



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

**MAR 18 2011**

GEN-11-06

Subject: Guidance to Institutions and Accrediting Agencies Regarding a Credit Hour as Defined in the Final Regulations Published on October 29, 2010

Dear Colleague:

On October 29, 2010, the Department published in the Federal Register final regulations on program integrity issues (75 FR 66832). This letter provides information concerning the definition of a credit hour and guidance on implementing these final regulations. We are providing this letter to highlight the flexibilities inherent in the definition and to correct misunderstandings circulating in the higher education community. We expect to provide further information on other provisions of the program integrity regulations in "Dear Colleague Letters" in the coming weeks.

The definition of a credit hour for Federal purposes is necessary, in part, because more than \$150 billion of Federal financial aid is awarded annually based on an individual student's enrollment, as represented in number of credits. The credit hour is a basic unit of student aid eligibility, and the new regulations address vulnerabilities in the student aid programs that leave them open to fraud and abuse. However, the regulations are grounded in commonly accepted practice in higher education, do not intrude on core academic decisions made by institutions and their accrediting agencies, and are completely consistent with innovative practices such as online education, competency-based credit, and academic activities that do not rely on "seat time."

The regulations reflect the Department's responsibility to taxpayers to ensure value for their investment, while respecting recognized accrediting agencies as the "reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit." Significantly, these regulations were developed only after the Department's Inspector General conducted reviews at three of the seven regional accrediting agencies and found the oversight of institutional assignment of credit hours insufficient at all three agencies. These three agencies accounted for more than 70 percent of the Federal student aid funds awarded in 2009-10. The potential for a small number of unscrupulous institutions to exploit this lack of minimum standards led the Department to regulate in this manner to safeguard taxpayer funds.

### **Credit-hour definition**

The October 29 regulations included a definition of a credit hour under 34 CFR 600.2 (Enclosure A) for purposes of Federal programs and provisions related to accrediting agencies' assessment of institutions' determinations of credit hours or other measures of student work under 34 CFR 602.24(f) for purposes of the title IV student financial assistance programs. In addition, the regulations revised paragraph (l) of the title IV program clock-to-credit-hour requirements in 34 CFR 668.8(k) and (l) that may be applicable to a nondegree, undergraduate program.

1990 K ST. N.W., WASHINGTON, DC 20006  
[www.ed.gov](http://www.ed.gov)

A credit hour for Federal purposes is an institutionally established equivalency that reasonably approximates some minimum amount of student work reflective of the amount of work expected in a Carnegie unit: key phrases being "institutionally established," "equivalency," "reasonably approximates," and "minimum amount."

A credit hour is a unit of measure that gives value to the level of instruction, academic rigor, and time requirements for a course taken at an educational institution. At its most basic, a credit hour is a proxy measure of a quantity of student learning. The higher education community has long used the credit hour, as defined by the Carnegie unit, as part of a process to establish a standard measure of faculty workloads, costs of instruction, and rates of educational efficiencies as well as a measure of student work for transfer students.

In keeping with the original purpose of providing a consistent measure of at least a minimum quantity of a student's academic engagement, the definition of a credit hour will establish a basis for measuring eligibility for Federal funding. This standard measure will provide increased assurance that a credit hour has the necessary educational content to warrant the amounts of Federal funds that are awarded to participants in Federal funding programs, and that students at different institutions are treated equitably in the awarding of those funds.

We recognize, however, that other measures of educational content are being developed by institutions, and we do not intend to limit the methods by which an institution may measure a student's work in his or her educational activities. We, therefore, are explicitly providing institutions the flexibility to demonstrate alternative methods of measuring student learning, so long as they result in institutional equivalencies that reasonably approximate the definition of a credit hour for Federal purposes.

### **Flexibility for institutions**

An institution is responsible for determining the credit hours awarded for coursework in its programs in accordance with the definition of a credit hour for Federal program purposes. These credit hours are used to determine the eligibility of the institution and its educational programs for participation in Federal programs. As required under the Higher Education Act of 1965, as amended (HEA), they are also a measure of student work used by an institution to determine the eligibility of a student for Federal student assistance and the amount of the student's assistance.

The definition provides several critical flexibilities for institutions in determining the appropriate amount of credit hours for student coursework:

- The institution determines the amount of credit awarded for student work. It is up to institutions to gain the confidence through peer review in the accreditation process that their credit hour policies and practices consistently meet conventional academic expectations.
- A credit hour is expected to be a reasonable approximation of a minimum amount of student work in a Carnegie unit in accordance with commonly accepted practice in higher education. It is important to note that there is no requirement that a credit hour *exactly* duplicate the amount of work in paragraph (1) of the definition, as is highlighted by the

provisions of paragraph (2). The requirement is that a credit hour *reasonably approximate* that minimum amount of work in paragraph (1).

- The credit hour definition is a minimum standard that does not restrict an institution from setting a higher standard that requires more student work per credit hour.
- The definition does not dictate particular amounts of classroom time versus out-of-class student work.
- In determining the amount of work the institution's learning outcomes will entail, as under current practice, the institution may take into consideration alternative delivery methods, measurements of student work, academic calendars, disciplines, and degree levels.
- To the extent an institution believes that complying with the Federal definition of a credit hour would not be appropriate for academic and other institutional needs, it may adopt a separate measure for those purposes.

The intent of these flexibilities is to recognize the differences across institutions, fields of study, types of coursework, and delivery methods, while providing a consistent measure of student work for purposes of Federal programs.

The credit hour definition does not emphasize the concept of "seat time" (time in class) as the primary metric for determining the amount of student work for Federal purposes. Institutions may assign credit hours to courses for an amount of work represented by verifiable student achievement of institutionally established learning outcomes. Credits may be awarded on the basis of documentation of the amount of work a typical student is expected to complete within a specified amount of academically engaged time, or on the basis of documented student learning calibrated to that amount of academically engaged time for a typical student. Thus, the definition for Federal purposes represents nothing new in this regard.

### **Accrediting agency responsibilities**

While not part of the definition of a credit hour, the final regulations also require an accrediting agency to conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours used for Federal program purposes. The accrediting agency--

- Must review the institution's policies and procedures for determining the credit hours and the application of the institution's policies and procedures to its programs and coursework;
- Must make a reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education;
- May review and evaluate an institution's policies and procedures for determining credit hour assignments through use of sampling or other methods in the evaluation; and
- Must take such actions that it deems appropriate to address any deficiencies that it identifies at an institution, as it does in relation to other deficiencies it may identify, subject to the requirements of 34 CFR part 602.

An agency must promptly notify the Secretary if it finds systemic noncompliance with the agency's policies, or significant noncompliance regarding one or more programs at the institution.

These same responsibilities apply to the State agencies -- currently New York, Pennsylvania, Oklahoma, and Puerto Rico -- that are recognized by the Secretary under 34 CFR part 603 as reliable authorities regarding the quality of public postsecondary vocational education in their States.

### **Implementation**

Institutions and accrediting agencies are responsible for properly implementing the credit hour regulatory requirements that are effective July 1, 2011. The Secretary understands that institutions and accrediting agencies face challenges in implementing these new requirements. For the 2011-2012 award year, as long as an institution or accrediting agency is in the process of complying with these provisions, we will consider the institution or accrediting agency to be making a good-faith effort to comply, and Department staff will take this effort into consideration when reviewing an institution's or accrediting agency's implementation of the regulations. Accrediting agencies and State approval agencies whose written policies, procedures, criteria, and materials are not finalized prior to July 1, 2011, may make reasonable allowances in their review of institutions during the 2011-2012 award year.

### **Additional information**

Enclosure A provides the regulatory language and additional questions and answers. Enclosure B provides, for accrediting agencies, a "Supplement to *Guidelines for Preparing/Reviewing Petitions and Compliance Reports Addressing New Credit Hour Regulations*."

Please direct any questions to Kay Gilcher at [kay.gilcher@ed.gov](mailto:kay.gilcher@ed.gov) or (202) 502-7693, or to Fred Sellers at [fred.sellers@ed.gov](mailto:fred.sellers@ed.gov) or (202) 502-7502.

Thank you for your participation in this important work.

Sincerely,



Eduardo M. Ochoa

Enclosures

## Enclosure A

### Regulatory Language

In 34 CFR 600.2 of the final regulations, we defined a credit hour for Federal programs, including the Federal student financial assistance programs, as--

An amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than:

1. One hour of classroom or direct faculty instruction and a minimum of two hours of out-of-class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or
2. At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution, including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.

In the case of a program subject to the clock-to-credit-hour conversion requirements, institutions must determine the credit hours to be awarded for coursework under those requirements. (See 34 CFR 668.8(k) and (l).)

### Questions and Answers

#### **Credit hour**

**Q1.** Must an institution use the Federal definition of a credit hour as a starting point for making academic judgments about the credits associated with courses and programs if the institution is to continue to be eligible for Federal funding such as student aid?

**A1.** No. As discussed in the preamble of the final regulations (see 75 FR 66845, available at <http://edocket.access.gpo.gov/2010/pdf/2010-26531.pdf>), nothing in the regulations prevents an institution from defining a credit hour using other metrics or measures of student progress and learning outcomes for academic and other non-Federal purposes, so long as it is also awarding Federal student aid using the credit hour definition in the regulations. An institution may have courses measured in Federal credit hours and also in institutional credit hours. Use of the Federal credit hour definition is only required for Federal program purposes, for example, determining enrollment status in order to determine Federal student aid eligibility for a student. However, we believe the definition is flexible enough to meet institutional needs as well as Federal needs.

**Q2.** Can an institution comply using a measure of student progress and learning outcomes other than a credit hour?

**A2.** Yes. An institution may use other measures to the extent the institution determines reasonable equivalencies to a credit hour of student work. For example, the Department continues to provide for the utilization of direct assessment of student learning under 34 CFR 668.10 in lieu of credit hours in a Department-approved direct assessment program, as long as an institution establishes a methodology to reasonably equate the direct assessment to credit hours.

**Q3.** Does the definition of a credit hour mean that all 3-credit courses will have to meet for 3 hours per week or the equivalent of 37.5 clock hours for a semester hour?

**A3.** No. The credit-hour definition does not dictate particular amounts of classroom time versus out-of-class student work. Further note that the definition provides that a credit hour may be for an equivalent amount of work over a different amount of time.

There is no requirement that a 3-semester hour course meet 3 hours per week during a semester or a 3-quarter-hour course meet 3 hours per week during a quarter. The requirement is that the institution determine that there is an amount of student work for a credit hour that reasonably approximates not less than one hour of class and two hours of out-of-class student work per week over a semester for a semester hour or a quarter for a quarter hour. For example, an institution with a semester-based calendar has a graduate seminar for which it awards 3 semester hours. The class meets only one hour per week over a 15-week semester with the students expected to perform a substantial amount of outside research that is the equivalent of 8 or more hours of student work each week of the semester. For purposes of the Federal definition, the institution would be able to award up to 3 semester hours for the course.

With regard to the need to have the equivalent of 37.5 hours, the 37.5-hour requirement relates to undergraduate programs subject to the clock-to-credit-hour conversion requirements in §668.8(k) and (l). These requirements are not relevant to degree programs of at least two academic years and graduate programs, and would not apply to certain nondegree undergraduate programs. Further, similar to the definition of a credit hour in §600.2, §668.8(l)(2) provides institutions with the flexibility to take into account out-of-class student work in determining the credit hours that may be used for Federal purposes.

**Q.4.** How would an institution apply the definition of a credit hour if the institution offers asynchronous online courses that are not also offered in a classroom setting?

**A.4.** There is no "seat time" requirement implicit in the definition of a credit hour. An institution that is offering asynchronous online courses would need to determine the amount of student work expected in each online course in order to achieve the course objectives, and to assign a credit hour based on at least an equivalent amount of work as represented in the definition of credit hour.

**Q.5.** What is the relationship of a defined credit hour to a "week of instructional time" as defined under §668.3(b)(2) and used in determining the weeks of instructional time for purposes of an educational program and student eligibility?

**A.5.** In general, a week of instructional time is any seven-day period in which at least one day of regularly scheduled instruction or examination occurs; instructional time does not include vacation time, homework, or periods of counseling or orientation. Thus, in any seven-day period, a student is expected to be academically engaged through, for example, classroom attendance, examinations, practica, laboratory work, internships, and supervised studio work. In the case of distance education and correspondence education, academic engagement would include, but not be limited to, submitting an academic assignment; taking an exam, an interactive tutorial, or computer-assisted instruction; attending a study group that was assigned by the institution; contributing to an academic online discussion; and initiating contact with a faculty member to ask a question about the academic subject studied in the course. Merely logging into the electronic classroom does not constitute academic engagement.

Even though a student's homework, research, or other unsupervised student work is not considered in determining the weeks of instructional time in an educational program, such student work would be considered in determining the number of credits to be awarded for a student's coursework. (Note: we believe that financial aid administrators are familiar with these and other title IV student financial aid concepts. Academic personnel are encouraged to consult with their financial aid staff to gain a better understanding of how credit hours factor into the administration of title IV funds.)

**Q.6.** Must an institution have a single policy and procedures related to the credit hour that applies to all disciplines, degree levels, teaching/learning formats, and delivery modes?

**A.6.** No. We recognize that complex institutions with multiple degree levels may not have rigidly uniform policies and procedures related to the credit hour across a variety of disciplines, degree levels, teaching/learning formats, and delivery modes. However, institutions must have policies and procedures that ensure sufficient consistency to gain the confidence of accrediting agencies through peer review that their assignment of credit hours conforms to commonly accepted practice in higher education.

**Q.7.** Can you provide an example of an institution using different credits for title IV purposes and for academic purposes?

**A.7.** Institution A uses the term "credit hour" in describing a course, but awards credits for that course solely on the basis of classroom time without any expectation of student work outside of the classroom. For example, the institution awards 3 credit hours for a course that meets 3 hours per week over a semester. For Federal purposes, the course is a one credit hour course.

**Q.8.** If an institution measures student progress in courses or in units, rather than in credits, is the institution required to change its practices and offer 3-credit courses?

**A.8.** No. The institution may continue its current practice of measuring progress in courses or in units. However, the institution must award Federal student aid using the credit hour definition in the regulations.

**Accrediting agencies (also see Enclosure B)**

**Q.9.** What is the role of accrediting agencies in reviewing an institution's implementation of the clock-to-credit-hour conversion formula under §668.8 (1)?

**A.9.** An accrediting agency is responsible, as part of its analysis of an institution under §602.24(f), for ensuring that the institution is complying with the requirements in §668.8(1)(2) when determining the amount of student work outside of class used to convert the clock hours for the educational activities in a program, and that the conversion results are compliant with the definition of a credit hour in §600.2.

**Q.10.** An institution restructures a 720-clock-hour undergraduate program that has no out-of-class student work and is subject to the clock-to-credit-hour conversion. Under current regulations, the program is considered a 24-semester-hour program for title IV student financial assistance purposes. The institution is restructuring the program to increase the clock hours in the program to 900 clock hours in order to continue to support the 24 semester hours previously awarded and to provide eligibility under the October 29 regulations for Federal student assistance at the previous level. What is the responsibility of the accrediting agency?

**A.10.** The conversion of the 900 clock hours to 24 semester hours is appropriate under the conversion standard of 37.5 clock hours per semester hour under §668.8(1)(1) of the October 29 regulations. However, the accrediting agency must review this restructuring as a substantive change because the addition of these clock hours constitutes a substantial increase in the number of clock hours awarded for successful completion of the program. Similarly, accrediting agencies are responsible for ensuring that the credit hours determined by an institution making a conversion based on out-of-class student work under §668.8(1)(2) conform to the definition of a credit hour in §600.2.

**Role of States**

**Q.11.** Do the regulations add a requirement that, to authorize an institution, a State must review and evaluate the institution's policies and procedures for the assignment of credit hours, and the institution's application of its policies and procedures in assigning credit hours to its programs and courses?

**A.11.** No. The regulations do not regulate States, and they do not require that a State review and evaluate every institution's assignment of credit hours. Only for those public postsecondary vocational institutions in New York, Pennsylvania, Oklahoma, and Puerto Rico that participate in the Federal student assistance programs based on State approval in lieu of accreditation by a nationally recognized accrediting agency, will the recognized State agency be required to perform such an assessment of those institutions' assignment of credit hours. (See 34 CFR 603.24(c) of the October 29 regulations.)

**Enclosure B**

**Supplement to**  
***Guidelines for Preparing/Reviewing Petitions and Compliance Reports***  
**Addressing New Credit Hour Regulations**  
**Subject to Revision Based on Public Comment**  
**For Use During the 2011-2012 Review Cycle**

**Effective July 1, 2011**

**General Guidance on §602.24(f)**

Accrediting agencies whose accreditation can enable an institution to be eligible to seek participation in title IV, HEA programs are expected to assess institutions to determine if they have made credit hour determinations for title IV, HEA program purposes that meet at least the minimum standards in the definition of a credit hour in §600.2 (see boxed text below), in light of commonly accepted practice in higher education. The regulations do not preclude an institution using other metrics for determining credit hours or other measures of student work for academic and other non-Federal purposes.

Institutions are responsible and accountable for demonstrating that each course has the appropriate amount of student work for students to achieve the level of competency (i.e., learning outcomes) defined by institutionally established course objectives. Institutions are accountable for assigning an amount of title IV credit hours for each course that corresponds to the quantity of work reasonably expected to be required in order to achieve those learning outcomes, and for documenting student achievement of those objectives. Institutions must assign credit hours in a way that complies with measures in §600.2 and that conforms with commonly accepted practice in higher education.

Accrediting agencies are not expected to review every course and related documentation of learning outcomes; rather, the agency's review is of the policies and procedures the institution uses to assign credit hours, with the application verified by a sampling of the institution's degree and nondegree programs to encompass a variety of academic activities, disciplines, and delivery modes. During the 2011-2012 review cycle, the Department will use the experience of reviewing agency submissions to develop and disseminate models through updates to this guidance that agencies could rely on to meet this requirement. However, the use of such models would not be mandated. and, instead, the Department will work with agencies to adopt approaches that best fit the institutions that the agency accredits.

Accrediting agencies are not required to mandate specific policies for institutions with regard to assigning credit hours to programs and coursework. Since the regulations establish a minimum standard, and institutions may choose to include more work for their credit hours than the minimum amount, credit hours at one institution will not necessarily equate to credit hours at another institution for a similar program.

§600.2 Definitions

Credit hour: Except as provided in 34 CFR 668.8(k) and (l), a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than—

- (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out-of-class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or
- (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution, including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.

A credit hour for Federal purposes is an institutionally established equivalency that reasonably approximates some minimum amount of student work reflective of the amount of work expected in a Carnegie unit: key phrases being “institutionally established,” “equivalency,” “reasonably approximate,” and “minimum amount.” Further, the definition does not dictate particular amounts of classroom time versus out-of-class student work, and an institution may use alternative delivery methods, measurements of student work, or academic calendars to determine intended learning outcomes and verify evidence of student achievement. To the extent an institution believes that complying with the Federal definition of a credit hour would not be appropriate for academic and other institutional needs, it may adopt a separate measure for those purposes.

The credit hour definition in §600.2 does not apply directly to nondegree, undergraduate programs that are subject to the title IV clock-to-credit-hour conversion requirements as described in 34 CFR 668.8(k) and (l). However, there is a linkage in that, under §668.8(1)(2), if a nondegree program is subject to the conversion requirements, the institution may convert by assigning a number of clock hours to each credit hour that is less than the basic minimum required number of clock hours of instruction otherwise required, e.g., at least 37.5 clock hours per semester hour, if the accrediting agency’s analysis of the institution under §602.24(f) identifies no deficiencies in the institution’s assignment of credit hours and if the institution complies with certain additional requirements in §668.8(1)(2) when there is student work outside of class. In any case, the number of clock hours of instruction must be at least 30 clock hours per semester or trimester hour or 20 clock hours per quarter credit hour. In determining the appropriate

conversion rates under §668.8(1)(2), the institution identifies the amount of work outside of class for various educational activities in a course or program. (For reference, the text of §668.8(k) and (l) is provided at the end of this section.)

**§602.24 Additional procedures certain institutional accreditors must have. If the agency is an institutional accrediting agency and its accreditation or preaccreditation enables those institutions to obtain eligibility to participate in title IV, HEA programs, the agency must demonstrate that it has established and uses all of the following procedures:**

**\* \* \* \* \***

**(f) Credit hour policies. The accrediting agency, as part of its review of an institution for initial accreditation or preaccreditation or renewal of accreditation, must conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours.**

**(1) The accrediting agency meets this requirement if--**

**(i) It reviews the institution's--**

**(A) Policies and procedures for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for courses and programs; and**

**(B) The application of the institution's policies and procedures to its programs and coursework; and**

**(ii) Makes a reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education.**

**(2) In reviewing and evaluating an institution's policies and procedures for determining credit hour assignments, an accrediting agency may use sampling or other methods in evaluation, sufficient to comply with paragraph (f)(1)(i)(B) of this section.**

Review Elements:

In assessing this area, Department staff looks to see if the agency discussed and demonstrated that—

- It has written policy and procedures that address the review and evaluation of the institution's assignment of credit hours as defined for Federal program purposes.
- The agency's procedures include criteria for assessing an institution's assignment of credit hours, adequacy of the institutionally-identified policies and procedures, and evidence of an accurate, reliable application provided by the institution.

- The agency makes a reasonable determination whether the institution’s policies and procedures result in the establishment of credit hours for title IV, HEA program purposes that meet at least the minimum standards in the definition in 34 CFR 600.2 and that conform to commonly accepted practice in higher education.
- The agency’s review processes encompass a varied sample of the institution's degree and nondegree programs in terms of academic discipline, level, delivery modes, and types of academic activities. It is important to note that an agency’s review does not need to look at all courses.
- If its procedures include sampling to determine credit hour assignments, the agency provides guidance to site review teams on selecting a sample that adequately encompasses a variety of disciplines, degree levels, teaching/learning formats, and delivery modes.
- In reviewing academic activities other than classroom or direct faculty instruction accompanied by out-of-class work, the agency determines whether an institution’s processes and procedures result in the establishment of reasonable equivalencies for the amount of academic work described in paragraph (1) of the credit hour definition within the framework of acceptable institutional practices at comparable institutions of higher education for similar programs, including undergraduate programs subject to the clock-to-credit-hour conversion requirements under §668.8(1).

Typical Documentation:

In addressing this area, suggested documentation may include the following types of items, as appropriate—

- The agency’s written policy, procedures, and criteria for reviewing institutions’ assignment of credit hours to programs and coursework for title IV purposes.
- Sample self-study(ies) demonstrating the institution’s policies and procedures for assigning credit hours to programs and coursework.
- Excerpts from site team reports.
- Training materials.

**(3) The accrediting agency must take such actions that it deems appropriate to address any deficiencies that it identifies at an institution as part of its reviews and evaluations under paragraph (f)(1)(i) and (ii) of this section, as it does in relation to other deficiencies it may identify, subject to the requirements of this part.**

**(4) If, following the institutional review process under this paragraph (f), the agency finds systemic noncompliance with the agency’s policies or significant noncompliance regarding one or more programs at the institution, the agency must promptly notify the Secretary.**

Review Elements:

In assessing this area, Department staff looks to see if the agency discussed and demonstrated the following —

- The types of actions it takes when it concludes that an institution's policies and procedures for determining credit hour assignments are deficient.
- The written policy that the agency has, and implements, directing it to promptly notify the Secretary when the agency finds systemic noncompliance with the agency's policies regarding credit hour assignments or significant noncompliance regarding one or more programs at the institution.

Typical Documentation:

In addressing this area, suggested documentation may include the following types of items, as appropriate—

- Agency letter(s) specifying deficiencies identified in an institution's processes and procedures and agency actions.
- If appropriate, correspondence to the Secretary containing information about an institution's systemic or significant noncompliance with the agency's policies.

**§668.8 Eligible program.**

\* \* \* \* \*

(c) \* \* \*

(3) Be at least a one-academic-year training program that leads to a certificate, or other nondegree recognized credential, and prepares students for gainful employment in a recognized occupation.

\* \* \*

(k) Undergraduate educational program in credit hours. (1) Except as provided in paragraph (k)(2) of this section, if an institution offers an undergraduate educational program in credit hours, the institution must use the formula contained in paragraph (l) of this section to determine whether that program satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and the number of credit hours in that educational program for purposes of the title IV, HEA programs, unless—

(i) The program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree, or an equivalent degree as determined by the Secretary; or

(ii) Each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, or equivalent degree as determined by the Secretary provided that—

(A) The institution's degree requires at least two academic years of study; and

(B) The institution demonstrates that students enroll in, and graduate from, the degree program.

(2) A program is considered to be a clock-hour program for purposes of the title IV, HEA programs if—

(i) Except as provided in paragraph (k)(3) of this section, a program is required to measure student progress in clock hours when—

(A) Receiving Federal or State approval or licensure to offer the program; or

(B) Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue;

(ii) The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 CFR 600.2; or

(iii) The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in §668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded.

(3) The requirements of paragraph (k)(2)(i) of this section do not apply to a program if there is a State or Federal approval or licensure requirement that a limited component of the program must include a practicum, internship, or clinical experience component of the program that must include a minimum number of clock hours.

(l) Formula. (1) Except as provided in paragraph (l)(2) of this section, for purposes of determining whether a program described in paragraph (k) of this section satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and of determining the number of credit hours in that educational program with regard to the title IV, HEA programs—

(i) A semester hour must include at least 37.5 clock hours of instruction;

(ii) A trimester hour must include at least 37.5 hours of instruction; and

(iii) A quarter hour must include at least 25 clock hours of instruction.

(2) The institution's conversions to establish a minimum number of clock hours of instruction per credit may be less than those specified in paragraph (l)(1) of this section, if the institution's designated accrediting agency, or recognized State agency for the approval of public postsecondary vocational institutions for participation in the title IV, HEA programs, has not identified any deficiencies with the institution's policies and procedures, or their implementation, for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for programs and courses, in accordance with 34 CFR 602.24(f), or, if applicable, 34 CFR 603.24(c), so long as—

(i) The institution's student work outside of class combined with the clock-hours of instruction meet or exceed the numeric requirements in paragraph (l)(1) of this section; and

(ii) (A) A semester hour must include at least 30 clock hours of instruction;

(B) A trimester hour must include at least 30 clock hours of instruction; and

(C) A quarter hour must include at least 20 hours of instruction.

[Note: §668.8(l)(2) as published inadvertently omitted the word "not" before the words "identified any deficiencies"; the Department will publish a correction shortly.]