



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

February 9, 2012

THE ASSISTANT SECRETARY

GEN-12-03

Subject: Title IV Student Financial Assistance Disbursed to Students Without a Valid High School Diploma

Summary: This letter provides guidance to institutions on the eligibility of students who received Title IV student financial assistance in a prior award year without having a valid high school diploma.

Dear Colleague:

Under § 484(d) of the Higher Education Act of 1965, as amended (HEA), one of the eligibility conditions that must be met for student financial assistance under Title IV of the HEA is that the student must have “a certificate of graduation from a school providing secondary education (high school diploma) . . . or the recognized equivalent of such certificate (GED), . . .” or meet one of several defined standards.

Effective for students who first enroll in a program of study on or after July 1, 2012, the Consolidated Appropriations Act, 2012 (Public Law 112-74) eliminated the provisions under §484(d) (1), (2), and (4) of the HEA. Under those provisions, a student who did not have a high school diploma or its recognized equivalent could establish eligibility for Title IV student financial assistance by passing an independently administered examination approved by the U. S. Department of Education (an “approved Ability-To-Benefit (ATB) test”) or by successfully completing six credit hours (semester, trimester, or quarter hours) or 225 clock hours applicable to a degree or certificate offered by the institution. The Department issued Dear Colleague Letter GEN-12-01 on January 18, 2012, providing information on the changes made by Public Law 112-74. An upcoming Dear Colleague Letter will provide additional guidance on the implementation of the ATB change to the HEA and will include examples of the conditions under which a student who was enrolled prior to July 1, 2012, may establish eligibility under the ATB alternatives.

Final regulations published on October 29, 2010 (75 FR 66832), require institutions to develop and apply procedures to evaluate the validity of a student’s high school diploma if the institution or the Department has reason to believe that the diploma is not valid or was not obtained from an entity that provides secondary school education (34 CFR 668.16(p)). Since the July 1, 2011, effective date of these regulations, we have become aware that in implementing the new procedures for determining the validity of high school diplomas, some institutions have identified students who do not possess a valid high school diploma and, as a result, were not eligible students when they received Title IV student financial assistance for an award year prior to 2011-12.

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If an institution identifies a student who did not possess a valid high school diploma when receiving Title IV student financial assistance for an award year prior to 2011-12, the institution should contact its School Participation Team (SPT). The institution should have the following information readily available when contacting the SPT: details of its determination that the student did not have a valid high school diploma at the time he or she received Title IV student financial assistance, information about the circumstances under which the institution initially accepted the student's high school diploma status, information about the payment periods when the student received Title IV student financial assistance, and the types and amounts of that assistance received, by payment period.

Finally, I would also remind you of your responsibility under 34 CFR 668.16(g) to refer to the Department of Education's Office of the Inspector General any credible information that an applicant for Title IV student financial assistance, or an institution's employee, may have engaged in fraud or other criminal misconduct in connection with the student's application for Title IV student financial assistance, including a false claim of receipt of a high school diploma.

If you have any questions about the guidance in this letter, please contact Jacquelyn Butler at (202) 502-7890 or Jacquelyn.Butler@ed.gov or Carney McCullough at (202) 502-7639 or Carney.McCullough@ed.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Eduardo M. Ochoa", with a stylized flourish at the end.

Eduardo M. Ochoa