

School-Determined Requirements

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 in order to receive 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 definition of an eligible program is discussed in detail in the *School Eligibility and Operations* volume of the Handbook.

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 under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets 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 until she is officially admitted.

▼ *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.

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (compare with preparatory coursework, which

Basic student eligibility issues:

- must be enrolled as a regular student in an eligible program
 - cannot also be enrolled in elementary or secondary school
 - must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been home-schooled
 - must make satisfactory progress
 - must meet enrollment status requirements
 - must have resolved any drug conviction issue
- 34 CFR 668.32
See Volume 2 for more on what is an eligible program.

Regular student citations and example

HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)

Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate. LCC requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. LCC considers them to be regular students, while others in the same classes are not regular students.

Conditional acceptance examples

1. Guerrero 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 Title IV aid.
2. When Park 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 Title IV aid.

Continuing education examples

1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.
2. Guerrero 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

Teacher certification coursework

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

prepares a student for a given program), and 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 in the student's enrollment (see "Enrollment Status" on page 14).

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 Title IV aid. Nor can Title IV aid be used for a remedial course that uses direct assessment of student learning instead of credit or clock hours.

You can't use noncredit 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 GED training or for coursework prior to the completion of high school, even if the GED or high school 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 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 mentioned above, 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 over a series of semesters for such work can exhaust his eligibility for FSA loans before he completes his program.

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans on page 77.

Teacher certification coursework

A student may receive Federal Work-Study and Stafford, Perkins, and PLUS loans if he 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. 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). 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.

For Stafford loans, such students may borrow up to \$5,500, with up to \$7,000 more in unsubsidized funds for independent students and dependent students whose parents were denied a PLUS loan. The loan limit is not prorated if the coursework lasts less than an academic year. For Perkins loans, a school establishes in its policy whether a student enrolled in a teacher certification program is an undergraduate or graduate student. That determines which Perkins loan limits apply; refer to *Volume 3: Calculating Awards and Packaging*.

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 page 76.

Students with intellectual disabilities

The HEOA permitted students with an intellectual disability¹ to receive funds from the Pell Grant, FSEOG, and FWS programs. They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program¹ for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program. They must meet the eligibility criteria in Section 484(a) (3–6) of the HEA. Except the statutes governing need analysis, the Secretary has the authority to waive any Pell, FSEOG, FWS, or institutional eligibility provisions necessary to ensure that programs enrolling these students are eligible for Title IV funds and that eligible students receive those funds.

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 GED (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 GED training, though he can receive

Elementary/secondary enrollment

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

Secondary school enrollment examples

Lida is a junior in high school and enrolls in an electronics technician program at Lem Community College (she is above the age of compulsory school attendance for her state and so 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 Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero 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.

Students with intellectual disabilities

HEA Sec. 484(s)

¹ As defined in Section 760 of the HEA

What's a valid high school diploma?

As we note on page 6, students self-certify that they have a high school diploma, so a copy of one is not required for the financial aid office. But with the appearance of high school "diploma mills," you might have concerns about the validity of a diploma from a particular school. One resource to check is the department of education for the state in which the school is located. If the department has jurisdiction over the high school, they can tell you if a diploma from the school (which does not have to be accredited) is recognized by their state.

Academic qualifications

HEA Sec. 484(d), 34 CFR 668.32(e)

Recognized equivalent of a high school diploma

34 CFR 600.2

*Exception: passing an ability-to-benefit test or having one of the diploma equivalents is not sufficient for establishing eligibility for an academic competitiveness grant (ACG). See Chapter 6.

**Exception: To be eligible for an ACG, a student must receive a high school diploma (or the homeschooling equivalent), which the college must document, whether by collecting a copy of the diploma or some other verifying document from the high school or, for homeschoolers, the parent or guardian.

Diploma equivalent example

Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, she doesn't meet Brandt's standard for admitting students who excel academically and therefore doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program and would be eligible for FSA for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA.

Homeschooled students

HEA Sec. 484(d)(3),
34 CFR 668.32(e)(4)

aid for other college courses if he meets ability-to-benefit, homeschool, or high school equivalent requirements. 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 education development or GED certificate;
- has completed homeschooling at the secondary level;
- has passed a Department-approved ability-to-benefit test*; or
- has satisfactorily completed six credits of college work that are applicable to a degree or certificate offered by the school.

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

Equivalents to a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that 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
- For a student who enrolls before completing high school, a high school 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.

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 in order to be eligible for FSA funds. She can include in her homeschooling self-certification (see above) that she received this state credential.

Some students finish homeschooling at an age younger than the age of compulsory school attendance for their state or your school's state. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or are beyond the compulsory attendance age for the school's state. The Department considers a homeschooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be homeschooled. See also *Volume 2: School Eligibility and Operations*.

Ability-To-Benefit (ATB) test

If the student does not have a high school diploma or equivalent and did not complete secondary school in a homeschool setting, she can still qualify for aid by passing a Department-approved "ability-to-benefit" test. You don't have to use the same test for all students; you can pick the one most suitable for each student. At the time of publishing, the May 19, 2006 *Federal Register* contained the most recent list of approved tests.

▼ *Arranging for ATB tests.* The regulations also specify testing procedures that your school must follow. You must make arrangements with one or more test administrators, who must be certified by the test publisher. You should contact the test publisher to locate a certified test administrator. Certified test administrators may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

▼ *Ensuring independent testing.* To be independently administered, a test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test can't be given by a current or former employee, consultant or student of the school, owner, member of the board of directors, or person with a financial interest in the school or by a relative of any of these individuals. In addition, the test administrator cannot score the test but must submit it to the publisher for scoring.

ATB tests

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

Factors for Test Selection

When selecting a test, the school should consider the following:

- **Relevance of the test to the educational program.** Are the skills and abilities assessed important for successful completion of the program of study?
- **Level of difficulty of the test.** Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?
- **Native language.** If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. See 34 CFR 668.149 and 153.
- **Tests for students with physical disabilities.** Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.

Test approval

The Department evaluates submitted tests according to guidelines published in regulations. To apply for approval, the test publisher must submit its test and documentation specified in the regulations. After reviewing the application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will publish in the Federal Register the name of the test and the test publisher and the passing score required for students taking the test.

The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. At this time, no such tests have been submitted for approval.

Testing ESL and disabled students

34 CFR 668.153

A test is also independently administered if it is given at an assessment center. An assessment center must be located at an eligible degree-granting school or public vocational institution, and must be responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid processes. An assessment center may score students' tests unless its agreement with the test publisher prohibits it.

To be acceptable for FSA purposes, an approved test must be independently administered in accordance with the procedures specified by the test publisher—such as time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so forth. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

▼ *Testing non-native English speakers.* Students who are enrolled solely in an ESL program, or who are enrolled in a program that is taught in English and that has an ESL component in which they are also enrolled, can take the CELSA test (see the January 12, 2001 *Federal Register* for more on CELSA) or the ESL Placement Test that was added to the ATB test list in the May 19, 2006 *Federal Register*. If the student is enrolled in a program that is taught in English without an ESL component or the student does not enroll in the ESL component if offered, the student must take an ATB test in English.

As an alternative, you may determine whether these students have the ability to benefit from your program by using the guidelines in the December 30, 1992 *Federal Register* and by using tests approved as of May 19, 2006.

▼ *Testing disabled students.* For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*) as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. These requirements include giving the test in a manner that is accessible to disabled students and offering additional services such as a longer exam time for students with learning disabilities and Braille or large-print exams for visually impaired students. If your school can't give any of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

▼ *Counting previous test results.* A student who has taken an approved, independently administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain

Approved Ability-to-Benefit Tests**Publishers**

ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2
 Passing Score: Reading (35), Writing (35), and Numerical (33)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading, and Numerical)—Forms B and C
 Passing Score: Language Usage (42), Reading (43), and Numerical (41)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Combined English Language Skills Assessment (CELSA): Forms 1 and 2
 Passing Score: CELSA Form 1 (97) and CELSA Form 2 (97)

Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, Suite 1 #378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 965-5704, Fax: (805) 965-5807

COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement
 Passing Score: Prealgebra/Numerical (25), Reading (62), and Writing (32)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)
 Passing Score: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Technical Support, Telephone: (800) 486-8497

Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT
 Passing Score: Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Technical Support, Telephone: (800) 486-8497

ESL Placement Test (COMPASS/ESL)
 Passing Score: Grammar/Usage (64), Reading (70), and Listening (70)

ACT, Inc., 500 ACT Drive, Iowa City, Iowa 52243-0168, Contact: Dr. John Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2
 Passing Score: Verbal (200) and Quantitative (210)

Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. David Teuber, Telephone: (877) 605-9499, Fax: (847) 680-9492

WorkKeys Program—Reading for Information Forms A01AA, A02AA, C01AA, and D10AA; Applied Mathematics Forms A01BB, A02BB, C01BB, and D01BB.
 Passing Score: Reading for Information—Forms A01AA (76), A02AA (75), C01AA (77), and D10AA (77); Applied Mathematics—Forms A01BB (73), A02BB (74), C01BB (73), and D01BB (73)

ACT, Inc., WorkKeys Development, Professional Development Services, 101 ACT Drive, P.O. Box 168, Iowa City, Iowa 52243-0168, Contact: Dr. A. Candace Noble, Telephone (319) 337-1296, Fax: (319) 337-1229

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34

Graduated qualitative standard example

Guerrero University requires students to have a minimum 2.0 GPA to graduate, but it can be lower early in the program. Students who have completed up to 30 semester hours must have at least a 1.6 GPA. For 31 to 60 semester hours, they must have at least a 1.8 GPA, and for more than 60 hours, it must be 2.0 or higher.

Owen has been attending Guerrero part time. After two years he has taken 24 semester hours, and his GPA is 1.7. Although Owen has less than a C average or equivalent at the end of his second academic year (Guerrero considers 2.0 to be the equivalent of a C average), he's still making satisfactory progress because he meets the standard required by Guerrero for a student with less than 31 semester hours. However, if his GPA doesn't improve by the time he completes 31 hours, he'll no longer be making satisfactory progress.

Grades for test-based credits

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

documentation (usually through the previous school) that the test and its administration met federal requirements. Test scores are valid for ATB purposes indefinitely.

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for FSA funds, a student must make satisfactory academic progress, and your school must have a published policy for monitoring that progress. The policy explains the qualitative (grade-based) and quantitative (time-related) standards you use to check SAP, and it must apply consistently to all educational programs and all students within categories (e.g., full-time, part-time, undergraduate, and graduate students). It must be at least as strict as your school's standard for students enrolled in the same educational program who are not receiving Title IV aid.

You must check SAP at the end of increments that can't be longer than half the program or one academic year, whichever is less. For example, for a 700-clock-hour program, an increment can't exceed 350 clock hours. For a 2,000-clock-hour program, an increment can't exceed 900 clock hours if your school defines an academic year as 900 clock hours. Increments generally coincide with payment periods.

Qualitative standard

For programs longer than two academic years, students must have a C average or its equivalent by the end of the second year (regardless of how many credits they have accrued) or have an academic standing consistent with the requirement for graduation. If your school does not use letter grades, it must define the equivalent of a C average.

Having an academic standing consistent with the graduation requirement could mean you use an escalating grade point standard instead of a fixed one. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation but allow their average to be lower earlier in their academic career. 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.

You may grant appeals for students who fail this standard due to injury or illness, the death of a relative, or other special circumstances.

For programs of two years or less, you must have a qualitative standard at least as stringent as the one above.

Quantitative standard

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress your school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program the time frame cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by your school. For instance, if the published length of an academic program is 120 credit hours, the maximum period must not exceed 180 (120×1.5) attempted credit hours.

To ensure that students complete their program within the maximum time frame, your SAP policy must give the minimum amount of work that they must complete in each increment. This does not have to be a fixed number of hours or credits. Instead, you can require students to complete a certain percentage of the hours or credits they attempt. This allows for variations in enrollment status. You can also use a graduated completion percentage for each year. 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.

If your SAP review makes it clear that a student cannot mathematically finish her program within the maximum time frame, she becomes ineligible for aid (though she may request an appeal; see below).

Quantitative standard examples

Four-year program: Students in a bachelor's degree program at Brandt College's are required to complete 120 credits and to enroll in 15 credits each semester. The maximum time frame is six years (150% of the published length of four years), and Brandt reviews a student's academic progress after increments of one year. Students must successfully complete at least 21 credits each year. There is a one-year probationary period.

Lydia fails all her courses in her first semester at Brandt. Though she successfully completes all her courses in the second semester, she isn't making satisfactory progress by the end of the first increment because she completed only 15 credits, not 21. She is put on probation for her second year and successfully completes all but one of her courses (27 out of 30 credits), so she is then meeting the SAP standard of 42 credits completed by the end of the second year.

One-year program: Sarven Technical Institute has a 24-semester hour program that a full-time student can complete in one year. Because many students attend part time, Sarven bases the maximum time frame on the number of semester hours attempted. Its policy is that students must complete the program by the time they have attempted 36 (150% of 24) hours. Increments are 12 semester hours, so to successfully complete the program on time, students must complete eight semester hours by the end of each increment.

Allen enrolls in this program one class at a time, and each class is four semester hours. After he has enrolled in three classes (12 hours),

Maximum time frame for graduate programs

The 150% maximum time frame does not apply to graduate programs. But schools must develop, disseminate, and consistently apply a policy defining the maximum time frame in which graduate students have to complete their program.

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 Title IV aid for that program.

Quantitative standard example

Lem Community College has a 900-clock-hour program that normally takes 8 months to complete. Lem allows a maximum time frame of 12 months to complete the program, which it divides into increments of 4 months (half the published length of the program). To enable students to finish the program by the end of 12 months, Lem's SAP policy requires them to complete at least 300 clock hours in each increment.

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.

Sarven checks to see if he has completed enough work in that increment to be making satisfactory progress. Allen completed the first and third course but failed the second. Because he completed eight hours (2 courses) in this increment, he's making satisfactory progress.

Percentage completion: Frisson College decides on a maximum time frame of five years for its four-year microbiology program. It uses the semester as the increment for measuring satisfactory progress. To allow students to complete the program within the maximum time frame, Frisson requires students to complete 80% of the work attempted by the end of each increment ($4 \div 5 = 0.8$ or 80%).

Andrew and Marie enroll in the microbiology program, in 15 credits per semester for the first year. After one semester Andrew has earned 12 credits and Marie 15 credits. At the end of the second semester, Andrew has a total of 21 credits and Marie a total of 30 credits. To be making satisfactory progress, they must have completed 80% of the credits attempted by the end of each increment. This is 12 credits ($80\% \times 15$) per semester, so both students made satisfactory progress in the first semester. By the end of the second semester, they must have completed 24 credits ($80\% \times 30$). Marie is still meeting SAP, but because Andrew only completed 21 credits, he is not.

In the second year Marie again enrolls for 30 credits, but Andrew only enrolls for 15. He successfully completes all of them, so he has earned 36 credits of 45 attempted. Marie has earned 51 credits of 60 attempted. By the end of the second year, Andrew must have completed 36 credits ($80\% \times 45$); he is again making satisfactory progress. Marie must have completed 48 credit hours ($80\% \times 60$); she is still making satisfactory progress.

Retaking a program

Your school may permit a student to receive Title IV aid for retaking a program that she has completed before. Students at a clock-hour or non-term credit-hour school may also receive aid for a program they withdraw from and then reenter after 180 days. See Volume 3, chapters 1 and 3.

Change of major and transfer credits

Generally all periods of the student's enrollment count when judging SAP, even periods in which the student did not receive FSA funds. However, your policy may permit that for students who change majors, credits attempted and grades earned that do not count toward the new major will not be included in the SAP determination. You may limit how many times a student can change majors and "reset" SAP.

Similarly, you must at least count those transfer credits that apply toward the current program, though you may count all credits from the previous school.

You must also establish rules for students who seek to earn additional degrees.

Repetitions, withdrawals, incompletes, remedial and ESL courses

Your school must explain in its written policy how it handles course repetitions, such as whether only the highest or most recent grade counts. While you can exclude grades for prior attempts (repeat/delete) when calculating a student's GPA, you must include the credits from all attempts when assessing if the student meets the quantitative SAP standard.

Your policy must also explain the effect on satisfactory progress of incomplete grades, withdrawals, and remedial and ESL (not part of an ESL program) courses. You may have reasonable rules for students who initially enroll in specific courses but modify that enrollment within a very limited timeframe. However, your policy cannot exclude from the SAP review courses in which a student remained past the drop/add 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.

Probation and appeals

If your academic progress policy permits appeals and probation, it must explain the circumstances and procedures that apply. For example, your school might immediately place all students who fail their SAP check on probation. During that time they may continue to receive Title IV aid, but at the end of the period they must again be meeting your SAP standard. You cannot, however, allow two such periods consecutively.

In addition to or in place of a reasonable “automatic” probation as just described, you may have an appeal process to determine if there are mitigating circumstances that warrant a student to continue to receive Title IV aid even though he is not meeting the SAP standard. Circumstances might include, among other things, the student being ill, employed full time, or out of school for a long while. Previous non-receipt of Title IV aid does not qualify as a circumstance. This kind of probation may occur consecutively with an automatic probation.

When you put a student on probation, you are suspending the academic progress standards for her. You are not eliminating or disregarding grades or credits attempted in the SAP calculation. The student’s permanent academic record has not been modified. You are acknowledging that she continues to be FSA-eligible even though she falls below your school’s academic progress standard.

Re-establishing academic progress

A student who loses FSA eligibility because she is not meeting your school’s satisfactory academic progress standards will regain eligibility when you determine that she is again meeting the standards or when you grant her an appeal. Your written policy must explain the process whereby a student can re-establish that she meets your SAP standards.

Other than when an appeal is granted for special circumstances, a student can regain eligibility only by taking action that brings her into compliance with the qualitative and quantitative components of your school’s academic progress standard.

The requirement that a student complete a number of credits or enroll for a number of academic periods without receiving federal student aid, or that he interrupt his attendance for one or more academic periods, may be components of your SAP policy. However, neither paying for one’s classes nor sitting out a semester affects a student’s SAP standing, so neither is sufficient to re-establish FSA eligibility.

Example: satisfactory academic progress appeal

Steven is attending Brust Conservatory, and at the end of his second year, Brust determines that he isn’t making satisfactory progress. He files an appeal in the fall after he realizes he won’t receive aid for the term. Brust finally approves his appeal in January, after the fall term is over. Therefore, Steven can’t receive Pell or campus-based funds for the fall term but can receive aid for the winter term. Steven can receive a Direct loan or FFEL for the entire academic year because that is his period of enrollment.

If a student’s eligibility is restored as a result of an appeal, the school must reevaluate the student’s SAP within one year. A school may establish increments that are shorter than one year.

Example: probationary period

As part of its satisfactory progress policy, Lem Community College has a provision for academic probation. The first time a student fails to meet the satisfactory progress standards, she receives a notice from the school and is put on academic probation for one term or payment period. The student can receive aid during this period, but isn’t allowed to enroll more than half time. If the student doesn’t meet the satisfactory progress standards at the end of the probationary term, she loses eligibility for any subsequent payments until she meets the satisfactory progress standards again. Note that Lem does not have a probationary period that simply requires the student to not attend school for a time; absence does not restore eligibility.

Full-time student definition

34 CFR 668.2(b)

Half-time enrollment

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

Half-time enrollment

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.

* Except for postbaccalaureate Pell grants for teacher education, second Pell awards in an award year, and Perkins and FWS for students enrolled in a program for a teaching credential.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive aid from the Stafford and PLUS loan programs and the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (SMART) grant programs. The Pell, TEACH Grant, and Campus-based programs don't require half-time enrollment,* but the student's enrollment status does affect the amount of Pell a student receives. (Volume 3 explains how enrollment status affects a Pell award.)

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 used for FSA purposes (below) can differ from the definition 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 loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing her a full-time enrollment status lower than the minimum standard (unless she is enrolled in a program for students with intellectual disabilities).

▼ *Minimum standards for full-time enrollment.* You may include any combination of courses, work, research, or special studies in your school's definition of workload. 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 work, a course load commensurate with the definitions listed above, 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 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, they cannot be used to determine enrollment status unless they are noncredit or remedial courses as described in the sidebar. This means you cannot award the student aid for classes that do not count toward his degree or certificate.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug 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 if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV aid—they do not count if the offense was not during such a period. 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.

Counting non-credit or reduced-credit remedial work

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. 34 CFR 668.20

Drug convictions

HEA Section 484(r)
34 CFR 668.40

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 CPS maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 23; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 23. See the ISIR Guide for more information.

The HEOA established the requirement for schools to provide each student who becomes ineligible for Title IV aid 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 or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain it only after successfully completing a rehabilitation program as described below or if a conviction is 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. 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, ACG, National SMART, TEACH, and Campus-based aid for the current payment period and Direct and FFEL 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 must 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.
- 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

HEA Sec. 401(b)(8) and 484(b)(5)
34 CFR 600.2 and 668.32(c)(2)

Conflicting information

34 CFR 668.16(b)(3) and (f)

INCARCERATED STUDENTS

A student is considered to be incarcerated if 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). A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS. They are also eligible for Pell grants if not incarcerated in a federal or state penal institution. See Chapter 7 for more information on this and on sex offenders who were incarcerated but are now subject to an involuntary civil commitment.

You may accept the student's written self-certification that he is no longer incarcerated.

CONFLICTING INFORMATION

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 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. 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.

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. Refer to the *Application and Verification Guide* and the *School Eligibility and Operations* volume for more information.

CHANGE IN STATUS

The student's eligibility status can change during the award year, which almost always affects whether the student can be paid. The special rules for changes in satisfactory academic progress status were discussed earlier in the SAP section.

Gaining eligibility

A student who *applies for aid* by filling out a FAFSA is eligible for aid for the entire award year. A student who *gains eligibility* is one who was previously ineligible for some reason. In general, she may receive Pell, ACG, National SMART, TEACH, and Campus-based funds for the entire payment period and Stafford and PLUS loans for the period of enrollment in which she becomes eligible.

Gaining eligibility examples

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Sarven receives Allen'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 Allen can receive a loan.

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

Losing eligibility example

George is a student at Guerrero 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. Guerrero gave George 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 Guerrero can't disburse the Perkins loan. George doesn't have to pay back the first disbursement of his Direct loan, but he can't receive any more Title IV aid until one year elapses or he successfully completes a qualified drug rehabilitation program.

A student is eligible for Pell, ACG, National SMART, TEACH, and Campus-based aid for the entire award year, not just the payment period, in which he becomes eligible by meeting the requirements for citizenship, valid Social Security number, or Selective Service registration.

Losing eligibility

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

Eligibility Requirements for Specific Educational Programs

See *Volume 2: School Eligibility and Operations* 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 telecommunications courses unless the courses are not part of an eligible program.

Correspondence courses

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. Because of the HERA, telecommunications courses are no longer 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.

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

Telecommunications courses

These are courses offered principally through television, audio, or computer transmission through open broadcast, closed circuit, cable, microwave, or satellite; audio conferencing; computer conferencing; or video cassettes or discs. The purpose is to deliver instruction to students separated from the instructor and to support regular and substantive interaction between them. The term does not include a course delivered using video cassettes or discs unless it is delivered to students physically attending classes at a school providing the course during the same award year. If a course does not qualify as a telecommunications course, it is considered to be a correspondence course.

Students can receive Title IV aid for telecommunications 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 telecommunications are eligible for Title IV aid, and they are not considered correspondence programs.

HEA Sec. 484(l), 34 CFR 600.2, 34 CFR 668.38

Students studying abroad

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 home school at which she is enrolled as a regular student. The home school 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 home school and the foreign school.

HEA Sec. 484(o), 34 CFR 668.39

