



## **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

### **45 CFR Parts 2525, 2526, 2527, 2528, 2529, and 2530**

#### **RIN 3045-AA66**

#### **National Service Trust Education Awards**

**AGENCY:** Corporation for National and Community Service.

**ACTION:** Final rule.

**SUMMARY:** The Corporation for National and Community Service (operating as AmeriCorps) is finalizing revisions to its National Service Trust regulations. The National Service Trust is an account from which AmeriCorps pays education awards to eligible AmeriCorps participants and interest on qualified student loans for AmeriCorps participants during their terms of service in approved national service positions. This rule improves the clarity of regulations applicable to education awards through use of consistent terminology and more transparent procedures for extensions, transfers, and revocations of education awards; and increases flexibility for those who earn education awards to use and transfer those awards. This rule also renumbers sections related to national service education awards to combine them all into one CFR part with subpart designations for easier navigation.

**DATES:** This rule is effective [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Appel, Associate General Counsel, AmeriCorps, 250 E Street SW, Washington, DC 20525, (202) 967-5070, [eappel@cns.gov](mailto:eappel@cns.gov).

#### **SUPPLEMENTARY INFORMATION:**

I. Background

II. Overview of Final Rule

## A. Renumbering to Combine Provisions into One CFR Part

## B. Part-by-Part (New Subpart-by-Subpart) Summary of Changes

1. Changes to Current Part 2525 (New Subpart A)
2. Changes to Current Part 2526 (New Subpart B)
3. Changes to Current Part 2527 (New Subpart C)
4. Changes to Current Part 2528 (New Subpart D)
5. Changes to Current Part 2529 (New Subpart E)
6. Changes to Current Part 2530 (New Subpart F)

## III. Response to Public Comments

## IV. Regulatory Analyses

### **I. Background**

The National and Community Service Act of 1990, as amended, 42 U.S.C. 12501 *et seq.*, aims to encourage United States citizens to engage in national service and to expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training. Specifically, the Act establishes the National Service Trust and authorizes AmeriCorps to use funds from that Trust to provide education awards to eligible individuals who have fulfilled a term of service in an approved national service position and meet other applicable requirements. AmeriCorps' regulations implementing the Act are within 45 CFR parts 2525 through 2530 and address the National Service Trust (the Trust), who is eligible to receive education awards from the Trust, how the amount of the education awards is determined, the purposes for which the education awards may be used, the circumstances under which AmeriCorps participants will receive forbearance and payment of interest expenses on qualified student loans, and the circumstances in which participants may transfer their educational awards.

## **II. Overview of Final Rule**

Overall, this final rule is intended to improve clarity of the regulations through use of consistent terminology and plain language, improve the transparency of the criteria and procedures for extensions, transfers, and revocations of education awards; and increase flexibility for those who earn education awards to use and transfer those awards. To meet these objectives, this rule makes changes to the following CFR parts:

- Part 2525 – National Service Trust: Purpose and Definitions
- Part 2526 – Eligibility for an Education Award
- Part 2527 – Determining the Amount of an Education Award
- Part 2528 – Using an Education Award
- Part 2529 – Payment of Accrued Interest
- Part 2530 – Transfer of an Education Award

Some changes apply to all these CFR parts, including updating references to the Corporation for National and Community Service to refer to it by its operating name, AmeriCorps, rather than “the Corporation.” Specific mentions of AmeriCorps programs, Silver Scholar, and Summer of Service positions were replaced with the term “national service position,” where appropriate. Other changes affect only one or some CFR parts. Substantive changes specific to each CFR part are summarized here.

The rule also renumbers sections, combining these CFR parts into one resulting CFR part, at part 2525, with different subparts. Combining these CFR parts into one allows readers to find regulations on education awards in a single CFR part, which improves navigability and prevents readers from having to switch back and forth between CFR parts for relevant provisions (for example, to refer back to part 2525 for definitions that apply to later CFR parts).

### **A. Renumbering to Combine Provisions into One CFR Part**

The final rule renumbers the provisions that currently appear in parts 2526 through 2530 to move them into part 2505, so that the regulatory provisions regarding the National Service Trust education awards can be found in one central CFR part. The following table shows where the provisions that fall under the current CFR parts will instead fall under subparts to part 2525.

<b>Current</b>	<b>Final Rule</b>
Part 2525 – National Service Trust: Purpose and Definitions	Part 2525 – National Service Trust
---	Subpart A – Purpose and Definitions
Part 2526 – Eligibility for an Education Award	Subpart B – Eligibility for an Education Award
Part 2527 – Determining the Amount of an Education Award	Subpart C – Determining the Amount of an Education Award
Part 2528 – Using an Education Award	Subpart D – Using an Education Award
Part 2529 – Payment of Accrued Interest	Subpart E – Payment of Accrued Interest
Part 2530 – Transfer of Education Awards	Subpart F – Transfer of Education Awards

The following table provides a more detailed comparison of where current regulatory provisions are located, and where those provisions will be located under the final rule.

This table also shows where new subpart headings and new sections are being finalized.

<b>Current</b>	<b>Final Rule</b>
<i>Part 2525 – National Service Trust: Purpose and Definitions</i>	<i>Part 2525 – National Service Trust</i>
---	<i>Subpart A – Purpose and Definitions</i>
§ 2525.10 What is the National Service Trust?	§ 2525.1 What is the National Service Trust?
§ 2525.20 Definitions	§ 2525.2 Definitions
<i>Part 2526 – Eligibility for an Education Award</i>	<i>Subpart B – Eligibility for an Education Award</i>
§2526.10 Who is eligible to receive an education award from the National Service Trust?	§ 2525.10 When can an Eligible Individual receive an education award from the National Service Trust?
§ 2526.15 Upon what basis may an organization responsible for the supervision of a national service participant certify that the individual successfully completed a term of service?	§ 2525.15 Upon what basis may an entity responsible for the supervision of an Eligible Individual certify that the Eligible Individual successfully completed a term of service?
§ 2526.20 Is an AmeriCorps participant who does not complete an originally approved term of service eligible to receive a pro-rated education award?	§ 2525.20 Is an AmeriCorps participant who does not complete an originally-approved term of service eligible to receive a pro-rated education award?

§ 2526.25 Is a participant in an approved Summer of Service position or approved Silver Scholar position who does not complete an approved term of service eligible to receive a pro-rated education award?	§ 2525.25 Is a participant in an approved Summer of Service position or approved Silver Scholar position who does not complete an approved term of service eligible to receive a pro-rated education award?
§ 2526.30 How do convictions for the possession or sale of controlled substances affect an education award recipient's ability to use their award?	§ 2525.30 How do convictions for the possession or sale of controlled substances affect an education award recipient's ability to use their award?
§ 2526.40 What is the time period during which an individual may use an education award?	§ 2525.40 How long is an education award available for use?
---	§ 2525.41 When must an application for extension be submitted?
---	§ 2525.42 Under what circumstances may AmeriCorps grant an extension?
---	§ 2525.43 What if the request for an extension is missing information or documentation?
---	§ 2525.44 How will AmeriCorps notify an Eligible Individual or Designated Recipient of its decision on the extension request?
---	§ 2525.45 Can an Eligible Individual or Designated Recipient appeal a denied request for an extension to the use period?
§ 2526.50 Is there a limit on the total amount of education awards an individual may receive?	§ 2525.50 Is there a limit on the total amount of education awards an individual may receive?
§ 2526.55 What is the impact of the aggregate value of education awards received on an individual's ability to serve in subsequent terms of service?	§ 2525.55 What is the impact of the aggregate value of education awards received on an individual's ability to serve in additional terms of service?
§ 2526.60 May an individual receive an education award and related interest benefits from the National Service Trust as well as other loan cancellation benefits for the same service?	§ 2525.60 May an individual receive an education award and related interest benefits from the National Service Trust as well as other loan cancellation benefits for the same term of service?
§ 2526.70 What are the effects of an erroneous certification of successful completion of a term of service?	§ 2525.70 What are the effects of an erroneous certification of successful completion of a term of service?
<i>Part 2527 – Determining the Amount of an Education Award</i>	<i>Subpart C – Determining the Amount of an Education Award</i>
§ 2527.10 What is the amount of an education award?	§ 2525.100 What is the amount of an education award?
<i>Part 2528 – Using an Education Award</i>	<i>Subpart D – Using an Education Award</i>
§ 2528.10 For what purposes may an education award be used?	§ 2525.210 For what purposes may an education award be used?
§ 2528.20 What steps are necessary to use	§ 2525.220 What steps are necessary to

an education award to repay a qualified student loan?	use an education award to repay a qualified student loan?
§ 2528.30 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?	§ 2525.230 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?
§ 2528.40 Is there a limit on the amount of an individual's education award that the Corporation will disburse to an institution of higher education for a given period of enrollment?	§ 2525.240 Is there a limit on the amount of an Eligible Individual's education award that AmeriCorps will disburse to an institution of higher education for a given period of enrollment?
§ 2528.50 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which the Corporation has disbursed all or part of that individual's education award?	§ 2525.250 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which AmeriCorps has disbursed all or part of that individual's education award?
§ 2528.60 Who may use the education award to pay expenses incurred in enrolling in a G.I. Bill approved program?	§ 2525.260 Who may use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?
§ 2528.70 What steps are necessary to use an education award to pay expenses incurred in enrolling in a G.I. Bill approved program?	§ 2525.270 What steps are necessary to use an education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?
§ 2528.80 What happens if an individual for whom the Corporation has disbursed education award funds withdraws or fails to complete the period of enrollment in a G.I. Bill approved program?	§ 2525.280 What happens if an individual for whom AmeriCorps has disbursed education award funds withdraws or fails to complete the period of enrollment in a G.I. Bill approved program?
---	§ 2525.290 What happens to an education award upon divorce or death?
<i>Part 2529 – Payment of Accrued Interest</i>	<i>Subpart E – Payment of Accrued Interest</i>
§ 2529.10 Under what circumstances will the Corporation pay interest that accrues on qualified student loans during an individual's term of service in an approved AmeriCorps position or approved Silver Scholar position?	§ 2525.310 Under what circumstances will AmeriCorps pay interest that accrues on qualified student loans during an individual's term of service in an approved position?
§ 2529.20 What steps are necessary to obtain forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?	§ 2525.320 What steps are necessary to obtain forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?
§ 2529.30 What steps are necessary for using funds in the National Service Trust to pay interest that has accrued on a qualified student loan during a term of service for which an individual has obtained forbearance?	§ 2525.330 What steps are necessary for AmeriCorps to pay interest that has accrued on a qualified student loan in forbearance?

<i>Part 2530 – Transfer of Education Awards</i>	<i>Subpart F – Transfer of Education Awards</i>
§ 2530.10 Under what circumstances may an individual transfer an education award?	§ 2525.410 Under what circumstances may an Eligible Individual transfer an education award?
§ 2530.20 For what purposes may a transferred award be used?	§ 2525.420 For what purposes may a transferred award be used?
§ 2530.30 What steps are necessary to transfer an education award?	§ 2525.430 What steps are necessary to transfer an education award?
§ 2530.40 Is there a limit on the number of individuals one may designate to receive a transferred award?	§ 2525.440 Is there a limit on the number of recipients an individual may designate to receive a transferred award?
§ 2530.50 Is there a limit on the amount of transferred awards a designated individual may receive?	§ 2525.450 Is there a limit on the amount of transferred education awards a Designated Recipient may receive?
§ 2530.60 What is the impact of transferring or receiving a transferred education award on an individual's eligibility to receive additional education awards?	§ 2525.460 What is the impact of transferring or receiving a transferred education award on an Eligible Individual's eligibility to receive additional education awards?
§ 2530.70 Is a designated individual required to accept a transferred education award?	§ 2525.470 Is a Designated Recipient required to accept a transferred education award?
§ 2530.80 Under what circumstances is a transfer revocable?	§ 2525.480 Under what circumstances is a transfer revocable?
§ 2530.85 What steps are necessary to revoke a transfer?	§ 2525.485 What steps are necessary to revoke a transfer?
---	§ 2525.487 What happens to a transferred education award upon divorce or death?
§ 2530.90 Is a designated individual eligible for the payment of accrued interest under Part 2529?	§ 2525.490 Is the recipient of a transferred education award eligible for the payment of accrued interest for their own student loans under subpart E?

## **B. Part-by-Part (New Subpart-by-Subpart) Summary of Changes**

### **1. Changes to Current Part 2525 (New Subpart A)**

Under this rule, part 2525 is newly designated as subpart A of part 2525 and continues to set out the description of the National Service Trust and definitions. Changes ensure that definitions apply throughout the newly compiled CFR part 2525. For example, the changes delete the phrase “for the purposes of this section” for definitions of the following terms: “AmeriCorps education award,” “economically disadvantaged youth,” “education award,” “G.I. Bill-approved program,” “Silver Scholar education

award,” and “Summer of Service education award.”

The changes to part 2525 add definitions for two terms and substantively revise two definitions. The newly added definitions are for the following terms:

- “Eligible Individual” as the individual who is eligible for an education award;  
and
- “Designated Recipient” as the person to whom an education award is transferred.

The two definitions being revised are for “educational expenses” and “qualified student loan.” The changes revise the definition of “educational expenses” to:

- Provide that costs of attendance are determined by the Title IV institution of higher education or G.I. Bill approved program;
- Include tuition or associated costs as determined by the program offered by the institution or establishment approved for offering benefits for which educational assistance may be provided by the Secretary for Veterans Affairs;
- Include expenses incurred participating in a school-to-work program approved by the Secretaries of Labor and Education;
- Delete reference to the following, because they would be included in the category of “costs of attendance” as determined by the institution or G.I. Bill approved program:
  - Tuition and fees “normally assessed” by an institution;
  - Tuition and fees for students engaged in a course of study by correspondence; and
  - Expenses related to a student’s disability; and
- Delete reference to costs associated with student engagement in a work

experience under a cooperative education program or course because the costs would be included in the category for expenses incurred in participating in a school-to-work program.

These changes will simplify the definition and do not affect what educational expenses an education award may be used for.

Changes to the definition of “qualified student loan” delete the lists of specific federal family education loans, William D. Ford federal direct loans, Federal Perkins loans, and Public Health Service Act loans because they are included in the broad categories set out in the new definition. The changes also replace the category “any other loan designated as such by Congress” with the more specific category of loans determined by an institution of higher education or approved veterans’ benefits program to be necessary to cover a student’s educational expenses and made, insured, or guaranteed by certain listed entities.

The changes also correct the cross-reference to the Higher Education Act of 1965 to cite to the correct section defining “institution of higher education.”

Other changes to this newly designed subpart A are non-substantive, such as adding the legal name of the education awards to the definition of “education award,” eliminating unnecessary verbiage in definitions that first state the term and then repeat the term to provide the meaning.

## **2. Changes to Current Part 2526 (New Subpart B)**

Current part 2526, which is newly designated as subpart B to part 2525, addresses eligibility for an education award.

Changes to current part 2526, which will now be located at subpart B to part 2525, incorporate the newly defined terms for “Eligible Individual” and “Designated Recipient” for clarity. Edits to § 2525.10 clarify when Eligible Individuals are entitled to receive an education award, and clarify that an Eligible Individual may receive a full

education award for a full-time term of service, a partial education award for a less than full-time term of service, or a pro-rated education award if the Eligible Individual was granted a release from completing the term of service for compelling personal circumstances but completed at least 15 percent of the originally approved term of service and performed satisfactorily during that time. The final rule also moves to a separate section (§ 2525.15) the specifics for what the organization responsible for the individual's supervision must certify.

Section 2525.15 combines requirements for AmeriCorps State and National approved national service positions with other approved national service positions for consistency. Section 2525.20 clarifies that there is a requirement, in the cross-referenced § 2522.230(a)(3), for the program to document the basis for any determination that compelling personal circumstances prevent the Eligible Individual from completing their term of service.

Section 2525.30 revises the factors that AmeriCorps considers when determining whether an Eligible Individual may be entitled to use their education award when the Eligible Individual has three or more convictions for possession or sale of a controlled substance. The final rule deletes factors relating to the nature and extent of any other criminal record, the nature and extent of any involvement in trafficking of controlled substances, and the length of time between offenses. AmeriCorps has determined that these factors are unnecessary considerations, given that the type and amount of controlled substance and whether firearms or dangerous weapons were involved in the offense are already considered, and there is already a catch-all factor to allow for consideration of other relevant aggravating or ameliorating circumstances.

Section 2525.40 revises the current section to separate information on extensions to the use period into new sections specific to various questions regarding extensions. Edits to this section also delete the specific reference to Summer of Service education

awards.

Section 2525.41 is a new section that specifically addresses when an application for an extension must be submitted and adds an exception to the requirement to submit a request for extension prior to the use period deadline for instances when the individual was unavoidably prevented from timely submitting their application.

Section 2525.42 is a new section that specifically addresses the circumstances in which AmeriCorps will grant an extension. This section clarifies that AmeriCorps will automatically (upon receipt of an application) extend the use period when an individual served and successfully completed another term of service in an approved national service position during the use period. This section then clarifies that AmeriCorps treats all service in AmeriCorps and the Peace Corps as service in another approved national service position for the purposes of extensions, and specifies the documentation required to evidence service in the Peace Corps. Paragraph (b) of this section adds information on AmeriCorps' discretion to grant an extension when an Eligible Individual or Designated Recipient is unavoidably prevented from using the education award during the use period. Paragraph (b) also adds examples of situations that may warrant an extension. Paragraph (b)(2) provides factors that AmeriCorps will consider in determining whether to grant an extension. Paragraph (c) adds examples of circumstances that do not warrant an extension, but removes the current example of an individual who cannot use the education award as a result of the individual's conviction for possession or sale of a controlled substance, to allow AmeriCorps to examine the specific circumstances involved with the conviction under the factors.

Section 2525.43 is a new section that specifies what will happen if a request for extension is missing information or documentation. Section 2525.44 is a new section that specifies how AmeriCorps will notify the Eligible Individual or Designated Recipient of its decision on the extension request. Section 2526.45 is a new section that provides new

procedures for an Eligible Individual or Designated Recipient to appeal a denied request for extension.

Section 2525.50 deletes information about the calculation of the value of each individual education award and instead focuses on how the aggregate value of awards is calculated, given that the limit is the aggregate value of two full-time education awards. Section 2525.55 also simplifies the section to convey the impact of the aggregate value of education awards on ability to serve and to receive additional education awards.

Section 2525.70 adds a new paragraph (b) to state that AmeriCorps will disallow the education award and/or initiate debt collection if AmeriCorps determines the certification made by a national service program is knowingly false or inaccurate.

### **3. Changes to Current Part 2527 (New Subpart C)**

Current part 2527, which will now be subpart C to part 2525, addresses determining the amount of an education award.

Section 2525.100 replaces the text on the education award amounts that may be earned for part-time and reduced part-time service with a table setting out amounts specifically for three quarters time, half-time, reduced half-time, quarter-time, minimal time and summer associate, and abbreviated time terms of service. These specifics better reflect the range of alternatives to full-time service and the accompanying partial education award amounts available. This section also labels as “pro-rated awards” those awards available to Eligible Individuals who are released from completing a term of service for compelling personal circumstances. This section also replaces the formula for discounted education award amounts (where discounting is required to ensure an Eligible Individual receives no more than the aggregate value of two awards) with a narrative explanation of how the award amounts are discounted, for clarity.

### **4. Changes to Current Part 2528 (New Subpart D)**

Current part 2528, which will now be subpart D to part 2525, addresses using an

education award.

Sections 2525.210 and 2525.240 refer to the updated definition of “educational expenses” instead of repeating what the educational expenses include.

Section 2525.250 specifies that the institution does not need to refund AmeriCorps for disbursed, but not used, education award funds if the Eligible Individual was charged for the uncompleted period of study or training. This section also clarifies that the institution must provide a pro-rata refund to AmeriCorps if the institution does not have a published refund policy.

Section 2525.290, a new section, specifies that an education award is not to be treated as marital property and that, unless the listed circumstances are present, that an education award expires upon the Eligible Individual’s death.

#### **5. Changes to Current Part 2529 (New Subpart E)**

Part 2529, which will now be subpart E to part 2525, addresses payment of accrued interest.

Section 2525.310 adds that the loan holder specifies the period of forbearance during the term of service. Paragraph (b) of this section adds that the portion of accrued interest AmeriCorps will pay is based on the length of service.

#### **6. Changes to Current Part 2530 (New Subpart F)**

Part 2530, which will now be subpart F to part 2525, addresses the transfer of education awards.

Section 2530.10 deletes the provision regarding enrollment on or before 2010 because the final rule will apply only after the effective date, which is in 2023. This section also adds the stepchild of an Eligible Individual to the categories of Designated Recipients for transferred awards.

Section 2530.30 breaks out procedures for a Designated Recipient to accept a transferred award into a new paragraph (c). This section also adds a new paragraph (e) to

clarify that a Designated Recipient may refuse to accept a transferred education award, and an Eligible Individual may revoke the amount of transfer that has not been requested for use.

Section 2530.40 allows Eligible Individuals to transfer their education award to one or two individuals, rather than just one individual. Paragraph (b) of this section allows Designated Recipients to reject part of the education award designated to be transferred to them. These provisions also clarify that the main restriction on transfer or re-transfer of an education award to an eligible Designated Recipient is that the use period for the education award must not have expired.

Section 2530.50 clarifies that any education awards the Designated Recipient may have earned through their own service term or that were previously been transferred to them are included in the calculation of the aggregate education award value limit. Paragraph (c) allows Eligible Individuals to re-transfer an education award if it is rejected in part by a Designated Recipient, allowing for more flexibility than the current regulation, which prohibits re-transfer of the rejected portion of the award.

This final rule also adds a new paragraph to § 2540.70 to clarify that a Designated Recipient who originally accepted a transferred education award may rescind their acceptance of any unused portion of the award at any time before the education award expires, and for any reason.

Section 2540.80 removes the requirement for AmeriCorps to approve a re-transfer of an education award after an Eligible Individual revokes the award.

Section 2530.85 deletes the paragraph regarding the mechanics of deducting and crediting the revoked amount because these functions are handled internally by AmeriCorps.

Section 2530.87 is a new section that addresses what happens to a transferred education award upon divorce or death.

### **III. Response to Public Comments**

AmeriCorps published the proposed rule on January 6, 2023 (88 FR 1021) and received two public comment submissions before the March 7, 2023, comment deadline. Summaries of the points raised in those comments and AmeriCorps' responses are provided here. No changes to the proposed regulatory text were made in response to these comments or otherwise.

One commenter was supportive of allowing those who earn education awards to spread the benefit to more than one beneficiary. This commenter stated that they have multiple grandchildren and would like to share their education award with as many of them as possible. They also stated they believe allowing sharing with multiple recipients would be an incentive for other older individuals to do more national service.

*Response:* The final rule carries forward the proposal to increase the number of Designated Recipients to whom an Eligible Individual can transfer their earned award from one to two. The final rule does not increase the number of recipients to whom an education award may be transferred beyond two in order to best prevent fraud, waste, and abuse. Allowing transfers to more than two persons would substantially increase the level of internal controls needed and pose an undue administrative burden on the agency. The agency has determined that these risks can be more efficiently mitigated by limiting the number of transferees to two individuals.

The other commenter stated their general support of the changes but provided the following suggestions and recommendations for additional changes.

The commenter noted that § 2525.55 states that the aggregate value of education awards does not limit an individual's ability to serve additional terms of service and requested that AmeriCorps leverage its waiver authority to allow commissions to request a waiver to the four-term limit on AmeriCorps members.

*Response:* The general limitation on four terms of service in an AmeriCorps State

and National program is set out in a different regulation than the one being revised by this final rule (*see* 45 CFR § 2522.235); however, AmeriCorps will consider this comment as in any future updates to that regulation.

This commenter also suggested that AmeriCorps should provide for an end-of-service “cash stipend” in lieu of an education award for individuals that have already earned the maximum aggregate value of education awards. The commenter stated this change would create more equity among AmeriCorps programs and assist AmeriCorps in recruitment and retention efforts:

*Response:* This comment is beyond the scope of this regulation, but AmeriCorps will take it under advisement.

This commenter requested that § 2525.290 be revised so that, instead of an education award expiring upon an Eligible Individual’s death, it could be transferred to an eligible Designated Recipient at that time and allow an extension of time for the Designated Recipient to access the education award if needed, even if the recipient was not age-eligible at the time the Eligible Individual earned the education award.

*Response:* The proposed and final § 2525.290 reflect the statutory limitation, which provides that the Eligible Individual must transfer the education award prior to death in order for the death not to affect the use of the education award by the Designated Recipient. *See* 42 U.S.C. 12604(f)(5).

This commenter expressed their support of adding stepchild and step-grandchild to the categories of Designated Recipients for transferred awards, allowing transfer to one or two individuals rather than just one, allowing the recipient to reject all or part of the education award, and allowing the re-transfer of the rejected portion of the education award to someone else.

*Response:* The final rule carries forward these aspects of the proposed rule.

The commenter suggested removing or lowering the age requirement for

transferring the education award and encouraged AmeriCorps to work with Congress to remove the limitation that an individual must be age 55 or more the day service begins to be eligible to transfer the award, and instead allow anyone of any age to transfer their education award.

*Response:* The commenter is correct that the rule cannot remove or lower the age requirement for transferring an education award because the statute provides as a condition for transfer of an education award that the eligible individual is age 55 or older before beginning the term of service involved. *See* 42 U.S.C. 12604(f)(2)(A)(ii).

The commenter recommended not having transferred education awards count as part of an individual's aggregate value of education awards earned.

*Response:* The current regulation provides that the amount received as a transferred education award is included in the aggregate value of awards received. *See* 45 CFR 2526.50(c)(4). The proposed rule did not propose any change to this requirement; however, AmeriCorps will take this recommendation under advisement for any future rulemaking.

#### **IV. Regulatory Analyses**

##### **A. Executive Orders 12866 and 13563**

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. The Office of Information and Regulatory Affairs in the Office of Management and Budget has determined this is not a significant regulatory action, and therefore is not subject to review under Section 6(b) of

Executive Order 12866, Regulatory Planning and Review.

**B. Congressional Review Act (Small Business Regulatory Enforcement Fairness Act of 1996, Title II, Subtitle E)**

As required by the Congressional Review Act (5 U.S.C. 801–808), before an interim or final rule takes effect, AmeriCorps will submit an interim or final rule report to the US House of Representatives, US Senate, and to the Comptroller General of the US. A major rule cannot take effect until 60 days after it is published in the Federal Register. The Office of Information and Regulatory Affairs in the Office of Management and Budget anticipates that this will not be a major rule under 5 U.S.C. 804 because this rule will not result in (1) an annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of US-based enterprises to compete with foreign-based enterprises in domestic and export markets.

**C. Regulatory Flexibility Act**

As required by the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 *et seq.*), AmeriCorps certifies that this rule will not have a significant economic impact on a substantial number of small entities. Therefore, AmeriCorps has not performed the initial regulatory flexibility analysis that is required under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) for rules that are expected to have such results.

**D. Unfunded Mandates Reform Act of 1995**

For purposes of Title II of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, as well as Executive Order 12875, this regulatory action does not contain any federal mandate that may result in increased expenditures in either federal, state, local, or tribal governments in the aggregate, or impose an annual burden exceeding \$100 million

on the private sector.

### **E. Paperwork Reduction Act**

This rule requires a revision to one OMB Control Number, Education Award Transfer Forms, currently approved under OMB Control Number 3045-0136, which expires January 31, 2024.

The other information collections in the rule are already authorized by another OMB Control Number. Specifically, the requirements for certifications referred to in §§ 2525.15 and 2525.20 restate requirements in other parts of title 45 (specifically §§ 2522.220 and 2522.230), which are authorized by OMB Control Number 3045-0006, Enrollment and Exit Forms, on which the sponsoring entity provides their certifications, and for which entities maintain supporting documentation as a usual and customary business practice.

This final rule does not affect the information collections associated with parts 2528 and 2529 (other than affecting the CFR citations, which will be updated during routine renewals) that have been approved by OMB:

- For 45 CFR 2528: Voucher and Payment Request Form – approved under OMB Control Number 3045-0014, which expires March 31, 2026.
  - For 45 CFR 2529: Interest Accrual Form – currently approved under OMB Control Number 3045-0053, which expires March 31, 2026.
- Forbearance Request for National Service Form – approved under OMB Control Number 3045-0030, which expires March 31, 2026.

This final rule affects the Education Award Transfer Forms because the Request to Transfer a Segal Education Award Amount form must be updated to clarify that an award may be transferred to no more than two individuals, that a transfer may be declined in part or in full or revoked in part or in full, and to delete the portion of the form requiring

request of a waiver to re-transfer. The Accept/Decline Award Transfer Form requires a change to indicate that step-children and step-grandchildren may accept the transfer of an education award. There is no change to the estimated time or hour or non-hour cost burdens resulting from these form changes. With this rulemaking, AmeriCorps is seeking to revise the following information collection:

*OMB Control Number:* 3045-0136

*Title:* Education Award Transfer Forms

*Brief Description of Collection:* This information collection consists of the questions that AmeriCorps members answer to request a transfer of their education award or revoke a transfer, and that education award recipients answer to accept or decline the transfer or rescind their acceptance. The information collected identifies those qualified to transfer their award, the transfer award amount, and those qualified to receive the award transfer, as well as establish a National Service Trust account for the transfer recipient.

*Forms Affected:* Transfer Application Form, Award Transfer Acceptance Form.

*Type of Review:* Revision of a currently approved information collection:

*Respondents/Affected Public:* Individuals.

*Total Estimated Number of Annual Respondents:* 900.

*Total Estimated Number of Annual Responses:* 900.

*Estimated Time per Response:* 5 minutes.

*Estimated Total Annual Hour Burden:* 75 hours.

*Respondents' Obligation:* Required to obtain a benefit.

*Frequency of Response:* Occasional.

*Total Estimated Annual Non-Hour Burden Response:* \$0.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public to comment on any aspect of this information collection, including:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.

Written comments and recommendations for the information collection revision should be sent within 30 days of publication of this rulemaking to [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Please provide a copy of your comments to the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Please reference OMB Control Number 3045-0136 in the subject line of your comments.

#### **F. Federalism (Executive Order 13132)**

Executive Order 13132, Federalism, prohibits an agency from publishing any rule that has federalism implications if the rule imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rulemaking does not have any federalism implications, as described above.

#### **G. Takings (Executive Order 12630)**

This rule does not affect a taking of private property or otherwise have taking implications under Executive Order 12630 because this rule does not affect individual property rights protected by the Fifth Amendment or involve a compensable “taking.” A takings implication assessment is not required.

#### **H. Civil Justice Reform (Executive Order 12988)**

This rule complies with the requirements of Executive Order 12988. Specifically, this rulemaking: (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and (b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

#### **I. Consultation with Indian Tribes (Executive Order 13175)**

AmeriCorps recognizes the inherent sovereignty of Indian tribes and their right to self-governance. The agency has evaluated this rulemaking under the AmeriCorps consultation policy and the criteria in Executive Order 13175 and determined that this rule does not impose substantial direct effects on federally recognized tribes.

#### **List of Subjects in 45 CFR Part 2525**

Grant programs - social programs, student aid, volunteers.

For the reasons discussed in the preamble, under the authority of 42 U.S.C. 12651c(c), the Corporation for National and Community Service amends chapter XXV of title 45 of the Code of Federal Regulations as follows:

1. Revise part 2525 to read as follows:

#### **PART 2525 - NATIONAL SERVICE TRUST**

##### **Subpart A - Purpose and Definitions**

Sec.

2525.1 What is the National Service Trust?

2525.2 Definitions.

## **Subpart B - Eligibility for an Education Award**

- 2525.10 When can an Eligible Individual receive an education award from the National Service Trust?
- 2525.15 Upon what basis may an entity responsible for the supervision of an Eligible Individual certify that the Eligible Individual successfully completed a term of service?
- 2525.20 Under what circumstances is an Eligible Individual who does not complete an approved term of service eligible to receive a pro-rated education award?
- 2525.25 If a participant in an approved Summer of Service or Silver Scholar position does not complete their term of service, are they eligible to receive a pro-rated education award?
- 2525.30 How do convictions for the possession or sale of controlled substances affect an Eligible Individual's ability to use their award?
- 2525.40 How long is an education award available for use?
- 2525.41 When must an application for an extension be submitted?
- 2525.42 Under what circumstances will AmeriCorps grant an extension?
- 2525.43 What if the request for an extension is missing information or documentation?
- 2525.44 How will AmeriCorps notify an Eligible Individual or Designated Recipient of its decision on the extension request?
- 2525.45 Can an Eligible Individual or Designated Recipient appeal a denied request for an extension?
- 2525.50 Is there a limit on the total amount of education awards an individual may receive?
- 2525.55 What is the impact of the aggregate value of education awards received on an individual's ability to serve in additional terms of service?
- 2525.60 May an individual receive an education award and related interest benefits from the National Service Trust as well as other loan cancellation benefits for the same term of service?
- 2525.70 What are the effects of an erroneous certification of successful completion of a term of service?

## **Subpart C - Determining the Amount of an Education Award**

- 2525.100 What is the amount of an education award?

## **Subpart D - Using an Education Award**

- 2525.210 For what purposes may an education award be used?
- 2525.220 What steps are necessary to use an education award to repay a qualified student loan?
- 2525.230 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?
- 2525.240 Is there a limit on the amount of an Eligible Individual's education award that AmeriCorps will disburse to an institution for a given period of enrollment?

- 2525.250 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which AmeriCorps has disbursed all or part of that individual's education award?
- 2525.260 Who may use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?
- 2525.270 What steps are necessary to use an education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?
- 2525.280 What happens if an individual for whom AmeriCorps has disbursed education award funds withdraws or fails to complete the period of enrollment in a G.I. Bill-approved program?
- 2525.290 What happens to an education award upon divorce or death?

### **Subpart E - Payment of Accrued Interest**

- 2525.310 Under what circumstances will AmeriCorps pay interest that accrues on qualified student loans during an individual's term of service in an approved position?
- 2525.320 What steps are necessary to obtain forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?
- 2525.330 What steps are necessary for AmeriCorps to pay interest that has accrued on a qualified student loan in forbearance?

### **Subpart F - Transfer of Education Awards**

- 2525.410 Under what circumstances may an Eligible Individual transfer an education award?
- 2525.420 For what purposes may a transferred award be used?
- 2525.430 What steps are necessary to transfer an education award?
- 2525.440 Is there a limit on the number of recipients an individual may designate to receive a transferred award?
- 2525.450 Is there a limit on the amount of transferred education awards a Designated Recipient may receive?
- 2525.460 What is the impact of transferring or receiving a transferred education award on an Eligible Individual's eligibility to receive additional education awards?
- 2525.470 Is a Designated Recipient required to accept a transferred education award?
- 2525.480 Under what circumstances is a transfer revocable?
- 2525.485 What steps are necessary to revoke a transfer?
- 2525.487 What happens to a transferred education award upon divorce or death?
- 2525.490 Is the recipient of a transferred education award eligible for the payment of accrued interest for their own student loans?

**Authority:** 42 U.S.C. 12601–12606

### **Subpart A - Purpose and Definitions**

#### **§ 2525.1 What is the National Service Trust?**

The National Service Trust is an account in the Treasury of the United States from which AmeriCorps makes payments of education awards, pays interest that accrues on qualified student loans for AmeriCorps participants during terms of service in approved national service positions, and makes other payments authorized by Congress.

**§ 2525.2 Definitions.**

In addition to the definitions in § 2510.20 of this chapter, the following definitions apply to terms used this part:

*AmeriCorps* means the Corporation for National and Community Service.

*Cost of attendance* has the same meaning as in Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et. seq.).

*Current educational expenses* means the cost of attendance, or other costs attributable to an educational course offered by an institution of higher education that has in effect a program participation agreement under Title IV of the Higher Education Act, for a period of enrollment that begins after an individual enrolls in an approved national service position.

*Designated Recipient* means the person to whom an earned education award is transferred.

*Economically disadvantaged youth* means a child who is eligible for a free lunch or breakfast under the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)).

*Education award* means the Segal AmeriCorps Education Award of financial assistance available under this part, including the Silver Scholar education awards, and Summer of Service education awards.

*Educational expenses* means –

(1) Cost of attendance as determined by the Title IV institution of higher education or G.I. Bill-approved program as provided in 20 U.S.C. 1087*ll*; or

(2) Tuition or associated costs as determined by a program offered by an educational institution or training establishment approved for educational benefits under 38 U.S.C. 3670 *et seq.* for offering programs of education, apprenticeship, or on-job training for which educational assistance may be provided by the Secretary for Veterans Affairs; and

(3) Expenses incurred participating in a school-to-work program approved by the Secretaries of Labor and Education.

*Eligible Individual* means an individual who has enrolled in and successfully completed a term of service in an approved national service position, as certified under § 2525.15.

*G.I. Bill-approved program* is an educational institution or training establishment approved for educational benefits under the Montgomery G.I. Bill (38 U.S.C. 3670 *et seq.*) for offering programs of education, apprenticeship, or on-job training for which educational assistance may be provided by the Secretary for Veterans Affairs.

*Holder* means –

(1) The original lender; or

(2) Any other entity to which a loan is subsequently sold, transferred, or assigned if such entity acquires a legally enforceable right to receive payments from the borrower.

*Institution of higher education* has the same meaning given the term in section 102 of the Higher Education Act of 1965, as amended (20 U.S.C. 1002).

*Period of enrollment* means the period that the institution has established for which institutional charges are generally assessed (e.g., length of the student's course, program, or academic year.)

*Qualified student loan* means:

(1) Any loan made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 *et seq.*), other than a loan to a parent of a student under

section 428B of that Act (20 U.S.C. 1078-2);

(2) Any loan made under Title VII or VIII of the Public Service Health Act (42 U.S.C. 292a *et seq.*); or

(3) Any other loan determined by an institution of higher education or an approved veterans' benefits program to be necessary to cover a student's educational expenses and made, insured, or guaranteed by:

(i) An eligible lender, as defined in section 435 of the Higher Education Act of 1965 (20 U.S.C. 1085);

(ii) The direct student loan program under part D of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a *et seq.*);

(iii) A State agency; or

(iv) A lender otherwise determined by AmeriCorps to be eligible to receive disbursements from the National Service Trust.

*Silver Scholar education award* means the financial assistance available under this part for which an individual in an approved Silver Scholar position may be eligible.

*Summer of Service education award* means the financial assistance available under this part for which an individual in an approved Summer of Service position may be eligible.

*Term of service* means –

(1) For an individual serving in an approved AmeriCorps position, one of the terms of service specified in § 2522.220 of this chapter

(2) For an individual serving in an approved Silver Scholar position, not less than 350 hours during a one-year period

(3) For an individual serving in an approved Summer of Service position, not less than 100 hours during the summer months of a single year.

## **Subpart B - Eligibility for an Education Award**

### **§ 2525.10 When can an Eligible Individual receive an education award from the National Service Trust?**

(a) *General.* An Eligible Individual is entitled to receive an education award from the National Service Trust if that person:

(1) Is a citizen or national of the United States or a lawful permanent resident alien of the United States; and,

(2) Met the applicable eligibility requirements for the approved national service program as appropriate; and,

(3) Either:

(i) Is certified by their supervising entity to have successfully completed a term of service—whether a full-time 1,700-hour term corresponding to a full education award or a less than full-time term of service with a corresponding partial award amount described in § 2525.100(b)—as certified under § 2525.15; or

(ii) For a pro-rated education award amount described in § 2525.100(c), is certified by their supervising entity to have completed at least 15 percent of the originally-approved term of service and performed satisfactorily prior to being granted a release for compelling personal circumstances, consistent with § 2522.230(a) of this chapter.

(b) *Prohibition on duplicate benefits.* An Eligible Individual who receives a post-service benefit in lieu of an education award may not receive an education award for the same term of service.

(c) *Penalties for false information.* Any individual who makes a materially false statement or representation in connection with the approval or disbursement of an education award or other payment from the National Service Trust may be liable for the recovery of funds and subject to civil and criminal sanctions.

**§ 2525.15 Upon what basis may an entity responsible for the supervision of an Eligible Individual certify that the Eligible Individual successfully completed a term of service?**

(a) An Eligible Individual's supervising entity must certify that the individual has successfully completed a term of service. The individual successfully completed a term of service if the individual has:

- (1) Completed the number of service hours required;
- (2) Satisfactorily performed on assignments, tasks, or projects;
- (3) Met any performance criteria as determined by the program and

communicated to the member; and

(4) Fulfilled any other enrollment and program requirements to earn an education award.

(b) A certification by the supervising entity that an individual did or did not successfully complete a term of service will be deemed to incorporate an end-of-term evaluation.

**§ 2525.20 Under what circumstances is an Eligible Individual who does not complete an approved term of service eligible to receive a pro-rated education award?**

(a) *Release for compelling personal circumstances.* An Eligible Individual who is released before they complete an approved term of service is eligible for a pro-rated education award if their supervising entity:

(1) Released the Eligible Individual for compelling personal circumstances in accordance with the requirements of § 2522.230(a) of this chapter, including requirements for maintaining documentation of the basis for the entity's decision;

(2) Certifies that the Eligible Individual:

(i) Performed satisfactorily before they were granted a release for compelling

personal circumstances; and

(ii) Completed at least 15 percent of the originally approved term of service.

(b) *Release for cause.* An individual who is released for cause before they completed an originally approved term of service is not eligible for any portion of an education award.

**§ 2525.25 If a participant in an approved Summer of Service or Silver Scholar position does not complete their term of service, are they eligible to receive a pro-rated education award?**

No. An individual released for any reason before they complete an approved term of service in a Silver Scholar or Summer of Service position is not eligible to receive a pro-rated award.

**§ 2525.30 How do convictions for the possession or sale of controlled substances affect an Eligible Individual's ability to use their award?**

(a) Except as provided in paragraph (b) of this section, an Eligible Individual who is convicted under Federal or State law of the possession or sale of a controlled substance is not eligible to use his or her education award from the date of the conviction until the end of a specified time period, which is determined based on the type of conviction as follows:

(1) For conviction of the possession of a controlled substance, the individual is ineligible from the date of conviction for –

(i) One year for a first conviction;

(ii) Two years for a second conviction; and

(iii) For a third or subsequent conviction, indefinitely, as determined by

AmeriCorps according to the following factors:

(A) Type and amount of controlled substance;

(B) Whether firearms or other dangerous weapons were involved in the offense;

(C) Employment history;

(D) Service to the community;

(E) Recommendations from community members and local officials, including experts in substance abuse and treatment; and

(F) Any other relevant aggravating or ameliorating circumstances.

(2) For conviction of the sale of a controlled substance, the individual is ineligible from the date of conviction for –

(i) Two years for a first conviction; and

(ii) Two years plus any additional time AmeriCorps determines is appropriate for second and subsequent convictions, based on the factors set forth in paragraphs

(a)(1)(iii)(A) through (F) of this section.

(b) AmeriCorps will restore the Eligible Individual's access to use the education award if AmeriCorps determines that the individual has successfully completed a legitimate drug rehabilitation program, or in the case of a first conviction that the individual has enrolled in a legitimate drug rehabilitation program and:

(1) The drug rehabilitation program is recognized as legitimate by appropriate Federal, State, or local authorities; and

(2) The Eligible Individual's enrollment in or successful completion of the legitimate drug rehabilitation program has been certified by an appropriate official of that program.

#### **§ 2525.40 How long is an education award available for use?**

Unless AmeriCorps approves an extension under § 2525.42, the use period for an education award is as follows:

(a) An education award is available for an Eligible Individual to use until seven years from the date when they successfully completed the term of service for which the award was earned;

(b) An education award that is transferred to a Designated Recipient under subpart F of this part may be used until 10 years from the date when the Eligible Individual who transferred the award successfully completed their term of national service.

**§ 2525.41 When must an application for an extension be submitted?**

An application for an extension must be submitted to AmeriCorps before the award use period ends, or the individual must have been unavoidably prevented from timely submitting the extension application.

**§ 2525.42 Under what circumstances will AmeriCorps grant an extension?**

(a) AmeriCorps will automatically grant an extension to the use period of an education award if the individual served and successfully completed a term of service in an approved national service position that fell within the use period for that education award and applies for an extension under § 2525.41.

(1) The use period will be extended by the length of the individual's additional approved and completed term of service at the time of the extension application.

(2) For purposes of this extension, AmeriCorps will treat all service in AmeriCorps and the Peace Corps as service in another AmeriCorps-approved national service position.

(3) If the additional of service is in the Peace Corps, the individual requesting an extension will need to provide a Description of Service , signed by the country's director or designee for the Peace Corps service.

(b) If AmeriCorps determines that an Eligible Individual or Designated Recipient was unavoidably prevented from using the education award during the original use period, AmeriCorps may grant an extension for a period of time that AmeriCorps deems appropriate, but generally not for more than one year from the end of the original use period. Also, AmeriCorps will grant only one extension of the use period except in very limited circumstances, such as, for example, when the event preventing the member from

timely using their education award is likely to exist for more than 12 months, such as active military duty.

(1) Examples of situations that may warrant an extension if they hinder use of an education award may include, but are not limited to:

(i) The Eligible Individual's serious illness, injury, or disability;

(ii) The death, serious illness, injury, or disability of someone in the Eligible Individual's immediate family that occurs close to the end of the use period;

(iii) The destruction or inaccessibility of important service records maintained by the program;

(iv) Natural disasters;

(v) Military service that prevents the use of an education award, such as active duty overseas (but a person in the reserves or National Guard who has not been called up on active duty, or who is enlisted in the military, is not necessarily unavoidably prevented from timely using their education award because of their military service).

(2) When considering whether to grant an extension, AmeriCorps also will consider whether:

(i) The extension is a result of the individual's choices or actions or factors beyond the individual's control;

(ii) The need for the extension is in any part attributable to AmeriCorps' or an AmeriCorps-funded entity's actions;

(iii) The lending institution or institution entitled to the payment failed to take an action, or took an action, that resulted in the individual needing/wanting the extension.

(c) Examples of circumstances that do not meet the criteria for granting an extension may include but are not limited to:

(1) Employment or unemployment, even in a position with a non-profit organization involved in community service.

(2) Forgetting to use the education award, being unaware of the use-period restrictions, or not receiving his or her education award expiration notice.

(3) Being too young to use a transferred education award.

**§ 2525.43 What if the request for an extension is missing information or documentation?**

If the extension application lacks necessary information or documentation, AmeriCorps may request additional documentation. If the requested additional documentation is not provided to AmeriCorps within 30 days, AmeriCorps may close the request for an extension.

**§ 2525.44 How will AmeriCorps notify the Eligible Individual or Designated Recipient of its decision on the extension request?**

AmeriCorps will notify the Eligible Individual or Designated Recipient in writing if the request for an extension has been granted or denied. The notification will advise the requester of the process for appealing the denial if the requester has a good-faith basis to believe their request was erroneously denied.

**§ 2525.45 Can an Eligible Individual or Designated Recipient appeal a denied request for an extension?**

(a) If an Eligible Individual or Designated Recipient submits a timely application for an extension and the application is denied, the individual may file an appeal. The appeal must:

(1) Be received within 30 days of the denial determination;

(2) Be made in writing – either online through the *My AmeriCorps* portal if the education award has not expired – or through a submission to the National Service Hotline at 1-800-942-2677;

(3) Explain why the initial determination was erroneous/should be reviewed; and,

(4) Include supporting documentation, if applicable.

(b) AmeriCorps may grant an appeal when, after review of all the information provided originally and on appeal, it appears that the extension should have been granted. AmeriCorps may ask for additional documentation to inform the appeal determination.

(c) Individuals who submit appeals will be notified in writing of the final determination.

**§ 2525.50 Is there a limit on the total amount of education awards an individual may receive?**

(a) *General limitation.* While there is no limit on the specific dollar amount, no individual may receive more than the amount equal to the aggregate value of two full-time education awards.

(b) *Calculation of aggregate value of awards received.* The aggregate value of education awards received is the sum of:

(1) The value of each education award received for successful completion of an approved national service position;

(2) The value of each partial education award received upon release from an approved national service position for compelling personal circumstances; and

(3) The value of any amount received from a transferred education award, except as provided in § 2525.460.

(c) *Determination of receipt of award.* For purposes of determining the aggregate value of education awards, an award is considered to be received at the time it becomes available for use.

**§ 2525.55 What is the impact of the aggregate value of education awards received on an individual's ability to serve in additional terms of service?**

The aggregate value of education awards received does not limit an individual's ability to serve in additional terms of service, but does impact the amount of the

education award the individual may receive pursuant to § 2525.100(d) upon successful completion of any additional term of service.

**§ 2525.60 May an individual receive an education award and related interest benefits from the National Service Trust as well as other loan cancellation benefits for the same term of service?**

An individual may not receive an education award and related interest benefits from the National Service Trust for a term of service and have that same service credited toward repayment, discharge, or cancellation of other student loans, except an individual may credit the service toward the Public Service Loan Forgiveness Program, as provided under 34 CFR 685.219.

**§ 2525.70 What are the effects of an erroneous certification of successful completion of a term of service?**

(a) If AmeriCorps determines that the certification made by a national service program under § 2525.10(a)(2) is erroneous, AmeriCorps shall assess against the national service program a charge for the amount of any associated payment or potential payment from the National Service Trust, taking into consideration the full facts and circumstances that led to the erroneous or incorrect certification.

(b) If AmeriCorps determines that the certification made is knowingly false or inaccurate, AmeriCorps will disallow the education award and/or initiate a debt collection process for any education award funds disbursed.

(c) Nothing in this section prohibits AmeriCorps from taking any action authorized by law based upon any certification that is knowingly made in a false, materially misleading, or fraudulent manner.

**Subpart C - Determining the Amount of an Education Award**

**§ 2525.100 What is the amount of an education award?**

(a) *Full-time term of service.* Except as provided in paragraph (d) of this section,

the education award for a full-time term of service in an approved national service position of at least 1,700 hours will be equal to the maximum amount of a Federal Pell Grant under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) that a student eligible for that grant may receive in the aggregate for the award year in which the term of service is approved by AmeriCorps.

(b) *Less than full-time term of service.* Except as provided in paragraph (d) of this section, the amount of an education award for an approved national service position for less than full-time term of service (i.e., partial award) is determined in accordance with the following table:

**Table 1 to Paragraph (b)**

<b>For:</b>	<b>In an approved position of at least:</b>	<b>Is equal to the following percentage of the amount of an education award for a full-time term of service described in paragraph (a) of this section:</b>
Three quarters time term of service (TQT)	1,200 hours	70 percent
Half-time term of service (HT)	900 hours	50 percent
Reduced half-time term of service (RHT)	675 hours	Approximately 39 percent
Quarter-time term of service (QT)	450 hours	Approximately 26 percent
Minimal time and summer associate (MT & SA)	300 hours	Approximately 21 percent
Abbreviated time (AT)	100 hours	5.6 percent

(c) *Calculating a pro-rated award following release for compelling personal circumstances.* The education award for an Eligible Individual who is released from completing an approved term of service for compelling personal circumstances is equal to the product of:

- (1) The number of hours completed divided by the number of hours in the approved term of service; and
- (2) The amount of the education award for the approved term of service.

(d) *Calculating a discounted education award amount.* To ensure that an Eligible Individual receives no more than the aggregate value of two awards, pursuant to § 2525.50, if the sum of the education award value offered for a term of service and the aggregate value of previously-received education awards exceeds the value of two awards, then the individual may receive only a portion of that offered education award, such that the aggregate value of the education awards is not greater than the value of two awards.

#### **Subpart D - Using an Education Award**

##### **§ 2525.210 For what purposes may an education award be used?**

(a) An education award may be used to pay educational expenses and/or to repay qualified student loans, as defined in § 2525.2;

(b) An education award is divisible and may be applied to any combination of loans, costs, or expenses described in paragraph (a) of this section.

##### **§ 2525.220 What steps are necessary to use an education award to repay a qualified student loan?**

(a) *Required information.* Before disbursing an amount from an education award to repay a qualified student loan, AmeriCorps must receive:

(1) An Eligible Individual's written authorization and request for a specific payment amount; and

(2) Any identifying and other information from the loan holder as requested by AmeriCorps.

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the loan holder and notify the Eligible Individual of the payment.

(c) *Aggregate payments.* AmeriCorps may establish procedures to aggregate payments to holders of loans for more than a single individual.

**§ 2525.230 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?**

(a) *Required information.* Before disbursing funds from an education award to pay all or part of the current educational expenses at an institution of higher education, AmeriCorps must receive:

(1) An Eligible Individual's written authorization and request for a specific payment amount;

(2) Information from the institution of higher education as requested by AmeriCorps, including verification that -

(i) It has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094);

(ii) Its eligibility to participate in any of the programs under Title IV of the Higher Education Act of 1965 has not been limited, suspended, or terminated;

(iii) If an Eligible Individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the institution of higher education will ensure an appropriate refund to AmeriCorps of the unused portion of the education award under its own published refund policy, or if it does not have one, provide a pro-rata refund to AmeriCorps of the unused portion of the education award;

(iv) Individuals using education awards to pay for current educational expenses at that institution do not comprise more than 15 percent of the institution's total student population;

(v) The requested amount will be used to pay all or part of the Eligible Individual's educational expenses attributable to a course offered by the institution;

(vi) The requested amount does not exceed the difference between:

(A) The Eligible Individual's cost of attendance and other educational expenses;

and

(B) The Eligible Individual's estimated student financial assistance for that period under Part A of Title IV of the Higher Education Act (20 U.S.C. 1070 *et seq.*).

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the institution and notify the Eligible Individual of the payment.

(c) *Installment payments.* AmeriCorps will disburse the education award payment to the institution in at least two separate installments, none of which exceeds 50 percent of the total amount. The interval between installments may not be less than one-half of the period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or other division of a period of enrollment.

**§ 2525.240 Is there a limit on the amount of an Eligible Individual's education award that AmeriCorps will disburse to an institution for a given period of enrollment?**

Yes. AmeriCorps' disbursement from an Eligible Individual's education award for any period of enrollment may not exceed the difference between:

(a) The Eligible Individual's educational expenses, determined by the institution;  
and

(b) The Eligible Individual's estimated financial assistance for that period under part A of Title IV of the Higher Education Act.

**§ 2525.250 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which AmeriCorps has disbursed all or part of that individual's education award?**

(a) If an Eligible Individual for whom AmeriCorps has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, then an institution

that receives a disbursement of education award funds from AmeriCorps must:

(1) Provide a refund to AmeriCorps in an amount determined under that institution's published refund requirements, unless the institution charged the Eligible Individual for the uncompleted period of study or training.

(2) Provide a pro-rata refund to AmeriCorps of the unused portion of the education award if the institution does not have a published refund policy.

(b) AmeriCorps will credit any refund received for an Eligible Individual under paragraph (a) of this section to the individual's education award allocation in the National Service Trust.

**§ 2525.260 Who may use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?**

To use the education award to pay expenses incurred in enrolling in a G.I. Bill-approved program, an Eligible Individual must have received an education award for successfully completing a term in an approved national service position, in which they enrolled on or after October 1, 2009.

**§ 2525.270 What steps are necessary to use an education award to pay expenses incurred in enrolling in a G.I. Bill-approved program?**

(a) *Required information.* Before disbursing funds from an education award for this purpose, AmeriCorps must receive:

(1) An individual's written authorization and request for a specific payment amount;

(2) Verification from the individual that they meet the criteria in § 2525.260; and

(3) Information from the educational institution or training establishment as requested by AmeriCorps, including verification that -

(i) The amount requested will be used to pay all or part of the individual's expenses attributable to a course, program of education, apprenticeship, or job training

offered by the institution or establishment;

(ii) The course(s) or program(s) for which the individual is requesting to use the education award has been and is currently approved by the State approving agency for the State where the institution or establishment is located, or by the Secretary of Veterans Affairs; and

(iii) If an individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the institution or establishment will ensure a pro-rata refund to AmeriCorps of the unused portion of the education award.

(b) *Payment.* When AmeriCorps receives the information required under paragraph (a) of this section, it will pay the institution or establishment and notify the individual of the payment.

**§ 2525.280 What happens if an individual for whom AmeriCorps has disbursed education award funds withdraws or fails to complete the period of enrollment in a G.I. Bill approved program?**

(a) If an individual for whom AmeriCorps has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, the approved educational institution or training establishment that received a disbursement of education award funds from AmeriCorps must provide a pro-rata refund to AmeriCorps of the unused portion of the education award.

(b) AmeriCorps will credit any refund received for an individual under paragraph (a) of this section to the individual's education award allocation in the National Service Trust.

**§ 2525.290 What happens to an education award upon divorce or death?**

(a) *Prohibition on treatment of an education award as marital property.* An education award may not be treated as marital property, or the asset of a marital estate,

subject to division in a divorce or other civil proceeding.

(b) *Death of Eligible Individual.* An educational award expires and is no longer available for any purpose upon the death of the Eligible Individual, except for:

(1) Any award or portion of the educational award the Eligible Individual transferred prior to death;

(2) Any amount for which the Eligible Individual submitted a request for disbursement prior to death that the National Service Trust had not yet either received or acted upon as of the date of death.

### **Subpart E - Payment of Accrued Interest**

#### **§ 2525.310 Under what circumstances will AmeriCorps pay interest that accrues on qualified student loans during an individual's term of service in an approved position?**

(a) *Eligibility.* AmeriCorps will pay interest that accrues on an Eligible Individual's qualified student loan, subject to the limitation on amount in paragraph (b) of this section, if:

(1) The Eligible Individual successfully completes a term of national service in an approved position; and

(2) The loan holder approves the Eligible Individual's request for forbearance for a time period specified by the loan holder during the term of service.

(b) *Amount.* The portion of accrued interest that AmeriCorps will pay is determined by the length of service. The percentage of accrued interest that AmeriCorps will pay is the lesser of -

(1) The product of—

(i) The number of completed service hours divided by the number of days for which forbearance was granted; and

(ii) 365 divided by 17; and

(2) One hundred (100).

(c) *Supplemental to education award.* A payment of accrued interest under this part is supplemental to an education award received by an Eligible Individual under this part.

(d) *Limitation.* AmeriCorps is not responsible for the payment of any accrued interest in excess of the amount determined in accordance with paragraph (b) of this section.

(e) *Suspended service.* AmeriCorps will not pay interest expenses that accrue on an Eligible Individual's qualified student loan during a period of suspended service.

**§ 2525.320 What steps are necessary to obtain forbearance in the repayment of a qualified student loan during an individual's term of service in an approved AmeriCorps position?**

(a) An Eligible Individual seeking forbearance must submit a request to the loan holder.

(b) If, before approving a request for forbearance, the loan holder requires verification that the Eligible Individual is serving in an approved national service position, AmeriCorps will provide verification upon a request from the Eligible Individual or the loan holder.

**§ 2525.330 What steps are necessary for AmeriCorps to pay interest that has accrued on a qualified student loan in forbearance?**

(a) If an Eligible Individual has obtained forbearance on a qualified student loan, AmeriCorps will make payments from the National Service Trust for interest that has accrued on that student loan during the individual's term of service, after:

(1) The program verifies that the Eligible Individual has successfully completed the term of service and the dates when the term of service began and ended;

(2) The holder of the loan verifies the amount of interest that has accrued during

the term of service.

(b) When AmeriCorps receives all necessary information from the program and the loan holder, it will pay the loan holder and notify the individual of the payment.

### **Subpart F - Transfer of Education Awards**

#### **§ 2525.410 Under what circumstances may an Eligible Individual transfer an education award?**

An Eligible Individual may transfer an education award if—

(a) The Eligible Individual was 55 or older on the day they began the term of service in an approved national service position;

(b) The Eligible Individual successfully completed a term of service in an approved national service position;

(c) The education award the Eligible Individual is requesting to transfer has not expired, consistent with the period of availability set forth in § 2525.40(a);

(d) The individual designated to receive the transferred education award (the Designated Recipient) is:

(1) The Eligible Individual's child, grandchild, stepchild, step-grandchild, or foster child; and

(2) A citizen, national, or lawful permanent resident of the United States.

(e) The Designated Recipient is not entitled to the education award until their citizenship status has been verified. Once citizenship is confirmed, the Designated Recipient has all the benefits of an Eligible Individual.

#### **§ 2525.420 For what purposes may a transferred award be used?**

A transferred award may be used by the Designated Recipient to repay qualified student loans or to pay current educational expenses at an institution of higher education, as described in § 2525.210.

#### **§ 2525.430 What steps are necessary to transfer an education award?**

(a) *Request for transfer.* Before transferring an education award to a Designated Recipient, AmeriCorps must receive a request from the transferring Eligible Individual, including:

(1) The Eligible Individual's written authorization to transfer the education award, the year in which the education award was earned, and the specific amount of the education award to be transferred;

(2) Identifying information for the Designated Recipient who is to receive the transferred education award;

(3) A certification that the transferring Eligible Individual and the Designated Recipient have completed or satisfy the requirements of § 2525.410.

(b) *Notification to Designated Recipient.* Upon receipt of a request, including all required information listed in paragraph (a) of this section, AmeriCorps will contact the Designated Recipient to:

(1) Notify the Designated Recipient, or their legal guardian, of the proposed transfer;

(2) Confirm the Designated Recipient's identity;

(3) Confirm that the Designated Recipient is a citizen, national, or lawful permanent resident of the United States; and

(4) Give the Designated Recipient the opportunity to accept or reject the proposed transferred education award.

(c) *Acceptance by Designated Recipient.* To accept an education award, a Designated Recipient, or their legal guardian, must certify that the Designated Recipient is eligible under § 2525.410. Upon receipt of the Designated Recipient's acceptance and verification of the Designated Recipient's eligibility, AmeriCorps will create an account in the National Service Trust for the Designated Recipient, if an account does not already exist, and the accepted amount will be deducted from the transferring Eligible

Individual's account and credited to the Designated Recipient's account.

(d) *Timing of transfer.* AmeriCorps must receive the request from the transferring Eligible Individual before the date the education award expires.

(e) *Refusal.* The Designated Recipient can refuse to accept the transferred education award under § 2525.470.

(f) *Revocation.* The Eligible Individual can revoke part or all of the remaining balance of the transfer that has not yet been requested for use under §§ 2525.480 and 2525.485.

**§ 2525.440 Is there a limit on the number of recipients an individual may designate to receive a transferred award?**

(a) An Eligible Individual may transfer all or part of a non-expired education award to no more than two recipients.

(b) If a Designated Recipient rejects, in whole or in part, a transferred education award, or a transfer was revoked in accordance with § 2525.480, the education award can be transferred to another Designated Recipient, so long as the education award has not yet expired.

**§ 2525.450 Is there a limit on the amount of transferred education awards a Designated Recipient may receive?**

(a) If the sum of the value of the requested transfer plus the aggregate value of education awards a Designated Recipient has previously earned or received, through the Designated Recipient's own service term or having previously been transferred an education award, would exceed the aggregate value of two full-time education awards, as determined pursuant to § 2525.50(b), the Designated Recipient will be deemed to have rejected that portion of the education award that would result in the excess.

(b) If a Designated Recipient has already received the aggregate value of two full-time education awards, they may not receive a transferred education award, and the

Designated Recipient will be deemed to have rejected the education award in full.

**§ 2525.460 What is the impact of transferring or receiving a transferred education award on an Eligible Individual's eligibility to receive additional education awards?**

(a) *Impact on transferring individual.* Pursuant to § 2525.50, an education award is considered to be received at the time it becomes available for a Designated Recipient's use. Transferring all or part of an award does not reduce the aggregate value of education awards the transferring individual is considered to have received.

(b) *Impact on Designated Recipient.* For the purposes of determining the value of the transferred education award under § 2525.50, a Designated Recipient will be considered to have received a value equal to the amount received divided by the amount of a full-time education award in the year the transferring Eligible Individual's position for that education award was approved.

(c) *Result of revocation on education award value.* If the Eligible Individual revokes the transferred education award, in whole or in part, the value of the education award considered to have been received by the Designated Recipient for purposes of § 2525.50 will be reduced accordingly.

**§ 2525.470 Is a Designated Recipient required to accept a transferred education award?**

(a) *General rule.* No. A Designated Recipient is not required to accept a transferred education award and may reject an education award in whole or in part.

(b) *Result of rejection in full.* If the Designated Recipient rejects a transferred education award in whole, the amount is credited back to the transferring Eligible Individual's account in the National Service Trust, and may be transferred to another individual, or may be used by the transferring Eligible Individual, consistent with the original period of availability set forth in § 2525.40(a).

(c) *Result of rejection in part.* If the Designated Recipient rejects a transferred

education award in part, the rejected portion is credited to the transferring Eligible Individual's account in the National Service Trust for their use, including re-transfer of the education award, consistent with the original period of availability set forth in § 2525.40(a).

(d) *Rescission.* A Designated Recipient who originally accepted a transferred education award may rescind their acceptance of any unused portion of the award at any time before the education award expires, and for any reason.

#### **§ 2525.480 Under what circumstances is a transfer revocable?**

(a) *Revocation.* An Eligible Individual who transferred an award may revoke the transfer at any time and for any reason before the education award's expiration and use by the Designated Recipient.

(b) *Use of award.* Upon revocation, the revoked amount will be deducted from the Designated Recipient's account and credited to the transferring Eligible Individual's account. The transferring Eligible Individual may use the revoked transferred education award for any of the purposes described in § 2525.210, consistent with the original time period of availability set forth in § 2525.40(a).

(c) *Re-transfer.* An Eligible Individual may re-transfer an education award to another qualifying individual after revoking the education award.

#### **§ 2525.485 What steps are necessary to revoke a transfer?**

(a) *Request for revocation.* Before revoking a transfer, the transferring Eligible Individual must submit a request to AmeriCorps that includes:

- (1) The Eligible Individual's written authorization to revoke the education award;
- (2) The year in which the education award was earned;
- (3) The specific amount to be revoked; and
- (4) The identity of the Designated Recipient.

(b) *Used education awards.* A revocation may only apply to the portion of the

transferred education award that has not been used by the Designated Recipient. If the Designated Recipient has used the entire transferred amount before AmeriCorps receives the revocation request, no amount will be returned to the transferring Eligible Individual. An amount is considered to be used when it is disbursed from the National Service Trust, not when a request is received for its use.

(c) *Notification to Designated Recipient.* AmeriCorps will notify the Designated Recipient of the amount being revoked as of the date of its receipt of the revocation request.

(d) *Timing of revocation.* AmeriCorps must receive the request to revoke the transfer from the transferring Eligible Individual before the education award's expiration as calculated pursuant to § 2525.40(a)(2), from the date the education award was originally earned.

#### **§ 2525.487 What happens to a transferred education award upon divorce or death?**

(a) *Prohibition on treatment of a transferred education award as marital property.* An education award transferred under this subsection may not be treated as marital property, or the asset of a marital estate, subject to division in a divorce or other civil proceeding.

(b) *Death of transferor.* The death of an Eligible Individual who has transferred, or initiated the transfer of, an education award under this subsection does not affect the use of the education award by the Designated Recipient.

#### **§ 2525.490 Is a recipient of a transferred education award eligible for the payment of accrued interest for their own student loans?**

No. The transfer of an education award does not convey eligibility for payment of accrued interest under subpart E of this part.

#### **PART 2526 – [REMOVED AND RESERVED]**

2. Remove and reserve part 2526.

**PART 2527 – [REMOVED AND RESERVED]**

3. Remove and reserve part 2527.

**PART 2528 – [REMOVED AND RESERVED]**

4. Remove and reserve part 2528.

**PART 2529 – [REMOVED AND RESERVED]**

5. Remove and reserve part 2529.

**PART 2530 – [REMOVED AND RESERVED]**

6. Remove and reserve part 2530.

**Fernando Laguarda,**

*General Counsel.*

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