

Federal Register

Tuesday
February 18, 1997

Part III

Department of Education

34 CFR Part 668

Student Assistance General Provisions;
Proposed Rule

DEPARTMENT OF EDUCATION**34 CFR Part 668****Student Assistance General Provisions**

AGENCY: Department of Education.

ACTION: Extension of comment period and notification of the availability of additional information.

SUMMARY: On September 20, 1996, the Department of Education published in the Federal Register a Notice of Proposed Rulemaking (NPRM) for the Student Assistance General Provisions (34 CFR Part 668). In the NPRM, the Secretary proposed new standards of financial responsibility (60 FR 49552-49574) that would apply to all institutions participating in a program authorized by title IV of the Higher Education Act of 1965, as amended (title IV, HEA programs).

On December 18, 1996, the Secretary published a Notice in the Federal Register (61 FR 66854) reopening the comment period on particular parts of the NPRM until February 18, 1997. The Secretary reopened the comment period in response to public comment received on the NPRM that the higher education community needed more time to analyze the proposed financial standards and provide the Secretary with additional comment based on that analysis.

The Secretary is further extending the reopened comment period. The Secretary is doing so to allow the higher education community to comment on information regarding the proposed ratio methodology, some of which will not be available to the public before the expiration of the reopened comment period on February 18.

DATES: Comments must be received on or before March 24, 1997.

ADDRESSES: All comments concerning this notice or the notice of proposed rulemaking should be addressed to Mr.

David Lorenzo, U.S. Department of Education, P.O. Box 23272, Washington, D.C. 20026, or to the following internet address: fin_resp@ed.gov

FOR FURTHER INFORMATION CONTACT: Mr. David Lorenzo or Mr. John Kolotos, U.S. Department of Education, 600 Independence Avenue, S.W., Room 3045 ROB-3, Washington, D.C. 20202, telephone (202) 708-7888. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern standard time, Monday through Friday.

Background

On September 20, 1996, the Secretary published an NPRM proposing new standards of financial responsibility based on a ratio methodology developed in consultation with the accounting firm of KPMG Peat Marwick LLP (KPMG), alternative standards of financial responsibility and other requirements under a proposed Subpart L of the Student Assistance General Provisions regulations, and compliance and financial statement audit requirements under Subpart B of these regulations. On November 29, 1996, the Secretary published a Notice of Final Regulations amending Subpart B of the Student Assistance General Provisions regulations and making a conforming amendment to § 600.5 of the Institutional Eligibility regulations.

However, the Secretary did not codify in the November 29, 1996 final regulations the general standards of financial responsibility, alternative standards, and change of ownership requirements proposed under Subpart L. Instead, the Secretary decided to obtain additional comment and information from the higher education community, and delayed promulgating final regulations for these provisions pending an extended review of that comment and information. Accordingly, on

December 18, 1996, the Secretary published a Notice reopening the comment period until February 18, 1997. In that Notice, the Secretary identified the proposed provisions for which additional comment could be submitted and solicited comment on specific issues relating to those provisions.

In the meantime, the Secretary has retained KPMG to assist the Department in gathering additional data and in reexamining the proposed ratio methodology in light of those data and the issues raised by commenters. As the Department and KPMG reexamine the proposed ratio methodology and generate information that can be shared with the community, the Secretary will make that information available through meetings and by other means. To provide an opportunity for the public to comment on this additional information, and to ensure that the community's views and analyses of this information are incorporated in the regulatory record, the Secretary extends the current comment period.

While the Secretary will continue to evaluate comments already submitted, the Secretary is particularly interested in receiving comments on new information the Department makes available. Interested parties may obtain this information from the financial responsibility section of the Department's web site at the following URL address: <http://www.ed.gov/offices/OPE/PPI>. This web site also contains instructions for downloading earlier Federal Register publications and other documents relating to financial responsibility.

Dated: February 13, 1997.

David A. Longanecker,
Assistant Secretary for Postsecondary Education.

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