide and collect exit~~ Exit counseling information ~~the institution provides and~~

collects as required by 34 CFR 674.42 for borrowers under the Federal Perkins Loan Program, by 34 CFR 685.304 for borrowers under the William D. Ford Federal Direct Student Loan Program, and by 34 CFR 682.604 for borrowers under the Federal Stafford Loan Program; and.

~~—— (7) The terms and conditions under which students receiving Federal Family Education Loan or William D. Ford Federal Direct Loan assistance may obtain deferral of the repayment of the principal and interest of the loan for~~

~~(i) Service under the Peace Corps Act (22 U.S.C. 2501);~~

~~(ii) Service under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951); or~~

~~(iii) Comparable service as a volunteer for a tax-exempt organization of demonstrated effectiveness in the field of community service.~~

~~(Approved by the Office of Management and Budget under control number 1845-0022)~~

~~(Authority: 20 U.S.C. 1092)~~

~~[51 FR 43323, Dec. 1, 1986. Redesignated and amended at 64 FR 59067, Nov. 1, 1999]~~

**Issue 5**

**Amendatory Language**

**Team II - School-based Loan Issues**

§668.42 [Amended]

x. Section 668.42 is amended by:

A. In paragraph (a) (1), removing the word "student's" and adding, in its place, the word "students".

B. In paragraph (a), adding a new paragraph (4).

C. In paragraph (c) introductory text, removing the word "shall" and adding, in its place, the word "must".

D. In paragraph (c) (5), adding the word "and" after the punctuation ";".

E. In paragraph (c) (6), removing the words "The institution shall provide and collect exit counseling information" and adding, in their place, the words "The exit counseling the institution provides and collects".

F. In paragraph (c) (6), removing the punctuation and word "; and" and adding, in their place, the punctuation ".".

G. In paragraph (c), removing paragraph (7).

The additions and revisions read as follows:

(a) (1) Information on financial assistance that the institution must publish and make readily available to current and prospective students under this subpart includes, but is not limited to, a description of all the Federal, State, local, private and institutional student financial assistance programs available to students who enroll at that institution.

\* \* \* \* \*

(4) The institution must describe the terms and conditions of the loans students receive under the Federal Family Education Loan Program, the William D. Ford Federal Direct Student Loan Program, and the Federal Perkins Loan Program.

\* \* \* \* \*

(c) The institution must describe the rights and responsibilities of students receiving financial assistance and, specifically, assistance under the title IV, HEA programs. This description must include specific information regarding--

\* \* \* \* \*

(5) The general conditions and terms applicable to any employment provided to a student as part of the student's financial assistance package; and

(6) The exit counseling information the institution provides and collects as required by 34 CFR 674.42 for borrowers under the Federal Perkins Loan Program, by 34 CFR 685.304 for borrowers under the William D. Ford Federal Direct Student Loan Program, and by 34 CFR 682.604 for borrowers under the Federal Stafford Loan Program.