

THE WALL STREET JOURNAL.

EDUCATION DEPARTMENT RESTORES PELL GRANT ELIGIBILITY FOR STUDENTS WHOSE COLLEGES CLOSED

Many community colleges don't award credit for the closed for-profit school's classes

By Melissa Korn
April 4, 2017

The U.S. Department of Education will restore Pell Grant eligibility to students who attended but didn't graduate from shuttered colleges like ITT Technical Institute, allowing some to get new funds to pursue their education elsewhere.

Pell Grants assist the neediest college students, with a maximum award this year of \$5,815 that doesn't need to be paid back. Students can receive up to six years of the full value over their lifetimes.

The time spent at closed schools will be wiped from students' financial-aid records for the purpose of lifetime eligibility, meaning someone who made it halfway through a bachelor's degree before a school shuttered could more likely complete a program at another school without taking on significant debt.

The agency announced the move Monday in a memo from John Kane, acting service director of the federal student-aid office.

The restoration of Pell eligibility for the students had backing from both parties, with Democratic and Republican lawmakers both pushing the prior White House administration to act last fall, after ITT Technical Institute shut down and left more than 40,000 students hunting for new college options. Obama education officials had said they didn't have the authority to restore Pell eligibility for such students without congressional action, but had backed a bill that would give it such power.

Many community colleges and universities don't award credit for classes taken at for-profit colleges, meaning students need to [start from scratch](#) accumulating credits if they transfer.

The Education Department has also forgiven hundreds of millions of dollars [owed by students](#) whose schools shut down with little notice or who could prove they had been misled by the schools.

Students [will be notified](#) of their Pell adjustments by email, the department said.