

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1246	Purchasing Necessary Books and Supplies	<p>4.4.B Student Consumer Information 6.4.B When Disbursements May Be Scheduled 8.2.A Initial Notice of Funds 8.3 Required Authorizations 8.7.C Early Delivery 8.7.D Delayed Delivery 8.8.B Managing Credit Balances 8.9.B Return of Ineligible Borrower Loan Funds 9.5.A Return Amounts for Title IV Grant and Loan Programs</p> <p>Addresses the requirement that schools provide a means by which certain Pell grant-eligible students may receive disbursements of Title IV credit balance funds for necessary books and supplies.</p>	Federal	Title IV credit balances to Pell-grant eligible students for necessary books and supplies for the payment period for periods beginning on or after July 1, 2011.
1247	Last Date of Attendance at an Academically-Related Activity	<p>9.4 Withdrawal Dates</p> <p>Modifies the examples of events that constitute an academically-related activities and clarifies that such activities do not include those at which a student may be present but not academically engaged.</p> <p>Provides new examples of activities that are not considered academically related.</p>	Federal	Student withdrawal determinations made by a school on or after July 1, 2011.

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1248	Return of Title IV Funds in a Credit-Hour Program Offered in Modules	<p>9.4 Withdrawal Dates 9.5.A Return Amounts for Title IV Grant and Loan Programs</p> <p>States that a student is considered to have withdrawn from a credit-hour program offered in modules if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to attend.</p> <p>Clarification is provided for classes the student is "scheduled to attend" in cases when a student drops or adds a course prior to ceasing attendance. A student enrolled in a non-term-based or nonstandard term-based credit-hour program offered in modules is considered to have withdrawn if the student is not scheduled to begin another course within 45 days after the end of the module that the student ceased attending, unless the student is on an approved leave of absence. If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) of the last module that he or she was scheduled to attend and the school cannot demonstrate that the student completed the last course(s), the school must assume that the student unofficially withdrew.</p> <p>Clarifies the percentage of the period completed for a student who withdraws from such a program.</p> <p>Provides a decision tree for determining whether a student has withdrawn from a credit-hour program offered in modules, describes cases in which a student who ceases attendance in a credit-hour program offered in modules is not considered to have withdrawn, and describes events that may require a school to disburse unearned aid that was previously returned or canceled due a student's withdrawal when the student returns to a subsequent module within the same payment period or, as applicable, period of enrollment.</p>	Federal	School determinations of a student's withdrawal from a credit-hour program offered in modules on or after July 1, 2011

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: April 21, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Apr 21

SUBJECT: Purchasing Necessary Books and Supplies

AFFECTED SECTIONS:

- 4.4.B Student Consumer Information
- 6.4.B When Disbursements May Be Scheduled
- 8.2.A Initial Notice of Funds
- 8.3 Required Authorizations
- 8.7.C Early Delivery
- 8.7.D Delayed Delivery
- 8.8.B Managing Credit Balances
- 8.9.B Return of Ineligible Borrower Loan Funds
- 9.5.A Return Amounts for Title IV Grant and Loan Programs

POLICY INFORMATION: 1246/Batch 178

EFFECTIVE DATE/TRIGGER EVENT: Title IV credit balances to Pell grant-eligible students for necessary books and supplies for payment periods beginning on or after July 1, 2011.

BASIS:
§668.164(i); *Federal Register* dated October 29, 2010, pp. 66929-66931.

CURRENT POLICY:
Current policy does not address providing disbursements of Title IV credit balance funds to certain Pell grant-eligible students for necessary books and supplies.

REVISED POLICY:
Revised policy addresses the requirement that schools provide a means by which certain Pell grant-eligible students may receive disbursements of Title IV credit balance funds for necessary books and supplies.

REASON FOR CHANGE:
This change is made to comply with Final Rules published in the *Federal Register* dated October 29, 2010.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Subsection 4.4.B, page 25, column 2, by adding a new subbullet 3, 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)]

- The federal, state, local, private, and institutional financial aid programs available to students who enroll at the school, including descriptions of:
 - The procedures (including deadlines) and forms a student must use to apply for assistance.
[§668.42(b)](1)]
 - The requirements used in determining whether a student is eligible for aid.
[§668.42(b)](2)]
 - The method by which financial aid disbursements are determined and disbursed, delivered, or applied to the student's account and the frequency of those disbursements.
[§668.42(b)] and (c)(3)]
 - The procedures for certain Pell grant-eligible students to obtain or purchase necessary books and supplies required for the payment period by the seventh

day of the payment period; and the procedures for the student to opt out of this process. The information must indicate whether the school will enter a charge on the student's account at the school for books and supplies or pay funds directly to the student. See Subsection 8.7.C subheading *Provisions for Necessary Books and Supplies* for more information.
[§668.164(i)]

- The terms and conditions of any FFELP, FDLP, or Perkins loans . . .

Revise Subsection 6.4.B, page 16, column 2, by adding a new paragraph 2, as follows:

If the loan period for a Stafford or PLUS loan consists of more than one payment period, the earliest date for which a second or subsequent disbursement from the lender may be scheduled is:

- 13 days before the first day of the first module that the student will actually attend in any subsequent payment period for a loan disbursed by EFT or master check.
- 30 days before the first day of the first module that the student will actually attend in any subsequent payment period for a loan disbursed by individual check.

Early Disbursement for Necessary Books and Supplies

A school must provide certain Pell grant-eligible students with a method to obtain or purchase necessary books and supplies required for the payment period. A school must ensure that the student has access to those funds or to the necessary books and supplies no later than the seventh day of the payment period. A school must provide this access to funds if all of the following criteria apply:

- The student is eligible for Pell grant funds.
- The school could disburse Title IV funds 10 days prior to the start of the payment period for that student.
- A credit balance would be created by the disbursement of all Title IV funds for which the student was eligible 10 days prior to the start of the payment period. This does not include the following:
 - The amount of a Stafford loan disbursement that is subject to a 30-day delay, because the school may not disburse those funds 10 days before the start of that student's payment period.
 - Aid that has not yet been awarded to a student at least 10 days before the start of classes because the student missed a financial aid deadline date.
 - Aid to a student who had not completed the verification process, had an unresolved "C" code on the SAR and ISIR, or had unresolved conflicting information, 10 days prior to the payment period.

[§668.164(i)]

Although this is a requirement for Pell grant-eligible students, a school may use the same process to make funds for necessary books and supplies available to all of its Title IV eligible students.

The school must make a single method available to eligible students and may provide an alternative method by which a student may obtain necessary books and supplies if the student opts out of the school's preferred method. A school has several options for providing its students with a method to obtain the necessary books and supplies, for example, cash or check; stored-value card or bookstore voucher; or, a short-term loan.

Revise Subsection 8.2.A, page 2, column 1, paragraph 1, by inserting a new bullet 2, as follows:

8.2.A
Initial Notice of Funds

Prior to delivering any Title IV funds to the student or parent borrower, the school is required to provide a notice to the student containing information about the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Regulations require this notice (i.e., award letter) to be provided only to the student. The notice must include:

- The amount of proceeds the student or his or her parent can expect to receive for each loan type. For loans made using a Master Promissory Note (MPN), the school's award letter may include proposed loan amounts and loan types. It may also include instructions to the borrower either to accept the loan(s) offered by responding to the school in writing or electronically, or to take action only if requesting a cancellation or reduction of the loan amount offered (see Subsection 8.2.B for confirmation requirements).
- In the case of proceeds available to certain Pell grant-eligible students or other Title IV-eligible students for necessary books and supplies, the school must describe how any Title IV credit balance funds will be made available to the student by the seventh day of the payment period for this purpose
[§668.164(i)]
- ...

Revise Section 8.3, page 4, column 1, paragraph 2, as follows:

8.3
Required Authorizations

A school must have written authorization from a student or parent borrower, as applicable, to perform the following activities:

- Deliver Stafford or PLUS loan proceeds received by EFT or master check ...
- Use the Stafford or PLUS loan proceeds to pay for current year charges other than tuition, fees, and contracted room and/or board . . .
- ...
- ...

A school must obtain a parent PLUS borrower's written authorization to deliver parent PLUS loan funds directly to the student in addition to any other authorization it must obtain from the student (e.g., an authorization to deliver funds to the student's bank account or to the student's stored-value card).

When a school is providing a method for Pell grant-eligible students to obtain necessary books and supplies by the seventh day of classes, the Department considers that a student authorizes the use of Title IV aid at the time the student uses the method provided by the school. In this situation, the school need not collect an additional authorization from the student.
[§668.164(i)(iv)]

Revise Subsection 8.7.C, page 11, column 2, by adding a new paragraph 3, as follows:

Applying Estimated Amounts

When a school credits an estimated amount of school funds to a student's account in advance of the receipt of FFELP proceeds, and this occurs earlier than 10 days before the

first day of the payment period, the Department considers the loan proceeds to have been delivered on the 10th day before the first day of the payment period. If the school does not record the advance funds as an estimated amount, the Department considers the delivery to have occurred on the date the school recorded the credit to the student's account.
[§668.164(a)(2)]

Provisions for Necessary Books and Supplies

A school must provide certain Pell grant-eligible students with a method to obtain or purchase necessary books and supplies required for the payment period. A school must ensure that the student has access to those funds or to the necessary books and supplies no later than the seventh day of the payment period. A school must provide this access to funds if all of the following criteria apply:

- The student is eligible for Pell grant funds.
- The school could disburse funds 10 days prior to the start of the payment period for that student.
- A credit balance would be created by the disbursement of all funds for which the student was eligible 10 days prior to the start of the payment period. This does not include the following:
 - The amount of a Stafford loan disbursement that is subject to a 30-day delay, because the school may not disburse those funds 10 days before the start of that student's payment period.
 - Aid that has not yet been awarded to a student at least 10 days before the start of classes because the student missed a financial aid deadline date.
 - Aid to a student who had not completed the verification process, had an unresolved "C" code on the SAR and ISIR, or had unresolved conflicting information, 10 days prior to the payment period.

[§668.164(i)]

The school must make a single method available to eligible students and may provide an alternative method by which a students may obtain necessary books and supplies if the student opts out of the school's preferred method. A school has several options for providing its students with a method to obtain the necessary books and supplies, for example, cash or check; stored-value card or bookstore voucher; or, a short-term loan.,

When two eligible schools have a consortium agreement, the payment period of the school that pays the funds dictates the timing of the student's ability to obtain the necessary books and supplies. If the "home" school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period of the home school; if the "host" school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period at the host school.

Although this is a requirement for Pell grant-eligible students, a school may use the same process to make funds for necessary books and supplies available to all of its Title IV-eligible students.

[§668.164(i); *Federal Register* dated October 29, 2010, pp. 66929-66931]

Revise Subsection 8.7.D, page 11, column 2, by adding a new paragraph 4, as follows:

8.7.D Delayed Delivery

Unless a school qualifies for an exemption (see the following paragraphs), the school must not deliver the first disbursement of a Stafford loan to a first year undergraduate student who is a first time borrower (that is, an undergraduate student who is enrolled in the first year of a program of study and who has not previously received a Stafford (FFELP or Direct) or SLS

loan until the student completes the first 30 days of his or her program of study. Delivery includes crediting proceeds to the student's account as well as delivering proceeds directly to the student. Before the delivery of proceeds, the school must confirm the student's eligibility.

Note: A school must provide certain Pell grant-eligible students with Title IV credit balance funds to obtain or purchase necessary books and supplies. For this purpose, a school may not consider a first disbursement of Stafford loan funds as funds for which the student would have been eligible 10 days prior to the start of the payment period if the student is subject to the federal 30-day delayed delivery provisions.

[HEA §428G(b)(1); §668.164(f)(3); §668.164(i); §682.604(c)(5)]

Revise Subsection 8.8.B, page 16, column 1, paragraph 2, by adding a new cross reference, as follows:

8.8.B Managing Credit Balances

A Title IV credit balance is created when a school credits Title IV funds to a student's account and the total amount of funds credited to the account exceeds the amount of tuition and fees, contracted room and board, and other authorized charges that the school assessed the student. See Section 8.3 for information about required authorizations and Subsection 8.7.I for a description of what constitutes authorized charges. See Subsection 8.7.C subheading *Provisions for Necessary Books and Supplies* for more information on managing Title IV credit balances.

[§668.164(i)]

Revise Subsection 8.9.B, page 20, column 1, by adding new paragraphs 5 and 6, as follows:

8.9.B Return of Ineligible Borrower Loan Funds

If ~~FFELP~~ loan funds have been delivered to, or on behalf of, a student who did not begin attendance in a loan period, or payment period within the loan period, the borrower may be considered ineligible for those funds. A student did not begin attendance if the school is unable to document the student's attendance in any class during a loan period, or during a payment period within the loan period. The determination of whether the ineligibility is due to borrower, school, or lender error is contingent upon when the funds were delivered. See Section 5.16 for more information about ineligibility for loan funds due to borrower, school, or lender error.

If a student does not begin attendance at the school and the school has credited the student's account or delivered any Title IV aid directly to the student, the school must return all of those funds to their respective program(s). Those funds must be returned as soon as possible, but no later than 30 days after the date the school determined that the student did not begin attendance. The funds that the school must return are not a student Title IV liability and will not affect the student's Title IV eligibility. However, school charges not paid by financial aid funds are a student liability owed to the school and are subject to the school's own collection process.

If the school provides a bookstore voucher for a student to obtain or purchase necessary books and supplies, those expenses are considered school charges because the student does not have a real and reasonable opportunity to purchase the materials from any other source. The school must include those charges as school charges in determining the portion of unearned Title IV aid that the school is responsible for returning. (See the 09-10 FSA Handbook, Volume 5, pp. 10-12 for more information on when a student fails to begin attendance" and Volume 5, Chapter 9, School Reporting Responsibilities and the Return of Title IV Aid.)
[§668.164(i)]

Revise Subsection 9.5.A, page 11, column 2, by adding new paragraphs 5 and 6, as follows:

9.5.A Return Amounts for Title IV Grant and Loan Programs

If a student has completed more than 60% of the payment period, he or she is considered to

have earned 100% of the Title IV grant and loan aid received for the payment period. In this case, no funds need to be returned to the Title IV aid programs.
[§668.22(e)(2)(ii)]

However, if a student withdraws before completing more than 60% of the payment period or period of enrollment, the amount of any Title IV aid loan and grant aid the student received for the payment period (or period of enrollment) must be calculated to reflect the portion of the payment period that he or she completed prior to withdrawal. The unearned Title IV loan and grant aid for the percentage of the payment period not completed must be returned to the applicable Title IV aid programs.

If a student does not begin attendance at the school and the school has credited the student's account or delivered any Title IV funds directly to the student, the school must return all of those funds to their respective program(s). Those funds must be returned as soon as possible, but no later than 30 days after the date the school determined that the student did not begin attendance. The funds that the school must return are not a student Title IV liability and will not affect the student's Title IV eligibility. However, school charges not paid by financial aid are a student liability owed to the school and subject to its own collection process.

If the school provides a bookstore voucher for a student to obtain or purchase necessary books and supplies, those expenses for the required course materials are considered school charges because the student does not have a real and reasonable opportunity to purchase the materials from any other source. The school must include those charges as school charges in determining the portion of unearned Title IV aid that the school is responsible for returning. (See the 09-10 FSA Handbook, Volume 5, pp.10-12 for more information on when a student fails to begin attendance and Volume 5, Chapter 9, School Reporting Responsibilities and the Return of Title IV Aid.)
[§668.164(i)]

**PROPOSED LANGUAGE - COMMON BULLETIN:
Purchasing Necessary Books and Supplies**

The *Common Manual* has been revised to incorporate final rules published in the *Federal Register* on October 29, 2010. The Manual has been updated to include information about the school's requirement to provide Pell grant-eligible students with a method to obtain or purchase necessary books and supplies. The school must provide the necessary funds or access to the necessary books and supplies no later than the seventh day of the payment period. A student who is eligible for Pell grant funds is eligible for the necessary books and supplies disbursement if the school could disburse funds 10 days prior to the payment period for that student and, if those funds were disbursed, they would create a credit balance.

The school must describe in its financial aid information and its notifications to the enrolled or prospective student, the way this aid is determined and disbursed, delivered, or applied to a student's account and the frequency of those disbursements. The information must indicate whether the school would enter a charge on the student's account at the school for necessary books and supplies or pay funds to the student directly.

A school determines whether a credit balance would be created by applying Title IV funds to authorized charges. If the student is subject to the 30-day delay for loan funds, the school may not consider the loan funds when determining the credit balance for these purposes. The school also would not include other aid not yet awarded to the student at that time. The amount the school must provide to an eligible student is the lesser of the presumed credit balance or the amount needed by the student. The amount to consider when determining the total needed for this purchase may be the necessary books and supplies estimate used in the student's cost of attendance or the actual cost of the necessary books and supplies. A school that includes the cost of necessary books and supplies in the student's tuition and provides the necessary books and supplies to its students at or prior to the payment has met the requirement.

If, 10 days prior to the payment period, the student has not completed the verification process, has an unresolved "C" code on the SAR and ISIR, or has unresolved conflicting information the school would not be permitted to deliver the funds.

A school has several options for providing its students with a method to obtain the necessary books and supplies, for example, cash or check; stored-value card or bookstore voucher; or, a short-term loan.

A school must have an "opt out" policy for its students. If the student chooses to opt out of the school's method, the school may offer another method to the student. A school has several options for providing its

students with a method to obtain the necessary books and supplies – for example: cash or check; stored-value card or bookstore voucher; or, a short term loan. If the student does use the school's method, no additional authorization from the student is necessary.

When two eligible schools have a consortium agreement, the payment period of the school that pays the funds dictates the timing of the student's ability to obtain the necessary books and supplies. If the "home" school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period of the home school; if the "host" school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period at the host school.

Although this is a requirement for Pell grant recipients, a school may use the same process to make funds available to all of its Title IV-eligible students for the purchase of necessary books and supplies.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Student/Borrower:

Certain Pell grant-eligible students will be provided a method to obtain or purchase necessary books and supplies for the payment period in a timely manner.

School:

A school must provide a method for providing certain Pell grant-eligible students with a method to obtain or purchase necessary books and supplies required for the payment period no later than the seventh day of the payment period.

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:

November 10, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

April 14, 2011

PROPOSAL DISTRIBUTED TO:

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

Comments Received from:

AES/PHEAA, Great Lakes, HESAA(NJ), HECS(NY), NASFAA, NCHELP, NSLP, OCAP, PPSV, SCSLC, SLND, 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:

Several commenters noted that several of the regulatory citations in the proposal were incorrect.

Response:

The Committee agrees.

Change:

The proposal has been revised to correct the regulatory citations.

COMMENT:

One commenter noted that revised language in Subsection 4.4.B did not address that the separate disclosure requirement applies to all Title IV recipients, not just Pell grant recipients.

Response:

The Committee agrees and re-crafted the language to indicate that the separate disclosure requirement applies to all Title IV recipients, not just Pell grant recipients as suggested.

Change:

The language has been rewritten to provide a new third bullet and revision of bullet 4 follows:

- The method by which financial aid disbursements are determined and disbursed, delivered, or applied to the student's account and the frequency of those disbursements. [§668.42(b)] and (c)(3)]

- = The procedures for certain Pell grant-eligible students to obtain or purchase necessary books and supplies required for the payment period by the seventh day of the payment period; and the procedures for the student to opt out of this process. The information must indicate whether the school will enter a charge on the student's account at the school for books and supplies or pay funds directly to the student. including how aid is determined and disbursed, delivered, and applied to the student's account and the frequency of those disbursements. The disclosures must also include information on how a student may opt out of this method. See Subsection 8.7.C subheading *Provisions for Necessary Books and Supplies* for more information. [§668.164(i)]

COMMENT:

Several commenters asked that Title IV be inserted throughout the policy to differentiate between a Title IV credit balance and a non-Title IV balance.

Response:

The Committee agrees.

Change:

Title IV references have been added as suggested.

COMMENT:

Two commenters asked that the proposed language in Subsections 6.4.B and 8.7.C be reorganized to clarify the circumstances under which aid is not classified as "funds for which the student was eligible 10 days prior to the start of the payment period.

Response:

The Committee agrees.

Change:

The language has been reorganized as suggested.

COMMENT:

One commenter suggested the removal of the last paragraph in Subsections 6.4.B and 8.7.C that states that this is a requirement only for certain Pell grant-eligible students, the school may apply this to all of its Title IV

eligible students. They felt that this did not seem necessary to include.

Response:

The Committee disagrees. The Committee feels that it is important to stress that these funds may be made available to all of a school's Title IV eligible students.

Change:

None.

COMMENT:

One commenter suggested making the new language in Subsection 8.2.A a separate bullet and provided wordsmithing to stress that the school must describe how an eligible student can receive any Title IV credit balance and to remove limiting language.

Response:

The Committee agrees.

Change:

Subsection 8.2.A has been revised as follows:

- The amount of proceeds the student or his or her parent can expect to receive for each loan type. For loans made using a Master Promissory Note (MPN), the school's award letter may include proposed loan amounts and loan types. It may also include instructions to the borrower either to accept the loan(s) offered by responding to the school in writing or electronically, or to take action only if requesting a cancellation or reduction of the loan amount offered (See Subsection 8.2.B for confirmation requirements).
- In the case of proceeds available to the certain Pell grant-eligible students or other Title IV-eligible students for necessary books and supplies, the school must describe the method by which aid is determined and disbursed, delivered, or applied to a student's account and the frequency of those disbursements. The information must indicate whether the school would enter a charge on the student's account at the school for necessary books and supplies or pay funds to the student directly how any Title IV credit balance funds will be made available to the student by the seventh day of the payment period for this purpose.

COMMENT:

One commenter noted that the proposed new language in Subsections 8.9.B and 9.5.A did not address a schools requirement to notify the Department or the lender when a student fails to begin attendance to initiate demand proceedings against the borrower.

Response:

The Committee agrees.

Change:

Cross- references to Subsection s 8.9.B and 9.5.A have been added as follows:

(See the 09-10 FSA Handbook, Volume 5, pp. 10-12 for more information on when a student fails to begin attendance" and Volume 5, Chapter 9, School Reporting Responsibilities and the Return of Title IV Aid.)

om/edited-as and kk

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: April 21, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Apr 21

SUBJECT: Last Date of Attendance at an Academically Related Activity

AFFECTED SECTIONS: 9.4 Withdrawal Dates

POLICY INFORMATION: 1247/Batch 178

EFFECTIVE DATE/TRIGGER EVENT: Student withdrawal determinations made by a school on or after July 1, 2011.

BASIS:
§668.22(l)(7).

CURRENT POLICY:

Current policy permits a school that is not required to record attendance to use the last date of participation in an academically-related activity as the withdrawal date for a student who withdraws without initiating the school's withdrawal process. Current policy also provides examples of events that constitute academically-related activities.

REVISED POLICY:

Revised policy modifies the examples of events that constitute an academically-related activities and clarifies that such activities do not include those at which a student may be present but not academically engaged. Also, revised policy provides new examples of activities that are not considered academically related.

REASON FOR CHANGE:

This change is necessary to incorporate final rules published in the October 29, 2010, *Federal Register*.

PROPOSED LANGUAGE - COMMON MANUAL:

Revise Section 9.4, page 9, column 1, paragraph 1, as follows:

As an alternative to the preceding dates, the school may use one of the following as a withdrawal date when a student does not initiate the withdrawal process:

- The last date of attendance by the student in an academically related activity as documented by the school. An "Academically related activities" Attendance at an academically-related activity includes, but ~~are is~~ not limited to: ~~exams, tutorials, computer-assisted instruction, academic counseling, turning in class assignments, or attending study groups assigned by the school.~~
 - Physically attending a class where there is an opportunity for a direct interaction between the instructor and the student.
 - Submitting an academic assignment.
 - Taking an exam.
 - Participating in an interactive tutorial.
 - Engaging in computer-assisted instruction.
 - Attending a study group that is assigned by the school.
 - Participating in an online discussion about academic matters.
 - Initiating contact with a faculty member to ask a question about the academic subject studied in the course.

§668.22(l)(7)(i)(A)

Attendance at an “academically-related activity” does not include an activity in which a student may be present but not academically engaged, including, but not limited to:

- Living in school housing.
- Participating in the school’s meal plan.
- Logging into an online class without active participation.
- Participating in academic counseling or advisement.

§668.22(l)(7)(i)(B)

The school’s ~~must confirm and documentation of such~~ document the student’s attendance at an academically-related activity ~~activities must contain confirmation that the student participated.~~ A school may not rely solely on a student’s self-certification that he or she attended an academically-related activity.

§668.22(c)(3)(i) and (ii); §668.22(l)(7)(ii)

- The date, as determined by the school, when circumstances beyond the student’s control occurred. . .

...

PROPOSED LANGUAGE - COMMON BULLETIN:

Last Date of Attendance at an Academically-Related Activity

The *Common Manual* has been revised to incorporate final rule changes published in the *Federal Register* dated October 29, 2010. A school may use a last date of attendance at an academically-related activity as the withdrawal date for a student for whom the school is not required to record attendance, and who withdraws without initiating the school’s withdrawal process. The Manual has been updated to include a revised list of examples of academically-related activities, as follows:

- Physically attending a class where there is an opportunity for a direct interaction between the instructor and the student.
- Submitting an academic assignment.
- Taking an exam.
- Participating in an interactive tutorial.
- Engaging in computer-assisted instruction.
- Attending a study group that is assigned by the school.
- Participating in an online discussion about academic matters.
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course.

Attendance at an academically-related activity does not include an activity in which a student may be present but not academically engaged, including, but not limited to:

- Living in school housing.
- Participating in the school’s meal plan.
- Logging into an online class without active participation.

- Participating in academic counseling or advisement.

The school must confirm and document the student's attendance at an academically-related activity. A school may not rely solely on a student's self-certification that he or she attended an academically-related activity.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Student/Borrower:

A student for whom the school is not required to record attendance and who withdraws without initiating the school's withdrawal process must have attended an academically engaging activity in order for the student's withdrawal date to be based on a last date of attendance at an academically-related activity.

School:

A school that has the option to base a student's withdrawal date on a last date of attendance at an academically-related activity—and that wishes to exercise that option—may find it necessary to modify its procedures to ensure that only appropriate activities are considered academically related. A school that provides online programs may no longer establish a last date of attendance at an academically-related activity solely on the basis of determining and documenting that a student logged into an online class or participated in academic counseling or advisement. The school may need to review its procedures to ensure that, in all cases, it independently confirms and documents the student's participation.

Lender/Servicer:

None.

Guarantor:

A guarantor may need to revise its compliance and training tools for schools.

U.S. Department of Education:

The Department may need to modify its program review procedures for schools.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:

February 4, 2011

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:

April 14, 2011

PROPOSAL DISTRIBUTED TO:

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

Comments Received from:

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

Responses to Comments

Many commenters supported this proposal as written. One commenter provided wordsmithing suggestions which were incorporated without comment. We appreciate the review of all commenters and their careful consideration of this policy.

COMMENT:

One commenter suggested changes to the proposed language that would include the phrase “attendance at” an academically-related activity in order to align with regulatory language.

Response:

The Committee agrees.

Change:

The proposed language in Section 9.4 has been revised as suggested by the commenter.

COMMENT:

One commenter suggested that a separate policy proposal be written that would address the fact that schools that are required to record attendance can use the last day of attendance at an academically-related activity.

Response:

The Committee agrees with the commenter that under regulations in Section §668.22(b), a school that is required to record attendance, including one who requires its instructors to record attendance, must use the last documented date of academic attendance as the student's withdrawal date. The Committee acknowledges that the Manual does not now reflect the new definition of "academic attendance" as reflected in final rule changes in Section §668.22(l)(7). The impact of this new definition is wide-ranging and requires additional development. The Committee will note that the Manual requires a future update in this regard.

Change:

None.

jcs/edited-kk

COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: April 21, 2011

	DRAFT	Comments Due	
	FINAL	Consider at GB meeting	
X	APPROVED	with no changes	Apr 21

SUBJECT: Return of Title IV Funds in a Credit-Hour Program Offered in Modules

AFFECTED SECTIONS: 9.4 Withdrawal Dates
9.5.A Return Amounts for Title IV Grant and Loan Programs

POLICY INFORMATION: 1248/Batch 178

EFFECTIVE DATE/TRIGGER EVENT: School determinations of a student's withdrawal from a credit-hour program offered in modules on or after July 1, 2011.

BASIS: 668.22(a)(2) and (f); *Federal Register* dated October 29, 2010, pp. 66893 to 66897.

CURRENT POLICY:
Current policy states that a student is considered to have withdrawn from a standard term-based credit-hour program offered in modules if the student withdraws prior to the completion of at least one course in one module. Current policy also explains special principles that apply when determining the appropriate values used to calculate the percentage of the payment period completed in a standard term-based credit-hour program offered in modules.

REVISED POLICY:
Revised policy states that a student is considered to have withdrawn from a credit-hour program offered in modules if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to attend. Clarification is provided for classes the student is "scheduled to attend" in cases when a student drops or adds a course prior to ceasing attendance. A student enrolled in a non-term-based or nonstandard term-based credit-hour program offered in modules is considered to have withdrawn if the student is not scheduled to begin another course within 45 days after the end of the module that the student ceased attending, unless the student is on an approved leave of absence. If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) that he or she was scheduled to attend and the school cannot demonstrate that the student completed the last course(s), the school must assume that the student unofficially withdrew. Revised policy clarifies the percentage of the period completed for a student who withdraws from such a program.

Revised policy provides a decision tree for determining whether a student has withdrawn from a credit-hour program offered in modules, describes cases in which a student who ceases attendance in a credit-hour program offered in modules is not considered to have withdrawn, and describes events that may require a school to disburse Title IV aid that was previously returned or canceled due a student's withdrawal when the student resumes attendance in a subsequent module in the same program within the same payment period or, as applicable, period of enrollment.

REASON FOR CHANGE:
This change is required to conform to final rule changes published in the October 29, 2010, *Federal Register*.

Note: See proposal #1238, Batch 176, for a proposed glossary definition of "module." See proposal #1243 in Batch 177, for proposed Manual text that addresses a withdrawn student's eligibility for Title IV aid when the student returns to the same term-based, credit-hour program offered in modules.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Section 9.4, page 9, column 1, paragraph 3, as follows:

...

If a student does not earn a passing grade in at least one class in which that he or she was enrolled-scheduled to attend in a payment period or period of enrollment, as applicable, the

school may not presume that the student completed ~~the payment that period or period of enrollment, as applicable.~~ If the school cannot confirm the student's attendance through the end of ~~the payment that period or period of enrollment, as applicable,~~ the school must treat the student as an unofficial withdrawal. The school must use—establish a withdrawal date for the student that is either the midpoint of the period or the student's last day of participation in date of attendance at an academically related activity—, as documented by the school—as the student's withdrawal date.

[DCL GEN-04-03; ~~09-10~~ 10-11 FSA Handbook, Volume 5, Chapter 2, pp. ~~5-75 to 5-76~~ 5-77 to 5-78]

For a student enrolled in a credit-hour program offered in modules, a school must apply different rules for determining whether a student has unofficially withdrawn based on a failing grade(s). See the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*, below.

Withdrawals from ~~Standard Term Based~~ a Credit-Hour Programs Offered in Modules

~~When a student withdraws from a standard term-based program offered in modules, the school must determine if a return of Title IV funds calculation is necessary based on the following criteria. (See Subsection 9.5.A for information about the principles that apply to a withdrawal from a standard term-based program offered in modules.)~~

- ~~● If the student withdraws after the completion of at least one course in one of the modules within the term, the student is not considered to have withdrawn for return of Title IV funds purposes and a return calculation is not required. A school is not required to perform a return of Title IV funds calculation or return a Stafford or PLUS loan disbursement that the school had previously delivered to a student who dropped to less than half-time enrollment resulting from the student's failure to begin attendance in all subsequent modules in a term. In such a case, the student was scheduled to attend on at least a half-time basis during the term at the time the school delivered Stafford or PLUS loan funds.~~

~~If a student's withdrawal after completing at least one course in one module within a term results in the student's failure to begin attendance in the number of credit hours for which a Pell grant was awarded, a school must recalculate the student's eligibility for the Pell grant and campus-based funds based on a revised cost of attendance and enrollment status. See the 09-10 FSA Handbook, Volume 5, Chapter 2, and Volume 3, Chapter 3, for more information.~~

- ~~● If the student withdraws prior to the completion of at least one course in one module, the student is considered to have withdrawn and the return of Title IV funds requirements apply, with one exception noted in the bullet immediately below. If a student withdraws before beginning attendance on at least a half-time basis, the school must not include an undelivered Stafford or PLUS loan disbursement in aid that could have been disbursed for the purpose of the return of Title IV funds calculation. The student is not eligible to receive a post-withdrawal disbursement of Stafford or PLUS loan funds. If a student's withdrawal prior to the completion of at least one course in one module results in the student's failure to begin attendance in the number of credit hours for which a Pell grant was awarded, the school must recalculate the student's eligibility for a Pell grant and campus-based funds based on a revised cost of attendance and enrollment status before the school performs the return of Title IV funds calculation. The school then performs a return of Title IV funds calculation using the student's revised Pell grant and campus-based award. See the 09-10 FSA Handbook, Volume 5, Chapter 2, and Volume 3, Chapter 3, for more information.~~
- ~~● If the student withdraws prior to the completion of at least one course in one module and the student provides confirmation to the school—subsequent to his or her withdrawal from the course—that he or she plans to attend a module later in that term, the student is not considered to have withdrawn for return of Title IV funds purposes. The school may not rely solely on registration information obtained from the student prior to his or her withdrawal.~~

- ~~If the student withdraws prior to the completion of at least one course in one module and provides confirmation that he or she plans to attend a subsequent module within the term but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return in a subsequent module within the term.~~

A school determines if a student enrolled in a program comprised of modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, whether the student was scheduled to attend a subsequent module at the time he or she ceased attendance, and, in some cases, the student's course grade(s) or stated intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment.

- A student enrolled in a credit-hour program offered in modules is considered to have withdrawn if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to complete.
 - A course that a student officially drops prior to ceasing attendance is not considered a course that the student was scheduled to attend, unless the student remained enrolled in another concurrent course(s).
 - A course offered in a module that a student officially adds prior to ceasing attendance is considered a course that the student was scheduled to attend.
 - A module in which the student does not enroll is not considered a module that the student was scheduled to attend.
[§668.22(a)(2)(i)(A); *Federal Register* dated October 29, 2010, p. 66895]
- If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) that he or she was scheduled to attend, and the school cannot demonstrate that the student completed the last course(s), the school must assume that the student unofficially withdrew.
[*Federal Register* dated October 29, 2010, p. 66896]
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school of his or her intent to withdraw—if the student is not scheduled to attend another module in the same program and payment period or, as applicable, period of enrollment that begins within 45 days after the end of the module that the student last attended, unless the student is on an approved leave of absence. (See Section 9.3 for more information about leaves of absence.)
[§668.22(a)(2)(i)(C)]
- A student who ceases attendance in a credit-hour program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment. The school may not rely solely on the student's enrollment or registration in a subsequent module prior to his or her withdrawal. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the subsequent module must begin within 45 days after the end of the module that the student last attended.
[§668.22(a)(2)(ii)(A)(1) and (2); *Federal Register* dated October 29, 2010, p. 66893]
- A student who ceases attendance in a credit-hour program offered in modules and who provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment may change the date that he or she will return to a module that begins later in the same period. In such a case, the student is not considered to have withdrawn if the school obtains—prior to the original return date that the student previously confirmed—

written confirmation from the student that he or she will resume attendance in the later module. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the later module must begin within 45 days after the end of the module that the student last attended.
[§668.22(a)(2)(ii)(B)(1) and (2)]

- If a student who ceases attendance in a credit-hour program offered in modules provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return in a subsequent module.
[§668.22(a)(2)(ii)(C)]

A school should use the following decision-making process to determine whether a student enrolled in a credit-hour program offered in modules has withdrawn:

Step 1: After beginning attendance in the payment period or, as applicable, period of enrollment, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend?

– _____ No: This is not a withdrawal.

– _____ Yes: Go to Step 2.

Step 2: When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other course(s)?

– _____ Yes: This is not a withdrawal, but the school may be required to recalculate the student's eligibility for Pell grant and campus-based funds (see below).

– _____ No: Go to Step 3.

Step 3: Did the school obtain, at the time the student ceased attendance, written confirmation that the student would attend another course in the same program that begins later in the same payment period or, as applicable, period of enrollment? (Note: in a non-term-based or nonstandard term-based program, the subsequent course must begin no later than 45 calendar days after the ending date of the module that the student last attended.)

– _____ Yes: This is not a withdrawal, unless the student does not resume attendance as previously confirmed.

– _____ No: This is a withdrawal.

[Federal Register dated October 29, 2010, p. 66895 and 66896]

If a student enrolled in a credit-hour program offered in modules withdraws before beginning attendance on at least a half-time basis, the school must not make a post-withdrawal disbursement of Stafford or PLUS loan funds to the student. However, a school must include in aid that could have been disbursed for the purpose of the return of Title IV funds calculation an undelivered Stafford or PLUS loan disbursement intended for the payment period or as applicable, period of enrollment in which the student withdrew, if the conditions for making a late disbursement were met as of the date of the student's withdrawal. A school that calculates a return of Title IV funds on a period of enrollment basis may be required to include a subsequent undelivered disbursement(s) of Stafford or PLUS loan funds in aid that could have been disbursed for the purpose of the return of Title IV funds calculation. See Subsection 9.5.A.

[FSA Handbook, Volume 5, Chapter 2, pp. 5-67 to 5-71]

If a student's withdrawal results in the student's failure to begin attendance in the number of

credit hours for which a Pell grant was awarded, the school must recalculate the student's eligibility for a Pell grant and campus-based funds based on a revised cost of attendance and enrollment status before the school performs the return of Title IV funds calculation. The school then performs a return of Title IV funds calculation using the student's revised Pell grant and campus-based award.
[*Federal Register* dated October 29, 2010, p. 66895]

A school that established a withdrawal date for a student may be required to treat the student as if he or she had not withdrawn, and may be required to disburse Title IV aid that was previously returned or canceled if any of the following events occur:

- A student withdraws from a standard term-based program offered in modules, fails to confirm the intent to attend a subsequent module within the same program and payment period, but the student resumes attendance in a subsequent module in the same program and payment period.
- A student withdraws from a non-term-based or nonstandard term-based program, fails to confirm the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment, but the student resumes attendance in a subsequent module in the same program and period that begins no later than 45 days after the end of the module that the student last attended.
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is not scheduled to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment that begins no later than 45 days after the end of the module that the student last attended, and the student resumes attendance in a module in the same program and period that begins within that 45-day timeframe.

In the instances noted above, the school must apply the following rules to determine a student's eligibility for Title IV aid that the school may have previously returned or canceled due to the student's withdrawal:

- For a student who resumes attendance in the same standard term-based program or a nonstandard term-based program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same term-based credit-hour program offered in modules before the end of the payment period or, as applicable, period of enrollment. See Subsection 8.7.G for further information.
- For a student who resumes attendance in the same non-term-based credit-hour program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same non-term-based credit-hour program within 180 days. See Subsection 6.3.F for more information.

[668.(a)(2)(iii); *Federal Register* dated October 29, 2010, p. 66894]

See Subsection 9.5.A for additional information about the values used to calculate the percentage of the payment period completed when a student withdraws from a standard term-based program using credit-hour program offered in modules.

[DCL GEN-00-24; 09-10 FSA Handbook, Volume 5, Chapter 2, pp. 5-78 to 5-80]

Revise Section 9.4, page 10, column 2, paragraph 1, as follows:

Date of Determination of a Student's Withdrawal Date

...

Time Frames Applicable to the Date of Determination

For a student who does not provide official notification of his or her withdrawal, the school

must determine the student's withdrawal date within 30 days from the earliest of:

- The end of the payment period or period of enrollment for which the student was charged.
- The end of the academic year during which the student withdrew.
- The end of the educational program from which the student withdrew.

Note: Special rules apply to the maximum time frame for a school's determination that a student withdrew from a non-term-based or nonstandard term-based program offered in modules. See the subheading *Withdrawal from a Credit-Hour Program Offered in Modules* in this subsection for more information.

Revise Subsection 9.5.A, page 12, column 1, paragraph 2, as follows:

Determining the Percentage of Payment Period/Period of Enrollment Completed

...

Standard Term-Based Credit-Hour Programs Offered in Modules

Special principles apply when determining the appropriate values used in the calculation of the percentage of the payment period or, as applicable, period of enrollment, completed in a standard term-based credit-hour program offered in modules (see the glossary definition of "module") has the following characteristics:

- ~~Some or all of the courses in the program are offered in modules that are scheduled sequentially rather than concurrently. (The modules may overlap.)~~
- ~~Two or more modules make up a standard term at the institution (e.g., a 12-week term is offered in three 4-week modules).~~
- ~~A student may begin his or her program of study at the beginning of any module in the term.~~
- ~~A student may skip one or more modules in the term.~~
- ~~A student must enroll up front in all modules he or she plans to attend within the term, although he or she may subsequently add or drop a course.~~

[DCL GEN 00-24; 09-10 FSA Handbook, Volume 5, Chapter 2, pp. 5-78 and 5-79]

If a student withdraws from such a modular credit-hour program offered in modules without completing at least one course in one module, the payment period or, as applicable, period of enrollment, used in the denominator to calculate the percentage of the payment period completed includes the number of calendar days in all of the modules the student was scheduled to attend in the semester, trimester or quarter. (See Section 9.4, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*, for more information about days that a student is scheduled to attend.) The payment period or, as applicable, period of enrollment begins on the first day of the first module that the student was scheduled to attend and ends on the last day of classes of in the last module that the student was scheduled to attend. A school must exclude from the total number of calendar days in the payment period or, as applicable, period of enrollment the number of calendar days in which the student was on an approved leave of absence or any scheduled break of at least five consecutive days when the student was not scheduled to attend. For example, if the school's term consists of three modules of 5 weeks or 35 calendar days each, and the student only enrolled in two modules, the denominator in the calculation of the percentage of the payment period completed would be 70 days, not 105 days. The number of calendar days used in the numerator to calculate the percentage of the period completed begins on the first day of the first module that the student actually attended in the term, ends on the last day the student

was in attendance, and includes only the number of calendar days during which the student was in attendance.

For example, a school combines an intersession of three weeks of instructional time with a standard fall semester to form a single, combined term that the school treats, for the purposes of Title IV aid, as a standard semester for all students enrolled in the program (See Subsection 6.3.A). The school must treat the fall term and the intersession as modules in the single, combined term for all students enrolled in the program. A student enrolls in (i.e., is scheduled to attend) the fall semester and the 3-week intersession. If the student ceases attendance during the single, combined term, the denominator used in the calculation of the percentage of the payment period completed includes the number of calendar days in both the fall term and the intersession, except for scheduled breaks of at least five consecutive days and days in which the student was on an approved leave of absence.
[DCL GEN-00-24; 09-10 FSA Handbook, Volume 5, Chapter 2, p. 5-79 §668.22(f)(1)(i); §668.22(f)(2)(i) and (ii); *Federal Register* dated October 29, 2010, pp. 66896 and 66897]

...

PROPOSED LANGUAGE - COMMON BULLETIN:

Return of Title IV Funds in a Credit-Hour Program Offered in Modules

The *Common Manual* has been revised to incorporate final rule changes published in the October 29, 2010, *Federal Register*.

A school determines if a student enrolled in a course of study offered in modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, whether the student was scheduled to attend a subsequent module at the time he or she ceased attendance, and, in some cases, the student's course grade(s) or stated intent to attend a subsequent module in the same program and payment period, or as applicable, period of enrollment.

- A student enrolled in a credit-hour program offered in modules is considered to have withdrawn if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to complete.
 - A course that a student officially drops prior to ceasing attendance is not considered a course that the student was scheduled to attend, unless the student remained enrolled in another concurrent course(s).
 - A course offered in a module that a student officially adds prior to ceasing attendance is considered a course that the student was scheduled to attend.
 - A module in which the student does not enroll is not considered a module that the student was scheduled to attend.
- If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) that he or she was scheduled to attend, and the school cannot demonstrate that the student completed the last course(s), the school must assume that the student unofficially withdrew.
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school of his or her intent to withdraw—if the student is not scheduled to attend another module in the same program and payment period or, as applicable, period of enrollment that begins 45 days after the end of the module that the student last attended, unless the student is on an approved leave of absence.
- A student who ceases attendance in a credit-hour program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment. The school may not rely solely on the student's enrollment or registration in a subsequent module prior to his or her withdrawal. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the subsequent module must begin within 45 days after the end of the module that the student last

attended.

- A student who ceases attendance in a credit-hour program offered in modules and who provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment may change the date that he or she will return to a module that begins later in the same program and period. In such a case, the student is not considered to have withdrawn if the school obtains—prior to the original return date that the student previously confirmed—written confirmation from the student that he or she will resume attendance in the later module. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the later module must begin within 45 days after the end of the module that the student last attended.
- If a student who ceases attendance in a credit-hour program offered in modules provides written confirmation of the intent to attend in a subsequent module in the same program and payment period or, as applicable, period of enrollment but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return in a subsequent module.

Revised policy includes a step-by-step decision-making process that a school should use to determine whether a student enrolled in a credit-hour program offered in modules has withdrawn.

If a student enrolled in a credit-hour program offered in modules withdraws before beginning attendance on at least a half-time basis, the school must not make a post-withdrawal disbursement of Stafford or PLUS loan funds to the student. However, a school must include in aid that could have been disbursed for the purpose of the return of Title IV funds calculation an undelivered Stafford or PLUS loan disbursement intended for the payment period or, as applicable, period of enrollment in which the student withdrew, if the conditions for making a late disbursement were met as of the date of the student's withdrawal. A school that calculates a return of Title IV funds on a period of enrollment basis may be required to include a subsequent undelivered disbursement(s) of Stafford or PLUS loan funds in aid that could have been disbursed for the purpose of the return of Title IV funds calculation.

A school that established a withdrawal date for a student may be required to treat the student as if he or she had not withdrawn, and may be required to disburse Title IV aid that was previously returned or that was previously canceled if any of the following events occur:

- A student withdraws from a standard term-based program offered in modules, fails to confirm the intent to attend a subsequent module in the same program and payment period, but the student resumes attendance in a subsequent module within the same program and payment period.
- A student withdraws from a non-term-based or nonstandard term-based program, fails to confirm the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment, but the student resumes attendance in a subsequent module in the same program and period that begins no later than 45 days after the end of the module that the student last attended.
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is not scheduled to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment that begins no later than 45 days after the end of the module that the student last attended, and the student resumes attendance in a module in the same program and period that begins within that 45-day timeframe.

In the instances noted above, the school must apply the following rules to determine a student's eligibility for Title IV aid that the school may have previously returned or canceled:

- For a student who resumes attendance in a standard term-based program or a nonstandard term-based program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same term-based credit-hour program offered in modules before the end of the payment period or, as applicable, period of enrollment.
- For a student who resumes attendance in a non-term-based credit-hour program offered in modules,

the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same non-term-based credit-hour program within 180 days.

If a student withdraws from a credit-hour program offered in modules, the payment period or, as applicable, period of enrollment, used in the denominator to calculate the percentage of the period completed includes the number of calendar days in all of the modules the student was scheduled to attend. The payment period or period of enrollment begins on the first day of the first module that the student was scheduled to attend and ends on the last day of classes of the last module that the student was scheduled to attend. A school must exclude from the total number of calendar days in the payment period or period of enrollment days in which the student was on an approved leave of absence and scheduled breaks of at least five consecutive days when the student is not scheduled to attend a module or course offered during a module. The number of calendar days used in the numerator to calculate the percentage of the period completed begins on the first day of the first module that the student actually attended, ends on the last day the student was in attendance, and includes only the number of calendar days during which the student was in attendance.

For example, a school combines an intersession of three weeks of instructional time at the end of a standard, fall semester to form a single, combined term that the school treats, for all Title IV purposes, as a standard semester for all students enrolled in the program. The school must treat the fall term and the intersession as modules in the single, combined term for all students enrolled in the program. A student enrolls in (i.e., is scheduled to attend) the fall semester and the 3-week intersession that follows. If the student ceases attendance during the single, combined term, the denominator used in the calculation of the percentage of the payment period completed includes the number of calendar days in both the fall term and the intersession, except for scheduled breaks of at least five consecutive days and days in which the student was on an approved leave of absence.

GUARANTOR COMMENTS:

None.

IMPLICATIONS:

Student/Borrower:

A borrower who withdraws from a standard term-based credit-hour program offered in modules will earn an amount of Stafford and PLUS loan funds that is more consistent with a borrower who withdraws from a non-term-based program or a credit-hour program offered in nonstandard terms.

School:

A school that offers a program comprised of one or more courses that do not span the entire length of a payment period or, as applicable, period of enrollment, may be required to evaluate the program's structure, and revise policies and procedures to ensure that it implements appropriate rules for disbursement scheduling, delivery, and return of Title IV funds in a modular program. A school with a standard term-based credit-hour program offered in modules may be required to revise its internal procedures to ensure that it establishes a withdrawal date and calculates a return of Title IV funds for a student who fails to complete all of the calendar days that the student was scheduled to complete in the term even though the student completed at least one course within the term.

Lender/Service:

None.

Guarantor:

A guarantor may need to revise its compliance and training tools for schools.

U.S. Department of Education:

The Department may be required to revise its program review procedures and provide additional training opportunities for schools.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:

CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:
November 18, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:
April 14, 2011

PROPOSAL DISTRIBUTED TO:
CM Policy Committee
CM Guarantor Designees
Interested Industry Groups and Others
CM Governing Board

Comments Received from:
AES/PHEAA, Great Lakes, HESAA(NJ), HESC(NY), NASFAA, NCHELP, NSLP, OCAP, PPSV, SCSLC, SLND, SLND, SLSA, TG, USA Funds, and VSAC.

Responses to Comments

Many commenters supported this proposal as written. Others provided wordsmithing suggestions which were incorporated without comment. We appreciate the review of all commenters and their careful consideration of this policy.

COMMENT:

Two commenters requested that the proposed policy address clock hour programs.

One commenter recommended changes that remove all references to a credit-hour program when discussing the return of Title IV funds rules relating to modular programs, stating that the changes in this proposal also apply to clock-hour programs. This commenter referred the Committee to pages 66951 and 66896 of the *Federal Register* for references to clock-hour programs.

Response:

Historically, the Department has provided guidance on special modular program rules for the treatment of Title IV aid only in the context of programs where progress is measured in credit hours. The Committee respects the commenters' assertion that aspects of the new rules for determining a student's withdrawal from a modular program may also apply to a clock-hour program. However, the Committee believes that additional research and perhaps additional information is needed from the Department before it is appropriate to develop policy language that addresses a modular clock-hour program. The Committee will, however, note this request for possible, future policy proposal development.

The commenters' reference to clock hour programs caused the Committee to review existing policy text that describes what constitutes a withdrawal in a clock hour program, i.e., the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete [new §668.22(a)(2)(i)(B)]. The Committee determined that the Manual does not explicitly state what constitutes a withdrawal in the introduction to Section 9.4, Withdrawal Dates, for either a clock-hour program or a credit-hour program [new §668.22(a)(2)(i)(A)]. Since the Committee believes that these final rule clarifications apply more broadly than to just modular programs, these changes are outside the scope of this proposal. Therefore, the Committee will make note of this additional need for future policy proposal development.

Change:

None.

COMMENT:

One commenter requested that the Committee clarify the opening paragraph of the new proposed text under *Withdrawals from a Credit-Hour Program Offered in Modules*:

A school determines if a student enrolled in a course of study offered in modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, *whether the student enrolled in the module that he or she ceased attending*, and, in some cases, the student's course grade(s) or stated intent to attend a subsequent module.

The commenter stated that the phrase “. . .whether the student enrolled in the module that he or she ceased attending...” was confusing and requested that it be reworded to clarify its meaning.

Response:

The Committee agrees.

Change:

The cited text has been modified as follows:

A school determines if a student enrolled in a course of study offered in modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, whether the student enrolled in the module that he or she ceased attending was scheduled to attend a subsequent module at the time he or she ceased attendance, and, in some cases, the student’s course grade(s) or stated intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment.

COMMENT:

One commenter requested a change to the revised policy statement as follows:

A student enrolled in a non-term-based or nonstandard term-based credit-hour program offered in modules is considered to have withdrawn if the student is not scheduled to begin another course within ceases attendance without notifying the school at that time that the student will attend another module in the same payment period or period of enrollment that begins no later than 45 days after the end of the module that the student failed or ceased to attending, unless the student is on an approved leave of absence.

Response:

The Committee declines to make the substantive or wordsmithing changes reflected in this suggestion. Final rules in §668.22(a)(2)(i)(C) state that for a student in a non-term-based or nonstandard term-based program, the student is considered to be withdrawn if the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the module that the student ceased attending, unless the student is on an approved leave of absence. The Committee believes there is insufficient cause to restrict this guidance to cases in which the student unofficially withdraws from a course. As the final rule is written, the Committee believes it also applies to a case when a student completes a course (does not withdraw) and fails to enroll in another course that begins within 45 days after the ending date of the last course that the student attended.

The Committee notes that the terms “non-term-based” and “nonstandard term-based” are the Manual’s consistent, conventional terms for such programs.

Change:

None.

COMMENT:

One commenter requested the following change in both the Revised Policy and Proposed Language:

If a student enrolled in a credit-hour program offered in modules does not earn at least one receive a passing grade in the last course(s) of the last module that he or she was scheduled to attend and the school cannot demonstrate that the student complete the last course(s), the school must assume that the student unofficially withdrew. . .

Response:

The Committee declines to make the commenter’s requested change in the first line of the quoted text. In a case when a student is enrolled in multiple concurrent courses, it is more descriptive and useful to the reader to say that the student is considered withdrawn if the student does not earn at least one passing grade.

Change:

The Revised Policy, Proposed Language, and Common Bulletin have been modified per the commenter’s request to remove the following phrase:

If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) ~~of the last module~~ that he or she was scheduled to attend. . .

COMMENT:

One commenter recommended several changes to the Revised Policy, Proposed Language and Common Bulletin as follows:

Revised policy. . .describes events that may require a school to disburse ~~unearned~~ Title IV aid that was previously returned or canceled due to a student's withdrawal if the student returns to a subsequent module in the same program within the same payment period or, ~~as applicable,~~ period of enrollment.

Response:

The Committee declines to remove the phrase "as applicable" to distinguish between payment period and period of enrollment. "As applicable" is a necessary qualifier to distinguish between cases when it is appropriate for the school to base its determination about the student's return to a later module on the payment period versus the period of enrollment. Absent the qualifying phrase, "as applicable," the text appears to authorize an option in every case.

Change:

The Revised Policy, Proposed Language, and Common Bulletin have been modified to reflect changes illustrated in the following statement:

Revised policy. . .describes events that may require a school to disburse ~~unearned~~ Title IV aid that was previously returned or canceled due to a student's withdrawal if the student returns to a subsequent module in the same program within the same payment period or, as applicable, period of enrollment.

COMMENT:

One commenter requested a change to the italicized "Note" that immediately precedes the Proposed Language:

Note: See proposal #1238, Batch 175, for a proposed glossary definition of "module." See proposal #1243 in Batch 177, for proposed Manual text that addresses a withdrawn student's eligibility for Title IV aid when the student returns to the same ~~term-based, credit-hour program~~ offered in modules.

The commenter stated the deleted words should not be used and asked if it was too late to modify the referenced proposal.

Response:

The Committee believes that it is necessary to clarify in the italicized "Note" that policy proposal #1243 addresses Title IV eligibility for a student who withdraws from and returns to the same term-based, credit-hour program offered in modules. This policy proposal adds text to Subsection 8.7.G to align the Manual with new §668.22(a)(2)(iii)(A), which references a "term-based credit-hour program offered in modules." The text incorporated by this policy proposal is cross-referenced in this proposal.

Change:

None.

COMMENT:

One commenter requested several revisions to existing text in Section 9.4, page 9, column 1, paragraph 3, as follows:

In a program offered in modules, if ~~if~~ a student does not earn a passing grade in ~~at least one class~~ all courses in which he or she was enrolled ~~scheduled to attend in a payment period or period of enrollment,~~ the school may not presume that the student completed the ~~payment period or period of enrollment, as applicable.~~ —If unless the school cannot confirm that student's attendance through the end of the ~~payment period or period of enrollment, as applicable.~~ —If a student unofficially withdraws, the school must use either the midpoint of the period or the student's last day of ~~participation in attendance at~~ attendance at an academically related activity—as document by the school—as the student's withdrawal date.

For a student enrolled in a credit-hour program offered in modules, a school must apply different rules for determining whether a student has unofficially withdrawn based on a failing grade(s). . .

Response:

The Committee declines to make the commenter's substantive changes. The paragraph above is existing Manual text that reflects the Department's current guidance concerning a student who fails to earn at least one passing grade in courses offered over a payment period or period of enrollment (see the 10-11 FSA Handbook, Volume 5, Chapter 2, p. 5-77). This guidance has applied historically to a program offered in concurrent courses; therefore, the Committee declines to modify the paragraph so that it is exclusive to a program offered in modules.

In addition, the Committee believes that it may be misleading to state that a student must be considered unofficially withdrawn (in the absence of confirmation that a student completed the period) if the student fails to earn a passing grade in *all courses*. Such a statement could be interpreted to mean that a student who was enrolled in three courses for a period must be considered withdrawn if the student receives a "C" grade in two courses and an "F" grade in the third course.

The Committee also declines the commenter's wordsmithing changes in line 4 above, preferring instead to establish separate sentences that express a sequence of events. The commenter's requested change that clarifies the end result, i.e., that the school must consider the student to have unofficially withdrawn, is helpful.

Change:

Section 9.4, page 9, column 1, paragraph 3 has been revised, as follows:

If a student does not earn a passing grade in at least one class ~~in which that he or she was enrolled~~ scheduled to attend in a payment period or period of enrollment, as applicable, the school may not presume that the student completed ~~the payment that period or period of enrollment, as applicable~~. If the school cannot confirm the student's attendance through the end of the ~~payment period or period of enrollment, as applicable~~, the school must treat the student as an unofficial withdrawal. The school must use establish a withdrawal date for the student that is either the midpoint of the period or the student's last day of participation in date of attendance at an academically related activity—, as documented by the school—as the student's withdrawal date.

COMMENT:

One commenter recommended the following modification in paragraph 1, bullet 1, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

A student enrolled in a credit-hour program offered in modules is considered to have withdrawn if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to ~~attend~~ complete.

Response:

The Committee agrees.

Change:

The commenter's requested change has been made.

COMMENT:

One commenter recommended the following modification in paragraph 1, bullet 1, subbullet 1, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

A course offered in a module that a student officially drops prior to ceasing attendance is not considered a course that the student was scheduled to attend, ~~unless the student remained enrolled in another concurrent course(s) in the module.~~

Response:

The Committee declines to make the commenter's requested change based on the following final rule preamble guidance recorded on page 66895 of the *Federal Register* dated October 29, 2010: ". . . courses that were officially dropped prior to the student ceasing enrollment are not days that the student was scheduled to attend, *unless the student remained enrolled in other courses offered on those days.*" However,

the commenter brings the Committee's attention to an unintended implication of this proposed policy text relating to a program in which courses that span the entire length of the term are offered concurrently with courses that are considered modules.

Change:

The cited subbullet has been modified as follows:

A course ~~offered in a module~~ that a student officially drops prior to ceasing attendance is not considered a course that the student was scheduled to attend, unless the student remained enrolled in another concurrent course(s) ~~in the module~~.

COMMENT:

One commenter recommended the following change to new bullet 3, paragraph 1, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school of his or her intent to withdraw—if the student ceases attendance and is not scheduled to begin attend another course module in the same payment period or period of enrollment that begins within 45 days after the end of the module that the student last ceased or failed to attend, unless the student is on an approved leave of absence...

Response:

The Committee declines to make the commenter's requested change in the third line of the bullet above, "...if the student ceases attendance and is not scheduled to attend another module....within 45 days after the end of the module that the student last attended...." This change implies that a student must have officially or unofficially withdrawn. The Committee believes that these final rule changes require a school to consider a student withdrawn if the student fails to enroll in a subsequent module in a payment period or period of enrollment that begins within 45 days after the ending date of the module that the student last attended, regardless of whether the student officially or unofficially withdrew from that most recent module and even in a case when the student successfully completed the most recent module.

The Committee also declines to make the commenter's requested change in the fifth line of the bullet above, which implies that a student is considered withdrawn if the student fails to enroll in another module that begins within 45 days after the end of a module for which the student *failed to begin attendance*. The Committee believes that, for a student who fails to begin attendance in a module, the 45-day time frame begins with the ending date of the module that the student last attended.

The Committee agrees with the other changes the commenter requests.

Change:

New bullet 3 has been modified as follows:

- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school of his or her intent to withdraw—if the student is not scheduled to begin attend another course module in the same program and payment period or period of enrollment, as applicable, that begins within 45 days after the end of the module that the student last attended, unless the student is on an approved leave of absence...

COMMENT:

One commenter recommended the following change in new bullet 5, paragraph 1, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

A student who ceases attendance in a credit-hour program offered in modules and who provides written confirmation of the intent to attend a subsequent module in the same payment period of period of enrollment may change the date that he or she will return ~~to a module that begins~~ later in the same period. . .

Response:

The Committee believes that the commenter's first requested change results in a loss of specificity about a

student's statement of intent. The commenter's second change is helpful.

Change:

New bullet 5 has been modified as follows:

A student who ceases attendance in a credit-hour program offered in modules and who provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment may change the date that he or she will return to a module that begins later in the same program and period. . .

COMMENT:

One commenter requested the following changes to new bullet 6, paragraph 1, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

If a student ~~withdraws from~~ ceases attendance in a credit-hour program offered in modules and provides written confirmation of ~~future attendance in plans to attend~~ a subsequent module in the same payment period or period of attendance but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return to a subsequent module.

Response:

The Committee agrees to the commenter's requested changes with some minor modifications.

Change:

New bullet 6 has been revised as follows:

If a student ~~withdraws from~~ who ceases attendance in a credit-hour program offered in modules and provides written confirmation of ~~future attendance in the intent to attend~~ a subsequent module in the same program and payment period or, as applicable, period of enrollment but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return to a subsequent module.

COMMENT:

One commenter requested the following changes to the proposed text that illustrates the 3-Step decision-making process for determining a withdrawal in a credit-hour program offered in modules:

Step 2: When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other course(s) ~~offered in a module~~?

Yes: This is not a withdrawal, but a recalculation of Title IV aid eligibility may be required.

No. Go to Step 3.

Step 3: Did the school obtain, at the time of the student's withdrawal ~~the student ceased attendance,~~ written confirmation that the student would ~~resume attendance in a~~ another course ~~in a subsequent module later in the same period?~~ (Note: In a non-term-based or nonstandard term-based program, the subsequent ~~module~~ course must begin no later than 45 calendar days after the ending date of the module ~~in~~-which the student ceased attendance.

Response:

The Committee agrees.

Change:

Proposed text that describes the 3-Step decision making process has been modified per the commenter's request with some minor modifications, as follows:

Step 2: When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other course(s) ~~offered in a module~~?

Yes: This is not a withdrawal, but the school may be required to recalculate the student's eligibility for Pell grant and campus-based funds (see below).

No. Go to Step 3.

Step 3: Did the school obtain, at the time of ~~the student's withdrawal~~ the student ceased attendance, written confirmation that the student would ~~resume attendance in a~~ another course in a subsequent module that begins later in the same program and payment period or, as applicable, period of enrollment? (Note: In a non-term-based or nonstandard term-based program, the subsequent ~~module~~ course must begin no later than 45 calendar days after the ending date of the module in which the student ceased attendance that the student last attended.

COMMENT:

One commenter requested the following change to bullet 1, paragraph 5 under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

- A student withdraws from a standard term-based program offered in modules, and fails to confirm ~~the intent to reenroll in~~ attend a subsequent module within the same payment period or period of enrollment, and the student but does ~~return to~~ attend a subsequent module within the same ~~payment~~ period.

Response:

The Committee agrees with all of the commenter's requested changes, except one. The Committee believes that in a standard term-based program, a student may avoid being considered a withdrawal only if the student returns to a module that begins later in the same payment period (i.e., term).

Change:

New bullet 1 under paragraph 5 has been modified with some minor modifications for consistency, as follows:

- A student withdraws from a standard term-based program offered in modules, fails to confirm the intent to ~~reenroll in~~ attend a subsequent module within the same program and payment period, and but the student does ~~return to~~ attend a subsequent module within the same ~~payment-program and~~ payment period.

Similar changes were made to new bullets 2 and 3 under paragraph 5.

COMMENT:

One commenter requested the following new bullet in paragraph 5 under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

- A student withdraws from a standard term-based program offered in modules and is not scheduled to attend a subsequent module within the same payment period or period of enrollment, but the student does attend a subsequent module within the same period.

Response:

The Committee declines to add the new bullet the commenter requests. The Committee believes that bullet 1, paragraph 5, includes this scenario.

Change:

None.

COMMENT:

One commenter requested the following change to bullet 1, paragraph 6, under the subheading *Withdrawal from a Credit-Hour Program Offered in Modules*:

- For a student who ~~reenrolls~~ resumes attendance in a non-term-based credit-hour program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws ~~and reenters~~ but then resumes attendance in a non-term-based credit-hour program within 180 days. . .

Response:

The Committee agrees with the commenter.

Change:

The commenter's suggestion was adopted with a minor modification, as follows:

- For a student who ~~reenrolls~~ resumes attendance in a the same non-term-based credit-hour program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws ~~and reenters~~ from and resumes attendance in a the same non-term-based credit-hour program within 180 days. . .

Similar changes were made to paragraphs 5 and 6 for consistency.

COMMENT:

One commenter requested that the Committee reverse the order of bullets 1 and 2, paragraph 6, under the new subheading *Withdrawal from a Credit-Hour Program Offered in Modules*. The commenter stated the reversed order would be more consistent with other proposed text, which consistently addresses term-based programs before non-term-based programs.

Response:

The Committee agrees.

Change:

The commenter's requested change has been made.

COMMENT:

One commenter requested the following revision in Subsection 9.5.A, page 12, column 1, paragraph 3, as follows:

. . . A school must exclude from the total number of calendar days in the payment period or, as applicable, period of enrollment ~~the number of calendar days in which the student was on an~~ any approved leave of absence or any scheduled breaks of at least five consecutive days when the student was not scheduled to attend ~~a module or other course offered during a module~~.

Response:

The Committee agrees with the commenter's requested changes, with one exception. The Committee believes that the commenter's first change results in a loss of specificity.

Change:

Paragraph 3 has been revised as follows:

. . . A school must exclude from the total number of calendar days in the payment period or, as applicable, period of enrollment the number of calendar days in which the student was on an approved leave of absence or any scheduled breaks of at least five consecutive days when the student was not scheduled to attend ~~a module or other course offered during a module~~.

COMMENT:

One commenter requested that the Committee revise the last sentence in the School Implications statement, as follows:

A school with a standard term-based credit-hour program offered in modules may be required to revise its internal procedures to ensure that it establishes a withdrawal date and calculates a return of Title IV funds for a student who enrolls in (i.e., is scheduled to complete) multiple modules within the term and who withdraws after completing at least one course in one module within the term.

The commenter stated that this wording is more restrictive than the final rules and is incorrect; it is not necessary for the student to have completed at least one course in the term.

Response:

The Committee intended to highlight the major difference between current and new rules that may impact a school's policies and procedures for determining a student's withdrawal from a standard term-based, modular program, i.e., that new rules no longer exempt a student who completes at least one course in one module from being treated as a withdrawal in certain cases. The Committee believes the implication statement could be broadened so that it does not imply an inaccuracy.

Change:

The last sentence of the school implication statement has been modified as follows:

A school with a standard term-based credit-hour program offered in modules may be required to revise its internal procedures to ensure that it establishes a withdrawal date and calculates a return of Title IV funds for a student who enrolls in (i.e., is scheduled to complete) multiple modules within the term and who withdraws after completing fails to complete all of the calendar days that the student was scheduled to complete in the term even though the student completed at least one course in one module within the term.

jcs/edited-kk