

Federal Student Financial Aid Penalties for Drug Law Violations

Students who are currently enrolled and are completing the FAFSA will be asked: “Have you been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid?” Students who answer “Yes” will be asked an additional series of questions to determine if the conviction affects their eligibility for federal student aid. Students convicted of a federal or state offense of selling or possessing illegal drugs that occurred while they were receiving federal student aid should still complete and submit the FAFSA to determine if there is aid for which they are still eligible. Students who leave the question blank cannot receive federal financial aid until they respond by making a correction to their FAFSA.

A federal or state drug conviction can disqualify a student for federal student aid. A student who has been convicted of possession or sale of illegal drugs loses Title IV eligibility for a period of time specified in law. The period of ineligibility depends on whether the conviction was for possession or sale of (including conspiring to sell) illegal drugs.

For convictions involving possession, the periods of ineligibility are as follows:

- One conviction: one year after the date of conviction
- Two convictions: two years after the date of the second conviction.
- Three or more convictions: indefinite from the date of the third conviction.

For convictions involving sale, the periods of ineligibility are as follows:

- One conviction: two years after the date of conviction
- Two or more convictions: indefinite from the date of the second conviction.

Convictions only count if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV aid – they do not count if the offense was not during such a period. Also, a conviction that was reversed, set aside, or removed from the student’s record does not count, nor does one received when the student was a juvenile, unless the student was tried as an adult.

How to Regaining Eligibility

A student regains eligibility the day after the period of ineligibility ends or when the student successfully completes a qualified drug rehabilitation program. Further drug convictions will make the student ineligible again.

A student whose Title IV eligibility has been suspended indefinitely may regain eligibility only by successfully completing a drug rehabilitation program. A student who is under a one- or two-year penalty may regain eligibility before the expiration of the period of ineligibility by successfully completing a drug rehabilitation program. If the student successfully completes an approved drug rehabilitation program, eligibility is regained on the date the student successfully completes the program. It is the student’s responsibility to certify to the school that he/she has successfully completed the rehabilitation program.

To qualify the student for eligibility, the drug rehabilitation program must include at least two unannounced drug tests, and:

- Have received or be qualified to receive funds directly or indirectly under a Federal, State, or Local government program; or
- Be administered or recognized by a Federal, State, or Local government agency or court; or
- Have received or be qualified to receive payment directly or indirectly from a Federally- or State-licenses insurance company; or
- Be administered or recognized by a Federally- or State-licensed hospital, health clinic or medical doctor.