



SECTION 2: POLICIES RELATED TO COMPLIANCE WITH FEDERAL REGULATION

Policy Title: Federal Compliance Requirements

Number: FDCR.A.10.010

An institution accredited by the Commission or seeking accreditation or candidate status shall demonstrate that it meets each of the Commission's federal compliance requirements. This expectation shall apply to an institution regardless of whether the institution is participating in the Title IV program. However, an institution that does not participate in the Title IV program shall be exempted from that federal compliance requirement related to demonstrating that the institution is meeting its Title IV program responsibilities.

An institution shall provide evidence of meeting these requirements in preparation for a comprehensive evaluation for Candidacy, Initial Accreditation and Reaffirmation of Accreditation and upon demand by the Commission. The comprehensive evaluation or other team will weigh the information and its relationship to the Criteria for Accreditation, and/or the requirements of the Candidacy program. If a team determines that an institution has failed to meet these requirements or if the team determines that issues in meeting these requirements raise concerns about the institution's ability to meet the Criteria for Accreditation, Core Components or Assumed Practices, it may recommend further monitoring, sanction, the issuance of a Show-Cause Order, or withdrawal of accreditation or candidacy.

The Commission reserves the right to call for special monitoring related to an institution's status with regard to these requirements and any implications for its compliance with the Criteria for Accreditation, Core Components, Assumed Practices or other HLC requirements, as appropriate, when findings by the U.S. Department of Education or by another recognized accreditor indicate there may be significant noncompliance with the Higher Education Act, as amended, or that the integrity of the institution and its educational programs might be in jeopardy.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: November 2020

First Adopted: February 1996

Revision History: Adopted February 1996, effective September 1996; revised February 1999, edited October 2003; renumbered November 2010; revised and split between policies 4.0 and 4.0(d) June 2012; revised June 2019, effective September 1, 2019; June 2020, November 2020

Notes: Former policy: 1.7 “Institutional Compliance with the Higher Education Reauthorization Act”; see also new Policy 4.5 “Institutional Compliance with Title IV Program Responsibilities.”

Related Policies:



Policy Title: Assignment of Credits, Program Length and Tuition

Number: FDCR.A.10.020

An institution shall be able to equate its learning experiences with semester or quarter credit hours using practices common to institutions of higher education, to justify the lengths of its programs in comparison to similar programs found in accredited institutions of higher education, and to justify any program-specific tuition in terms of program costs, program length, and program objectives. Institutions shall notify the Commission of any significant changes in the relationships among credits, program length, and tuition.

Assignment of Credit Hours. The institution's assignment and award of credit hours shall conform to commonly accepted practices in higher education. Those institutions seeking, or participating in, Title IV federal financial aid, shall demonstrate that they have policies determining the credit hours awarded to courses and programs in keeping with commonly-accepted practices in higher education and with any federal definition of the credit hour, as may appear in federal regulations and that institutions also have procedures that result in an appropriate awarding of institutional credit in conformity with the policies established by the institution.

Commission Review. The Commission shall review an institution's compliance with this policy in conjunction with a comprehensive evaluation for Candidacy, Initial Accreditation or Reaffirmation of Accreditation during the Commission's assurance process. Institutions shall also produce evidence of compliance with this policy upon demand in accordance with Commission policy. The Commission may sample or use other techniques to review selected institutional programs to ensure that it has reviewed the reliability and accuracy of the institution's assignment of credit. The Commission shall monitor, through its established monitoring processes, the resolution of any concerns related to an institution's compliance with this policy as identified during that evaluation and shall require that an institution remedy any deficiency in this regard by a date certain but not to exceed two years from the date of the action identifying the deficiency.

Commission Action for Systemic Noncompliance. In addition to taking appropriate action related to the institution's compliance with the Federal Compliance Requirements, the Commission shall notify the Secretary of Education if, following any review process identified above or through any other mechanism,

the Commission finds systemic noncompliance with the Commission’s policies in this section regarding the awarding of academic credit.

The Commission shall understand systemic noncompliance to mean that an institution lacks policies to determine the appropriate awarding of academic credit or that there is an awarding by an institution of institutional credit across multiple programs or divisions or affecting significant numbers of students not in conformity with the policies established by the institution or with commonly accepted practices in higher education.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: November 2020

First Adopted: February 1996

Revision History: Adopted February 1996, effective September 1996; revised November 2011; revised and combined with policies 3.10, 3.10(a), 3.10b), and 3.10(c) June 2012; revised June 2019, effective September 1, 2019; revised November 2020

Notes: Former policy number 4.0(a).

Related Policies: INST.B.20.020 Candidacy, INST.B.20.030 Accreditation, INST.C.10.010 Substantive Requirements for Reaffirmation of Accreditation, INST.E.20.010 Probation, INST.E.30.010 Show-Cause, INST.F.20.010 Special Monitoring, INST.F.20.040 Substantive Change.



Policy Title: Institutional Records of Student Complaints

Number: FDCR.A.10.030

An institution shall be able to demonstrate that it keeps an account of the student complaints it has received, including its processing of those complaints, and how that processing comports with the institution's policies and procedures on the handling of grievances or complaints. Upon request, an institution shall make available to the Commission evidence that, at regular intervals, it analyzes data related to student complaints received and identifies opportunities for institutional improvement.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: June 2019

First Adopted: February 1998

Revision History: Adopted February 1998; revised August 1999; revised and renumbered June 2012; revised June 2019, effective September 1, 2019

Notes: Former policy number: 4.o(b).

Related Policies:



Policy Title: Publication of Transfer Policies

Number: FDCR.A.10.040

Each institution shall determine its own policies and procedures for accepting transfer credits, including credits from accredited and non-accredited institutions, from foreign institutions, and from institutions which grant credit for experiential learning and for non-traditional adult learner programs in conformity with any expectations in the Commission's Assumed Practices. An institution's periodic review of its transfer policies and procedures should include evaluation of their clarity to those who administer them, to the students who follow them, and to employers and other stakeholders. It should also include the consistency of their interpretation and application throughout the institution, as well as their responsiveness to new types of learning opportunities outside institutions of higher education.

An institution shall demonstrate that it has transfer policies that are publicly disclosed and that such policies include a statement of criteria established by the institution regarding transfer of credit earned at another institution. An institution shall also demonstrate that it publishes a list of institutions or programs with which the institution has established articulation agreements to receive and send credit.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: April 2013

First Adopted: October 1988

Revision History: Adopted October 1988, revised February 2011, revised February 2009, revised and renumbered June 2012, April 2013

Notes: Former policy number: 4.0(c).

Related Policies:



Policy Title: Practices for Verification of Student Identity

Number: FDCR.A.10.050

An institution offering distance education or correspondence education, as such terms may be defined in federal regulations shall have processes through which the institution establishes that the student who registers in the distance education or correspondence education courses or programs is the same student who participates in and completes and receives the academic credit.

Institutional Practices. In verifying the identity of students who participate in class or coursework the institution may make use of a one or more methods, at the option of the institution, which may include but need not be limited to: (1) secure login and pass code; (2) proctored examinations; and (3) new or other technologies and practices that are effective in verifying the identity of students. Such method(s) must have reasonable and appropriate safeguards to protect student privacy. Institutions must notify students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity such as separate fees charged by proctoring services, etc.

Commission Review. The Commission will review an institution's student identity verification protocols when an institution requests permission to add programs in distance delivery as well as during a comprehensive evaluation. The Commission will also require that institutions submit information about student identity verification protocols on the Commission's Institutional Update.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: June 2019

First Adopted: February 2009

Revision History: Adopted February 2009; revised February 2011; revised and renumbered June 2012; revised June 2019, effective September 1, 2019

Notes: Former policy number: 4.0(d).

Related Policies:



Policy Title: Title IV Program Responsibilities

Number: FDCR.A.10.060

An institution shall demonstrate that it complies if required with the Title IV program responsibility requirements of the Higher Education Reauthorization Act as most recently amended. Therefore, institutions will make available for Commission review any documents it requests concerning the institution's program responsibilities under Title IV of the Act, including any results of financial or compliance audits and program reviews, audits reports by the Office of Inspector General of the U.S. Department of Education, and any other information related to its fulfillment of its Title IV responsibilities.

Default rate. An institution shall make reasonable efforts to ensure that its students do not take on excessive debt either through federal or private loans. An institution shall also demonstrate that it is appropriately fulfilling its Title IV responsibilities to manage its student loan program, to minimize student default on such loans, and to provide accurate information to the U.S. Department of Education when required in conjunction with its loan program. Therefore, an institution will make available to the Commission information it requests about its participation in federal and private loan programs as well as its three-year Title IV default rates and any default reduction plans provided to the U.S. Department of Education.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: June 2019

First Adopted: February 1996

Revision History: Adopted February 1996, effective September 1996; revised February 1998; edited October 2003; renumbered November 2010; revised and renumbered June 2012; revised June 2019, effective September 1, 2019

Notes: Former policy number 4.0(e).

Related Policies:



Policy Title: Public Information

Number: FDCR.A.10.070

Required Information for Students and the Public

An institution demonstrates that it makes available to students and the public fair, accurate and complete information in catalogs, student handbooks, and other publications that include, at a minimum, information about the institution's calendar, grading, admissions, academic program requirements, tuition and fees, and refund policies.

Information About Student Achievement

An institution's information for students and the public shall include information regarding student achievement. This information shall include student retention rates, completion rates or other information appropriate for the mission of the institution and its goals for students.

Advertising and Recruiting Materials and Other Public Information

An institution's public information including its advertising and recruiting materials shall evidence the same fairness and accuracy the Commission expects in an institution's catalog and other documents for students.

Disclosure of Accreditation Status

If the institution chooses to reference its accreditation status in advertising and recruiting materials or other document or location, such as its website, that disclosure will accurately explain its status with the Commission and the academic programs, locations and other institutional activities included in its accreditation. This obligation includes accurately disclosing when an action affecting its accreditation status has been taken by any other institutional or programmatic accrediting body. Institutions under Commission sanction shall comply with additional disclosure requirements pertaining to the applicable sanction as described elsewhere in these policies and as required by the Commission's Board of Trustees.

The institution will accompany any reference to accreditation status with information on how to contact the Commission. It shall provide the Commission's address and telephone number, or it may use the Commission's website address in lieu of this information. Electronic materials shall use the Commission's

collective membership mark. The Commission reserves the right to issue a public statement or Public Disclosure Notice (PDN) correcting any incorrect or misleading information the Commission determines that an institution has publicized about its accreditation status, recent actions by the Commission or other information.

Public Opportunity to Comment

The Commission shall seek comment from third parties about institutions being evaluated through a comprehensive evaluation.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: November 2020

First Adopted: August 1990, February 1996, and June 2012

Revision History: Adopted August 1990, revised August 1996, effective September 1996, renumbered February 2010, revised and renumbered June 2012, October 2014; revised June 2019, effective September 1, 2019; revised November 2020

Notes: Policies combined November 2012 – 4.0(f), 4.0(g), 4.0(j).

Related Policies:



Policy Title: Review of Student Outcome Data

Number: FDCR.A.10.080

An institution shall demonstrate that, wherever applicable to its programs, its consideration of outcome data in evaluating the success of its students and its programs includes course completion, job placement, and licensing examination information.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised:

First Adopted: June 2012

Revision History:

Notes: Former policy number 4.0(h)

Related Policies:



Policy Title: Standing With State and Other Accrediting Agencies

Number: FDCR.A.10.090

An institution has a responsibility to remain in good standing with each state in which it is authorized or licensed as well as with any other institutional or programmatic accrediting agency recognized by the U.S. Department of Education by which it is accredited or pre-accredited up to the point that it voluntarily withdraws from such relationships. An institution shall fairly represent to the Commission and to the public its history or current or previous status with other institutional or programmatic accrediting bodies and with each state in which it is authorized or licensed. This obligation includes accurately disclosing when an action affecting its accreditation status has been taken by any other institutional or programmatic accrediting bodies.

An institution shall disclose to the Commission any pending or final state actions that affect the institution's legal status or authority to grant degrees or offer programs and any pending or final actions by an accrediting agency to withdraw accredited or pre-accredited status, impose a sanction or deny an application for such status. Such disclosure shall take place at the time of the action by the other entity and on the Commission's Institutional Update as well as in preparation for a comprehensive evaluation by the Commission.

Commission Review. If another such accrediting agency or if a state has taken any of these actions, the Commission will undertake a prompt review of the institution and the related action.

With regard to an applying institution, the Commission, through its decision-making processes and subject to the limitations in the Eligibility Requirements, will carefully weigh these matters in reaching its own decision to grant candidacy or accreditation. If it chooses to grant candidacy or accreditation to such an institution, it will provide the Secretary of Education a written explanation of why that action is appropriate within thirty days of taking the action.

With regard to an accredited institution, the Commission will determine whether additional review or Commission action, including sanction or withdrawal of accreditation, is appropriate. The Commission may undertake its review in any way provided for in Commission policy.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 10: General

Last Revised: June 2019

First Adopted: January 1983

Revision History: Policy 9.1 (Adopted January 1983, revised February 1996, effective June 1996, revised February 1998, revised June 2008); Policy 9.2 (Adopted February 1986, revised February 1996, effective July 1996, revised June 2001, revised June 2008); Policy 9.3 (Adopted February 1988, revised February 1996, revised February 1998); Policy 9.4 (Adopted February 1998, revised June 2008); combined, revised, and renumbered June 2012; revised June 2019, effective September 1, 2019

Notes: Former policy number 4.0(i).

Related Policies: CRRT.B.10.010 Criteria for Accreditation (Core Component 2.B)



Policy Title: Fraud and Abuse

Number: FDCR.A.20.010

An institution shall not engage in fraud and abuse, as outlined in state and federal law and regulation, or in practices or procedures that are designed or have the tendency to create a falsification or deceive students. If the Commission receives an allegation of fraud and abuse concerning an institution from the federal government, any state entity or other party, the Commission will determine whether the alleged fraud and abuse constitutes a violation of the Criteria for Accreditation, particularly related to institutional integrity. In considering any allegation of fraud and abuse, the Commission may consider the nature of the allegation, whether the alleged fraud and abuse appears to meet the Commission's understanding of fraud and abuse as outlined in this policy or in federal or state definitions of fraud and abuse, and whether the source of the allegation has provided any evidence of such fraud and abuse. The Commission will review such allegations through its complaint process or through other mechanisms provided for in Commission policy and practice. An institution that has been determined through those processes to have engaged in fraud and abuse as outlined in this policy shall be considered to be in violation of Commission standards related to institutional integrity and may be found to be in violation of other Commission standards as well, and shall be subject to Commission sanctions or withdrawal of accreditation as outlined in those policies.

The Commission shall report suspected incidents of fraud and abuse to the U.S. Department of Education as outlined in its policy on the Relation with the U.S. Government.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter A: Federal Compliance

Part 20: Fraud and Abuse

Last Revised: February 2017

First Adopted: February 2017

Revision History: Adopted February 2017

Notes:



Policy Title: Commission Approval of Institutional Teach-Out Arrangements

Number: FDCR.B.10.010

Commission approval of various aspects of an institution's teach-out arrangements shall be required when an institution must teach-out one or more students.

Institutional Situations Requiring Submission of Provisional Plans for Approval

An institution shall be required to submit a written Provisional Plan in any of the following circumstances:

1. the U.S. Department of Education notifies the Commission of an emergency action, or a limitation, suspension or termination or similar action against the institution;
2. the U.S. Department of Education notifies the Commission of a determination by a non-profit or proprietary institution's independent auditor expressing doubt regarding the institution's ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to such institution's financial stability;
3. the U.S. Department of Education notifies the Commission that the institution is participating in Title IV, HEA programs under a provisional program participation agreement and is required to have a teach-out plan as a condition of participation;
4. the U.S. Department of Education notifies the Commission that it has placed the institution on the reimbursement payment method or heightened cash monitoring payment method under federal regulations;
5. the Commission grants candidacy to an institution or places an institution on Probation or issues a Show-Cause Order or acts to withdraw, terminate or suspend the status of an institution;
6. the institution notifies the Commission that it intends to cease or suspend operations entirely or permanently close an additional location where it offers at least 100% of either a Certificate or degree program before all students have completed their program of study, including if the additional

location is being moved and is considered by the U.S. Department of Education to be a closed institution;

7. a state licensing or authorizing agency notifies the Commission that an institution's license or legal authorization to provide an educational program in that state has been or will be revoked;
8. Commission staff determines in its sole discretion that closure or suspension of one or more academic programs at an institution raises concerns about the well-being of students in these programs; or
9. Commission staff determines that the institution is at risk for a sudden closure or suspension of its operations because it is in financial distress, under governmental investigation, undergoing Change of Control, Structure or Organization, or facing other significant challenges.

Without limitation, an institution is required to immediately contact the Commission through its HLC staff liaison if it anticipates any of the above occurrences or any other circumstance that will jeopardize currently enrolled students' ability to complete their programs of study as originally anticipated.

Commission Requirements for Provisional Plans

The institution shall submit the Provisional Plan to the Commission for approval; the plan must meet the following minimum requirements:

1. The Provisional Plan provides for equitable treatment of students by ensuring that they are able to complete the educational program in which they were enrolled immediately prior to the situation requiring submission of a Provisional Plan within a reasonable period of time;
2. The Provisional Plan provides for prompt notification of additional costs to students, if any;
3. The Provisional Plan contains:
 - a. A complete list of currently enrolled students (redacting personally identifiable information) in each affected program at the institution, and the program requirements each student has completed;
 - b. A complete list of the academic programs offered by the institution, and the names of other institutions that offer similar programs that could potentially enter into a Teach-Out Agreement with the institution;
 - c. A communication plan that provides all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on state refund policies;

- d. A record retention plan to be provided to all enrolled students that delineates the final disposition of teach out records (e.g., student transcripts, billing, financial aid records);
- e. Information on the number and types of credits any teach-out receiving institution is willing to accept prior to the student's enrollment; and
- f. A clear statement to students of the tuition and fees of the educational program and the number of types of credits that will be accepted by each teach-out receiving institution.

Institutions preparing Provisional Plans are required to ensure that they comply with HLC's Teach-Out Requirements prior to submitting them for approval.

Note: If a closing institution plans to teach-out its own students, the period for teach-out shall typically not exceed 12–18 months, particularly in cases where there are other institutions in the area that offer similar programs available to students of the closing institution, unless the closing institution can assure the Commission that the closing institution continues to meet all of the Criteria for Accreditation during the extended teach-out period.

Commission Requirements for Teach-Out Agreement

The Commission may require that the institution required to submit a Provisional Plan under this policy submit one or more Teach-Out Agreements for the Commission's review and approval in conjunction with such Provisional Plan if the institution must rely on the assistance of one or more institutions (each a teach-out receiving institution) to complete the Provisional Plan. A teach-out receiving institution must be accredited by an agency recognized by the U.S. Department of Education and, where appropriate, eligible for Title IV financial aid. The teach-out receiving institution must also: be approved by an appropriate state higher education and accrediting agency to offer the programs offered by the institution closing or suspending operations; have the necessary experience, resources and support services to provide an educational program that is of acceptable quality and reasonably similar in content, structure and scheduling to that provided by the institution closing or ceasing operations; demonstrate that it can provide students access to such programs and services without requiring them to move or travel substantial distances and; be stable, carrying out its mission and meeting all obligations to its existing students.

A Teach-Out Agreement must meet the following minimum requirements:

1. The Teach-Out Agreement contains an affirmation that it is consistent with all applicable state and federal regulations;
2. The Teach-Out Agreement is fair and equitable to students and provides students with reasonable opportunities to complete their education without additional charges and includes a notification

provision to ensure that students have complete information about the tuition and fees of the teach-out receiving institution;

3. The Teach-Out Agreement must include a live link to a downloadable copy of the applicable Provisional Plan and a commitment from a teach-out receiving institution to be familiar with the requirements of the Provisional Plan;
4. The Teach-Out Agreement must contemplate (a) a firm commitment to a specific list of students who are currently enrolled in one or more programs at the institution requiring the teach-out receiving institution's assistance and (b) the program requirements such students have completed;
5. The Teach-Out Agreement must include a plan to provide all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on state refund policies;
6. The Teach-Out Agreement must include information on the number and types of credits the teach-out receiving institution is willing to accept prior to each student's enrollment;
7. The Teach-Out Agreement must make a clear statement to students of the tuition and fees of the educational program and the number and types of credits that will be accepted by the teach-out receiving institution.

Approval of Teach-Out Receiving Institutions Accredited by the Commission

Any institution accredited and in good standing with the Commission that enters into a Teach-Out Agreement with another institution, regardless of whether the latter institution has presented a Provisional Plan to the Commission or is accredited by the Commission, shall notify the Commission of its intended participation in the teach-out prior to its implementation so that the Commission may determine whether the accredited institution has the capacity to undertake its responsibilities under the teach-out, is not on sanction with the Commission, and has already in place the necessary approvals from the Commission and other entities to offer the necessary programs. For the avoidance of doubt, only the institution required to submit a Provisional Plan for approval under this policy is responsible for submitting any applicable Teach-Out Agreement.

Commission staff shall review and may act to approve additional teach-out receiving institutions' participation in a teach-out arrangement, or the participation of an HLC member in a teach-out arrangement required by a non-HLC institution. An institution affected by circumstances that would require it to submit a Provisional Plan under this policy or that is under investigation, or being prosecuted for an issue related to academic quality, misrepresentation, fraud, or other severe matters by a law enforcement agency is not

eligible to serve as a teach-out receiving institution. HLC also reserves the right to disqualify any potential teach-out receiving institution based on other risk factors it identifies.

Commission Approvals Related to Teach-Out

Where the Commission is approving a teach-out plan for an academic program or where the Commission is approving an institution's participation as a teach-out receiving institution, staff may act to review and provide approval; all other necessary approvals related to teach-out shall be provided by a decision-making body of the Commission recognized by the U.S. Department of Education. If the Commission approves a Provisional Plan or Teach-Out Agreement that includes a program accredited by a specialized or professional accreditor, the Commission shall notify that accreditor.

Institutional Closure Without Approved Provisional Plan or Teach-Out Agreement; Failure to Comply With Teach-Out Policy

In the event of an institutional closure without an approved Provisional Plan, the Commission shall work with the U.S. Department of Education, the appropriate state agency, if any, and any applicable programmatic accreditor, in the event any member institution closes without a Provisional Plan approved by the Commission, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

An institution that does not close entirely, but that fails to comply with HLC Teach-out policy when otherwise required, may be subject to sanction for noncompliance with HLC requirements.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter B: Teach Out

Part 10: General

Last Revised: November 2020

First Adopted: June 2008

Revision History: revised February 2009, February 2010, November 2010, August 2016, June 2017, June 2020, November 2020

Notes: Policies combined November 2012: 3.9, 3.9(a), 3.9(b), 3.9(c), 3.9(d).

Related Policies: