



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

JUN 07 2011

GEN-11-12

SUBJECT: Trial Periods of Enrollment

SUMMARY: This Letter Describes Federal Student Aid Eligibility For Students Enrolled For A Trial Period That Leads To Enrollment As A Regular Student.

Dear Colleague:

We are aware that some institutions are offering, or wish to offer, an opportunity for a student to attend a program for a relatively short period, which sometimes is called a “trial” or “conditional” period, without incurring program charges or receiving Federal Title IV student assistance, unless and until the student continues beyond the end of that period and enrolls as a regular student. A trial period can play a valuable role by allowing a student to attend classes for a brief period before making a financial commitment to regular enrollment in the educational program. To ensure equitable and consistent treatment of students when institutions offer such programs, this letter describes a type of trial period that provides an opportunity for a student to take classes on a trial basis before deciding to continue attending the program as a regular student, at which time the student would be responsible for program charges and would, if otherwise eligible, become eligible for Title IV, Higher Education Act (HEA) program funds.

Our previous guidance that would apply to students participating in these trial enrollment programs provided that when an individual student became Title IV eligible, including becoming a regular student, during a payment period, the student would be eligible to receive Title IV grants for the entire payment period and Title IV loans for the entire period of enrollment. That guidance, currently provided at pages 1-17 of the 2010-2011 Federal Student Aid Handbook, focused on the eligibility of an individual student whose status changed during a payment or loan period, and was not provided as guidance on how programs could be structured for a group of students to ordinarily attend an eligible program on a trial basis. This letter provides guidance on such situations.

Program Description

In this letter, we use the term “trial period” to describe the beginning of the student’s attendance in an eligible program, in a situation where the institution has not admitted the student as a regular student. The term “eligible program” refers to an educational program that meets Title IV, HEA program eligibility requirements as identified in 34 CFR 668.8.

While the details of each program may vary, the trial period of attendance is a part of an eligible program and academic credit earned by the student will count toward the student’s completion of that program if the student becomes a regular student after the trial period. Because this trial period is part of the eligible program if the institution admits the student as a regular student after

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the trial period, total charges for the eligible program would include the trial period, and, if otherwise eligible, the student could receive Title IV funds for the trial period.

For example, if an institution has an educational program that is 18 weeks in length and includes a four-week trial period:

- Student A completes the four-week trial period at which time the institution admits the student as a regular student. Student A would now be assessed institutional charges and become eligible for Title IV, HEA program funds for the eligible program, including the trial period.
- Student B completes two weeks of the trial period and decides not to continue enrollment. Student B is not assessed institutional charges and would not be eligible for any Title IV, HEA program funds for enrollment during the trial period.
- Student C completes the four-week trial period at which time the institution admits the student as a regular student. Student C would now be assessed institutional charges and become eligible for Title IV, HEA program funds for the eligible program, including the trial period. However, after three more weeks as a regular student, Student C decides to withdraw from the program. The institution must perform a Return of Title IV Aid calculation to determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date at the end of the seventh week, as provided in the regulations at 34 CFR 668.22.

Standards for Participation

We expect that an institution's policies and procedures for a trial period of enrollment would specifically include information on which students are required to participate in the trial period and which students may participate at the student's option. Students who attend a trial period and who wish to receive Title IV, HEA program funds after becoming regular students must meet the other student eligibility criteria as provided in the regulations at 34 CFR 668.32. We also expect that students participating in a trial period would have been provided with clear information about the trial program, including information that they are not eligible for Title IV, HEA program funds unless and until the institution admits the student as a regular student after the trial period. We expect that, after or just prior to the end of the trial period, students would confirm their intention to continue the program as regular students. Once determined to be regular students, otherwise eligible students become eligible for Title IV, HEA program funds back to the beginning of the payment or loan period, as applicable, including the trial period. During the trial period, the institution must ensure that students have the necessary books and other materials to succeed during the trial period. We expect that students would receive information describing the procedure for withdrawing after the trial period, if they decide not to continue enrollment, and that the information would make clear that students will not be eligible for Title IV, HEA program funds during the trial period if they do not continue enrollment. Finally, we expect that students who did not attend beyond the end of a trial period would be charged only a nominal fee (such as an application fee), if any, to participate.

We are aware that institutions offer a variety of orientation programs for their students. The guidance provided in this letter does not apply to such programs since they do not include

academic course work that is a part of a student's eligible program. In addition, we understand that institutions may put into practice trial periods for other purposes which may not be eligible for Title IV, HEA program funds and, therefore, would not be affected by this guidance.

If you have questions regarding the information provided in this letter, please contact Marty Guthrie by phone at (202) 219-7031 or by e-mail at Marty.Guthrie@ed.gov.

We hope this information is helpful to you as you endeavor to assist potential students in making sound educational decisions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eduardo M. Ochoa", with a horizontal line underneath the signature.

Eduardo M. Ochoa