

School-Determined Requirements

CHAPTER 1

In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases, the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.

REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program to receive Federal Student Aid (FSA) funds (exceptions are discussed later in this chapter). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The requirement for an eligible program is discussed in *Volume 2, Chapter 2*.

A school must document a student's enrollment in an eligible program at the time of admission, and it must have a system to notify the financial aid office if the student leaves the program. It must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students provisionally, for example, until they provide further documentation, such as academic transcripts or test scores, or demonstrate an ability to succeed in the program by receiving acceptable grades in program coursework. Typically, the school will limit these students' enrollment in terms of number of courses or enrollment status until they meet the necessary conditions.

Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree or certificate program. The Department does not define official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered a regular student and is not eligible for FSA funds until she is officially admitted.

Schools may offer a trial or conditional period during which a student attends a program without incurring program charges or receiving FSA funds. If the student continues beyond the trial period and enrolls as a regular student, the school can pay him FSA grants for the entire payment period and loans for the period of enrollment.

▼ *Continuing education.* Regular students may receive aid for classes they take in a school's continuing education department as long as the classes apply to their degree or certificate program.

Student eligibility

34 CFR 668.32

See *Volume 2, Chapter 2* for eligible program requirements.

Regular student example

HEA Sec. 484(a)(1), (b)(3), (4);

34 CFR 668.32(a)(1)

34 CFR 668.24(c)(iii)

Northside Community College (NSCC) allows anyone with a high school diploma or the equivalent to enroll in any course. Many of NSCC's students do not intend to receive a degree or certificate; they are not regular students. NSCC requires those who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet periodically with an academic advisor. NSCC considers them to be regular students.

Trial periods of enrollment

DCL GEN-11-12

You may offer trial periods of enrollment to allow a student to "try out" a program, without incurring charges or receiving Title IV (TIV) aid, before deciding to continue the program as a regular student and applying for Title IV aid.

Conditional acceptance examples

1. Waveland University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students, and since the school hasn't admitted them, they aren't eligible for FSA funds.
2. When Wrigley University accepts students into its graduate programs, it requires that the students receive no grade lower than a "B" in the first three courses. During this time, the school considers students to be admitted into the program, so they are eligible for FSA. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn and they then will be ineligible for further FSA funds.

Continuing education examples

1. Sheffield University has a continuing education department that offers many online (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program in which the students are enrolled. These are regular students who are eligible for FSA funds.
2. Windy City University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

Remedial coursework

34 CFR 668.20

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (as opposed to preparatory coursework, which prepares a student for a given program). A student enrolled solely in a remedial program is not considered to be in an eligible program. If acceptance into an eligible program is contingent on completing remedial work, a student cannot be considered enrolled in that program until she completes the remedial work.

However, if the student is admitted into an eligible program and takes remedial coursework within that program, he can be considered a regular student, even if he is taking all remedial courses before taking any regular courses. You may count up to one academic year's worth of these courses in his enrollment status for federal aid. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. If the remedial classes are non-credit or reduced-credit, you must determine how many credit hours they are worth to count toward the student's enrollment status (see "Enrollment status" section in this chapter).

A remedial course cannot be below the educational level needed for a student to successfully pursue her program after one year in that course. Also, remedial courses must be at least at the high school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education. If that agency determines that a remedial class is at the elementary level, the school must abide by that determination, and the class cannot be included for FSA purposes. Nor can FSA funds be used for a remedial course that uses direct assessment of student learning instead of credit or clock hours.

You can't use non-credit remedial hours to determine a student's enrollment status if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for training or for coursework prior to the completion of high school, even if the high school equivalency training is offered at postsecondary schools or is required for the postsecondary program.

Similar to other remedial coursework, a student may receive FSA funds for English as a second language (ESL) courses that are part of a larger eligible program. There are differences though: ESL courses don't count against the one-year limitation on remedial coursework, and they need not be at the secondary school level.

If your school permits a student to enroll in ESL or other remedial courses that don't apply to his degree or certificate, be aware that awarding FSA loans or Pell Grants over a series of semesters for such work can exhaust his eligibility for Pell Grants and/or FSA loans before he completes his program.

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Direct Subsidized/Unsubsidized Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Direct Loans in *Chapter 6* of this volume.

Teacher certification coursework

A student may receive Federal Work-Study (FWS), as well as Direct Subsidized/Unsubsidized Loans, and Perkins Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) if he or she is enrolled at least half time in required teacher certification coursework, even if it does not lead to a degree or certificate awarded by the school. For more details on Direct Loan and Perkins Loan eligibility criteria, see *Chapter 6* of this volume.

To qualify, the coursework must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach and must be offered in credit or clock hours. Courses using direct assessment in lieu of credit or clock hours are not eligible. An otherwise eligible student may also receive a TEACH Grant. Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can receive a Pell Grant in limited situations. See *Chapter 6* of this volume.

Students with intellectual disabilities

Students with an intellectual disability (see margin note) can receive funds from the Pell Grant, FSEOG, and FWS programs. They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program (as defined in 34 CFR 668.231) for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program. These students:

- do not have to be enrolled for the purpose of obtaining a degree or certificate, and
- are not required to have a high school diploma or its recognized equivalent.

Except for the statutes governing need analysis, the Secretary has the authority to waive any Pell Grant, FSEOG, FWS, or institutional eligibility provisions necessary to ensure that programs enrolling students with intellectual disabilities are eligible for these three types of federal student aid and that eligible students receive those funds.

Teacher certification coursework

34 CFR 668.32(a)(1)(iii)



DCL GEN-16-10

Students with intellectual disabilities

HEA Sec. 484(s)

34 CFR 668.230–233

20 U.S.C. 1091, 1140

Students who:

- 1) have mental retardation or a cognitive impairment characterized by significant limitations in intellectual and cognitive functioning and adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and
 - (2) are currently or were formerly eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401), including students who were determined eligible for special education or related services under the IDEA but were homeschooled or attended private school.
- See 668.233(c) for documentation requirements.

Elementary/secondary enrollment

HEA Sec. 484(a)(1)
34 CFR 668.32(b)

Secondary school enrollment examples

Marie is a junior in high school and enrolls in an electronics technician program at Lakeshore Community College (she is above the age of compulsory school attendance for her state and therefore can be admitted as a regular student at LCC). The coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Marie will receive a certificate from Lakeshore when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Joe, a regular student at Waveland University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

Academic qualifications

HEA Sec. 484(d)
34 CFR 668.32(e)
COD Technical Reference

When a student incorrectly states diploma status

When a student incorrectly states an eligible diploma status, for example, stating one year that they had a high school diploma, and in a subsequent year either notifying you that the previous submission was a mistake, or simply answering "no" to the high school diploma question, then the student was ineligible for all TIV aid in the prior award year, and is ineligible for all TIV aid going forward. In this case, you must also return the aid they previously received when ineligible, including aid received for completed award years.

ELEMENTARY OR SECONDARY ENROLLMENT

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if she is simultaneously enrolled in an eligible college program. A student is considered to be enrolled in secondary school if she is pursuing a high school diploma or if she has completed the requirements for a diploma, has not yet received it, and either she is taking college coursework for which her high school gives credit or her high school still considers her to be enrolled there.

An adult pursuing a high school equivalency certificate (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student can't get aid for high school equivalency training. An adult can take a course offered by a high school, such as a driver's education course, without being considered enrolled there.

ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

- has a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);
- has the recognized equivalent of a high school diploma, such as a general educational development (GED) certificate or other state-sanctioned test or diploma-equivalency certificate;
- has completed homeschooling at the secondary level as defined by state law;
- has completed secondary school education in a homeschool setting which qualifies for an exemption from compulsory attendance requirements under state law, if state law does not require a home-schooled student to receive a credential for their education; or
- has completed one of the ability-to-benefit (ATB) alternatives and is either currently enrolled in an eligible career pathway program or first enrolled in an eligible postsecondary program prior to July 1, 2012.

A student may self-certify on the FAFSA that he has received a high school diploma or high school equivalency certificate or that he has completed secondary school through homeschooling as defined by state law. If a student indicates that he has a diploma or high school equivalency certificate, your school isn't required to ask for a copy (except as noted below), but if your school requires a diploma for admission, then you must rely on that copy of the diploma or high school equivalency certificate and not on the student's certification alone.

Awards submitted to the COD system for all students require a Student Eligibility Code (previously Ability to Benefit Code) to report how the student (including graduate and professional students) is qualified to study at the postsecondary level (e.g. by obtaining a high school diploma or its recognized equivalent). For more detail on submitting the appropriate Student Eligibility Code, see the COD Technical Reference on IFAP.

Checking the validity of a high school diploma

If your school or the Department has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, you must evaluate the validity of the student's high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses the student took.

Diplomas from unaccredited high schools can be valid and qualify students to receive FSA funds, as well as to meet college admission standards. One resource that a school may consider to determine if a high school diploma is valid is the department of education in the state in which the high school is located, if that department has jurisdiction over the high school. Colleges are also free to consult with each other as they develop their procedures for checking the validity of high school diplomas. For students who completed their secondary schooling outside the United States, comparable documents can help, as can the services of companies that determine the validity of foreign secondary school credentials.

The ISIR will not provide any more information than what the student submitted on the FAFSA. We do not expect you to check the high school data for every student against other information obtained by your school during admissions, but if you have reason to believe the high school diploma is dubious—e.g., the college knows the student bought the diploma or transcript and was required to perform little or no work—you must validate the diploma.

A student's self-certification is not sufficient to validate a high school diploma that is in question. It should be remembered that for a college to be an eligible institution, it must admit as regular students only those with a high school diploma or the recognized equivalent or who are beyond the age of compulsory school attendance. As in other areas of FSA administration, schools have final authority in meeting this requirement. The Department does not plan to have an appeal process or to intervene in reasonable judgments of school administrators, such as a decision to move a high school from a college's acceptable to unacceptable list or a case where one school has different lists than another.

College diploma mill definition

An entity that:

1. Charges someone a fee and requires him to complete little or no education or coursework to obtain a degree, diploma, or certificate that may be used to represent to the general public that he has completed a program of postsecondary education or training; and
2. Lacks accreditation by an agency or association that is recognized as an accrediting body for institutions of higher education by the Secretary (pursuant to Part H, Subpart 2 of Title IV) or a federal agency, state government, or other organization that recognizes accrediting agencies or associations.

Foreign diplomas

www2.ed.gov/policy/highered/reg/heard/2009/hsdiploma.html (see the FHD section)

Foreign high school diplomas

High school diplomas/transcripts from other countries are acceptable toward the student eligibility general requirement, as long as the diploma is equivalent to a U.S. high school diploma.

A school that is qualified to evaluate the credential may do so. A school that is not qualified or chooses not to evaluate the credential can instead require students to have their credential evaluated by a company that offers such a service. The school may pay for the evaluation, but if it does so, it can only have students reimburse it for the cost if it requires the evaluation as part of its admission process for all students who have a foreign credential.

You may not require only students who are applying for federal student aid to pay the school to have their credential evaluated because that would amount to the school charging a fee to complete the FAFSA, which is prohibited under HEA 483(a)(6). In such cases, because the cost of evaluating a foreign credential is incurred as a charge of admission prior to enrollment in an eligible program, it cannot be included in students' cost of attendance (COA).

If the student is selected for verification tracking groups V4 or V5, in which the student must provide proof of high school completion, when it is impossible for a refugee, asylee or victim of human trafficking to obtain documentation of his or her completion of a secondary school education in a foreign country, you may accept self-certification that they have completed a high school (or equivalent) education from these applicants, along with their entry status documentation that demonstrates the applicant's current or prior status as a refugee, asylee, or victim of human trafficking who entered the U.S. after the age of 15 (see item FHD-Q2/A2 at www2.ed.gov/policy/highered/reg/heard/2009/hsdiploma.html).

Recognized equivalents of a high school diploma

The Department recognizes several equivalents to a high school diploma:

- a GED certificate;
- a certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination (such as the Test Assessing Secondary Completion (TASC) the High School Equivalency Test (HiSET), or, in California, the California High School Proficiency Exam) that the state recognizes as the equivalent of a high school diploma (certificates of attendance and/or completion are not included in this qualifying category);
- an associate's degree;
- successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate's degree, but that is acceptable for full credit toward a bachelor's degree at any institution; or
- enrollment in a bachelor's degree program where at least 60 semester or trimester credit hours or 72 quarter credit hours have been successfully completed, including credit hours transferred into the bachelor's degree program.

- for a student who enrolls without completing high school, a transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

Note that merely possessing a certificate of attendance and/or high-school completion is **not** sufficient for a student to be Title IV aid eligible. Such a certificate may be issued without a student having completed all of the academic graduation requirements, including passing any required examinations. A state must consider a certificate or high-school-completion-equivalency test as equivalent to a high school diploma in that state in order for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

Homeschooling

Though homeschooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a homeschool that state law treats as a home or private school. Some states issue a secondary school completion credential to homeschoolers. If this is the case in the state where the student was homeschooled, she must obtain this credential to be eligible for FSA funds if the state requires it. She can include in her homeschooling self-certification that she received this state credential. An eligible *institution* is defined in part as one that admits as regular students only those who have a high school diploma or equivalent, are beyond the compulsory age of attendance for the school's state, or are dually enrolled at the college and a secondary school.

For students who finish homeschooling at a younger age, the Department considers them to be beyond the age of compulsory attendance if your school's state would not require them to obtain a secondary completion credential as provided under state law, or if not required by state law, has completed a secondary school education in a homeschool setting that qualifies as an exemption from compulsory attendance under state law. See also *Volume 2, Chapter 1*.

Recognized equivalent of a high school diploma

34 CFR 600.2

DCL GEN 15-09

www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html

Example: Kris enrolls in the bachelor's degree program at Maddon College.

Kris completes his high school requirements early, but the high school does not formally issue the high school diploma until a later time. Maddon can award Kris TIV funds if Maddon obtains a statement signed by an official from Kris's high school attesting that Kris has completed all of the required coursework and has successfully passed any required proficiency examinations for the school's diploma. The statement must include the date when the actual high school diploma will be issued.

Homeschooled students

HEA Sec. 484(d)(3),

34 CFR 668.32(e)(4)

Homeschooled students and institutional eligibility

HEA Sec. 102(a)(b)(c)

State regulations (for homeschooling & other purposes)

www2.ed.gov/admins/comm/choice/regprivschl/index.html

ATB options & Eligible Career Pathway Programs

NEW →

Consolidated Appropriations Act of 2016 (Public Law 114-113)
DCL GEN-12-09
DCL GEN-16-09
HEA Sec. 484(d)
Workforce Innovation and Opportunity Act (29 U.S.C. 3102(7))

Ability-To-Benefit (ATB) Alternatives & Eligible Career Pathway Programs

NEW →

Students may become eligible for Title IV aid through the ATB alternatives in one of two ways. If a student first enrolled in an eligible postsecondary program prior to July 1, 2012, the student may enroll in any eligible program and can become eligible through one of the ATB alternatives. However, if a student first enrolled in an eligible postsecondary program on or after July 1, 2012, the student may only become eligible through one of the ATB alternatives if the student is enrolled in an “eligible career pathway program.” See below for more details about eligible career pathway programs. An ATB student need not be enrolled concurrently in both the eligible postsecondary program and the component for attaining a high school diploma or its recognized equivalent.

ATB tests

34 CFR Part 668 Subpart J
(Sections 141–156)

E-Announcement June 24, 2015
Revised ATB regulations were published in the *Federal Register* on Oct. 29, 2010. Guidance on implementation of requirements for tests in languages other than English was given in GEN-11-08.

The ATB alternatives include:

- Passing an independently administered Department of Education approved ATB test (see chart at the end of this section).
- Completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the postsecondary institution (neither remedial nor developmental coursework count toward this requirement).
- Completing a State process approved by the Secretary of Education. Note: To date, no State process has been submitted for the Secretary’s approval.

Ceasing to be an ATB student

NEW →

A student who gained TIV eligibility under one of the ATB alternatives ceases to be an ATB student when they obtain a high school diploma or its recognized equivalent. At that point, the student is no longer subject to the restrictions on ATB students, including that the student be enrolled in an eligible career pathway program in order to be (potentially) TIV-eligible.

▼ *Eligible Career Pathway Programs.* An “eligible career pathway program” means a program that combines rigorous and high-quality education, training, and other services that:

1. Align with the skill needs of industries in the economy of the State or regional economy involved;
2. Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
3. Includes counseling to support an individual in achieving the individual’s education and career goals;
4. Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
5. Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
6. Enables an individual to attain a high school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and

7. Helps an individual enter or advance within a specific occupation or occupational cluster. You must make a determination on whether a program meets these criteria, and you are responsible for documenting that your career pathway program(s) meet each of the requirements described above. The Department does not require that you receive approvals or endorsements from a State or local workforce agency to fulfill these requirements, although that may be one way that you document your compliance.

You must maintain documentation that each eligible career pathway program that you use as a basis for determining a student's eligibility under the ATB alternatives meets the above requirements. This must include documentation that the program(s) in question include workforce preparation activities and training for a specific occupation or occupational cluster, and that the program is aligned with the skill needs of the U.S. state or regional economy in which your school is located.

Additional information regarding the requirements for eligible career pathway programs can be found in Dear Colleague Letter GEN-16-09 on IFAP.

▼ *Eligibility of Other Students Without a High School Diploma (Grandfathered Students)*. As discussed in Dear Colleague Letter GEN-12-09, students who were enrolled in an eligible program of study prior to July 1, 2012 may continue to establish Title IV eligibility in any eligible program under one of the ATB alternatives by using the following grandfathering test:

Question 1: Did the student attend an eligible program at any Title IV institution prior to July 1, 2012? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV, HEA student assistance. If no, continue to Question 2.

Question 2: Did the student, prior to July 1, 2012, officially register at a Title IV institution, and is the student scheduled to attend an eligible program? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV, HEA student assistance. If no, the student may not use the ATB alternatives to become eligible for Title IV, HEA student assistance, unless the student is enrolled in an eligible career pathway program.

For a student who qualifies to use one of the ATB alternatives through enrollment in an eligible program prior to July 1, 2012, you must document that the student successfully completed one of the approved ATB alternatives described above. You must also document that the student was enrolled in both the TIV-eligible program component and the component that enables an individual to attain a high school diploma or its recognized equivalent. Such documentation could include documentation from NSLDS that shows a student's prior receipt of Title IV funds, or a transcript or other receipt that demonstrates enrollment in an eligible program.

Consolidated Appropriations Act of 2016

On December 18, 2015, the President signed the Consolidated Appropriations Act of 2016, which included the following changes to ATB provisions:

- A revised definition of an eligible career pathway program; and
- The elimination of the career pathway alternative Pell Grant disbursement schedules.

A school's eligible career pathway program must meet the revised definition in order for students who first enroll in that program during the 2016-17 award year to become eligible for Title IV aid using one of the ATB alternatives.

For students who were previously eligible only for Limited Pell Grant awards, schools must now use the Federal Pell Grant Payment and Disbursement Schedules published in DCL GEN-16-19. Transition guidance for the remainder of the current award year will be provided in a forthcoming Dear Colleague Letter on IFAP.

Approved ATB Tests (as of June 24, 2015)

ATB Tests Still Approved	Publishers & Passing Scores
Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper and pencil test.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 210
Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 210
Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper and pencil test.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 200
Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests.	Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 200
Combined English Language Skills Assessment (CELSA), Forms 1 and 2.	Association of Classroom Teacher Testers (ACCT), 1187 Coast Village Road, Suite 1, #378, Montecito, CA 93108 Contact: Pablo Beuckelew, 805-965-5704 Passing Scores: CELSA Form 1: 97; Form 2: 97.
ACCUPLACER (Reading Comprehension, Sentence Skills, and Arithmetic)	The College Board, 250 Vesey Street, New York, NY 10281 Contact: The ACCUPLACER Program, 800-607-5223 Passing Scores: Reading Comprehension 55; Sentence Skills 60; and Arithmetic 34.

To refer to ATB tests which were approved in the past, see the June 24, 2015 E-Announcement on IFAP

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The Department considers a satisfactory academic progress policy to be reasonable if it meets both the qualitative and quantitative criteria explained in this section.

Your SAP policy must be at least as strict (in terms of the qualitative and quantitative standards discussed below, not the frequency with which these are checked) as your SAP policy for students enrolled in the same program of study who are not receiving FSA funds at your school, and it must apply to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. Different SAP policies may apply to different academic programs, however the SAP policy must apply equally to all TIV programs; i.e, a student is either making SAP or is not; you may not say a student is making SAP for Pell but not for Direct Loans. All relevant SAP policy must be applied. Your policy(s) must require an academic progress evaluation at the end of each payment period for students in programs lasting one year or less. For all other programs, the policy must require annual reviews and must correspond with the end of a payment period. For programs greater than one year, your policy may also call for progress reviews after each payment period. If you review at each payment period, you must review SAP after a summer term if the student attends the summer term. You may have reasonable rules for students who initially enroll in specific courses but modify that enrollment within a limited time.

Grades and pace of completion

Your school's policy must specify that both the quantitative (time-based) and qualitative (grade-based) standards are reviewed at each evaluation point. Each *may* include a payment period-based standard but are *required* to include a cumulative standard. You may review SAP more frequently, (for example, monthly), but the more frequent reviews would not replace the review that is required to be conducted at the end of the payment period.

Your policy must specify the *qualitative* standard (grade point average or GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm. In addition, the HEA requires a specific qualitative review at the end of the student's second academic year. Students enrolled in a program of more than two academic years must have a GPA of at least a "C" or its equivalent or must have an academic standing consistent with your school's graduation requirements.

Having a standing consistent with the requirement for graduation means you could use an escalating GPA instead of a fixed one. For example, if your school uses a 4-point scale, it could require students to have a 2.0 average by graduation but allow their average to be lower earlier in their program. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation. Remedial coursework **must** be included in the qualitative assessment of SAP. The courses need not be included in the student's GPA; however, your school must have some means of assessing a student's academic progress in remedial coursework.

Satisfactory Academic Progress

HEA Sec. 484(c),

34 CFR 668.16(e)

34 CFR 668.32(f)

34 CFR 668.34

Q&A: www2.ed.gov/policy/highered/reg/hearulemaking/2009/sap.html

Satisfactory progress definitions

Appeal—A process by which a student who is not meeting SAP standards petitions the school for reconsideration of his eligibility for FSA funds.

Financial aid probation—A status a school assigns to a student who is failing to make satisfactory academic progress and who successfully appeals. Eligibility for aid may be reinstated for one payment period.

Financial aid warning—A status a school assigns to a student who is failing to make satisfactory academic progress. The school reinstates eligibility for aid for one payment period and may do so without a student appeal. This status may only be used by schools that check SAP at the end of each payment period and only for students who were making SAP in the prior payment period for which they were enrolled or who were in the first payment period of their program.

Maximum timeframe

- For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program.
- For an undergraduate program measured in clock hours, a period no longer than 150 percent of the published length of the program as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. (Note that a student in a clock hour program cannot receive aid for hours beyond those in the program; the maximum timeframe applies to the amount of calendar time the student takes to complete those hours.)
- For a graduate program, a period the school defines that is based on the length of the program.

Grades and SAP: Academic amnesty/renewal

Some schools have academic amnesty/renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student's grade point average. The FSA program regulations make no provision for the concept of academic amnesty or academic renewal. Therefore, a school must always include courses applicable to a student's major (whenever taken) in evaluating a student's satisfactory academic progress (both quantitative and qualitative components). This may, however, be an item that is subject to appeal if the school's policy permits such appeals.

Completed program, no degree

A student who completes the academic requirements for a program but does not yet have the degree or certificate is not eligible for further additional FSA funds for that program.

Retaking a program

Your school may permit a student to receive FSA funds for retaking a program that she has completed before. For more details, see "Eligibility and enrollment status for retaking coursework" sidebar later in this chapter.

Grades for test-based credits

Some schools have developed tests in accord with their academic standards, such as language proficiency tests, which students can take and receive course credit. If such credits count toward the student's program, the grades for those credits count in the student's GPA for all FSA purposes.

Your policy must also specify the *quantitative* standard (pace) at which students must progress through their program to ensure that they will graduate within the **maximum timeframe**, and each academic progress check must measure this. You calculate the pace at which a student is progressing by dividing the total number of hours the student has successfully completed by the total number he has attempted. You **may** include, but aren't required to include, remedial courses when making the assessment of the quantitative component of SAP.

Checking a student's pace of completion allows for variations of enrollment status since you look at the percentage of classes successfully completed rather than the number. Also, you can use a graduated completion percentage for each year of a program. For instance, your policy can permit students to complete a lower percentage of their classes in the first academic year but require them to complete an increasing percentage in subsequent years so that they finish their program in time. A student is ineligible (via the maximum timeframe element) when it becomes mathematically impossible for him to complete his program within 150% of its length if it is an undergraduate program, or within the maximum timeframe established by the school if it is a graduate program. In this situation, an appeal would be possible if your school accepts appeals.

Your policy must explain how GPA and pace of completion are affected by course incompletes, withdrawals, and repetitions, and by transfer credits from other schools. Generally, all periods of the student's enrollment count when assessing progress, even periods in which the student did not receive FSA funds. However, only transfer credits that count toward the student's current program must be counted (as both attempted and completed hours; credits not counted toward the student's program may also be counted at your school's discretion, as described in your SAP policy). Your policy may permit that for students who change majors, credits and grades that do not count toward the new major will not be included in the satisfactory progress determination. You may limit how many times a student can in this way "re-set" academic progress by changing majors.

Your SAP policy cannot exclude from the progress review courses in which a student remained past the add/drop period and earned a grade of "W" (or its equivalent), nor can it routinely exclude certain hours attempted, such as those taken during a summer session. A review of SAP is not complete until both the qualitative and quantitative measures have been reviewed. If a satisfactory progress check shows that a student does not have the required GPA or is not maintaining the required pace, she becomes ineligible for FSA funds unless she is placed on financial aid warning (if your school reviews SAP at the end of each payment period) or probation (after a successful appeal), as explained below. Your policy must describe both of these statuses if it allows for them, and it must provide for notification to students of the results of any evaluation that affects their eligibility for FSA funds.

You may monitor SAP at the end of every month, but an official review (i.e., for Title IV/SAP purposes) may only occur at the end of a payment period. The monthly evaluation at the end of the month that contains the end of a payment period (for example, hour 450) cannot count as the official evaluation at the end of a payment period. Even if your school conducts progress

evaluations at the end of each month, you cannot conduct the official (for Title IV/SAP purposes) SAP review at the end of each month. The official evaluation must be at the end of a payment period. After an official evaluation, a student must be placed on warning or probation status (if the appeal is successful) for an entire payment period when SAP is not achieved. You may not put someone on warning/probation for less than a payment period.

Financial aid warning

Only schools that check satisfactory progress at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may use this status without appeal or any other action by the student. Warning status lasts for one payment period only, during which the student may continue to receive FSA funds. Students who fail to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on proba-

SAP new/conflicting information requirements

You must have an established procedure for reviewing and addressing additional information that may have an impact on SAP reviews. For example, if you review SAP at the end of a spring term and receive late notification of a grade change for the previous fall or spring term, you must recheck SAP using that new information.

Satisfactory Academic Progress Examples: Four-Year Programs

Four-year credit-hour program with appeal

Students in a bachelor's degree program at National College must complete 120 credits and may attempt up to 180 credits (120 x 150%). National reviews a student's academic progress once per year and has a pace of completion of 2/3 or 66.67% of the classes that students attempt; it requires a cumulative GPA of 1.50 after the first year, 1.75 after the second year, and 2.0 after the third year and beyond.

In his first semester, Danny fails one course and withdraws (late in the term) from one of his five courses (15 credits). He takes four courses in his second semester and again fails one and withdraws from one. Though his GPA is 1.71, he isn't making SAP by the end of the first year because he completed only 15 credits out of the 27 he attempted, and two-thirds (2/3) of 27 is 18. Danny applies for an appeal, but because his only reason for not making SAP is that he wasn't able to concentrate on college after being in high school, and because he doesn't offer evidence showing what has changed, the aid administrator at National denies his appeal, and he is ineligible for aid in his second year.

Even if Danny had a more convincing reason for failing at SAP, such as being injured and being rendered unable to participate effectively in his normal activities, the administrator might still have denied his appeal because she saw little improvement or variation in Danny's pace of completion and did not determine that he would likely be making SAP a year later. If Danny's academic performance improves by the end of his second year so that he is meeting the SAP criteria, he can again receive FSA funds.

4-year credit-hour program with warning and appeal

Krieger University checks SAP every quarter, which permits it to use financial aid warnings. Students must complete 144 credit hours to receive a BA or BS degree, and they may attempt up to 216 credit hours to complete a program. Students must complete at least half of the credits they attempt in their first year and 75% of their credits in each year after that. They must have no less than a 2.0 GPA at all times.

Gina finishes her first year at Krieger with a 2.25 GPA and completes all of the credits that she attempts, so she is making SAP. After the first quarter in her second year, she again completes all of her classes but poor grades leave her with a 1.94 GPA. The aid administrator places her on financial aid warning for one quarter and informs her that she is not meeting the SAP standards. Gina does poorly in the next quarter as well, and her GPA drops to 1.85. The aid administrator informs her that she can't continue on warning status and needs to submit an appeal explaining why she is failing to make SAP and why she thinks that will change and allow her to again make SAP.

Gina brings the administrator an obituary showing that her mother died recently, which required that she help with family affairs and caused her to lose her focus at school. She asserts that is over now. The administrator places her on probation and suggests that she might take fewer courses. But Gina enrolls full time and again receives poor grades, causing her GPA to drop to 1.80. The administrator informs Gina that she has become ineligible for FSA funds but that she can become eligible again if she raises her GPA to 2.0 or that she can submit another appeal (the latter appeal must be based on a reason different from the first appeal) and this time request to be placed on an academic plan.

Satisfactory Academic Progress Examples: One-Year Programs

1-year credit-hour program with financial aid

warning Carver University has a program that a full-time student can complete in 24 semester hours. Because this is a one-year program, Carver must check SAP every payment period. Their policy is that students must complete the program by the time they have attempted 36 (150% of 24) hours, and the pace of completion is 2/3 or 66.67%. They require a 2.0 GPA at all times.

Suzie plans to take two classes (eight hours) each semester. In the first term, she fails one class and gets a B in the other. Her GPA is 1.5 and her pace of completion is 50%, so Carver automatically places her on financial aid warning and informs her of this. In her second semester, Suzie gets a C (in the class she failed in the first semester) and an A, raising her GPA to 2.25 (Carver counts all grades for retaken classes), and she has completed 75% of her classes, so she restores her aid eligibility.

Clock-hour program with appeal

Fowler Community College has a 900-clock-hour program that normally takes eight months to complete. Fowler allows a maximum timeframe of 12 months to complete the program, and students must complete at least 300 clock hours out of the 450 clock hours of each payment period (four months) and maintain a 2.0 GPA. Because the program is so short and financial aid warnings would delay a rigorous review of students'

academic performance until late in (or the end of) the program, Fowler decides not to use warnings. Instead, it requires students to submit an appeal when they are not meeting SAP standards.

After the first four months, Anthony's GPA is 3.0, but he completes only 250 of the 300 clock hours that were required for the payment period. Fowler informs him that he must submit an appeal to continue to receive FSA funds. Anthony tells the administrator that he was diagnosed with depression, which prevents him from doing as much as he'd like. He provides a note from his psychiatrist and affirms that he is doing better since he has received regular treatment. The administrator grants his appeal and puts him on financial aid probation since she determines that Anthony can finish the program in the remainder of the year. She drafts a plan that allows him some flexibility in his pace of completion and that requires him to check with her once a month to inform her of his progress in his classes.

After four more months, Anthony's GPA is 3.3, and he has completed 580 hours out of the 600 required under Fowler's published SAP policy, which would normally make him ineligible for FSA funds. But because he is progressing according to his personal SAP plan and is predicted to complete the program within the maximum timeframe, he may still receive aid.

Eligibility and enrollment status for retaking coursework

34 CFR 668.2(b)

The regulatory definition for full-time student (for undergraduates) has been revised to allow a student, in a term-based program only, to retake any previously passed course (one time only per previously passed course). For this purpose, passed means any grade higher than an "F," regardless of any school or program policy requiring a higher qualitative grade or measure to have been considered to have passed the course. This retaken class may be counted toward a student's enrollment status, and the student may be awarded Title IV aid for the enrollment status based on inclusion of the class. *Continued next page...*

tion. Schools do not need to use the warning status; they can instead require students to immediately appeal to be placed on probation.

Appeals, financial aid probation, and academic plans

All schools may use the financial aid probation as part of their satisfactory progress policy. When a student loses FSA eligibility because he failed to make satisfactory progress, if the school permits appeals, he may appeal that result on the basis of: his injury or illness, the death of a relative, or other special circumstances. His appeal must explain why he failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation.

If you determine, based on the appeal, that the student should be able to meet the SAP standards by the end of the subsequent payment period, you may place him on probation without an academic plan. You must review the student's progress at the end of that one payment period, as probation status is for one payment period only. If you determine, based on the appeal, that the student will require more than one payment period to meet progress standards, you may place him on probation and develop an academic plan

for the student. You must review the student's progress at the end of one payment period as is required of a student on probation status, to determine if the student is meeting the requirements of the academic plan. If the student is meeting the requirements of the academic plan (or the universally applicable SAP requirements, outside of any individualized academic reinstatement plan), the student is eligible to receive Title IV aid as long as the student continues to meet those requirements and is reviewed according to the requirements specified in the plan.

Your school determines the process and documentation required for an appeal. It may decide to require more extensive information on an initial appeal and some type of an update statement on a subsequent appeal. The regulations do not specify what must be included in an academic plan. The school and the student must develop a plan that ensures that the student is able to meet the school's satisfactory progress standards by a specific time, though an academic plan could instead take the student to successful program completion. Students must also appeal to change their plan. They must explain what has happened to make the change necessary and how they will be able to make academic progress.

Reestablishing aid eligibility

Your policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for FSA funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, he can regain eligibility only by taking action that brings him into compliance with your school's satisfactory progress standards.

The requirement that a student complete a number of credits or enroll for a number of academic periods without receiving FSA funds, or that he interrupt his attendance for one or more academic periods, may be part of your academic progress policy. However, neither paying for one's classes nor sitting out for a term affects a student's academic progress status, so neither is sufficient to reestablish aid eligibility.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive aid from the Direct Subsidized/Unsubsidized and Direct PLUS Loan programs. The Pell, TEACH Grant, and Campus-Based Programs don't require half-time enrollment, with two exceptions: the first exception is students must be enrolled in a post-baccalaureate program for teacher education at least half-time. The second exception is that, for Perkins and FWS, students must be enrolled half-time in a teaching credential program. But enrollment status does affect the amount of Pell a student receives; see *Volume 3, Chapter 3*.

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time for FSA purposes can differ from that used for other purposes at your school, such as the definition used by the registrar's office. Your definition of a full-time workload for a program must be used for all students in that program and must be the same for all FSA-related purposes, including

Normal SAP policy allows for a student to receive Title IV funds for retaking a course he or she failed, and if a student withdraws before completing the course that he or she is being paid Title IV funds for retaking, that is not counted as his or her one allowed retake for that course. However, if a student passed a class once, then is repaid for retaking it, and fails the second time, that failure counts as their paid retake, and the student may not be paid for retaking the class a third time.

If your school has a policy that requires students to retake all of the coursework for a term in which a student fails a course, only the first retake of any previously passed course is eligible for Title IV aid (see the preamble to the October 15, 2015 Program Integrity regulation; page 67127).

If a student withdraws from all Title IV eligible courses in the payment period or period of enrollment and continues to attend only the course(s) that he or she is completing or repeating for which he or she may not receive Title IV aid during that period, the student is a withdrawal for Title IV purposes. This is because a student is considered to be attending a Title IV eligible program only if he or she is attending one or more courses in that program for which the student is receiving Title IV, HEA program funds.

Full-time student definition

34 CFR 668.2(b)

Half-time enrollment

HEA Sec. 428(b)(1)(A),
34 CFR 668.2(b)

A school may choose to define half time as half of the minimum full-time standard established in the regulations even if this is less than half the full-time standard established by the school. For example, if a school sets 14 semester hours as full time, it could use 6 semester hours (one-half of the regulatory full-time minimum of 12) as half time instead of 7.

Enrollment status for students with intellectual disabilities

Because a comprehensive training program for students with intellectual disabilities can include work for which the school awards no credit, such as audited courses, the school must develop equivalencies in credit hours for such work, just as it must do with non-credit remedial coursework. This will allow the school to determine the enrollment status for students in these programs.

Counting non-credit or reduced-credit remedial work in enrollment status

34 CFR 668.20

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program.

loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing her a full-time enrollment status lower (for Title IV financial aid purposes) than the minimum standard (see the margin note on students with intellectual disabilities).

▼ *Minimum standards for full-time enrollment.* A student's workload may include any combination of courses, work, research, or special studies that your school considers sufficient to classify them as full time. This includes, for a term-based program, one repetition of a previously passed course that is not due to the student failing other coursework. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;
- 24 clock hours per week for an educational program using clock hours;
- A series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks;
- For a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the academic year;
- The work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student; or
- For correspondence coursework, a courseload commensurate with the full-time definitions listed here, and at least half of that load must be non-correspondence coursework that meets half of the school's requirement for full-time students.

Your school must have a written policy stating what enrollment status the work portion of a co-op program is equivalent to. If it equals or exceeds a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work. A student taking only correspondence courses is never considered to be enrolled more than half time. See *Volume 3* for more on Pell and enrollment status and correspondence courses. If a student is enrolled in courses that do not count toward his degree, certificate, or other recognized credential, they cannot be used to determine enrollment status unless they are eligible remedial courses. This means you cannot award the student aid for classes that do not count toward his degree, certificate, or other recognized credential. Also, federal student aid can be awarded only for learning that results from instruction provided or overseen by the school. It cannot be awarded for any portion of a program based on study or life experience prior to enrollment in the program, or based on tests of learning that are not associated with educational activities overseen by the school.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction (but not a local or municipal conviction) can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you're not required to confirm this unless you have conflicting information.

Convictions only count against a student for aid eligibility purposes (FAFSA question 23c) if they were for an offense that occurred during a period of enrollment for which the student was receiving federal student aid—they do not count if the offense was not during such a period, unless the student was denied federal benefits for drug trafficking by a federal or state judge (see drug abuse hold sidebar). Also, a conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when she was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. A conviction for sale of drugs includes convictions for conspiring to sell drugs.

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3+ offenses	Indefinite period	

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period. Schools must provide each student who becomes ineligible for FSA funds due to a drug conviction a clear and conspicuous written notice of his loss of eligibility and the methods whereby he can become eligible again.

A student regains eligibility the day after the period of ineligibility ends (i.e., for a 1st or 2nd offense); or when he or she successfully completes a qualified drug rehabilitation program that includes passing two unannounced drug tests given by such a program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain eligibility after completing any of the following options:

1) Successfully completing a rehabilitation program, as described below, which includes passing two unannounced drug tests from such a program);

Drug convictions



HEA Section 484(r)
34 CFR 668.40

A student who self-certifies that he or she has P56, 058, or 052 on his or her SAR and ISIR. See the SAR Comment Code and Text Guide on IFAP. For questions, contact the CPS/SAIG Technical Support at 800-330-5947, or CPSSAIG@ed.gov

Question 23 Student Aid Eligibility Worksheet



E-Announcement Sept 23, 2016

You may distribute this worksheet to students to help them determine and document their eligibility or ineligibility, based on their responses to question 23 on the FAFSA (i.e., drug convictions): <https://ifap.ed.gov/drugworksheets/attachments/1718StudentAidEligibilityWorksheetforQuestion23EN.pdf>

Drug abuse hold

The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The Central Processing System maintains a hold file of individuals who have received such a judgment. All applicants are checked against this file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 23; records matching the drug abuse hold file receive a rejected application (reject 19 and comments 009 or 055 on the SAR and ISIR). See the *ISIR Guide* on the IFAP publications page for more information.

2) Having the conviction reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record; or

3) Successfully completing two unannounced drug tests which are part of a rehab program (the student does not need to complete the rest of the program).

In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has successfully completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to confirm the reported information unless you have conflicting information.

When a student regains eligibility during the award year, you may award Pell Grant, TEACH, and Campus-Based aid for the current payment period and Direct Loans for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program;
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company;
- Be administered or recognized by a federal, state, or local government agency or court; or
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he has successfully completed a drug rehabilitation program, but you have reason to believe that the program does not meet the requirements, you must find out if it does before paying the student any FSA funds.

INCARCERATED STUDENTS

NEW →

A student is considered to be incarcerated if he or she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution (whether it is operated by the government or a contractor). No student who is incarcerated may receive Title IV student loan funds, and no student who is incarcerated in a Federal or State penal institution may receive Pell Grant funds. However, an incarcerated student is still potentially eligible for Pell, FSEOGs and FWS, but not Direct Loans or Perkins Loans, if he or she is incarcerated in a juvenile justice facility, a local or county jail, or a local or county penitentiary or correctional facility.

You may accept the student's written self-certification that he is no longer incarcerated. See *Chapter 6* for more information on this and on sex offenders who were incarcerated but are now subject to an involuntary civil commitment.

CONFLICTING INFORMATION

NEW →

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his or her academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application or eligibility for Federal Student Aid regardless of the source of that data.

As described in Early FAFSA Electronic Announcement #2 (<https://ifap.ed.gov/EarlyFAFSA/EarlyFAFSADCLandEA.html>), the best way to avoid generating conflicting information is to encourage those filing FAFSAs to use the IRS Data Retrieval Tool (for those items which can be transferred). See the E-Announcement for more detail on the DRT.

If your school has conflicting information for a student or you have any reason to believe his application is incorrect, you **must** resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you **must** reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year and will not re-enroll. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

In addition to efforts your school undertakes to identify and eliminate conflicting information, there is one additional type of potential conflicting information which will be identified automatically by the CPS. On 2017-18 ISIRs, when a potential conflict with 2016-17 data would cause a significant impact on the student's 2017-18 EFC, the CPS will issue a "399" code. When a 399 code is issued, you may be required to repackage 2016-17 aid for the student and/or require repayment of some 2016-17 need-based aid.

Incarcerated students

HEA Sec. 401(b)(8) and 484(b)(5)
34 CFR 600.2 and 668.32(c)(2)
DCL GEN-14-21

Conflicting information

NEW →

34 CFR 668.16(b)(3) and (f)
DCL GEN-16-14
Early FAFSA E-Announcement #2

Resolving 399 codes

DCL GEN-16-14

If you are unable to resolve the conflicting information, you must consider the student to be in overaward status for any 2016-17 need based aid (i.e., Title IV grants, Federal Perkins Loans, and Direct Subsidized Loans) that was disbursed (in this case, FWS money never need be repaid, but you must immediately cease paying any further FWS funds).

For more information on conflicting information and prior-prior year tax issues, please refer to the *Application and Verification Guide* and *Volume 2, Chapter 3*.

CHANGE IN ELIGIBILITY STATUS

A student's eligibility status can change during the award year, which almost always affects whether he can be paid. The special rules for changes in satisfactory academic progress status were discussed in the SAP section. For more details on Pell Grant status changes within and between terms, see *Volume 3, Chapter 3*.

Defense of Marriage Act Decision

DCL-GEN-13-25

DCL-GEN-14-14

In June 2013, the Supreme Court struck down Section 3 of the Defense of Marriage Act (DOMA), which provided that for purposes of federal programs, a marriage can only be between one man and one woman. For purposes of Title IV aid, the Department now considers that any legal marriage which was recognized by the jurisdiction in which it was performed as recognized without regard to whether the marriage is between persons of the same or opposite sex, and without regard to where the couple resides.

This has implications for dependency status and will impact how applicants fill out the FAFSA. For more details, see the *Application and Verification Guide, Chapter 2*.

In 2014, the Department published DCL GEN-14-14, which described further guidance on the potential eligibility of a same-sex stepparent to qualify for a Direct PLUS Loan. For further information, see the DCL.

Gaining eligibility

A student who *gains eligibility* is one who was previously ineligible for some reason. In general, a student who gains eligibility may receive Pell Grant, TEACH Grant, and Campus-Based funds for the entire payment period and Direct Loan funds for the period of enrollment in which he or she becomes eligible.

A student is eligible for Pell Grant, TEACH Grant, and Campus-Based aid for the entire award year, not just the payment period, in which he or she becomes eligible by meeting the requirements for citizenship (including becoming an eligible noncitizen), having a valid Social Security number, or being registered for Selective Service.

For examples of gaining eligibility, we'll look at two students, Roy and Leon. Roy enrolls in a one-year certificate program at Carver University. Carver won't officially admit Roy before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Carver receives Roy's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted, so he can receive Pell and Campus-Based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Roy can receive a loan.

Leon is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Carver on January 11. The second payment period begins on May 17. Leon isn't eligible for aid when he first starts classes at Carver. However, when he becomes eligible after June 4, Carver can disburse Pell and Campus-Based funds to Leon retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Direct Loan for the current period of enrollment, which does include the payment period that began in January.

Losing eligibility

A student cannot receive any federal student aid after losing eligibility for it unless he or she qualifies for a late disbursement.

To illustrate the rule on losing eligibility, we'll look at a student named Steve. Steve is a student at Waveland University. At the end of September, after the start of the fall term, he is convicted in a state court for possession of drugs. It is his first offense, and he isn't incarcerated, but he is ineligible for aid. Waveland gave Steve his first Direct Subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins Loan to him in October.

Now Waveland can't disburse the Perkins Loan. Steve doesn't have to pay back the first disbursement of his Direct Loan immediately (though he will have to pay it back once he enters repayment), but he can't receive additional FSA funds until one year elapses or he successfully completes a qualified drug rehabilitation program.

Religious order student eligibility

34 CFR 674.9(c)

34 CFR 675.9(c)

34 CFR 676.9(c)

34 CFR 685.200(a)(2)(ii)

34 CFR 690.75(d)

Members of any religious order, society, agency, community, or other organization aren't considered to have financial need if the order—

- (1) has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being,
- (2) requires its members to forego monetary or other support substantially beyond the support it provides, and
- (3) directs the member to pursue the course of study or provides subsistence support to its members.

Members of these religious orders can't receive Direct Subsidized Loans, Pell Grants, or Campus-Based aid. They are eligible, however, for Direct Unsubsidized Loans.

Eligibility Requirements for specific educational programs

See *Volume 2, Chapter 2* for more information on the topics below. Note that a school may not refuse to provide FSA funds to a student because he is enrolled in correspondence or distance education courses unless they are not part of an eligible program.

Correspondence courses

HEA Sec. 484(k)
34 CFR 600.2
34 CFR 668.38

A correspondence or “home study” course is one for which the school provides instructional materials and exams for students who don’t physically attend classes at the school and who are studying independently. When a student completes a portion of the materials, he takes the related exam and returns it to the school for grading. If the course uses video cassettes or discs, it is a correspondence course unless the school provides the same instruction to students who physically attend the school that year. Distance education courses are not considered correspondence courses.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate’s, bachelor’s, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see *Volume 3, Chapter 2*.

Students studying abroad

HEA Sec. 484(o)
34 CFR 668.39

A student in a study-abroad program is eligible for aid if the program is approved for academic credit toward her degree by the eligible homeschool at which she is enrolled as a regular student. The homeschool must have a written agreement with the foreign school (or with another U.S. school that contracts with the foreign school) or a single written arrangement with a study-abroad organization to represent an agreement between the homeschool and the foreign school.

For more detail on requirements for awarding at foreign schools, see the Foreign School Handbook, available on IFAP.

Distance education courses

HEA Sec. 103 and 484(l)
34 CFR 600.2
34 CFR 668.38

Distance education refers to instruction delivered to students who are physically separated from their instructor, to support regular and substantive interaction between student and instructor, whether in real time or through time delay. Technologies used may include the Internet; one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; audio conferencing; or, if used in conjunction with the previous technologies, video cassettes, DVDs, and CDs. If a course does not qualify as a distance education course, it is considered to be a correspondence course.

Students can receive FSA funds for distance education courses under these conditions: the courses must belong to an eligible program, and the school must have the capability to effectively deliver distance education programs as determined by an accrediting agency that is recognized by the Department and that has the evaluation of distance education programs within the scope of its recognition. Short-term certificate programs of less than one year offered via distance education are eligible for FSA funds, and they are not considered correspondence programs.