Financial Aid Penalties for Drug Law Violations

The Higher Education Act of 1965 (HEA) (P.L. 89–329) [as amended through Public Law 113–67, enacted December 26, 2013] states the school must provide to each student upon enrollment, a separate, clear, and conspicuous written notice with information on the penalties associated with drug-related offenses under existing section 484(r) of the HEA. The school must also provide a timely notice to each student who has lost eligibility for any grant, loan, or work-study assistance as a result of the penalties under 484(r)(1) of the HEA. It must be a separate, clear, and conspicuous written notice that notifies the student of the loss of eligibility and advises the student of the ways in which to regain eligibility under section 484(r)(2) of the HEA (20 U.S.C. 1091(r)(2)).

Sec. 484(r) Higher Education Act of 1965
SUSPENSION OF ELIGIBILITY FOR DRUG–RELATED OFFENSES.—

(1) IN GENERAL.
— A student who is convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance for conduct that occurred during a period of enrollment for which the student was receiving any grant, loan, or work assistance under this title shall not be eligible to receive any grant, loan, or work assistance under this title from the date of that conviction for the period of time specified in the following table:

If convicted of an offense involving:

The possession of a controlled substance: Ineligibility period is:
First offense .......................... 1 year
Second offense ......................... 2 years
Third offense .......................... Indefinite.

The sale of a controlled substance: Ineligibility period is:
First offense .......................... 2 years
Second offense ........................ Indefinite.

(2) REHABILITATION.
— A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the ineligibility period determined under such paragraph if—

(A) the student satisfactorily completes a drug rehabilitation program that—

(i) complies with such criteria as the Secretary shall prescribe in regulations for purposes of this paragraph; and
(ii) includes two unannounced drug tests;

(B) the student successfully passes two unannounced drug tests conducted by a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe in regulations for purposes of subparagraph (A)(i); or

(C) the conviction is reversed, set aside, or otherwise rendered nugatory.