```
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<br/>

	</p>
</div>
<div id="wrapper" dir="ltr"><p><br/>
<br/>

	</p>
	<div id="top-menu-one" dir="ltr"><p><a href="http://www.gpo.gov/about/">
About
		GPO</a>   |   <a href="http://www.gpo.gov/newsroom-med
ia/">Newsroom/Media</a>
		  |   <a href="http://www.gpo.gov/congressional/">Cong
ressional
		Relations</a>   |   <a href="http://www.gpo.gov/oig/">
Inspector
		General</a>   |   <a href="http://www.gpo.gov/careers/
">Careers</a>
		  |   <a href="http://www.gpo.gov/contact.htm">Contact
</a>
		  |   <a href="http://gpo.custhelp.com/">askGPO</a> &n
bsp;
		|   <a href="http://www.gpo.gov/help/index.html#about_fdsys
2.htm">Help</a>
		 
		</p>
	</div>
	<div id="top-banner-inside" dir="ltr"><p> </p>
	</div>
	<div id="top-menu-two" dir="ltr"><p><a href="http://www.gpo.gov/">Home</
a>
		  |   <a href="http://www.gpo.gov/customers/">Customer
s</a>
		  |   <a href="http://www.gpo.gov/vendors/">Vendors</a
>  
		|   <a href="http://www.gpo.gov/libraries/">Libraries</a> &
nbsp;</p>
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GPO's Federal Digital System </a>
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ttp://www.gpo.gov/searchwebapp/search/home.action">Search
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ttp://www.gpo.gov/searchwebapp/browse/collectiontab.action">Browse
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a, sans-serif">Advanced
                                                                Search </font></
font>

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y">Proximity</a></p>
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rrections</a></p>
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SID=e57fd14f8321be13341310991dcb7815&amp;c=ecfr&amp;tpl=/update.tpl">Latest
                                                                   Updates</a></p>
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/p>
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style="margin-bottom: 0in">
                                            Download the <a href="http://www.gpo.gov
/fdsys/bulkdata/CFR">Code
                                            of Federal Regulations in XML. </a>
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                                        </p>
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f="http://www.ecfr.gov/cgi-bin/ECFR?SID=e57fd14f8321be13341310991dcb7815&amp;pag
e=browse">Electronic
                                        Code of Federal Regulations (e-CFR)</a>
is a regularly updated,
                                        unofficial editorial compilation of CFR
material and Federal
                                        Register amendments produced by the Nati
onal Archives and
                                        Records Administration's Office of the F
ederal Register (OFR)
                                        and the Government Printing Office.</p>
                                        <hr/>

                                        <p style="margin-bottom: 0in">Parallel T
able of Authorities and
                                        Rules for the Code of Federal Regulation
s and the United States
                                        Code<br/>
<a href="http://www.gpo.gov/help/parallel_table.txt">Text</a>
                                        | <a href="http://www.gpo.gov/help/paral
lel_table.pdf">PDF </a>
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                                        <hr/>

                                        <p style="margin-bottom: 0in">Find, revi
ew, and submit comments
                                        on Federal rules that are open for comme
nt and published in the
                                        Federal Register using <a href="http://w
ww.regulations.gov/">Regulations.gov.
                                        </a>
                                        </p>
                                        <hr/>

                                        <p style="margin-bottom: 0in"><a href="h
ttp://bookstore.gpo.gov/baskets/cfr-listing.jsp">Purchase
                                        individual CFR titles </a>from the U.S.
Government Online
                                        Bookstore.</p>
                                        <hr/>

                                        <p style="margin-bottom: 0in">Find issue
s of the CFR (including
                                        issues prior to 1996) at a local <a href
="http://catalog.gpo.gov/fdlpdir/FDLPdir.jsp">Federal
                                        depository library.</a></p>
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ww.ecfr.gov/cgi-bin/retrieveECFR?gp=&amp;SID=e57fd14f8321be13341310991dcb7815&am
p;r=SUBPART&amp;n=34y3.1.3.1.34.12">Browse
                                                Next</a></p>
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                                        <p>Title 34: Education<br/>
<a href="http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&amp;SID=e57fd14f8321be1334
1310991dcb7815&amp;n=34y3.1.3.1.34&amp;r=PART&amp;ty=HTML">PART
                                        668—STUDENT ASSISTANCE GENERAL PROVISION
S</a></p>
                                        <hr/>

                                        <h2 class="western"><a name="_top"></a>S
ubpart K—Cash
                                        Management</h2>
                                        <hr/>

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s</b><br/>
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15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.1">§668.161 &
nbsp; Scope
                                        and purpose (cash management rules).</a>
<br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.2">§668.162 &
nbsp; Requesting
                                        funds.</a><br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.3">§668.163 &
nbsp; Maintaining
                                        and accounting for funds.</a><br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.4">§668.164 &
nbsp; Disbursing
                                        funds.</a><br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
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nbsp; Notices
                                        and authorizations.</a><br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.6">§668.166 &
nbsp; Excess
                                        cash.</a><br/>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
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15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#34:3.1.3.1.34.11.39.7">§668.167 &
nbsp; FFEL
                                        Program funds.</a></p>
                                        <hr/>

                                        <p><span style="font-variant: small-caps
">Source:</span> 61 FR
                                        60603, Nov. 29, 1996, unless otherwise n
oted.
                                        </p>
                                        <p><a href="http://www.ecfr.gov/cgi-bin/
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                                        Back to Top</a></p>
                                        <h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.1"></a>
                                        §668.161   Scope and purp
ose (cash management
                                        rules).</h2>
                                        <p>(a) <i>General.</i> (1) This subpart
establishes the rules
                                        and procedures under which a participati
ng institution requests,
                                        maintains, disburses, and otherwise mana
ges title IV, HEA
                                        program funds. This subpart is intended
to—</p>
                                        <p>(i) Promote sound cash management of
title IV, HEA program
                                        funds by an institution;</p>
                                        <p>(ii) Minimize the financing costs to
the Federal Government
                                        of making title IV, HEA program funds av
ailable to a student or
                                        an institution; and</p>
                                        <p>(iii) Minimize the costs that accrue
to a student under a
                                        title IV, HEA loan program.</p>
                                        <p>(2) The rules and procedures that app
ly to an institution
                                        under this subpart also apply to a third
-party servicer.</p>
                                        <p>(3) As used in this subpart—</p>
                                        <p>(i) The title IV, HEA programs includ
e only the Federal Pell
                                        Grant, ACG, National SMART Grant, TEACH
Grant, FSEOG, Federal
                                        Perkins Loan, FWS, Direct Loan, and FFEL
 programs;</p>
                                        <p>(ii) The term “parent” means a parent
 borrower under the
                                        PLUS programs;</p>
```

<p>(iii) With regard to the FFEL Program
s, the term “disburse”
means the same as deliver loan proceeds
under 34 CFR part 682 of
the FFEL Program regulations; and</p>
<p>(iv) A day is a calendar day unless o
therwise specified.</p>
<p>(4) An institution must follow the di
sbursement procedures in
34 CFR 675.16 for paying a student his o
r her wages under the
FWS Program instead of the disbursement
procedures in
§§668.164(a), (b), and (d) through (g),
and 668.165.</p>
<p>(b) <i>Federal interest in title IV,
HEA program funds.</i>
Except for funds received by an institut
ion for administrative
expenses and for funds used for the Job
Location and Development
Program under the FWS Programs, funds re
ceived by an institution
under the title IV, HEA programs are hel
d in trust for the
intended student beneficiaries, the Secr
etary, or lender or a
guaranty agency under the FFEL programs.
The institution, as a
trustee of Federal funds, may not use or
hypothecate (i.e., use
as collateral) title IV, HEA program fun
ds for any other
purpose.</p>
<p>(Authority: 20 U.S.C. 1070g, 1094)</p
>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 64 FR 58291, Oct.
28, 1999; 71 FR 38003, July 3, 2006; 72
FR 62028, Nov. 1, 2007;
73 FR 35493, June 23, 2008; 74 FR 55947,
Oct. 29, 2009]</p>
<p><a href="http://www.ecfr.gov/cgi-bin/
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div6#_top">

<img src="../input/668.161%20-%20Citation%20for%20Student%20Assistance%20Gen
eral%20Provisions%20-%20Cash%20Mgmt_files/ret-arrow-generic-grey.gif" name="Imag
e2" alt="return arrow" align="bottom" width="76" height="38" border="1"/>

<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&node=34:3.1.3.1.34.11&rgn=div6#_top">
Back to Top</p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.2">
§668.162   Requesting fun
ds.</h2>
<p>(a) <i>General.</i> (1) The Secretary
has sole discretion to

retary provides title
In accordance with
the Secretary may
e advance,
itoring payment methods.</p>
funds from the
the amount of funds
ignation that the
for those funds.</p>
der the advance payment

for funds to the
funds may not exceed
s immediately for
r will make to eligible

uest, the Secretary
EFT) of that amount to a
on; and</p>
funds requested as soon
r than three business
received those funds.</p>
i> Under the

n institution determines
nds, the institution
y, within a timeframe
at contain program award
As part of those
e and amount of the
ade to that student or

determine the method under which the Sec
IV, HEA program funds to an institution.
procedures established by the Secretary,
provide funds to an institution under th
reimbursement, just-in-time, or cash mon
<p>(2) Each time an institution requests
Secretary, the institution must identify
requested by program and fiscal year des
Secretary assigned to the authorization
<p>(b) <i>Advance payment method.</i> Un
method—</p>
<p>(1) An institution submits a request
Secretary. The institution's request for
the amount of funds the institution need
disbursements the institution has made o
students and parents;</p>
<p>(2) If the Secretary accepts that req
initiates an electronic funds transfer (
bank account designated by the instituti
<p>(3) The institution must disburse the
as administratively feasible but no late
days following the date the institution
<p>(c) <i>Just-in-time payment method.</
just-in-time payment method—</p>
<p>(1) For each student or parent that a
is eligible for title IV, HEA program fu
transmits electronically to the Secretar
established by the Secretary, records th
information for that student or parent.
records, the institution reports the dat
disbursements that it will make or has m
that student's parent;</p>

epts for a student or
e corresponding
n or before the date
bursement;</p>
 funds for each record
on may disburse those
time the institution
 that the student is

djustment to a
me established by the
span style="font-variant: small-caps">Federal

/i> Under the

sbursements to students
e students and parents
l Pell Grant, ACG,
t Loan, and campus-based
 reimbursement from the
ecretary considers an
if the institution has
aid a student or parent

t by submitting to the
not exceed the amount of
 has made to students
>
bursement request, the
p>
imbursement is sought;

<p>(2) For each record the Secretary acc
parent, the Secretary provides by EFT th
disbursement amount to the institution o
reported by the institution for that dis
<p>(3) When the institution receives the
accepted by the Secretary, the instituti
funds based on its determination at the
transmitted that record to the Secretary
eligible for that disbursement; and</p>
<p>(4) The institution must report any a
previously accepted record within the ti
Secretary in a notice published in the <
Register.</p>
<p>(d) <i>Reimbursement payment method.<
reimbursement payment method—</p>
<p>(1) An institution must first make di
and parents for the amount of funds thos
are eligible to receive under the Federa
National SMART Grant, TEACH Grant, Direc
programs before the institution may seek
Secretary for those disbursements. The S
institution to have made a disbursement
either credited a student's account or p
directly with its own funds;</p>
<p>(2) An institution seeks reimbursemen
Secretary a request for funds that does
the actual disbursements the institution
and parents included in that request;</p
<p>(3) As part of the institution's reim
Secretary requires the institution to—</
<p>(i) Identify the students for whom re
and</p>
<p>(ii) Submit to the Secretary or entit

y approved by the
each student and parent
receive and has received
h reimbursement is

of the institution's
arent and pays the
y determines with regard
tution—</p>
's eligibility for title

of title IV, HEA
ent; and</p>
uired under paragraph

.</i> Under the cash
provides title IV, HEA
e provisions described
ction. Under either
on, an institution must
parents for the amount
e students and parents
itution—</p>
the provisions of the
raph (b) of this
equest may not exceed
he institution made to
t request; or</p>
bursements under the
method described in
at the Secretary may
d review procedures used

Secretary documentation that shows that
included in the request was eligible to
the title IV, HEA program funds for whic
sought; and</p>
<p>(4) The Secretary approves the amount
reimbursement request for a student or p
institution that amount, if the Secretar
to that student or parent that the insti
<p>(i) Accurately determined the student
IV, HEA program funds;</p>
<p>(ii) Accurately determined the amount
program funds paid to the student or par
<p>(iii) Submitted the documentation req
(d)(3) of this section.</p>
<p>(e) <i>Cash monitoring payment method
monitoring payment method, the Secretary
program funds to an institution under th
in paragraph (e)(1) or (e)(2) of this se
paragraph (e)(1) or (e)(2) of this secti
first make disbursements to students and
of title IV, HEA program funds that thos
are eligible to receive, before the inst
<p>(1) Submits a request for funds under
advance payment ethod described in parag
section, except that the institution's r
the amount of the actual disbursements t
the students and parents included in tha
<p>(2) Seeks reimbursement for those dis
provisions of the reimbursement payment
paragraph (d) of this section, except th
modify the documentation requirements an

```html
to approve the reimbursement request.</p
>
<p>(Authority: 20 U.S.C. 1070g, 1094)</p
>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 62 FR 62876, Nov.
25, 1997; 71 FR 38003, July 3, 2006; 73
FR 35493, June 23, 2008]</p>
<p><a href="http://www.ecfr.gov/cgi-bin/
text-idx?SID=e57fd14f8321be13341310991dcb7815&amp;node=34:3.1.3.1.34.11&amp;rgn=
div6#_top">
  <font color="#000080">
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eral%20Provisions%20-%20Cash%20Mgmt_files/ret-arrow-generic-grey.gif" name="Imag
e3" alt="return arrow" align="bottom" width="76" height="38" border="1"/>
  </font>
</a>
<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&amp;node=34:3.1.3.1.34.11&amp;rgn=div6#_top">
Back to Top</a></p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.3"></a>
§668.163   Maintaining an
d accounting for funds.</h2>
<p>(a)(1) <i>Bank or investment account.
</i> An institution must
maintain title IV, HEA program funds in
a bank or investment
account that is Federally insured or sec
ured by collateral of
value reasonably equivalent to the amoun
t of those funds.</p>
<p>(2) For each bank or investment accou
nt that includes title
IV, HEA program funds, an institution mu
st clearly identify that
title IV, HEA program funds are maintain
ed in that account by—</p>
<p>(i) Including in the name of each acc
ount the phrase “Federal
Funds”; or</p>
<p>(ii)(A) Notifying the bank or investm
ent company of the
accounts that contain title IV, HEA prog
ram funds and retaining
a record of that notice; and</p>
<p>(B) Except for a public institution,
filing with the
appropriate State or municipal governmen
t entity a UCC-1
statement disclosing that the account co
ntains Federal funds and
maintaining a copy of that statement.</p
>
<p>(b) <i>Separate bank account.</i> The
 Secretary may require
an institution to maintain title IV, HEA
 program funds in a
separate bank or investment account that
 contains no other funds
```

titution failed to

</p>

equirements in subpart B

p>

account.</i> (1) An

ibed in §674.8(a) of

ions in an

ent account consisting

ing securities, such as

United States. Interest

tained by the

c)(3) of this section,

, Federal Pell Grant,

FSEOG, and FWS program

t or an investment

of this section.</p>

aintain Direct Loan,

Grant, TEACH Grant,

est-bearing bank account

ar if—</p>

an a total of $3 million

nd anticipates that it

in the current award

its cash management

0 on those funds during

funds from the Secretary

p>

if the Secretary determines that the ins

comply with—</p>

<p>(1) The requirements in this subpart;

<p>(2) The recordkeeping and reporting r

of this part; or</p>

<p>(3) Applicable program regulations.</

<p>(c) <i>Interest-bearing or investment

institution must maintain the Fund descr

the Federal Perkins Loan Program regulat

interest-bearing bank account or investm

predominately of low-risk, income-produc

obligations issued or guaranteed by the

or income earned on Fund proceeds are re

institution as part of the Fund.</p>

<p>(2) Except as provided in paragraph (

an institution must maintain Direct Loan

ACG, National SMART Grant, TEACH Grant,

funds in an interest-bearing bank accoun

account as described in paragraph (c)(1)

<p>(3) An institution does not have to m

Federal Pell Grant, ACG, National SMART

FSEOG, and FWS program funds in an inter

or an investment account for an award ye

<p>(i) The institution drew down less th

of those funds in the prior award year a

will not draw down more than that amount

year;</p>

<p>(ii) The institution demonstrates by

practices that it will not earn over $25

the award year; or</p>

<p>(iii) The institution requests those

under the just-in-time payment method.</

<p>(4) If an institution maintains Direc

t Loan, Federal Pell
Grant, ACG, National SMART Grant, TEACH
Grant, FSEOG, and FWS
program funds in an interest-bearing or
investment account, the
institution may keep the initial $250 it
earns on those funds
during an award year. By June 30 of that
award year, the
institution must remit to the Secretary
any earnings over $250.</p>
<p>(d) <i>Accounting and internal contro
l systems and financial
records.</i> (1) An institution must mai
ntain accounting and
internal control systems that—</p>
<p>(i) Identify the cash balance of the
funds of each title IV,
HEA program that are included in the ins
titution's bank or
investment account as readily as if thos
e program funds were
maintained in a separate account; and</p
>
<p>(ii) Identify the earnings on title I
V, HEA program funds
maintained in the institution's bank or
investment account.</p>
<p>(2) An institution must maintain its
financial records in
accordance with the provisions under §66
8.24.</p>
<p>(e) <i>Standard of conduct.</i> An in
stitution must exercise
the level of care and diligence required
of a fiduciary with
regard to maintaining and investing titl
e IV, HEA program funds.</p>
<p>(Authority: 20 U.S.C. 1070g, 1091, 10
94)</p>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 71 FR 38003, July
3, 2006; 73 FR 35494, June 23, 2008]</p>
<p><a href="http://www.ecfr.gov/cgi-bin/
text-idx?SID=e57fd14f8321be13341310991dcb7815&node=34:3.1.3.1.34.11&rgn=
div6#_top">

<img src="../input/668.161%20-%20Citation%20for%20Student%20Assistance%20Gen
eral%20Provisions%20-%20Cash%20Mgmt_files/ret-arrow-generic-grey.gif" name="Imag
e4" alt="return arrow" align="bottom" width="76" height="38" border="1"/>

<a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=e57fd14f8321be13341310991dcb78
15&node=34:3.1.3.1.34.11&rgn=div6#_top">
Back to Top</p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.4">
§668.164   Disbursing fun
ds.</h2>
<p>(a) <i>Disbursement.</i> (1) Except a

s provided in paragraph
akes a disbursement of
that the institution
tution or pays a student

;</p>
er the FFEL Programs; or</p>
ance of receiving title

he first day of classes
bject to the
03(b)(4) earlier than
nt period, an
ional account with
ing title IV, HEA
hat the institution
before the first day of
ning of the payment
irements of

d.</i> (1) Except as
tion, an institution
s on a payment period
e IV, HEA program funds

4 CFR 682.604(c)(6)(ii)

Federal Pell Grant,
institution chooses to
payment period in
CFR 676.16(a)(3), 34 CFR
or</p>
or require otherwise.</p>

(a)(2) of this section, an institution m
title IV, HEA program funds on the date
credits a student's account at the insti
or parent directly with—</p>
<p>(i) Funds received from the Secretary
<p>(ii) Funds received from a lender und
<p>(iii) Institutional funds used in adv
IV, HEA program funds.</p>
<p>(2) If, earlier than 10 days before t
of a payment period, or for a student su
requirements of §682.604(c)(5) or §685.3
30 days after the first day of the payme
institution credits a student's institut
institutional funds in advance of receiv
program funds, the Secretary considers t
makes that disbursement on the 10th day
classes, or the 30th day after the begin
period for a student subject to the requ
§682.604(c)(5) or §685.303(b)(4).</p>
<p>(b) <i>Disbursements by payment perio
provided in paragraph (b)(2) of this sec
must disburse title IV, HEA program fund
basis. An institution must disburse titl
once each payment period unless—</p>
<p>(i) For FFEL and Direct Loan funds, 3
or 34 CFR 685.301(b)(3) applies;</p>
<p>(ii) For Federal Perkins Loan, FSEOG,
ACG, and National SMART Grant funds, an
make more than one disbursement in each
accordance with 34 CFR 674.16(b)(3), 34
690.76, or 34 CFR 691.76, as applicable;
<p>(iii) Other program regulations allow

) of this section do not
funds.</p>
g) of this section, an
rogram funds to a
nly if the student is
riod and is eligible to

stitution pays a student

t a check provided by a
Program;</p>
equiring the endorsement
issues a check on the

parent; or</p>
ck is available for
at the institution. The
21 days after the date
does not pick up the
titution must
t or parent, initiate an
count, or return the
rogram;</p>
ount designated by the

stitution obtains a
t.</p>
nk account” means an
nsurance Corporation
e Insurance Fund
, savings, or similar
rd or other transaction

<p>(2) The provisions of paragraph (b)(1
apply to the disbursement of FWS Program
<p>(3) Except as provided in paragraph (
institution may disburse title IV, HEA p
student or parent for a payment period o
enrolled for classes for that payment pe
receive those funds.</p>
<p>(c) <i>Direct payments.</i> (1) An in
or parent directly by—</p>
<p>(i) Releasing to the student or paren
lender to the institution under the FFEL
<p>(ii) Issuing a check payable to and r
of the student or parent. An institution
date that it—</p>
<p>(A) Mails the check to the student or
<p>(B) Notifies the student that the che
immediate pickup at a specified location
institution may hold the check for up to
it notifies the student. If the student
check within this 21-day period, the ins
immediately mail the check to the studen
EFT to the student's or parent's bank ac
funds to the appropriate title IV, HEA p
<p>(iii) Initiating an EFT to a bank acc
student or parent; or</p>
<p>(iv) Dispensing cash for which the in
signed receipt from the student or paren
<p>(2) For purposes of this section, “ba
account insured by the Federal Deposit I
(FDIC) or the National Credit Union Shar
(NCUSIF). This account may be a checking
account that underlies a stored-value ca

licy requiring its
tion or open an account
his policy does not
program funds to
s not comply with the
st nevertheless disburse
described in paragraph
ny timeframes required
here the institution
ent or parent,
ent follows to open a
tudent or parent in
must—</p>
sent from the student or

form the student or
iated with accepting and

funds in the account
udent or parent, except
the funds in accordance

t does not incur any
receiving any type of
e of automated teller
on device that is used

nient access to a branch
in which the account
so that the student does
awals from that office

device.</p>
<p>(3) An institution may establish a po
students to provide bank account informa
at a bank of their choosing as long as t
delay the disbursement of title IV, HEA
students. Consequently, if a student doe
institution's policy, the institution mu
the funds to the student using a method
(c) of this section in accordance with a
under subpart k of this part. In cases w
opens a bank account on behalf of a stud
establishes a process the student or par
bank account, or similarly assists the s
opening a bank account, the institution
<p>(i) Obtain in writing affirmative con
parent to open that account;</p>
<p>(ii) Before the account is opened, in
parent of the terms and conditions assoc
using the account;</p>
<p>(iii) Not make any claims against the
without the written permission of the st
for correcting an error in transferring
with banking protocols;</p>
<p>(iv) Ensure that the student or paren
cost in opening the account or initially
debit card, stored-value card, other typ
machine (ATM) card, or similar transacti
to access the funds in that account;</p>
<p>(v) Ensure that the student has conve
office of the bank or an ATM of the bank
was opened (or an ATM of another bank),
not incur any cost in making cash withdr
or these ATMs. This branch office or the

se ATMs must be located
ionally-owned or
 the meaning of the term
a), immediately
us;</p>
lue or ATM card, or
he institution may not
articular vendors; and</p>
nt, card, or device as a
sequently convert the
d or credit instrument.</p>
at the institution.</i>
gram funds to credit a
satisfy—</p>

with the institution for

with the institution for

tudent's or parent's
ducationally related
nstitution; and</p>
tal of not more than

 and</p>
tudent's or parent's
ducationally related
nstitution.</p>
an institution disburses
 a student's account and
ogram funds credited
room and board, and

on the institution's campus, in institut
operated facilities, or, consistent with
“Public Property” as defined in §668.46(
adjacent to and accessible from the camp
<p>(vi) Ensure that the debit, stored-va
other device can be widely used, e.g., t
limit the use of the card or device to p
<p>(vii) Not market or portray the accou
credit card or credit instrument, or sub
account, card, or device to a credit car
<p>(d) <i>Crediting a student's account
An institution may use title IV, HEA pro
student's account at the institution to
<p>(1) Current year charges for—</p>
<p>(i) Tuition and fees;</p>
<p>(ii) Board, if the student contracts
board;</p>
<p>(iii) Room, if the student contracts
room; and</p>
<p>(iv) If the institution obtains the s
authorization under §668.165(b), other e
charges incurred by the student at the i
<p>(2) Prior award year charges for a to
$200 for—</p>
<p>(i) Tuition and fees, room, or board;
<p>(ii) If the institution obtains the s
authorization under §668.165(b), other e
charges incurred by the student at the i
<p>(e) <i>Credit balances.</i> Whenever
title IV, HEA program funds by crediting
the total amount of all title IV, HEA pr
exceeds the amount of tuition and fees,

assessed the student,
redit balance directly
ible but—</p>
alance occurred if the
day of class of a

irst day of class of a
urred on or before the
d.</p>
t as provided under

dit-hour educational
mester, or quarter
ion may disburse title
rent for any payment
f classes for a payment

dit-hour educational
trimester, or quarter
tional program the
le IV, HEA program funds
eriod is the later of—</p>
classes of the payment

he previous payment
e IV, HEA program funds,
y to the payment of
the conditions described
d (b)(6) and 34 CFR
respectively.</p>
isburse the initial
oan or FFEL programs to

other authorized charges the institution
the institution must pay the resulting c
to the student or parent as soon as poss
<p>(1) No later than 14 days after the b
credit balance occurred after the first
payment period; or</p>
<p>(2) No later than 14 days after the f
payment period if the credit balance occ
first day of class of that payment perio
<p>(f) <i>Early disbursements.</i> Excep
paragraph (f)(3) of this section—</p>
<p>(1) If a student is enrolled in a cre
program that is offered in semester, tri
academic terms, the earliest an institut
IV, HEA program funds to a student or pa
period is 10 days before the first day o
period.</p>
<p>(2) If a student is enrolled in a cre
program that is not offered in semester,
academic terms, or in a clock hour educa
earliest an institution may disburse tit
to a student or parent for any payment p
<p>(i) Ten days before the first day of
period; or</p>
<p>(ii) The date the student completed t
period for which he or she received titl
except that this provision does not appl
Direct Loan or FFEL program funds under
in 34 CFR 685.301 (b)(3)(ii), (b)(5), an
682.604 (c)(6)(ii), (c)(7), and (c)(8),
<p>(3) The earliest an institution may d
installment of a loan under the Direct L

cribed in 34 CFR

0 days after the first

p>

Ineligible student.</i>

wise eligible student

HEA program funds on the

ect Loan programs, the

titution as at least a

llment for which the

ell Grant, ACG, National

, and TEACH Grant

led at the institution

ment.</i> Except as

ection, a student who

ent in the case of a

ment if, before the date

ISIR with an official

Direct Loan programs,

the loan;

rkins Loan or FSEOG

d to the student; or</p>

t program, the

student.</p>

> Provided that the

a first-year, first-time borrower as des

682.604(c) and 34 CFR 685.303(b)(4) is 3

day of the student's program of study.</

<p>(g) <i>Late disbursements</i>—(1) <i>

For purposes of this paragraph, an other

becomes ineligible to receive title IV,

date that—
</p>
<p>(i) For a loan under the FFEL and Dir

student is no longer enrolled at the ins

half-time student for the period of enro

loan was intended; or
</p>
<p>(ii) For an award under the Federal P

SMART Grant, FSEOG, Federal Perkins Loan

programs, the student is no longer enrol

for the award year.
</p>
<p>(2) <i>Conditions for a late disburse

limited under paragraph (g)(4) of this s

becomes ineligible (or the student's par

PLUS loan) qualifies for a late disburse

the student became ineligible—
</p>
<p>(i) The Secretary processed a SAR or

expected family contribution; and
</p>
<p>(ii) (A) For a loan under the FFEL or

the institution certified or originated

</p>
<p>(B) For an award under the Federal Pe

programs, the institution made that awar

<p>(C) For an award under the TEACH Gran

institution originates the award to the

<p>(3) <i>Making a late disbursement.</i

conditions described in paragraph (g)(2) of this section are

institution during a

the institution must

quired under

visions of

leted the payment period

must provide the

eceive the amount of

dent (or parent) was

s enrolled at the

this circumstance, the

ount to pay for current

ragraph (d) of this

ning amount to the

but ceased to be

, the institution may

er the FFEL or Direct

ts that the institution

period in which the

ution may not make a

ter the date of the

dent withdrew, as

o did not withdraw, 180

e becomes ineligible.

cond or subsequent late

Direct Loan programs

satisfied—
</p>
<p>(i) If the student withdrew from the

payment period or period of enrollment,

make any post-withdrawal disbursement re

§668.22(a)(4) in accordance with the pro

§668.22(a)(5);
</p>
<p>(ii) If the student successfully comp

or period of enrollment, the institution

student (or parent) the opportunity to r

title IV, HEA program funds that the stu

eligible to receive while the student wa

institution. For a late disbursement in

institution may credit the student's acc

and allowable charges as described in pa

section, but must pay or offer any remai

student or parent; or
</p>
<p>(iii) If the student did not withdraw

enrolled as at least a half-time student

make the late disbursement of a loan und

Loan programs to pay for educational cos

determines the student incurred for the

student was eligible.
</p>
<p>(4) <i>Limitations.</i> (i) An instit

late disbursement later than 180 days af

institution's determination that the stu

provided in §668.22, or for a student wh

days after the date the student otherwis

</p>
<p>(ii) An institution may not make a se

disbursement of a loan under the FFEL or

unless the student successfully completed the period of enrollment for which the loan was intended.
</p>
<p>(iii) An institution may not make a late disbursement of a loan under the FFEL or Direct Loan programs if the student was a first-year, first-time borrower unless the student completed the first 30 days of his or her program of study. This limitation does not apply if the institution is exempt from the 30-day delayed disbursement requirements under §682.604(c)(5)(i), (ii), or (iii) or §685.303(b)(4)(i)(A), (B), or (C) of this chapter.
</p>
<p>(iv) An institution may not make a late disbursement of any title IV, HEA program assistance unless it received a valid SAR or a valid ISIR for the student by the deadline date established by the Secretary in a notice published in the Federal Register.</p>
<p>(h) <i>Returning funds.</i> (1) Notwithstanding any State law (such as a law that allows funds to escheat to the State), an institution must return to the Secretary, lender, or guaranty agency, any title IV, HEA program funds, except FWS program funds, that it attempts to disburse directly to a student or parent but the student or parent does not receive or negotiate those funds. For FWS program funds, the institution is required to return only the Federal portion of the payroll disbursement.</p>
<p>(2) If an institution attempts to disburse the funds by check and the check is not cashed, the institution must return the funds no later than 240 days after the date it issued that check.</p>
<p>(3)(i) If a check is returned to the institution, or an EFT is rejected, the institution may make additional attempts to disburse the funds, provided that those attempts are made not

returned or rejected. In
e another attempt, the
this 45 day period; and</p>
described in paragraph
must cease any
ediately return those

ies.</i> (1) An
eral Pell Grant eligible
venth day of a payment
for the payment period
payment period—</p>
e title IV, HEA program
and</p>
ed, the student would
) of this section.</p>
es to the Federal Pell
hase books and supplies
ance under this
udent, as determined by

y under which a Federal
of the way the
obtain or purchase books

student uses the way
purchase books and
nt is considered to have
s and the institution
ization under paragraph
b) for this purpose.</p>

later than 45 days after the funds were
cases where the institution does not mak
funds must be returned before the end of
<p>(ii) No later than the 240 day period
(h)(2) of this section, the institution
additional disbursement attempts and imm
funds.</p>
<p>(i) <i>Provisions for books and suppl
institution must provide a way for a Fed
student to obtain or purchase, by the se
period, the books and supplies required
if, 10 days before the beginning of the
<p>(i) The institution could disburse th
funds for which the student is eligible;
<p>(ii) Presuming the funds were disburs
have a credit balance under paragraph (e
<p>(2) The amount the institution provid
Grant eligible student to obtain or purc
is the lesser of the presumed credit bal
paragraph or the amount needed by the st
the institution.</p>
<p>(3) The institution must have a polic
Pell Grant eligible student may opt out
institution provides for the student to
and supplies under this paragraph.</p>
<p>(4) If a Federal Pell Grant eligible
provided by the institution to obtain or
supplies under this paragraph, the stude
authorized the use of title IV, HEA fund
does not need to obtain a written author
(d)(1)(iv) of this section and §668.165(
<p>(Authority: 20 U.S.C. 1070g, 1094)</p

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>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 64 FR 59042, Nov.
1, 1999; 67 FR 67073, Nov. 1, 2003; 71 F
R 38003, July 3, 2006;
71 FR 45696, Aug. 9, 2006; 71 FR 64397,
Nov. 1, 2006; 72 FR
62028, Nov. 1, 2007; 73 FR 35494, June 2
3, 2008; 75 FR 66967,
Oct. 29, 2010]</p>
<p><a href="http://www.ecfr.gov/cgi-bin/
text-idx?SID=e57fd14f8321be13341310991dcb7815&amp;node=34:3.1.3.1.34.11&amp;rgn=
div6#_top">
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eral%20Provisions%20-%20Cash%20Mgmt_files/ret-arrow-generic-grey.gif" name="Imag
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Back to Top</a></p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.5"></a>
§668.165   Notices and au
thorizations.</h2>
<p>(a) <i>Notices.</i> (1) Before an ins
titution disburses title
IV, HEA program funds for any award year
, the institution must
notify a student of the amount of funds
that the student or his
or her parent can expect to receive unde
r each title IV, HEA
program, and how and when those funds wi
ll be disbursed. If
those funds include Direct Loan or FFEL
Program funds, the
notice must indicate which funds are fro
m subsidized loans and
which are from unsubsidized loans.</p>
<p>(2) Except in the case of a post-with
drawal disbursement made
in accordance with §668.22(a)(5), if an
institution credits a
student's account at the institution wit
h Direct Loan, FFEL,
Federal Perkins Loan, or TEACH Grant Pro
gram funds, the
institution must notify the student or p
arent of—</p>
<p>(i) The anticipated date and amount o
f the disbursement;</p>
<p>(ii) The student's right or parent's
right to cancel all or a
portion of that loan, loan disbursement
TEACH Grant, or TEACH
Grant disbursement and have the loan pro
ceeds returned to the
holder of that loan, the TEACH Grant pro
```

ceeds returned to the
eleases a check provided
institution is not
d</p>
h the student or parent
he wishes to cancel the
 TEACH Grant

notice described in
ing—</p>
nd no later than 30 days
t the institution, if
irmation from the
s section; or</p>
and no later than seven
t at the institution, if
ive confirmation from
 this section.</p>
m the institution if he
 of a loan, loan
t disbursement.</p>
loan or TEACH Grant
, or do both, in
ided that the
nt cancellation request—</p>
ayment period or 14 days
r parent of his or her
an or TEACH Grant, if
irmation from the
s section; or</p>
stitution notifies the

Secretary. However, if the institution r
by a lender under the FFEL Program, the
required to provide this information; an
<p>(iii) The procedures and time by whic
must notify the institution that he or s
loan, loan disbursement, TEACH Grant, or
disbursement.</p>
<p>(3) The institution must provide the
paragraph (a)(2) of this section in writ
<p>(i) No earlier than 30 days before, a
after, crediting the student's account a
the institution obtains affirmative conf
student under paragraph (a)(6)(i) of thi
<p>(ii) No earlier than 30 days before,
days after, crediting the student accoun
the institution does not obtain affirmat
the student under paragraph (a)(6)(i) of
<p>(4)(i) A student or parent must infor
or she wishes to cancel all or a portion
disbursement, TEACH Grant, or TEACH Gran
<p>(ii) The institution must return the
proceeds, cancel the loan or TEACH Grant
accordance with program regulations prov
institution receives a loan or TEACH Gra
<p>(A) The later of the first day of a p
after the date it notifies the student o
right to cancel all or a portion of a lo
the institution obtains affirmative conf
student under paragraph (a)(6)(i) of thi
<p>(B) Within 30 days of the date the in

cancel all or a portion
btain affirmative
graph (a)(6)(i) of this

a loan cancellation
(a)(4)(ii)(A) or (B) of
the loan or TEACH Grant
, or do both, in

udent or parent in
cellation request.</p>

cess under which an
of the types and
hat a student wants for
dits the student's
ss under which the TEACH
red to be an affirmative

o return any loan or
irectly to a student or

ns.</i> (1) If an
n from a student or
ay—</p>
le IV, HEA program funds
(d)(2) that are

etary under the
method, hold on behalf
EA program, funds that
student or parent under
nstitution may issue a

student or parent of his or her right to
of a loan, if the institution does not o
confirmation from the student under para
section.</p>
<p>(iii) If a student or parent requests
after the period set forth in paragraph
this section, the institution may return
proceeds, cancel the loan or TEACH Grant
accordance with program regulations.</p>
<p>(5) An institution must inform the st
writing regarding the outcome of any can
<p>(6) For purposes of this section—</p>
<p>(i) Affirmative confirmation is a pro
institution obtains written confirmation
amounts of title IV, HEA program loans t
an award year before the institution cre
account with those loan funds. The proce
Grant program is administered is conside
confirmation process; and</p>
<p>(ii) An institution is not required t
TEACH Grant proceeds that it disbursed d
parent.</p>
<p>(b) <i>Student or parent authorizatio
institution obtains written authorizatio
parent, as applicable, the institution m
<p>(i) Use the student's or parent's tit
to pay for charges described in §668.164
included in that authorization; and</p>
<p>(ii) Except if prohibited by the Secr
reimbursement or cash monitoring payment
of the student or parent any title IV, H
would otherwise be paid directly to the
§668.164(e). Under this provision, the i

stored-value card or other similar device that allows the student or parent to access those funds at his or her discretion to pay for educationally related expenses. </p>

<p>(2) In obtaining the student's or parent's authorization to perform an activity described in paragraph (b)(1) of this section, an institution—</p>

<p>(i) May not require or coerce the student or parent to provide that authorization;</p>

<p>(ii) Must allow the student or parent to cancel or modify that authorization at any time; and</p>

<p>(iii) Must clearly explain how it will carry out that activity.</p>

<p>(3) A student or parent may authorize an institution to carry out the activities described in paragraph (b)(1) of this section for the period during which the student is enrolled at the institution.</p>

<p>(4)(i) If a student or parent modifies an authorization, the modification takes effect on the date the institution receives the modification notice.</p>

<p>(ii) If a student or parent cancels an authorization to use title IV, HEA program funds to pay for authorized charges under §668.164(d)(2), the institution may use title IV, HEA program funds to pay only those authorized charges incurred by the student before the institution received the notice.</p>

<p>(iii) If a student or parent cancels an authorization to hold title IV, HEA program funds under paragraph (b)(1)(iii) of this section, the institution must pay those funds directly to the student or parent as soon as possible but no later than 14 days after the institution receives that notice.</p>

<p>(5) If an institution holds excess student funds under paragraph (b)(1)(iii) of this section, the institution must—</p>

<p>(i) Identify the amount of funds the institution holds for each student or parent in a subsidiary l

```
edger account designed
for that purpose;</p>
<p>(ii) Maintain, at all times, cash in
its bank account in an
amount at least equal to the amount of f
unds the institution
holds for the student; and</p>
<p>(iii) Notwithstanding any authorizati
on obtained by the
institution under this paragraph, pay an
y remaining balance on
loan funds by the end of the loan period
 and any remaining other
title IV, HEA program funds by the end o
f the last payment
period in the award year for which they
were awarded.</p>
<p>(Approved by the Office of Management
 and Budget under
control number 1845-0038)</p>
<p>(Authority: 20 U.S.C. 1094)</p>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 62 FR 27128, May
16, 1997; 65 FR 65675, Nov. 1, 2000; 67
FR 67074, Nov. 1, 2003;
71 FR 64397, Nov. 1, 2006; 72 FR 62029,
Nov. 1, 2007; 73 FR
35494, June 23, 2008]</p>
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Back to Top</a></p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.6"></a>
§668.166   Excess cash.</
h2>
<p>(a) <i>General.</i> (1) The Secretary
 considers excess cash
to be any amount of title IV, HEA progra
m funds, other than
Federal Perkins Loan Program funds, that
 an institution does not
disburse to students or parents by the e
nd of the third business
day following the date the institution—<
/p>
<p>(i) Received those funds from the Sec
retary; or</p>
<p>(ii) Deposited or transferred to its
Federal account
previously disbursed title IV, HEA progr
am funds received from
```

the Secretary, such as those resulting f
rom award adjustments,
recoveries, or cancellations.</p>
<p>(2) The provisions of this section do
 not apply to the title
IV, HEA program funds that an institutio
n receives from the
Secretary under the just-in-time payment
 method.</p>
<p>(b) <i>Excess cash tolerances.</i> An
 institution may
maintain for up to seven days an amount
of excess cash that does
not exceed one percent of the total amou
nt of funds the
institution drew down in the prior award
 year. The institution
must return immediately to the Secretary
 any amount of excess
cash over the one-percent tolerance and
any amount remaining in
its account after the seven-day toleranc
e period.</p>
<p>(c) <i>Consequences for maintaining e
xcess cash.</i> Upon a
finding that an institution maintains ex
cess cash for any amount
or timeframe over that allowed in the to
lerance provisions in
paragraph (b) of this section, the actio
ns the Secretary may
take include, but are not limited to—</p
>
<p>(1) Requiring the institution to reim
burse the Secretary for
the costs the Secretary incurred in prov
iding that excess cash
to the institution; and</p>
<p>(2) Providing funds to the institutio
n under the
reimbursement payment method or cash mon
itoring payment method
described in §668.163(d) and (e), respec
tively.</p>
<p>(Authority: 20 U.S.C. 1094)</p>
<p>[72 FR 62030, Nov. 1, 2007]</p>
<p><a href="http://www.ecfr.gov/cgi-bin/
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Back to Top</p>
<h2 class="western" align="left"><a name
="34:3.1.3.1.34.11.39.7">

unds.</h2>
</i> In certifying a
82.603—</p>
lender to provide it
arlier than—</p>
 day of classes of the
irst-time Federal
d in §682.604(c)(5); or</p>
ay of classes for any
ar, first-time Federal
y payment period for all
owers; and</p>
lender to provide it
ndorsement of the

irst payment period for
d Loan Program borrower

 of classes for any
ar, first-time Federal
y payment period for all
>
 a lender to provide it
or any Federal PLUS
 the first day of

 lender to provide with
ement of the borrower
r than 30 days before
 period.</p>
i> (1) Except as

§668.167   FFEL Program f
<p>(a) <i>Requesting FFEL Program funds.
loan application for a borrower under §6
<p>(1) An institution may not request a
with loan funds by EFT or master check e
<p>(i) Twenty-seven days after the first
first payment period for a first-year, f
Stafford Loan Program borrower as define
<p>(ii) Thirteen days before the first d
subsequent payment period for a first-ye
Stafford Loan Program borrower or for an
other Federal Stafford Loan Program borr
<p>(2) An institution may not request a
with loan funds by check requiring the e
borrower earlier than—</p>
<p>(i) The first day of classes of the f
a first-year, first-time Federal Staffor
as defined in §682.604(c)(5); or</p>
<p>(ii) Thirty days before the first day
subsequent payment period for a first-ye
Stafford Loan Program borrower or for an
other Federal Stafford borrowers; and</p
<p>(3)(i) An institution may not request
with loan funds by EFT or master check f
Program loan earlier than 13 days before
classes for any payment period.</p>
<p>(ii) An institution may not request a
loan funds by check requiring the endors
for any Federal PLUS Program loan earlie
the first day of classes for any payment
<p>(b) <i>Returning funds to a lender.</
provided in paragraph (c) of this sectio

n, an institution must
the institution does
parent for a payment

ate the institution
s those funds to the
after July 1, 1997 but

e date the institution
s those funds to the
r after July 1, 1999; or</p>
on receives the funds if
payable to the borrower
titution.</p>
rse the loan funds as
this section, the
he lender promptly but
date the institution is

n funds to the lender
nd the institution
to receive the loan
to the student or
nder provided the funds
plicable timeframe under

lender.</i> An
gram funds to a lender

set forth in paragraph

rse FFEL Program funds
t complete the required

return FFEL Program funds to a lender if
not disburse those funds to a student or
period within—</p>
<p>(i) Ten business days following the d
receives the funds if the lender provide
institution by EFT or master check on or
before July 1, 1999;</p>
<p>(ii) Three business days following th
receives the funds if the lender provide
institution by EFT and master check on o
<p>(iii) Thirty days after the instituti
a lender provides those funds by a check
or copayable to the borrower and the ins
<p>(2) If the institution does not disbu
specified in paragraph (b)(1) or (c) of
institution must return those funds to t
no later than 10 business days after the
required to disburse the funds.</p>
<p>(3) If an institution must return loa
under paragraph (b)(2) of this section a
determines that the student is eligible
funds, the school may disburse the funds
parent rather than return them to the le
are disbursed prior to the end of the ap
paragraph (b)(2) of this section.</p>
<p>(c) <i>Delay in returning funds to a
institution may delay returning FFEL pro
for—</p>
<p>(1) Ten business days after the date
(b)(1) of this section if—</p>
<p>(i)(A) The institution does not disbu
to a borrower because the student did no
number of clock or credit hours in a pre

ceding payment period;

nt to complete required

he FFEL Programs

nt to meet those

or</p>

rth in paragraph (b) of

by EFT or master check

on the reimbursement

) of this section.</p>

e reimbursement payment

an institution under the

eral Pell Grant, Direct

tution—</p>

ds to a borrower until

e institution to make

</p>

may not certify a

cretary approves a

t certification for that

rove a disbursement or

on, the institution must

entity approved by the

included in that request

tified is eligible to

on.</p>

of a disbursement or

—</p>

orsing a master check or

and</p>
<p>(B) The institution expects the stude

hours within this 10-day period; or</p>
<p>(ii)(A) The student has not met all t

eligibility requirements; and</p>
<p>(B) The institution expects the stude

requirements within this 10-day period;

<p>(2) Thirty days after the date set fo

this section for funds a lender provides

if the Secretary places the institution

payment method under paragraph (d) or (e

<p>(d) <i>An institution placed under th

method.</i> (1) If the Secretary places

reimbursement payment method for the Fed

Loan or campus-based programs, the insti

<p>(i) May not disburse FFEL Program fun

the Secretary approves a request from th

that disbursement for that borrower; and

<p>(ii) If prohibited by the Secretary,

borrower's loan application until the Se

request from the institution to make tha

borrower.</p>
<p>(2) In order for the Secretary to app

certification request from the instituti

submit documentation to the Secretary or

Secretary that shows that each borrower

whose loan has not been disbursed or cer

receive that disbursement or certificati

<p>(3) Pending the Secretary's approval

certification request, the Secretary may

<p>(i) Prohibit the institution from end

obtaining a borrower's endorsement of an

```
y loan check the
institution receives from a lender;</p>
<p>(ii) Require the institution to maint
ain loan funds that it
receives from a lender via EFT in a sepa
rate bank account that
meets the requirements under §668.163; a
nd</p>
<p>(iii) Prohibit the institution from c
ertifying a borrower's
loan application.</p>
<p>(e) <i>An institution participating s
olely in the FFEL
Programs.</i> If the FFEL Programs are t
he only title IV, HEA
programs in which an institution partici
pates and the Secretary
determines that there is a need to monit
or strictly the
institution's participation in those pro
grams, the Secretary may
subject the institution to the condition
s and limitations
contained in paragraph (d) of this secti
on.</p>
<p>(f) <i>An institution placed under th
e cash monitoring
payment method.</i> The Secretary may re
quire an institution
that is placed under the cash monitoring
 described under
paragraph §668.162(e), to comply with th
e disbursement and
certification provisions under paragraph
 (d) of this section,
except that the Secretary may modify the
 documentation
requirements and review procedures used
to approve the
institution's disbursement or certificat
ion request.</p>
<p>(Approved by the Office of Management
 and Budget under
control number 1840-0697)
</p>
<p>(Authority: 20 U.S.C. 1094)</p>
<p>[61 FR 60603, Nov. 29, 1996, as amend
ed at 62 FR 27128, May
16, 1997; 62 FR 62877, Nov. 25, 1997; 63
 FR 40626, July 29,
1998; 69 FR 12276, Mar. 16, 2004]</p>
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