



Policy Changes Approved April 21, 2011

Unified Student Loan Policy

Batch 177: Proposals 1240 - 1244

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual's* website at www.commonmanual.org. Please carefully note the effective date of each policy change.

Gainful Employment Provisions

The *Common Manual* has been revised to incorporate final rules published in the *Federal Register* on October 29, 2010. The Manual has been updated to include information about school reporting and disclosure requirements for a program that prepares students for gainful employment in a recognized occupation. The Manual has also been updated to include information about the school requirement to provide the Department with a notice when the school intends to offer a new program that prepares students for gainful employment in a recognized occupation.

Affected Sections:	4.1.C Maintaining Eligibility 4.4.B Student Consumer Information
Effective Date:	A new gainful employment educational program offered by a school in which initial enrollment begins after July 1, 2011. Gainful employment reporting and disclosure provided by a school on or after July 1, 2011.
Basis:	\$600.2; \$600.4; \$600.5; \$600.10; \$600.20; \$668.6; \$668.8; <i>Federal Register</i> dated October 29, 2010.
Policy Information:	1240/177
Guarantor Comments:	None.

Satisfactory Academic Progress

The *Common Manual* has been revised to align the Manual's text with final rules published in the *Federal Register* on October 29, 2010. Revised policy states that a school that elects to evaluate satisfactory academic progress (SAP) after each payment period has more flexibility in Title IV funding options than a school that chooses to measure SAP less frequently. Revised policy states that a school's SAP policy must specify the pace 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. Pace is calculated by dividing the total number of hours the student has successfully completed by the total number of hours the student has attempted. Remedial courses do not have to be included in the pace calculation. Also, revised policy provides regulatory definitions of terms applicable to SAP. Further, the glossary definition of "satisfactory academic progress" has been revised to be more concise. The *Federal Register* preamble language states that a school may decide that for the purpose of this policy change, a 2011-12 summer crossover period will be subject to its current SAP policy and procedures, as part of the 2010-11 award year. This would be acceptable, and should be addressed in the school's notification to its students of the effective date of any new policy.

Affected Sections:	4.2 Administrative Capability Standards 8.4 Assessing Satisfactory Academic Progress Appendix G
Effective Date:	Satisfactory academic progress evaluations conducted by a school on or after July 1, 2011.

Basis: §668.34; *Federal Register* dated October 29, 2010; The 2005 Blue Book.
Policy Information: 1241/177
Guarantor Comments: None.

Ability-to-Benefit Provisions

The *Common Manual* has been updated to include new language that defines what constitutes six credit hours of college work for an ability-to-benefit (ATB) student enrolled in a quarter-credit-hour or clock-hour program, and the point at which students enrolled in courses offered in modules gain eligibility based on the ability to benefit. The Manual has also been updated to define in general terms which individuals can administer an ATB test and what testing options are available to test individuals with disabilities and non-English speaking individuals.

The Manual has been expanded to include guidance related to ATB provisions for disabled individuals and non-English speaking individuals, including that the test must measure basic verbal and quantitative skills and, if administered to an individual whose first language is not English, that the Department will ensure that the test will be linguistically correct and culturally sensitive.

Affected Sections: **5.10 Ability-to-Benefit Provisions**
5.10.A Testing ATB Students with Special Needs
Effective Date: Ability-to-benefit tests administered on or after July 1, 2011, for students with special needs.

For programs measured in quarter credit hours or clock hours, ability-to-benefit determinations made on or after July 1, 2011.

For programs of study offered in modules, ability-to-benefit determinations made on or after July 1, 2011.
Basis: §668.32(e)(5), §668.142, §668.148, §668.149; *Federal Register* dated October 29, 2010.
Policy Information: 1242/177
Guarantor Comments: None.

Withdrawal and Return to a Term-Based Credit-Hour Program Offered in Modules

The *Common Manual* has been revised to incorporate final rule changes.

If a student withdraws from a term-based credit-hour program offered in modules during a payment period or, as applicable, period of enrollment, and resumes enrollment in the same program before the end of the period, the school must determine a student's eligibility to receive Title IV aid that the school or the student returned as the result of the return of Title IV funds calculation, and any Title IV aid that was canceled as the result of the student's withdrawal. A student is eligible to receive any Title IV aid for which he or she was eligible prior to withdrawal if the school determines and documents the student's eligibility—and makes any required adjustments—based on both of the following:

- The student's enrollment status upon his or her return to the program.
- The student's revised cost of attendance (COA), taking into account any reduction in the COA caused by the student's temporary cessation of enrollment.

Affected Sections: **8.7.F Delivery in Credit-Hour Programs Offered in Modules**
8.7.G Delivery to Borrowers in Special Circumstances
Effective Date: Withdrawal from a term-based credit-hour program offered in modules on or after July 1, 2011.
Basis: §668.22(a)(iii)(A); *Federal Register* dated October 29, 2010, p. 66894.

Policy Information: 1243/177
Guarantor Comments: None.

Campus-Based Programs

The *Common Manual* has been revised to expand on the definition of “campus-based programs” provided in the Glossary. The new definition clarifies that the funding for these programs is at the school level as opposed to the student level, and that the aid a student receives from these programs could vary based on whether the school participates in any of these programs, the amount of funds available for a program in which the school participates, and the school’s packaging policies.

Affected Sections: **Appendix G**
Effective Date: Upon approval by the *Common Manual* Governing Board.
Basis: §668.2(b).
Policy Information: 1244/177
Guarantor Comments: None.