

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1229	State Authorization <i>The Policy Committee pulled this policy proposal from consideration by the Governing Board in order to re-address the comments received and to ensure that the policy proposal is properly aligned with the final rules.</i>	<p>4 School Participation 4.1 Institutional Eligibility 4.1.C Maintaining Eligibility 4.1.D Loss of Eligibility 4.4.B Student Consumer Information 17.3.A The Preliminary Review Appendix G</p> <p>Provides that to qualify as an eligible institution of higher education, proprietary institution, or postsecondary vocational institution, a school must be authorized by the state where it is located.</p> <p>Also requires a school to provide a student with the name of its accrediting agency, state licensing and/or authorization entity, and, applicable contact information for filing a complaint with each entity.</p>	Federal	School eligibility on or after July 1, 2011.
1230	Written Arrangements to Provide Educational Programs	<p>4.1.B Written Agreements between Schools 4.4.B Student Consumer Information</p> <p>Provides that if the written agreement is between two or more eligible schools owned or controlled by the same individual, partnership or corporation, the educational programs offered under those written agreements are considered eligible programs if they meet all other eligibility requirements.</p> <p>Also states that an eligible school may enter into an agreement with an ineligible organization that is not a school.</p> <p>Also includes the requirement that a school that offers an educational program under an agreement with another school or organization must disclose certain information to its students and prospective students.</p>	Federal	Written agreements entered into by schools on or after July 1, 2011.
1231	Definition of Full-time Student—Retaking Coursework	<p>6.9 Defining Enrollment Status Appendix G</p> <p>Adds language to Section 6.9 and the definition of “full-time student” to allow repeated courses to count towards a student’s enrollment status for a term-based program in certain situations.</p> <p>Also clarifies that previously-failed courses count toward a student’s Title IV enrollment status. Previously-passed coursework that is repeated may be counted only once toward a student’s Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted.</p>	Federal	Title IV enrollment status determinations made by the school on or after July 1, 2011.

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: February 17, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with changes	Feb 17

SUBJECT: Written Arrangements to Provide Educational Programs

AFFECTED SECTIONS: 4.1.B Written Agreements between Schools
4.4.B Student Consumer Information

POLICY INFORMATION: 1230/Batch 174

EFFECTIVE DATE/TRIGGER EVENT: Written agreements entered into by schools on or after July 1, 2011.

BASIS:
§668.5.

CURRENT POLICY:
Current policy does not include new requirements with respect to written agreements between schools that are owned or controlled by the same individual, partnership, or corporation.

REVISED POLICY:
Revised policy provides that if the written agreement is between two or more eligible schools owned or controlled by the same individual, partnership, or corporation, the educational programs offered under those written agreements are considered eligible programs if they meet all other eligibility requirements and the school that grants the degree or certificate provides more than 50% of the educational program. Revised policy also states that an eligible school may enter into an agreement with an ineligible organization that is not a school. Finally, the Manual is revised to include the requirement that a school that offers an educational program under an agreement with another school or organization must disclose certain information to its students and prospective students.

REASON FOR CHANGE:
This change is made to comply with Final Rules published October 29, 2010.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 4.1.B, page 5, column 2, paragraph 1, as follows:

Two or more eligible schools or, except in the case of an eligible foreign school, an eligible and an ineligible school or organization may enter into a written agreement ~~may be made between two or more eligible schools, or between eligible and ineligible schools,~~ in which one school agrees to have all or a portion ~~or all~~ of its educational program provided at or by the other school(s). Such an agreement typically falls into one of two general categories: consortium agreements between eligible schools and contractual agreements between an eligible school(s) and an ineligible school(s) or organization(s).

In addition, a school may enter into a single written agreement with a study-abroad organization that represents one or more foreign school rather than a separate agreement with each individual foreign school that its students attend.
[§668.5]

A student may take courses at a school that is party to the agreement ~~contract~~ and have those courses count toward the degree or certificate that is granted by the home school. The agreement applies to any courses for which a student is ~~has been~~ certified as eligible for Title IV aid assistance.

An eligible school must award credit to students in any contracted portion of the program on the same basis as if it provided that portion itself.

Agreement between Two or More Eligible Schools

If the written agreement (consortium agreement) is between two or more eligible schools

owned or controlled by the same individual, partnership or corporation, the educational programs offered under that agreement are considered eligible programs if the programs meet all other eligibility requirements (see Subsection 4.1.A), and the school that grants the degree or certificate provides more than 50% of the educational program.
[§668.5]

Agreement between an Eligible School and an Ineligible School or Organization

If an eligible school enters into a written the agreement (contractual agreement) is with an ineligible school or organization, the agreement must meet at least one of the following criteria must be met:

- The contracted portion of the program provided by the ineligible school or organization must not exceed 25% of the student's total program of study.
[§668.5(c)(3)(i)]
- The contracted portion of the program must not exceed 50% of the total program of study if the ineligible school or organization is not owned or controlled by the same individual or company as the eligible school and the eligible school's accrediting agency or the state agency that approves public postsecondary vocational education determines that the written agreement is in accordance with the agency's standards.
[§668.5(c)(3)(ii)(A) - (C)]

Also, the ineligible school must not have:

- Bbeen terminated from participation in Title IV programs. -and may not have
- Wwithdrawn from participation in the Title IV programs under a termination, show-cause, suspension, or similar proceeding.
- Had its participation agreement revoked by the Secretary.
- Had its initial certification application or its application for re-certification to participate in Title IV programs denied.
[§668.5(c)(1)]

Revise Subsection 4.4.B, page 26, column 1, paragraph 2, following the 1st bullet on this page, as follows:

General disclosures for enrolled and prospective students must include, but are not limited to, all of the following:
[HEA§485(a)(1)(A); §668.42(a)]

- . . .
- A description of student rights and responsibilities specifically addressing financial aid under the Title IV programs that includes, but is not limited to, the following:
 - The criteria for continued student eligibility . . .

To assist schools in meeting the student consumer information requirements, each MPN includes detailed information on the terms of the borrower's loan. By signing . . .

- A school that enters into a written agreement with another school or organization (see Subsection 4.1.B) must provide students with information describing the written agreement, and include at least the following :
 - A description of the portion of the program that the school granting the degree (home institution) is not providing.
 - The name and location of the other school or organization providing the portion of the educational program that is not provided by the home institution.

- The method by which the portion of the program that the home institution is not providing will be delivered.
 - The additional estimated costs that students may incur by enrolling in the educational program offered under the written agreement.
- [668.43(a)(12)]
- The cost of attending the school, including:
 - . . .

PROPOSED LANGUAGE - COMMON BULLETIN:

Written Agreements to Provide Educational Programs

The *Common Manual* has been revised to clarify certain requirements for a written agreement between two or more eligible schools. If those schools are owned or controlled by the same individual, partnership or corporation, the educational programs offered under a written agreement are considered eligible programs if they meet all other eligibility requirements and the school that grants the degree or certificate provides more than 50% of the educational program. Revised policy also provides that an eligible school may enter into an agreement with an ineligible organization that is not a school. Finally, the Manual is revised to include the requirement that a school that offers an educational program under an agreement with another school or organization disclose certain information to its students and prospective students.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A borrower will receive more information regarding any written agreements into which its school may have entered for the purpose of providing the program of study in which he or she enrolls.

School:

A school with written agreements may need to amend its disclosures to students and prospective students. If two or more schools plan to enter these kinds of written agreements, they and their legal counsel may need to ensure that those agreements comply with the new provisions.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

The Department may need to amend program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

November 12, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

February 17, 2011

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board

Comments Received from:

AES/PHEAA, ASA, Great Lakes, HESAA (NJ), HESC (NY), NASFAA, NCHelp, NSLP, OGSLP, PPSV, SCSLC, SLSA, TG, USA Funds, and VSAC.

Responses to Comments

Most commenters supported this proposal as written. Other commenters recommended punctuation or wordsmithing changes that were considered without comment. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

Two commenters noted that the effective date was incorrect.

Response:

The Committee agrees.

Change:

The effective date is corrected to reflect July 1, 2011.

COMMENT:

One commenter suggested that the text be amended and reorganized to more clearly delineate the separate provisions applicable to consortium agreements versus contractual agreements. The commenter believes that, as written, the text is confusing. Several commenters suggested the insertion of subheadings to more clearly delineate the varied provisions, and provided suggestions.

Response:

The Committee agrees.

Change:

The text has been revised to provide subheadings for the special provisions that apply to consortium and contractual agreements.

bg/edited-tmh

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: February 17, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with changes	Feb 17

SUBJECT: Definition of Full-Time Student—Retaking Coursework

AFFECTED SECTIONS: 6.9 Defining Enrollment Status
Appendix G

POLICY INFORMATION: 1231/Batch 174

EFFECTIVE DATE/TRIGGER EVENT: Title IV enrollment status determinations made by the school on or after July 1, 2011.

BASIS:
§668.2(b), definition of *full-time student*.

CURRENT POLICY:
Current policy does not include new regulations related to repeated courses that count toward a student's Title IV enrollment status for a term-based program.

REVISED POLICY:
Revised policy adds language to Section 6.9 and the definition of "full-time student" to allow repeated courses to count towards a student's Title IV enrollment status for a term-based program (using standard or nonstandard terms) in certain situations. Revised policy clarifies that previously-failed repeated courses count toward a student's Title IV enrollment status. Previously-passed coursework that is repeated (for example, to obtain a better grade) may be counted only once toward a student's Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted.

REASON FOR CHANGE:
This change was made to align the Manual's text with Final Rules published in the *Federal Register* dated October 29, 2010. The Department made this change to alleviate the administrative burden related to tracking student coursework to prevent payment based on repeated coursework, as is currently required in some cases.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 6.9, page 25, column 2, paragraph 1, as follows,

6.9 Defining Enrollment Status

A school must define full-time enrollment status for each of its undergraduate, graduate, and professional programs of study. A student's enrollment may include any combination of courses, work, research, or special studies. (See Section 6.1 for information regarding the definition of an academic year and the frequency of annual loan limits.) ~~Non-credit or reduced-credit remedial courses must be included in the determination of the student's enrollment status if the student qualifies for Title IV aid for those courses.~~ A student's enrollment status may affect the student's cost of attendance (COA), and, therefore, the amount of loan funds Title IV aid the school may certify. Note the following situations that affect which courses the school may use to determine the student's Title IV enrollment status:

- With regard to repeated coursework for term-based programs (using standard or nonstandard terms):
 - Previously-failed coursework that is repeated counts toward the student's Title IV enrollment status.
 - Previously-passed coursework that is repeated (for example, to obtain a better

grade) may be counted only once toward the student's Title IV enrollment status.

- Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student's Title IV enrollment status.
- With regard to non-credit or reduced-credit remedial courses, the school must include these courses in the determination of the student's enrollment status if the student qualifies for Title IV aid for the courses.

[§668.2(b), definition of full-time student; 09-10 FSA Handbook, Volume 1, Chapter 1, pp. 1-14 and 1-15]

Revise Appendix G, page 11, column 1, paragraph 4, as follows:

Full-Time Student: An enrolled student (other than a student enrolled in a program of study by correspondence) who is carrying a full academic workload as determined by the school under standards applicable to all students enrolled in the same program of study. The student's workload may include any combination of courses, work, research, or special studies that the school considers sufficient to classify the student as a full-time student. For a term-based program (using standard or nonstandard terms), previously-failed coursework that is repeated may be counted toward the student's Title IV enrollment status. Previously-passed coursework that is repeated (for example, to obtain a better grade) may be counted only once toward the student's Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student's Title IV enrollment status. Non-credit and reduced-credit remedial courses must be included when determining enrollment status if the student qualifies for Title IV aid for those courses. See Section 6.9 for a detailed definition of a full-time student that includes credit- and clock-hour requirements.

PROPOSED LANGUAGE - COMMON BULLETIN:

Definition of Full-Time Student—Retaking Coursework

The *Common Manual* has been revised to align the Manual's text with Final Rules published in the *Federal Register* dated October 29, 2010. New language is added to Section 6.9 and the definition of "full-time student" for a term-based program (using standard or nonstandard terms) to allow previously-failed repeated courses to count towards a student's enrollment status. Previously-passed coursework that is repeated (for example to obtain a better grade) may be counted only once toward the student's Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student's Title IV enrollment status.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Borrower:

A student enrolled in a term-based program (using standard or nonstandard terms) may be allowed to count repeated coursework in his or her full-time enrollment status in certain situations. The student's Title IV enrollment status may include previously-failed repeated courses. Previously-passed coursework that is repeated (for example, to obtain a better grade) may be counted only once toward a student's Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student's Title IV enrollment status.

School:

A school may allow a student enrolled in a term-based program (using standard or nonstandard terms) to count repeated coursework toward his or her full-time Title IV enrollment status in certain situations. The student's Title IV enrollment status may include previously-failed repeated courses. Previously-passed coursework that is repeated (for example, to obtain a better grade) may be counted only once toward the student's Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student's Title IV enrollment status.

Lender/Service:

None.

Guarantor:

None.

U.S. Department of Education:

The Department may need to amend its program review procedures.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

October 28, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

February 10, 2011

PROPOSAL DISTRIBUTED TO:

CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board

Comments Received from:

ASA, AES/PHEAA, Great Lakes, HESAA (NJ), HESC (NY), NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLSA, TG, USA Funds, and VSAC.

Responses to Comments

Most commenters supported this proposal as written. Other commenters recommended punctuation or wordsmithing changes that were considered without comment. We appreciate the review of all commenters, their careful consideration of this policy, and their assistance in crafting clear, concise policy statements.

COMMENT:

One commenter proposed adding a trigger event to the effective date.

Response:

The Committee agrees.

Change:

The effective date/trigger event has been changed to "Title IV enrollment status determinations made by the school on or after July 1, 2011."

COMMENT:

Seven commenters suggested minor changes to the bullets in Section 6.9 to better clarify the general rule and the two exceptions to repeating coursework. Two of the commenters suggested including examples that were provided in the preamble language of the *Federal Register*.

Response:

The Committee agrees that the bullets should be modified for clarity. The Committee decided not to include the specific examples as provided in the preamble of the *Federal Register*; however, modifications to the bullets should help explain the Department's intent.

Change:

The bullets in Section 6.9 have been revised as recommended by the commenters, with modification.

COMMENT:

One commenter suggested that the Committee remove the term "special circumstances" in the first paragraph of Section 6.9 because that term has a specific meaning in the financial aid industry.

Response:

The Committee agrees.

Change:

The term “special circumstances” has been changed to “situations” and reads as follows:

Note the following ~~special circumstances~~ situations with respect to which courses the school may use to determine the student’s Title IV enrollment status:

COMMENT:

One commenter recommended that the Committee note in Section 6.9, in the bullets regarding retaking coursework, that this applies to term-based programs.

Response:

The Committee agrees.

Change:

The first bullet has been changed to read as follows:

- Previously-failed coursework that is repeated counts toward the student’s Title IV enrollment status.

COMMENT:

One commenter noted that the word “either” in the glossary definition seems to imply that there could be a choice involved, i.e., the school could choose not to include *either* more than one repetition or a repetition of a previously passed course. The commenter suggested deleting the word “either”.

Response:

The Committee agrees and modified the new text in the glossary definition to more closely align with new language in Section 6.9.

Change:

The glossary definition was revised and reads as follows:

Full-time student: An enrolled student (other than a student enrolled in a program of study by correspondence) who is carrying a full academic workload as determined by the school under standards applicable to all students enrolled in the same program of study. The student’s workload may include any combination of courses, work, research, or special studies that the school considers sufficient to classify the student as a full-time student. For a term-based program (using standard or nonstandard terms), previously-failed coursework that is repeated may be counted toward the student’s Title IV enrollment status. Previously-passed coursework that is repeated (for example, to obtain a better grade) may be counted only once toward the student’s Title IV enrollment status. Previously-passed coursework that the school requires the student to repeat due to the student failing other coursework may not be counted toward the student’s Title IV enrollment status. Non-credit and reduced-credit remedial courses must be included when determining enrollment status if the student qualifies for Title IV aid for those courses. See Section 6.9 for a detailed definition of a full-time student that includes credit- and clock-hour requirements.

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