



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

March 8, 2013

GEN- 13-09

Subject: Students with an Unusual Enrollment History Flag --- "C" code on the ISIR

Summary: This guidance describes the Department's efforts to prevent fraud and abuse in the Federal Pell Grant Program by identifying students with unusual enrollment histories, and describes how institutions must resolve the resulting ISIR 'C' codes for students with these enrollment histories.

Dear Colleague:

In recent communications (see below), we provided information on the addition of an Unusual Enrollment History Flag (UEH Flag) to the 2013-2014 Institutional Student Information Record (ISIR). The UEH Flag indicates whether the student has an unusual enrollment history with regard to the receipt of Federal Pell Grant (Pell Grant) funds and is intended to address possible fraud and abuse in the title IV student aid programs. The specific enrollment pattern we are concerned about is one where the student attends an institution long enough to receive title IV credit balance funds, leaves without completing the enrollment period, enrolls at another institution, and repeats the pattern of remaining just long enough to collect another title IV credit balance without having earned any academic credit.

Some students who have an unusual enrollment history have legitimate reasons for their enrollment at multiple institutions. However, such an enrollment history requires a review to determine whether there are valid reasons for the unusual enrollment history. Resolution of a UEH flag is separate and distinct from verification and is not related to the new Verification Tracking Groups IV and V described in Dear Colleague Letter (DCL) GEN-12-11; however, it is similar in that institutional action is required. This letter provides more detail on the UEH Flag and describes actions that an institution must take to resolve a UEH issue before the student can receive additional title IV, HEA program assistance.

### **ISIR Unusual Enrollment History Flags**

The UEH Flag (2013-2014 ISIR Data Item #440) indicates whether the student has an unusual enrollment history with regard to the receipt of Federal Pell Grant funds. UEH Flag values of '2' or '3' generate a 'C' Code to indicate to institutions that the student's records must be reviewed. For students, Student Aid Report (SAR) Comment Code 359 is included when the UEH Flag value is '2,' and SAR Comment Code 360 is

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included when the UEH Flag value is '3'. (See the *Summary of Changes for the Application Processing System: 2013-2014* posted to Information for Financial Aid Professionals (IFAP) on November 8, 2012.)

In setting the UEH Flag value, we will review Pell Grant disbursement information for the past three award years for all 2013-2014 Free Application for Federal Student Aid (FAFSA) filers. After that review, the student is assigned a UEH Flag of 'N,' '2' or '3'. Note that there is no UEH Flag value of '1.'

A UEH Flag value of 'N' indicates that there is no unusual enrollment history issue and, thus, no 'C' Code, no comments, and no action required by the institution. A UEH Flag with a value of '2' or '3' requires resolution by the institution, as discussed below.

A UEH Flag with a value of '2' indicates an unusual enrollment history that requires review by the institution of the student's enrollment records to determine if the institution must collect additional information about the student's prior enrollment. An example of an enrollment pattern that would generate a UEH Flag value of '2' would be when the student received Pell Grant funds at three institutions over two award years.

A UEH Flag with a value of '3' indicates that the institution must review academic records for the student and, in some instances, must collect additional documentation from the student, as explained below. An example of an enrollment pattern that would generate a UEH Flag value of '3' would be when the student received Pell Grant funds at three or more institutions in one award year.

### **Resolving Unusual Enrollment History Flags**

An institution must take the following steps to resolve an ISIR-reported UEH Flag.

UEH Flag value is 'N': No action is necessary as the student's enrollment pattern does not appear to be unusual.

UEH Flag value is '2': The institution must review the student's enrollment and financial aid records to determine if, during the three award year review period (Award Years 2010-2011, 2011-2012, and 2012-2013), the student received a Pell Grant at the institution that is performing the review.

- If so, no additional action is required unless the institution has reason to believe that the student is one who remains enrolled just long enough to collect student aid funds. In this case, the institution must follow the guidance that is provided below for a UEH Flag of '3'.
- If not, the institution must follow the guidance provided below for a UEH Flag of '3.'

UEH Flag value is '3': The institution must review the student's academic records to determine if the student received academic credit at the institutions the student attended during the three award year period (Award Years 2010-2011, 2011-2012, and 2012-2013). Using information from the National Student Loan Data System (NSLDS), the institution must identify the institutions where the student received Pell Grant funding over the past three award years (2010-2011, 2011-2012, and 2012-2013).

Based upon academic transcripts it may already possess, or by asking the student to provide academic transcripts or grade reports, the institution must determine, for each of the previously attended institutions, whether academic credit was earned during the award year in which the student received Pell Grant funds. Academic credit is considered to have been earned if the academic records show that the student completed any credit hours or clock hours.

- **Academic Credit Earned:** If the institution determines that the student earned any academic credit at each of the previously attended institutions during the relevant award years, no further action is required unless the institution has other reasons to believe that the student is one who enrolls just to receive the credit balance. In such instances, the institution must require the student to provide additional information as discussed below under "Academic Credit Not Earned." If it is determined that academic credit was not earned at one or more of the previously attended institutions, the institution must follow the "Academic Credit Not Earned" guidance below.
- **Academic Credit Not Earned:** If the student did not earn academic credit at a previously attended institution and, if applicable, at the institution performing the review, the institution must obtain documentation from the student explaining why the student failed to earn academic credit. The institution must determine whether the documentation supports (1) the reasons given by the student for the student's failure to earn academic credit; and (2) that the student did not enroll only to receive credit balance funds.

In some cases, the student may present personal reasons to explain the failure to earn academic credit. These reasons could include illness, a family emergency, a change in where the student is living, and military obligations. The institution should, to the extent possible, obtain third party documentation to support the student's claim.

In other instances, the student may present academic reasons to explain the failure to earn academic credit. For example, the student might explain that the first enrollment was at an institution that presented unexpected academic challenges, or that the student determined, before completing any academic credit, that the academic program did not meet the student's needs. Again, the institution should, to the extent possible, obtain third party documentation to support the student's claim.

Much like the exercise of professional judgment, as provided by section 479A of the Higher Education Act (HEA), the financial aid administrator determines whether the circumstances of the failure of the student to receive academic credit, as evidenced by the student's academic records and other documentation, support the continuation of title IV, HEA program assistance eligibility. Also, like professional judgment, these institutional determinations are final and not appealable to the Department, and the reasons for the decision must be documented and maintained for possible review.

### **Approval of Continued Eligibility**

If the institution approves the student's continued eligibility, the financial aid administrator may choose to require the student to establish an academic plan, similar to the type of plan used to resolve satisfactory academic progress (SAP) appeals as provided in the regulations at 34 CFR 668.34(c) and (d). The financial aid administrator may also wish to counsel the student about the Pell Grant duration of eligibility provisions [Lifetime Eligibility Used (LEU)] and the impact of the student's attendance pattern on future Pell Grant eligibility as described in DCLs GEN-12-01 and GEN-12-18 and in the Electronic Announcement posted to IFAP on August 13, 2012.

### **Denial of Continued Eligibility**

If a student did not earn academic credit at one or more of the relevant institutions and does not provide, to the financial aid administrator's satisfaction, an acceptable explanation and documentation for each of those failures, the institution must deny the student any additional title IV, HEA program assistance. The student must be provided with an opportunity to question and appeal the decision, consistent with the opportunities to question and appeal similar financial aid determinations at the institution such as SAP determinations and professional judgment decisions.

### **Regaining Aid Eligibility**

If the institution denies a student continued title IV, HEA program assistance under the circumstances described above, it must provide the student with information as to how the student may subsequently regain title IV, HEA program eligibility. Since the basis for the denial is the student's academic performance, it is expected that successful completion of academic credit would form the basis for the student's subsequent request for renewal of title IV, HEA program eligibility. This could include meeting the requirements of an academic plan that the institution established with the student. (See 34 CFR 668.34(c)(3)(iii)(B) and (c)(4), and 668.34(d)(2)(ii)(B) and (d)(3).)

If the student meets the institution's standards to regain eligibility for title IV, HEA program assistance, that eligibility would be effective under the same provisions that apply when a student gains or regains eligibility under other student eligibility

requirements. That is, for the Pell Grant and campus-based aid programs, eligibility begins with the payment period in which the student met the eligibility requirements (following the payment period of ineligibility), while eligibility for Direct Loans is retroactive to the beginning of the enrollment period. (See page 1-17 of Volume One – Student Eligibility of the 2012-2013 Federal Student Aid Handbook.)

### **Authority**

The authority for an institution to deny title IV, HEA program assistance under the circumstances described in this letter is section 484(a)(4)(A) of the Higher Education Act of 1965, as amended, which requires the student to sign a *Statement of Educational Purpose*. (See also 34 CFR 668.32(h)). By signing the *Statement of Educational Purpose* as part of the student's submission of the FAFSA, the student certified that he or she would use the title IV, HEA program assistance received only to meet educational costs.

If you have questions about the guidance provided in the letter, please contact Federal Student Aid's Research and Customer Care Center Staff. Staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Time) at 1-800-433-7327. After-hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may e-mail the Care Center at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov).

Sincerely,



David A. Bergeron  
Acting Assistant Secretary

### Earlier Communications on the Unusual Enrollment History Flag:

- *The ISIR Guide – 2013-2014*, posted to IFAP on September 29, 2012.
- *The 2013-2014 SAR Comment Codes and Text* document, posted to IFAP on October 30, 2012.
- *The Summary of Changes for the Application Processing System: 2013-2014*, posted to IFAP on November 8, 2012.