



Heroes Act (H.R. 6800)

Education and Community Support Provisions

Emergency Financial Relief for States, Schools, and Institutions

Provides \$915 billion in emergency funding for state and local governments, which are facing budget shortfalls that could lead to mass teacher layoffs and deep cuts to public education.

- Without immediate and significant federal assistance, state and local governments will be forced to balance their budgets on the backs of students and teachers. The *Heroes Act* will save hundreds of thousands of jobs and help avert devastating cuts to funding for public education.

Invests more than \$100 billion in direct emergency funding for students, schools, and institutions to maintain access to education.

- The bill invests more than \$100 billion in funding for childcare providers, school districts, and institutions of higher education, which are facing a surge of unexpected costs and need financial assistance just to keep the doors open. The includes:
 - **\$90 Billion** to the State Fiscal Stabilization Fund for grants to States to support elementary and secondary schools and public postsecondary institutions.
 - **Nearly \$58 billion** for K-12 schools to continue delivering instruction, including purchasing educational technology and hotspot devices, planning and implementing summer learning, training and professional development, and maintaining school personnel employment.
 - **Nearly \$27 billion** to support public institutions of higher education and their students.
 - **Nearly \$4 billion** to governors to award funding to school districts and institutions of higher education.
 - **\$100 million** for Project AWARE grants to support student mental health.
 - **More than \$10 billion** in direct emergency funding for institutions of higher education that have suffered severe financial losses due to COVID-19, including \$1.7 billion for Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority Serving Institutions.
 - **\$7 Billion** for childcare providers to serve individuals who are required to work during the public health emergency or to stay afloat during temporary closures and provide families with tuition relief.

Creates the Institutional Stabilization Program to help cash-strapped institutions.

- The program provides non-profit institutions facing severe financial consequences exacerbated by COVID-19 an opportunity to avoid additional financial penalties in exchange for ensuring that students can complete their education if the institution were to close.

Relief for Student Loan Borrowers

The *Heroes Act* extends the duration and scope of the suspension of student loan payments included under the *CARES Act*. The bill:

- Extends the suspensions of student loan payments provided under the *CARES Act* from September 30, 2020 to September 30, 2021. No interest accrual is also extended until September 30, 2021 or until the economy shows initial signs of improvement.
- Expands the type of loans eligible for relief by including commercially held Federal Family Education Loans (FFEL), institutionally held Perkins loans, and Health and Human Services student loans, in addition to all direct federal loans and federally held FFEL.
 - For commercially held Federal Family Education Loans (FFEL), institutionally held Perkins loans, and Health and Human Services student loans, this provision would be retroactive to March 13, 2020.

The *Heroes Act* provides up to \$10,000 in student debt relief for more than 20 million federal student loan borrowers with the greatest need, and provides full relief to student loan borrowers who were defrauded by their institution. The bill:

- *Provides \$10,000 of up-front debt relief* for more than 20 million economically distressed Department of Education loan borrowers. Borrowers owing less than \$10,000 will receive up to the amount owed on their balance. This will benefit:
 - Approximately 6 million very low-income borrowers repaying under an income-driven repayment plan (i.e., an individual making less than \$19,140 annually);
 - Approximately 2 million borrowers who are in deferment or forbearance related to economic hardship;
 - Approximately 3 million borrowers who are on a path to default (i.e., 90 days past due on their loan); and
 - Approximately 9 million borrowers who are in default.
- Requires the Department of Education to provide *full student debt relief to borrowers who were defrauded by Corinthian Colleges, Inc. or ITT Technical Institute* if the Department found that the institution made false or misleading statements to students regarding job placement rates, guaranteed employment, or credit transferability.
 - Borrowers will also see their eligibility to receive federal financial aid restored so they can go back to school if they choose.

The *Heroes Act* protects access to PSLF for student loan borrowers who consolidate their loans in response to COVID-19 and ensures doctors in California and Texas can access Public Service Loan Forgiveness (PSLF).

The bill:

- Allows student loan borrowers to consolidate their loans without losing prior payments for purposes of PSLF and income-driven repayment plans.
- Ensures that doctors in California and Texas who are employed at non-profit hospitals qualify for PSLF despite state law.

Additional Financial Relief for Postsecondary Students

The *Heroes Act* strengthens financial relief for students to help maintain their access to education. The bill:

- Prevents the Secretary of Education from imposing restrictions on the populations of students who receive emergency financial relief under the *CARES Act*.
- Ensures emergency financial aid, including emergency aid received under the *CARES Act*, is not counted as income for individuals applying for federal aid through the FAFSA.
- Maintains flexibility for institutions to pay federal work-study students even if they are unable to work due to COVID-19.

Preparing the Country for a Strong Recovery

The *Heroes Act* provides legislative flexibilities and agency requirements to prepare for the recovery from the COVID-19 pandemic. The bill:

- Requires the Corporation for National and Community Service provide a feasibility report on expansion to respond to the COVID-19 pandemic.
- Provides Perkins Career and Technical Education programs and Adult Education and Literacy programs additional legislative flexibilities to use current resources to respond to the COVID-19 pandemic.