**Department of Education,   
Office of Postsecondary Education  
Webinar***DISCLAIMER:*

*Note: The following is the output of transcribing from a recording. Although the*

*transcription is largely accurate; in some cases, it is incomplete or inaccurate due to inaudible*

*passages or transcription errors. It is posted as an aid to understanding the proceedings at the*

*meeting, but should not be treated as an authoritative record.*

**Natasha**: Good morning or good afternoon depending on where you are. Welcome to the last of three webinars presented by the Office of Postsecondary Education. These webinars provide an overview of the changes to the regulatory requirements included in the distance education and innovation regulations which were published on September 2nd of 2020 and have an effective date of July 1 of 2021. Each webinar our address is a separate set of topics from these regulations. And today's webinar will address subscription-based programs.

This session will be recorded, and a recording of these sessions will be provided in a future announcement on FSA Partners Dot Ed Dot gov. Meanwhile, you can access today's PowerPoint presentation by going to the link provided on your screen, then scroll all the way to the end to find this session. Today’s webinar will be in listen only mode. You will be able to ask questions through the Q and A feature by clicking on the Q& A icon at the top right corner of your webinar screen. If time permits, we will conclude the webinar with a Q& A session. Today's webinar will be presented by David Musser of Federal Student Aid, and Greg Martin of the Office of Postsecondary Education. So now I will turn it over to Dave.

**David Musser:** Thanks Natasha, and thanks to everyone who's joining us today for the third and final webinar in our series on the September 2nd, 2020, regulations. This webinar is a continuation from our most recent presentations on satisfactory academic progress and return of Title 4 funds on April 12th and distance education and institutional. eligibility on April 26th. Today will cover a new topic from the same set of regulations, but this time we’ll be looking at subscription-based programs, a new type of program and academic calendar introduced in those regulations. So here are two presenters for today. I'll be starting us off. My name is David Musser and I'm the director of the policy innovation and Dissemination Group at the Federal at the Office of Federal Student Aid, and I'm here with Greg Martin, director of the Policy Development Group in the Office of Postsecondary Education. So, let's start by going through our agenda for today. We'll start out with a brief introduction of the September 2nd regulations and then spend some time explaining what a subscription period is and why you might want to use it. Then we'll discuss the characteristics of subscription-based academic calendars and move into a fairly lengthy discussion of the requirements for students to complete coursework in these programs in order to receive subsequent disbursements of title IV aid. Finally, we’ll explain how satisfactory academic progress return Title 4 funds and attendance requirements apply for these programs and we’ll walk you through some examples and at the end will provide a few references for you to use if you have anymore questions after the presentation.

So, these regulations were part of a negotiated rulemaking process that began in 2018 and resulted in regulations that were published on September 2nd, 2020. The rules become effective for all institutions on July 1st, 2021. It's worth noting that institutions have the option of early implementing some or all of the regulations at their discretion. Now if you decide to early implement any of these provisions, it's a good practice to clearly document your institution's decision and the date that it was made, including a statement signed by someone at your institution with the authority to make these types of decisions but department does not have any specific rules about how to document your decision to implement regulations early. Additionally, because the use of subscription-based academic calendars it’s entirely optional, as we'll discuss in a moment. But July 1st implementation date does not create any new requirements for these rules unless schools choose to offer subscription-based programs. So, let's start at the beginning. What is a subscription-based program? So, this will probably be a new concept for most of you, so we're going to take some time to describe what these programs are and what the regulatory requirements apply for you to offer them for Title 4 purposes. So, when we think about term-based programs, we tend to think about, establish start and end dates for coursework. In fact, that goes to the very essence of what a term is. The title 4 programs have similar rules for term-based programs than for non-term programs in large part because the time frame. For each course in these programs is fixed. But in recent years it's become easier to offer programs that are self-paced where students have greater control and flexibility over the time and place that they pursue coursework. Additionally, schools have become more creative about when and how they offer courses. An example of that is the incorporation of modules into more and more terms and innovation that we discussed in great detail in our earlier webinar on Return of Title 4 funds. Some schools have taken that innovation even further and have begun charging students for a defined period of calendar time without reference to the specific courses or competencies that the student is working on during that time frame. These sorts of programs have been commonly described as subscription based. Students, essentially, subscribes to receive certain instruction, certain instructional services for a school, and they are allowed to work on the coursework that they choose during that time period. The department created specific requirements for subscription-based programs in an effort to accommodate some of these characteristics, including the flexibility that students have to work on the coursework at work on their coursework at the time of their choosing. So, the second bullet on this slide is really important subscription programs, maybe competency based, but that's not actually a requirement. Many of the first subscription-based programs were in fact competency based, but the subscription-based framework could be used in other kinds of programs. The two things are not the same, and programs using traditional instructional methods like in class instruction could also qualify as subscription-based programs. There's no particular restriction on the type of modality that schools use to offer subscription-based programs either. They could be offered on campus through distance education or using correspondence courses. So, subscription-based programs will be defined in 30 CFR 668.2, and that's where you can find all of the specific regulatory requirements for using a subscription-based academic calendar for Title 4 purposes. The major requirements are all on this slide, but bear with me because I'm going to dig into each of these in more detail in just a moment. A subscription-based program is a standard or nonstandard term program. It charges a student for each term on a subscription basis, with the expectation that the student completes a specified number of credit hours or the equivalent during that term. It does not require coursework to begin or end within the established term dates. And finally, it's associated with a single enrollment status. For example, full time or half time that applies to a student throughout the program. So, I want to pause here to explain something I mentioned earlier treating a program as a subscription-based program is totally optional. You never have to use this format to offer your programs. Subscription-based programs can always be offered using a non-term academic calendar which shares many characteristics with subscription-based programs. Additionally, some schools might use subscription pricing, but still require courses to start and end within established fixed term dates. In that case, the program would not be considered subscription-based and instead the normal rules for traditional term-based programs would apply where aware of several institutions that have made this approach work in competency-based programs by requiring students to decide on the competencies that they'll work on as the period starts and then demonstrate that they've mastered those competencies by the end of the subscription period. Those programs are not required to use the subscription-based academic calendar and are not subject to any of the disbursement limitations that Greg is going to explain in just a few minutes. Those are considered traditional term-based programs because the course work starts and ends in this in the same term. So, remember we said before that subscription-based programs are term-based programs, and it really is that simple. A subscription period is either a standard term or a nonstandard term. Subscription period is synonymous with term and payment period and we're going to use those terms interchangeably throughout this presentation. So, it follows that each subscription period is subject to all of the requirements for terms, including requirements for standard terms. So, for example, a subscription period and a program using semesters must be between 4 and 21 weeks of instruction under the department's revised term length guidance in the November 5th, 2019, electronic announcement. So, each subscription period is also subject to all the requirements for calculating full time enrollment and within those requirements institutions can define enrollment status as they would with any other type of term-based program. Similarly, the rules the normal rules for the use of say, BBAY one, or BBAY two apply for direct loans as to the requirements for Pell Grant formulas 1,2 and three each of which also applied to term-based programs. The big difference here between subscription periods in traditional terms is that there are no modules and subscription-based programs. Students are always treated as being enrolled throughout the subscription period or term. The big difference is the requirement for the completion of credits, which will discuss a little bit later in the presentation. Now, one of the most important requirements for subscription-based programs is related to the way students are charge for tuition and fees in subscription-based programs. Students must always be charged a flat rate for tuition and fees for each subscription period. The regulations do not prescribe how much a student is charged, but they always require the charge to be a single rate. Now that said, there are some important exceptions to that general rule. First, if a school offered subscription periods of varying lengths in the same program, it's permitted to charge different amounts based on the length of the term. For example, at the school charged $1000 for a 10-week period it could also charge the $1500 for a 15-week period given the additional time and instructional resources that would be associated with those additional weeks of instructional time. Additionally, charges can be different in different versions of the same program we’ll explain this in more detail in a few slides but for now, suffice to say that schools can offer different versions of the same subscription-based programs at different enrollment statuses, for example halftime and full-time versions of the same program. Schools are permitted to charge different amounts for these different versions again to reflect the different institutional instructional resources devoted to a student who is expected to complete full time coursework. Each period and students who are expected to complete only half-time coursework each period. Here we give another simple example where the school charges $1000 per subscription period for the halftime version of a program, and $2000 per period for the full-time version of the program. Now the last bullet here is perhaps the most important on the slide. Charges for a program cannot vary based on the specific number of courses or comments that the student is working on during a specific period. That's what we mean by a flat rate. In this you can't charge based on the number of courses the student is actually working on during the period. So those are some important restrictions on how you can charge students in the subscription-based program. But there are also some pretty big flexibilities’ that come with those restrictions. There are no restrictions whatsoever on time frames when for when students start and end coursework in a subscription-based program. Courses or competencies can overlap with one another. They can overlap and they can overlap between different subscription periods. The flexibility is so great that it allows students enrolled in subscription-based programs to essentially take any coursework in any modality. But of course, over any time frame. The only restriction here is that this subscription periods themselves can't overlap. This is similar to how terms can't overlap in a traditional term-based format. Now, if you attended our last presentation on distance education and institutional eligibility, you might remember that we said that the distance education requirements for regular and substantive interaction apply at the course or competency level, not the program level. That applies for subscription-based programs too for each course are competent state that the institution treats this distance education. The institution must ensure regular and substantive interaction between students and instructors. Check out that presentation for more information about those requirements. Alright, so this slide explains another important aspect of subscription-based programs for title 4 purposes. Students in subscription-based programs always have the same enrollment status. The school will use the same enrollment status for every period in which the student enrolls, regardless of the number of specific courses or conferences in which the student actually enrolls during the term. And there's an exception to this that will talk about for Pell Grant purposes when you have to look at exactly what the student attended. But put that aside for a second, along with this, the school needs to have a general expectation that student’s complete coursework that's commensurate with their enrollment status. So, if your student is enrolled full time and you define full time, is 12 credits. Even if you give the student a lot of flexibility about which courses, they enroll in and when they enroll, the student should still be expected to complete at least 12 credits per term. Finally, you also need to document at least once per academic year that your student actually intends to complete at least half-time coursework, and this is done by establishing an academic plan for the student. For that period, the department doesn't prescribe what an academic plan needs to include or how it's established, but it needs to be in place to demonstrate the student’s intent to take at least half-time coursework. If a school can't document the student’s intent to complete at least half-time coursework, the student would not be eligible for direct loan funds. And the school would need to exclude miscellaneous personal expenses from the students cost of attendance, and they can only include room and board from the students cost for a limited time. So, it's important to have that academic year academic plan in place so that you can ensure and document the student is going to be attending at least half time. Now, even though students may always have the same enrollment status in the subscription-based program, schools can offer different versions of the same program that are associated with different enrollment statuses. For example, an institution could offer full time 3/4-time halftime and less than half time versions of the same subscription-based program. These are considered different programs for title 4 purposes. In this case, each version of the program would have a different published length. Each program has the same number of credits. So, a student enrolled at a lesser enrollment status is necessarily going to take more time to complete it. Transfers between versions of the same program are also not considered withdrawals. That's important here because you don't want to have to do a return of title 4 calculation every time a student switches between these kinds of programs. It's worth noting here that for title 4 purposes a student remains in the same enrollment status throughout the subscription period and can only switch statuses in a new subscription period. Now, perhaps most importantly, the credit completion requirements for disbursement purposes are cumulative for students who transfer between different programs, and Greg will explain a little bit more about how that works in a few moments. So, schools can offer different versions of the same subscription-based program and students can transfer between these different versions in order to switch enrollment status from time to time, but the regulations actually limit the number of transfers between different versions of the same program in the subscription-based format, students are only permitted to switch between different versions of the same program once per academic year. Students cannot switch enrollment statuses each term the same way that they can in traditional term-based programs. Now, having said all this, I want to note that schools are not required to have different versions of the same subscription-based program. If you offer a subscription-based program and you want to have only a full-time version of that program, that's fine, it's just that all of your students will be expected to attend full time in that program. And finally, just a few notes about program eligibility and reporting. Subscription-based programs are subject to the exact same program eligibility requirements as all other programs, including program length and the requirement to offer a degree or other recognized credential. There are currently no differences in program approval or reporting requirements for subscription programs either, and if an institution offers multiple versions of the same subscription program, they only have to report the one with the highest enrollment status and the shortest published length on the E app. And that's similar to the way that schools currently report full time and part time clock hour programs. Finally, we included this bullet at the end because it's important that you're going to that schools ensure that they use the correct published length when they reported students enroll enrollment to NSLDS. Since you might have multiple versions of the same program, you're going to have to monitor which version the student is in, and you're going to have to report the correct published length whenever you do your enrollment reporting for students in subscription-based programs. OK, now let's talk about subscription-based academic calendars and how they work. So as most of you probably know, the department has traditionally recognized three types of academic calendars standard term programs, nonstandard term programs, a nonterm programs. Each of those types of academic calendars is associated with certain characteristics and requirements. For example, standard term programs need to have a term of a certain length, and they have to use semesters, trimesters, or quarters. Nonstandard term programs can have terms of any length, but if the term links are not relatively consistent, there can be some significant limitations on how a school disperses title 4 aid in particular direct loan funds, and I'll get into that in a second. Non term programs do not use terms at all and in those programs, disbursement of title 4 aid is based on a student’s progress through the program. Subscription-based programs essentially comprise a fourth type of academic calendar that can only be used in when you have a subscription-based academic calendar, so if you offer a subscription-based program, you have to use a subscription-based calendar, but you cannot use a subscription-based calendar in any other context. So, it's tied to all of the requirements that we just described about having a subscription-based program in the first place. Now, this last bullet is really important because the department treats each subscription period as a term. Subscription-based programs are subject to all of the requirements for term-based programs except the requirement for coursework to start and end within a specified time frame. So, before we go on, let me give you a bit more background about academic terms in general and I want to explain a little bit more about how these rules might apply to subscription-based programs. So, you should recall that in programs that use of standard terms and nonstandard terms that are substantially equal and have at least nine weeks of instructional time and length the payment period for purposes of all title IV programs is the term. So that's the simplest way to do it. That's the most straightforward. However, in programs using nonstandard terms that are not substantially equal. There are actually two different definitions for payment periods based which title IV program you're talking about for Title four grant programs. The payment period is the term, but for direct loans the payment period is the time that it takes a student to complete half the hours and weeks in the academic year or program whichever is shorter. And you might recognize that second one because it looks more like the requirements for a non-term program. This separate treatment is extremely complicated even for a traditional term-based program, and it's going to be even more complicated in a subscription-based program, so technically even though nothing prevents you from offering a subscription-based program that has nonstandard terms, that are not substantially equal doing some doing so would require that you have two separate forms of monitoring your student’s progression. One form of monitoring for your title for grant programs and one for your direct loan disbursements. So, we're not going to get into how that might work in this presentation because it's going to. It would take more time than we have remaining today. But it's just a caution if you're interested in offering a subscription-based program, you need to take this into account and think about how you're structuring your subscription periods to make sure that they are structured in standard terms or nonstandard terms that are substantially equal. Unless you want to have additional complication and how your dispersed title 4 aid. So, for the visual learners among you, we wanted to offer a visual representation about how coursework can be structured in a subscription-based program and the flexibility that these programs can offer students. So, on this slide we have an example of a student who is in the second year of four-year subscription-based program. So, you can see the blue rectangles on this slide those are the subscription periods themselves, and those are the periods for which the student calculates and disperses title IV aid. As we mentioned earlier, the subscription periods cannot overlap, and they generally have to follow the requirements for standard or nonstandard term programs. Now below those blue rectangles you can see a whole array or yellow rectangles, and those are the actual courses that a particular student might be working on over these two subscription periods. On some of them you can see a little arrow. So, for English, 201 for example, it has an arrow pointing to the left and that means the class actually started in a prior subscription period. And has crossed into this first one similarly, economics 302, English 202, a psychology 206 extend from subscription period 4 into the following period. The classes overlap one another. They overlap subscription periods, and they can take place at almost any time within whatever limits that the school decides to set on them. So, what are the real differences between traditional term-based programs and subscription-based programs? Well, first in a traditional term-based program, students can enroll at different levels every term. You could have a student who enrolls full time and fallen halftime in spring, but if you're in a subscription-based program, you have to maintain a single enrollment status throughout the program. Unless the student transfers no more often than once per academic year to a version of the same program. with a different enrollment status, and we've already gone through that. And on this slide, we have a second significant difference. So, in a traditional term-based program, there are no requirements for completion of credits to receive title 4 Disbursements, except to the extent that the student has to have an adequate pace of completion for satisfactory academic progress purposes. But in this second bullet you can see a crucial difference in subscription-based program. Students have to meet certain course completion requirements in order to receive subsequent disbursements of title 4 aid. For every subscription period after the second period of the student attends for the program. Now that's quite different from your traditional term-based program where students receive aid each term based on their enrollment for that term regardless of whether they complete coursework again, putting aside satisfactory academic progress requirements, this is probably the most important aspect of a subscription-based program. And Greg is going to spend quite a bit of time on this in the next few minutes. So, you might be thinking at this point that subscription-based programs actually might sound a little bit more like non term programs than you thought. But there are also some important differences between non term programs and subscription-based programs. In a non-term program, a student does not complete a payment period and begin the next period until they've completed the hours and weeks in the prior period. In a subscription-based program, a student can complete a subscription period and begin the next period. It's just that they can't receive a disbursement for the subsequent subscription period if they haven't met the course completion requirement, so whereas in a non-term program you haven't even begun the next payment period until you've completed the course work in a subscription-based program, you may begin the next one, but you're just not going to get paid title IV aid for it until you've completed the requisite number of credits. Another difference is that in a non-term program a student is always considered full time and a payment period is the period of time that it takes to complete half the week, half the hours and half the weeks in an academic year or program, whichever is shorter but, in a subscription-based program, the school has a lot more discretion. The programs can use enrollment statuses other than full time. For example, 3/4 time or half time and the payment period is generally the term. But note again the asterisk here for programs that where subscription periods are not substantially equal. As I mentioned before, those would be much more complicated. With that I will turn it over to Greg to walk us through the course completion requirements of first subscription-based programs and a few other considerations that we want you to keep in mind, Greg.

**Greg:** Thanks Dave. And I want to welcome you all and thank you for spending part of your day with us, OK, as Dave said, I'm going to get into a discussion of course completion requirements. And this is sort of a review here, but students in a subscription-based program are paid in accordance with enrollment status that is set for their program. And for the first two subscription periods that a student attends there are no course completion required. There's no course completion requirement, and we'll see how that might sound. A little bit odd to you, but as we get into the examples, you see how that plays out in order to receive a disbursement of title 4 aid that is associated with that subsequent payment period. Student has to have completed the cumulative number of credit hours that are equal to the total number of hours for which the student was enrolled in all the previously attended terms. However, we exclude the number of hours for which the student was enrolled in the most recently attended term, and again, this might seem confusing now, but hopefully it will become a little clearer as we look at some examples. E subscription period that the student attends is associated with a number of credit hours based on the student’s enrollment status, remember Dave talking about the fact that you established the enrollment status for the student and that stays with the student. So, for example, if we have a program that is a full-time program so remembered a set of the of the progress defined fully is entirely as full time. That's the only option then everybody in it is enrolled full time. So, in this case the program is full time. The institutions definition of full time is 12 hours each subscription period, then is necessarily associated with 12 hours and that will be with the students expected to have earned as the student progresses through the program, the number of hours associated with each term are added to the cumulative total needed for the student to receive any aid with to receive the next disbursement. When we come up with the next thing period if the student has completed a sufficient number of hours, qualifies him or her for the disbursement for subscription period. The disbursement can be made up to 10 days prior to the beginning of that period. Otherwise, the school must wait until the student has completed the necessary credit hours. So, let's think about that for a moment. You're all familiar, probably with the general rules that we have or cash management role that we have for term-based programs where you can pay up to 10 days paid the disbursement up to 10 days prior to the beginning of that payment period. It's generally the case here. However, if the student does not qualify for that payment at the beginning of the payment period because he or she has not earned the requisite number of hours then you have to wait until that number of hours has occurred. Now, once the number of credit hours required to receive a disbursement for that subscription period is equal to or exceeds the number of credit hours that we need. The student is no longer eligible for title 4 aid in that program. So, once you've completed the number of hours in the program, then or they are, I should say, rather, the number of credits required to receive that disbursement exceeds the equals or exceeds the number of credits required to complete the program. Students no longer eligible, and we'll see how that plays out as well when we look at some of the examples. Let's start with the course completion example. Here we have a standard term program that uses semester hours, so pretty straightforward enrollment status. Established for this program is full time and the schools is going to define full time as 12 semester hours. You can see here that we have three subscription periods displayed. Subscription period one is the fall and that's the first academic year fall. There are 12 hours associated with it. We have the second subscription period which is spring still associated with our first academic year. We need 12 hours. 12 hours are associated with that as well. And finally, we have the third subscription period falling and that's the fault in there are 12 hours associated with it. So, as we said before, and this just shows a graphically in the first subscription period, the student attends, there are no completion requirements, and that's because this is the first. This is the first period the students attending, so obviously nothing has to have been completed prior to that, because this is our initial period enrollment student receives full disbursements of Pell, Grant, and direct loan for that period of time. And you can see here in green this is our subscription period. It is the fall. It does correspond with the term as Dave said was necessary earlier. We have 12 credit hours associated with this subscription period and there is no completion requirement. Student receives their full disbursements. The student completes six credit hours during the first subscription period, and you can see here that we have the two. The two others are displayed, not yet complete. Let's take a look at the second subscription period here. There is still no completion requirement. Remember that we don't look at the subscription period directly before the one we're talking about here, so we're allowed to sort of we are allowed, not the count that one. So, let's take a look at the second subscription period. Here the student is going to receive full disbursements of Pell Grants and direct loans credits completed at the beginning of the term are 6. And even though there are only 6, because we're not going to count that one the student can receive a disbursement for that period of time. So, note here that we have credit hours associated with this term being 12 and the completion requirement is still 0. Now we're going to move into that third subscription period on the next slide. First, I should say we're going to talk about why there is no credit completion hour, no credit completion requirement for the second subscription period, which was spring. So, remember that we said to go into exclude the credits that are associated with the most recently attended term when you are determining the number that are required to receive a disbursement. So, the most recently attended term was the fall. And so, it's 12 credit hours are going to be excluded. Remember there was nothing in the beginning because that was the first subscription period. Now, where in the second subscription period, and we don't have to count the preceding subscription period. Now we can see here that we paid. We're going to go into the into the third and the third subscription period. The student attends there is a completion requirement to receive tile 5 disbursements, so the student must complete the credits associated with all previous terms except for the most recent. The student completed 4 hours in the second subscription period for a total of 10. So now we can eliminate that previous one, right? Because you don't look at the previous one, but the student is now required to complete all of the credits that are cumulative except for that preceding one. So, with now we're forced to go back to the first one, and you can see that the credits associated with that are 12. We now have a credit completion requirement here of 12 credit hours for this third subscription period. Let's take a look at how this plays out. So, to receive that disbursement during the third subscription period the student must have completed at least 12 hours. Remember, this might seem a little confusing because they're thinking, well, we're Xing out the preceding subscription period, and we're not including it, and that's true or not. But now we have to go back to all of the cumulative hours before that. And you see, we have 12. So, we do have to look at that first one our students only completed 10. So that's where we are now. The student completed six in the first subscription period student completed 4. Now, we are still having 12 credit hours associated with each term. The completion requirement is 12 because we have to go back to the first subscription period there. But our students only completed 10, so that's where we stand currently. Student cannot receive title 4 disbursements at the beginning of a subscription period 3 but they can still earn the credits that are necessary to receive the disbursement during the term. So, the student completes two more credits here by the 10th week of this term, and when the student has completed those credits, we now have 12 cumulative credits, and the institution can make that disbursement. So, let's look at the graphic again. Here we're looking at what we've already looked at. We see that we had six hours completed in the first subscription period. We didn't have any requirement for completion in the second subscription period, and we have at that point 4 additional hours completed. And now we're moving on to the third description period here, and we see that we're in the fall, and credits associate, or 12. The completion requirement is 12. We only have 10, so you can see here as Dave pointed out earlier. This is showing that concept that even though the student doesn't have those all those hours and those hours were associated with the previous term. Here, the student wants a student does complete those additional 2 hours, and he's doing so in this third subscription period that this person can be made. So, we get to. We get into this subscription period; we get to the 10th week of this subscription period. The student is now earned those additional 2 hours he or she has the 12 hours, and that this person may be made. So far, we've talked about the fact that the student comes in and the students attending a given enrollment status such as full time, and that's the way that you work subscription-based programs. Student agrees to an enrollment status and that is enforced. However, we do have some provisions for students changing enrollment status, the nature of subscription-based programs is such that this isn't allowed all the time as it is with. With the traditional program where the student might go in the fall for halftime and then in the spring for full time and then go back and forth, but we do, we don't. We're not exactly 100% rigid here. We do allow for some changes, so the student is permitted to transfer to a version of the same subscription program with a different enrollment status, no more than once a year, so this is an important concept. Remember the student here is now considered to be transferred to a version of the same subscription-based program with a different enrollment status and this is only allowable once per academic year at the beginning of the payment period. And when the student changes enrollment status the cumulative credit completion requirement continues to follow them. It continues to increase with each new subscription period, but it's going to increase at a different rate, and we're going to show how that works on some with some examples that are upcoming here.

So here we have an example of a change in enrollment status, the same program is shown that we showed in the prior example. Full time is 12 credit hours halftime is 6 hours. After the fall subscription period, the student decides that the full-time program course load is too much and now wants to switch to a halftime version of the program, so here we can see that laid out for you this subscription period for the first for the fall, or subscription period one is shown there in blue and the credits. That credit hours associated with that because its full time are indicated at 12. Now the students going to switch to halftime, so we have subscription period 2 shown, but now the credit hours associated are no longer 12. There six because the student has switched to a halftime version of the program and he or she stays in that version for the ensuing fall, and we still have six hours associated with that subscription period. Now we're going to assume that our student is progressing at the same rate as a student. In our original example, only difference here is that we have a different enrollment status. So, the question we're asking is, will, the student qualify for disbursement when the third subscription period begins? So, let's take a look at that. Going back to the fall here, we see this subscription period one with in the first academic year. So, we're going to look at these three. These three subscription periods played out, and we're going to find out here that you don't have to answer. The question is answered for you and the question, and the answer is no, but we're going to describe why. So only the hours from the most recent period are excluded from the number the student must complete to receive a new disbursement. The rest is cumulative, so the hours from spring are excluded, but the hours from fall are still included. So, let's take a look at how that plays out. We see this subscription period here. For fall there are 12 credit hours associated with that. We don't have to look at the directly preceding subscription period, which in this case is going to be the spring. And now we're in fall, so this subscription period 3 is academic year 2 fall. There are only six hours associated with it, but remember that we still that the students cumulative progress is still following us, right? Just because you switched to a program with a different enrollment status doesn't mean you can forget about those cumulative requirements. And when the student was there in fall, that was a full-time requirement. We can't make that go away. So, although we don't have to look back the spring, we do have to look at the cumulative and that is going to be 12. So, you'll note here that although the credit hours associated with this particular term, we are in that's subscription period 3, three or six, we still have the completion requirement of 12. And thus far, or student has only earned 10 hours. The still needs to complete two more hours in order to qualify for the next set of title 4 disbursement. So, as we saw in the previous example, once the student completes those hours, the school can make the disbursements for that third subscription period, and we see that displayed for you below. We still have the first years, the first subscription period, rather which was based on full time, and we have 12 credit hours associated with it. We note the student completed six hours, the 2nd subscription period. Our student completed four. We're now in a third and we're looking back. We don't have to include the credits for the previous subscription period, but we are responsible for the cumulative number of credits required and those are 12 so you can see here in this third subscription period that once our student completes the two hours, he or, she is missing the disbursement can be made. Now we're going to imagine the student continues in the program and look at how does the change in the enrollment status affect that student as we move forward so you can see here what we already looked at, we had that first subscription period. The student completing six hours. But there were 12 hours associated with it, and the second subscription period. Now the student has moved to a halftime version of the program only six hours or associated with it. Or student completes 4 and then you can see here. That in the next subscription period we have credits associated with the with the with this being 6 and, our student has also completed 4. The credits associated with the most recent period are excluded but for the hours from the first two payment periods that would be for the academic year 1 fall and academic year 1 spring. Those are 12 because remember that the student was full time, so the credits associated with that payment here, were 12 and then for spring there were six there now added together for a total of 18 hours and see how that works there. you have the fall in the spring you see the 12 associated and the six associated. So, we need 18 our student still has only completed 6 in that fall and four in that spring we don't have to look at that next payment period. But Subscription payment period for our subscription period 3 and academic year two we have six associated, but the completion requirement is still 18 because we don't have to look at the last one, but we do have to look at the Cumulative right, so that is 18 and as of this point the credits completed be at the beginning of this term are only 14. So, the student will not qualify for title 4 disbursements for academic Year 2 spring until they complete four more hours. Now, this could happen even after that payment period ends. So, you see here let's go right back down to that last subscription period subscription Period 3 award year two in the spring. The credit hours associated are only 6 but we still have that completion requirement of 18 that being our cumulative number. The credits completed at the beginning of the term were 14 and we're asking, will the student complete the requisite number of hours to get to 18? We hope so. If that happens, the student will be eligible for the disbursement. Now let's move to a discussion of satisfactory academic progress. R2T4 and attendance satisfactory progress. There isn't a big difference here between subscription-based programs and other programs, but a lot of what we're going to have to do with this AP remains the same. And is in line with what you do for other term-based programs. For instance, checking ASAP at the end of the term still required. You can still have warning periods, but to have those you must check at the end of each term do you can also have probationary periods if there are appeal procedures established with this program and you still need to have a policy to account for repeats, withdrawals, incompletes, and transfer credits. An SAP for subscription-based programs does include all sap measurements, except you're not required to have a quantitative pace measurement that's laid out in the September 2nd, 2020, final rule. And if you think about that, there being no requirement for pace, it makes sense, because remember what we're doing with these. With these programs, there are certain number of credits associated with the enrollment status for each subscription period, and the student has to attain that number of hours in order to be eligible for the next disbursement. So, because that's in place then a pace requirement really is not an issue the student simply cannot be paid until he or she gets that requisite number of hours. So, in that regard it's similar to what we have with a non-term program. So, because of this, you're not required to have a past measurement, but all these other aspects of SAP apply; the courses begun in one term and completed in a subsequent term will be factored into the next SAP evaluation checkpoint that follows the completion of that course. Now, I will take a look at the return of title IV funds. And this is, I think rather straightforward. You pretty much following the guidelines for any term-based program, so your kind of just going to forget here that you're in a in a subscription-based environment and follow the R2T4 rules that attend to term based programs. In general, including the use of the payment period when you have a standard term the term or the payment period is always going to be the term for the R2T4 period. The denominator will include all days in the normal term timeframe, excluding scheduled breaks of five consecutive days or more. So, you're already familiar with that rule term length doesn't change if a student starts the course in one term while, completing in another, so remember examples, that's possible in a subscription-based program, but it doesn't change the stated length of the term. It's important to remember that when thinking about it in the context of R2T4 you would use the full formal charges that are associated with each term. Charges are not adjusted due to changes in enrollment status. Programs can be required to take attendance or not required to take attendance. So just as you may have a traditional program measured in standard terms, where attendance taking is not required or it is required. That could also be the case here with subscription-based programs and you will be following the normal criteria to determine aid dispersed or aid that could have been dispersed and only aid it is intended for subscription period will be included in an R2T4 calculation for that period. Another important concept here that subscription-based programs are not programs that are considered to be offered in modules. So, you don't have to worry about all of the module considerations that you might have to in a more traditional environment where you might have an academic year comprised of two semesters broken up into maybe a 16-week semester with two eight-week modules, you're not going to have that in a subscription-based period, so you don't have to worry about those rules. You don't have to worry about the 49% in the 1/2-time completion minimums. All of that is not germane to these types of programs. However, the exemption for completing all requirements for graduation does apply to all programs and includes subscription-based programs. Students in a subscription-based program or considered withdrawn if they're unable to resume attempt attendance within a payment period or period of enrollment for more than 60 days after they've ceased attendance. Unless they're approved for an LOA. And another thing to remember here is that subscription-based programs do not have to permit a student to complete coursework. The student began prior to the leave of absence as is the requirement for a standard term-based program. In many ways, subscription-based programs are the same as other programs. For instance, you need to document at least one day of academic attendance for student to qualify for title 4 aid during the period. If the student doesn't ever attend, just as it is with any other type of program is stood never established eligibility for that payment period. And it's the same for a subscription-based program. We talk about attendance for this purpose and for R2T4 requirements, we mean participation in an academically related event involving academic engagement and we define that now in 34 CFR 600.2. For Pell Grant you must be able to document that the student attended sufficient courses or competencies to comprise the student’s enrollment status. For example, 12 credit hours if the student attends less than the minimum number of courses or competencies the Pell Grant might need to be reduced. So, the rule for Pell Grants actually is statutory that student needs to have actually begun all the credits for which the enrollment status is based does apply here for subscription-based period. Subscription-based programs as well each course in a subscription-based program can only be counted once for the purpose of establishing attendance for Pell Grant another title 4 eligibility. However, a course can be counted as attended, even if it does not begin during the payment period in which it is counted. It's kind of different concept here with subscription-based programs. Here we haven't laid out graphically for you and you can see in the blue. We have those hours that are associated with the subscription period 3. This is the second academic year for the fall 12 credits being associated with it. And we can see that in the case of English, that course may well have begun prior to this subscription period, however, could still be counted in this subscription period. Calculus occurs all within the subscription period. You can see the chemistry here does begin in this fall subscription period, but the student is carrying over into the spring and that's not a problem with a subscription-based program. Economics is the same, so you can see here that we do our 12 associated. The important thing here is that we can only ever pay for those credits one time. Now you can also see the credits associated with the spring for academic year 2, 12 credits are associated with it as well. You can see for instance that art does begin in the previous period, but that's not a problem. We can count it in the spring; however, we just can't count it twice. What Wouldn't be appropriate would be to count that as part of the enrollment status necessary for 12 credit hours in the fall, and then counted again for spring. That would not be allowed, but here we're only going to count it for spring, so we have art, economics, English, and psychology for a total of 12 credits in the spring. Now let's take a look at some examples. Our first example, we were four-year Semester based program. And the total is 96 hours, and we have our academic year of 24 hours and 30 weeks some instructions. So pretty straightforward there for direct loans. The schools using a scheduled academic year or SAY but somewhere as a trailer again, a fairly common academic year set up. Full time is defined as 12 semester hours the summer subscription is optional and Pell grants are calculated using formula one, and I think that's good. We've shown that here that you can apply Pell Grant Formula One to subscription-based programs if they are standard term. So, here we're going to see it all. This play itself out we've got first year SAY and Summer is a trailer you can see here that the number of hours required, a number of hours enrolled rather are 12 required for disbursement are zero. Because this is our first payment period and the hours earned for the fall are nine. And because this is our first payment period or subscription period, I should say the cumulative hours are also nine. And you can look at these disbursements you should like sense because we have a sub there and unsub and we've got half of a Pell Grant payment for the payment period being 1/2 the Pell under Formula One. And now we're going to move to the subscription period #2, which is the spring, and we still have hours and roll here 12 required for disbursement. We don't have any required for this person, because remember, we're looking to cumulative, but we're excluding the previous period. So, because of that we have zero and the number of hours earned cumulative hours earned at this point are 21. And we are now looking at the second disbursement. Same as the first disbursement, else $1.00 less because of the way Pell Grant works out, the students not enrolled for summer. We're now looking to these second schedule academic year with summer as a trailer. And here we have fall, and this is subscription period #3 the hours enrolled are 12 and required for disbursements are going to be 12 and why is that? Because remember, we're looking back to the previous term. And for subscription period we get to exclude that doesn't count, but we are required to look at what is cumulative, cumulatively necessary at this point, and because remember that there were twelve in the first payment period. We have to look at that. We can exclude the second one. So, we now have 12 hours required for disbursement, hours that are hours earned and cumulative hours earned. So, the hours around for this, in this payment period are nine and cumulatively they're 30, so we're dispersing again are. You can see our sub and unsub and our Pell disbursement for the payment period, or three same thing happens here. In spring we went down again. We see the hours enrolled being 12 required for disbursement are now 24. We can exclude the previous payment period, but not the ones before that. So, cumulatively we have 24 necessary hours earned in this payment period or subscription period, are 12 and cumulative hours are now 42. We get our disbursement. And then we move to the summer. In this case, the student does go in summer, and you can see here that if you look at these disbursements, we've done the loan over 3 payment periods. That's not a problem. Students also getting a Pell for summer. Also, pretty straightforward. And we've got 12 hours enrolled, 36 required for disbursement, and the student does earn 6 in this payment period for a cumulative number of 48. Now we're going to carry example one forward. We still have that we still have that same program set up and let's take a look at what we're doing here. Now we're moving into the third, the third SAY summer is still a trailer. So, we're now in our subscription period #6 and we can see things moving forward here. We have total hours enrolled 12 required for disbursement are now 48. And the hours earned in this period will be 9 and for a cumulative cumulative total of 57. So, our disbursements are made. We have no problem thus far we have the requisite number of hours we need to make disbursements. Now let's move into the spring if that same way. So now we're in subscription period #7 with the spring we have again 12 hours, that are the students enrolled in. Rather we now have required for disbursement 60 hours, right and the hours earned in this in this subscription period will be 12 for total of 69. But let's look down to disbursement #7. We needed 60 hours. At this point, you'll note in subscription period 7 in order to make our disbursement if you look back at the cumulative number of hours earned previously, you've only got 57. So, we cannot make the disbursement for the spring until the student has completed an additional 3 hours. So, at the point of which the student does complete those additional 3 hours and remember this subscription-based environment, they can still be working on those hours from the previous subscription period into the next subscription period. That's what's happening here as soon as the student gets those hours, we can go ahead with disbursement #7 there's no enrollment for summer, so we're not looking at that now. We're coming up to subscription period 8 and you'll note that the total number of hours that have been earned cumulatively are 69. However, we need 72 and disbursement cannot take place until after that student has completed an additional 3 hours. And once that has an occurred, we can make that disbursement for what is the what's going to be the fall of the fourth same way. Now we move into the spring, and we see the students taking 12 hours required for disbursement at this point are 84. But you'll note the student does have 84 at the beginning of that term. We can go ahead and make the disbursement. You see those disbursements made at this point; the program is completed. Now another example, we have a two-year semester-based program of 48 hours, and we have an academic year of 24 semester hours with 30 weeks of instruction so a fairly straightforward academic year. And this time for direct loans the school is going to use borrower based academic year. Two will be the AY two since they don't have an SAY, the school does not meet the cohort default rate exemption for a single disbursement, so that means if they're doing it in a dispersing a term only, or just disbursing everything within a term, then they're going to have to break that up into two separate disbursements. Because they don't meet the cohort default rate cut off for making a disbursement as a single disbursement. Full time is still defined as 12 credit hours. In this case, summer subscription periods are required. That's at the discretion of the school. Pell grants are still going to be calculated using Formula One. And in the final period, we're going to have the student enrolled half time and being reported to NSLDS as enrolled half time. So, we can work our way through this program. Here, let's start with the first BBAY and we are in spring with that BBAY student starting in the spring 12 hours are enrolled. The students enrolled for 12 hours or other required for disbursement this is because this is the first Period the students enrolled in, the first description period. So, there is no requirement the number of hours student earns at this point are 9 and nine are cumulative, because again, we're in our first subscription period. You can see the disbursements there very straightforward. Not going to go into each of those, but you can see they have been made. Let's now move to summer again. The student enrolled for 12 credit hours. And we see zero required for disbursement. And why is that again, we can look back to the previous or the preceding subscription period, and we're not required to count those hours. So, the second subscription period here the required amount for disbursement is still 0. This student in this case earns 9 hours in the summer just as he earned 9 hours in the previous spring. But now we have a cumulative 18 hours earned disbursements have been made. Let's move to the second BBAY which is starting in the fall and again we have 12 hours there. Student is enrolled in and at this time for the first time. Now we have some hours required for disbursement. And why is that? Because while we can skip the previous subscription period or not, and we're sort of not include that one. We are now responsible for the cumulative number of hours, and so we have to look back to the 12 that were required for the first. We skip a second, so 12 plus zero is 12. So, 12 are required for disbursement at this point. The student earns 12 during this payment period for a cumulative of 30. And you can see the disbursements made. Now let's move on to the spring. We have enrollment again in 12 hours and this time required for disbursement for 24 hours because we're looking at the cumulative number of hours that are necessary without looking at the previous subscription period. So, we can forget about that previous one, which is the fall there. But the two prior to that are 12 and 12. So we have 24. And the hours earned here are going to be 12 hours for a cumulative number of hours of 42, meaning that after this point we have six hours remaining in the program. So, after that spring has elapsed, we only have 6 hours remaining. You can see the disbursements have been made. So, now let's go onto that third BBAY. And we're now going to be in summer. So, the hours enrolled here because we still have a full-time program or 12 other students only taking 6 credits because that's all we have remaining student can't take anymore credits than we have remaining at the end of this third BBAY. The student will have completed 6 credits for a total of 48. And the program has now been completed. Let's look down at the disbursements here. Note that we do have a, we are going to have a prorated Direct loan because we now have a final period of enrollment less than academic year in length. That's what's being reflected there in those disbursements. And we’ll note that we are looking at summer only summer, but there were two disbursements right because this school doesn't, has not met the threshold for the rather for the CDR exemption. So, we're going to make those two disbursements for loans, and you can see that reflected there. Note the Pell is a halftime Pell, only making one disbursement for that. Finally, we're going to take a look at the third example. Here we have a two-year semester-based program 48 hours in this program we have an academic year of 24 semester hours and 30 weeks instruction, and the school is using borrower based academic year, 2. Full time is again defined as 12 hours this summer subscription period is required and we're using Pell Grant Formula One. So, let's look at how this program progress is given. What are students doing? We have the student enrolled for 12 hours in the spring student starting in the spring. That's our subscription period. Number one and our first borrower based academic year. At this point, nothing is required for disbursement because we're just beginning the program. At the end of this payment period or subscription period, the student will have earned 6 hours and the cumulative number of hours rather have six as well. Now we look at the disbursements you can see here pretty straightforward. The student received 1750 in sub, thousand in unsub and at $3173 Pell disbursement. Now we're going to move on to the summer, which is the next subscription period. In our first borrower based academic year again the students are enrolled for 12 hours. We have none required for disbursement. And why is that? Because remember that you have to look at the cumulative number of hours, but you exclude the preceding subscription period, so we go back, and we exclude the 12 for the preceding subscription period. So, we still have no hours required for disbursement at the end of this summer subscription period the student earned had earned 9 hours for a total of 15 cumulative hours. We’re counting the nine in the summer, plus the six in the spring and the students completed 15 again. You can see the disbursements below. Now we're going to move into the second borrower based academic year. We're in the fall. Our students enrolled for 12 hours. At this point, 12 hours are required for disbursement. And why is that? Well, we can look back and say know the students, student must have the cumulative number of hours less the hours from the previous or the preceding subscription period. So, we can, we cannot include those 12 for the summer, but we are required to look at the cumulative number, which makes this go back to spring and count that 12. So, you can see here then that require for disbursement are 12 hours and we look at the end of this term and see that the student earned six hours. And now has a cumulative 21 hours. Those disbursements were made because at the beginning the student was had cumulatively earned 15 hours, so he was eligible for that disbursement, and he received that disbursement and at the end of that fall we now have 21 hours cumulative. Since the student earned an additional 6. Now, let's move to the spring we're still in the second borrower based academic year were in subscription period #4. Student is again enrolled for 12 hours. This is a full-time program required for disbursement at this point are 24 hours. Remember the rule. We can go back and exclude the preceding subscription period, which is 12 hours, so take that out. But the previous two, we are responsible for it and that would be 12 and 12. So, we need 12 for the for spring of the 1st BBAY and 12 for summer. So, we now have 24 necessaries for disbursement. And you'll note here that at the end of the fall this student only had 21. So, now we're moving into, we're seeing at the end of this period the student will have earned six hours and have a cumulative 27 and have 21 hours remaining in the program at the end of this subscription period. But let's look at the disbursements. Note that one student came into this payment period. He or she only had 21 hours and we needed what 24 hours. So, we could not make this disbursement until the student had completed three additional hours at the point where the student completed those hours, we could go ahead and make that disbursement for our subscription period #4. And that's indeed what happened here. So, before we move on, note that there only 21 hours in the program remaining at the end of this subscription period. Now we're going to move into our third borrower based academic year, and we are in subscription period #5. In the summer and again, the student loan for 12 hours. At this point we need 36 hours that are required for disbursement. And you can see and as you'll note at the, from the previous period, the student does not have that number of hours. So, hours earned in this period are going to be 6-6 hours for a total of 33 15 hours remaining in the program at the end of at the end of this subscription period, so we know that the student needs to have 36 hours to be paid here. But what he doesn't have that right? So, we see here, no payment. This student has completed 36 hours and the student doesn't complete that 36 hours within that entire summer. So, all the students coming in and attending but the student doesn't get to the requisite number of hours during that period of time. However, when the student does get that number of hours in the next subscription period, which is going to be the fall we will be able to pay that student as a late disbursement. Note that when we get here, there's not going to be any for the fall. There's not going to be any title 4 eligibility. Because the number of hours remaining now equals or exceeds the number of hours in the program. But remember that the student has not been paid that disbursement for subscription period #5. And why did this didn't get paid? Because the student didn't get to that requisite number of hours. So, at this point we can we move here, and one student dent has completed those three additional hours. He can receive the late disbursement, and he does get that there's no payment at the beginning of that payment period. But once the student has, after having completed the six, he did complete 6 hours and that's in that SP Five in the subscription period #5. But didn't vail him anything because he didn't get to the 36 hours he needed, right? We can see here you got the six but was only at 33 at the end of that payment period, so there was nothing that could be done for that student. He still needs 3 hours. He rolls into the fall, and at the point at which he gets those three hours is not eligible for a fall disbursement, but he can get the disbursement as a late disbursement that's associated with the summer. It's important that we note that the loan was originated for single term, and you want to make certain that the one that was originated. And we can go ahead and do that even though we couldn't pay the student alone until you have the requisite number of hours. Important that the loan is originative while the student is still eligible. Otherwise, there would be no late disbursement if you waited until after the student had earned those hours to originate the loan, that wouldn't be possible. So, it was originated back here and because of that the student could receive that loan disbursement and the Pell disbursement once the requisite number of hours were earned. OK, finally some references that Dave promised you earlier in the presentation. Here, so let's take a look at those. We have the distance innovation, I'm sorry, distance, education and innovation, final Rule, and the link to that remember as I think that Nastasha pointed out earlier, those were September 2nd, 2020, regulations that take effect July 1 and also the 2020 FSA conference. There was a regulatory update for distance education and innovation that we did for a virtual conference this year, and the link to those slides and in fact, that whole recorded presentation is available for you there. And with that I'm going to, well, first of all say if you have any questions, please submit them through our new customer support process and FSA's partner Connect, help Center and your given the address there. And to submit a question about one of the topics in this webinar, please complete the form and select the topic FSA ask a Fed Slash policy. I'm now going to turn it over to Pam, my colleague Pam for the question-and-answer portion of this presentation Pam.

**Pam:** Thanks Greg. Yeah, we have some questions in our Q& A box, so let's get to them. Our first question is, what about clock hour schools, can they have utilized subscription-based program?

**David:** So, thanks Natasha, the answer is no because subscription-based programs are by definition term-based programs and clock hour programs cannot use terms. You cannot have a subscription-based program that uses clock hours it has to be credit hours.

**Pam:** Thanks David. Our next question, does the institution need to seek approval from their creditor in order to use subscription-based programs and thus the subscription-based calendar?

**David:** So, Greg, I'll take this one as well, the answer, I think would actually depend on the accreditor’s requirements. If the accrediting agency considered this to be a program that new program that constitute or does substantive change for your institution, then you may need to seek their approval before offering it, but there's no specific regulation in the department's regulations that requires that. It's really up to the accreditor as to whether these programs would be a diversion from what you've done in the past that would require a specific approval.

**Pam:** OK, next question, if a student changes from one subscription period program to another, does the running total of credits need to restart the enquirer is questioning or assuming if just changes versions of the same program that running total will not restart?

**David:** It right, they wouldn't restart. They in the same yeah and it transfers in the same program that they obviously they, their cumulative at that point. The David, I don’t know if we've really discussed the transfers from one subscription-based program to another. Look, I think we have to take that one back so for the person who asked that question, I would recommend that you submit that one to the website that you see here on the screen, and we would be glad to do a little bit more research for you and provide an answer.

**Pam:** Right? If in a less than half time program version of a subscription-based program is the annual commitment to enrollment status slash academic plans still required, the questioner references slide 15, requirement to document student has committed to at least 1/2-time enrollment.

**Greg:** That's a great question. If you have a less than half time version of your program, then the student will be considered less than half time in every single payment period. So, you would not be eligible for direct loans, and you would already be using a cost of attendance for less than half time student. So, you would not need to do that specific academic plan check on the students intended enrollment. If you're in the less than halftime version of a program, that's a great question.

**Pam:** Very good, now let's switch to slide 45 where there's a question about the example. If the student doesn't complete the required 4 hours until sometime in the next subscription period and in this case the person writes down AY 3 fall. Do you pay the student for the academic year 2 spring term after the fact? There are few more attached questions, so that doesn't depend on whether the student qualifies for late disbursement rules for academic year 2 spring or is the student not eligible for any aid for academic year 2 spring term and will now need to meet the applicable requirements for academic year three fall. That's a lot, I know. Then We put this slide up. Maybe we could if you could put that slide back up would be helpful as well. The slide 45, 45. OK, so again the question was. Yep. Yeah, go ahead. Go ahead and repeat the question. Pam, sorry I was a lot. Yeah, give you a chance to take a look at this slide. Yeah, it doesn't complete the required for hours until sometime in the next subscription. Do you pay the student for the academic year 2 spring after the fact? Does it depend on whether the student qualifies for late disbursement rule for academic or is the student not eligible for any aid for the academic year 2 spring term and will now need to meet the applicable requirements academic years?

**David:** So, I think I have a good idea of what the questioner is asking now that I’ve looked at the slide a bit. So, in this case, I think they're asking Greg if the student is eligible for subscription period. So, I think we have the wrong number here. That may be why this confusion comes in. This is really subscription period #4 here. Assuming that the student, they haven't completed their credits and they don't complete it throughout subscription period 4 here when they get into subscription period #5 as soon as they complete 18 credits, they'll qualify or that prior disbursement back from subscription period 4. And then if they continue to work at a rapid pace, they can still qualify for aid in that next subscription period as well. But in that period the completion requirement will be 24. So, they'll have to keep working to get to that 24 mark in order to get the next disbursement.

**Pam:** OK, I'm considering adding a subscription-based program as students move from one subscription period to another and then another and another without completing the required credits to receive the second disbursement. Can I assess subscription fees? like tuition for each new subscription period the student needs in order to complete the required credits?

**David:** Yeah, yes you can. I mean, that is one of the inherent. We know where this subscription period, the student when sufficient period is moved through as an institution is allowed to charge for additional subscription periods.

**Pam:** OK, then I'll hand it off to Natasha now to cover the rest of the questions. Thank you, Pam.,

**Natasha:** Our next question says which Pell formulas should we use for the subscription-based program?

**David:** That'll depend on, it depends on a lot of things, but depends on the kinds of terms that you're using for your subscription-based program. So, if you are using standard terms, you would you Pell Formula One hand. If you were using for example, terms that are that together comprise less than 30 weeks of instructional time. So now let's do an example of two semesters that are both 14 weeks each. Let's say you had two subscription periods that were both 14 weeks each. You treat them as semesters. Those semesters are still shorter than 30 weeks instructional time, so that would require you to use Pell Formula Two. Most schools don't use Pell formula Two because it has some additional complications and similarly, if you have terms of somewhat unequal length, you may have to you select formula 3. But really, the answer is it depends on the kind of term that using, just like it would in a traditional term-based program.

**Natasha:** Thank you David. If a student withdraws from a period in which they were ineligible because they had not reached the required credits, would no R2T4 be required, or would you do one based on what the student should have been eligible for? So, within our 24 and not be required or would you do R2T4 based on what the student should have been eligible for?

**David:** So, I'm going to defer to Greg on this one but my thought on this would be if the student drops out before they complete the requisite number of credits to receive a disbursement for subscription period, then they'll never receive disbursements for that subscription period. So, they would not need to complete a return to title 4 calculations because there's no way for them to qualify for that period.

**Greg:** Yeah, I agree. They there would be no, you wouldn't even have any aid that could have been disbursed at that point, because you never got to the point where student was even eligible for that. For any aid for that period, it's I think it's kind of confusing because these types of programs are a lot different conceptually that we used to with the term-based program where you're applying this. We're all very familiar with a set number of this set time period, within which course work, takes place, and you're not allowed to have any overlap anything here you've got this student moving into that next period still with the aim of being able to achieve the number of credits to be eligible, but because they haven't achieved that number of hours, it's just like they're just simply not eligible for aid at all at the point at which they withdraw. So now it was. So yes, you wouldn't be required to do anything but simply document the student wasn't eligible for need for that period and there be no R2T4 calculation necessary.

**Natasha:** Thank you, Greg. Next question can a course that does not occur at all during the subscription period be counted towards a subscription period’s Pell attended enrollment status? That's part one of the question and then, there's an example. If in a full-time program and only starts attendants in nine credits during the subscription period, can the first three credit course that starts in the next subscription period be counted towards the prior term’s Pell enrollment status? And then there's another note that says maybe this will help a little more, count the three-credit course from the next subscription period after that has been attended.

**Greg:** I think we were actually just talking about this very thing, right? Yeah. I will take a shot at that. You have to so remember, the rules again, or you can only pay once for any course and the student has to have, has to have that course. You have to have that course. Would have some of that course would have to reside in that payment period. So, in the example I think Dave and maybe play this out in the example where you had 3 credits counting for the previous period that never take place in that period of time or I'm sorry, don't take place at all until the until the next payment. Can you move it back, can you move it back into the previous one? I would say no, you can't do that. You can move, you can move some forward if a student is enrolled in 15 credit hours. Only 12 being required for enrollment, and you have 3 credits that move into the subsequent subscription period. You could count that towards the next enrollment for that period. Dave, you wanted that, or

**David:** Yeah, I think that's exactly right. The at least some part of the class has to occur in the subscription period for you to count it for Pell, Grant, or General Title 4 attendance purposes. So, if you have a class that starts in subscription period 3 and no part of it took place in subscription period 2 you can't, you cannot count that class for subscription period Two’s attendance. So, in the example given, this school would have to pay that student at 3/4 time tell because they were they only ultimately attended three classes during that subscription period. I mean, I think when we look at this, we leave this slide up a little bit. Like for instance this English class. Here you see associated with subscription period three. We have the arrow going back to into subscription period two if that course started in two and let's just say that wasn't that course wasn't necessary to achieve the full-time enrollment status for two. You already had enough coursework to get the 12 credit hours and that could have even started in 2. And now it's continuing into 3. You can pay for it. You can count it towards your own status and three because some part of it does take place in three and you're not counting it twice, you didn't count it towards the enrollment status in 2, because you already had 12 hours to make up that enrollment status. So now that's rolling over into three and can be counted in three because some part of it does take place in three and you're not double counting it.

**Natasha:** OK, thank you Greg. The next question says, in your examples, the students does not enroll in summer, however in subscription students can still be in a course from one session to the next. So, in your example, if the student was still finishing a course in summer, which they began in the spring, does the student now have to be considered enrolled in the summer or as long as they do not enroll in new courses in the summer, they are not considered enrolled?

**David:** That's another great question. We got a lot of good questions today. So, Greg I think we can answer this one, though actually think the questioner points to something important which is that if a student is just wrapping up coursework in a class that's already been counted in a prior subscription period, and they're not starting or doing anything new in the summer, in this example, they would. I think they would consider that because of what we said about you have to document attendance in at least one class for title 4 purposes. If they don't start any new classes and they've already counted that class in a prior subscription period then they would not consider that student to be enrolled in the summer, and that summer would not accumulate towards this, to the student’s credit completion requirement in subsequent terms.

No, I don't. I think you're right that wouldn’t occur, but what if in this situation we could have a situation where the, yeah, we could have a situation where the student needs to have earned a certain number of credit hours to get to this person for the spring, correct? And he has to go into summer to finish those up. That would be a possibility. Yeah, I think if the student ends up having to start anything new in the summer. So, if they start a new course in order to qualify for one of those groups, one of requirements that now the student is title 4 eligible in the summer and the credits in that they are part of the summer will count toward their completion requirement in subsequent terms. But if it's just a matter of having wrap wrapping up work on prior courses the student started previously, I think we would not consider that to be title 4 enrollment for the summer. Right, I’d agree with that.

**Natasha:** OK, we are moving onto our shorter question it says: in example one, for the third-year spring term if the student finishes the required 3 credits to get the terms aid after spring is over. Can any aid for that period be disbursed?

**David:** I think the answer is essentially as long as the student meets the late disbursement criteria. If it takes them longer than that, then the subscription period that they're working on once that period ends it does become that either a retroactive or alate disbursement. And they'll just have to meet the criteria for that in order to get it.

**Natasha:** Thank you David, and then finally we have a question on page, I'm sorry screen 56. This question is from screen 56, why not subscription period #6 disbursement if earns the 12 credits and give a late disbursement to like #5.

**David:** I think the question here is why wouldn't the student qualify for yet another disbursement, the 6th disbursement? And the answer in that case is that remember way back to earlier in the presentation we said that when the number of credits that are required for the disbursement are equal to or greater than the number of hours that are required to complete the program. The student is no longer eligible for Title 4 eligibility. So, in subscription period #6 and actually for every subscription period following that, if the student continues to enroll in new subscription periods, they're not title 4 eligible because the number of credits they have to have completed will start escalating into 60 and 72, etc. And they can never complete that without actually completing the program.

**Natasha:** OK, thank you David and with that is the end of the questions that we captured. Just going to go and see if there are any more that were added. OK, there is a question in here that says Can transfer credits that come in count towards the credits required? Can we allow consortium agreements? Do these courses need to fit? And that's in quotations.

**Greg:** In the subscription period regarding the transfer credits, I mean you could yeah, certainly as any of the program you can transfer credits in. But they're not going to count. In a period, that's they would come in and be whatever they are. And put the student at that point in the program. However, they wouldn't advance, you can't, then you're not going to be able to pay the student for hours already earned as transferred in. As far as consortium agreements are concerned, I don't think anything would, Dave. You can correct me.

**David:** I don't think there's anything that would preclude it consortium agreement. I think it would be a little more difficult in a subscription-based environment. Then perhaps it would be in a standard term setting where you're just concerned about accepting credits that the student has earned as another institution. Because you're looking at, you're looking at these subscription periods and how that how those subscription period would come into play at another and another institution. Now if the question is if you've got a subscription-based program, could you execute a consortium agreement for a student to take credits at another program that wasn't subscription-based. That's a good question. I guess. You guess you could, but you still have to apply your subscription periods right to those hours. Yeah, I think that's right I think what we would say is that in it, unlike in the traditional term environment, the subscription period is going to be static in that case. And the consortium agreement coursework, much like the student’s other coursework can take place at any time, but the school is still going to have to meet all of the right requirements that it would under other circumstances. So, it will have to make sure the student attends the courses during the appropriate time frame it have to track when the student completes in through the consortium agreement in order to provide new disbursements. All of those kinds of things, but I don't see anything that would prevent the school from having a consortium agreement. I agree, Greg.

**Natasha:** Thank you Greg and David. We do have one more question, we want to try to squeeze in slide 55 for borrower base, academic year and #3 report as halftime to NSLDS. The question is, do we still report as full time to COD or update to halftime since it is final remaining period of study since it is the final remaining period of study?

There's another really great question. This is actually one that we did discuss, and the answer is that if there's only 6 credits remaining in the final remaining period of study. You would report that student to the NSLDS's halftime for that very last period.

**Natasha:** OK, thank you so much for that quick answer. And now with the time remaining I'm going to turn it over to Pam. Unless there are any other comments.

Nothing from me, great questions today. Thank you everybody and there are still questions coming into the chat, so would you like to give instruction on how those will be dealt with?

That's right, so if the folks who ask questions that we weren't able to get to today, we would encourage you to send those questions to the website again that you see here on your screen, partners that Gov Help Center contact customer support. Once we receive questions through this mailbox so we can put it through our evaluation process and will get back to you in writing, but we'd like to thank you all for your many questions and for your participation today. Thank you, David again. As David just said thank you for joining us in today's webinar. Again, you can see on your screen that questions can be submitted through our customer support help center through the FSA partners Dot ed Dot gov slash help Hyphen Center website. This concludes the final webinar in the Office of Postsecondary Education Series on the Distance Education and innovation regulations. Don't forget to keep an eye out for a future announcement about where to find the recordings and transcripts for each of these presentations and have a great rest of your day.