

March 6, 2024

The Honorable Benjamin Miller
Deputy Under Secretary, Office of the Under Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Deputy Under Secretary Miller,

On behalf of the American Association of Collegiate Registrars and Admissions Officers (AACRAO), I would like to thank you and your colleagues for taking the time to meet with AACRAO on Tuesday, February 27, 2024. We believe that it was very productive meeting and we appreciate the opportunity to provide feedback on the issue of transcript withholding published in the Federal Registrar in the rule for **“Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit”** with the Docket ID of ED-2023-OPE-0089.

As background, AACRAO was founded in 1910 and is one of the nation’s oldest and largest nonprofit higher education associations, with a membership that includes more than 2,600 accredited colleges and universities and approximately 11,000 higher education admissions and registration professionals. Our mission is to provide guidelines and standards for the higher education community regarding record management, admissions, enrollment management, administrative information technology and student services.

Specifically, I wanted to follow up on to this particular section of the regulation:

Regulation

C.F.R. 668.14(b) (33 & 34)

668.14(b)(33) To provide that an institution may not withhold official transcripts or take any other negative action against a student related to a balance owed by the student that resulted from an error in the institution’s administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel;

668.14(b)(34) To require an institution to provide an official transcript that includes all the credit or clock hours for payment periods in which 1) the student received title IV, HEA funds; and (2) all institutional charges were paid, or included in an agreement to pay, at the time the request is made.

We mentioned during our meeting that these regulations raised much concern within the AACRAO membership. This is due to the fact that during the negotiated rulemaking committee hearing held in the spring of 2023 the conversation about transcript withholding focused solely in terms of instances where an education institution had committed any fraud or misconduct, such as mentioned in 668.14(b)(33). The Department clearly stated during the hearing that they did not have the authority to go beyond this.

AACRAO/NACUBO Webinar and Initial Interpretation

The higher education community, particularly registrars, are experiencing confusion and concern due to the introduction of regulation 668.14(b)(33) and, more significantly, the unexpected addition of 668.14(b)(34). Despite the Department's earlier assertion in the spring of 2023 that it lacked the authority to extend beyond 668.14(b)(33), the new regulation 668.14(b)(34) has raised alarms. This concern stems from the lack of prior discussion or stakeholder input on how this new regulation might affect institutional procedures.

It appears that there is a misconception that institutions use transcript withholding as a punitive measure. In reality, withholding transcripts is a long-established, proactive strategy in higher education. This strategy is intended to prompt students to complete certain actions – like fulfilling exit student loan obligations or returning athletic equipment – in order to access their credentials and comply with regulatory requirements. It's important to note that there are around 20 different scenarios where a university might place a hold on a student's transcript, which are not limited to outstanding financial obligations.

This new regulatory language led to discussions between our organization and the National Association of College and University Business Officers (NACUBO), who are also concerned about the impact of this language on business officers and institutions as a whole, particularly in terms of cash management.

Our associations proactively organized a joint webinar where we shared our initial interpretations with our members regarding the impact of these two regulatory changes for transcript withholding on workplace practices. Attached you will find **Exhibit A**, a jointly developed powerpoint that provides different scenarios when institutions can and cannot withhold transcripts. Please review and provide your thoughts to our initial interpretation.

The webinar was extremely well attended. However, it led to a slew of additional questions. We received more than 100 additional questions and scenarios, revealing to both our associations the complexity and nuances in how institutions need to adapt their business practices to comply with the new regulations. AACRAO and NACUBO reviewed these questions and provided a synopsis of these questions in a topical thread format back to webinar participants. This led to more questions. Attached you will find **Exhibit B**, which provides our initial responses to these questions. Please review and provide your feedback on our responses.

AACRAO/NACUBO/ACE National Survey & Feedback

Following the webinar and the subsequent questions, it became clear that more input was needed. This realization also provided the opportunity to receive input on other topics within the new regulations that others at the institution would likely require additional information and/or guidance with the new regulations.

To address this need, a national survey was developed between AACRAO, NACUBO and the American Council on Education (ACE). The goal was to gather feedback from the larger higher education community and gain a comprehensive understanding of the impact these new regulations would have on higher education. Please see **Exhibit C**, which is the survey developed that was sent to our respective members.

The survey went out in December and feedback was received in January. A synthesis of the results are included in **Exhibit D**.

In regards to transcript withholding, we would like to focus on data from Questions 10, 11, 12.

Question 10 – *The final regulations stipulate that institutions will not withhold transcripts or take other negative actions against a Title IV student due to an error or misconduct on the school's part.*

- Among respondents, one-fourth (25 percent) foresee challenges or concerns with their institution's ability to comply with final regulations related to transcript withholding.
- Please see this section of the synopsis for additional analysis, feedback and questions.

Question 11 – *The final regulations stipulate that upon a student's request, an institution will provide an official transcript that includes all the credit or clock hours for payment periods in which the student received any Title IV, HEA funds and were paid in full. However, an institution may withhold sections of the transcript associated with specific payment periods with a balance under certain conditions, resulting in a partial transcript. The payment periods not associated with the debt must be released.*

- Among respondents, six in ten (62 percent) foresee challenges or concerns with their institution's ability to comply with final regulations related to official transcripts that includes all credits or clock hours for payment periods in which the student received any Title IV, HEA funds and were paid in full.
- Please see this section of the synopsis for additional analysis, feedback and questions.

Question 12 – *There are other institutional operating practices that the regulations do not address and could create confusion on college campuses. Below are examples of questions that could arise.*

- *When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, will the federal regulations take precedence over state regulations?*

- *The regulations do not specify which Title IV programs would fall within the scope of the rule (Federal Work-Study, for example, would not be captured on a student's account with an institution) and what it means to "receive" the aid.*
- *If a payment plan is in place at the time of the transcript request, but the student misses future payments, can transcripts be withheld until payments start or when the agreement is finalized? What should the protocol be if the payment plan/loan does not cover the entire balance?*
- *If the use of a transcript hold is not related to the existence of a debt, does the institution still have the ability to use a transcript hold?*
- *If the new regulations are scheduled to go into effect July 1, 2024, what about debt from previous sessions/years from this date? Is this regulation retroactive to any specific date?*
 - Among respondents, more than three-quarters (77 percent) expressed concern that the regulations do not address other institutional operating practices, which could create confusion on college campuses.
 - Please see this section of the synopsis for additional analysis, feedback and questions.

As you will see from these highlights, these regulatory changes may have a significant impact on the day to day workflow of higher education institutions, especially registrars and business officers.

Finally, we would like to share with you open-ended responses to questions 10, 11 and 12. We hope that these provide additional insights into the nuances faced by institutions in the implementation of this new regulation. These can be found in **Exhibit E**.

I wish I could say that all of these questions, comments and concerns encompass everything that institutions are concerned about in order to meet federal regulatory responsibilities, but I am sure that other nuanced questions will arise. We appreciate the fact that your office understands that there will indeed be other issues that will need clarification and that we can work collaboratively to address these in the future as they arise.

Conclusion

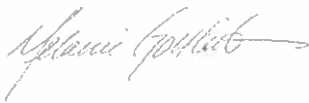
As the implementation deadline is rapidly approaching, there are still numerous discussions that need to transpire among the various institutional stakeholders to ensure compliance with these regulations. *In light of these challenges, we request a delay in implementing the requirements outlined in sections 668.14(b)(33) and 668.14(b)(34) of the new regulation.* This delay would allow both the Department of Education and institutions of higher education to better understand the level of effort required to implement necessary changes to practice. Additionally, it would provide the opportunity to receive the guidance from the Department of Education needed to address outstanding questions and processes, ensuring that institutions can fully comply with the new regulations.

We hope that these comments are well received and we stand ready to work collaboratively with the Department of Education to develop a realistic and reasonable plan for the implementation of these regulations around transcript withholding.

Once again, we thank you for the time that you and others at the Department took out of your busy schedule to meet with us on February 27, 2024. I will be sharing a copy of this letter with my counterparts at NACUBO and ACE, so I imagine that they will also be providing some feedback as well in the near future.

Please do not hesitate to reach out if you have any questions,

Sincerely,

A handwritten signature in cursive script, appearing to read "Melanie Gottlieb", written in dark ink.

Melanie Gottlieb
Executive Director, AACRAO

CC: Antoinette Flores, Deputy Assistant Secretary for Policy, Planning and Innovation
David Musser, Deputy Director of Policy Implementation and Oversight –
Wesley Whistle, Special Assistant
Vanessa Gomez, Certification Procedures POC
Ted Mitchell, President, ACE
Kara Freeman, President, NACUBO



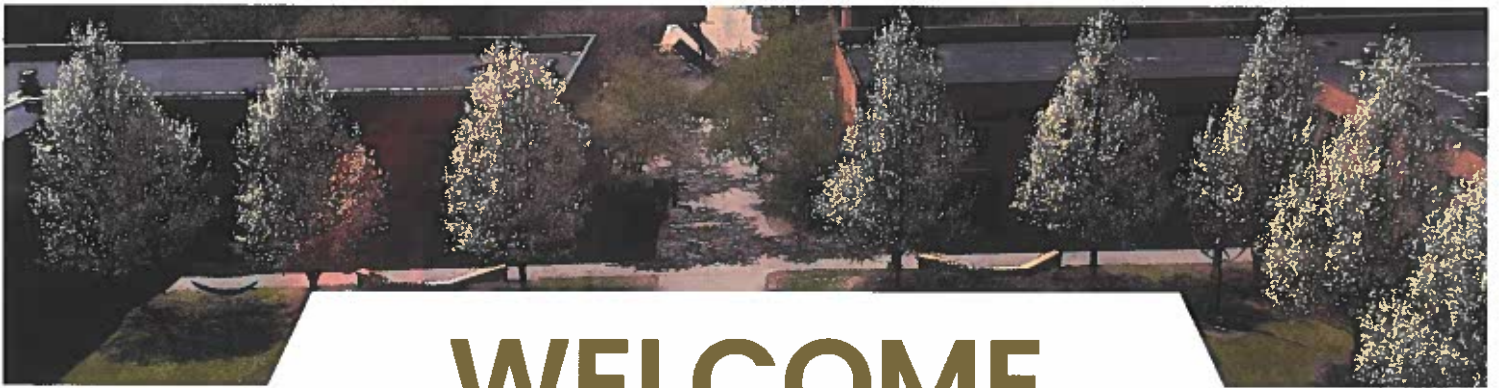
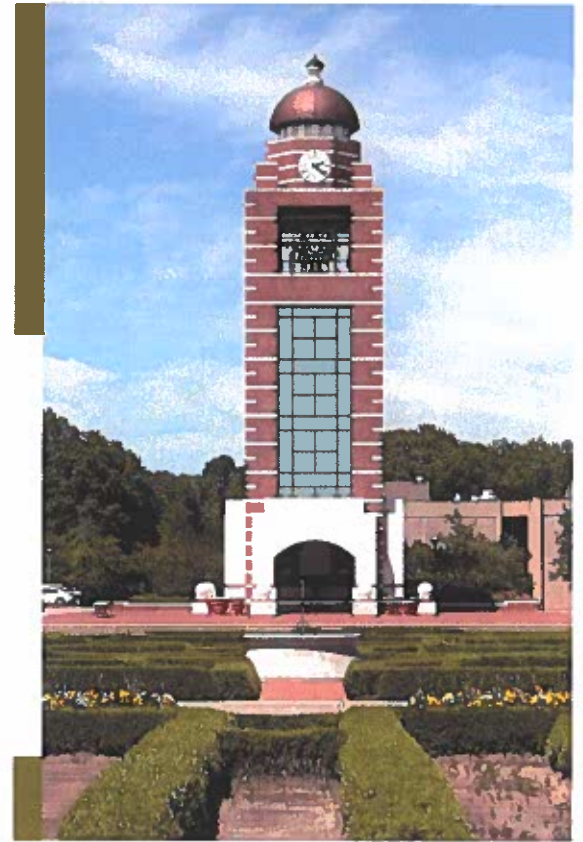
Exhibit A

TO HOLD OR NOT TO HOLD? THAT IS THE QUESTION

Interpretation and Guidance on the Use of Transcript Holds

In response to Changes to the Code of Federal Regulations
at 668.14(b)

AACRAO and NACUBO Coffee Break Session
November 17, 2023



WELCOME HOUSE KEEPING

01

Please mute yourself
during the webinar

03

You can write questions in the Q&A
box and you will have the ability to
unmute yourself and ask a question.

02

Q&A will begin around the
45- to 50-minute mark

04

The webinar will be recorded and
posted to the AACRAO and
NACUBO website.

THE REGULATION

TITLE

Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit (ATB)

DOCKET ID

ED-2023-ope-0089

CODE OF FEDERAL REGULATIONS

CFR 668.14(b)33 & 34 relating to an institution's Program Participation Agreement (PPA)

EFFECTIVE DATE

July 1, 2024



PROGRAM PARTICIPATION AGREEMENT

"Once an institution has demonstrated that it meets all Title IV eligibility criteria, it must enter into a program participation agreement (PPA) in order to receive and pay out Federal student financial assistance. The PPA defines the terms and conditions that the institution must meet to begin and continue participation in the Title IV programs."

-- studentaidrefdesk.org



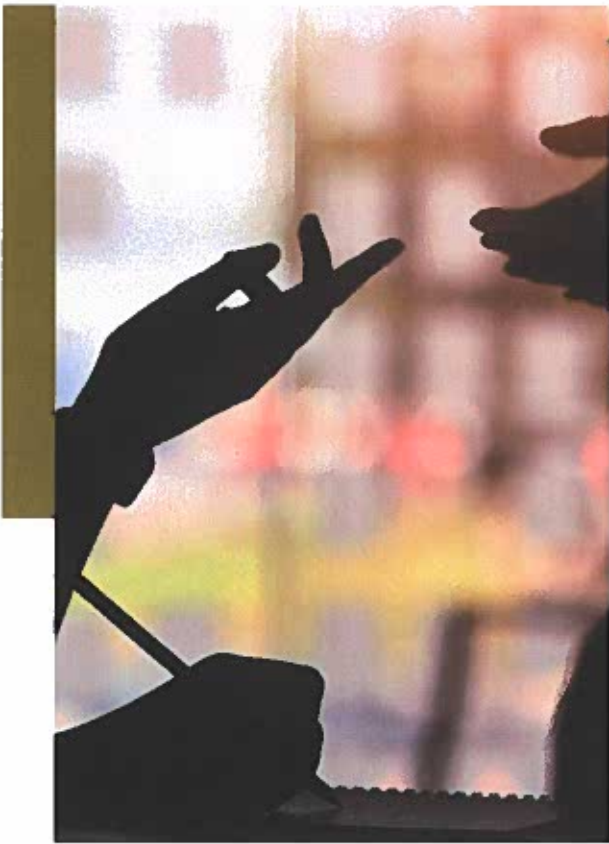
REGULATORY LANGUAGE CFR 668.14 (b) (33 & 34)

668.14(b)(33) To provide that an institution may not withhold official transcripts or take any other negative action against a student related to a balance owed by the student that resulted from an error in the institution's administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel;

668.14(b)(34) To require an institution to provide an official transcript that includes all the credit or clock hours for payment periods in which 1) the student received title IV, HEA funds; and (2) all institutional charges were paid, or included in an agreement to pay, at the time the request is made.



INTERPRETATION

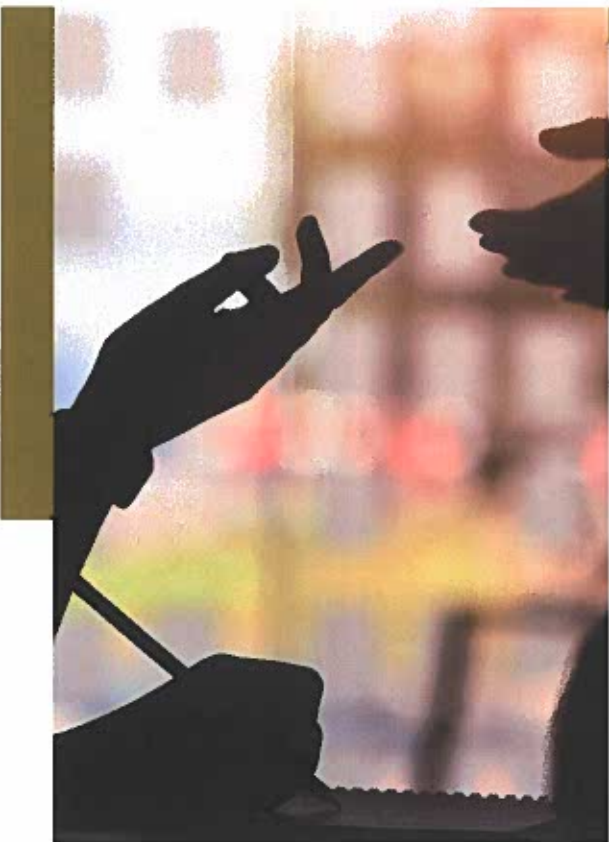


SCENARIO 1

- Student receives title IV, HEA funds for a payment period.
- A balance remains for the payment period
- The student **DOES NOT** have a loan or a payment plan in place at the time of the transcript request
- The balance is **NOT** due to an institutional error associated with the administration of title IV, HEA programs *and* did **NOT** commit fraud or misconduct

An institution MAY withhold the section of the transcript associated with the payment period with a balance and/or MAY take another negative action.

- **The sections of the transcript not associated with the debt MUST be released.**



SCENARIO 2

- Student received title IV, HEA funds for a payment period.
- A balance remains for one or more payment period
- The student **MAY** or **MAY NOT** have a loan or a payment agreement
- The balance is **DUE** to an institutional error associated with the administration of title IV, HEA programs **AND/OR** committed fraud or misconduct

An institution MAY NOT withhold the transcript AND/OR take another negative action



SCENARIO 3

- Student receives title IV, HEA funds for a payment period.
- A balance remains for the payment period
- The student **DOES** have a loan or a payment plan in place at the time of the transcript request
- The balance is **NOT DUE** to an institutional error associated with the administration of title IV, HEA programs *and* **DID NOT** commit fraud or misconduct

An institution may NOT withhold the section of the transcript associated with the payment period with a balance and/or MAY take another negative action



SCENARIO 4

- Student **DID NOT** receive title IV, HEA funds for **ANY** payment period
- A balance remains for one or more payment period

An institution MAY withhold the ENTIRE transcript and/or MAY take another negative action related to the balance owed.



SCENARIO 5

- Student **DOES** receive title IV, HEA funds for a payment period.
- Account is paid in full for that payment period

An institution CANNOT withhold the portion of the transcript for the courses within the payment period OR any previous payment periods that are paid in full and title IV, HEA funds were used.



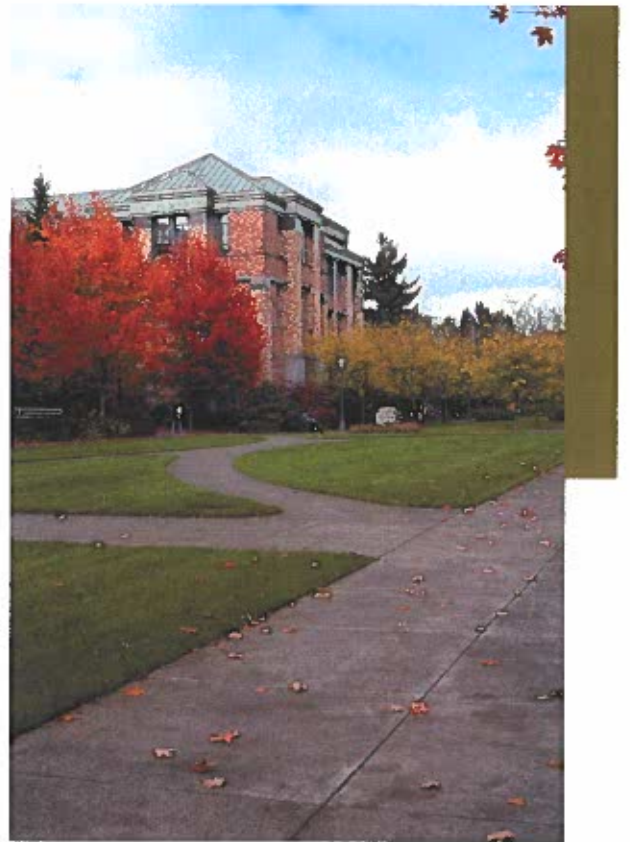
SCENARIO 6

- A student DID NOT not receive any title IV/federal funds for a term and has a balance for the term. However, for previous terms DID receive title IV/federal funds but these terms are paid in full

An institution COULD NOT withhold transcript for pervious terms that were paid in full and received title iv funds, but COULD withhold the transcript for the term where they did not use any federal funds, but have a balance.

STATE REQUIREMENTS TO COLLECT OR REPORT ON OUTSTANDING DEBT

When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, this federal guidance does not offer direction on how to handle potential conflicts.



NEGATIVE ACTION

WHAT DOES THE REGULATION SAY ABOUT THEM?

The regulation limits the use of negative actions for specific scenarios discussed in this presentation. AACRAO, NACUBO and WICHE have described these actions as student success holds and administrative holds.

Important note: Please remember that these negative actions are separate from transcript holds.





NEGATIVE ACTION

WHAT ARE THEY?

Negative actions may include:

- not allowing enrollment for the following term
- charging a fee for carrying a balance
- withholding access to extracurricular resources
- reporting the student to a debt collection agency
- reporting the student to a state system
- annotating the transcript

Important note: Please remember that these negative actions are separate from transcript holds.



NEGATIVE ACTION

WHEN MAY THEY BE USED?

Negative actions **MAY NOT** be used if they are tied to a balance owed by the student resulting from an error in the administration of title IV, HEA programs OR institutional misconduct or fraud.

Otherwise, they may be used.

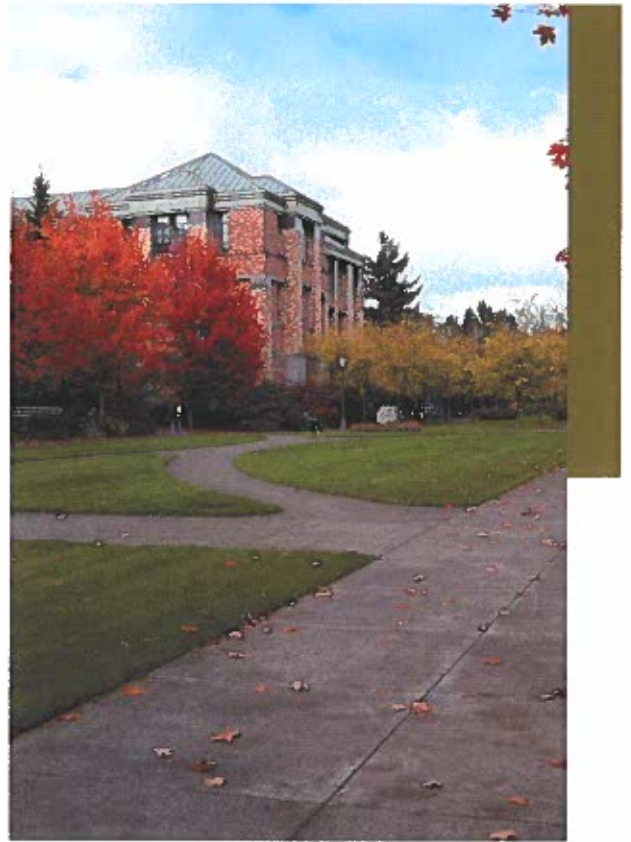
Important note: Please remember that these negative actions are separate from transcript holds.

OTHER USES OF TRANSCRIPT HOLDS NOT RELATED TO DEBT

The regulation does not address alternative uses of transcript holds for reasons other than debt.

For example,

- violations of the student code of conduct
- violations of the academic code of conduct
- failure to return equipment
- administrative requirements -- e.g., missing paperwork

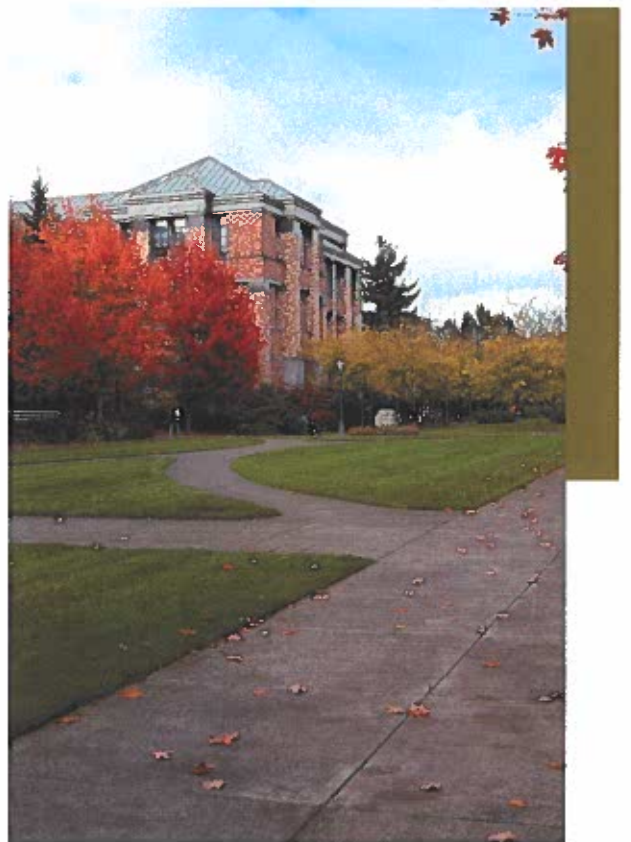


OTHER USES OF TRANSCRIPT HOLDS NOT RELATED TO DEBT

INTERPRETATION

If a debt is associated with the reason to use a transcript hold, refer to the other guidance on whether or not an institution can use it.

If the use of a transcript hold is **NOT** based on the existence of a debt, then the ability to use a transcript hold remains in place.



KEY TAKEAWAYS

1

TRANSCRIPT HOLDS CAN STILL BE USED

Either partial transcript hold or in its entirety. Know the details before taking any action. Conditions for use vary.

2

HAS THE STUDENT USED TITLE IV, HEA TO PAY FOR ANY PART OF THE PAYMENT TERM IN QUESTION?

This is a key factor in the ability to use either a full or partial transcript hold.

3

DID YOUR INSTITUTION MAKE A MISTAKE OR COMMIT FRAUD THAT RESULTED IN AN UNPAID BALANCE FOR A STUDENT USING TITLE IV OR OTHER HEA PROGRAM FUNDS?

An institutional error resulting in a debt for a payment term means the institution cannot hold a transcript for the payment term with the balance.

4

USE OF OTHER NEGATIVE ACTIONS

Use of other actions (not a transcript hold) to help encourage a student to pay a debt not caused by an institutional error, misconduct or fraud may still be used.

KEY TAKEAWAYS

5

LOOK FOR GUIDANCE FROM THE DEPARTMENT OF EDUCATION

Please keep in mind that what is shared here are our initial interpretations based on how we read the regulations.

We anticipate that the Department will share further guidance.

WHAT SHOULD INSTITUTIONS DO NOW?

1

INVESTIGATE AND DOCUMENT WAYS YOUR SIS MAY ACCOMMODATE THESE NEW RULES

For example: Can you identify payment terms where title IV, HEA funds were used or not? Can the student record be configured to withhold a partial transcript?

2

DOCUMENT NEW BUSINESS PROCESSES

Based on the answers to the questions above and other related questions, determine your new business processes and document them. Your institution may decide to do away with transcript holds for debt altogether.

3

UPDATE INSTITUTIONAL POLICY

This action should be completed as soon as possible.

4

SHARE THE NEW POLICY AND PRACTICE WITH ALL STAKEHOLDERS

Stakeholders includes students too.

5

KEEP AND EYE OUT FOR FURTHER GUIDANCE FROM THE DEPARTMENT

6

BE READY TO IMPLEMENT BY JULY 1, 2024

NEXT Steps

1

Joint Statement on the Use of Administrative Holds

AACRAO and NACUBO will update the the joint statement

2

This Presentation

This presentation will be made available on the AACRAO and NACUBO web pages

3

Question gathering

The new regulations impacted a lot of aspects of the work within the higher education community. All of the higher education associations are collaborating to send one document to the Department of Education asking for clarification/guidance on several issues.



THANK YOU

QUESTIONS?



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bdickson@nacubo.org



wendyk@aacrao.org





Exhibit B

AACRAO and NACUBO Responses to Questions Posed in the *To Hold or Not to Hold AACRAO Webinar* on November 17, 2023

AACRAO [Webinar Archive](#)
Copy of [Slide Deck](#)

Regulation

C.F.R. 668.14(b) (33 & 34)

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If you have questions after reviewing the Q&A below, please contact either NACUBO or AACRAO

William Gil
Sr. Director of Government Relations
AACRAO
gilw@aacrao.org

Bryan Dickson
Director of Financial Services and Educational Programs
NACUBO
bdickson@nacubo.org

Summary

AACRAO and NACUBO gathered the questions posed during the webinar and analyzed them for common themes. Below are responses to the question themes.

Availability of Slides and Recordings

Will the slides and webinar be made available?

As linked above, the webinar and slide deck are both available to the public.

Federal vs. State Regulations and Compliance

How do the new Federal regulations impact state regulations that are contrary to the Federal regulation?

We do not yet have an answer to this question. Normally, Federal law preempts state law, but since so many states have passed their own version of similar regulations, we plan to submit this question to the Department of Education for clarification in early 2024.

Does this affect institutions not based in the United States and utilizing Title IV funds?

The regulations apply to all institutions receiving Title IV funds.

Transcript Holds and Payment Plans

If there is a payment plan in place, can an institution hold the transcript?

If Title IV funds were received for the payment period in question and all institutional charges were included in an agreement to pay, the portion of the transcript for that payment period would have to be released upon request.

If a transcript request is made and no payment plan is in place, can we withhold transcripts?

Yes, a transcript can be withheld if the balance owed for the payment period is not due to institutional error, fraud, or misconduct.

If the payment plan is agreed upon, can we withhold the transcript until payments start?

Can we hold a transcript while a student is appealing an assessment?

What if a loan or payment plan does not cover the entire balance due?

What if a payment plan is in place, but a student has missed payments.

We do not yet have answers to these questions specifically. These and other questions, will be submitted to the Department of Education for clarification in early 2024.

However, the intent of the regulation is to grant a student access to an official transcript under most circumstances. We would interpret that having a payment plan in good standing, whether or not a student has started making payments, as good standing. Missed payments may be interpreted in institutional policy as not meeting good standing requirements.

Partial Transcript Release

What is meant by a partial transcript release?

The regulation refers to transcript holds related to individual payment periods where a balance is owed. If all of the other conditions of a balance owed fit into the decision tree and support an institution using a transcript hold, some institutions' student information systems allow an institution to suppress grades for a single payment period and include grades for the other payment periods not in question. This would be an example of a partial transcript hold.

Retroactive Application and Historical Records

Does this regulation apply to transcript holds only after July 1, 2024 or is it retroactive?

We do not yet have answers to these questions specifically. These and other questions will be submitted to the Department of Education for clarification in early 2024.

Institutional Policies, Errors, and Specific Cases

When can an institution use other negative actions to try and recover the balance owed by the Title IV aid recipient?

The Department of Education indicated in the preamble to the regulation, “We have limited the applicability of the regulation that prevents institutions from taking ‘any negative action’ to only occasions where the balance owed is the result of institutional error, fraud, or misconduct.”

What if the error is due to the institution but not related to Title IV funds?

The language in 668.14(b)(33) reads “...an institution may not withhold official transcripts or take any other negative action against a student related to a balance owed by the student that resulted **from an error in the institution’s administration of the title IV, HEA programs**, or any fraud or misconduct by the institution or its personnel” (emphasis added).

Can a college hold a transcript if a borrower defaults on a Federal Perkins or Nursing loan?

The regulations do not address students defaulting on loans.

Miscellaneous Queries

What if failure to return equipment results in a debt after a certain amount of time?

If the rental is an institutional charge and the late return results in a debt, all institutional charges will not have been paid for that payment period. Institutional charges generally are defined as the charges for tuition and fees, room and board, and other educational expenses that are paid to the school directly.

Does it matter if the balance owed is due to a fine or housing/meal plan?

The regulations refer to “institutional charges,” which are generally defined as the charges for tuition and fees, room and board, and other educational expenses that are paid to the school directly.

Can we write a statement on the transcript that there are courses missing because there is a balance due?

The regulation does not address transcript notations.

Why is the regulation focused on only releasing certain portions of the transcript, not the whole transcript?

The regulation is focused on individual payment periods where Title IV or other HEA program funds were used to pay for the payment period and a balance is still owed. Some students may have a balance on one payment period but not another. If there is no balance owed for a

particular payment period and Title IV or other HEA program funds were used in part or in whole for that payment period, the institution may not use a transcript hold for any reason for that/those payment periods.

Do we have a clear definition of "institutional error"?

The Department of Education has not yet shared a definition for, or examples of, institutional error.

Exhibit C



ACE AACRAO NACUBO regulation change survey preview

As final regulations on financial value transparency (FVT) and gainful employment (GE), financial responsibility, administrative capability, certification procedures, and ability to benefit (ATB) have recently been issued by the Department of Education, we are seeking feedback from institution presidents, business officers, and registrars to inform perspectives on the implementation of the final regulations as the Department considers future guidance. Participation should take no more than 15 minutes. **The survey will close on December 14, 2023, at noon ET.**

Your responses are confidential. No individual or institutional identifiable information will be shared beyond the project team. If you have any questions, please feel free to contact Bill Gill at gillw@aacrao.org.

The AACRAO slide deck summarizing the transcript-specific regulation can be found [here](#).

The text of the final regulations on FVT and GE can be found [here](#). The text of the final regulations on the remaining issues can be found [here](#). A summary of the FVT and GE final regulations prepared by ACE can be found [here](#), and an ACE summary of the remaining regulations can be found [here](#).

The final regulations require institutions to provide acknowledgments to prospective graduate students for FVT programs and warnings to all students attending GE programs that are at risk of losing access to aid due to falling GE metrics. No specific mandatory content is required for the FVT acknowledgments but mandatory content is provided for the GE metrics.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations create a new program information website hosted by the Department to provide students and families with better information about the financial value of undergraduate and graduate programs across all sectors of higher education. As a result, institutions are required to provide a link to the website and have students acknowledge they have seen this information prior to Federal financial aid being disbursed if they are enrolled in or are planning to enroll in a program that consistently leaves students with unaffordable debt. Requirements for the program information website can be found [here](#).

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

In the final regulations, institutions are required to report on at least 23 metrics for substantially similar programs that are both GE and non-GE programs. These metrics can be found [here](#). The Department predicts that for those institutions that would be required to report, there would be a burden of 5,078,259 hours in reporting requirements collectively. The Department also predicts that “the hours associated with reviewing systems, developing or updating queries, and reviewing and validating the test queries or reports will be reduced by 35 percent after the first year.”

Do you foresee challenges or concerns with your institution’s compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations specify mandatory and discretionary triggering events where institutions may be at risk for losing Title IV, Higher Education Act (HEA) funding. In particular, discretionary triggering events include high annual dropout rates, pending borrower defense claims, high fluctuations in Title IV volume, and the discontinuation of programs. If an institution is subject to a discretionary triggering event, it could be required to post a letter of credit for each triggering event depending on whether the Department considers the event to be significantly adverse.

Do you foresee challenges or concerns with your institution’s compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

In the final regulations, if an institution is subject to a mandatory triggering event, they are required to initially post a letter of credit for each event. For instance, mandatory triggering events include legal and administrative actions against the institution that causes the calculated composite score to go below 1.0. These actions can go beyond those that are state and Federal to include private actions in some circumstances. Additionally, another mandatory triggering event uses results from the final GE rule that requires the institution to post a letter of credit if at least 50 percent of Title IV funding was received in its most recently completed fiscal year from failing GE programs.

Do you foresee challenges or concerns with your institution’s compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

In the final regulations, institutions must also provide a note in their audited financial statements that provides detailed information on related entities, including names, locations, descriptions, and amounts of transactions. (Transactions supporting operating functions such as meals for board members would be exempt.)

Do you foresee challenges or concerns with your institution’s compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

In the final regulations, institutions are required to provide adequate career services. The Department defines adequate career services as (1) the share of students enrolled in programs designed to prepare students for gainful employment in a recognized occupation; (2) the number and distribution of career services staff; (3) the career services the institution has promised to its

students; and (4) the presence of institutional partnerships with recruiters and employers who regularly hire graduates of the institution.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations require an institution to provide students geographically accessible clinical or externship opportunities related to and required for completion of the credential or licensure in a recognized occupation within 45 days of successful completion of other required coursework.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations require that, for each academic program an institution offers, it is designed to meet educational requirements for a specific professional license or certification that is required for employment in an occupation. Institutions must make a determination whether the program does and does not meet such requirements. The program must meet professional licensure requirements in the state that the institution is located in and in the state where the student initially enrolled in the program or intends to seek employment using an attestation form.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations stipulate that institutions will not withhold transcripts or take other negative actions against a Title IV student due to an error or misconduct on the school's part.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

The final regulations stipulate that upon a student's request, an institution will provide an official transcript that includes all the credit or clock hours for payment periods in which the student received any Title IV, HEA funds and were paid in full. However, an institution may withhold sections of the transcript associated with specific payment periods with a balance under certain conditions, resulting in a partial transcript. The payment periods not associated with the debt must be released.

Do you foresee challenges or concerns with your institution's compliance with this regulation?

- ☐ No
- ☐ Yes

What specific challenges or concerns do you foresee? What would you need to ensure adequate compliance? Please use the text box below. _____

There are other institutional operating practices that the regulations do not address and could create confusion on college campuses. Below are examples of questions that could arise.

When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, will the federal regulations take precedence over state regulations? The regulations do not specify which Title IV programs would fall within the scope of the rule (Federal Work-Study, for example, would not be captured on a student's account with an institution) and what it means to "receive" the aid.

If a payment plan is in place at the time of the transcript request, but the student misses future payments, can transcripts be withheld until payments start or when the agreement is finalized? What should the protocol be if the payment plan/loan does not cover the entire balance?

If the use of a transcript hold is not related to the existence of a debt, does the institution still have the ability to use a transcript hold?

If the new regulations are scheduled to go into effect July 1, 2024, what about debt from previous sessions/years from this date? Is this regulation retroactive to any specific date?

Do you foresee yourself having these same types of questions?

- ☐ No
- ☐ Yes

What (if any) additional questions do you have? Please use the text box below. _____

What best describes your leadership role on campus?

- ☐ Chief executive officer
- ☐ Registrar
- ☐ Chief enrollment management officer
- ☐ Chief admissions officer
- ☐ Business Officer
- ☐ Other (please specify) _____

Would you be interested in sharing more about your institution's ability to comply with these final regulations with AACRAO staff, in a confidential setting? If so, please provide your name and preferred email address below.

Name _____

Email _____

Institution _____

Exhibit D

Final Regulations Survey Analysis – updated 1.16.24

Population

Survey distribution yielded a total of 461 respondents. Among respondents, 268 individuals provided their position. Most respondents who provided their position were registrars.

	Frequency	%
<i>Business Officer</i>	52	19.4%
<i>Chief Admissions Officer</i>	5	1.9%
<i>Chief Enrollment Management Officer</i>	11	4.1%
<i>Chief Executive Officer</i>	1	0.4%
<i>President</i>	1	0.4%
<i>Registrar</i>	165	61.6%
<i>Other</i>	33	12.3%
<i>Total (Title Provided)</i>	268	100.0%

Overview of Broad Concerns That Span Whole of New Regulations

Administrative Burden

- Additional workload and staffing requirements to implement and monitor compliance were a primary concern across all respondents.
- There is a lack of clarity in guidelines and parameters, requiring time-consuming interpretation and decision-making.

Insufficient Resources and Financial Impact

- There is a consistent theme of respondents expressing a lack of additional resources, both in terms of fiscal resources, staffing, and technological support, to meet the demands of the new reporting requirements.
- Respondents emphasized the concern that reporting requirements are being imposed without providing the necessary financial support for institutions to comply.

Time Constraints for Implementation and Compliance

- Given the need for compliance by July 1, 2024, respondents indicate concerns with making changes to align with new regulations in the timeframe specified.

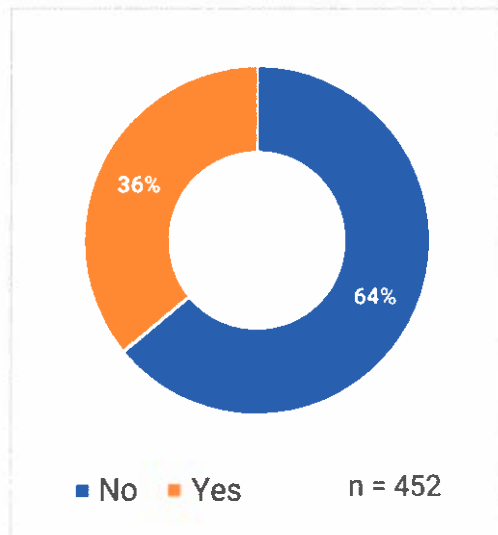
Varied Impact on Institution Types

- Overall sentiments of concern include varied impact depending on institution type, particularly for smaller institutions, private institutions, and institutions serving certain populations (e.g., graduate schools, rural institutions).

Clarity and Definitions

- Respondents consistently report the need for clarity in criteria, clear definitions to remove subjectivity, and additional guidance on oversight and specific reporting requirements.

Q1 – Financial Value Transparency + Gainful Employment



Among respondents, **over one-third (36 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to FVT and GE programs.

This includes institutions' requirement to provide acknowledgement to prospective graduate students for FVT programs and warnings for all students attending GE programs that are at risk of losing access to aid due to failing GE metrics.

Key themes among those who foresee challenges or concerns are summarized below.

Technical Challenges and System Limitations

- Concerns about current Student Information System (SIS) capability to comply with new regulations.
- Need for system updates to accommodate new protocols and processes.

Transcript Withholding

- Inability to withhold partial transcripts and challenges in determining balances related to Title IV charges.
- Concerns about losing leverage for collecting past due tuition and fees.

Financial Concerns

- Increased administrative costs and potential impact on tuition.

Data Collection and Reporting

- Challenges in gathering and developing consistent data sets across all programs.
- Concerns about the volume of reporting and the short timeline for compliance.
- Lack of clarity on how to submit data and uncertainty about interpretation.

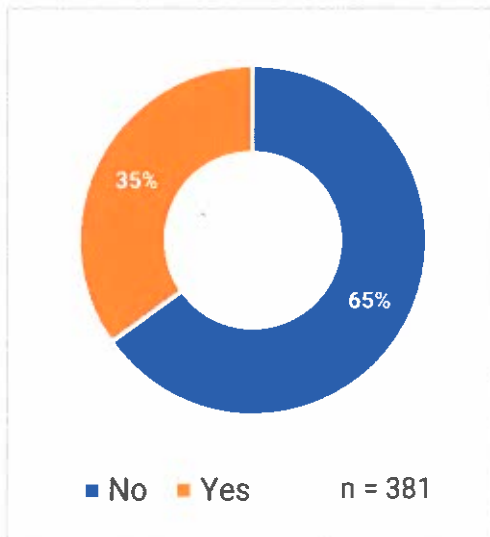
Communication and Training

- Challenges in communicating changes to students, particularly those entering at different points in the academic year.
- Need for comprehensive training for staff, including front-facing staff working with students.

Compliance and Policy Changes

- Difficulty in understanding and implementing new regulations.
- Challenges in changing policies and procedures, including concerns about the interpretation of "holds" varying across departments.

Q2 – Financial Value Transparency Website



Among respondents, **more than one in three (35 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to the newly created FVT program information website hosted by ED.

Institutions would be required to provide a link to the website and have students acknowledge they have seen this information prior to Federal financial aid being disbursed if they are enrolled in or are planning to enroll in a program that consistently leaves students with unaffordable debt.

Key themes among those who foresee challenges or concerns are summarized below.

Student Access, Engagement, and Compliance

- Concern about students' willingness to engage with and acknowledge the information presented.
- Worries that students may not fully read or comprehend the required content, leading to potential delays in financial aid disbursement.
- The acknowledgment process is seen by some respondents as an additional barrier for students seeking financial aid. There are worries that failure to acknowledge may result in late payment penalties or difficulties in accessing aid.

Data Collection, Accuracy, and Transparency

- Concerns about the accuracy of data collection, particularly regarding program-specific information, earnings data, and debt-to-earnings ratios. They highlight potential challenges in gathering, verifying, and updating this information.
- Emphasis on transparency in data collection and sharing.

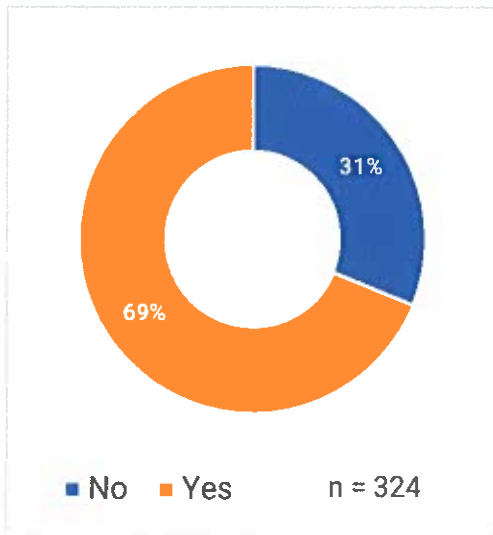
Value Determination

- Questions were raised about the subjective nature of determining the financial value of graduate programs and concerns about the correlation between program choice and future earnings.
- Clarity is needed on how algorithms will determine financial value.

Effectiveness and Impact Assessment

- Questions about the effectiveness of these regulations and whether data-sharing websites have a positive impact on students' decisions.
- There is a call for resources to be directed towards providing meaningful and engaging information to students.

Q3 – Program Metrics



Among respondents, **greater than two-thirds (69 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to GE and non-GE program metrics.

Institutions would be required to report on at least 23 metrics for substantially similar programs that are both GE and non-GE programs.

Key themes among those who foresee challenges or concerns are summarized below.

Technical Challenges

- Respondents raised technical challenges, such as the need for system updates, development, and testing, as well as concerns about the readiness of information technology systems.

Data Collection and Complexity

- The complexity of data collection, including concerns about accuracy, completeness, and consistency across programs was indicated by several respondents.
- Respondents expressed concern about the ability to manage and validate large volumes of data.

Impact on Student Support

- There are concerns that the increased administrative burden may divert resources and attention away from direct student support services.
- The focus on compliance is seen as potentially detracting from student-centered activities.

Timeliness and Communication

- Respondents expressed concerns about the timeline for implementation, the need for timely communication, and the challenge of coordinating data exchange across different departments.

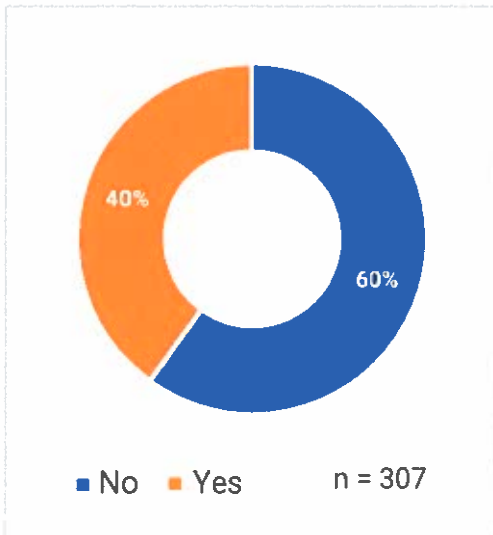
Potential for Errors

- Due to the complexity of reporting on numerous metrics, there is concern for increased risk of errors, and respondents emphasized the importance of implementing rigorous quality control measures.

Training and Skill Development

- There is a need for training and skill development, especially in data analysis, query development, and compliance reporting.

Q4 – Discretionary Triggering Events



Among respondents, **four in ten (40 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to discretionary triggering events.

If an institution is subject to a discretionary triggering event, it could be required to post a letter of credit for each triggering event depending on whether ED considers the event to be significantly adverse.

Key themes among those who foresee challenges or concerns are summarized below.

Financial Impact

- Respondents raised the financial burden of compliance, including the cost and time associated with obtaining letters of credit.
- Worries about the potential negative consequences for institutions, especially those with financial struggles. There are concerns about the potential closure of institutions due to jeopardized funding.

Borrower Defense Claims

- Respondents expressed concerns about borrower defense claims, including the potential for groundless claims and the difficulty of providing evidence.
- The challenge of responding to claims and the need for an appeals process.

Oversight and Logistics

- Respondents question the inclusion of program discontinuation as a triggering event, considering it a matter to be governed by individual institutions.
- Leadership changes and program reviews are mentioned as potential triggers, raising concerns about the consequences.

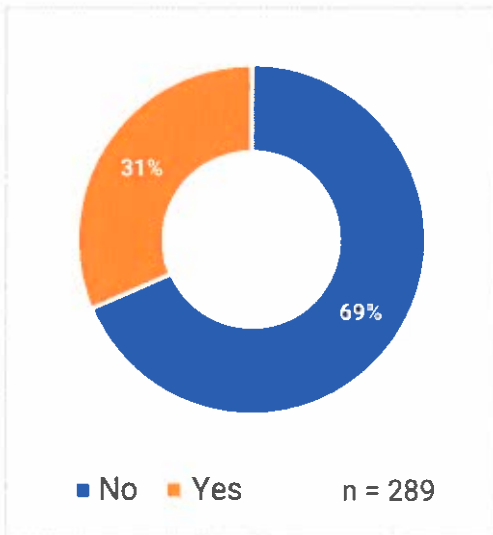
Impact on Students

- There are concerns about the impact on students, particularly those lacking financial literacy, and the need for funding to support them.
- There are concerns about the unpredictability of student behavior and the challenge of institutions being held responsible for factors beyond their control.
- Issues related to students changing colleges without penalties and potential consequences for institutions were also raised.

Challenges with State Mandates

- Questions about potential penalties when following state mandates that conflict with federal regulations.

Q5 – Triggering Event Letter of Credit



Among respondents, **three in ten (31 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to mandatory and triggering events.

If an institution is subject to a mandatory triggering event, they are required to initially post a letter of credit for each event. Another mandatory triggering event uses results from the final GE rule that requires the institution to post a letter of credit if at least 50 percent of Title IV funding was received in its most recently completed fiscal year from failing GE programs.

Key themes among those who foresee challenges or concerns are summarized below.

Financial Impact and Cost

- Concerns about the costs associated with letters of credit and the time, effort, and expense required to establish them.
- Worries about the potential impact on an institution's credit rating and financial challenges beyond Title IV funding.

Private Actions and Legal Concerns

- The burden of dealing with legal and administrative actions, including lawsuits by students.
- There is apprehension about private actions being related to mandatory triggering events, potentially leading to frivolous claims.

Impact on Institutions

- Concerns about potential false narratives created about an institution, its programs, and financial stability.
- Worries about institutions being opened to private actions and the impact on day-to-day work for financial aid offices.

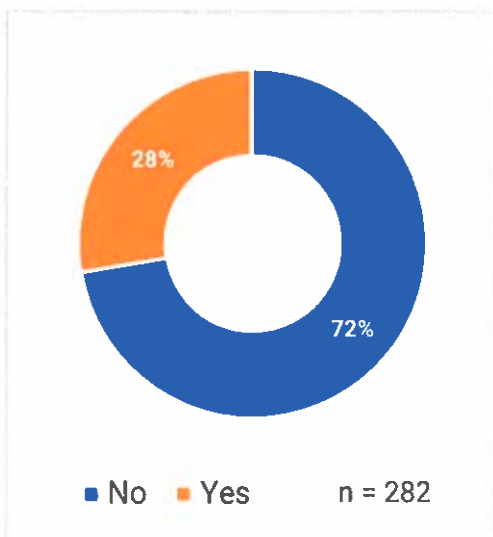
Consistency and Political Influence.

- Questions about the consistency of regulations across different political administrations and the administrative burden those changes might have on institutions.

Student Behavior and Consequences

- Worries about an increase in student movement between colleges due to a lack of consequences for choices.
- There are concerns about the potential for higher dropout rates across all institutions.

Q6 – Audited Financial Statement Notes



Among respondents, **more than one-quarter (28 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to notes in audited financial statements.

Institutions must also provide a note in their audited financial statements that provides detailed information on related entities, including names, locations, descriptions, and amounts of transactions. (Transactions supporting operating functions such as meals for board members would be exempt.)

Key themes among those who foresee challenges or concerns are summarized below.

Impact on Financial Reporting Standards

- Concerns about the potential conflict with existing standards set by the Governmental Accounting Standards Board (GASB).
- Potential consequences include uncertainty for financial report users, conflicting guidance for preparers, and challenges for external auditors in assessing financial statements.
- Consideration of existing processes for disclosing related party information and alignment with current accounting principles.
- Evaluating whether the disclosure requirements align with Generally Accepted Accounting Principles (GAAP).

Concerns About Confidentiality

- Concerns about legal responsibilities and protections, such as FERPA, for certain types of information and disclosing personal information of donors and potential negative impacts on donations.

Complexity of Transactions

- Challenges related to the complexity of financial transactions with related entities.
- Questions about the level of detail required and the potential complications in reporting.

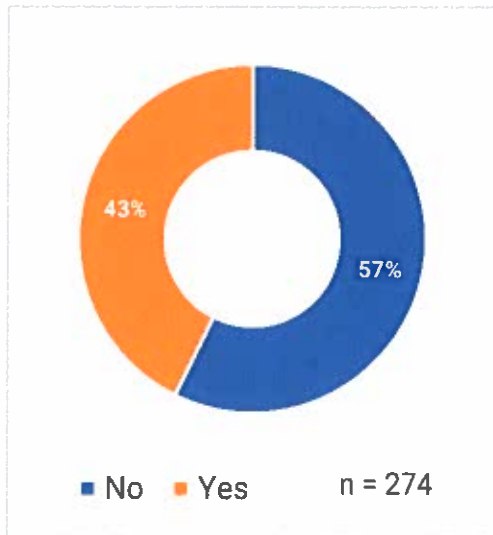
Specific Implementation Challenges

- Challenges related to identifying all related entities, determining exemptions, coordinating data across departments, and ensuring timely and accurate reporting.
- The need for periodic reviews and updates to keep information current.
- Questions about the form and nature of note disclosures, including whether they would be considered Required Supplementary Information (RSI).

Concerns About Net Gain for Students

- Expressions of concern that the regulatory changes may not provide a discernible net gain for students.

Q7 – Adequate Career Services



Among respondents, **more than two-fifths (43 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to providing adequate career services.

ED defines adequate career services as (1) the share of students enrolled in programs designed to prepare students for gainful employment in a recognized occupation; (2) the number and distribution of career services staff; (3) the career services the institution has promised to its students; and (4) the presence of institutional partnerships with recruiters and employers who regularly hire graduates of the institution.

Key themes among those who foresee challenges or concerns are summarized below.

Discretion and Autonomy of Institutions

- Desire for institutions to define adequate career services based on their unique circumstances, emphasizing the importance of institutional discretion.

Data Collection and Reporting Challenges

- Challenges associated with gathering and reporting accurate data on student enrollment in relevant programs.
- Difficulty in tracking and maintaining compliance, especially when dealing with data beyond the institution's control.
- Considerations about data privacy and security in the collection and storage of information related to career services.

Institutional Partnerships and Employer Relationships

- Anticipation of challenges in maintaining relationships with employers if additional steps are imposed as part of institutional partnerships.

Adaptability to Changing Job Markets

- Recognition of the need for career services to remain adaptable to changes in the job market and industry demands.

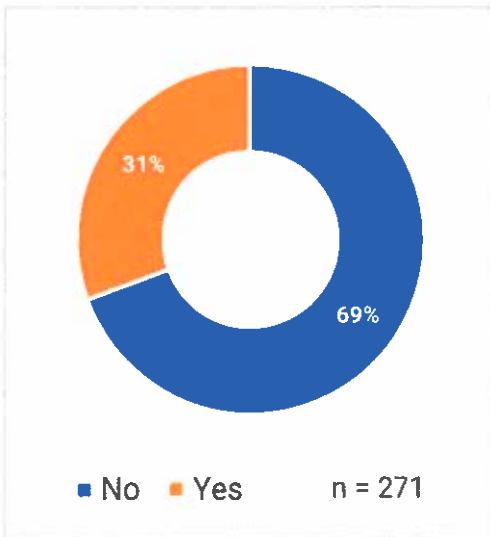
Communication with Students

- Importance of establishing clear and effective communication channels with students regarding available career services and relevant information.

Impact on Donations and Funding

- Concerns that disclosure requirements may impact donations and student fees, leading to increased costs or loss of other vital services.

Q8 – Geographically Accessibly Clinical or Externship Opportunities



Among respondents, **three in ten (31 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to providing geographically accessible clinical or externship opportunities.

The final regulations require an institution to provide students geographically accessible clinical or externship opportunities related to and required for completion of the credential or licensure in a recognized occupation within 45 days of successful completion of other required coursework.

Key themes among those who foresee challenges or concerns are summarized below.

Logistical Challenges

- Challenges related to identifying, securing, and coordinating geographically accessible clinical or externship opportunities within the 45-day timeframe.
- Challenges such as scheduling, transportation, and housing for students participating in these experiences.

Quality and Range of Opportunities

- Ensuring that the clinical or externship opportunities provided are of high quality and meet the educational standards required for credential or licensure completion.
- The importance of ensuring a diverse range of clinical or externship opportunities to meet the needs of students pursuing various fields of study.

Competition for Sites

- Concerns about competition for clinical or externship sites, particularly in areas with limited viable employers or high demand for opportunities.

Institutional Responsibility vs. Learner Responsibility

- Questions about the responsibility of learners in securing opportunities and the role institutions play in facilitating geographically accessible experiences.

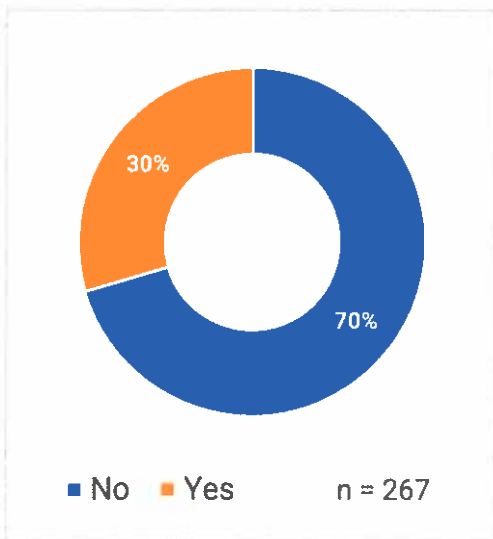
Coordination with External Partners

- Challenges associated with coordinating and communicating effectively with external partners, including healthcare facilities or organizations relevant to the credential or licensure.

Impact on Online Programs

- Logistical challenges for online programs, including limitations on the scope of offerings and potential difficulties in coordinating geographically accessible experiences.

Q9 – License or Certification Requirements



Among respondents, **three in ten (31 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to professional license or certification requirements required for employment.

Institutions must decide whether each academic program fulfills such requirements. Programs must meet professional licensure requirements in the state that the institution is located in and in the state where the student initially enrolled in the program or intends to seek employment using an attestation form.

Key themes among those who foresee challenges or concerns are summarized below.

Program-Specific Challenges

- Recognition that not all programs, especially traditional academic programs, lead to licensure. Concerns about the broad application of regulations to various program types, including liberal arts programs.
- Challenges associated with tracking student locations not only at the time of initial enrollment but throughout their enrollment, especially when students change majors or move to different states.
- Challenges highlighted for online programs in ensuring compliance with licensure requirements in all states where students may be located.

Communication Challenges

- Challenges in modifying communication protocols to provide accurate and up-to-date information to prospective students about program compliance with licensure requirements in different states, including maintaining consistent information across websites and advertising materials.

Responsibility of Students

- There is some responsibility for understanding licensure requirements that should lie with students

Concerns About Program Funding and Closure

- Concerns about potential funding losses for programs that currently receive funding but may not meet the new requirements.
- Fears that institutions may be forced to close certain programs to potential students in certain states if compliance cannot be determined in time, risking Title IV funding.

Role of Accrediting Bodies

- Questions raised about the role of accrediting bodies in determining compliance with licensure requirements and whether their processes will align with the new regulations.

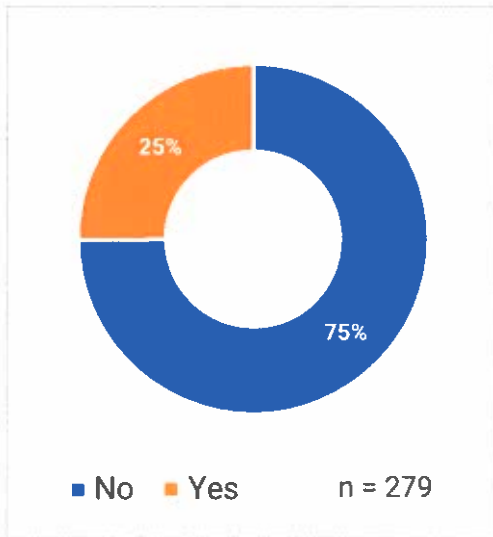
State-Specific Challenges

- Recognition that each state has potentially different regulations, making it challenging to comply with specific licensure requirements for each state.
- Calls for states to streamline and make uniform licensure requirements, highlighting the burden placed on institutions due to the lack of agreed-upon standards and processes.

Role of Attestation Forms

- Questions about the necessity and effectiveness of attestation forms, especially those related to the state where the student plans to seek licensure or employment.

Q10 – Transcript Withholding



Among respondents, **one-fourth (25 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to transcript withholding.

The final regulations stipulate that institutions will not withhold transcripts or take other negative actions against a Title IV student due to an error or misconduct on the school's part.

Key themes among those who foresee challenges or concerns are summarized below.

Accuracy in Extracting Information

- Challenges related to accurately pulling information, especially from billing statements and transcripts, to identify errors or misconduct. Difficulty in term-by-term parsing and automation.

Identifying Errors and Burden of Proof

- Questions regarding how errors or misconduct are identified and proven. Concerns about the burden of proof for institutional errors and the potential difficulty in validating such errors, especially over an extended period.
- Concerns about the challenges in determining when an institution made a mistake and bringing it to light.
- Questions about who adjudicates and determines whether something is an error or misconduct on the school's part.

Transcript Release Challenges

- Issues raised regarding limitations in SIS, transcript vendors, and the lack of cross-training or cross-module access in financial aid and registrar offices.
- Challenges associated with the inability to release partial transcripts, making the withholding of transcripts impossible.
- Doubts were expressed about whether transcript service partners could release partial transcripts based on federal aid pay periods.
- Concerns about the administrative burden and feasibility of printing partial transcripts.

Disciplinary Actions and Student Conduct

- Noting that the regulation doesn't touch on areas related to student conduct, disciplinary actions, or students already in collections with the institution.

Financial Implications

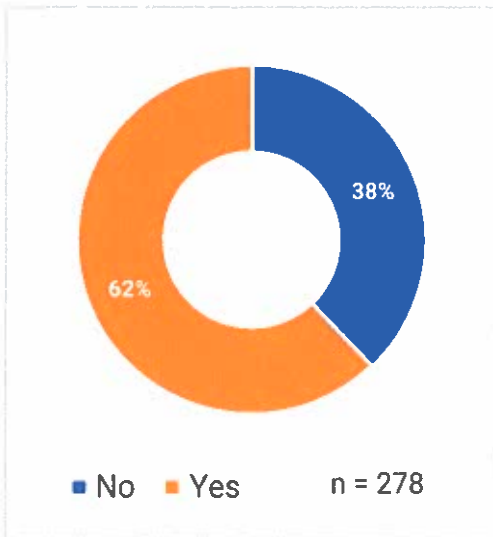
- Concerns about financial implications, including conflicting state laws, potentially leading to non-compliance, and impacting retention and loan debt for students.

- Anticipation of decreased ability to recoup debt from students and concerns about more students being sent to collections due to the inability to work with them on lower-level concerns like transcripts.
- Concerns about the impact on tuition-driven institutions and potential challenges in collecting funds for such institutions.

Consistency Across Campuses

- Concerns about consistency across campuses and the potential for differences in opinions on fair implementation, urging national organizations to provide recommended practices.
- Emphasizing the need for coordination between the office placing the transcript hold and the Registrar's Office.

Q11 – Official Transcript Paid in Full



Among respondents, **six in ten (62 percent)** foresee challenges or concerns with their institution's ability to comply with final regulations related to official transcripts that includes all credits or clock hours for payment periods in which the student received any Title IV, HEA funds and were paid in full.

An institution may withhold sections of the transcript associated with specific payment periods with a balance under certain conditions, resulting in a partial transcript. The payment periods not associated with the debt must be released.

Key themes among those who foresee challenges or concerns are summarized below.

Partial Transcripts

- Several respondents note that their institutions currently do not release partial transcripts. Implementing the proposed regulation would require a significant shift in policies and practices.
- There are concerns about the accuracy and integrity of institutional record-keeping, especially when it comes to degree completion and cumulative totals.
- Respondents raised technological limitations, stating that their current systems (e.g., Banner, Colleague, Peoplesoft, and Workday) cannot easily identify and separate paid and unpaid semesters on transcripts. There is additional concern about separating credits paid for by Title-IV funding. Several mention the need for software modifications or upgrades.

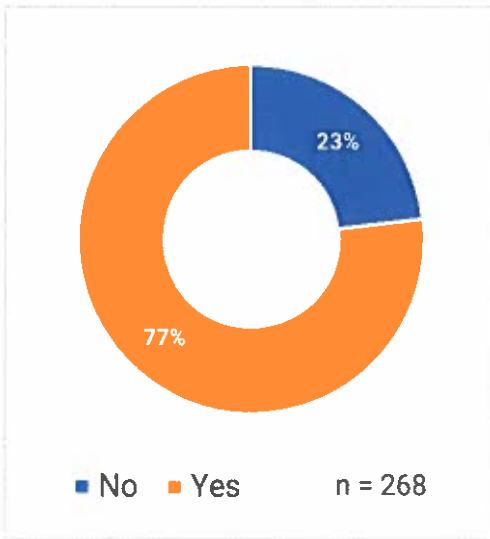
Financial and Disclosure Implications

- Concerns that the inability to withhold transcripts for unpaid balances might result in an increase in outstanding debts. They see transcript holds as a tool for encouraging payment.
- Concerns about disclosing financial or financial aid information through the release of partial transcripts, potentially violating privacy regulations.

Impact on Students and Student Behaviors

- Concerns about consequences for students, including credit score impacts and the risk of being sent to collections.
- Concerns about the ability to work with transfer students who have partial transcripts from transferring institutions.
- Potential demotivation for students to clear outstanding balances, leading to delayed payments.

Q12 – Additional Questions that Need Clarification



Among respondents, **more than three-quarters (77 percent)** expressed concern that the regulations do not address other institutional operating practices, which could create confusion on college campuses. Examples of questions provided to respondents include:

- When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, will the federal regulations take precedence over state regulations?
- The regulations do not specify which Title IV programs would fall within the scope of the rule (Federal Work-Study, for example, would not be captured on a student's account with an institution) and what it means to "receive" the aid.
- If a payment plan is in place at the time of the transcript request, but the student misses future payments, can transcripts be withheld until payments start or when the agreement is finalized? What should the protocol be if the payment plan/loan does not cover the entire balance?
- If the use of a transcript hold is not related to the existence of a debt, does the institution still have the ability to use a transcript hold?
- If the new regulations are scheduled to go into effect July 1, 2024, what about debt from previous sessions/years from this date? Is this regulation retroactive to any specific date?

Key themes among outstanding questions on additional guidance are summarized below.

Lack of Clarity and Guidance

- Numerous questions and concerns regarding the practical implementation of the regulations.
- Requests for further guidance on specific terms, definitions, and scenarios.

Technical and Operational Challenges

- Concerns about the integration of financial aid requirements into academic processes and the need for training personnel.
- Questions about the capability of vendors to support the required changes.
- Potential challenges in implementing changes, especially for institutions that may be short-staffed or face financial constraints.

Financial Implications and Fees

- Questions about rules and fees associated with transcript releases, including concerns about unpaid charges and balances.
- Concerns about the financial burden and expenses related to upcoming changes.

Compliance and Interaction with Other Regulations

- Questions about the interaction of these regulations with existing state laws, accreditation requirements, and other federal laws.
- Seeking clarification on whether ED rules override accreditation requirements.

Impact on Students

- Concerns about the potential impact on students, especially those in programs with lower earning potential.
- Questions about the accountability of students in financial decisions and whether institutions will be held responsible for students' choices.
- Questions about whether the regulations apply to Tribal colleges and how federal, state, and Tribal differences might affect compliance.
- Questions about the effectiveness of posting notice letters and whether it is an adequate method of communication with students.

Grace Period and Support for Institutions

- Queries about whether there will be a grace period for SIS implementation and whether institutions facing hardships will receive assistance.
- Requests for support in pressuring student information system providers to meet the new requirements.

Other Holds and Actions

- Questions about the ability to use other holds (e.g., registration/enrollment holds) for unpaid balances and whether those are considered negative actions.
- Questions about the use of collection agencies for missed payments and how payment plans with collection agencies interact with the legislation.

Data Collection and Reporting

- Concerns about the purpose and effectiveness of the large data collection, as well as concerns about the administrative burden versus the benefits.

Exhibit E

Question 10 - *The final regulations stipulate that institutions will not withhold transcripts or take other negative actions against a Title IV student due to an error or misconduct on the school's part. Do you foresee challenges or concerns with your institution's compliance with this regulation?*

- In regard to § 668.14(b)(33), what are considered "negative actions"?
- In regard to § 668.14(b)(33), who will determine whether there has been an "error in the institution's administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel." (Students might claim an error has occurred in an appeal, etc. when it has not. I would be surprised if any institution is not already meeting what I believe is likely the intended spirit of this clause-maybe some predatory organization would be an outlier on this.)
- We need more guidance. Define error or misconduct. A school would handle any error or misconduct prior to it getting to this point. We would never withhold a transcript or take negative actions against a T4 student
- This will push more students into private collections, or will force us to withdraw students during a specific term if they have unpaid charges.
- What is seen as Misconduct on the institutions part since there appear to be at least 6 different scenarios and ways in which a transcript may or may not be held and this regulation doesn't even touch areas around student conduct, if a student is already in collections with the institution, bankruptcy, etc.. There is a large assumption that transcripts are being withheld due to massive amounts of errors that caused the students to take out large loans or other Title IV aid and that the student really doesn't owe any money.

Question 11 - *The final regulations stipulate that upon a student's request, an institution will provide an official transcript that includes all the credit or clock hours for payment periods in which the student received any Title IV, HEA funds and were paid in full. However, an institution may withhold sections of the transcript associated with specific payment periods with a balance under certain conditions, resulting in a partial transcript. The payment periods not associated with the debt must be released. Q11 - Do you foresee challenges or concerns with your institution's compliance with this regulation?*

- The goal has always been to treat students receiving financial aid like all other students administratively. This regulation appears to be a departure from this and gives aid receiving students an advantage above other students in the same situation. 2. The programming of releasing partial transcripts is incredibly challenging.
- Institutional/Records challenges: The University would need to develop a policy around partial withholding of transcripts that meets the regulatory requirements and applies to all students, not just those receiving federal funds, since it is unethical to make policies based on the way a student funds their education.

- Our SIS does not have the capability to segment transcripts and there is no indication from the vendor that they will be modifying the system to provide this as a delivered functionality. Instead, we will need to go through a customization which will be either 1) a strain on in-house ITS resources or 2) a financial strain on an outside ITS consultant. Additionally, this will require the development of other flag/indicators that can be used by our financial aid & bursar teams to identify students that are eligible for a segmented transcript as defined in the regulations. After that a business process will need to be created to manage the add/remove of this flag on a per student and/or per term basis. This is an incredibly complicated scenario to operationalize.
- Current systems are incapable of producing transcripts with just fully paid periods
- We use transcript holds as a mechanism to engage in a conversation with the student before pursuance of more drastic steps. These conversations allow us to provide much-needed financial literacy and work with the student on resolving their debt within that student's current financial means. Eliminating these tools eliminates the leverage to engage in these financial literacy education conversations. Ultimately, students are harmed when these discussions do not occur and results in actions that cause real negative consequences for the student. Also, smaller schools are impacted since cash flow is important to their operations; anticipating payments delayed and/or bad debt write-off increasing if there isn't an incentive like a transcript hold to encourage payment. Ultimately, as regulations like this restrict the ability of institutions to recoup funds, institutions will be forced to alter business practices. These decisions might lead to restricting access to higher education for vulnerable populations. This regulation is a highly surgical approach
- This isn't a functionality that our SIS currently supports. As an Admissions officer, I have concerns with this if schools start sending partial transcripts for review during the admission process. This would complicate an already complicated process that requires a quick turnaround time.
- Partial transcripts are an impossible. I don't even know how any legislator could think this is feasible.
- This not feasible with our current student information system
- We do not have a process for associating debt in a particular transcript semester.
- California already has a policy that we may not withhold a transcript due to an outstanding balance. However, we are able to withhold a transcript from a student who has not completed their exit loan interview counseling. This is an important part of financial wellness and responsibility training. If we can't employ a transcript hold while the student completes this mandatory training requirement, we have no incentive for the student to complete the mandatory training requirement. This would seriously undermine our financial education colleagues who are only trying to maintain compliance required exit counseling.
- Academic integrity - this is essentially asking that we modify a record (if we might release only parts of a record for terms paid in full/covered by Federal aid, and not the overall transcript). FERPA- can we/should we note that a record is only partial, but inclusion of a note then discloses financial/financial aid information, not just grades. Might this cause students to intentionally carry a balance for unsuccessful semesters so that they withhold an undesirable part of the record.

- It is not possible to withhold (redact) portions of a transcript and the oversight for this would be a burden. As a Registrar, I've never heard of a partial transcript.
- It is technologically unfeasible to separate out "payment periods" from the transcript, and this raises more questions than it answers.
- We do not have the functionality to withhold part of the transcript. Additionally, the transcript reflects the entire academic record of a student. Even if only sections were redacted, it might give a false impression to the receiver since key portions are missing. In our case, the Office of the Registrar would not know which semesters/courses need to be withheld. Furthermore, the language is unclear as to what an agreement to pay means.
- Issuing a transcript that does not include all courses is pretty problematic. We generally foresee that a transcript does not change over time which is not the case here.
- We never provide a partial transcript! How would this even be managed?
- The transcript is not in sections and no school would be able to divide the coursework up in the manner you are recommending. This would not be beneficial to the student as it would be confusing and would not allow the other school to know all the courses a student had taken.
- There is no way for us to identify what credits was paid for by Title IV funding and what was wasn't. This is ridiculous.
- Current SIS systems that produce the transcripts do not have the capability to pick and choose what pieces are shown.
- We do not have the ability to single out semesters on transcripts based on Title IV HEA periods
- You can't withhold "Sections" of a transcript. Basically, we cannot hold transcripts for any student who owes the school a balance. It would be too much work to decipher who of our thousands of students received Title IV aid or not. What legislators don't realize is that by doing so, they are allowing a student to go to another institution and create more debt for themselves. Not releasing a transcript prevents a student from school-hopping, applying for more aid, and collecting large refunds. The holding of transcripts prevents a student from doing this because you cannot start at a new institution without all previous transcripts. This is going to cause more financial damage, and the student will be the one who ultimately pays the price. We gave students an education and have a right to receive payment. Our institution is very forgiving, and we will release transcripts in situations where a student needs it for licensure, a job, or other reasons. Schools should be permitted to decide this without interference.
- Debt collection. how do you determine produce a transcript based on selection only paid semesters?

- Academic transcripts are ordered and issued as a "whole" document. We do not create a transcript, by term, for the terms that were paid using certain funds. This effectively forces institutions to not withhold academic transcripts for any financial reason. We are likely to see astronomical growth in our receivables. That will make higher education institutions less financially secure. We need a way to collect payment for services provided. Dropping students mid-semester for non-payment is the other option. It's draconian and will negatively impact many more students.
- When these regulations were adopted at the state level, inevitably it has led to institutions de-registering students from coursework, since the ability to use the transcript as a collection method no longer assures an institution will be paid. That is what our institution will choose to do, as well, which will necessarily disproportionately impact lower income students who are less likely to have financial resources at hand to make large lump payments,.
- This places an undue burden on institutions to keep track of who received funds, if they were paid in full or not, and if a transcript cannot or cannot be released. This information is having to funnel through 3 different offices just to determine if the transcript can be sent. While we might be able to comply. It could take a significant amount of time to actually determine if the transcript could be released which is not beneficial to students either. The registration, the transcript and the diploma are THE ONLY aspects institutions have in order to gain compliance from students. You are asking institutions to provide documentation of the student's academic credentials when those credentials are only able to be earned through the work of faculty and administrators in which the student has not paid. We are to provide a service and document it when the student has not upheld a portion of their responsibility . . . paying for the "service" they have received. If I engage an attorney to help me create a will and they do so, but I don't pay for their services, there is no expectation that they need to provide that documentation to me.
- The biggest challenge is going to be between those who think things should be free, and student shouldn't be held accountable for paying their school, and those who think that students should pay what they owe so that the school can continue to operate and prosper instead of chasing old accounts (and often writing them off) or raising tuition for others to compensate.
- Departing debt based on title iv versus non title iv is burdensome. This action essentially eliminates our ability to collect debt. What reason would a student pay their debt if there is essentially no constraint?
- While we cannot hold transcripts due to California law, there is virtually no way to limit the transcript based on payments terms in our student information system.
- The current process of withholding transcripts attempts to collect the funds owed without dramatically negatively impacting the student. If we are forced to move away from this practice, more students will be sent to collections which will impact their credit score and more negatively impact them. Our system is not set up to send only partial transcripts, so that isn't an option for our campus. In addition, if a student is attempting to transfer or apply for graduate school and sends only a partial transcript, it will potentially delay their ability to enroll.

- We do not have a way to only provide portions of a transcript. It is all or nothing. We also do not give students a final transcript so this will be an additional cost, time, and hours for the registrar's office. It will also require better communication between offices before a transcript is released. Giving a transcript to a student is a moot point as it will be stamped "Issued to Student" and it will not be considered official at many other institutions or places of employment.
- This means we will adjust our policies and processes in regard to a student's financial status. Where we may have had more leniency in the past for a balance due, we will not allow students to progress in the future.
- Producing partial transcripts seems unlikely for most institutions. Beyond system limitations, doing so would likely cause chaos in routine processes for the receiver and lead to numerous questions regarding record integrity.
- These regulations set the potential that students could be treated differently in regard to their transcripts depending on how their tuition and fees were paid. If that occurs, it will lead to legitimate equity questions. We have decided at that we won't treat students differently in this regard based on the funding source of their tuition and fees.
- If it is clear that the intent is to release a transcript in accord with these regulations, will it be permissible for there to be an "interrupt" in the process in order to present payment options and/or collect updated contact information from a student or former student?
- Do the regulations apply to terms preceding the July 1, 2024 effective date?
- Can institutions withhold transcripts for any non-financial reason deemed appropriate by the institution if tuition and fees were paid for as covered by these regulations?
- What impact, if any, would a current payment plan for a current or past term have on the applicability of these regulations to withholding transcripts?

Question 12 - There are other institutional operating practices that the regulations do not address and could create confusion on college campuses. Below are examples of questions that could arise. When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, will the federal regulations take precedence over state regulations? The regulations do not specify which Title IV programs would fall within the scope of the rule (Federal Work-Study, for example, would not be captured on a student's account with an institution) and what it means to "receive" the aid. If a payment plan is in place at the time of the transcript request, but the student misses future payments, can transcripts be withheld until payments start or when the agreement is finalized? What should the protocol be if the payment plan/loan does not cover the entire balance? If the use of a transcript hold is not related to the existence of a debt, does the institution still have the ability to use a transcript hold? If the new regulations are scheduled to go into effect July 1, 2024, what about debt from previous sessions/years from this date? Is this regulation retroactive to any specific date? Q12 - Do you foresee yourself having these same types of questions?

- Tuition and Housing & food services will not be paid and will cause financial harm to institution

- Can an institution remove a credential from a transcript before providing an official copy if there is an outstanding balance?
- I would like to know if the federal regulation specific to transcripts will trump state regulations around transcripts.
- Collection reporting * Language on the transcript that could elude to behavior/other reasons for hold
- Does every single student with a balance at the time of leaving the school need to be in a payment plan in order for us to enforce the hold if they default or miss a payment? We use payment plans at the start of the term but have not put one in place to pay out an overall bill owed by the end of the term.
- Students withdraw for various reasons during the semesters that may require them to payback their federal aid, how will this be managed retroactively?
- What about student debt that is not actually school tuition and fees but the result of a return of Title IV funds which include their living expenses. Here is an example I have seen: Student maximizes aid for \$10,000. After tuition is paid, \$6,000 is refunded for their budgeted living expenses. Student withdraws early in term and after school does return of title IV the student owes \$3500 but does not return any portion of their \$6,000 refund to the school. They are no longer entitled to the full portion of their living expenses but the school paid this back for them. Why are we unable to withhold records in these situations?
- We work in a multi-campus system with shared holds. How will we comply when the hold may be from another campus? Can we implement secondary systems to collect/acknowledge the debt instead? (ie. payment plan)
- Interpretation for Tribal Colleges, and tribal, county, state, and federal differences and how that could impact us.
- Will the federal government provide funding to allow for reprogramming of software that accommodates these mandates? What happens if the college misses the July 1, 2024 deadline?
- If the student has received financial aid counseling and told to only take out what is necessary for the program costs but they still take out an excessive amount, will the institution be held responsible for that decision in all of the aforementioned regulations? Where does the student have a personal ownership in any of this? When bills are not paid, I do not get credit for previous month's paid or get to keep part of what I only partially paid for. Will there be some grace period for SIS implementation. None of this is written into any current SIS system and I imagine it will take a while to get this put into place. The federal or state question is always one that pops up - would this federal law trump any state laws surrounding debt owed to institutions?
- These survey questions only mention payment obligations. Doesn't the regulation go beyond money to include "any negative action"? Can we withhold diplomas or degree verification letters? Not allow future registration?

- Because the DOE Financial Aid requirements are now spilling into the academic side of things, how does the DOE propose to train personnel outside of the financial aid arena to carry out this rather muddled situation? As a Registrar, I have not idea what is meant by "gainful employment," except as it relates to State of Texas residency rules. How are we to calculate which programs leaves a student with "unaffordable debt." We need further guidance on that as well. Lastly, our accreditation requirements require us to have transcripts from each previous institution the student attended. If the student owes money to that school, but the school has to redact part of their transcript because it was not paid by Title IV aid, how do we know whether or not we are receiving a complete transcript from that institution? Do DOE rules trump our accreditation requirements?
- I would really look at the states offices of higher education to see how successful they have been on this topic. At one point, our "bad debt" was over \$200,000. With a dedicated staff, we have been able to lower that to less than \$20000. This is money that we have been able to collect. I guess the point is that schools shouldn't allow students to register with balances but also, with dedication, you can recoup these funds. I don't believe that this should be a federal compliance issue. This really is between schools and students and educating them about responsible financial literacy. Students need to understand that their education is not free. It would be great if it was, but it is not and there is a consequence to not paying your tuition.
- Are there any rules regarding the use of collection agencies for missed payments, and how a payment plan made between the student and the collection agency interacts with this legislation? If the student's transcript has no completed credits, because they failed or withdrew from all courses, is there still a requirement to release that empty transcript? Are there any rules about the fees charged for transcript releases?
- Won't this just result in students being sent to collections agency with more frequency?
- I work at a community college in a rural area. We offer several AAS programs in fields where the wages in the area are not high (e.g., Early Childhood, Human Services). I am concerned that the new regulations will unfairly target institutions that offer such programs, which are in demand by both students and employers.
- Lapse in a repayment plan issue. Also, any hold placed on a transcript not related to debt, i.e. conduct.
- What if the balance owed is due to a university fees or fines that are not related to class tuition. Can transcripts be withheld for that balance owed?
- Can institutions place other holds (registration/enrollment holds) relating to unpaid balances, whether the student has Title IV aid or not? Or is that considered a negative action? If the purpose of posting the letter of notice is to inform students, is there evidence that this is an effective method of communicating to students?
- We presume that we must provide the class title, credits, and grades for the eligible payment period. With that in mind, are we able to omit other items like term gpa, cumulative gpa, earned degrees, transfer credit, milestones,

- We were thinking of including a cover letter. Are we able to include a statement in the cover letter explaining that the transcript is redacted due to the student owing a balance to the school? Or is it best to be vague and simply state something like "Portions of this transcript are intentionally left blank. For more information contact the student."?
- Will these new regulations require schools to post their policy for the release of segmented transcripts once it goes into effect on July 1?
- Our question has to do with select transcript matters for HLC accredited institutions along with a member institution and three of four of the state compacts who will use it as a resource for their member states. We would like to link to your joint statement and any other resources you care to share as part of the resources section. Please let me know what you recommend in terms of your most relevant resources to cite.
- What about the issues about programs requiring state licensure, e.g. nursing. If a student comes from out of state and intends to take a program that requires state licensure the school must have determined whether the program will meet licensure requirements in the student's home state. If not, they may be inadmissible, or admissions may have to disclose this to the student and get an acknowledgement from them prior to enrollment....