



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

JUN 28 2012

GEN-12-09

Subject: Title IV Eligibility for Students Without a Valid High School Diploma

Summary: This letter clarifies changes made by the Consolidated Appropriations Act, 2012 to the Title IV eligibility of students who are not high school graduates.

Dear Colleague:

In Dear Colleague Letter GEN-12-01, posted on January 18, 2012, we described the provisions of the Consolidated Appropriations Act, 2012 (Public Law 112-74) that affected the Federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). Public Law 112-74 changed the Federal student aid eligibility criteria for students who do not have a high school diploma or the recognized equivalent of a high school diploma. The new law eliminated all but one (completion of a homeschool program) of the eligibility alternatives that were available to them.

This letter describes the statutory change to section 484(d) of the HEA and discusses section 309(c), Division F, Title III of Public Law 112-74, which allows students who were enrolled prior to July 1, 2012, to continue to be eligible for Title IV, HEA student assistance under the previous alternatives. The letter also provides a simple grandfathering test and includes several enrollment scenarios that illustrate the conditions under which a student who was enrolled prior to July 1, 2012, may establish eligibility under one of the previous alternatives.

Unchanged Student Eligibility Provisions: Public Law 112-74 did not change any of the provisions allowing an otherwise eligible student to receive Title IV, HEA student assistance if the student meets one of the following criteria:

- High School Diploma: The student has a high school diploma.
- Recognized Equivalent of a High School Diploma: The student has the recognized equivalent of a high school diploma, defined in the regulations at 34 CFR 600.2 as:
 - A General Educational Development Certificate (GED);
 - A State certificate received by a student after the student has passed a State-authorized examination that the State recognizes as the equivalent of a high school diploma;
 - An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or

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- For a person who is seeking enrollment in an educational program that leads to at least an associate degree or its equivalent and who has not completed high school, but who excelled academically in high school, documentation that the student excelled academically in high school and has met the formalized, written policies of that postsecondary institution for admitting such students.
- Homeschool: The student has completed a secondary school education in a homeschool setting that is treated as a homeschool or private school under State law and has obtained a homeschool completion credential, or, if State law does not require a homeschool student to obtain a homeschool credential, the student has completed a secondary school education in a homeschool setting that qualifies as an exemption from compulsory school attendance requirements under State law.

For additional information on student eligibility requirements, see Volume 1 of the 2012-13 Federal Student Aid Handbook.

Statutory Change: For students who “first enroll in a program of study on or after July 1, 2012,” and who are not high school graduates or do not meet the other eligibility criteria listed above, Public Law 112-74 eliminates the following ability-to-benefit (ATB) alternatives:

- Passing an independently administered, Department of Education approved ATB test.
- Completing at least six credit hours, or the equivalent coursework (225 clock hours), that are applicable toward a degree or certificate offered by the postsecondary institution.
- Completing a State process approved by the Secretary of Education. *Note: No State process has ever been submitted for the Secretary’s approval.*

As noted, the provisions of Public Law 112-74 apply only to students who first enroll in a program of study on or after July 1, 2012. Most students who attended an eligible program at any Title IV institution prior to July 1, 2012, will have established their Title IV eligibility during that prior enrollment period. For any students who previously attended an eligible program and need to establish Title IV eligibility after July 1, 2012, the provisions of Public Law 112-74 do not apply and will not prevent those students from being eligible under any ATB alternative.

A student who attended an eligible program at a Title IV institution prior to July 1, 2012, may establish eligibility at the same Title IV institution or a different Title IV institution using all of the ATB alternatives listed above. So long as the student previously attended an eligible program at an eligible Title IV institution, it does not matter whether the student received Title IV, HEA student assistance prior to July 1, 2012.

As noted above, the change to the law that removes the ATB alternatives applies to students who “first enroll in a program of study on or after July 1, 2012.” Students who are registered prior to July 1, 2012, to attend an eligible program at a Title IV institution may still use the ATB alternatives.

An institution must document that a student qualifies to use one of the ATB alternatives. Such documentation could include documentation from the National Student Loan Data System

(NSLDS) that a student previously received Title IV, HEA student assistance or a transcript or other documentation from a previous institution that demonstrates enrollment in an eligible program.

Grandfathering Test: Answer the following questions to determine if an otherwise eligible student who does not have a high school diploma or the recognized equivalent of a high school diploma, or who has not completed a homeschool program, can become eligible for Title IV, HEA student assistance under one of the ATB alternatives.

Question 1 Did or will 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 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 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.

If either of the responses to the two questions is YES, and the student had previously met one of the ATB alternatives, the student is eligible for Title IV, HEA student assistance.

Many of the students who are eligible to use an ATB alternative because of previous attendance in an eligible program at a Title IV institution will have earned at least six credit hours (or 225 clock hours), which would qualify as an ATB alternative for Title IV, HEA student assistance.

If the response to either of the two questions is YES, but the student has not previously met one of the ATB alternatives, the student may still establish eligibility under any of the remaining alternatives after July 1, 2012.

Note: The Department will continue to maintain a list of currently approved ATB tests and will continue to review for approval any ATB tests submitted by test publishers under the existing ATB regulations.

Enrollment Scenarios:

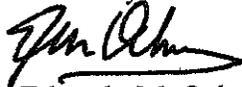
The following are examples of scenarios in which a student who does not have a high school diploma or its recognized equivalent, or who has not completed homeschooling, may establish Title IV eligibility based on any of the previous ATB alternatives.

1. The student attended an eligible program at a Title IV institution prior to July 1, 2012, without receiving Title IV, HEA student assistance and will continue attending the same institution without interruption.
2. The student attended an eligible program at a Title IV institution prior to July 1, 2012, ceased attendance (including withdrawals and drops) for a period of time, and will attend an eligible program at the same Title IV institution after July 1, 2012.
3. The student attended an eligible program at a Title IV institution prior to July 1, 2012, and will begin attendance in an eligible program at a different Title IV institution after July 1, 2012. The institution that the student will attend must document the student's attendance at the prior institution.
4. The student attended an eligible program at a Title IV institution prior to July 1, 2012, ceased attendance (including withdrawals and drops) for a period of time, and will attend a different eligible program at a Title IV institution. The institution that the student will attend must document the student's attendance at the prior Title IV institution.
5. The student did not previously attend an eligible program at a Title IV institution but, prior to July 1, 2012, registered at a Title IV institution and is scheduled to attend an eligible program. *Note: The exception is only available for attendance in a program for which the student officially registered prior to July 1, 2012.*

Students in these five scenarios may establish Title IV eligibility by satisfying any of the ATB alternatives. A student may establish Title IV eligibility by meeting the alternative at any time prior to July 1, 2012, or can satisfy the conditions in this letter to use an ATB alternative to establish Title IV eligibility after July 1, 2012.

Thank you for your cooperation as we work together to implement these new statutory provisions. If you have questions regarding the information in this letter, please contact Federal Student Aid's Research and Customer Care Center Staff. Staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Time) at 1-800-433-7327. After hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may email the Care Center at fsa.cusomer.support@ed.gov.

Sincerely,



Eduardo M. Ochoa
Assistant Secretary