Volume 1
Elements of Institutional Eligibility
Table of Contents

Chapter 1–School Eligibility 1-1

Type & Control 1-1
- *The three types of eligible institutions* 1-1
- *Institutional control* 1-1

Basic Criteria for Eligible Institutions 1-3

Accreditation 1-3
- *Alternatives to regular accreditation* 1-3
- *Primary accreditor* 1-3
- *Dual accreditation* 1-4

Admissions Standards 1-4
- *High school diploma* 1-4
- *Recognized equivalent of a high school diploma* 1-4
- *Homeschooled students & compulsory school attendance* 1-5
- *Preparatory programs for students without a high school diploma or equivalent* 1-5

Factors Leading to Loss of Eligibility 1-6
- *Limitations* 1-6
- *Bankruptcy or crimes involving FSA programs* 1-6

Criteria to Participate in TEACH Grant Program 1-7

Withdrawal Rates 1-7

The Program Participation Agreement 1-8
- *Purpose and scope of the PPA* 1-8
- *Expiration or termination of the agreement* 1-8

Chapter 2–Program Eligibility 1-11

Determining Program Eligibility 1-11

Basic Types of Eligible Programs 1-12
- *Eligible programs at an institution of higher education* 1-12
- *Eligible programs at a proprietary or postsecondary vocational institution* 1-12

Programs Leading to Gainful Employment 1-13

Additional Eligibility Requirements 1-13

Written Arrangements Between Schools 1-14
Consortium agreement 1-15
Contractual agreement 1-15
Study-abroad programs 1-16
Types of study-abroad programs 1-17
Distance Education & Correspondence Study 1-17

Chapter 3–School Participation Requirements 1-19
Administrative Requirements for the Financial Aid Office 1-19
Consistency of information & conflicting information 1-19
OIG referrals 1-21
Coordinating official 1-22
Counseling 1-22
Adequate staffing 1-22
System of checks and balances 1-22
Code of conduct 1-23
Contracts with Third-Party Servicers 1-24
Excluded functions 1-24
Excluded entities 1-25
Requirements of a third-party servicer contract 1-25
Incentive Compensation Prohibition 1-26
Required Electronic Processes 1-27
Information for Financial Aid Professionals (IFAP) 1-27
Minimum systems requirements 1-28
Sharing Information with NSLDS, Federal Loan Servicers, & Guarantors 1-28
Reporting student enrollment data to NSLDS 1-28
Updating borrower information at separation 1-29
Sharing information about delinquent/defaulted borrowers 1-29
Financial aid history & transfer monitoring 1-30
Satisfactory Academic Progress (SAP) 1-30
Basic elements of an SAP policy 1-31
Provisions for U.S. Armed Forces Members & Families 1-31
In-state tuition rates for active-duty service members and family attending public institutions 1-31
Readmission of service members 1-32

Chapter 4–Consumer Information 1-35
Availability of Information 1-35
Notice to enrolled students 1-35
Web dissemination 1-35
Availability of employees for information dissemination purposes 1-36
Disclosures 1-36

Textbook Information 1-38
Loan Counseling 1-38
Entrance counseling 1-38
Direct Loan counseling on the Web 1-39
Providing borrower information at separation 1-39
Exit counseling follow up 1-39
TEACH exit counseling 1-40
Counseling for correspondence & study-abroad students 1-40
Misrepresentation 1-40
Information about Private Loans 1-42
Disclosures required for private education loans 1-42
Self-certification form for private education loans 1-43
Schools as private lenders 1-43
Preferred lender lists 1-44
Preferred lender disclosures 1-44
Use of institution & lender name 1-45

Chapter 5–Recordkeeping and Privacy 1-49

Required Records 1-49
Records related to school eligibility 1-49
Records relating to student eligibility 1-50
Fiscal records 1-50
Loan program records 1-52
Record Retention Periods 1-53
Record Maintenance 1-54
Acceptable formats 1-54
Special requirements for SARs and ISIRs 1-54
Examination of records 1-55
Location 1-55
Cooperation with agency representatives 1-55
Privacy of Student Information (FERPA) 1-56
Students' & parents' rights to review educational records 1-56
Prior written consent to disclose the student's records 1-57
Disclosures to school officials 1-58
Disclosures to government agencies 1-58
Disclosures in response to subpoenas or court orders 1-58
Documenting the disclosure of information 1-59
The E-Sign Act & Information Security 1-60
Obtaining voluntary consent for electronic transactions 1-60
Safeguarding confidential information in electronic processes 1-60
Establishing & maintaining an information security program 1-61

Chapter 6–Other Administrative Requirements 1-63
Safety Requirements 1-63
Reporting crimes 1-63
Fire safety 1-64
Missing persons procedures 1-64
Emergency response & evacuation 1-65
Timely warning & emergency notification 1-66
Reporting Information on Foreign Sources & Gifts 1-66
Anti-Lobbying Provisions 1-67
Prohibition on use of FSA funds 1-67
Campus-based disclosure 1-67
Voter Registration 1-67