

# Frequently Asked Questions Regarding Federal Recognition for Accrediting Agencies

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Students and families trust that approval from an accrediting agency means that a school or program prepares its graduates for work and life. The federal government also relies on accreditation to affirm that the education provided by that institution or program is a worthy investment of taxpayer dollars. Accreditation is one of the requirements for institutions to qualify for participation in federal student aid programs (formally referred to as “Title IV, Higher Education Act (HEA) programs”).

For these reasons, the U.S. Department of Education (the “Department”) has legal responsibility for oversight of accrediting agencies for Title IV, HEA purposes. When the Department determines that an accrediting agency meets the criteria established by law, accreditation by that agency fulfills one requirement for institutions and programs to participate in federal student aid programs (federal loans that students or parents need to repay, and grants or work-study that they do not) and to receive other federal support. The Department monitors accrediting agencies on an ongoing basis, and requires formal application by agencies for Department approval (called “re-recognition”) at least every five years.

The Department has [taken a number of steps](#) to strengthen the accreditation system, including more rigorous monitoring and review of accrediting agencies. The Department has prepared this document to provide more background on the review and recognition process for accrediting agencies.

## Contents

The first section of this document provides an overview of the overall procedures, timeline, and roles in the process for federal recognition of accrediting agencies, and should be of interest to all stakeholders:

### I. Overall Accreditor Recognition Process, Timeline, and Roles

- Describes the basic steps and timeline for agencies to apply for and renew their federal recognition.
- Outlines the respective roles and impact of recommendations from Department staff, recommendations from the [National Advisory Committee on Institutional Quality and Integrity](#) (NACIQI), and the final decision by the Senior Department Official (SDO).
- Outlines some of the types of recommendations and decisions that can be made regarding accrediting agencies.

The remaining sections of this document focus on the implications of Department decisions to terminate, limit, or withdraw federal recognition, since those actions, though uncommon, have the most direct impact on institutions' and students' participation in federal student aid:

### II. Implications for Institutions

### III. Implications for Other Accrediting Agencies

### IV. Implications for Students

Some language is repeated in sections II-IV in case a reader only reviews a particular section.

## Overall Accreditor Recognition Process, Timeline, and Roles

As is described in detail below and illustrated [here](#), there are several steps in the recognition process. Among the key steps are the recommendations issued by Department staff and an independent federal advisory committee, [the National Advisory Committee on Institutional Quality and Integrity \(NACIQI\)](#), regarding federal recognition of particular accrediting agencies. These recommendations are provided to the Senior Department Official (SDO) who subsequently issues a final determination, which may differ from the staff and NACIQI recommendations. At that time, the accrediting agency may appeal the decision to the Secretary, who would issue a final determination on the appeal. It is important for higher education stakeholders—accreditors, institutions, students, and others—to understand the full multi-stage process.

### 1. What is the Department’s general process for reviewing and “recognizing” accreditors?

Agencies seeking initial federal recognition must apply to the Department and demonstrate their compliance with legal criteria. These criteria lay out eligibility requirements, the types of standards accrediting agencies must have in place, and other criteria the Department uses to determine an accrediting agency’s effectiveness in carrying out its oversight of higher education institutions and programs.

Once recognized, an agency is subject to ongoing monitoring by the Department. The Department can initiate a review of an agency at any time based on information that raises concerns about an agency’s compliance with legal criteria.

In addition, each federally recognized agency must apply for re-recognition at least every five years. This process involves separate reviews and recommendations by both Department staff and NACIQI, leading to a decision by a Senior Department Official (SDO) designated to make these decisions. The process for federally recognized accrediting agencies seeking renewed recognition involves the following basic steps:

1. Department invites agency to submit application for renewal of recognition.
2. Agency submits application for renewal.
3. Department invites written public comment.
4. Department staff analyze application, public comment, and other information available to the Department; and provide the agency with the opportunity to review and respond to the Department’s draft analysis.

5. Staff analyze any further information provided in agency response and provide a final report with a recommendation to the agency and NACIQI at least seven days before the meeting.
6. At its meeting, NACIQI offers Department staff the opportunity to present their analysis and recommendation, agency staff time to respond, and onsite oral public comment by third parties. NACIQI discusses the application and makes its recommendation.
7. Staff and NACIQI recommendations are provided to the SDO, who makes the formal decision on recognition within 90 days of the NACIQI meeting, using only information that is a part of the record. The decision includes a description of the accrediting activities for which recognition is granted, known as the “scope of recognition.”
8. Agencies may appeal SDO decisions to the Secretary of Education.

More information can be found on the [Department’s accreditation website](#), with an overview of the process at the first link under “Accreditor Recognition Process and Criteria,” and a detailed description of the recognition process [here](#).

## **2. What is the range of possible recommendations and decisions?**

Recommendations and decisions can take a number of forms, though all must be made on the basis of the specific criteria established by law. If the SDO determines that an agency is compliant—that is, that the agency demonstrates effectiveness and meets all of the more than 90 criteria—the agency receives full recognition, though the period of recognition may vary (up to a maximum of five years). If the SDO determines that an agency is out of compliance with one or more criteria, the agency may be required to return to demonstrate compliance in one year or less, the agency’s scope of recognition may be limited until it comes into compliance, or the agency’s recognition may be terminated or withdrawn completely.

## **3. How does the SDO make his or her decision, and on what basis? Has he or she ever disagreed with staff or NACIQI decisions?**

The SDO makes his or her decision based solely on the record, including information submitted by the agency, public comment, the Department staff analysis and recommendation provided to the agency and NACIQI, any other information provided to NACIQI, proceedings from the NACIQI meeting, and the NACIQI recommendation. Department staff and the agency may also present additional comments to the SDO in response to the NACIQI recommendation. The SDO decision has varied from staff and NACIQI recommendations in the past; the SDO has the authority to make a decision that is different from the Department staff and/or NACIQI recommendations.

#### **4. Does the accrediting agency have an opportunity to appeal the decision?**

After the SDO decision, an accrediting agency has a total of 30 days to file its appeal of the decision, including 10 days to notify Department of its intent to appeal. That appeal goes to the Secretary, who may make the decision without a specific timeline. If appealed in this way, the decision does not become effective until the Secretary has made his or her decision.

#### **5. What are the other types of recommendations and actions that could be taken?**

The SDO may determine that an agency's noncompliance is extensive and warrants limitation, termination, or withdrawal of recognition. Given the significant potential impact of that decision on the agency, its institutions, and students, later portions of this document focuses on the implications of that decision.

If the SDO decides an agency is out of compliance with one or more criteria, but its noncompliance is not extensive enough to warrant that level of action, the SDO may require the agency to submit a "compliance report" within one year. The sections directly below provide more detail on compliance reports.

##### **a. What is a "compliance report"?**

Accrediting agencies must be in compliance with all of the Secretary's criteria to obtain federal recognition. For an agency that is seeking renewal but has not documented full compliance, the law permits the Department to allow the agency as much as one year to provide evidence that it has come into full compliance. Compliance reporting requirements are frequently imposed, responding to findings by the SDO of minor to moderate areas of noncompliance. If an agency then files a deficient compliance report, the Department may grant an extension for "good cause," of 12 months or less, to permit the agency an additional opportunity to demonstrate compliance, though this is rarely done.

##### **b. How common is it for the SDO to require a compliance report?**

Requiring an agency to complete a compliance report is the most common action the SDO takes for agencies that are not fully in compliance with the Secretary's criteria for recognition.

##### **c. Are agencies limited in any way during their compliance report period?**

The Department has the authority to place limitations on noncompliant agencies. For example, these limitations might include prohibiting an agency from accrediting new institutions or programs, or prohibiting it from expanding its scope to include distance education or additional degree types. Limitations are uncommon.

**d. Are agencies typically successful in coming into compliance, either in responding to the draft staff analysis, submitting a compliance report, or reporting, after an extension for good cause?**

Yes. However, in some cases, agencies with especially severe findings voluntarily withdraw from federal recognition before the SDO has a chance to make a decision.

**e. What are the types of findings of noncompliance?**

There are several types of findings of noncompliance with one or more of the more than 90 criteria for recognition: failure to meet basic eligibility requirements, deficient organizational and administrative resources, lack of required standards or ineffective application of them, and deficient operating policies or procedures. Findings of a lack of coherent policies or findings of ineffectiveness are among the most serious types of infractions and the most difficult to remedy in a timely fashion.

## Decisions to Terminate, Limit, or Withdraw Federal Recognition: Implications for Institutions

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NOTE: As stated above, Department staff and NACIQI make recommendations to the Senior Department Official (SDO); only the SDO (or the Secretary in the event of an appeal) has the authority to make a decision on recognition; and that decision is effective as of the date of the letter notifying the agency of that decision. The Department is providing these FAQs regarding limitation, termination, or withdrawal of recognition in order to provide background on the implications of such a decision.

### 1. What is the timeline for impact of an agency's loss of federal recognition?

When federal recognition for an accrediting agency ends, an institution for whom that agency served as its primary gatekeeper for Title IV federal student aid has, by law, **18 months to secure accreditation by another federally recognized agency** to maintain its eligibility for participation in Title IV, HEA programs. During this period, the institution will be on provisional certification and the Department may place conditions on its participation.

An accrediting agency's federal recognition generally may end in one of two ways: (1) an agency may close, withdraw from the recognition process, or otherwise cease its processes for accrediting institutions for Title IV, HEA purposes; or (2) the Department may withdraw, deny renewal of, or terminate recognition. In either case, the Department issues a final determination ending the agency's recognition. Loss of institutional eligibility and the 18-month deadline for securing alternate accreditation begin on the date the final determination letter is issued.

If Department staff and/or NACIQI make recommendations to terminate, limit current recognition, withdraw or not renew recognition, the following outline describes the usual process and timeline.

- Department staff and NACIQI submit their recommendations to the SDO. Within 90 days of receiving those recommendations, the SDO considers the recommendations and information in the formal record and makes a decision on recognition.
- If the SDO decides to terminate, withdraw or not renew recognition, or to limit recognition to exclude institutions, programs, or campuses, and the agency does not appeal the SDO decision, the action becomes effective as of the date of the letter notifying the agency of the SDO decision. In this scenario, Title IV-participating institutions are provisionally certified and have 18 months from the date of the SDO

decision to secure accreditation by another agency recognized for Title IV purposes. If the decision terminates recognition only in part, the requirement for obtaining alternative accreditation pertains only to institutions accredited within the scope of the recognition withdrawn.

- If the SDO decides to terminate, withdraw or not renew recognition, or to limit recognition to exclude institutions or programs and the agency wishes to appeal the decision, the agency has 10 days from the SDO decision to file its intent to appeal, and 30 days from the SDO decision to file the appeal. The appeal would be considered by the Secretary of Education. Once the appeal is filed, there is no deadline for the Secretary to make a decision on the appeal. If the Secretary decides to uphold the decision to end recognition in whole or in part, the action becomes effective as of the date of his or her decision. In this scenario, Title IV-participating institutions are provisionally certified and have 18 months from the date of the Secretary's decision to secure accreditation by another federally recognized agency to continue participating in the Title IV, HEA programs without interruption. Again, if the decision terminates recognition only in part, the requirement for obtaining alternative accreditation pertains only to institutions accredited within the scope of the recognition withdrawn.

## **2. What are the implications for the institution when its accrediting agency loses federal recognition?**

If federal recognition is terminated for an agency that served as the institution's primary gatekeeper for Title IV federal student aid, the institution may maintain its eligibility for up to 18 months from the date of the SDO or Secretary's decision while seeking accreditation from another federally recognized accreditor. However, a few immediate actions will take place:

- Federal Student Aid (FSA) will revise the institution's Program Participation Agreement (PPA), adding an end date for the agreement to coincide with the end of the 18-month period.
- The institution will immediately be placed on Provisional Certification, or see its Provisional Certification amended, which means the expiration date for its certification will be set based on the end of the 18-month period and additional conditions or constraints may be placed on its participation. For instance, institutional plans for growth would require application to and approval from the Department.

## **3. What if an institution is accredited by another federally recognized agency as well as the one losing recognition?**



- If an institution is dually accredited, including by an agency that has lost its federal recognition, and had previously selected the other accrediting agency as its primary accreditor for Title IV purposes and reported this information to FSA, a loss of recognition by the one agency would not impact the institution's Title IV participation. It would be the institution's responsibility, however, to ensure that the institution continues to meet all requirements for accreditation, state authorization, and licensure or certification of graduates for employment in the programs offered.
- If an institution is dually accredited and had selected the agency that has lost its federal recognition as its primary accreditor for Title IV purposes, and if the other accreditor is recognized by the Department for Title IV purposes, the institution may submit a request to the Department under 34 CFR 602.11(b) that the other accrediting agency be designated as the institution's primary accreditor for Title IV purposes, designating the withdrawal of the first agency's recognition as the reason for the change. Ordinarily, assuming the institution was in good standing with the terminated accrediting agency and there are no other concerns, the Department would accept such a request as permitting uninterrupted Title IV participation by the institution, within any applicable limits imposed by the scope of recognition the Department has granted to the alternative accreditor. Institutions may consult the Department's [accreditation website](#) to find a list of recognized accrediting agencies and their current scope of recognition.

#### **4. Are there any guidelines or restrictions for institutions seeking a new accreditor?**

If an institution wishes to become accredited by another federally recognized accrediting agency, the law is clear that the institution must meet all of that new agency's existing standards to be accredited by that agency. If an agency has received federal recognition for a scope that includes preaccreditation, by law, public and private nonprofit institutions may be able to pursue that agency's preaccreditation process; for-profit institutions are not eligible to seek preaccreditation. There is no other allowance for an agency to grant accreditation to any institution without its normal full review process. Institutions cannot be "transferred" or "adopted" from one agency to another. The institution will need to check the scope of the Department's recognition of the alternative accrediting agency to ensure it supports Title IV participation and would cover all programs it wishes to include in Title IV participation.

Any new accreditor will inquire into the institution's prior accreditation, including into sanctions, if any, imposed by the previous accreditor. If sanctions were imposed, the Department will expect the institution to provide all materials related to the sanction and demonstrate there is good cause for the Department to accept the new accreditation when the institution applies to the Department for a change of accreditor under 34 CFR 600.11. In

addition, if an institution is subject to (1) a pending action by the previous accreditor to suspend, revoke, withdraw or terminate accreditation or preaccreditation, (2) a pending or final denial by the previous accreditor of initial accreditation, or (3) probation or an equivalent status imposed by the previous accreditor, the new accreditor will also need to provide the Department under 34 CFR 602.28(c) with a thorough and reasonable explanation, consistent with its standards, why the previous accreditor's action does not preclude the new agency's grant of accreditation or preaccreditation to the institution.

Please note that if an institution, during the preceding 24 months, has either had its accreditation withdrawn, revoked, or otherwise terminated for cause, or has withdrawn from accreditation under a show cause or suspension order, it would be ineligible to reapply for participation under 34 CFR 600.11. If the previous agency has lost its federal recognition, that agency's removal of the sanction alone would not allow the institution to continue its participation in Title IV, HEA programs.

#### **5. What are the institution's responsibilities to protect students and taxpayers?**

Throughout this process, the institution is responsible for supporting its students' educational goals and protecting taxpayer funds. Accordingly, in the event an agency's recognition is withdrawn, we expect that, along with seeking new accreditation from another federally recognized accrediting agency, the institution will implement strong student protections that ensure students have opportunities to complete their educations and safeguard taxpayer funds.

#### **6. What can the Department do to ease the dislocations resulting from a withdrawal of recognition?**

By law, the Department cannot influence accrediting agencies' decisions about institutions, and all institutions have to meet agencies' standards for accreditation. That said, the Department can help other recognized accrediting agencies understand the process to pursue an expanded scope of recognition—e.g., adding additional fields of study or adding preaccreditation (which only applies to public and nonprofit institutions)—that could allow the agencies to take on new institutions; and help them access publicly available data on institutional performance (e.g., graduation and repayment rates) that may help with vetting institutions. The Department would work to stay in close contact with agencies throughout this process to ensure maximum coordination, greatest potential for positive outcomes, and student and taxpayer protections.

The Department would work closely with institutions in transitioning them to provisional FSA PPAs, while ensuring strong student protections, particularly for institutions that appear to be in greatest danger of closing or not securing new accreditation.

Institutional inquiries may be directed to the appropriate School Participation Division by calling the relevant contact listed [here](#).

## Decisions to Terminate, Limit, or Withdraw Federal Recognition: Implications for Other Accrediting Agencies

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NOTE: As stated above, Department staff and NACIQI make recommendations to the Senior Department Official (SDO); only the SDO (or the Secretary in the event of an appeal) has the authority to make a decision on recognition; and that decision is effective as of the date of the letter notifying the agency of that decision. The Department is providing these FAQs regarding limitation, termination, or withdrawal of recognition in order to provide information about the implications of such a decision.

### **1. What is the timeline for impact of an agency's loss of federal recognition?**

When an agency loses its federal recognition, an institution for which that agency served as its primary Title IV gatekeeper has, by law, 18 months to secure accreditation by another federally recognized agency to retain its eligibility for participation in Title IV, HEA programs. If an agency closes, withdraws from the federal recognition process, or otherwise ceases to accredit institutions for Title IV, HEA purposes, the Department issues a letter ending the agency's recognition, triggering the 18-month window for the agency's institutions to find another accreditor.

See the timeline in Section II, question 1 of this document for the process and timeline for action related to a Department staff or NACIQI recommendation to terminate, limit current recognition, withdraw or not renew recognition.

### **2. What are the legal requirements regarding an agency's consideration of accreditation for institutions currently accredited by another agency for Title IV, HEA purposes?**

Regardless of whether an institution is or was accredited by another federally recognized agency, the law is clear that an institution must meet all of an agency's existing standards in order to be accredited by that agency. If an agency has received federal recognition for a scope that includes preaccreditation, the law allows public and private nonprofit institutions to pursue that agency's preaccreditation process. There is no other allowance for an agency to grant accreditation to any institution without its normal full review process.

The law also requires specific additional steps and approvals for accreditation of institutions currently under sanction by another agency. Under 34 CFR 602.28, a recognized accrediting agency cannot grant accreditation or preaccreditation to an institution, or a program of an institution, that is subject to a *pending* decision by another recognized accrediting agency to

deny, suspend, withdraw, revoke, or terminate that institution's accreditation or preaccreditation status. A recognized accrediting agency also cannot grant accreditation or preaccreditation to an institution that is subject to a *pending or final decision* by another recognized accrediting agency to place the institution on probation. However, if the agency provides the Secretary, within 30 days of its decision, with a thorough and reasonable explanation, consistent with its standards, for why the action of the other body does not preclude the agency's grant of accreditation or preaccreditation, the Department will review the sufficiency of the explanation in connection with the institution's request for a change of accreditor under 34 CFR 600.11. The quality of the explanation is also reviewed to determine if it has a bearing on recognition.

In addition, under 34 CFR 600.11, any institution that has during the preceding 24 months either had its recognized accreditation withdrawn, revoked, or otherwise terminated for cause, or has voluntarily withdrawn from accreditation under a show cause or suspension order, is ineligible to reapply for participation. If the previous agency has lost its federal recognition, that agency's removal of the sanction alone would not allow the institution to continue its participation in Title IV, HEA programs.

More generally, the Department expects an accreditor to consider an applicant institution's prior accreditation, including sanctions of any kind imposed by another recognized accreditor, in making its accreditation decision. The Department will review accreditation history in determining whether there is good cause to accept the alternative accreditation when the institution applies to the Department for a change of accreditor under 34 CFR 600.11.

### **3. How would the Department help accrediting agencies that are interested in reviewing institutions that are losing their federally recognized accreditor?**

If an agency is interested in reviewing and potentially accrediting additional institutions as a result of another accrediting agency losing federal recognition or being at risk of losing recognition, it should contact the Department's Accreditation Group to explore that process. The Department can help an agency understand the process to pursue an expanded scope— e.g., adding additional fields of study or adding preaccreditation (which only applies to public and nonprofit institutions)— and help the agency access publicly available data on institutional performance (e.g., graduation and repayment rates) that may help it vet institutions.

For accrediting agency questions, agencies should contact their assigned analyst in the Department's Accreditation Group.

## Decisions to Terminate, Limit, or Withdraw Federal Recognition: Implications for Students

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NOTE: As stated above, Department staff and NACIQI make recommendations to the Senior Department Official (SDO); only the SDO (or the Secretary in the event of an appeal) has the authority to make a decision on recognition; and that decision is effective as of the date of the letter notifying the agency of that decision. The Department is providing these FAQs regarding limitation, termination, or withdrawal of recognition in order to provide information about the implications of such a decision.

### **1. If an accrediting agency withdraws or otherwise loses its federal recognition, what does that mean for students at institutions accredited by that agency?**

When federal recognition for an accrediting agency ends, an institution for whom that agency served as its primary gatekeeper for Title IV federal student aid is provisionally certified and has, by law, 18 months to secure accreditation by another federally recognized agency to maintain its eligibility for participation in Title IV, HEA programs. If the institution is not able to secure such accreditation in that timeframe, students receiving federal student aid at that institution would lose their ability to receive that aid to continue their education at that institution at that time.

Some institutions may have accreditation by an agency even though they either do not participate in Title IV federal student aid, or do not rely on that particular agency for eligibility for participation in Title IV federal student aid. Additionally, some students may not receive or plan to receive Title IV federal student aid. In these cases, there may be no direct impact on students (though an institution itself may require federal student aid for financial stability, and therefore decide it needs to close based on deterioration in its finances). Other already-enrolled students may be able to complete their educations within the 18-month timeframe, with no effect on their federal student aid.

Students who expect to continue their studies beyond that 18-month timeframe may not be able to access federal student aid at this school as of that date.

There may be additional implications that are specific to a program and/or licensure. For that information, students should contact their institution.

### **2. What should students do?**

If an accrediting agency loses its federal recognition following a decision from the SDO or the Secretary, the affected institution should immediately provide students with information on their options and the institution's plans for and progress in securing alternative accreditation. Additional information for students can be found [here](#).

### **3. What options do students have if their institution loses its federally recognized accreditor?**

Students may wish to explore opportunities to transfer to another institution that will have continued eligibility for federal student aid. An institution losing eligibility for federal student aid programs should prepare a "teachout plan" and make it available to students. This plan should, at a minimum, list any nearby institutions that offer similar programs and those institutions' policies for accepting transfer credits from their institution. Ideally, those plans include actual agreements with other institutions to accept transfer credits for specific programs. Students should request information about this plan from their institution if they are interested in pursuing transfer. Students should contact the Department via the [FSA student feedback page](#), and/or the office in their states that oversee higher education, if they discover their institution does not have such a plan available after the Department has made a final decision about the accrediting agency's recognition.

Some institutions may opt to close, rather than obtain accreditation from another agency. If the institution plans to close, it may enter into a "teachout agreement" with another institution. Under this type of arrangement, the teachout institution, which will have the accreditation necessary to permit students to participate in the federal student aid programs, will provide instruction to permit some or all of the institution's students an opportunity to complete their programs and obtain an appropriate educational credential. The Department requires the teachout institution to provide students with information about any additional charges they will incur in participating in a teachout. If this information is not made available when a teachout is offered, students can contact the Department via the [FSA student feedback page](#) to report this.

Students may opt to finish their program under the teachout agreement, but are not required to do so, nor are they required to finish the teachout if they decide to try it. If, before a student completes his or her educational program, the institution closes, or if it closes within 120 days of the student withdrawing from enrollment, the student may apply for a "closed school discharge" of his or her federal Direct loans borrowed to attend that institution.

To learn more about obtaining a closed school discharge, the student should contact his or her loan servicer to determine his eligibility. Students can contact 1-800-4FED-AID for assistance in getting contact information for their loan servicer, or if they know the name of their servicer, they can find contact information on this [FSA list](#).

#### **4. How would the Department help students throughout this process?**

If the Department makes a decision to terminate, limit, or withdraw accreditation for an agency, the Department would work with institutions to communicate with students receiving federal student aid regarding the process and their options. The Department would also work very closely with institutions in transitioning them to provisional PPAs that ensure strong student protections, particularly for institutions that appear to be in the greatest danger of closing or not securing new accreditation.

If this action would affect a large number of institutions and students, the Department would work with other accrediting agencies to facilitate smooth transitions to the extent possible, and work with institutions as they develop teachout plans, transfer options, disclosures, and other protections for students.

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