



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

January 14, 2021

Dear Presidents of Proprietary Colleges and Universities:

The ongoing disruption caused by the COVID-19 global pandemic continues to create enormous challenges for colleges throughout the country. Effectively responding to the coronavirus threat and keeping staff and students safe while preserving the learning environment imposes additional costs to both institutions and students. In response to this ongoing crisis, we are working quickly to implement the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Pub. L. 116-260 (Dec. 27, 2020), which provides an additional \$22.7 billion for the Higher Education Emergency Relief Fund (HEERF). Of this amount, over \$680 million is available as new formula grants for proprietary institutions of higher education to provide financial aid grants to students.

The allocation table for awards under section 314(a)(4) is available [here](#), and the methodology used to implement the CRRSAA-established formula can be found [here](#). Unlike the funds available to proprietary institutions under the CARES Act, the only allowable use of funds for the grants provided under section 314(a)(4) of the CRRSAA is to provide financial aid grants to students, which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care. If an institution obtains a student's written (or electronic), affirmative consent, an institution is permitted to apply these grants directly to the student's institutional account; however, students must be informed that they retain the option to receive a direct disbursement of the financial aid grant and that an institution may not require that the grant be applied to the student's account.

Unlike the CARES Act, the CRRSAA requires that institutions prioritize students with *exceptional need*, such as students who receive Pell Grants, in awarding financial aid grants to students. However, students do not need to be Pell recipients or students who are eligible for Pell grants to be identified as having exceptional need. In addition, the CRRSAA explicitly provides that financial aid grants to students may be provided to students exclusively enrolled in distance education. For more information on allowable use of funds and other program requirements, including the authority to repurpose unspent funds still available under the CARES Act – HEERF grants, see our [\(a\)\(4\) Frequently Asked Questions document here](#), which can also be accessed by navigating through our [CRRSAA HEERF II webpage](#).

We have endeavored to make accessing these funds as simple as possible. However, please note that because CRRSAA creates a new program for proprietary institutions and narrows the use of

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funds, these additional allocations must be applied for as new awards under a new funding opportunity and cannot be made as supplements to your prior grant under the CARES Act. To apply for funds under section 314(a)(4) of the CRRSAA, eligible proprietary institutions must submit a certification and agreement (the “[Red C&A](#)”) under the new funding opportunity (CFDA 84.425Q) as well as the SF-424 form and SF-424 supplemental form, using [Grants.gov](#). The Grants.gov Funding Opportunity Number is ED-GRANTS-011521-005. Please see our [CRRSAA HEERF II webpage](#) for additional details.

I want to call your attention to a few other key points regarding the timing of obligation of CRRSAA awards:

- First, please submit your application as soon as possible. The Department will begin making awards as applications are received and is directed by CRRSAA to reallocate any funds for which institutions have not yet applied within 90 days of the publication of the [notice](#) announcing the availability of funding, which is April 15, 2021.
- Second, if your institution received a grant under the CARES Act, please make sure that you have fulfilled the [HEERF reporting requirements](#). Proprietary institutions that have not yet complied with the reporting requirements of the CARES Act may receive CRRSAA section 314(a)(4) awards with a restriction on the ability to use (drawdown) those awarded funds (stop payment status) until the institution has satisfied its CARES Act HEERF reporting obligations.

After the Department obligates these awards, institutions can begin drawing down funds in the G5 system and providing crucial direct financial support to your students. Thank you for your continued work on behalf of America’s students.

Sincerely,



Christopher J. McCaghren, Ed.D.,
Acting Assistant Secretary for
Postsecondary Education