

# Consolidated Appropriations Act, 2012



Topic	Current Provisions	New Provisions	Effective Date	Implications/Considerations
<b>Ability to Benefit</b>	Students without a high school diploma or its equivalent may be eligible for Title IV assistance if they demonstrate the ability to benefit from the educational opportunity via various means: Completing six credit hours or their equivalent, passing an approved ATB test.	Students without a high school diploma or its equivalent are ineligible for Title IV funds.	July 1, 2012, for students who first enroll in a program of study on or after that date.	<p>Students who are admitted without a high school diploma or its equivalent will be ineligible for Title IV funds and therefore will need to seek alternative (state and/or private) financing. As a result, some schools may choose to examine and modify their admissions policies as well as their financial aid policies.</p> <p>This change appears to affect only new students enrolling in their first postsecondary program of study.</p> <p>Students who completed a home-schooling curriculum are considered to have received a high school diploma or its equivalent and remain eligible for Title IV.</p>
<b>Pell Grant</b>				
<b>Maximum Grant</b>	\$5,550	Unchanged: \$5,550	Award year 2012-2013	The changes do not eliminate provisions that will allow for changes to the maximum Pell Grant based on a cost-of-living index increase.
<b>Minimum Grant</b>	10% of the maximum award. Students who qualify for at least 5% but less than 10% receive 10% of the maximum amount.	Students will need to qualify for a minimum of 10% of the maximum amount to receive any 2012-2013 Pell Grant funds. Those who qualify for less than 10% will be ineligible for Pell Grant funds.	Award year 2012-2013	<p>Students who qualify for less than 10% of the maximum scheduled award will be ineligible for Pell Grant funds. This means that some students who previously were eligible for lesser sums of Pell Grant funds no longer will be eligible and will need to seek alternative funding to make up the difference.</p> <p>This change means that an Expected Family Contribution of 4,995 is the maximum EFC that a student's Institutional Student Information Record/ Student Aid Report can reflect for that student to be eligible for Pell Grant funding.</p> <p>The Department's system initially will calculate Pell Grant eligibility based on prior-year figures. Thus, the initial Pell Grant scheduled award for some students will be incorrect. ED will later reprocess that eligibility based on a revised EFC and issue revised ISIRs.</p>

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Lifetime Pell Grant Limit	18 semesters of scheduled awards.	12 semesters of scheduled awards.	July 1, 2012	12 semesters generally would equal four to six years of undergraduate enrollment.  A student who attends a semester as a half-time student is "counted" as having used only half of a semester for purposes of tracking the Pell Grant limits.
<b>Federal Work-Study and Federal Supplemental Educational Opportunity Grant</b>	FWS FY 2011 Appropriation: \$978,531,000.  FSEOG FY 2011 Appropriation: \$735,990,000.	Reduced appropriations.  FWS FY 2012 Appropriation: \$976,682,979.  FSEOG FY 2012 Appropriation: \$734,599,576.	Award year 2012-2013	Based on an across-the-board cut, FWS funding will be reduced by approximately \$1.8 million and FSEOG funding by approximately \$1.4 million, compared with fiscal 2011 levels.
<b>Stafford Loans</b>	Students are eligible for a federal subsidy of the interest on their subsidized Stafford loans during in-school, grace and periods of authorized deferment.	Students who receive subsidized Stafford loans on and after July 1, 2012, and prior to July 1, 2014, must pay interest that accrues during the grace period. If not paid, the accrued interest will be capitalized (added to the principal balance of the loan).	July 1, 2012, through June 30, 2014	Many students will enter repayment with higher loan balances based on the capitalization of interest accrued during the grace period.  Loan servicers will need to disclose this new loan term to students with existing valid Master Promissory Notes.  Loan servicers will need to amend loan servicing systems.  Schools will need to amend loan counseling materials and resources.
<b>Automatic-Zero EFC</b>	\$30,000 AGI adjusted for inflation.	\$23,000 AGI adjusted for inflation.	Award year 2012-2013	Fewer students will meet the automatic-zero Expected Family Contribution threshold. These students will be eligible for fewer Title IV dollars, most particularly for need-based student financial assistance, such as Pell Grants and subsidized Stafford loans.  The FAFSA on the Web and the 2012-2013 FAA Access to the CPS online websites have been updated to the new automatic-zero sums.