

AASF~~A~~
Executive Board Meeting Minutes
October 11, 2005
Holiday Inn Select – Huntsville, Alabama

Present: President Buddy Jackson; President-Elect Jonna Moses Gibson; Vice President Ben Baker; Treasurer Charles Markle; Treasurer-Elect Lissa Burlison; Secretary Donna Bass. Also present James Berry, Suzanne Bush, Melinda Calhoun, Linda Casey, Samuel Chuckwuemeka, Shannon Cross, Lora Kiser, Dan Miller, Cheryl Newton, Joel Paris, Chip Quisenberry, Mike Reynolds, Don Rhodes, Anthony Richey, Carol Supri, Dee Talley, Bill Wall, Joan Waters, Andy Weaver

I. Call to Order

President, Buddy Jackson, called the meeting to order at 4:10 p.m. Buddy thanked everyone and welcomed everyone who was in attendance. He then requested that everyone limit their presentation to 5 minutes.

II. Minutes

Buddy reported that the minutes were posted on the website for the June 16th Executive Board Meeting, held at the The Legends in Prattville, Alabama. Charles Markle moved that the minutes be approved and the motion was seconded by Jonna Moses Gibson. The board unanimously approved the minutes of the meeting.

III. Officers Reports

President

Buddy reported that this had been a very active year so far. He and Chip Quisenberry attended the SASFAA transition Meeting on June 9th – 12th in St. Petersburg, Florida. On June 16th and 17th he attended the AASF~~A~~ annual transition meeting held at The Legends at Capitol Hill, Prattville, Alabama. On July 2nd – 6th he attended the NASFAA 2005 annual meeting in New York City.

Buddy requested that everyone try to attend the SASFAA Annual Conference in Greensboro, NC on February 12th-15th, 2006 at the Sheraton Four Season's Hotel. He also stated that our NASFAA Fall Training 2005 session will be November 18th, 2005 in Montgomery, Alabama at the RSA Union Building room 192 and encouraged everyone to attend.

Buddy reported that much of his time had been spent dealing with Hurricane Katrina. Because of this disaster, Alabama schools have helped students from Louisiana and Mississippi transition into our institutions. He stated that he was very thankful that our schools in the Alabama Gulf Region only experienced water and wind damage and no lives were lost. They were up and running within ten days of the disaster. He further thanked all the schools in Alabama for opening their doors and hearts to these displaced students and families.

Buddy thanked everyone who served on the Fall 2005 Conference Committees and stated he was very excited about the conference. He stated that the Local Arrangements Committee, Program Committee and New Attendees would have a colored dot on their name badge for identification. He requested that everyone speak to the New Aid Officers and make them feel welcome.

IV. President Elect

Jonna Moses Gibson thanked Joel Parris for his work as Co-Chair of this years Fall Conference and Andy Weaver for all his work as Local Arrangements Committee. She then gave a special thank you to Lora Kiser for all her work on this years fall conference, she went over and beyond as she always does.

V. Vice President

Ben Baker reported that he and Clark Aldridge attended the training session for the NASFAA Fall Workshop on September 25-26, 2005 at the Sheraton national Hotel in Washington, DC. The topic of this year's workshop is Administrative Capability. The NASFAA Fall Workshop will be held on Friday, November 18, 2005 at the RSA Union Building Conference Room at 100 North Union Street in Montgomery, Alabama. The Meeting will begin at 9:00 a.m. and is expected to continue until 3:30 p.m.

Ben also reported that the New Aid Officer's Workshop held in conjunction with the AASF AA Fall Conference is scheduled for 9:00 a.m. on Wednesday morning, October 12, 2005. The topics and the presenters for the workshop include Satisfactory Academic Progress by Fred Stennis, Verification by Diana Jones and Award Packaging by Ellen Canada. He stated that there were 28 persons signed up for the workshop.

VI. Past President

Chip Quisenberry stated that he has solicited the membership for names of persons interested in running for SASFAA office at the February 2006 SASFAA meeting. As of this date, he has received no responses.

Chip stated that he will begin soliciting names for the AASF AA elected office at this conference. The election will be held at the Spring 2006 Conference in Orange Beach. He requested that members who are interested in running, or if you know of someone who is interested, please let him know as soon as possible.

Chip requested that members send him the names of our colleagues and other whom you think are worthy of nomination for the Padgett and Buchanan awards. He thanked Dee Talley for filling in for him and representing AASF AA at the SASFAA Nominations and Elections Committee meeting on October 7-9 in Greensborro, NC.

VII. Treasurer-elect

Lissa Burleson presented the 2005-2006 AASF AA Budget Proposal for consideration and approval. A new line item has been added, Item Number 11 – Hurrican Katrina Donations.

Motion made by Ben Baker to accept budget as presented, Charles Markle seconded the motion. Motion passed unanimously.

VIII. Treasurer

Charles Markle reported that AASF AA has received \$2,055 in annual dues, 186 registrations have been received for the Fall Conference, and \$8,150 in registration fees. Lora Kiser has invoiced 47,950 in Lender Sponsorships for the Fall 2005 conference and AASF AA has received \$39,035. \$3,750 in-kind contributions were paid directly by lenders for conference services. Total received to date from annual dues, conference registrations, and sponsorships is \$49, 240.

Charles reported that all members have been reimbursed for expenses submitted and all bills received are paid including

AASF AA Scholarships for \$1000 each:

William Wall – Candace Thompson, Chattahoochee Valley CC

Theresa Duke – Caren Hold Nowlin, Jefferson State CC

Bill Gentry – Will Garganus, Beville State CC

Floyd Johnston – Gary Brooks, Lurleen B. Wallace CC

Shirley Spear – Remington College

Computer, Printer, Cables, Wireless Mouse and Photo Supplies

Charles stated that AASF AA owns five Certificate of Deposits totaling \$134,893.65. The AASF AA checking account is balanced and the checking total is \$78,008.14. AASF AA's Net Worth is \$212, 901.79 and includes \$10,500 in donations to AASF AA for the Hurricane Katrina Victims.

IX. Committee Reports

Archives

Mike Reynolds reported that he had one box of items that included old photos and programs. He asked the board for guidance on what needed to be done to preserve these items? He stated that he found the missing NASF AA Banner. It was discussed that Archives should be keeping copies of all the old programs and pictures and that they should be kept in a safety deposit box. Buddy Jackson requested that that Mike check into purchasing a safety deposit box for the Archives.

By-Laws

Carol Supri stated that she had made the additions and deletions as recommended at the Transition Meeting. The By-Laws Committee will continue to work to make the By-Laws and Policy and Procedures more alike. Motion to approve the By-Laws as presented was made by Ben Baker and seconded by Charles Markle. Motion unanimously approved and will be presented to the Members at the Business Meeting for approval by the members.

Diversity

Dr. Samuel O. Chucks reported that the Diversity Committee had met and had developed their two goals and objectives and presented them to the committee. Dr. Chuks stated that the Committee would like to have a diversity round table discussion and a diversity speaker at the next conference.

Fall Conference

Joel Parris stated that he had no written report. The program this year is SPACE Setting Priorities and Committing to Excellence. Joel stated that there are 6 minority members and presenters for this years Conference and Committee. Joel thanked Lora Kiser for all her help this year. There will be three levels of training and Debra Tarpley with the US Department of Education will be presenting the Federal Update and the Q& A.

Fall Local Arrangements

Andy Weaver thanked Joel Parris, Jonna Moses Gibson and Lora Kiser for all their work on this year's conference. He stated that the outing will be to the Space Center, including a private tour, an IMAX movie and dinner. Busses will leave the lobby at 5:45 p.m. Andy reported that the

Honorarium for the Banquet will be \$200. There will be an Auction at the banquet to raise money for the AASFAA Scholarship Fund.

Finance and Audit

Karen Gibson was not present to give report.

Legislative Relations – National & State

Melinda Calhoun gave a comparison of Senate Bill 1614, the Higher Education Amendments of 2005 and House Bill 609, the College Access and Opportunity Act. This comparison will be posted on the AASFAA Website for members to review.

ACHE Liaison

Cheryl Newton reported that ASAP was approved and received a 100% increase in funding by the Legislature. Cheryl also reported that after three (3) consecutive years in ineligibility to participate in federal funding, this program has been approved for the LEAP funding for this award year. Disbursements will be made in accordance to the Schedule of Events for each program to all institutions that have submitted all of the appropriate information.

Lender Liaison

Don Rhoads reported that Student Loan industry is preparing for the reauthorization of the Higher Education Act of 1965 and that certain issues and prospective changes will pertain directly to the lending community. Some of the important issues that could be important are: loan limits, origination fees, consolidation loan program, interest rate changes and school as lender programs. The final bill coming out of committee hearing should be voted on by the end of the year.

Don also reported that he plans to poll the Lender Representatives during the conference and at their sector meeting to see if there are any State specific issues.

Long-Range Planning

Dee Tally reported that the Long Range Planning Committee were required to review goals and objectives by the Spring Meeting. They will review the year end reports of the Committees and the effectiveness of the Committees. The Long Range Planning Committee will develop a format for the year end reports and present it to the Executive Board for approval.

Buddy reminded each Executive Board member and Committee Chair that he requested two goals and objectives to be submitted to him at the Transition Meeting and reminded everyone to get these reports to him as soon as possible.

Membership

Linda Casey reported that as of today there are 137 paid members. The goal of the membership committee is to have the database updated within a reasonable amount of time after the fall conference. Linda reported that the membership committee will send e-mails to the AASFAA members when the information is ready to review.

Discussion was held regarding who should contact the members directly and it was determined that postcards will be mailed out by Nelnet by February 4, 2006, then AASFAA will mail the postcards from that point forward.

Policies and Procedures

Bill Wall reported that the Policy and Procedure manual continues to be a work in progress. All approved changes and a complete listing of the referenced attachments that need to be inserted in the Appendices will be posted on the website. Bill stated that he will continue to work with the By-laws Coordinator, Carol Supri, to ensure that there is consistency in the information included in the By-laws and the Policy and Procedure Manual.

Postsecondary Liaison

Michelle Sylvester was not present. Buddy stated that Michelle has taken Pebblin Warren's position and requested that we all welcome her to the association.

Publications

Anthony Richey stated that the Newsletter was posted on October 10th. He thanked everyone for their reports.

Public Relations/Photographer

Joan Waters reported there were approximately 160 pictures made and displayed throughout the spring conference. Since there were only six (6) photos left on the last day, it appears this is a highly successful service to the association members.

Site Selection

Dan Miller reported that the Fall 2007 site selection has been delayed by the impact of Hurricane Katrina, but plans are in place to visit two of the Robert Trent Jones facilities – The Shoals at Florence and Ross Bridge in Hoover. The Perdido Beach Resort is our site again for Spring 2006. In December, Dan will begin the search for the Spring 2007 and begin to check out completion dates and meeting space availability around Alabama's Gulf Coast. Dan reminded everyone that the site for the Fall 2006 conference is the Dixon Hotel and Conference Center in Auburn.

Special Projects

James Berry requested each financial aid administrator to email him regarding college day programs held. He will give his report at the Spring Conference.

Spring Conference

Shannon Cross reported that the Spring Conference committee will be meeting in January to begin planning the activities for our conference on April 12-14, 2006. The conference will be held at the Perdido Beach Resort again this year in Orange Beach, AL.

Spring Local Arrangements

Jonna Moses Gibson stated that she will be meeting with Linda Calvanese after the Fall Conference.

Two Year College Concerns

Suzanne Bush reported that twenty-one (21) members were present at the spring conference meeting held in April. Minutes were taken and then distributed to all two-year representatives. Michelle Dexter Sylvester was emailed specifically to invite her to the Two Year Concern's meeting. Suzanne reported that the members will determine what objectives the Two-Year college concerns committee would like to complete during the upcoming year.

Vendor Sponsor

Lora Kiser reported that we have 37 exhibitors attending this Fall conference. A total of \$51,700 has been contributed by the vendors to make this conference a success. Lora requested that each of the members personally thank the vendor sponsors for their contribution.

Webmaster

Jennifer Cosens was not present.

X. Old Business

None

XI. New Business

Buddy reported that AASF AA Scholarship Applications for Students displaced by Hurricane Katrina have been prepared. Students may apply for the \$300.00 to assist with expenses of a displaced student. Lissa Burleson will receive the forms and money will be issued to the student on a first come first serve basis. Awards will be up to the Aid Administrator at each school. Forms must be mailed to Lissa, no fax copies will be accepted. Motion was made by Ben Baker to adopt the application presented and made a motion to give \$1000 from AASF AA to the Scholarship Fund. Charles Markle moved to give \$5000. Chip Quisenberry seconded the motion to adopt the application and give \$5000 to the scholarship fund. Motion carried unanimously.

There being no further business, meeting adjourned at 6:10 p.m.

Submitted by:

Donna Bass
AASF AA Secretary 2005-2006



EDUCATION FINANCE COUNCIL

Comparison of S. 1614, the Higher Education Amendments of 2005¹
&
H.R. 609, the College Access and Opportunity Act²
As Reported By Each Committee

S. 1614

H.R. 609

Loan Limits

Increases annual loan limits for Stafford loans (FFEL and Direct) as follows:

- Subsidized borrowers - Year one from \$2,625 to \$3,500
- Subsidized borrowers -Year two from \$3,500 to \$4,500
- Unsubsidized graduate borrowers – from \$10,000 to \$12,000
- Aggregate limits remain unchanged
- Permits graduate and professional students to borrow under the PLUS program
 - Retains the adverse credit provisions for these borrowers
- Retains the 60 day repayment start date for these borrowers (PLUS)

For new loans made on or after July 1, 2007:

- increase year one from \$2,625 to \$3,500
- increase year two from \$3,500 to \$4,500
- increase unsubsidized annual limits for graduate borrowers from \$10,000 to \$12,000
- Aggregate limits remain unchanged

Interest Rate

Permits the fixed interest rate scheduled to take effect on July 1, 2006 to take place

- Stafford loans made on or after July 1, 2006 will be at 6.8%
- Increases the PLUS fixed interest rate for loans made on or after July 1, 2006 from 7.9% to 8.5%

Retains variable interest rates for all borrowers for all loans after July 1, 2006

Provides for a fixed rate option for consolidation loan borrowers on or after July 1, 2006.

- The rate will be calculated at the 91-day T-Bill plus 3.3 percent, capped at 8.25 percent.
- Borrowers will be charged a .50 percent origination fee

¹ The general effective date for amendments under S. 1614, unless otherwise specified, is July 1, 2006.

² The general effective date for amendments under H.R. 609, unless otherwise specified is date of enactment.

S. 1614

H.R. 609

Special Allowance

SAP gaps corrected

Floor income must be returned as provided for in the House bill

- Floor returned for loans made on or after **April 1, 2006** and for SAP payments made on or after **April 1, 2006**

Taxpayer Teacher Protection Act provisions made permanent; NO retroactive change, current recycling terms remain intact.

For loans made on or after July 1, 2006, requires the return of excess interest when the lender rate is lower than the borrower rate

Repeals (retroactively) ability to bill 9.5 percent on recycled loans within eligible pre-1993 tax exempt financings (as of 10-1-05)

Makes permanent the provisions of the *Taxpayer Teacher Protection Act*

Insurance/Reinsurance

Lender insurance is reduced from 98 percent to 97 percent effective for loans made on or after January 1, 2006

No change to guarantor reinsurance -- remains at 95%

Exceptional Performer provisions are repealed.

Reduces insurance to lenders on defaulted loans from 98 percent to 96 percent

Reduces reinsurance to guaranty agencies from 95 percent to 93 percent

Reduces insurance on defaulted loans from exceptional performers from 100 percent to 98 percent and reforms the methodology and requirements to obtain exceptional performer designation

Insurance Fee

Guarantor insurance fee now called "guaranty agency origination fee"

The bill requires the collection of the fee for deposit into the agency's Federal Fund

Explicitly allows the agency to pay that fee from the Operating Fund

These changes are effective for loans disbursed on or after **April 1, 2006**

Guarantor insurance fee now called the "Federal default fee" and must be charged by all guarantors, VFA's included

Indicates intent to have the default fee paid from the borrower's proceeds

S. 1614

H.R. 609

Consolidation Loans

Single holder rule repealed in its entirety

Consolidation loan interest rate remains fixed at the weighted average of loans consolidated

Lender origination fee increased from .50% to 1.0% for new consolidation loans made on or after **April 1, 2006**

Lenders must disclose to borrowers the effects on Perkins benefits that could be lost as a result of consolidation, including loan forgiveness, interest free periods and the specific occupations for which Perkins loans may be forgiven.

Single holder rule repealed

Institutes a notification requirement for the borrower to inform current holder of intent to consolidate

Requires consolidators to provide detailed disclosures to borrowers before they consolidate (institutions must do so at exit interview) so borrowers know what the effect of consolidation may be, including loss of other benefits, increased total interest cost over time, as well as their ability to cancel the loan.

Repeals in-school consolidation

Tightens up the super two step process

Lines up eligibility requirements for DL and FFELP

Default Prevention

Reduces the number of consecutive monthly payments required for rehabilitation out of default from 12 to 9

Permits GAs to continue to charge and retain 18.5% collection costs on rehabilitated loans

Requires guarantors to remit to the federal government 8.5% of that (i.e. of the 18.5%) on loans consolidated rather than rehabilitated out of default (on or after October 1, 2006)

On or after October 1, 2009, GAs must remit to the Secretary the entire amount charged with respect to each defaulted loan that is paid off with excess consolidation proceeds.

Excess consolidation proceeds means with respect to any guarantor on or after October 1, 2009, the proceeds of consolidation of defaulted loans under this title that exceed 45% of the agency's total collections on defaulted loans in such Federal fiscal year.

Where appropriate, as determined by the IHE in which the borrower is enrolled, GAs administering satisfactory repayment programs must include financial and economic educational materials available to the borrower.

Reduces the required 12 on-time monthly payments for rehabilitation to 9 on time monthly payments within 10 months

Encourages rehabilitation vs. consolidation out of default. For loans that are rehabilitated, guaranty agencies may retain the full 18.5 percent

For loans that are rehabilitated guaranty agencies may retain the full 18.5 percent

On or after October 1, 2006, GA's must remit to the federal government 8.5% (of the 18.5%) on loans consolidated out of default rather than rehabilitated out of default.

On or after October 1, 2009, GAs must remit to the Secretary the entire amount charged with respect to each defaulted loan that is paid off with excess consolidation proceeds.

Excess consolidation proceeds means with respect to any guarantor on or after October 1, 2009, the proceeds of consolidation of defaulted loans under this title that exceed 45% of the agency's total collections on defaulted loans in such Federal fiscal year.

S. 1614

H.R. 609

Origination fees

No reduction or phase down of borrower origination fees

Explicit permission for the Secretary to reduce origination fees in the direct loan program.

- States the Secretary may charge no less than 1% or no more than 3% (repealing the current “shall charge 4%”)
- “Shall” is changed to “is authorized to”
- Requires the Secretary to charge Federal Direct PLUS loan borrowers an origination fee of 4%.

Reduces origination fees over time in both FFELP and Direct Loans.

Institutes a mandatory one percent insurance premium, now called a Federal default fee.

Therefore in combination with the reduction in origination fees, borrowers in both programs will be paying a 1 percent fee by July 1, 2010

In the Direct Loan Program, the Secretary will be prohibited from providing incentive options until the borrower enters repayment

School as Lender

Institutes a “moratorium” on schools acting as lenders (i.e., no new schools)

Requires schools to have met all requirements before August 31, 2005, and to have made loans on or before 8/31/05

Requires schools to hold the loans until the borrower enters grace

Requires all proceeds from participation to be used for need based grant assistance

Requires this grant aid to supplement not supplant other Federal, State and institutional aid

Allows for “reasonable” administrative expenses

Makes clear schools may only lend under the subsidized and unsubsidized FFEL program, PLUS is not included

Schools may only lend to graduate and professional borrowers enrolled at that institution

Clarifies that all funds derived from the school as lender program must be applied to need based aid at that institution

States origination fees and/or interest rates offered must be less than that required within the HEA

An annual audit must be completed and sent to the Secretary

458 Mandatory Administrative Account

Increases the annual funding levels for the 458 account

Increases the funding levels for the guaranty agency account maintenance fee set aside within 458

Provides level funding for account in terms of payment available to the Department of education, i.e. \$600 million a year.

Provides slight increase to funding levels for the guaranty agency account maintenance fee set aside within the 458 account.

S. 1614

H.R. 609

Deferments

Provides for up to three years in a military deferment while the borrower is on active duty or other national emergency, or while performing qualifying National Guard duty during war, military operation or national emergency

Deferment is provided for FFELP, DL and Perkins

Effective for loans for which the first disbursement is made on or after July 1, 2001 to new borrowers

Reinstates the three-year deferment option for active duty military.

Deferment is provided for FFELP, DL and Perkins

Effective for loans for which the first disbursement is made on or after July 1, 1993 to a new borrower

Reporting/Disclosure

Requires reporting to all national credit bureaus

- Information is to include the type of loan made, insured or guaranteed as well as information pertaining to the repayment status of the loan

Lenders, holders and servicers "shall" provide detailed information to borrower on loan benefit repayment options offered, including decreases in interest rates including limitation to such options, how the benefit may be lost, how it may be reinstated and examples of the impact of the interest reduction on repayment terms and amount as well as the effect on the borrower's payoff amount.

Each eligible lender, holder or servicer subject to the Gramm-Leach-Bliley (GLB) Act shall only use, release, disclose, sell, transfer or give student information, including name, address, social security number or amount borrowed by a borrower or borrower's parent, in accordance with the provisions within the GLB.

Requires lenders to report to ALL national credit bureaus

S. 1614

H.R. 609

Other Provisions

Teacher loan forgiveness provisions of *Taxpayer Teacher Protection Act*, i.e. \$17,500 in forgiveness, made permanent

Institutional “extenders” reinstated and made permanent (single disbursement of two term loans and waiver of 30-day delayed disbursement for schools with default rates of less than 10%)

Provides for the use of the Master Promissory Note (MPN) for both FFELP and Direct Loans

Increases the income protection allowance for dependent students to \$3,000

Expands eligibility for “auto-zero” and simplified needs analysis to families with incomes at or below \$20,000

Extends the discharge provisions of death, and disability to those loans falsely certified as a result of identity theft

Disbursement of loan funds to students attending foreign institutions must be sent to the institution unless requested by that institution to be sent to the borrower

Lenders may, if requested by institutions, confirm borrower eligibility status via NSLDS

Corrects the term “pre-claim assistance” to “default aversion”

Guarantors shall, working with institutions of higher education, develop educational programs and materials to provide training for students in budgeting, financial management, debt management and other aspects of financial literacy. There is no prohibition against utilizing existing programs to fulfill this requirement.

Income contingent repayment (ICR) for public service employees

Forgives the balance of ICR borrowers who have made 120 payments AND are employed (and had been for the 10 year period) in a public sector job including full time emergency management, government, public safety, law enforcement, public health, education and public interest legal services.

Corrects the drug provision

Moves the 90/10 provision for proprietary institutions to the program participation agreement.

Makes permanent teacher loan forgiveness provision found in H.R. 5186

Reinstates the two school “extenders,” i.e. those institutions with low default rates (10% or below) may be exempt from the 30 day delay in disbursing to new borrowers and from the multiple disbursement rule for a single term loan

Expands a discretionary loan forgiveness program to cover areas of national need

Provides for a two-year interest only repayment option

Eases burden on borrowers seeking a total and permanent disability discharge

Eliminates the three-times rule for graduated repayment plans

Corrects the drug provision to affect only those students who are enrolled, receiving title IV aid and who are convicted of a drug offense as provided for in the HEA

Provides a reallocation formula for campus based funds

Institutes a “single definition” of institution of higher education institutions

Moves the 90/10 rule to the program participation agreement from its current location within the eligible institution definition

Ensures fairness for students wanting to transfer earned credit from one institution to another

S. 1614

H.R. 609

New Grant Programs

Much of the savings realized as a result of this reconciliation bill will go to the grant programs outlined below. These grants are stated as “provisional” or temporary and will utilize more than \$5 billion of the savings in this bill.

- Provisional Grant Assistance Program (ProGAP)
- Awarded in the same manner as Pell Grants, only to Pell eligible students
- May not exceed Cost of Attendance
- Sunsets in 2010
- The Secretary determines Grant amount by a calculation provided for in the bill.

National Smart Grants

- Allocated for Science and Math
- Students must be
 - Pell eligible
 - In 3rd or 4th year of study at an institution of higher education and in a major in math, science, technology or engineering or in foreign languages as determined by the Secretary in conjunction with the Director of National Intelligence, as being critical
 - Award will be up to \$1,500 per academic year
 - Institutions are permitted to add matching funds to this program from private sources
 - Total funding for National Smart Grants is limited to \$200 million per fiscal year.

S. 1614

H.R. 609

Some non-reconciliation provisions

Pell Grants

Increases the authorized annual maximum grant amount as follows”

- \$5,100 for academic year 2006-2007
- \$5,400 for academic year 2007-2008
- \$5,700 for academic year 2008-2009
- \$6,000 for academic year 2009-2010 and
- \$6,300 for academic year 2010-2011

Changes the minimum grant of \$400 to a calculation of 10% of the maximum grant appropriated for that academic year

Provides for year round Pell for both 2 and 4-year institutions

Limits to 18 semesters, or its equivalent as determined by the Secretary, the time frame for which Pell may be received

Repeals “tuition sensitivity” provision

Increases the authorization level for the annual maximum Pell grant to \$6,000

Limits a student’s receipt of a Pell grant to 18 semesters or 27 quarters

Prohibits involuntarily confined sex offenders from receiving Pell grants

Provides for year round Pell for both 2 and 4-year institutions.

Repeals “tuition sensitivity” provision

Distance Education

Relaxes the 50% rule for distance education

Institution must not have been subject to limitation or termination or suspension in the previous five years

The institution must not have had or fail to resolve an audit finding in the past 2 years (specifics of such audit findings found in the bill)

Repeals the “50% rule” as it pertains to distance education

S. 1614

H.R. 609

College Cost

Expands college cost data that must be made available to the public

Creates a Higher Education Cost Index

Requires the Secretary to revamp the COOL website and create a "College Consumer Profile" where institutional data will be reported in an effort to provide better consumer information to students and families

Institutes a college cost index