

ED: Title IV Student Aid Exempt From White House Pause on Federal Grants and Loans

By Hugh T. Ferguson, NASFAA Managing Editor

The Department of Education (ED) on Tuesday issued an electronic announcement noting that the agency is “reviewing the full impact” of a new White House memo seeking to temporarily pause certain federal financial assistance programs. However, ED noted that the memo does not impact “assistance received directly by individuals,” which includes Title IV, HEA funds, since those programs are provided to individual students.

The updated guidance was delivered in response to a memo published Monday night by the Office of Management and Budget (OMB). The directive’s text created significant confusion over which programs and funding streams would be directly impacted by an upcoming “pause” to all federal loans and grants.

It is still unclear whether other aid outside of Title IV student aid funding would be exempt from the pause.

While congressional Republicans have said that the directive is a “normal practice” for an incoming administration, Democrats have called the move unlawful, arguing that the effort to “pause” previously approved appropriations is illegal.

Several state attorneys general have begun to threaten lawsuits should the pause move forward.

The freeze was slated to take effect at 5 p.m. ET on January 28, but a federal judge temporarily blocked the administration's effort to pause federal aid. A hearing has been scheduled for Monday, February 3, at 11 a.m. ET, at which time the judge will determine whether to issue a longer-term stay of OMB's funding pause while the lawsuit moves forward.

NASFAA Interim President & CEO Beth Maglione said in a statement that it’s “a relief” to confirm that Title IV aid would not be impacted by the pause.

“These programs provide critical financial assistance to millions of college students across the country, and for some are the deciding factor in determining whether they attend college at all. The response from our community today further solidifies how integral Title IV aid is to student access to and success in higher education,” she said.

NASFAA is actively collaborating with our contacts at ED to assess the potential impacts. We hope to share more information soon.

Publication Date: 1/29/2025