



## FEDERAL COMPLIANCE

### Policy Change Adopted on Second Reading

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The Higher Learning Commission (HLC) Board of Trustees (“the Board”) adopted this policy on second reading at its meeting on June 27, 2019.

#### Background

Based on feedback from the membership and the Peer Corps and many conversations with representatives from the U.S. Department of Education, HLC has significantly streamlined the Federal Compliance process. The new process, which will go into effect in September 2019, cuts out redundancies related to areas that are already reviewed as part of HLC’s other requirements, including the Criteria for Accreditation, and highlights the areas where information is required only for Federal Compliance. While the institutional filing is significantly shorter, the Federal Compliance requirements have not changed. Rather, HLC’s manner of examining them has changed. The adopted policy revisions accommodate these changes to the process.

HLC circulated these policy changes to the membership and other interested parties after the Board’s February 2019 meeting. No comments were received.

#### Implementation

This policy is effective September 1, 2019.

#### Adopted Policy

Wording that was deleted or revised is shown as strikethrough (~~old wording~~); new language, whether through addition or revision, is shown in bold (**new wording**). These revisions will be made on HLC’s website at [hlcommission.org/policies](http://hlcommission.org/policies) on September 1, 2019.

Section: **Section 2: Policies ~~Required by~~ 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 evaluations **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, or withdrawal of affiliation.

The Commission reserves the right to ~~review~~ **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, ~~or~~ Assumed Practices **or other HLC requirements**, as appropriate, when **findings** by the U.S. Department of Education ~~findings or findings~~ by another recognized accreditor ~~have proven~~ **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 History**

*Last Revised: June 2019*

*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*

*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: INST.B.20.020 Candidacy, INST.B.20.030 Accreditation, INST.C.10.010 Substantive Requirements for Reaffirmation of Accreditation, INST.F.20.010 Special Monitoring*

**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. Affiliated 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 ~~the any~~ federal definition of the credit hour, ~~as reproduced herein for reference only, 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.

*~~Federal Credit Hour Definition: A credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than:~~*

*~~(1) one hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or~~*

*~~(2) at least an equivalent amount of work as required in paragraph (1) of this definition for other activities as established by an institution, including laboratory work, internships, practica, studio work, and other academic work leading toward to the award of credit hours. 34CFR 600.2 (11/1/2010)~~*

**Commission Review.** The Commission shall review ~~the assignment of credit hours, program length, and tuition~~ 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 ~~specific~~ 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 ~~with regard to the awarding of academic credit, program length, or tuition~~, 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 Systematic 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 ~~systematic~~ **systemic** noncompliance with the Commission's policies in this section regarding the awarding of academic credit.

The Commission shall understand ~~systematic~~ **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 History**

*Last Revised: June 2019*

*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), 3.10(b), and 3.10(c) June 2012; revised June 2019, effective September 1, 2019*

*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, Institutional Change.*

Policy Title: Institutional Records of Student Complaints  
Number: FDCR.A.10.030

An institution shall ~~make available~~ **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 History

*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: 4.0(b).*

*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 specified in the federal definitions regulations reproduced herein solely for reference**, 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.

#### *Definitions:*

*Distance education/course means education that uses one or more of the {following} technologies (i) to deliver instruction to students who are separated from the instructor; and (ii) to support regular and substantive interaction between the students and the instructor, synchronously or asynchronously. The technologies used may include: (i) the internet; (ii) one way and two way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; (iii) audioconferencing; or (iv) videocassettes, DVDs, and CD-Roms, if the*

*videocassettes, DVDs or CDROMs are used in conjunction with any of the technologies listed in clauses (i) through (iii).*

*Correspondence education/course means: (1) Education provided through one or more courses by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. (2) Interaction between the instructor and the student is not regular and substantive, and is primarily initiated by the student. (3) Correspondence courses are typically self-paced. (4) Correspondence education is not distance education. 34CFR 602.3 (11/1/2010)*

**Institutional Practices.** In verifying the identity of students who participate in class or coursework the institution may make use of a ~~variety of one or more~~ methods, at the option of the institution, **including which may include but not 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 History**

*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 ~~provide~~ **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 ~~submit~~ **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 History

*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 Affiliation 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.**

~~If~~ **The institution will accompany ~~that~~ 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 Notification of Opportunity to Comment~~**

The Commission shall seek comment from third parties about institutions being evaluated ~~for accreditation or candidacy through a comprehensive evaluation. As part of the comprehensive~~



~~evaluation, institutions shall publicize the forthcoming evaluation in accordance with established Commission procedures regarding content, dissemination, and timing.~~

## Policy History

*Last Revised: June 2019*

*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*

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

*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 History**

*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)*