

JAN 14 2002

EDUCATION

HOUSE FILE 2013
BY WARNSTADT

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act authorizing the college student aid commission to waive or
2 modify statutory or regulatory provisions applicable to state
3 financial aid programs for affected students in the event of a
4 national emergency.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2013

1 Section 1. NEW SECTION. 261.6 RESPONSE TO NATIONAL
2 EMERGENCY -- WAIVER AUTHORITY.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 a. "Active duty" means "active duty" as defined in 10
6 U.S.C. § 101(d)(1), except that the term does not include
7 active duty for training or attendance at a service school.

8 b. "Affected individual" means an individual who is
9 serving on active duty during the national emergency; or who
10 resides or is employed in an area that is declared a disaster
11 area by any federal, state, or local official in connection
12 with the national emergency; or who suffered direct economic
13 hardship as a result of the national emergency, as determined
14 under a waiver or modification issued pursuant to this
15 section.

16 c. "Serving on active duty during the national emergency"
17 means any of the following individuals:

18 (1) A reserve of an armed force ordered to active duty
19 under 10 U.S.C. § 12301(a), 12301(g), 12302, 12304, or 12306,
20 or any retired member of an armed force ordered to active duty
21 under 10 U.S.C. § 688, as amended, for service in connection
22 with the emergency or subsequent actions or conditions,
23 regardless of the location at which the active duty service is
24 performed.

25 (2) Any other member of an armed force on active duty in
26 connection with the emergency or subsequent actions or
27 conditions who has been assigned to a duty station at a
28 location other than the location at which the member is
29 normally assigned.

30 2. Notwithstanding any other provision of this chapter, in
31 the event of a national emergency declared by the president of
32 the United States by reason of terrorist attack, the
33 commission may waive or modify any statutory or regulatory
34 provision applicable to state financial aid programs
35 established pursuant to this chapter to ensure, with regard to

1 affected individuals, that the following occurs:

2 a. The financial positions of affected individuals who are
3 state student loan borrowers are not worsened in relation to
4 those loans because of their status as affected individuals.

5 b. Administrative requirements placed on state student
6 loan borrowers are minimized, to the extent possible, without
7 impairing the integrity of the student loan programs, to ease
8 the burden on these borrowers and to avoid inadvertent
9 technical violations or defaults.

10 c. The calculation of "annual adjusted family income" and
11 "available income", as used in the determination of need for
12 student financial assistance under 20 U.S.C. § 1070 et seq.,
13 for affected individuals, or, if applicable, for the spouses
14 or dependents of affected individuals, may be modified to mean
15 the sums received in the first calendar year of the award year
16 for which the determination is made, in order to reflect more
17 accurately the financial condition of the affected individuals
18 or their families.

19 3. Notwithstanding any other provision of this chapter, in
20 the event of a national emergency declared by the president of
21 the United States by reason of terrorist attack, the
22 commission may grant temporary relief from requirements
23 rendered infeasible or unreasonable, including due diligence
24 requirements and reporting deadlines, by the national
25 emergency, to an institution of higher education under the
26 state board of regents, a community college, an accredited
27 private institution as defined in section 261.9, eligible
28 lenders, and other entities participating in the state student
29 assistance programs in accordance with this chapter, that are
30 located in, or whose operations are directly affected by,
31 areas that are declared disaster areas by any federal, state,
32 or local official in connection with the national emergency.
33 If the commission issues a waiver in accordance with this
34 section, the report prepared by the commission pursuant to
35 section 17A.9A, subsection 5, shall include examples of

1 measures that a postsecondary institution may take in the
2 appropriate exercise of discretion, as provided in 20 U.S.C. §
3 1087tt, to adjust financial need and aid eligibility
4 determinations for affected individuals.

5 4. This section shall not be construed as a requirement
6 that the commission exercise the waiver or modification
7 authority provided pursuant to this section on a case-by-case
8 basis.

9 EXPLANATION

10 This bill authorizes the college student aid commission to
11 waive or modify, for individuals and entities specified in the
12 bill, any statutory or regulatory provision applicable to the
13 state financial aid program in the event of a national
14 emergency declared by the president of the United States by
15 reason of terrorist attack.

16 Under the bill, the waivers or modifications may be issued
17 for "affected individuals", defined as individuals who are
18 serving on active duty during the national emergency; or who
19 reside or are employed in an area declared a disaster area by
20 any federal, state, or local official in connection with the
21 national emergency; or who suffered direct economic hardship
22 as a result of the national emergency. The commission may
23 issue waivers or make modifications to ensure, with regard to
24 affected individuals, that state student loan borrowers are
25 not worsened in relation to those loans, administrative
26 requirements placed on state student loan borrowers are
27 minimized to ease their burdens and avoid inadvertent
28 technical violations or defaults, and the calculations used to
29 determine financial need for affected individuals or their
30 families may be modified to reflect more accurately the
31 financial condition of the affected individuals or the
32 affected individuals' families.

33 The bill also allows the commission to grant temporary
34 relief from requirements rendered infeasible or unreasonable
35 by the national emergency, to postsecondary education

1 institutions, eligible lenders, and other entities
2 participating in the state student assistance programs located
3 in, or whose operations are directly affected by, areas that
4 are declared disaster areas by any federal, state, or local
5 official in connection with the national emergency.

6 The bill does not require that the authority granted the
7 commission be exercised on a case-by-case basis.

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