

# NASFAA Higher Education Emergency Relief Fund II (HEERF II) Reference Page

This page contains information related to the Higher Education Emergency Relief Funds II (HEERF II) created under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The Department of Education (ED) has released initial guidance on the use of HEERF II grants but we expect more information in the coming days and weeks. Check back often as NASFAA will continue to update this reference page as any new guidance becomes available. Updates will be marked below in **red**. More information and resources on how the novel coronavirus is impacting student financial aid as well as information about the HEERF grants made available through the CARES Act in early March can be found on NASFAA's [COVID-19 Web Center \(/covid19\)](#).

## Overview

The Consolidated Appropriations Act, 2021 (<https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR133SA-RCP-116-68.pdf>) included additional COVID-19 relief through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ([/news-item/24271/Congress\\_Releases\\_Bipartisan\\_Year-End\\_Spending\\_Deal\\_FAFSA\\_Simplification\\_COVID\\_Relief\\_and\\_Other\\_Student\\_Aid\\_Provisions](#)). This new COVID stimulus bill included \$23 billion for higher education institutions and students, using the same Higher Education Emergency Relief Fund (HEERF) model established in the Coronavirus Aid, Relief and Economic Security (CARES) Act.

## Allowable Uses

Unlike the CARES Act, the CRRSAA does not require that 50% of an institution's funds be spent on student grants. It does, however, require that institutions spend at least the same dollar amount on student grants as they were required to spend under the CARES Act. In addition, the allowable uses of funds are more flexible than in the CARES Act, as illustrated in the table below. Additionally, any unused CARES Act funds that an institution did not spend prior to December 27, 2020 may be spent in accordance with the allowable uses of the HEERF II Funds. However, institutions are still required to adhere to the 50/50 institutional/student share split for CARES Act funds spent after December 27, 2020.

### Student Funds

Students may use the grants toward:

- any component of their cost of attendance
- emergency costs that arise due to coronavirus, such as:
  - tuition
  - food
  - housing
  - health care (including mental)
  - child care

### Institutional Funds

Institutions may use the funds to:

- defray expenses associated with coronavirus, including:
  - lost revenue, reimbursement for expenses already incurred
  - technology costs associated with a transition to distance education
  - faculty and staff trainings
  - payroll
  - carry out student support activities authorized by the HEA that address needs related to coronavirus
- make additional financial aid grants to students

## Frequently Asked Questions and Answers

**Q: Which students are eligible to receive HEERF II emergency funds?**

A: Notably, similar to CARES, the CRRSAA includes *no student eligibility* requirements, however, institutions are required to prioritize grants to students with exceptional financial need, such as those who receive Pell Grants. The HEERF II funds can be awarded to online students as well. Additionally, DACA, undocumented, and international students remain ineligible to receive any HEERF II funds. As a reminder, after a confusing and inconsistent implementation, Education Secretary Betsy DeVos issued an Interim Final Rule (IFR) on June 17, 2020, limiting eligibility for CARES Act emergency financial aid grants to students who met the eligibility criteria for Title IV student aid under Section 484 of the Higher Education Act (HEA). ED has confirmed that the IFR does not apply to HEERF II funds, however they believe the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, which prohibits certain noncitizens from receiving federal benefits, applies to HEERF II funds, making DACA, undocumented, and international students ineligible.)

**Q: I'm a proprietary school. What can I use my funds for?**

A: While \$681 million is allocated for use by for-profit, or proprietary institutions, any funds received by proprietary institutions would only be allowed to be used for emergency grants for students. See the chart above for allowable uses for students.

**Q: Do I need to draw down my HEERF II funds by a certain deadline?**

A: Schools that previously received Higher Education Emergency Relief Fund (HEERF) grant funds under the CARES Act (HEERF I funds) are required to start drawing down funds from both the student and institutional portions of HEERF II funds within 90 days of the publication of the Notice Inviting Applications for Funds under Section 314(a)(1) of the 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA, Section 314 of the Consolidated Appropriations Act, 2021). That is, schools have until **April 15, 2021** to start drawing down the funds.

**Q: If I received funds through the CARES Act do I need to do anything to receive my new allocation?**

A: While awards for institutions that previously received CARES Act HEERF funds will be processed automatically, ED indicated that this could take several weeks due to staffing and technology limitations. Institutions that have already submitted their HEERF annual report via the Annual Report Data Collection System will receive priority in supplemental funds disbursement. Institutions that did not receive either or both of the institutional share and student share of CARES Act funds will need to submit applications following the CARES Act process to receive supplemental allocations. New applications are due by April 15, 2021, but institutions are encouraged to apply as quickly as possible because ED indicated that they plan to process applications in the order they are received.

**Q: What is the deadline for schools to apply for Higher Education Emergency Relief Funds II?**

A: For institutions that received HEERF I funds, applications are not required to receive supplemental awards under HEERF II. Public and nonprofit Institutions that did not previously receive CARES Act funding (HEERF I) must submit their applications for the CRRSAA student aid portion and institutional portion (HEERF II) by April 15, 2021. Likewise, proprietary institutions must submit their applications for the CRRSAA student aid portion by April 15, 2021, regardless if they have previously received funds under the CARES Act (HEERF I).

**Q: How long does my institution have to spend our HEERF II funds?**

A: An institution has one year from the date the school's supplemental grant was processed to distribute the HEERF II funds. For example, if a school's supplemental HEERF II funds were processed on January 20, 2021, the funds must be spent on or before January 19, 2022. If funds are not spent within the year allotted, a no-cost extension may be requested if applicable. Additionally, grants received by institutions that were created through the CARES Act in March of last year are still subject to their original one year deadline.

**Q: Will HEERF emergency grants be counted as income for the calculation of Expected Family Contribution (EFC) or estimated financial assistance (EFA)?**

A: It is NASFAA's understanding based on conversations with ED that HEERF II grants awarded to students under CRRSAA are also not treated as EFA when packaging students. Likewise, HEERF II grants are not treated as taxable income or untaxed income for Title IV federal student aid purposes.

## Outstanding Questions

At the moment, the answers to the following questions remain unknown. NASFAA hopes to be able to address these questions in the near future and will update this reference page on a rolling basis as ED provides additional guidance.

- What are the reporting requirements for the HEERF II funds?
- If we have leftover CARES funds does the Interim Final Rule on student eligibility still apply when awarding those funds?
- If my school has unexpended CARES HEERF funds as of 12/27/2020, can those funds be spent using the CRRSAA flexibilities for payment periods before 12/27/2020 (the date the Act was signed into law)?
- Can students who have withdrawn receive HEERF I or HEERF II funds?
- Can leftover HEERF I and HEERF II funds be used to cover lost wages before or after December 27, 2020, including FWS hours the student is unable to work?
- Are students who are enrolled at the institution, but not enrolled in Title IV-eligible academic programs (such as non degree students, continuing education students, students who are simultaneously enrolled in high school and college classes) eligible for leftover HEERF I funds after December 27, 2020 and for HEERF II funds?

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