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<tr>
<td>1241</td>
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<td>8.4 Assessing Satisfactory Academic Progress</td>
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5.10.A  Testing ATB Students with Special Needs  
Incorporates new language that defines what constitutes six semester credit hours, six trimester credit hours, six quarter credit hours and 225 clock hours of college work for an ATB student enrolled in a quarter-credit-hour or clock-hour program.  
Identifies the point at which students enrolled in courses offered in modules may receive Title IV aid based on the ability to benefit.  
Defines in general terms which individuals can administer an ATB test and what testing options are available to test individuals with disabilities and non-English-speaking individuals.  
Also expands guidance related to ATB provisions for individuals with disabilities and non-English-speaking individuals, including that the test must measure basic verbal and quantitative skills and, if the test is administered to an individual whose first language is not English, must be linguistically correct and culturally sensitive. | Federal | Ability-to-benefit tests administered on or after July 1, 2011, for students with special needs.  
For programs measured in quarter credit hours or clock hours, ability-to-benefit determinations made on or after July 1, 2011.  
For programs of study offered in modules, ability-to-benefit determinations made on or after July 1, 2011. |
| 1243 | Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules | 8.7.F  Delivery in Credit-Hour Programs Offered in Modules  
8.7.G  Delivery in Special Circumstances  
States that if a student withdraws from a term-based credit-hour program offered in modules during a payment period or, as applicable, period of enrollment, and then resumes enrollment in the same program before the end of the period, the school must determine the student’s eligibility to receive funds for which he or she was eligible prior to the withdrawal.  
This includes funds that were previously returned by the school or the student as the result of the return of Title IV funds calculation.  
Also clarifies that the school must confirm that the student remains eligible for the funds based on his or her enrollment status at the time of reentry into the program and the student’s cost of attendance, taking into account any reduction in the cost of attendance caused by the period of nonattendance. | Federal | Withdrawal from a term-based credit-hour program offered in modules on or after July 1, 2011. |
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<td>1244</td>
<td>Campus-Based Programs</td>
<td>Appendix G</td>
<td>Correction</td>
<td>Upon approval by the Common Manual Governing Board.</td>
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Expands on the current definition by elaborating on the difference between these programs and other Title IV programs.

Batch 177 (Approved)
SUBJECT: Gainful Employment Provisions

AFFECTED SECTIONS: 4.1.C Maintaining Eligibility  
4.4.B Student Consumer Information

POLICY INFORMATION: 1240/Batch 177

EFFECTIVE DATE/TRIGGER EVENT: A new gainful employment educational program offered by a school in which initial enrollment begins after July 1, 2011.

Gainful employment reporting and disclosure provided by a school on or after July 1, 2011.

BASIS: §600.2; §600.4; §600.5; §600.10; §600.20; §668.6; §668.8; Federal Register dated October 29, 2010.

CURRENT POLICY: Current policy does not include information about school reporting and disclosure requirements related to the gainful employment regulations.

REVISED POLICY: Revised policy includes information about school reporting and disclosure requirements for any program offered by a postsecondary vocational institution; for any program offered by a proprietary institution (except a liberal arts baccalaureate program); and for any program that is offered by an institution of higher education and is at least one academic year in length, leads to a certificate or other non-degree recognized credential, and prepares students for gainful employment in a recognized occupation. Also, revised policy includes information about the school requirement to provide the Department with a notice when the school intends to offer a new program that prepares students for gainful employment in a recognized occupation.

REASON FOR CHANGE: This change was made to align the Manual’s text with final rules published in the Federal Register on October 29, 2010.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 4.1.C, page 6, column 2, paragraph 2, as follows:

Reporting Requirements

The school must report to the Department certain specific information regarding its ownership, contact information, the addition of locations, programs of study, the structure of its programs of study, etc.

General Reporting Requirements

A school must report to the Department via the Application for Approval to Participate . . .

. . .

Gainful Employment Reporting

The Department requires reporting of gainful employment data for the following types of programs:

- Any program offered by a postsecondary vocational institution.
- Any program offered by a proprietary institution, with the exception of a liberal arts
baccalaureate program.

- Any program offered by an institution of higher education that:
  - Is at least one academic year in length
  - Leads to a certificate or other non-degree recognized credential
  - Prepares students for gainful employment in a recognized occupation.

For each student enrolled in such a program, the school must report the following:

- Information needed to identify the student and the school the student attended.
- If the student began attending a program during the award year, the name and the Classification of Instructional Program (CIP) code of that program.

If the student completed a program during the award year, the school also must report all of the following:

- The name and CIP code of that program, and the date the student completed the program.
- The amounts the student received from private education loans and the amount from the school’s own financing plans that the student owes the school upon completing the program.
- Whether the student matriculated to a higher credentialed program at the school or, if available, evidence that the student transferred to a higher credentialed program at another school.

For each program for which gainful employment data reporting is required, the school must report, by name and CIP code, the total number of students enrolled in the program at the end of each award year and identifying information for those students.

A school must provide the required gainful employment data to the Department, as follows:

- No later than October 1, 2011, for information from the 2006–07 award year to the extent that the information is available.
- No later than October 1, 2011, for information from the 2007–08 through 2009–10 award years.
- No earlier than September 30, but no later than the date established by the Department through a notice published in the Federal Register, for information from the most recently completed award year.

For any award year, if a school is unable to provide all or some of the required information, the school must provide an explanation of why the missing information is not available.

Revise Subsection 4.1.C, page 7, column 1, by italicizing rather than bolding the subheading “Change of Ownership or Status,” as follows:

**Change of Ownership or Status**

Revise Subsection 4.1.C, page 8, column 1, by italicizing rather than bolding the subheading “Change in Governance for a Public School,” and revising the paragraph, as follows:
**Change in Governance for a Public School**

No later than 10 days after a change in governance, a public school must report the change to the Department and each applicable guarantor. A change in governance for a public school is not considered to be a change of ownership that results in a change in control, if the school remains a public school after the change and the new governing authority is in the same state and has acknowledged the school’s continued responsibilities under its PPA. No later than 10 days after a change in governance, public schools must report the change to the Department and each applicable guarantor.

[$§600.21(a)(9); §600.31(c)(7)$]

Revise Subsection 4.1.C, page 8, column 1, paragraph 3, as follows:

**Eligibility for New or Modified Program of Study**

When an eligible school adds a new educational program or substantially modifies an existing program, eligibility may not extend automatically to the new program. Instead, the school may be required to apply for approval by the Department to provide Title IV funds to students enrolled in the new program, which must meet all eligibility requirements. Before adding a new program of study, the school should contact the Department for guidance.

[$§600.10(c)(1); §600.20(d)(1)(i)$]

The school is ultimately responsible for ensuring that a program is eligible before awarding Title IV funds to students in the program. The school needs to ensure that program length and admissions criteria comply with Title IV requirements, that a degree or certificate is awarded upon completion, that the program is authorized by the appropriate state agency, and that it is included under the notice of accreditation from a nationally recognized accrediting agency recognized by the Department for Title IV program approval purposes.

A school is not always required to notify the Department of the addition of new programs. The school itself may determine the program’s eligibility if the new

- The additional program leads to an associate, bachelor’s, professional, or graduate degree, and the Department has already approved the school for programs at that level.
  [$§600.10(c)(2)(i)(1)$]

- The additional program prepares students for gainful employment in the same or a related recognized occupation as an educational program that the Department has designated as eligible at the school, and the added program is at least 8 semester hours, 12 quarter hours, or 600 clock hours in length.
  [$§600.10(c)(2)(ii)$]

If a school determines incorrectly that an additional program of study satisfies eligibility requirements and does not apply to the Department for approval, the school is liable for repayment of all Title IV funds received by the school for the ineligible program as well as for all funds received by or on behalf of students enrolled in the ineligible program of study from the date of the school’s addition of the program.

[$§600.10(c)(3)$]

**New Programs for Gainful Employment in a Recognized Occupation**

A school must notify the Department at least 90 days before the first day of class when it intends to add an educational program that prepares students for gainful employment in a recognized occupation, as defined earlier in this subsection. An “additional” educational program for this purpose is one of the following:

[$§600.10(c)(1); §600.20(d)(1)(ii)(A)$]

- A program with a CIP code under the taxonomy of instructional program classifications and descriptions developed by the Department’s National Center for Education Statistics that is different from any other program offered by the school.
• A program that has the same CIP code as another program offered by the school but leads to a different degree or certificate.

• A program that the school’s accrediting agency determines to be an additional program.  
  [§ 600.10(c)(2)]

A school’s notice to the Department of the school’s intent to offer an additional educational program that prepares students for gainful employment must provide all of the following:

- A description of how the school determined the need for the program and how the program was designed to meet local market needs, or for an online program, regional or national market needs. This description must contain any wage analysis the school may have performed, including any consideration of Bureau of Labor Statistics data related to the program.

- A description of how the program was reviewed or approved by, or developed in conjunction with, business advisory committees, program integrity boards, public or private oversight or regulatory agencies, and businesses that would likely employ graduates of the program.

- Documentation that the program has been approved by its accrediting agency or is otherwise included in the school’s accreditation by its accrediting agency, or comparable documentation if the school is a public postsecondary vocational school approved by a recognized state agency for the approval of public postsecondary vocational education in lieu of accreditation.

- The date of the first day of class of the new program.  
  [§ 600.20(d)(2)]

The school may proceed to offer the program described in its notice, unless the Department advises the school at least 30 days before the first day of class that the program must be approved. A school that does not provide a timely notice to the Department must obtain approval for the new program.  
  [§ 600.20(d)(1)(ii)(B) and (C)]

Revise Subsection 4.1.C, page 10, column 2, paragraph 3, as follows:

**School and Program Eligibility at Additional Locations**

The eligibility of a school and its programs does not automatically include each separate location of the school. When a school adds a licensed and accredited location that offers at least 50% of an educational program, the school must report specific information to the Department by submitting an E-App and other required documentation. Further information on these requirements can be found in §600.20 and in the 09-10 FSA Handbook, Volume 2, Chapter 5, pp. 2-63 to 2-64. Generally, after reporting to the Department, a school may immediately deliver Title IV funds to eligible students attending the added location. However, a school must have approval from the Department before it can deliver Title IV funds to eligible students attending the added location if any of the following criteria applies:

- The school is provisionally certified.  
  [§ 600.20(c)(1)(i)]

- The school is on the reimbursement or cash monitoring system of payment.  
  [§ 600.20(c)(1)(ii)]

- The school has acquired the assets of another school that provided educational programs at that location during the preceding year, and the other school participated in Title IV programs during that year.  
  [§ 600.20(c)(1)(iii)]
• The school would be subject to a loss of eligibility due to its cohort default rate if it adds the location.  
[§600.20(c)(1)(iv)]

• The school has been notified by the Department that it must apply for approval of an additional location or educational program.  
[§600.20(c)(1)(v)]

Revise Subsection 4.4.B, page 28, column 2, by adding a new paragraph 1, as follows:

**Gainful Employment Disclosures for Prospective and Enrolled Students**

A school must provide certain disclosures to prospective and current students enrolled in a program that prepares students for gainful employment in a recognized occupation. For each of these programs, the school must provide prospective students with the following:

- The names and Standard Occupational Classification (SOC) codes of occupations that the program prepares students to enter, along with links to occupational profiles on O*NET or its successor site. If the number of occupations related to the program, as identified by entering the program’s full six digit Classification of Instructional Programs (CIP) code on the O*NET crosswalk at [http://online.onetcenter.org/crosswalk/](http://online.onetcenter.org/crosswalk/) is more than ten, the school may provide Web links to a representative sample of the identified occupations (by name and SOC code) for which its graduates typically find employment within a few years after completing the program.

- The on-time graduation rate for students completing the program. To calculate the on-time completion rate for each program:
  
  Step 1: Determine the number of students who completed the program during the most recently completed award year (regardless of whether the students transferred into the program or changed programs at the school).
  
  Step 2: Divide the number of students who completed the program within the normal time frame by the total of students who completed the program and multiply the result by 100.

- The tuition and fees it charges a student for completing the program within the normal time frame as defined, the typical costs for books and supplies (unless those costs are included as part of tuition and fees), and the cost of room and board, if applicable. The school may include information on other costs, such as transportation and living expenses, but it must provide a Web link, or access, to the program cost information.

- The placement rate for students completing the program, as determined under a methodology developed by the National Center for Education Statistics (NCES) when that rate is available. In the meantime, if the school is required by its accrediting agency or state to calculate a placement rate on a program basis, it must disclose the rate and identify the accrediting agency or state agency under whose requirements the rate was calculated. If the accrediting agency or state requires a school to calculate a placement rate at the school level or other than a program basis, the school must use the accrediting agency or state methodology to calculate a placement rate for the program and disclose that rate.

- The median loan debt incurred by students who completed the program as provided by the Department, as well as any other information the Department provided to the school about that program. The school must identify separately the median loan debt from Title IV, loans, and the median loan debt from private educational loans and school financing plans.

For each program, the school must include the above information in promotional materials it makes available to prospective students and post this information on its Web site. The school
must prominently provide the information in a simple and meaningful manner on the home page of its program Web site, and provide a prominent and direct link on any other Web page containing general, academic, or admissions information about the program, to the single Web page that contains all the required information. The school must display the information on the school’s Web site in an open format that can be retrieved, downloaded, indexed, and searched by commonly used Web search applications. An open format is one that is platform-independent, machine-readable, and made available to the public without restrictions that would impede the reuse of that information. When the Department issues a disclosure form for this information, schools must use the Department’s disclosure form.

\[\text{§668.6}\]

**PROPOSED LANGUAGE - COMMON BULLETIN:**

**Gainful Employment Provisions**

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 school reporting and disclosure requirements for a program that prepares students for gainful employment in a recognized occupation. The Manual has also been updated to include information about the school requirement to provide the Department with a notice when the school intends to offer a new program that prepares students for gainful employment in a recognized occupation.

**GUARANTOR COMMENTS:**

None.

**IMPLICATIONS:**

**Borrower:**
A potential student will be able to make a more informed decision when contemplating enrolling in a program that prepares students for gainful employment in a recognized occupation.

**School:**
A school may have to revise reporting and disclosure procedures for each program that prepares students for gainful employment in a recognized occupation. Also, a school may have to revise procedures to provide the Department with a notice that it is adding a new educational program that prepares students for gainful employment in a recognized occupation.

**Lender/Servicer:**
None.

**Guarantor:**
A guarantor may need to revise its program review materials. Also, a guarantor may need to revise school facing training materials.

**U.S. Department of Education:**
The Department may have to update its new program approval process and its program review materials.

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**To be completed by the Policy Committee**

**POLICY CHANGE PROPOSED BY:**
CM Policy Committee

**DATE SUBMITTED TO CM POLICY COMMITTEE:**
February 1, 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, ASA, Great Lakes, HESC(NY), NASFAA, NCHelp, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

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

COMMENT:
One commenter suggested adding applicable regulatory citations throughout the proposed text.

Response:
The Committee agrees.

Change:
Additional, applicable regulatory citations were added throughout the proposed text.

COMMENT:
One commenter suggested adding information to Subsection 4.1.C, page 10, column 2, paragraph 3, in order to include the required approval of a new educational program as an additional potential obstacle to expansion.

Response:
The Committee agrees that new regulations included a revision to §600.20(c)(1)(v), which affects current text located in Subsection 4.1.C, page 10, column 2, paragraph 3.

Change:
The proposed language has been revised by adding the following:

The eligibility of a school and its programs does not automatically include each separate location of the school. When a school adds a licensed and accredited location that offers at least 50% of an educational program, the school must report specific information to the Department by submitting an E-App and other required documentation. Further information on these requirements can be found in §600.20 and in the 09-10 FSA Handbook, Volume 2, Chapter 5, pp. 2-63 to 2-64. Generally, after reporting to the Department, a school may immediately deliver Title IV funds to eligible students attending the added location. However, a school must have approval from the Department before it can deliver Title IV funds to eligible students attending the added location if any of the following criteria applies:

- The school is provisionally certified.  
  [§600.20(c)(1)(i)]
- The school is on the reimbursement or cash monitoring system of payment.  
  [§600.20(c)(1)(ii)]
- The school has acquired the assets of another school that provided educational programs at that location during the preceding year, and the other school participated in Title IV programs during that year.  
  [§600.20(c)(1)(iii)]
- The school would be subject to a loss of eligibility due to its cohort default rate if it adds the location.  
  [§600.20(c)(1)(iv)]
- The school has been notified by the Department that it must apply for approval of an additional location or educational program.  
  [§600.20(c)(1)(v)]

COMMENT:
Two commenters noted that the proposal describes the reporting and disclosure requirements for programs
that are at least one academic year in length. However, the provision applies to programs that are at least six months under the definition of postsecondary vocational institution and all programs, degree and non-degree, except for the liberal arts exception, offered by a proprietary institution of higher education. The commenters suggested adding the additional information for which this provision applies.

Response:
The Committee agrees.

Change:
The proposal has been revised to include all programs for which this provision applies.

COMMENT:
One commenter suggested that the guarantor implication statement should be removed because these regulatory changes become effective on July 1, 2011 and schools are no longer participating in the FFELP.

Response:
The Committee appreciates the commenter’s suggestion; however, the Committee disagrees. Some guarantors may need to perform a program review for a school during a certain period of time that may require the guarantor to review for some regulations that become effective for a school on July 1, 2011. The Committee also believes that a guarantor may need to revise its school-facing training materials.

Change:
The guarantor implication statement has been revised to add that it may need to revise its school-facing training materials.

COMMENT:
One commenter suggested that current language under “Eligibility for New Modified Program of Study,” page 8, column 2, paragraph 1, should be deleted as follows:

“A school is not always required to notify the Department of the addition of new programs. The school itself may determine the program’s eligibility in either of the following cases:
§600.10(c)(2)
• The additional program leads to an associate, bachelor’s, professional, or graduate degree, and the Department has already approved the school for programs at that level.
§600.10(c)(2)(i)"

The commenter suggests that since §600.10(c)(2) was completely revamped to eliminate all of the previous exceptions, its new language is correctly cited later in this proposal. Another commenter suggested removing the regulatory citation for this same language. Another commenter suggested reformatting the text by taking the information in the remaining bullet and moving it into the paragraph above to align the formatting with the Manual's style convention.

Response:
The Committee appreciates the commenters’ suggestions. After careful review of the new language in §600.10(c)(2), the Committee notes that the language for this current text is now located in §600.10(c)(1), as follows:

“(c) Subsequent additions of educational programs. (1) Except as provided in paragraph (c)(2) of this section, if an eligible institution adds an educational program after it has been designated as an eligible institution by the Secretary, the institution must apply to the Secretary to have that additional program designated as an eligible program of that institution. An eligible institution must notify the Secretary at least 90 days before the first day of class when it intends to add an educational program that prepares students for gainful employment in a recognized occupation, as provided under 34 CFR 668.8(c)(3) or (d). The institution may proceed to offer the program described in its notice, unless the Secretary advises the institution that the additional educational program must be approved under §600.20(c)(1)(v). Except as provided for direct assessment programs under 34 CFR 668.10, or pursuant to a requirement included in an institution’s Program Participation Agreement under 34 CFR 668.14, the institution does not have to apply for approval to add any other type of educational program.”
The Committee agrees that the text in the remaining bullet should be part of the paragraph to align with the Manual’s style convention.

**Change:**
The regulatory citation for the current text has been revised to reflect §600.10(c)(1).

**COMMENT:**
One commenter suggested adding the definition of “on-time graduation” located in 34 CFR 668.6(c). Another commenter suggested adding a second sentence to bullet 2 to indicate that the subbullets explain how to calculate the on-time completion rate for each program.

**Response:**
The Committee notes that the regulations do not explicitly define the term “on-time graduation” but rather provides how to calculate the on-time completion rate. If the Department later provides a definition for “on-time graduation” the Committee will draft a policy proposal to include a definition.

**Change:**
The proposed text in bullet 2 under "Gainful Employment Disclosures for Prospective and Enrolled Students" has been revised, as follows:

- “The on-time graduation rate for students completing the program. To calculate the on-time completion rate for each program:

  **Step 1:** Determine the number of students who completed the program during the most recently completed award year (regardless of whether the students transferred into the program or changed programs at the school).

  **Step 2:** Divide the number of students who completed the program within normal time by the total of students who completed the program and multiply the result by 100.”
COMMON MANUAL - FEDERAL POLICY PROPOSAL

Date: April 21, 2011

SUBJECT: Satisfactory Academic Progress

AFFECTED SECTIONS: 4.2 Administrative Capability Standards
8.4 Assessing Satisfactory Academic Progress

POLICY INFORMATION: 1241/Batch 177

EFFECTIVE DATE/TRIGGER EVENT: Satisfactory academic progress evaluations conducted by a school on or after July 1, 2011.

BASIS:
§668.34; Federal Register dated October 29, 2010; The 2005 Blue Book.

CURRENT POLICY:
Current policy provides a high level overview rather than detail about satisfactory academic progress (SAP) and a lengthy glossary definition of “satisfactory academic progress.”

REVISED POLICY:
Revised policy provides additional information regarding assessing satisfactory academic progress (SAP). A school must assess SAP at the end of an increment that is no longer than half of the program’s length, or one academic year, whichever is less. A school that elects to evaluate SAP after each payment period has more flexibility in Title IV funding options than a school that chooses to measure SAP less frequently. Also, revised policy states that a school’s SAP policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe. Pace is calculated by dividing the total number of hours the student has successfully completed by the total number of hours the student has attempted. Remedial courses do not have to be included in the pace calculation. Revised policy provides regulatory definitions of terms applicable to SAP. The glossary definition of “satisfactory academic progress” has been revised to be more concise.

REASON FOR CHANGE:
These changes were made to align the Manual’s text with final rules published in the Federal Register on October 29, 2010.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Section 4.2, page 15, column 1, paragraph 1, bullet 3, as follows:

A school must demonstrate that it is capable of adequately administering the FFELP by meeting the following additional requirements:

• . . .

• . . .

• The school must establish and publish reasonable standards for measuring determining whether an otherwise eligible student is making satisfactory academic progress (SAP) in his or her educational program and is eligible to receive Title IV aid. These standards must, at a minimum, conform to the standards detailed in the federal regulations. See Section 8.4 for more details. [§668.16(e); §668.34(a)]

Revise Section 8.4, page 6, column 1, paragraph 1, as follows:

8.4
Assessing Satisfactory Academic Progress
Federal regulations require that a school must measure a student’s satisfactory academic progress (SAP) in accordance with the school’s published SAP policy before delivering disbursing the loan proceeds Title IV aid. The school’s SAP policy for Title IV programs must meet all of the following criteria:

- It must be at least as strict as the policy the school applies to a student who is not receiving Title IV aid.

- It must provide for consistent application of standards for all students within categories of students (e.g., full-time, part-time, undergraduate, or graduate students), and educational programs.

- At a minimum, SAP must be evaluated:

  - At the end of each payment period if the educational program is one academic year in length or less; or

  - At least annually to correspond with the end of a payment period if the educational program is more than one academic year in length.

At some schools, SAP verification is performed before the delivery of each disbursement, while at others, SAP may be assessed at specific times during the academic year, such as at the beginning of each term. [§668.32(f); §668.34(a)(1) - (3)]

A school’s SAP standards must be applied consistently, and must include both a qualitative and a quantitative measure.

**Qualitative Measure**

A school’s policy must specify the grade point average (GPA), or comparable assessment measured against a norm, that a student must achieve at each evaluation. If the educational program is more than two academic years, the student must have a GPA of at least a “C” or its equivalent, or have academic standing consistent with the school’s requirements for graduation at the end of the second academic year of the educational program. [§668.34(a)(4)]

**Quantitative Measure**

A school’s policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum permissible timeframe. Pace is calculated by dividing the total number of hours the student has successfully completed by the total number of hours the student has attempted. Remedial courses do not have to be included in the pace calculation. A maximum time frame for program completion and a minimum quality standard, such as grade point average, must be established. A student’s quantitative progress must be assessed at each SAP evaluation each academic year, at a minimum. Federal regulations permit a school to establish its own maximum time frame for program completion, provided the school’s time frame for an undergraduate program does not exceed 150% of the published program length. [§668.16(e); §668.34(a)(5)]

In measuring SAP for subsequent disbursements, the school is not required to develop a system that is separate from the system the school already has established for verifying progress for subsequent disbursements of other Title IV Programs. However, the progress standards for Title IV aid recipients must be at least as restrictive as those used for students not receiving aid. [§668.16(e)(1)]
The school’s policy must describe how a student’s GPA and pace of completion are affected by course incompletes, withdrawals, repetitions, or transfers of credits from other schools. Transfer credits that are accepted toward the student’s current educational program must be counted as both attempted and completed hours. [§668.34(a)(6)]

Financial Aid Warning and Financial Aid Probation

Rules regarding financial aid warning and financial aid probation vary depending on whether the school evaluates SAP at the end of each payment period or less frequently.

Schools that evaluate SAP at the End of Each Payment Period

A school that evaluates SAP at the end of each payment period has the option of placing a student on financial aid warning for one payment period, or placing the student on financial aid probation following a successful appeal. The school’s SAP policy must explain the use of these statuses, and the statuses must be applied consistently and in compliance with federal regulations as explained in the following paragraphs.

A school that evaluates SAP at the end of each payment period—including a summer term—may disburse Title IV aid to a student who is not meeting SAP requirements as follows:

- **For the next payment period in which the student is enrolled following the payment period in which the student did not make satisfactory academic progress, the school may:**
  - Place the student on financial aid warning and disburse Title IV aid to the student. Financial aid warning does not require an appeal or any other action on the part of the student.
  - Place the student directly on financial aid probation—following the required procedures for financial aid probation as outlined in the following bullet—and disburse Title IV aid to the student.

- **For the next payment period in which the student is enrolled following a payment period in which the student was on financial aid warning, the school may place the student on financial aid probation, if all of the following criteria are met:**
  - The school evaluates the student’s progress and determines that the student did not comply with SAP requirements by the end of the payment period when the student was on financial aid warning.
  - The student successfully appeals the determination (See information under “Student Appeals” later in this section).
  - The school determines that the student should be able to meet the school’s SAP standards during and at the end of the subsequent payment period, or the school develops an academic plan that, if followed, will ensure that the student is able to meet the school’s SAP standards by a specific point in time.

A student on financial aid probation for one payment period may not receive Title IV aid for the subsequent payment period unless the student complies with SAP standards or the school determines that the student complied with the requirements of an academic plan developed by the school. [§668.34(a)(8); §668.34(c)]

Schools that Evaluate SAP Annually or Less Frequently than at the End of Each Payment Period

A school that evaluates SAP annually or less frequently than at the end of each payment period does not have the option of placing a student on financial aid warning for one payment period. However, a student may be placed on financial aid probation, and the school may
disburse Title IV aid to the student for the next payment period in which the student is enrolled, if all of the following criteria are met:

- The school evaluates the student’s progress and determines that the student is not meeting SAP requirements.

- The student successfully appeals the determination (See information under “Student Appeals” later in this section).

- The school determines that the student should be able to meet the school’s SAP standards by the end of the subsequent payment period or the school develops an academic plan that, if followed, will ensure that the student is able to meet the school’s SAP standards by a specific point in time.

A student on financial aid probation for one payment period may not receive Title IV aid for the subsequent payment period unless the student complies with SAP standards or the school determines that the student complied with the requirements of an academic plan developed by the school.

[$668.34(a)(8)(ii); §668.34(d)]

**Student Appeals**

If a school allows a student to appeal its determination that the student is not complying with SAP requirements, the school’s appeal policy must include each of the following:

- What the student must do to reestablish his or her Title IV eligibility.

- The circumstances under which the student may file an appeal (i.e., death of a relative, injury or illness of the student, or other special circumstances).

- Information the student must submit explaining why the student failed to comply with SAP requirements, and what has changed in the student’s situation that will allow the student to comply with SAP requirements at the next evaluation.

If a school does not allow a student to appeal its determination that the student is not complying with SAP requirements, the policy must describe how the student may reestablish Title IV eligibility.

**Loss of Title IV Eligibility**

Except in the case of a student who is placed on financial aid warning or financial aid probation, a student who is not meeting the school’s qualitative or quantitative measures at the time of any evaluation is not eligible to receive additional Title IV aid.

[$668.34(a)(7)]

**Notification**

A school’s SAP policy must provide for notification to a student of the results of an evaluation that impacts the student’s eligibility for Title IV aid. If the school does not permit a student to appeal a determination that he or she is not making SAP, the policy must describe how the student may reestablish his or her eligibility to receive Title IV aid. If the school permits a student to appeal a determination that he or she is not making SAP, the policy must describe how the student may reestablish his or her Title IV eligibility, the basis on which a student may file an appeal; information the student must submit regarding why the student failed to make SAP; and what has changed in the student’s situation that will allow the student to demonstrate SAP at the next evaluation.

[$668.34(a)(9)-(11)]

**Definitions applicable to SAP**

In the context of SAP provisions, the following definitions apply:
• An appeal is a process by which a student who is not meeting the school’s SAP standards petitions the school for reconsideration of the student’s eligibility for Title IV aid.

• Financial aid probation is a status assigned by a school to a student who fails to make SAP, has appealed, and has had eligibility for aid reinstated.

• Financial aid warning is a status assigned to a student who fails to make SAP at a school that evaluates SAP at the end of each payment period.

• Maximum timeframe is:

  - For an undergraduate program measured in credit hours, a period that is no longer than 150 percent of the published length of the educational program, as measured in credit hours;

  - For an undergraduate program measured in clock hours, a period that is no longer than 150 percent of the published length of the educational program, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time; and

  - For a graduate program, a period defined by the institution that is based on the length of the educational program.

($668.34(b)$)

See Section H.4 for information about a statutory or regulatory waiver authorized by the HEROES Act that may impact these requirements.

Revise Appendix G, page 20, column 1, paragraph 8, as follows:

Satisfactory Academic Progress (SAP): The level of academic progress required of a student by the Higher Education Act in order to receive Title IV aid, including Federal Stafford, PLUS, or SLS loans. Each school must establish a standard for evaluating a student's efforts to achieve an educational goal within a given period of time. In making this evaluation, the school must establish the normal time frame for completion of the course of study in which the student is enrolled, and a method, such as grades or work projects completed, to measure the quality of the student's performance. Students enrolled in an undergraduate program who are enrolled beyond the school's maximum time frame for program completion are not eligible for additional Title IV assistance. A school's maximum time frame for program completion cannot exceed 150% of the published program length. The qualitative (grade point average) and quantitative (time limit) measures of a student's progress toward completing a program of study. To maintain eligibility for Title IV aid, the student must show adequate progress. A school must establish policies regarding satisfactory academic progress, and must check the progress of Title IV aid recipients at least once each academic year, or at the end of each payment period if the educational program is either one academic year in length or shorter than an academic year.

PROPOSED LANGUAGE - COMMON BULLETIN:

Satisfactory Academic Progress

The Common Manual has been revised to align the Manual’s text with final rules published in the Federal Register on October 29, 2010. Revised policy states that a school that elects to evaluate satisfactory academic progress (SAP) after each payment period has more flexibility in Title IV funding options than a school that chooses to measure SAP less frequently. Revised policy states that a school’s SAP policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe. Pace is calculated by dividing the total number of hours the student has successfully completed by the total number of hours the student has attempted. Remedial courses do not have to be included in the pace calculation. Also, revised policy provides regulatory definitions of terms applicable to SAP. Further, the glossary definition of “satisfactory academic progress” has been revised to be more concise. The Federal Register preamble language states that a school may decide that for the purpose of this policy change, a 2011-12 summer crossover period will be subject to its current SAP policy and procedures, as part of the 2010-11 award year. This would be acceptable, and should be addressed in the school’s notification to its students of the effective date of any new policy.
GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Borrower:
None.

School:
A school may need to revise its satisfactory academic progress policy to ensure that the policy is compliant with new regulatory provisions. A school that elects to evaluate satisfactory academic progress (SAP) after each payment period has more flexibility in Title IV funding options than a school that chooses to measure SAP less frequently.

Lender/Servicer:
None.

Guarantor:
A guarantor may need to update its program review materials.

U.S. Department of Education:
The Department may need to update its program review materials.

To be completed by the Policy Committee

POLICY CHANGE PROPOSED BY:
CM Policy Committee

DATE SUBMITTED TO CM POLICY COMMITTEE:
October 28, 2010

DATE SUBMITTED TO CM GOVERNING BOARD FOR APPROVAL:
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, ASA, Great Lakes, HESC(NY), NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

Responses to Comments
Many 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:
Four commenters suggested changes to provide detailed policy for the new SAP requirements.

Response:
The Committee agrees that all of the details of the new SAP requirements should be included in the Manual.

Change:
All of the changes suggested by the commenters were made with slight modification to accommodate all of the commenters’ concerns.
**COMMON MANUAL - FEDERAL POLICY PROPOSAL**

**Date:** April 21, 2011

**SUBJECT:** Ability-to-Benefit Provisions

**AFFECTED SECTIONS:**
- 5.10   Ability-to-Benefit Provisions
- 5.10.A Testing ATB Students with Special Needs

**POLICY INFORMATION:** 1242/Batch 177

**EFFECTIVE DATE/TRIGGER EVENT:** Ability-to-benefit tests administered on or after July 1, 2011, for students with special needs.

For programs measured in quarter credit hours or clock hours, ability-to-benefit determinations made on or after July 1, 2011.

For programs of study offered in modules, ability-to-benefit determinations made on or after July 1, 2011.

**BASIS:** §668.32(e)(5), §668.142, §668.148, §668.149; Federal Register dated October 29, 2010.

**CURRENT POLICY:**
Current policy does not define what constitutes six credit hours of college work for a student subject to the ability-to-benefit (ATB) provisions who is enrolled in a quarter-credit-hour or clock-hour program. The Manual also does not advise that an individual who administers ATB tests in an assessment center is now required to be certified by the publisher of the ATB test or the state; and that an independent test administrator who administers an ATB test at a location other than an assessment center must meet certain criteria. Finally, the Manual also does not include policies related to the ATB provisions for students enrolled in programs offered in modules.

The Common Manual currently describes what special provisions are available for disabled students and non-English-speaking students, but it does not include the expanded guidance provided in the regulations.

**REVISED POLICY:**
Revised policy incorporates new language that defines what constitutes six semester credit hours, six trimester credit hours, six quarter credit hours and 225 clock hours of college work for an ATB student enrolled in a quarter-credit-hour or clock-hour program. Revised policy also identifies the point at which students enrolled in courses offered in modules may receive Title IV aid based on the ability to benefit. Revised policy also defines in general terms which individuals can administer an ATB test and what testing options are available to test individuals with disabilities and non-English-speaking individuals.

Revised policy also expands guidance related to ATB provisions for individuals with disabilities and non-English-speaking individuals, including that the test must measure basic verbal and quantitative skills and, if the test is administered to an individual whose first language is not English, must be linguistically correct and culturally sensitive.

**REASON FOR CHANGE:**
The purpose for this proposal is to incorporate into the Manual the guidance in the final regulations regarding new ATB provisions.

**PROPOSED LANGUAGE - COMMON MANUAL:**
Revise Section 5.10, page 15, column 1, paragraph 1, as follows:

**5.10 Ability-to-Benefit Provisions**

To receive Title IV assistance aid, a student without a high school diploma or its equivalent must demonstrate the potential to succeed in (i.e., an ability to benefit from) a program of study offered by a school. A student who is admitted on an ability-to-benefit (ATB) basis must
meet one of the following requirements:  
[[§668.32(e); §682.201(a)(8)]

- The student satisfactorily completes six credit hours or equivalent coursework that is applicable toward a degree or certificate offered by the school. The student is ineligible to receive Title IV aid while earning the six credit hours or their equivalent. However, in cases where a student is enrolled in a payment period with modules that are independently completed and graded prior to the end of that payment period, there could be a situation in which a student successfully completes a module and earns the qualifying hours prior to the end of the payment period. In that case, a school could calculate the cost of attendance for the remaining modules in the payment period and award and disburse Title IV funds for those remaining credits, if appropriate. Six credit hours are defined as any one of the following, as applicable:

  - Six semester hours.
  - Six trimester hours.
  - Six quarter hours.
  - 225 clock hours.

Testing out of a class does not equate to the completion of the six credit hours otherwise required for ATB purposes.
[[HEA §484(d)(4); §668.32(e)(5); DCL GEN-08-12/FP-08-10]]

To determine a student’s eligibility to receive Title IV aid, a school may accept a passing score on an approved, ATB test that has been properly administered by an individual who has been certified by the test publisher or the state. If an ATB test is given at a facility other than an assessment center, the independent test administrator may not have any current or prior financial or ownership interest in the school, may not be a current or former employee of or consultant to the school, may not be a current or former member of the board of directors for the school, and may not be a current or former student of the school. If the score is received from an approved test publisher or assessment center.
[[§668.149]]

Revise Subsection 5.10.A, page 15, column 2, paragraph 3, as follows:

5.10.A Testing ATB Individuals with Special Needs

If no test is available for students with disabilities, or for students for whom English is not their native language or who are not fluent in English because a test is not reasonably available, the Department considers the following tests, any modified test or testing procedure, or instrument that has been developed for the purpose of evaluating the ability of disabled students to benefit from postsecondary education, to be an approved test for purposes of assessing those students’ ability to benefit. The test must measure both basic verbal and quantitative skills at the secondary school level. The Department considers the passing scores for these testing procedures to be those recommended by the test publisher or state, as applicable.
[[§668.149]]

For the purpose of testing students with disabilities any modified test or testing procedure or instrument that has been developed for the purpose of evaluating the ability of
disabled students to benefit from postsecondary education. The test must measure both basic verbal and quantitative skills at the secondary school level.

§668.148(a)(1)

The Department will ensure, as part of its approval process, that a test for an individual for whom English is not his or her native language and who is enrolled in a program that is taught in his or her native language will be linguistically correct and culturally sensitive regardless of the language in which the test is written.

§668.148

For the purpose of testing students for whom English is not their native language or who are not fluent in English, any test in the student’s native language or a language in which the student is fluent, provided the Department has not approved another test in that language and the test was not previously rejected from the approval process by the Department. The test must measure both basic verbal and quantitative skills at the secondary school level.

§668.149(b)

The passing scores recommended by the test developer are considered passing scores by the Department provided that:

• For students with disabilities, the test administrator uses the procedures or instruments for which the test was designed, and maintains documentation of the procedures and instruments used in the testing and of the scores and scoring techniques.

§668.149(a)(2)(i) and (ii)

• For students for whom English is not their native language or who are not fluent in English, the passing scores and the methods for determining those scores are fully documented.

§668.149(b)(4)

PROPOSED LANGUAGE - COMMON BULLETIN:
Ability-to-Benefit Provisions
The Common Manual has been updated to include new language that defines what constitutes six credit hours of college work for an ability-to-benefit (ATB) student enrolled in a quarter-credit-hour or clock-hour program, and the point at which students enrolled in courses offered in modules gain eligibility based on the ability to benefit. The Manual has also been updated to define in general terms which individuals can administer an ATB test and what testing options are available to test individuals with disabilities and non-English speaking individuals.

The Manual has been expanded to include guidance related to ATB provisions for disabled individuals and non-English speaking individuals, including that the test must measure basic verbal and quantitative skills and, if administered to an individual whose first language is not English, that the Department will ensure that the test will be linguistically correct and culturally sensitive.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Borrower:
ATB provisions will be more consistently administered for a student who attends a quarter-credit-hour program, a clock-hour program, or a program offered in modules. Also, ATB provisions for an individual with special needs will be more clearly defined and will be more applicable to the cultural and language needs of the individual.

School:
At a school that admits a student on the basis of ability to benefit, the school will need to ensure that an individual with special needs is afforded expanded testing opportunities. At such a school, the school must also modify its procedures to ensure that 1) an individual qualifies for Title IV aid based upon completion of the requisite number of clock or credit hours and 2) an individual who completes the requisite number of hours in a modular program is permitted to qualify for Title IV aid.

Lender/Servicer:
None.
Guarantor:
A guarantor may need to update its program review materials.

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 30, 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, ASA, Great Lakes, HESC(NY), NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, TG, UHEAA, USA Funds, and VSAC.

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

COMMENT:
One commenter felt the language in regard to a student testing out of a class needed to be a standalone statement.

Testing out of a class does not equate to the completion of the six credit hours for ATB purposes.

Response:
The Committee agrees.

Change:
This text was pulled from the proposed new language in the fourth bullet of Section 5.10 to become a standalone statement.

COMMENT:
One commenter suggested the revised policy language should reflect not only quarter hours or clock hours, but should reflect 6 semester credit hours, 6 trimester credit hours, 6 quarter credit hours, and 225 clock hours.

Response:
The Committee agrees.

Change:
Revised policy defines what constitutes coursework completion for the purpose of demonstrating ability to benefit: six semester or trimester credit hours, six quarter credit hours, or 225 clock hours. Revised policy also identifies the point at which students enrolled in courses offered in modules may receive Title IV aid based on the ability to benefit.
SUBJECT: Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules

AFFECTED SECTIONS: 8.7.F Delivery in Credit-Hour Programs Offered in Modules
8.7.G Delivery to Borrowers in Special Circumstances

POLICY INFORMATION: 1243/Batch 177

EFFECTIVE DATE/TRIGGER EVENT: Withdrawal from a term-based credit-hour program offered in modules on or after July 1, 2011.

BASIS: §668.22(a)(iii)(A); Federal Register dated October 29, 2010, p. 66894.

CURRENT POLICY: Current policy does not include information about a case in which a withdrawn student who resumes enrollment in a term-based credit-hour program offered in modules is eligible to receive Title IV aid that was previously returned or canceled as the result of the student’s withdrawal.

REVISED POLICY: Revised policy states that if a student withdraws from a term-based credit-hour program offered in modules during a payment period or, as applicable, period of enrollment, and then resumes enrollment in the same program before the end of the period, the school must determine the student’s eligibility to receive funds for which he or she was eligible prior to the withdrawal. This includes funds that were previously returned by the school or the student as the result of the return of Title IV funds calculation. Revised policy clarifies that the school must confirm that the student remains eligible for the funds based on his or her enrollment status at the time of reentry into the program and the student’s cost of attendance, taking into account any reduction in the cost of attendance caused by the period of nonattendance.

REASON FOR CHANGE: This change is necessary to update the Manual’s text with final rule changes published in the Federal Register dated October 29, 2010.

Note: See proposal #1238, Batch 176, for a proposed Glossary definition of “module.”

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Subsection 8.7.F, page 13, column 2, by adding a new paragraph 4, as follows:

If a student withdraws from a term-based, credit-hour program offered in modules during a payment period or, as applicable, period of enrollment, and resumes enrollment in the same program before the end of the period, the school must determine the student’s eligibility for Title IV aid that was previously returned or canceled as the result of the student’s withdrawal. Certain restrictions apply. See Subsection 8.7.G for more information.

Revise Subsection 8.7.G, page 14, column 1, by inserting a new subheading after paragraph 2, as follows:

Temporary Change in Enrollment Status

Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules

If a student withdraws from a term-based credit-hour program offered in modules (see the Glossary definition of “module”) during a payment period or, as applicable, period of
enrollment, and resumes enrollment in the same program before the end of the period, the school must determine the student’s eligibility to receive Title IV aid for which he or she was eligible prior to the student’s withdrawal. The student is eligible to receive Title IV aid that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that was canceled due to the student’s withdrawal, if the school determines and documents the student’s eligibility—and makes any required adjustments—based on both of the following:

• The student’s enrollment status upon his or her return to the program.

• The student’s revised cost of attendance (COA), taking into account any reduction in the COA caused by the student’s temporary cessation of attendance.  
  
  [§668.22(a)(2)(iii)(A); Federal Register dated October 29, 2010, p. 66894]

Unverified Social Security Number

PROPOSED LANGUAGE - COMMON BULLETIN:
Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules
The Common Manual has been revised to incorporate final rule changes.

If a student withdraws from a term-based credit-hour program offered in modules during a payment period or, as applicable, period of enrollment, and resumes enrollment in the same program before the end of the period, the school must determine a student’s eligibility to receive Title IV aid that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that was canceled as the result of the student’s withdrawal. A student is eligible to receive any Title IV aid for which he or she was eligible prior to withdrawal if the school determines and documents the student’s eligibility—and makes any required adjustments—based on both of the following:

• The student’s enrollment status upon his or her return to the program.

• The student’s revised cost of attendance (COA), taking into account any reduction in the COA caused by the student’s temporary cessation of enrollment.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Borrower:
A student who withdraws from and returns to the same term-based, credit-hour program offered in modules may qualify to receive all or a portion of Title IV aid that was previously returned due to the student’s withdrawal, and Title IV aid for which the student was otherwise eligible for attendance in the payment period or, as applicable, period of enrollment.

School:
A school may be required to revise its internal procedures for eligibility determinations, disbursement scheduling, and delivery of aid to students who withdraw from and subsequently return to term-based credit-hour programs offered in modules.

Lender/Servicer:
None.

Guarantor:
A guarantor may find it necessary to update its compliance and training tools for schools.

U.S. Department of Education:
The Department may find it necessary to update 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 2, 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, ASA, Great Lakes, HESC(NY), NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, TG, UHEAA, 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:
One commenter recommended a re-write of the first paragraph under the new subheading Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules for clarity. The commenter suggested that the Committee adhere to the regulatory text from §668.22(a)(2)(iii)(A) as it is more succinct and less confusing than the proposed text.

Response:
The Committee agrees that the paragraph is somewhat repetitive and does not achieve the goal of breaking up concepts in a logical progression. However, the Committee declines to adhere to the regulatory text, which does not fully explain a school’s responsibility to determine, and document, a student’s continuing eligibility for funds that were previously returned or canceled as the result of a student’s withdrawal.

Change:
If a student withdraws from a term-based credit-hour program offered in modules (see the Glossary definition of “module”) during a payment period or, as applicable, period of enrollment, and resumes enrollment in the same program before the end of the period, the school must determine the student’s eligibility to receive Title IV aid that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that was canceled due for which he or she was eligible prior to the student’s withdrawal. The student is eligible to receive Title IV aid for which he or she was eligible prior to withdrawal that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that was canceled due to the student’s withdrawal, if the school determines and documents the student’s eligibility—and makes any required adjustments—based on both of the following:

- The student’s enrollment status upon his or her return to the program.
- The student’s revised cost of attendance (COA), taking into account any reduction in the COA caused by the student’s temporary cessation of attendance.

COMMENT:
One commenter suggested incorporating the new definition of a withdrawn student in §668.22(a)(2), including the requirement for a student attending a nonstandard term-based program to provide a written confirmation of the intent to attend a later module that begins no more than 45 days after the end of the module that the student ceased attending.

Response:
The new rules on establishing a student’s withdrawal are reflected in policy proposal #1248 in Batch 178.

Change:
None.

jcs/edited-kk
COMMON MANUAL - CORRECTION POLICY PROPOSAL

Date: April 21, 2011

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SUBJECT: Campus-Based Programs

AFFECTED SECTIONS: Appendix G

POLICY INFORMATION: 1244/Batch 177

EFFECTIVE DATE/TRIGGER EVENT: Upon approval by the Common Manual Governing Board.

BASIS: §668.2(b).

CURRENT POLICY:
Current policy provides the regulatory definition of “campus-based programs” as consisting of the Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant programs.

REVISED POLICY:
Revised policy expands on the current definition by elaborating on the difference between these programs and the other Title IV programs.

REASON FOR CHANGE:
This change is made to provide more information about the unique nature of campus-based programs as compared to the other Title IV programs.

PROPOSED LANGUAGE - COMMON MANUAL:
Revise Appendix G, page 4, column 1, paragraph 2, as follows:

Campus-Based Programs:
The Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant programs. These programs and their related funds are administered directly by a school's financial aid office. In return, the school is allowed to retain a percentage of each program's funds for its administrative costs. The budgets for these programs are limited by the annual federal appropriation awarded to each school; matching funds from the school; and, for the Perkins program, the school's revolving loan fund. Each participating school is allowed to determine its own selection criteria and award levels for these programs within federal guidelines. A student's financial aid package may contain aid from one or more of these programs depending on whether the school participates in any of these programs, the amount of funds available for a program in which the school participates, and the school's packaging policies.

PROPOSED LANGUAGE - COMMON BULLETIN:
Campus-Based Programs
The Common Manual has been revised to expand on the definition of “campus-based programs” provided in the Glossary. The new definition clarifies that the funding for these programs is at the school level as opposed to the student level, and that the aid a student receives from these programs could vary based on whether the school participates in any of these programs, the amount of funds available for a program in which the school participates, and the school’s packaging policies.

GUARANTOR COMMENTS:
None.

IMPLICATIONS:
Borrower:
None.

School:
None.
Lender/Servicer:
None.

Guarantor:
None.

U.S. Department of Education:
None.

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**To be completed by the Policy Committee**

**Policy Change Proposed by:**
CM Policy Committee

**Date Submitted to CM Policy Committee:**
November 23, 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, ASA, Great Lakes, HESC(NY), NASFAA, NCHELP, NSLP, OGSLP, PPSV, SCSLC, SLND, SLSA, TG, UHEAA, 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.

rp/edited- kk