



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

June 19, 2017

GEN-17-06

Subject: Implementation of Year-Round Pell Grants

Summary: This letter describes a change to the Federal Pell Grant Program that allows an eligible student to receive up to 150 percent of the student's Federal Pell Grant Scheduled Award for an award year beginning with the 2017–2018 award year.

Dear Colleague:

Section 401(b)(8) of the Higher Education Act of 1965 (HEA), as added by section 310 of the Department of Education Appropriations Act, 2017 (Title III of Division H of P.L. 115-31, the Consolidated Appropriations Act, 2017), allows a student to receive Federal Pell Grant (Pell Grant) funds for up to 150 percent of the student's Pell Grant Scheduled Award for an award year. This provision is effective beginning with the 2017–2018 award year.

Additional Pell Grant Award Eligibility

To be eligible for the additional Pell Grant funds, the student must be otherwise eligible to receive Pell Grant funds for the payment period and must be enrolled at least half-time, in accordance with 34 CFR 668.2(b), in the payment period(s) for which the student receives the additional Pell Grant funds in excess of 100 percent of the student's Pell Grant Scheduled Award.

For a student who is eligible for the additional Pell Grant funds, the institution must pay the student all of the student's eligible Pell Grant funds, up to 150 percent of the student's Pell Grant Scheduled Award for the award year. Note that the provisions of the new law state that any Pell Grant received will be included in determining the student's Pell Grant duration of eligibility and Lifetime Eligibility Used (LEU) in accordance with section 401(c)(5) of the HEA (also see Dear Colleague Letter GEN-13-14).

Crossover Payment Periods

A crossover payment period is one that includes both June 30 and July 1 overlapping two award years. If a student enrolls in a crossover payment period, the institution must consider the crossover payment period to occur entirely within one award year and must have a valid Student Aid Report (SAR) or valid Institutional Student Information Record (ISIR) for the selected award year. The choice of which award year the institution assigns to a crossover payment period ("header" or "trailer") can be made on a student-by-student basis, and the crossover payment period may be assigned to a different award year than the award year used for the

400 MARYLAND AVENUE, S.W., WASHINGTON, DC 20202  
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student's other Title IV aid for that period. See Volume 3 of the Federal Student Aid Handbook for additional information on crossover payment periods.

As noted, this provision is effective beginning with the 2017–2018 award year. Thus, an eligible student who is enrolled in the summer 2017 crossover payment period that the institution assigned to the waning 2016–2017 award year may not receive Pell Grant funds beyond 100 percent of the student's Pell Grant Scheduled Award for the 2016–2017 award year. However, a student who has exhausted his or her Pell Grant eligibility for the 2016–2017 award year and who is enrolling in the summer of 2017 should receive a Pell Grant award for summer based on their 2017–2018 Pell eligibility because the student will have additional eligibility later in the 2017–2018 award year.

Although institutions have the flexibility to assign crossover payment periods to either of the relevant award years, the new law provides that an institution must make the assignment “as it determines is most beneficial to students.” Therefore, that decision should be based on what is in the best interest of the student and maximizes the student's eligibility over the two award years.

#### Transfer Students

Beginning with the 2017–2018 award year, a student who transfers into a different academic program or to a different institution may receive additional Pell Grant funds if the student is otherwise eligible, has remaining Pell eligibility up to 150 percent of the student's Pell Grant Scheduled Award for the new program or new institution, and is enrolled at least half-time in the payment period(s) for which the student receives the additional Pell Grant funds.

#### Pell Grant Scheduled Award and Additional Pell for the Same Payment Period

An institution must follow the normal rules for awarding and disbursing Title IV aid when calculating the additional Pell Grant award for the payment period.

A payment period may include awards from both the initial Pell Grant Scheduled Award and from the additional Pell Grant award. When the calculated award for a payment period is greater than the remaining balance of an initial Pell Grant Scheduled Award, the award for the payment period is that remaining balance plus an amount from the additional Pell Grant award for the award year. (See the example in the chart that follows)

Scenario: Student's Pell Grant Scheduled Award* is \$5,370 based on an expected family contribution (EFC) of 550 and a cost of attendance (COA) of \$10,590		
Summer 2017 (assigned to the 2017–2018 award year) Three-quarter time	Fall 2017 Full-time	Spring 2018 Full-time
Award Amount \$2,014	Award Amount \$2,685	Award Amount \$2,685
37.5046% of the Pell Grant Scheduled Award	50.0000% of the Pell Grant Scheduled Award	50.0000% of the Pell Grant Scheduled Award**
87.5046% of the Pell Grant Scheduled Award received (37.5046% + 50.0000%)		
<p>*Pell Grant Scheduled Award is the amount that a full-time student would receive under the Pell Grant Payment Schedule, for a full academic year based on the student's EFC and COA.</p> <p>**The additional Pell Grant award cannot exceed 50% of a student's Pell Grant Scheduled Award. In this example, the 50% is made up of 12.4954% (\$671) remaining from the initial Pell Grant Scheduled Award and 37.5046% (\$2,014) from the additional Pell Grant award. The student has 12.4954% (\$671) remaining from the additional Pell Grant award for the 2017–2018 award year. If the student had used up 100% of his Pell Grant Scheduled Award for Summer 2017 and Fall 2017, the entire Spring 2018 award amount would be from the additional Pell Grant award.</p> <p>Institutions are not required to separately track the percentage used from the initial Pell Grant Scheduled Award and from the additional Pell Grant award but may combine the amounts and must submit as one amount for reporting to the Common Origination and Disbursement System (COD).</p>		

Impact on the Iraq and Afghanistan Service Grant Program

The new law also applies to the Iraq and Afghanistan Service Grant Program.

COD Reporting

Additional information about editing and reporting requirements for the COD System and EDEXpress will be provided in subsequent communications that will be posted to the Information for Financial Aid Professionals website at <https://ifap.ed.gov/ifap/>.

If you have questions about the guidance provided in this letter, please contact Federal Student Aid's Research and Customer Care Center Staff. Staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Time) at 1-800-433-7327. After-hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may e-mail the Care Center at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov).

Sincerely,

Kathleen A. Smith  
Acting Assistant Secretary for the  
Office of Postsecondary Education