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# School-Based Requirements

*In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets the eligibility requirements. In some cases, the financial aid office will need to get information from other school offices (such as the admissions office or the registrar) or from other organizations (such as high schools or testing agencies).*

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## REGULAR STUDENT IN AN ELIGIBLE PROGRAM

**A**n individual must be enrolled as a regular student in an eligible program in order to receive SFA funds (with two exceptions that are discussed later). A regular student is someone who is enrolled (or accepted for enrollment) for the purpose of obtaining a degree or certificate offered by the school. The definition of an eligible program is discussed in detail in the *SFA Handbook: Institutional Eligibility and Participation*.

The school must determine separately for each individual student taking courses that are part of an eligible program if that student is a regular student. The school must also document each student's status in the student's files. The school is only required to document a student's enrollment in an eligible program at the time of admission. However, it must be able to notify the financial aid office should the student leave the program at any time during the course of enrollment.

### *Continuing Education*

Students who enroll in courses in a school's continuing education department without being admitted into an eligible degree or certificate program are not regular students and are not eligible for SFA funds.

Students who have been admitted into an eligible degree or certificate program and then enroll in courses in the continuing education department are regular students and are eligible for SFA funds if the courses apply to their degree or certificate program.

### *Conditional Acceptance*

Some schools admit students under a conditional or "provisional" acceptance. For example, a student might be conditionally accepted until he or she provides further documentation (such as academic transcripts or test scores) or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of

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## Regular Student Cites

*Sec. 484(a)(1), (b)(3), (4); 34 CFR 668.32(a)(1)*

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## Regular Student Example

*Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any of its courses. Many of these students do not intend to receive a degree or certificate. Lem requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. It considers such students to be regular students; other students in the same classes are not regular students.*

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## Continuing Education Examples

*Example 1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for SFA funds.*

*Example 2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for SFA funds.*

## Conditional Acceptance Examples

*Example 1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students and aren't eligible for SFA funds.*

*Example 2. Park University accepts students into its graduate programs on the condition that the students receive no grade lower than a "B" in the first three courses in their program. During this time, Park University considers these students to be admitted into the graduate programs, so they are eligible for SFA funds. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn, and they then will be ineligible for SFA funds.*

number of courses or enrollment status, until the student meets the necessary conditions.

Students admitted as conditional or provisional are regular students only if they are officially accepted into the eligible degree program, as determined by the school's admission policies. The Department does not define the meaning of official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she isn't considered to be a regular student, and she is not eligible until she is officially admitted.

## Remedial Coursework

Remedial coursework prepares a student for study at the postsecondary level. If a student is enrolled solely in a remedial program, the student is not considered to be in an eligible program and thus is not eligible for SFA funds. Although the student is not a regular student in an eligible program, he or she might be eligible for Direct Loan or FFEL funds, as described under "Preparatory Coursework," page 15. A student whose acceptance into the eligible program is contingent on completing the remedial work cannot be considered to be enrolled in the eligible program until he or she completes the remedial work.

If the student is admitted into an eligible program and takes remedial coursework within that program, the student can be considered a regular student. In addition, a limited amount of the remedial coursework can be counted in the student's enrollment for the purposes of financial aid. The remedial coursework must be at least at the high-school level, as determined by the state legal authority, the school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education. A school can't take into account more than one academic year's worth of remedial coursework for a student. For the purposes of this limit, an academic year's worth of coursework is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. ESL courses don't count against these limits. Note that if the remedial coursework is noncredit or reduced-credit, the school must determine how many credit hours the coursework is worth to count it in the student's enrollment (see "Enrollment Status," page 25, for more information).

A school cannot count noncredit remedial hours in the student's enrollment if the noncredit remedial course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for high school, even if the GED or high school training is offered at postsecondary schools. These remedial hours must not be counted, even if the course is required for completing the postsecondary program.

### Preparatory Coursework

A student not enrolled in a degree or certificate program is eligible for Direct Loans or FFELs for a period of up to one year if the student is taking coursework necessary for his or her enrollment in an eligible program. The coursework must be part of an eligible program otherwise offered by the school, although the student does not have to be enrolled in the eligible program. If a student is enrolled at least half time in these prerequisite courses and if the courses are part of an eligible program, the student is eligible for loans for one consecutive 12-month period beginning on the first day of the loan period for which the student is enrolled. If the 12-month period of preparatory coursework represents more than one academic year, the student may receive multiple loans.

To be eligible under this exception, the student must be taking courses that are a prerequisite for admission. If the student is simply taking the courses to raise his or her GPA in order to be admitted, the student would not qualify for loans under this exception.

### Teacher Certification

A student may receive Perkins Loans, FWS, Direct Loans, or FFELs if he or she is enrolled at least half time in a required teacher certification program, even though the teacher certification program does not lead to a degree or certificate awarded by the school. To qualify, the program must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach or in the state where the student is completing the program. Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by the school but not required for certification do not qualify. The school should document that the courses are required by the state for teacher certification.

Due to changes made by reauthorization, a student with a bachelor's degree enrolled in a teacher certification program can also receive a Pell in certain limited situations. If the student is enrolled at least half time at a school that doesn't offer a bachelor's degree in education, is in a postbaccalaureate program not leading to a graduate degree, and is taking teacher certification courses required by the state, the student is eligible for a Pell Grant. For more details, see the Handbook volume pertaining to Pell Grants.

## ELEMENTARY OR SECONDARY ENROLLMENT

**A** student enrolled in elementary or secondary school is not eligible for aid from the SFA programs. Such a student is not eligible even if he or she is simultaneously enrolled in an eligible postsecondary program.

### Definition of Secondary School Enrollment

A student is considered to be enrolled in a secondary school if he or she is pursuing a high school diploma. A student who has completed the diploma requirements but has not yet received a

### Preparatory Coursework Example

*Eddy has a bachelor's degree, with a major in mathematics. He wants to enroll in a graduate computer science program at Guerrero University. He needs 12 more semester hours of computer science coursework to meet Guerrero's admission requirements. He enrolls in courses that are part of Guerrero's undergraduate degree program, but because he is not enrolled for the purpose of receiving an undergraduate degree, he is not a regular student. However, because the coursework is necessary for his enrollment in the graduate program, he may receive a FFEL or Direct Loan for this coursework.*

### Elementary/Secondary Enrollment Cites

*Sec. 484(a)(1), 34 CFR 668.32(b)*

### Elementary or Secondary Enrollment Example

*Lida is a junior in high school. She enrolls in an electronics technician program at Lem Community College; the coursework is offered in the evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.*

### Secondary School Enrollment Example

*Owen, a student at Guerrero University, decides to take a driver's education course at the local high school during the summer. Because his state does not require driver's education for the high school diploma, he is not considered to be enrolled in secondary school, and could receive financial aid for summer courses taken at Guerrero, provided he is a regular student there.*

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### Academic Qualification Cites

*Sec. 484(d), 34 CFR 668.32(e)*

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### Recognized Equivalent of a High School Diploma Cites

*34 CFR 600.2*

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### Diploma Equivalent Example

*Kitty enrolls in the bachelor's degree program at Bennet College. She didn't graduate from high school, and doesn't have a GED. Bennet looks at her high school records to see if she excelled academically in high school. Because she had a C average, Bennet decides she didn't excel academically, and so doesn't have the equivalent of a high school diploma. If she were enrolled in a two year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program, and would be eligible for SFA funds for the last two years of her degree program. However, since Kitty never went to college before, she'll need to take an ability-to-benefit test if she wants to receive SFA funds.*

diploma is still considered to be enrolled in secondary school if he or she is taking postsecondary coursework for which the high school gives credit. A student who has completed but not received a diploma is also considered to be enrolled in secondary school if the high school granting the diploma still considers the student to be enrolled at that high school.

An adult pursuing a GED (not a diploma) would not be considered to be enrolled in secondary school. However, as mentioned earlier, a student can't receive aid for the GED training, although she could receive aid for other coursework provided she met ability-to-benefit requirements. In addition, an adult taking special courses at a high school that are not part of the state's high school diploma requirements would not be considered to be enrolled in secondary school.

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## ACADEMIC QUALIFICATION (DIPLOMA OR ABILITY TO BENEFIT)

**T**o receive SFA funds, a student must be qualified to study at the postsecondary level. For SFA purposes, a student with a high school diploma or its recognized equivalent is considered qualified.

A student without a diploma or equivalent can be eligible for SFA funds if he or she passes a Department-approved test or enrolls in a school that participates in a Department-approved state process (no state processes have yet been approved).<sup>1</sup> As of October 1, 1998, home-school students are also eligible under certain circumstances (see "Home-Schooled Students," below).

### *High School Diploma or Equivalent*

The Department recognizes several equivalents to the high school diploma:

- General Education Development (GED) certificates and state certificates;
- For a student enrolling in an program at the associate-degree level or higher, documentation that the student excelled academically in high school and has met the school's admissions standards;
- A certificate of completion of a home-study program if the program is recognized by the student's home state;
- A student's postsecondary school academic transcript if the student has completed a program of at least two years in length that is acceptable for full credit toward a bachelor's degree.

A high school diploma from a foreign school **is** considered a high school diploma for SFA purposes.

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<sup>1</sup> In the case of a school with branch campuses, the process must have been approved by the state in which the branch the student is attending is located.

**Documentation of diploma**

A school isn't required to ask for a copy of a high school diploma or GED. A school may accept as documentation a student's statement that he or she has a high school diploma or GED.

**Home-Schooled Students**

As mentioned previously, a certificate of completion of a home-study program is considered the equivalent of a high school diploma if the program is recognized by the student's home state. However, not all states officially recognize home-study programs, so some home-schooled students don't have the equivalent of a high school diploma. Home-schooled students in those states are eligible for aid if the state did not consider them to be in violation of truancy laws.

**Ability-to-Benefit (ATB) Test**

If the student doesn't have a diploma or the equivalent, he or she can still qualify by passing a Department-approved test, called an ability-to-benefit test. The test must be independently administered in accordance with Department regulations.

**Approved tests**

The Department publishes notices of approved tests in the *Federal Register*. (We have included a list of all the currently approved tests later in this chapter.) You can also call Customer Support at 1-800-433-7327 for information on tests approved after this publication went to print. A school doesn't have to use the same test for all its students, but can pick whichever one is most suitable for each individual student.

**Special needs**

The regulations take into account the special needs of students who are not native speakers of English. Under certain circumstances, special testing procedures or instruments may be used for testing such individuals. For students whose native language is not English, the school must use one of the approved tests (listed later in this chapter) if a student enrolls in a program taught in English without an English as a Second Language (ESL) component or if the student does not enroll in an offered ESL component. Otherwise, the school may use a test approved in the student's native language or an ESL test, as appropriate.

The regulations contain provisions for approving tests for students whose native language is not English and who are not fluent in English. At the time this publication went to print, no such tests had been approved. Therefore, schools should make ATB eligibility determination for these students based on guidelines stated in the December 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996. For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*), as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. This includes giving the test so that it is accessible to disabled students and offering additional services such as a longer exam time for

Home-Schooled Students Cite  
*Sec. 484(d)(3), 34 CFR 668(e)(4)*

Ability-to-benefit Regulations  
*Subpart J of Part 668*

**Factors for Test Selection**

*When selecting a test, the school should consider the following:*

- **Relevance of test to the educational program.** *Are the skills and abilities assessed important for the successful completion of the student's planned program of study?*
- **Level of difficulty of the test.** *Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?*
- **Native language.** *If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. (See "Special needs.")*
- **Tests for students with physical disabilities.** *Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.*

### **Independently Administered**

*To be independently administered, a test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test can't be given by a current or former employee, consultant, or student of the school, an owner or member of the board of directors, a person with a financial interest in the school, or a relative of any of these individuals. In addition, the test administrator cannot score the test, but must submit it to the publisher for scoring.*

*A test is also independently administered if it is given at an assessment center. An assessment center is located at an eligible degree-granting school or public vocational institution, and is responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid process. An assessment center may score students' tests, unless its agreement with the test publisher prohibits it.*

students with learning disabilities and Braille or large-print exams for visually impaired students. If a school can give none of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

### **Test approval**

The regulations address both approval and administrative procedures for test publishers. The Department evaluates the submitted tests according to the regulatory guidelines. The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. Note that no such tests have yet been approved.

To apply for approval, the test publisher must submit its test and certain documentation specified in the regulations. After receiving an application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will then publish in the *Federal Register* the name of the test and the test publisher and the passing score required for students taking the test. The minimum passing score for each test is included in the list on the next page.

### **Administering tests**

The regulations also specify testing procedures school must follow. The school should make arrangements with one or more test administrators, who must be certified by the test publisher. The school should contact the test publisher to locate a certified test administrator. Certified administrators may include but are not limited to people in these fields:

- high school guidance counselors;
- qualified professional educators;
- regional Armed Forces Commands staff who are experts in education, training, and human resource development;
- test and measurement experts; and
- human resource development professionals.

To be acceptable for SFA purposes, an approved test must be independently administered. In addition, all tests must be administered in accordance with the procedures specified by the test publisher. Such procedures address, but are not limited to, time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so on. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

## Approved Ability-to-Benefit Tests

<i>TEST NAME</i>	<i>PASSING SCORE</i>	<i>PUBLISHER</i>
American College Testing (ACT): (English and Math)	English (14) and Math (15)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: James Maxey, Telephone: (319) 337-1100, Fax: (319) 337-1790
ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2 and C2	Reading (34), Writing (34), and Numerical (33)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790.
Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading and Numerical)—Forms A, B, and C	Language Usage (43), Reading (44), and Numerical (42)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement	Prealgebra/Numerical (21), Reading (60), and Writing (31)	American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790
Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)	Reading Comprehension (52), Sentence Skills (60), and Arithmetic (36)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Loretta M. Church, Telephone: (212) 713-8000, Fax: (212) 713-8063
Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M- K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT	Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)	The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Loretta M. Church, Telephone: (212) 713-8000, Fax: (212) 713-8063
Test of Adult Basic Education (TABE): (Reading Total, Total Mathematics, Total Language)— Forms 5 and 6, Level A, Complete Battery and Survey Versions	Reading Total (768), Total Mathematics (783), Total Language (714)	CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Tina Gwaltney, Telephone: (831) 393-7749, Fax: (831) 393-7142
TABE: (Reading, Total Mathematics, Language)—Forms 7 and 8, Level A, Complete Battery and Survey Versions	Reading (559), Total Mathematics (562), Language (545)	CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Tina Gwaltney, Telephone: (831) 393-7749, Fax: (831) 393-7142
Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2	Verbal (200) and Quantitative (210)	Wonderlic Personnel Test, Inc., 1509 N. Milwaukee Ave., Libertyville, IL 60048-1380, Contact: Mr. Victor S. Artese, Telephone: (800) 323-374, Fax: (847) 680-9492

Satisfactory Academic Progress  
Cites

*Sec. 484(c), 34 CFR 668.32(f) and  
668.34*

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Requirements for Satisfactory  
Academic Progress Policy Cite

*34 CFR 668.16(e)*

***Previous determination***

If a school properly determined that a student had the ability to benefit under the rules that were in effect before July 1, 1996, the school does not have to redetermine the student's eligibility under the newer rules.

A student who has taken an approved, independently administered test within the last 12 months may submit the official test-score notification to the school to demonstrate his or her ability to benefit. If the school accepts the results of a previously administered test, that school must obtain documentation showing that the test and its administration meet federal requirements. If a student withdraws from school before receiving SFA funds and then re-enrolls more than 12 months after taking the test, he or she must be retested, unless he or she now has a high school diploma or equivalent.

**SATISFACTORY ACADEMIC PROGRESS**

**T**o be eligible for SFA aid, a student must make satisfactory academic progress. Each school must have a satisfactory academic progress policy, which must contain elements specified in the regulations. A school can use satisfactory progress standards set by a state, accrediting agency, or some other organization, as long as those standards meet the federal requirements. A school must monitor its SFA recipients to ensure that they are meeting the school's satisfactory progress standards.

A school's satisfactory progress policy for students receiving SFA funds must be at least as strict as the policy used for students who do not receive SFA funds. The policy must be applied consistently to all SFA recipients within identifiable categories of students (such as full-time or part-time, graduate, or undergraduate students).

***Minimum Standards***

The school's satisfactory progress policy can include whatever standards the school finds acceptable, as long as the policy meets the minimum statutory and regulatory requirements. The school's satisfactory progress policy must include both a qualitative measure (such as the use of cumulative grade point average) and a quantitative measure (such as a maximum time frame for completion) of the student's progress. The law and regulations specify minimum standards for these two measures. The school may set stricter standards in its policy.

***Qualitative standards***

The law specifies that by the end of the second academic year (measured as a period of time, not by the student's grade level), the student must, in general, have a C average or its equivalent, or have an academic standing consistent with the requirement for graduation from the program. If a school does not use letter grades, a school's satisfactory progress policy should define "equivalent of a C average."

If a school determines that a student has maintained satisfactory progress standards even though his or her average falls below a C average, the school must be able to document that the student's average is consistent with the academic standards required for graduation.

Rather than using a single fixed standard throughout the program, a school may use a graduated grade point requirement. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation, but allow the student's average to be lower earlier in the student's academic career. If school policy permits progression toward the 2.0 graduation requirement, the school may permit a lower standard at the end of the second academic year.

### ***Quantitative standards***

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he or she attempts after the first year would meet a qualitative standard, but wouldn't be progressing towards graduation. Therefore, the satisfactory progress policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress, a school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program, the maximum time frame cannot exceed 150% of the published length of the program measured in academic years, academic terms, credit hours attempted, or clock hours completed, as appropriate. For instance, if the published length of an academic program is 120 credit hours, the maximum time frame established by the school must not exceed 180 attempted credit hours (that is,  $120 \times 1.5$ ). The school decides which way of measuring the length is most appropriate.

To ensure that a student is making sufficient progress throughout the course of study, the school must divide the maximum time frame into equal evaluation periods called increments. An increment can't be longer than half the program or one academic year, whichever is less. In other words, for a school's 700-clock-hour program, an increment must not exceed 350 clock hours. For a school's 2,000-clock-hour program, an increment must not exceed 900 clock hours if the school defines the academic year as 900 clock hours. Increments generally are expected to coincide with payment periods.

The school's policy must also state the minimum amount or percentage of work a student must successfully complete by the end of each increment. This amount must be high enough to allow the student to complete the program within the maximum time frame.

### **No Letter Grade Example**

*Bennet College doesn't use a letter grading system, and in fact doesn't assign any grades. Instead, students only receive credit for a course if they successfully complete the course. If a student doesn't successfully complete a course, it's not listed on the student's transcript and the student must retake the course if it's required for his or her degree. Bennet College considers a student to have the equivalent of a C average if he or she has successfully completed at least half of the courses he or she has attended.*

### **Graduated Qualitative Standard Examples**

*Guerrero University requires students to have a 2.0 GPA to graduate. A student who has completed 30 semester hours or less must have a 1.6 GPA, and a student who has completed 31 to 60 semester hours must have a 1.8 GPA. Students who have completed more than 60 semester hours must have a 2.0 GPA. In her first year at Guerrero University, Emma takes 28 semester hours, and her GPA is 1.9. Because her GPA is higher than 1.6, she meets Guerrero's satisfactory progress standards.*

*Owen is also attending Guerrero, and has been attending part-time. At the end of his second year at Guerrero, he's taken 24 semester hours, and his GPA is 1.7. Owen also meets Guerrero's satisfactory progress standards, because his GPA is higher than 1.6. Although Owen has less than a C average or equivalent at the end of his second academic year (Guerrero considers 2.0 to be the equivalent of a C average), he's still making satisfactory progress because he meets the standards required by Guerrero for graduation. However, if his GPA doesn't improve by the time he completes 30 semester hours, he'll no longer be making satisfactory progress.*

**First Year Progress**

Credits required	21
1st semester	0
+ 2nd semester	15
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= completed credits	15hrs.

**Quantitative Standard Examples**

*Students in Bennet College's bachelor's degree program are required to complete 120 credits. Bennet requires all students to enroll in 15 credits each semester. Most students complete the program in four years (eight semesters). Bennet sets a maximum time frame of six years (150% of the published length of four years), and uses a year as an increment. Bennet requires students to successfully complete at least 21 credits by the end of the first year, and an additional 21 credits for each increment after that.*

**Second Year Progress**

Credits required	42
previous completed credits	15
+ 2nd year credits	27
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= completed credits	42hrs.

*Lydia enrolls for her first year at Bennet, and fails all her courses in the first semester. Even if she successfully completes all her courses in the second semester, she won't be making satisfactory progress at the end of the first increment, because she'll have completed only 15 credits. If she continues into the second year and successfully completes all but one of her courses (27 credits total), she'll meet the satisfactory progress standards by the end of the second increment (42 credits successfully completed).*

**First Increment Progress**

Credits required	8
1st class credits	4
+ 2nd class credits	0
+ 3rd class credits	4
<hr/>	
= completed credits	8 hrs.

*Sarven Technical Institute has a 24 semester hour program that a full-time student can complete within one year. Because many students attend part-time, Sarven decides to use a maximum time frame based on the length of the program in semester hours attempted. Using the 150% maximum, Sarven's policy states that a student must complete the program by the time he or she has attempted 36 semester hours. Sarven uses increments of 12 semester hours. In order to successfully complete 24 semester hours within the maximum time frame, the student must successfully complete 8 semester hours by the end of each increment.*

*Allen enrolls in this program. He enrolls in one class at a time, and each class is worth four semester hours. After he has enrolled in three classes (12 semester hours), Sarven must check to see if he's successfully completed enough work in that increment to be making satisfactory progress. Allen completes the first and third course, but fails the second. Because he completed 8 semester hours (two courses) in this increment, he's making satisfactory progress.*

The school isn't required to set a fixed number of hours or credits that must be completed in each increment. Instead, the school can require the student to complete a certain percentage of the hours or credits he or she attempts. By setting a percentage rather than a fixed number of hours or credits, the school can easily adjust for differences in enrollment status from student to student or from one year to the next.

A school may use a graduated completion percentage for each year of enrollment. For instance, a school can let students complete a lower percentage in the first academic year but then gradually increase the required percentage to ensure that the student completes program requirements within the maximum time frame.

At some schools (mainly clock-hour schools), a student is given credit for every hour attended, so that the hours attempted equal the hours earned. In such cases, the quantitative standard must be based on calendar time (in weeks or months).

### Quantitative Standard Percentage Example

A school that offers a 4-year program could allow students a maximum time frame of 6 years to complete the program. Edison College decides to allow students a maximum time frame of 5 years for its 4-year microbiology program. Edison uses the semester as the increment for measuring satisfactory progress. In order to allow students to complete the program within the maximum time frame, Edison requires students to complete 80% of the work attempted by the end of each increment ( $4 \div 5 = .8$ ).

Two students, Andrew and Malia, are enrolled in this microbiology program. In the first year, both students enroll in 15 credits per semester. At the end of the first semester, Andrew has earned 12 credits and Malia has earned 15 credits. At the end of the second semester, Andrew has earned a total of 21 credits and Malia has earned a total of 30 credits.

To be making satisfactory progress, Andrew and Malia must have completed 80% of the credits attempted by the end of the increment. For the first semester, they must complete 12 credits ( $80\% \times 15$  credit hours attempted = 12 credit hours). Because both students successfully completed at least 12 credit hours in their first semester, they both were making satisfactory progress.

By the end of the second semester, they must have completed 24 credits ( $80\% \times 30$  credit hours attempted = 24 credit hours). Malia is still making satisfactory progress at the end of the second semester, but because he only completed 21 credits, Andrew is not making satisfactory progress.

In the second year, Malia again enrolls for 30 credits, but Andrew only enrolls for 15 credit hours for the year. Andrew successfully completes all these credit hours, so he has earned 36 credits of 45 attempted. Malia completes 51 credits by the end of the second year.

To be making satisfactory progress by the end of the second year, Andrew must have completed 36 credits ( $80\% \times 45$  credit hours attempted = 36 credit hours). Therefore, he is once again making satisfactory progress at the end of the second year. After the end of the second year, Malia must have completed 48 credit hours ( $80\% \times 60$  credit hours attempted = 48 credit hours). Malia was also making satisfactory progress at the end of the second year.

### Other Elements

A school's satisfactory progress policy must explain how withdrawals, grades of "incomplete," courses that are repeated, transfer courses, and noncredit remedial coursework affect the academic progress determination. A school must also establish procedures that enable the student to appeal a determination that finds him or her not to be making satisfactory progress. For students ultimately judged not to be making satisfactory progress, the school must establish specific procedures that enable such students to once again meet satisfactory progress standards.

The quantitative and qualitative standards used to judge academic progress must be cumulative and must include **all** periods of the student's enrollment. Even periods in which the student did not receive SFA funds must be counted. Transfer credit hours must be counted as well, so that transfer students are not given more time than other students to complete the program. A school cannot set a

### First Year Progress

Credits required	
completion standard	80%
x credits	30
= completed credits	24hrs.

### Second Year Progress

#### FT student

previous attempted credits	30
+ 2nd year credits	30
x completion standard	80%
= completed credits	48hrs.

#### HT student

previous attempted credits	30
+ 2nd year credits	15
x completion standard	80%
= completed credits	36hrs.

### Calendar Time Quantitative Standard Example

Lem Community College has a 900-clock-hour program that normally takes 8 months to complete. Lem allows a maximum time frame of 12 months to complete the program. Lem divides this time frame into increments of 4 months (which is half the published length of the program). In order to complete the entire program within 12 months, the student must complete 300 clock hours in each increment. Lem's satisfactory progress standards therefore require the student to attend 300 clock hours within the first 4 months (the first increment), 600 clock hours by the end of the second increment (after 8 months), and 900 hours by the end of the 12 month maximum time frame.

### Mitigating Circumstances Example

*Brust Conservatory has a policy to set aside the satisfactory progress standards under certain mitigating circumstances, including serious illness. Brust's policy specifies that if the student becomes seriously ill during a term, and the student can't attend classes for a month or more, then the courses for the term aren't taken into account when the school determines whether the student is making satisfactory progress. Brust requires the student to submit documentation from a doctor or other health care provider stating that the student's illness prevented him or her from attending school for at least a month.*

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### Probationary Period Example

*As part of its satisfactory progress policy, Lem Community College has a provision for academic probation. The first time a student fails to meet the satisfactory progress standards, he or she receives a notice from the school, and is put on academic probation for one term or payment period. The student can receive aid during this period, but isn't allowed to enroll more than half time. If the student doesn't meet the satisfactory progress standards at the end of the probationary term, he or she loses eligibility for any subsequent payments, until he or she meets the satisfactory progress standards again.*

maximum time frame based on hours attempted and then have a policy to routinely exclude certain hours attempted, such as hours taken during a summer session, from its determinations of satisfactory academic progress.

### ***Mitigating circumstances***

A school can set aside the satisfactory standards for individual students if it determines that an unusual situation affected the student's progress. The law specifies cases in which the school might choose to set aside the standards: for example, if a student becomes very ill, if a student is severely injured, or if a student's relative dies. The school's satisfactory progress policy can include provisions to take such mitigating circumstances into account. A school that wants to set aside the normal standards due to mitigating circumstances must include in its policy an explanation of under what circumstances it will set aside the standards.

### ***Conditional or probationary periods***

A school can include a **limited** conditional or probationary period in its satisfactory progress policy. During such a probationary period, a student who didn't meet the satisfactory progress standards can still be treated as if he or she did meet the standards.

### ***Completion of degree requirements***

The school's satisfactory progress policy can state that a student who has completed all the coursework for his or her degree or certificate but hasn't yet received the degree or certificate can't receive further SFA aid for that program. This restriction can't simply be a limit on the number of hours completed (for instance, that the student isn't eligible once he or she has completed 120 semester hours for a program that requires 120 semester hours). The student must have actually completed the academic requirements for the degree or certificate he or she is pursuing. Of course, if the student enrolls in another program (seeking a different degree or certificate), this restriction would no longer apply, although the student would still have to meet other satisfactory progress standards.

## SPECIAL PROGRAMS AND PROGRAM SPECIFIC REQUIREMENTS

**I**n this section, we'll discuss some special types of programs: correspondence and telecommunications courses and study abroad. We'll also talk about some program specific requirements that apply to more than one of the SFA programs.

### ***Correspondence Courses***

A correspondence course is one for which the school provides instructional materials and exams for students who don't physically attend classes at the school. If the course uses video cassettes or discs, it is a correspondence course unless it provides the same video instruction to students who physically attend the school that year. A telecommunications course is considered a correspondence course if

the sum of the telecommunications and correspondence courses offered by the school is 50 percent or more than the total number of courses. Finally, if a course is part correspondence and part residential training, it is considered a correspondence course.

A student enrolled in a correspondence course can only receive SFA funds if the course is part of a program that leads to an associate's, bachelor's or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see Chapter 10 for more information.

### *Telecommunications Courses*

A telecommunications course is one offered principally through television or audio or computer transmission. This includes open broadcast, closed circuit, cable, microwave, satellite and audio or computer conferencing. It also includes courses delivered on video cassette or disc as long as the courses are also offered that year to students who physically attend the school. If a course does not qualify as a telecommunications course then it is considered a correspondence course.

A student enrolled in a telecommunications course is eligible to receive SFA funds for it if it is part of a program that leads to a certificate or to an associate's, bachelor's or graduate degree. See the *SFA Handbook: Institutional Eligibility and Participation* for more information on telecommunications courses.

### *Study Abroad*

Students in a study-abroad program are eligible for aid if the program is approved for credit by an eligible school. To receive aid, the student must be enrolled as a regular student at the eligible school approving the study-abroad coursework. Although the home institution must accept the study-abroad coursework for credit, the coursework doesn't have to be required for the student's degree program. There also must be a contractual agreement between the home institution and the foreign school (see *SFA Handbook: Institutional Eligibility and Participation*).

### *Enrollment Status*

The Direct Loan and FFEL programs require a student to be enrolled at least half time to receive aid. (See the Direct Loan and FFEL Programs Reference for more information on the Direct Loan and FFEL programs.) The Pell and campus-based programs don't require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student receives (see the Pell Reference for information on how enrollment status affects a student's Pell award).

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. As specified in the regulations, schools define the full-time workload, subject to certain minimums. The definition of full time used for SFA purposes can differ from the definition used for other purposes at the school, such as the definition used by the registrar's office.

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**Correspondence Course Cites**  
*Sec. 484(k), 34 CFR 668.38*

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**Telecommunications Course Cites**  
*Sec. 484(l), 34 CFR 668.38*

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**Study Abroad Cites**  
*Sec. 484(o), 34 CFR 668.39*

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**Half-time Enrollment Requirement Cites**  
*Sec. 428(b)(1)(A), 34 CFR 668.32(a)(2)*

**Full-time Student Definition**  
Cite

34 CFR 668.2

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**Mixed Credits Enrollment Example**

*Stanislaw is enrolled in a program at Lem Community College. In the first term, Stanislaw is taking 6 semester hours and 3 quarter hours and is also taking 9 clock hours a week. To determine if Stanislaw is enrolled full-time, Lem divides the amount of each type of hour by the minimum requirement for full time, and then adds the fractions:*

$$6/12 + 3/12 + 9/24 = .5 + .25 + .375 = 1.125$$

*Because the result is greater than one, Stanislaw is enrolled full time.*

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**Noncredit or Reduced-Credit**  
Cite

34 CFR 668.20

The school's definition of a full-time workload for a program must be used for all students enrolled in that program and must be the same definition for all SFA-related purposes, including loan deferments. The school can't accommodate a student with a learning disability or other handicap by allowing the student a full-time enrollment status lower than the minimum standard.

***Minimum standard for full-time***

The school may include any combination of courses, work, research, or special studies in its definition of workload. The regulations specify a minimum standard for undergraduate students, but not for graduate students. For undergraduate students, the school must define full-time status to meet at least the following minimums:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;
- 24 clock hours per week for an educational program using clock hours;
- for a student who is taking a combination of courses offered using different types of hours, prorated percentages of the minimums for credit- and clock-hour measurements equal to at least one;
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks; or
- the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student.

The school judges if the work portion of a co-op program is equivalent to a full-time academic workload; if it is equivalent, the co-op student is considered full-time, regardless of how many credits the school grants for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time.

If a student is enrolled in courses that do not count toward his or her degree, those hours cannot be used to determine his or her enrollment status, unless the coursework is noncredit or remedial as described below.

***Noncredit or reduced-credit coursework***

Some schools offer remedial classes for which they give no credit, or reduced credit. A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, the school needs to include the remedial courses in the student's enrollment status. To do so, the school must determine how many credit or clock hours the remedial course should be counted as. The school must determine the number of hours of study that the remedial course requires (both classroom and homework hours) and must compare that number with the hours required for similar nonremedial courses. The school should use the same number of credits for the remedial course as for a nonremedial course that requires the same amount of work. (Clock-hour schools should use the number of classroom hours attended in the remedial program.)

To determine a student's enrollment status, a school should add the credits or clock hours assigned to the noncredit course to the credits or clock hours of regular coursework.

***Incarcerated Student***

An incarcerated student is one serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution. A student is not considered incarcerated if he is in a half-way house or home detention or is sentenced to serve only weekends.

If a student is incarcerated, he or she is ineligible for an SFA loan. In addition, the student can't receive a Pell if he or she is incarcerated in any federal or state penal institution (see the Pell Reference for more information).

Incarcerated students are eligible for FSEOGs and FWS.

For 2001-2002, the Department plans to add a post-screening match with the Social Security Administration (SSA) to determine if a student is incarcerated. See chapter 4 for more information.

***Drug Convictions***

As a result of the 1998 Higher Education Amendments, a drug conviction can disqualify a student for Title IV financial aid. A conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile, unless he or she was tried as an adult. This provision applies to eligibility for Title IV financial aid from July 1, 2000 on.

For possession of illegal drugs, a student is ineligible following the date of conviction for

- ◆ One year for a first offense
- ◆ Two years for a second offense
- ◆ An indefinite period for three or more offenses

**Incarcerated Student Cites**  
*Sec. 401(b)(8), Sec. 484(b)(5), 34 CFR 668.32(c)(2)*

For sale of illegal drugs, a student is ineligible following the date of conviction for

- ❖ Two years for a first offense
- ❖ An indefinite time for a second offense

If a student is convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

If a student successfully completes a qualified drug rehabilitation program s/he regains eligibility on the date of completion. Of course, further drug convictions will make the student ineligible again.

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- ❖ Be qualified to receive funds directly or indirectly from a federal, state or local government program.
- ❖ Be qualified to receive payment directly or indirectly from a federally or state licensed insurance company.
- ❖ Be administered or recognized by a federal, state or local government agency or court.
- ❖ Be administered or recognized by a federally or state licensed hospital, health clinic or medical doctor.

Students denied eligibility for an indefinite time can regain it only after completing a rehabilitation program as described or if a conviction is reversed, set aside or removed from the student's record so that less than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility.

If a student regains eligibility during the award year, the change is treated as are other changes in eligibility (e.g. attaining permanent resident or citizen status during the award year): Pell and campus-based aid may be awarded for the payment period, FFEL loans may be awarded for the period of enrollment, and direct loans may be awarded for the academic year.

Note that regarding drug convictions the student self-certifies as to eligibility for aid and completion of a qualified rehabilitation program; a school is not required to verify this unless it has conflicting information.