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## The Higher Education Opportunity Act



The Higher Education Opportunity Act became law in 2008. The Act reauthorizes the Higher Education Act of 1965 for another six years, and includes many other provisions intended to improve college affordability, access, and accountability.

### Reasons for passage

According to Congressional notes accompanying the Act, a college education continues to be the best path to the middle class. But rising prices and other obstacles are putting a college degree further out of reach for many Americans. The Act's purpose is to make it easier for qualified students to attend college.

### A new comprehensive website

In an effort to make college costs more transparent, the Act directs the Department of Education to create a new user-friendly website that will list up-to-date information on individual college pricing, including tuition and fees for the current year, average price of attendance after grant aid, recent price increases, and changes in per-student spending, among other items.



(In an effort to control higher education costs, the Act requires colleges with the largest increases in tuition and fees each year to explain the reason for those increases to the Department of Education.)

The website will also include calculators that students can use to estimate their expected college costs based on income and family data, and to estimate the annual and total cost of attending a particular college.

The idea behind the website is to make it easier for students and their families to compare college costs in an apples-to-apples way in one central location. The hope is that this cost information will help students in the college selection process.

### Textbook costs

To address the rising costs of textbooks and discourage the practice of "bundling," in which textbook publishers package books with often expensive supplementary



materials like workbooks, DVDs, or CDs, the Act requires college textbook publishers to provide colleges with full price information on both bundled textbooks and unbundled alternatives. This information can then be passed on to students. In addition, publishers will be required to sell unbundled versions of every bundled textbook they sell, allowing students to purchase only the exact items they need.

### A simpler financial aid application

For many, filling out the federal government's financial aid application, the FAFSA, is almost as bad, or worse, than filling out their tax return. In an effort to make the FAFSA less complex and encourage more families to apply for federal student aid, the Act directs the Department of Education to streamline the FAFSA over the next five years by reducing the number of questions from the current one hundred plus.

*According to Congress, the FAFSA in its current form is excessively long and confusing--students and their families deserve a consumer-friendly and efficient college loan application process.*

The Act also provides a new two-page FAFSA-EZ form for low-income students, and simplifies the

FAFSA reapplication process. In addition, the Act encourages the Department of Education and the IRS to work together to use information that the government has from an applicant's federal tax forms, such as income and asset information.

A new calculator will also allow students and their families to obtain an estimate of their expected family contribution (based on family income and asset information) in the years before they officially submit the FAFSA.

### Expanded Pell Grant and work-study

The Pell Grant is the federal government's largest financial aid gift program for undergraduate students (graduate students aren't eligible). As a way to expand college access, the Act increases the maximum Pell Grant from \$5,800 to \$9,000 per academic year. And for the first time, the Pell Grant will be available year-round, not just for the fall and spring semesters.

The Act also expands the community service opportunities available under the federal work-study program. This program helps colleges pay the wages of eligible undergraduate and graduate students who work part-time to help pay for college.

## Graduate PLUS loans

The Act creates a six-month grace period for repayment of all graduate student PLUS loans (called GradPLUS loans) disbursed after July 1, 2008. Under prior law, borrowers under the GradPLUS program had to begin repaying their loans as soon as they were no longer enrolled at least part-time. With the new six-month grace period, the Act gives GradPLUS borrowers the same benefit as other student loan borrowers. During the grace period, interest on the loan continues to accrue and is capitalized (i.e., is added to the loan amount).

## Increased aid for military families

In recognition of the service and sacrifice of military members, the Act creates a new scholarship program for active duty military personnel and their family members, including spouses and children of active duty military servicemembers or veterans. The Act also allows the child of a member of the Armed Forces who died in Iraq or Afghanistan after September 11, 2001, to receive the maximum Pell Grant.

In addition, the Act establishes support centers to help veterans succeed in college and graduate school, and ensures fairness in student aid and housing for veterans to make it possible for them to attend college while also fulfilling their military service duties.

## Student loan literacy

The Act includes many provisions intended to promote student loan literacy and to provide students and their families with full and fair information about their different loan options. The Act requires lenders offering private loans to inform students of their federal borrowing options, and prohibits private loan lenders from charging fees to students who want to pay off their loans early. Private lenders must



also fully disclose the terms and conditions of their loans in at least three different stages of the loan application process.

On the college side, the Act requires institutions to fully disclose all relationships with lenders, and bans all gifts and revenue sharing agreements between schools and lenders offering

federal or private loans. The Act also requires that all student loan exit counseling be done with the school's involvement, and requires all students to be informed of all possible loan repayment options.

## Loan forgiveness

To address the rising student loan debt burden and encourage students to choose vital public service jobs, the Act authorizes up to \$10,000 in loan forgiveness for public school teachers, nurses, public defenders, prosecutors, firefighters, military servicemembers, first responders, law enforcement officers, and others serving the public interest.

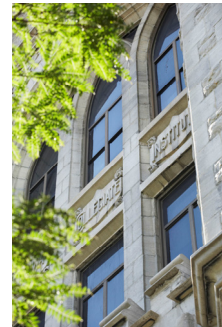


## Opportunities for disabled students

In an effort to ensure college opportunities for students with disabilities, the Act establishes a national center that will provide support services and other information to colleges, and to students with disabilities and their families. The Act also helps colleges recruit students with disabilities and improves education materials and facilities.

## Campus initiatives

To save on energy costs, the Act encourages colleges to adopt sustainable and energy-efficient practices. Toward that goal, the Act creates a grant program to help colleges design and implement such practices, and, for the first time, convenes a higher education summit that will examine ways to implement energy-efficient practices on the nation's college campuses.



In addition, the Act targets college disaster plans by including provisions intended to help all colleges develop and implement state-of-the-art emergency systems and campus safety plans. The Act also requires the Department of Education to develop and maintain a disaster plan in preparation for emergencies, and establishes a National Center for Campus Safety at the Department of Justice.

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