

Using the AmeriCorps Education Award

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When an AmeriCorps member successfully completes their term of national service, CNVS notifies the National Service Trust that a member is eligible for an education award. A member can use their education award in the following ways: 1. To repay “qualified student loans”; 2. To pay for CURRENT educational expenses at a “qualified institution of higher education”; and 3. To pay expenses incurred while participating in an approved school-to-work opportunities system program.

A member must use their education award within seven years of the completion of their term of national service. It can be divided up and used any way a member chooses, as long as it is for authorized expenditures. For example, a portion of the award could be applied to repay existing qualified student loans and the remainder saved to pay for authorized college costs in the future.

When a member is ready to use their award, they must complete the top section of the voucher, authorizing the payment. Then, send it to the school or loan holder. They will complete the bottom section of the voucher and send it to the Trust. By law, payments are made directly to the school or loan holder, not to a member. The Trust will notify a member that a payment has been made and send the member another voucher, with their updated balance, to be used for future payments.

A member can use their education award to pay qualified student loans they have or may acquire. If a member does not know if their loans are qualified, they should ask their lenders. For federally-backed student loans, there should be a citation on the loan papers referring to Title IV of the Higher Education Act. For loans made by a state agency, the state agency should be listed as the “maker” of the loan on the Promissory Note. The “maker” of every loan is the entity that

originally issued the loan to the borrower. The maker of the loan does not change, even if another loan company purchases the loan. Thus, a promissory note is the best evidence of who originally made the loan.

There may be student loan programs offered by organizations that are not qualified. A member must be sure to confirm with their loan holders that the loans are qualified and meet these definitions. A debt resulting from charging tuition on their credit card is not a qualified student loan.

The AmeriCorps education award can be used to pay “current educational expenses.” “Current educational expenses” are expenses that were



incurred by a member after a member first enrolled in an AmeriCorps term of service. The award cannot be used to pay for expenses that pre-date their involvement with AmeriCorps.

The AmeriCorps education award can be used for that portion of the Cost of Attendance (COA) that has not already been covered by other sources of financial assistance, such as scholarships, loans, grants, and tuition or fee waivers.

Schools are allowed to include the cost of a computer in determining the COA for some students. The school’s financial aid office will know if, following the U. S. Department of Education’s regulations, the cost of a computer can be included in a student’s COA. It may depend upon the course of study and the number of credits

the student is taking.

The education award is subject to the same general rules that the school has regarding reimbursing students for other financial aid they receive for non-institutional expenses. A school which receives a check from the Trust may keep the amount that is owed the school (such as tuition, fees, and, if applicable, dorm fees) and may release to a member any of the COA allowances due a member – e.g. allowances for books, transportation, and off-campus room and board (if applicable). This reimbursement can be handled in a variety of ways – some schools write students checks, others establish accounts or vouchers in the students’ names.

A member is not limited to using their education award only for courses that are part of a degree, certificate or other credentialed program. A member can use their education award to pay for all courses at the school in which a member are enrolled as a student, such as an adult education course, as long as the school is a Title IV school. The school must consider a member to be a student in some capacity at the school.

Currently, for some student loans the education award is considered in determining the amount of student aid for which the student is eligible and for other loans it is not taken into consideration. The U.S. Department of Education has developed guidance for financial aid officers on how the AmeriCorps education award should be handled.

This guidance is included in the most recent Student Financial Aid Handbook for financial aid administrators. Financial aid officers should be familiar with how the education award is to be treated when determining the eligibility for and the amount of any financial aid for which an AmeriCorps member qualifies.

Should you or your alumni have questions, please feel free to contact CNVS for assistance.