



UNITED STATES DEPARTMENT OF EDUCATION

THE UNDER SECRETARY

October 28, 2016

Honorable Patty Murray
United States Senate
Washington, DC 20510

Dear Senator Murray:

Thank you for your letter to Secretary John B. King, Jr., regarding the restoration of Federal Pell Grant eligibility for students who attended institutions that closed while they were pursuing their degrees or certificates. I have been asked to respond on his behalf, and I am pleased to do so. The Department agrees that this is a critical policy initiative that will help to ensure more students are able to complete their degrees even after their schools close.

In 2008, Congress restricted Federal Pell Grant eligibility so that a student could receive the grant for no more than 18 semesters or the equivalent. At that time, the provision was prospective and grandfathered students who had previously received Pell Grants. In 2012, Congress lowered the restriction to 12 semesters or the equivalent, and removed the grandfathering provision. That provision was retroactive, effectively applying the restriction to all Pell Grant recipients beginning with the 2012-2013 award year (Section 401(c)(5) of the Higher Education Act, as amended (HEA)).

Following receipt of your letter, the Department analyzed Section 437(c)(3) of the HEA. This section indicates that the period of a student's attendance at an institution at which the student was unable to complete a course of study due to the closing of the institution is not considered in calculating the student's period of eligibility for additional Title IV aid.

The Department has not previously restored Pell Grant eligibility across the board for any subset of students, including students whose institutions closed. However, as a result of our analysis, we will restore Pell Grant eligibility to students who were unable to complete a course of study due to the closing of an institution. This policy is expected to benefit several thousand students immediately who were at or near their lifetime limit, as well as more students whose institutions might close moving forward, and those who hadn't reached their limits but who will be able to go back to school if they choose. We are working to determine, and will implement, the necessary operational changes to implement this policy. We are also exploring the best ways to communicate this restoration to make students and institutions aware. It is our further intention to establish a process that may be used in the event of future institutional closings that similarly affect students.

Page 2

I would like to thank you for raising this issue and look forward to continuing to work with you and your staff as we make these changes and communicate them to students and institutions. If you have any questions about this letter please have your staff contact Lloyd Horwich, Assistant Secretary for the Office of Legislation and Congressional Affairs, at 202-401-0020.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell", with a stylized, cursive script.

Ted Mitchell