



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

January 8, 2002

**S. 1793
Higher Education Relief Opportunities for Students Act of 2001**

As cleared by the Congress on December 20, 2001

S. 1793, the Higher Education Relief Opportunities for Students Act of 2001, would authorize the Secretary of Education to waive or modify various requirements applicable to the federal student aid programs in response to the national emergency declared by the President on September 14, 2001. These waivers are to ensure that certain recipients of federal student loans and other student aid programs are not disadvantaged in relation to their student loans and other aid as a result of this emergency. Specifically, these recipients are those who are members of the armed forces—including ready reserves—serving on active duty in connection with the national emergency or others who were directly affected by the events of September 11, 2001. The waiver authority is in effect until September 30, 2003.

This act provides the Secretary with statutory authority for program waivers which have already been included in a series of rules issued by Department of Education in September 2001. These rules provide guidance to lenders and schools on maintaining borrowers in their current loan statuses, easing timely-payment requirements, providing forbearance from loan repayment, and ceasing default collection activities. In addition, the rules provide guidance to schools to consider the current financial condition of the family when determining federal student aid eligibility for the affected recipient and the recipients spouse or children.

Because the act would provide statutory authority for actions already taken by the Secretary of Education, CBO estimates that S. 1793 would not have any impact on the federal budget.

The CBO staff contact for this estimate is Deborah. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.