

The Department proposes to add new §668.50(b) and (c), which would require disclosures to enrolled and prospective students in the institution's distance education programs or correspondence courses. Seven proposed disclosures would be made publicly available, and three disclosures would require direct communication with enrolled and prospective students when certain conditions have been met. These proposed disclosures would not change any other required disclosures of Subpart D of Student Assistance General Provisions.

Public Disclosures - §668.50(b)

Under proposed §668.50(b)(1), an institution would be required to disclose whether or not the program offered through distance education or correspondence courses is authorized by each State in which enrolled students reside. If an institution is authorized through a State authorization reciprocity agreement, the institution would be required to disclose its authorization status under such an agreement.

Under proposed §668.50(b)(2)(i), an institution authorized by a State agency would be required to disclose the process for submitting complaints to the appropriate State agency in the State in which the main campus of the institution is located, including contact information for the appropriate individuals at those State agencies that handle consumer complaints.

Under proposed §668.50(b)(2)(ii), an institution authorized by a State authorization reciprocity agreement would be required to disclose the complaint process established by the reciprocity agreement, if the agreement established such a process. An institution would be required to provide a contact responsible for handling such complaints, as set out in the State authorization reciprocity agreement.

Under proposed §668.50(b)(3), an institution would be required to disclose the process for submitting complaints to the appropriate State agency in the State in which enrolled students reside, including contact information for the appropriate individuals at those State agencies that handle consumer complaints.

Under proposed §668.50(b)(4), an institution would be required to disclose any adverse actions a State entity has initiated related to the institution's distance education programs or correspondence courses for a five calendar year period prior to the year in which the institution makes the disclosure.

Under proposed §668.50(b)(5) an institution would be required to disclose any adverse actions an accrediting agency has initiated related to the institution's distance education programs or correspondence courses for a five calendar year period prior to the year in which the institution makes the disclosure.

Under proposed §668.50(b)(6), an institution would be required to disclose any refund policies for the return of unearned tuition and fees with which the institution is required to comply by any State in which the institution enrolls students in a distance education program or correspondence courses. This disclosure would require publication of the State-specific requirements on the refund policies as well as any institutional refund policies that would be applicable to students enrolled in programs offered through distance education or correspondence courses with which the institution must comply.

Under proposed §668.50(b)(7), an institution would be required to disclose the applicable educational prerequisites for professional licensure or certification which the program offered through distance education or correspondence course prepares the student to enter for each State in which students reside, and for which the institution has made a determination regarding such prerequisites. For any State for which an institution has not made a determination with respect to the licensure or certification requirement, an institution would be required to disclose a statement to that effect.

We anticipate that institutions will provide this information electronically to enrolled and prospective students regarding their distance education or correspondence courses. We estimate that the seven public disclosure requirements would take institutions an average of 15 hours to research, develop, and post on a Web site.

Individualized Disclosures

Under proposed §668.50(c)(1)(i), an institution would be required to provide an individualized disclosure to prospective students when it determines a program offered solely through distance education or correspondence courses does not meet licensure or certification prerequisites in the State of the student's residence.

Under proposed §668.50(c)(1)(ii), an institution would be required to provide an individualized disclosure to both enrolled and prospective students within 30 days of when it becomes aware of any adverse action initiated by a State or an accrediting agency related to the institution's programs offered through distance education or correspondence courses; or within seven days of the institution's determination that a program ceases to meet licensure or certification prerequisites of a State.

For prospective students who receive any individualized disclosure and subsequently enroll, proposed §668.50(c)(2) would require an institution to obtain an acknowledgment from the student that the communication was received prior to the student's enrollment in the program. The Department believes this can be solved relatively easily by including attestation as part of a student's enrollment agreement or other paperwork required for new students by the institution, which an institution would already prepare and maintain.

We anticipate that institutions will provide this information electronically to enrolled and prospective students regarding their distance education or correspondence courses. We estimate that institutions would take an average of 2 hours to develop the language for the individualized disclosures. We estimate that it would take an additional average of 4 hours for the institution to individually disclose this information to enrolled and prospective students for a total of 6 hours of burden to the institutions.

We estimate that five percent of institutions would meet the criteria to require these individual disclosures.

TOTALS

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| Responses | 799 |
| Respondents | 761 |
| Burden Hours | 11,643 |