

Dear School Owners and Financial Aid Personnel,

Some students and schools are asking about the handling of Pell in payment periods crossing from 11-12 to 12-13. The "greater payment" rule can force a crossover PP to a specific AY even though it reduces the total Pell the student can get when you look at all PPs in an enrollment.

There is no discretion about using the "greater payment" rule. Last year schools were given a waiver from the "greater payment" rule, but it was limited to crossovers in 2011. **There is speculation about the possibility of a new waiver for this year, but at the moment the "greater payment" rule must be used.**

Below is the Code of Federal Regulations text of the "greater payment" rule and the Dear Colleague Letter text of the waiver granted last year.

Please read this important information.

Thank you,

Rafael Gonzalez, President
R. Gonzalez Management, Inc.
3560 S. La Cienega Blvd., Ste. E
Los Angeles, CA 90016
(323) 730-8700 ext. 239

This is the CFR citation for the "greater payment" rule:

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Title 34: Education
PART 690-FEDERAL PELL GRANT PROGRAM
Subpart F-Determination of Federal Pell Grant Awards

§ 690.64 Calculation of a Federal Pell Grant for a payment period which occurs in two award years.

If a student enrolls in a payment period that is scheduled to occur in two award years-

(a) The entire payment period must be considered to occur within one award year;

(b)(1) An institution must assign the payment period to the award year in which the student receives the greater payment for the payment period based on the information available at the time that the student's Federal Pell Grant is initially calculated;

(2) The institution must reassign the payment to the award year providing the greater payment if the institution receives information that the student would receive a greater payment for the payment period by reassigning the payment to the other award year-

(i) Subsequent to the initial calculation of the student's payment for the payment period; and

(ii) Not later than the deadline date for the first award year that the Secretary establishes through publication in the Federal Register for each award year; and

(3) The institution may reassign the payment to the award year providing the greater payment if the institution receives information that the student would receive a greater payment for the payment period by reassigning the payment to the other award year-

(i) Subsequent to the deadline date established in paragraph (b)(2) of this section; and

(ii) Not later than the deadline date for the first award year for administrative relief based on unusual circumstances that the Secretary establishes through publication in the Federal Register for each award year;

(c) If an institution places the payment period in the first award year, it shall pay a student with funds from the first award year; and

(d) If an institution places the payment period in the second award year, it shall pay a student with funds from the second award year.

(Approved by the Office of Management and Budget under control number 1845-NEW5)

(Authority: 20 U.S.C. 1070a)

[74 FR 55951, Oct. 29, 2009]

This was the wording of the 2011 waiver in DCL P-11-02 (released 4/27/2011):

Regulations

Under current regulations, an institution must assign a crossover payment period to the award year in which the student receives the greater payment for the payment period (34 CFR 690.64(b)). Because there will be no opportunity for a student to receive a second Scheduled Award during the 2011-2012 award year, the Department of Defense and Full-Year Continuing Appropriations Act, 2011 included a provision that waives this regulatory requirement for any 2011 crossover payment period. Thus, for a 2011 crossover payment period, an institution may choose the award year to which they assign a student's crossover payment period for purposes of the Federal Pell Grant Program.

This flexibility for an institution to award from either award year for a 2011 crossover payment period does not negate the existing eligibility requirements for 2010-2011 first Scheduled Awards, 2010-2011 second Scheduled Awards, or 2011-2012 Scheduled Awards.
