

## *Appendix M. Program Eligibility*

To qualify as an eligible institution, a school must offer at least one eligible program. Not all programs at an eligible institution must be eligible, but at least one of the program at the school must meet the eligible program requirements.

| <b>Types of eligible programs at an institution of higher education</b>  | <b>Types of eligible programs at a proprietary or postsecondary vocational institution</b>   | <b>Exceptions to eligible program definition</b>   |
|--|--|--|
| <p>A school qualifies as an institution of higher education if (in addition to meeting all other eligibility requirements, including being a public or private nonprofit school) it offers a program that leads to an associate, bachelor's, professional, or graduate degree. For such programs, there are no minimum program length requirements.</p> <p>A public or private nonprofit school may also qualify as an institution of higher education if it offers a program of at least two academic years in duration that is acceptable for full credit toward a bachelor's degree, or if it offers a program of at least one academic year in duration that leads to a certificate, degree, or other recognized credential and prepares students for gainful employment in a recognized occupation.</p> | <p>Three types of eligible programs will qualify an otherwise eligible school as a proprietary institution or a postsecondary vocational institution.</p> <ol style="list-style-type: none"> <li>1. The first type must provide at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction offered during a minimum of 15 weeks of instruction. The program may admit as regular students persons who have not completed the equivalent of an associate degree.</li> <li>2. The second type must provide at least 300 clock hours, 8 semester hours, or 12 quarter hours of instruction offered during a minimum of 10 weeks of instruction. The program must be a graduate or professional program or must admit as regular students only persons who have completed the equivalent of an associate degree.</li> <li>3. The third type of program is known as the <i>short-term program</i>. A short-term program qualifies for the FFEL and Direct Loan programs only. This type of program must provide at least 300 but less than 600 clock hours of instruction offered during a minimum of 10 weeks of instruction. The program must admit as regular students some persons who have not completed the equivalent of an associate degree. Short-term programs must also satisfy qualitative factors for completion rates, placement rates, program length, and period of existence of the program. Specifically, these programs must:</li> </ol> | <p>There are two cases (certain types of preparatory coursework and teacher-certification programs) where students may receive FFEL or Direct Loan funds for enrollment in a program that does not meet the eligible program definition.</p> <p><b>Weeks of Instruction and the 12-hour rule</b></p> <p>Week of instructional time/week of instruction is used in determining:</p> <ol style="list-style-type: none"> <li>1. Program eligibility (measuring program length);</li> <li>2. Academic year length;</li> <li>3. Award limits in the Pell program (formulas three and four); and</li> <li>4. The frequency of awards in the Direct Loan and FFEL programs.</li> </ol> <p>Instructional time does not include any vacation periods, homework, or periods of orientation or counseling.</p> <p>For standard term programs (credit hour programs using a semester, trimester, or quarter system) and for clock hour programs a week of instructional time must contain within a consecutive seven-day period:</p> |

## *Appendix M. Program Eligibility*

| <b>Types of eligible programs at an institution of higher education</b> | <b>Types of eligible programs at a proprietary or postsecondary vocational institution</b>   | <b>Exceptions to eligible program definition</b>  |
|---|--|---|
|   | <ul style="list-style-type: none"> <li>➤ Have verified completion and placement rates of at least 70%</li> <li>➤ Not be more than 50% longer than the minimum training period required by the state or federal agency, if any, for the occupation for which the program is intended, and</li> <li>➤ Have been in existence for at least one year.</li> </ul> <p>For purposes of demonstrating compliance with these qualitative factors, a school must calculate the completion and placement rates for the award year. The CPA who prepares the school's compliance audit report must attest to the accuracy of the school's calculation of completion and placement rates.</p> | <ul style="list-style-type: none"> <li>➤ At least one day of regularly scheduled instruction or examinations; or</li> <li>➤ After the last scheduled day of classes for a term, at least one day of study for final examinations.</li> </ul> <p>For nonterm and nonstandard term credit hour programs using credit hours but not offered in a semester, trimester, or quarter system, a week of instructional time must contain at least 12 hours:</p> <ul style="list-style-type: none"> <li>➤ Of regularly scheduled instruction or examinations; or</li> <li>➤ After the last scheduled day of classes for a payment period, at least 12 hours of study for final examinations.</li> </ul> <p><b>Treatment of holidays</b><br/>Because the 12-hour rule does not require a school to offer instruction, examinations, or preparation for examinations on specific days, an institution may not include a holiday in these calculations unless regularly scheduled instruction, examinations, or preparation for examinations occurs on that day.</p> <p><b>Clock/Credit hour conversions</b><br/>A school must use a clock hour/credit hour conversion formula to determine whether the undergraduate program qualifies as an eligible credit hour program for SFA purposes (unless the program is at least two academic years in length and provides an associate degree, a bachelor's degree, or an equivalent as determined by the Secretary, OR each course within the program is acceptable for full credit toward that school's associate degree, bachelor's degree, or an equivalent as determined by the Secretary, provided that the school's degree requires a minimum of two academic years of study)</p> |