# Summary of Part 668—Student Assistance General Provisions

## Subpart A—General

### § 668.2 General Definitions

* Modifies the definition of a “Full-time student” to prevent a subscription-based program from providing title IV aid for retaken coursework, and provides that a minimum full time workload for a subscription-based program must be commensurate with the credit hour requirements for standard and non-standard term programs or correspondence coursework.
* Defines a “Subscription-based program” to create a framework for disbursing title IV aid – a student receives an initial disbursement but is then required to complete a cumulative number of credits before receiving aid in a subsequent period. This new definition recognizes the growing use of subscription-based programs as an innovative mechanism allowing purchase of educational instruction over a “subscription period” during which time students may demonstrate mastery of competencies at an individual pace. The programs to be covered by this definition are offered within a term-based framework, requiring schools to determine students’ enrollment status on a term-by-term basis. The definition provides a formula for doing this.
* Updates the list of administrative functions of title IV programs performed by a third-party servicer to include “originating loans” under the Direct Loan program rather than “certifying loans,” a process associated with the now defunct FFEL program.
* Removes references to the Federal Perkins Loan, FFEL, Academic Competitiveness Grant, and National SMART Grant programs, all of which are no longer in existence.

### § 668.3 Academic year

* Modifies the definition of a week of instructional time to be more flexible with respect to direct assessment and asynchronous coursework and avoids forcing students to be involved in synchronous instruction on a predetermined schedule. Specifically, a week of instructional time for a direct assessment program or a program offered using asynchronous coursework through distance education or correspondence, is any week in which the institution makes available the instructional materials, other resources, and faculty support necessary for academic engagement and completion of course objectives and expects enrolled students to perform educational activities in fulfillment of program requirements.
* Asynchronous learning occurs when faculty and students interact at different times and different places. The current definition of a week of instructional time (which requires at least one day of regularly scheduled instruction or examination over a consecutive seven-day period) does not account for this type of program structure. By clarifying that for a program offered using asynchronous coursework, a week of instructional time is linked to the availability of instructional materials and faculty interaction, the definition is sufficiently expanded to all types of instruction - both synchronous and asynchronous.

### § 668.5 Written arrangements to provide educational programs.

* Modifies the portion of a program that may be offered by an ineligible organization through a written arrangement in order to encourage partnering with entities that may have innovative solutions or technologies otherwise unavailable to colleges and universities, or that develop programs and curricula that are more workforce responsive. This could include written agreements with employers, trade associations, unions or other instructional providers as part of an apprenticeship program or other “earn and learn” model to ensure that students receive credit for all of the learning that takes place throughout their program. Such arrangements can permit institutions to respond quickly to workforce factors that affect the employability of graduates, and reduce the cost to institutions of trying to stay current with the latest equipment and technology in use by employers. Subject to some existing restrictions,
* An institution may enter into an agreement with an ineligible organization to provide up to 25 percent of a program as long as the eligible institution notifies its accrediting agency.
* An institution may enter into an agreement with an ineligible organization to provide more than 25 percent of a program, but must obtain prior, written approval from the institution’s accrediting agency.
* Establishes a formula for calculating the percentage of the program offered by an ineligible organization. An ineligible organization maintains authority or control over course design, instruction or assessment, but may agree to work with the eligible institution to make necessary modifications to align with the institution’s educational requirements. This would allow for ineligible organizations which may be more aware of employer and industry needs than the institution itself, to structure programs in accordance with those needs.
* Clarifies that written arrangements are not required in order to accept transfer credits, award credit through prior learning assessments, integrate third party instruction that leads to an industry-recognized certification within a degree or certificate program, or allow for the use of learning resources provided by entities other than the institution for students engaged in a direct assessment program or course.

### §668.8   Eligible program.

* Relocates to the Program Participation Agreement the reasonable program length requirement.
* Simplifies the clock to credit hour conversion formula by providing that a semester or trimester hour must include at least 30 clock hours of instruction, or that a quarter hour must include at least 20 clock hours of instruction. The Department also seeks input on how, outside of the 50% safe harbor, it can ensure adequate worker mobility without encouraging states to add or elevate licensure requirements or students and taxpayers to spend more than necessary to qualify for employment.

### §668.10   Direct assessment programs.

* Reduces the complexity of exiting provisions by: (1) providing that an institution must follow existing rules related to credit or clock hour programs for direct assessment programs using credit or clock hour equivalencies; and (2) requiring an institution to apply to the Department for approval to offer direct assessment programs only for their first direct assessment program and any additional programs that are substantially different from its existing programs as recognized by the institution’s accreditor or State. This greatly reduces the burden on an institution wishing to offer additional direct assessment programs following approval by the Secretary of the institution’s initial direct assessment program without sacrificing needed oversight.

## Subpart B—Standards for Participation in Title IV, HEA Programs

### §668.13   Certification procedures.

* Provides that the Secretary certifies a location of an institution that meets the requirements as a branch as a branch if it satisfies the definition of “branch” in 600.2. This change, along with those made in other sections, clarifies confusion that has arisen as a result of the Department and accreditor defining “branch campus” and “additional location” differently.
* Provides that if the Secretary does not make a determination to grant or deny certification within 12 months of the expiration of the current certification period, the institution will automatically be granted renewal of certification, which may be provisional. This is intended to promote timely processing of renewal applications by the Department.
* Updates the manner in which an institution files a request for the Secretary to reconsider a revocation by replacing faxes with electronic notifications and provides that the filing date of a request for reconsideration is the date on which the request is hand-delivered, mailed, or sent by electronic confirmation.

### §668.14   Program participation agreement.

* Clarifies the requirement for an institution to demonstrate a reasonable relationship between the length of a clock-hour program and entry level requirements for the recognized occupation for which the program prepares the student. The current regulation states that programs that do not exceed by more than 50 percent the minimum number of clock hours required by a State for licensure, certification, or the equivalent are acceptable. The revised regulation permits the institution to include the maximum number of clock hours required for licensure, certification, or the equivalent by any State or federal agency. This addresses concerns about the lack of occupational mobility that results from State licensure requirements that differ from state to state and ensures that a student who completes a program in any state could qualify for licensure or certification in any other State in which they choose to reside.
* The Department also wishes to discuss how, outside of the 50% safe harbor, it can ensure adequate worker mobility without encouraging states to add or elevate licensure requirements or students and taxpayers to spend more than necessary to qualify for employment.
* Requires an institution to update its teach-out plan when triggered by one of the events listed in (b)(31) of this section. Although institutions are required to have teach-out plans on file throughout their participation in title IV programs, when the decision is made to close an institution or location, the teach-out plan must be updated to include any teach-out agreements negotiated with other institutions, and to provide a list of students currently enrolled, including their program and anticipated completion date. This is because a generic teach-out plan provides a framework for a future teach-out, but cannot include a level of specificity needed to help students enrolled at the time of a closure identify transfer and other opportunities.

### §668.15   Factors of financial responsibility for changes in ownership.

* Clarifies that this section is used to determine the financial responsibility of an institution that undergoes a change in ownership (updates the section title).

### §668.22   Treatment of title IV funds when a student withdraws.

* Considers a student to have withdrawn from a payment period or period of enrollment if: for a student in a nonterm program, the student is unable to resume attendance within a payment period or period of enrollment for more than 60 calendar days after ceasing attendance. This change conforms with the elimination of module requirements for nonterm and subscription-based programs and acknowledges that when students seek to return to a non-term program within a reasonable period of time, institutions should not be burdened with calculating an R2T4 and possibly having to undo that calculation within this reasonable timeframe.
* Provides, for standard term programs, that a student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn, and a student who completes the coursework in a module or modules that include a number of days equal to or greater than fifty percent of the number of days in the payment period is considered to have completed the period and is not considered to have withdrawn. It is illogical to consider a student who has completed the graduation requirements of a program to be withdrawn, simply because that student learns at a more rapid pace or can find more time to engage early in course material than others. It is equally illogical to consider students who have completed coursework in a module to be withdrawn if they fail begin subsequent modules. Proposed rules would allow a student completing a module comprising 50 percent or more of the days in the payment period to have completed the period.
* Provides that for a nonterm program, a student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will resume attendance, and that date is no later than 60 calendar days after the student ceased attendance. This provides a more reasonable timeframe for a student to resume his or her attendance, which may result in fewer withdrawals.
* Makes technical corrections to the list of title IV grant or loan assistance programs by removing from that list the Federal Perkins Loan, FFEL, and Academic Competitiveness Grant, National SMART Grant Programs and adding the Iraq and Afghanistan Service Grant Program, and corresponding changes to the list of programs pertaining to the order in which title IV funds are returned.
* Makes a conforming change for post-withdrawal disbursements by referencing the cash management provisions in § 668.164(c), reflecting the most recent cash management rules related to the allowable charges for which an institution may credit students’ accounts.
* Provides that in the event of an approved leave of absence, upon the student's return from that leave of absence, the student is permitted to complete the coursework he or she began prior to the leave of absence, except for a clock hour, nonterm credit hour, or a subscription-based program. As with clock-hour and non-term credit hour programs, subscription-based programs measure progress by the work a student has completed or the competencies demonstrated, not in accordance with the passage of weeks which comprise a term. Because of this, it is not necessary to require that a student returning from a leave of absence to a subscription-based program be subject to the same constraints associated with term-based programs.
* Provides that a program is “offered in modules” if the program uses a standard term or nonstandard term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment. Despite the current definition of modules, much confusion remains as to whether or not a program is offered in modules. This modification makes it clear that courses that do not span the entire length of a payment period are only considered modules where a program uses standard or nonstandard terms.
* Provides that a student in a program offered in modules is scheduled to complete the days in a module if the student’s coursework in that module was used to determine the amount of the student’s eligibility for title IV, HEA funds for the payment period or period of enrollment. This change would simplify how an institution calculates the number of days in the denominator of the R2T4 calculation when a student is scheduled to attend more than one module or withdraws from multiple modules.

### §668.28   Non-title IV revenue (90/10).

* Removes the provisions pertaining the use and calculation of the Net Present Value of institutional loans because these provisions are no longer applicable.

## Subpart C—Student Eligibility

### §668.34   Satisfactory academic progress.

* Provides that an institution may establish a program’s maximum time frame in credit hours or in calendar time. Currently, for a credit-hour program, maximum timeframe must be measured in credit hours. Such programs would now have the option of expressing maximum timeframe in calendar time. This increased flexibility retains a reasonable limit on the amount of time students may take to complete an educational credential while acknowledging the varied ways in which credit-hour programs are now structured.
* Provides that for a credit hour program using standard or nonstandard terms, the policy specifies the pace, measured at each evaluation, at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe, but clarifies that this pace evaluation is not required for nonterm credit or clock hour programs given the requirements elsewhere in the regulations that students complete half of the hours and weeks of instruction in an academic year before a subsequent disbursement of aid can be made.
* Clarifies that for a term-based program that is not a subscription-based program, an institution may calculate a student’s pace by either dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted or by determining the number of hours that the student should have completed at the evaluation point in order to complete the program within the maximum timeframe.
* Clarifies that in a subscription-based program, an institution may only calculate a student’s pace by determining the number of hours that the student should have completed at the evaluation point in order to complete the program within the maximum timeframe. Current regulations related to the pace at which a student is expected to progress through his or her program do not provide for a measurement that reasonably accommodates subscription-based programs. This revision would address that gap.

## Subpart D—Institutional and Financial Assistance Information for Students

### §668.41   Reporting and disclosure of information.

* Provides that an institution must disclose any placement rates it is required by an accreditor or oversight entity to calculate and report, but clarifies that placement rates calculated for internal program evaluation purposes are not required to be disclosed to the public. This allows programs to do a better job of monitoring program outcomes without subjecting themselves to the risk of using a placement rate that has not been established by an accreditor or State or using surveys or other tools that do not meet the standard required for public disclosure of job placements.

### §668.43   Institutional information.

* In addition to existing requirements, provides that an institution must make readily available the written criteria used to evaluate and award credit for prior learning experience including, but not limited to, knowledge and skills learned during service in the armed forces, paid or unpaid employment, or other informal learning opportunities. This will provide greater transparency and better inform prospective students, including those who have developed mastery of skills through military service.
* Updates the current rules to reflect recent statutory changes requiring institutions to provide information about:(1) the percentage of enrolled full-time students at the institution who are male, female, receive a Pell Grant, and are a self-identified member of a racial or ethnic group; (2) the placement in employment of, and types of employment obtained by, graduates of the institution’s degree or certificate programs; (3) the types of graduate and professional education in which graduates of the institution’s four-year degree programs enrolled; (4) fire safety reports prepared by the institution pursuant to §668.49; (5) retention rate of certificate- or degree-seeking, first-time, full-time, undergraduate students entering such institution; and (6) Institutional policies regarding vaccinations.

### §668.50   Institutional disclosures for distance or correspondence programs

Section 668.50 was added through the proposed State Authorization for Distance Education rules published on 12/19/2016 through the publication of 81 FR 92232. Its effective date has been delayed until July 1, 2020. We propose to delete this section.

## Subpart H—Appeal Procedures for Audit Determinations and Program Review Determinations

### §668.113   Request for review.

* Clarifies that in cases where an institution or third-party servicer seeks the Secretary’s review of a final audit or program review determination that includes a finding about the institution’s application of the definitions of a credit hour, direct assessment, distance education, or correspondence course under 34 CFR 600.2, the Secretary relies on the definitions established by the institution’s accrediting agency to evaluate the institution’s or servicer’s compliance.

### §668.164   Disbursing funds.

* Makes technical changes for a subscription-based program by revising the early disbursement rules to provide that the earliest an institution may disburse funds to a student in a subscription-based program is the later of ten days before the first day of classes of a payment period, or the date the student completed the cumulative number of credit hours associated with the student’s enrollment status in all prior terms that the student attended under the definition of a subscription-based program in 34 CFR 668.2

## Subpart L—Financial Responsibility

### §668.171   General.

* For an institution that is not financially responsible or does not submit its audits timely, clarifies that the Secretary may, in addition to the current actions, deny the institution’s application for certification or recertification to participate in the title IV programs.
* Other technical changes.