AACRAO

American Association of Collegiate Registrars and Admissions Officers

(202) 293-9161 Main | (202) 872-8857 Fax | www.aacrao.org
1108 16th Street, NW, Suite 400 | Washington DC, 20036

September 21, 2026

Aaron Washington
U.S. Department of Education, Office of Postsecondary Education
400 Maryland Ave., SW
Washington, DC 20202

Docket ID: ED-2025-OPE-1042
RIN: 1840-AD82

Dear Mr. Washington:

On behalf of the American Association of Collegiate Registrars and Admissions Officers (AACRAO), we respectfully submit comments on the Notice of Proposed Rulemaking, "Accreditation, Innovation, and Modernization: The Secretary's Recognition of Accrediting Agencies: Institutional Eligibility Under the Higher Education Act of 1965, as Amended, Student Assistance General Provisions."

About AACRAO

AACRAO is a nonprofit, voluntary, District of Columbia 501(c)(3) association of college and university administrators working to make higher education more responsive to learners. With a membership of more than 22,000 higher education professionals from approximately 2,100 institutions, collectively representing more than 16.4 million enrolled learners, AACRAO provides research, policy-based guidance, and training to support learners at every stage of their educational journey. AACRAO's membership is primarily composed of registrars, admissions officers, and enrollment management professionals who play a central role in student access, learning mobility, progression, credentialing, and compliance.

Accreditation Reform

As a member of the broader higher education community, AACRAO joined the comments submitted by the American Council on Education (ACE) and other higher education associations addressing the proposal's broader accreditation provisions. Those comments reflect AACRAO's views and concerns regarding the overall accreditation framework proposed by the Department, and we incorporate that perspective here rather than duplicate those comments. Accordingly, AACRAO's comments below focus on those provisions most directly within our members' expertise and responsibilities: the proposed requirements governing the evaluation, acceptance, and application of transfer credit. These provisions have significant implications for institutional policy and practice, academic records, student progression, and the professionals responsible for administering transfer-credit decisions.

Transfer of Credit - General Purpose of These Comments

AACRAO applauds the Department's interest in improving the transfer process for learners throughout the higher education ecosystem. The consensus language related to transfer of credit was a significant improvement over the Department's original proposal, in part because of AACRAO resources such as the [LEARN Commission Report] provided to the negotiation rulemaking committee. We also support the

Department's efforts at improving learner protections and learners' understanding of the transfer process, but believe that colleges and universities should retain authority over which credits to accept and whether those credits apply to specific degree program requirements.

We were pleased to share our materials on learning mobility, specifically the transfer of credit, with negotiators during the in-person negotiated rulemaking committee meetings. We believe our information contributed to a more robust discussion of the transfer of credit. AACRAO research should be used to counter misinformation about learning mobility because it provides data on learner expectations, institutional policies, and transfer outcomes rather than relying on hearsay or unsupported claims. The consensus language related to transfer of credit was a significant improvement over the Department's original proposal, in part because of the AACRAO resources provided to the committee.

We provide the following comments to improve the practical implementation of the Department's proposal based on the knowledge and experience of transfer and articulation professionals. While the evaluation of transfer credits may occur in a variety of departments on a college campus, the registrar's office generally oversees the transfer credit adjudication process. We support strong learner protections and applaud the inclusion of disclosures, appeal processes, and requirements to provide reasons when transfer credits are not accepted; however, our members have significant questions about the proper interpretation of the regulatory language. Our goal is to ensure that these requirements are workable and will help learners complete their educational journeys. Many of our questions may not require specific regulatory edits, but explanatory language in the final rule's preamble and subregulatory guidance will be important and useful to the dedicated professionals who oversee transfer processes at colleges and universities. Please accept these comments and questions in that spirit.

Transferability vs. Applicability

The negotiated rulemaking committee could have benefited from having an expert on the transfer process at the negotiating table. While institutions were represented, the discussion of transfer of credit failed to capture the nuances of the philosophy and practices related to transfer at institutions of higher education across the country. At a minimum, the Department should have identified a transfer expert to present to the committee, as it has done in previous negotiations, if not established a constituency at the table composed of transfer experts, such as registrars or admissions officials. This is especially important because the proposals extend beyond accreditation regulations and would impose specific transfer of credit regulations on colleges and universities.

Generally, the Department's proposal muddles the concepts of transferability and applicability of credit in the transfer process. To provide baseline definitions, we recommend the LEARN Commission's final report, which was shared with the committee. That report defines a transferable course as "a course taken at one institution that can be transferred for academic credit at another. This does not indicate whether or how the course credit can fulfill a graduation requirement at the receiving institution." The report also defines applicability of credit as "awarding academic credit for courses previously completed at another institution or for relevant college-level learning obtained outside of higher education, then applying it to the learner's graduation requirements. Credit might be applied to general education or program-specific requirements for graduation." The proposal references the term "applicability" in proposed 34 CFR 602.24(e)(2), which requires accrediting agencies to ensure that an institution has a transfer of credit policy that includes "a comprehensive statement of all transfer of credit criteria established by the institution, which must consider the comparability and applicability of coursework completed or credit earned at another institution accredited by an agency recognized by the Secretary." The term is dropped as the Department makes further revisions to the transfer credit requirements. Throughout the proposal, when the Department refers to the denial of credit in the transfer process, is it referring to general transferability and acceptance for academic credit, or does it specifically mean accepting credit and applying it to specific graduation requirements? If the latter, to which specific graduation requirements does the Department intend transferred credits to apply? We recommend that the Department clarify that general transferability is the intended meaning throughout this proposal. Many courses that learners transfer were taken to fulfill general requirements or electives, and the learner may not intend to apply them to a specific major requirement. Additionally, many learners have not declared a major at the time of transfer and, therefore, do not yet have major requirements to which credits could be applied. Requiring anything beyond general transferability would create an unworkable requirement that undermines the ability of colleges and universities to govern their own academic and curricular requirements, which the Department states is not the intent of this NPRM.

In proposed §602.24 (e)(4), the Department introduces a new term related to transfer credit: "awarded for courses." That term does not appear elsewhere in the regulatory language related to transfer credit and is not used consistently throughout the Department's proposal. Does the Department intend "awarded for courses" to mean something other than the general acceptance of transfer credit, regardless of whether it is applied to a specific category? If the Department intends this term to carry additional meaning, could it clarify whether the term is intended to focus more on the applicability of transfer credit rather than on its transferability?

Nontraditional Learning Pathways

The Department's proposal also raises important questions about how proposed § 602.24(e)(3) would apply to credits awarded through nontraditional learning pathways. Learners may receive institutional credit through dual enrollment, prior learning assessment (PLA), military or workplace learning, or other mechanisms, and those credits may subsequently appear on the transcript of an institution accredited by a recognized accrediting agency. It is unclear whether the proposed prohibition would treat such credits as credits of the accredited institution that awarded them or permit a receiving institution to consider the method through which the underlying learning was originally acquired. For example, if a learner receives credit from Institution A through PLA and later transfers to Institution B, could Institution B decline to accept that credit specifically because it was awarded through PLA, or would doing so constitute a denial based on the source of the credit prohibited by proposed § 602.24(e)(3)? Similar questions arise for credits earned through dual enrollment and other alternative pathways. The Department should clarify whether institutions may maintain transfer policies that distinguish among credits based on how the underlying learning was acquired and, if so, what criteria institutions may permissibly use when evaluating those credits. Without clarification, institutions may be uncertain whether the proposal regulates only decisions based on the accreditation status or identity of the sending institution, or also limits their ability to evaluate the nature and origin of individual credits appearing on that institution's transcript.

The Department's proposal also raises questions about how proposed § 602.24(e)(3) would apply to credits earned through dual enrollment. Learners increasingly complete college coursework while enrolled in high school, including courses taught on a college campus, online, or at the learner's high school through partnerships with accredited institutions of higher education. When the accredited institution awards and transcripts the resulting college credit, it is unclear whether a receiving institution may distinguish those credits from otherwise comparable credits earned through traditional enrollment. For example, could an institution maintain a policy that categorically declines to accept credits earned through dual enrollment, or impose additional restrictions on those credits, when it would accept the same course and credit if completed by a regularly enrolled college student at the same accredited institution? The Department should clarify whether proposed § 602.24(e)(3) permits institutions to consider a learner's enrollment status, age, location or mode of instruction, or participation in a dual enrollment program when making transfer-credit decisions, and what legitimate academic considerations may support different treatment of such credits.

Financial Commitment

In multiple places, the Department proposes that disclosures occur "prior to making a nonrefundable financial commitment, enrollment, or registration" (proposed §§ 668.43(a)(11)(i) and 668.43(c)(5)(ii)). Identifying three separate moments tied to a requirement will create confusion for institutions and learners. The Department states in the preamble to this NPRM that "the intent is to prevent institutions from charging nonrefundable deposits and creating financial liability before learners receive information about whether their academic credit will transfer" (53975). Institutional policies vary greatly regarding refunds and what triggers an actual charge, and some are governed by state law. Institutional registration procedures may extend over several weeks, and the connection between registration and a financial charge may occur well after registration closes. AACRAO agrees with the Department that the desired outcome is to increase learners' knowledge about which credits will transfer before they make a nonrefundable financial commitment to an institution. However, if institutions have flexible policies that allow registration and enrollment to occur while permitting learners to reverse those decisions without penalty, delaying enrollment or registration while a transcript is reviewed may create unintended barriers. Some learners may abandon the educational opportunity rather than wait for the review to be completed. If, as the Department notes, the concern is individuals making a nonrefundable financial commitment, adding other triggering events creates implementation confusion without providing additional learner protections. We recommend removing the terms "enrollment" and "registration" from these disclosure requirements to make clear that the priority is protecting learners from making nonrefundable financial commitments before they have the information needed to make an informed enrollment decision.

Burden Estimates

The Department significantly underestimates the burden institutions will incur to implement the proposed transfer credit requirements. The Department estimates that institutions will require only 300 hours to update relevant systems. However, implementation will involve substantially more than modifying an existing transfer credit workflow. Institutions may need to develop or modify appeals processes; configure systems to capture and communicate the specific reasons credit is not awarded; establish mechanisms for documenting when required notices are provided to students; modify student-facing communications; and integrate these processes across admissions, registrar, advising, academic departments, and other institutional offices.

More importantly, the Department's estimate appears to focus primarily on the prospective evaluation of transfer credit and does not adequately account for the substantial body of course equivalencies that institutions have already established. Large institutions may maintain tens of thousands of existing equivalencies developed over many years and are used to automate and streamline transfer credit decisions. Institutions will need to update these existing equivalencies, associated business rules, and automated decision processes to determine whether they remain consistent with the proposed requirements, including whether existing rules result in the denial of credit under circumstances that would no longer be permissible and whether institutional systems can provide the individualized information required by the proposed regulations. This work may require coordination among registrar and admissions offices, faculty and academic departments, information technology staff, and institutional counsel. For institutions with large transfer populations and extensive equivalency databases, reviewing and modifying these systems and records could require months of sustained work. The Department should therefore reconsider its burden estimate and account separately for the significant work required to review existing course equivalencies and business rules, modify institutional systems and workflows, and implement the new requirements across the institution.

The Department's burden estimate also fails to account for the significant differences in size, transfer volume, and operational complexity among institutions. A small institution that evaluates a relatively limited number of transfer courses each year and maintains a modest course-equivalency database will face a substantially different implementation burden than a large transfer-receiving institution that processes thousands of transcripts and maintains tens of thousands of established course equivalencies. Larger institutions may also rely on complex automated systems, multiple academic departments and schools, decentralized faculty review processes, and extensive articulation agreements that will need to be examined and potentially modified to comply with the proposed requirements. Applying the same 300-hour estimate to institutions regardless of the scale and complexity of their transfer operations therefore significantly understates the burden on many institutions and does not adequately reflect the resources necessary for implementation.

Given the scope of the required changes and the substantial variation in institutional operations, AACRAO urges the Department to provide a delayed implementation date until July 1, 2028 for transfer credit provisions, which should give institutions sufficient time to review existing equivalencies, modify systems and policies, train personnel, and fully test new processes before compliance is required.

§ 602.24 (e)

(2)
The Department proposes in 34 CFR 602.24(e)(2) that accrediting agencies require institutions to have transfer of credit policies that "include a comprehensive statement of all transfer of credit criteria established by the institution, which must consider the comparability and applicability of coursework completed or credit earned at another institution accredited by an agency recognized by the Secretary." Does the Department intend this disclosure to distinguish requirements for how transferred credits may apply to certain categories, such as major requirements? This question differs slightly from our earlier question because the Department specifically refers to applicability, suggesting that it intends institutions to maintain policies addressing both the transferability of credits and their applicability to various categories. Could the Department elaborate on the categories for which it expects institutions to establish separate applicability policies? Is the Department interested only in whether credits apply to major requirements, or also in their application to general education requirements or electives? Institutions will likely have different standards for applying transfer credits depending on the category to which the credits may apply.

(3)
The Department proposes, in 602.24(e)(3), that accrediting agencies should ensure that institutions have transfer of credit provisions that "do not deny the transfer of credit based on the institution at which the learner completed the coursework or the agency that accredits that institution, so long as the agency is recognized by the Secretary."

The Department's proposal appears to contradict other regulatory language. Current § 668.43(a)(11)(i), which the Department proposes to reorder but not otherwise change, requires institutions to disclose "any established criteria the institution uses regarding the transfer of credit earned at another institution and **any types of institutions** or sources from which the institution **will not accept credits."** Although § 668.43(a)(11)(i) is a disclosure requirement rather than a specific instruction to institutions, its language clearly implies that institutions may decline transfer credit based on the type of institution. The Department's new proposal, which would prohibit institutions from denying credit based on the institution, appears to conflict with this language. Can the Department clarify how these two requirements would operate together? What "types of institutions" could an institution decline to accept credits from without violating the proposed prohibition against denying transfer credit based on the institution? This apparent contradiction is significant and should be resolved for the proposal to be workable.

Additionally, we seek clarification about whether institutions may deny transfer credit based on the modality of the courses being transferred. Specifically, if an institution has a policy against accepting transfer credit for courses offered entirely online or by correspondence, could it continue to apply that policy? If so, would that same policy apply to institutions that offer only online courses? When the Department prohibits denial of credit based on the institution, how should institutions consider modality, which may significantly reflect an institution's mission? For example, the Distance Education Accrediting Commission primarily accredits institutions that offer degree programs online, and many institutions operate entirely online. Where does the Department draw the line between an institution's ability to decline transfer credit based on modality and the prohibition against denying credit based on the institution, particularly when there may be legitimate quality concerns about science and medical laboratory courses offered online compared with in-person courses? Without additional clarification, the proposal could result in institutions denying credit for online courses from institutions that are not primarily online while accepting the same courses from institutions that are primarily online based solely on institutional identity, without considering the quality of the course itself.

(5)
The Department proposes, in § 602.24(e)(5), that accrediting agencies ensure that institutions "provide the learner an opportunity to appeal the decision within 15 calendar days of receipt of the institution's written notification if an institution declines to award transfer credit under paragraph (4)." AACRAO believes this proposal will support learners and strengthen protections throughout the transfer process. It closely aligns with the LEARN Commission recommendation encouraging institutions to provide clear processes for appealing credit determinations within 10 business days. To help ensure that this requirement is workable, AACRAO submits the following questions.

Under the proposed language, the 15-calendar-day period begins upon "receipt of the institution's written notification." At what point does that period begin and how does the Department recommend that institutions determine the date of receipt? Even with technology that instantly sends determinations and correspondence to learners, notifications may remain unread, land in spam folders, or be overlooked in an inbox that receives a high volume of messages. Hours, days, or even weeks may pass before a learner realizes that a transfer decision has been issued. Does the Department interpret receipt as the moment that the institution sends the notification, the moment it reaches the learner's inbox, or the moment the learner opens it? From an operational standpoint, institutions can most reliably document when a notification is sent. Defining receipt as the point at which the learner receives the email could impose an additional burden on learners during an appeal to demonstrate when they received the correspondence. Defining receipt as the moment a learner opens and reads the communication would be unworkable unless the learner provides confirmation at that moment, which would itself be an unreliable indicator. These issues could be resolved by changing the language from "the date of receipt" to "the date the institution issues the notification."

§ 668.43 (a)(11)

(i)
Earlier in these comments, we recommended changes to the phrase "nonrefundable financial commitment, enrollment, or registration." We have additional questions about what these terms mean if the language is retained in the final rule.

In proposed §§ 668.43(a)(11)(i) and 668.43 (c)(5), the Department references a learner making a "nonrefundable financial commitment to the institution." Can the Department clarify what constitutes a "nonrefundable financial commitment"? The preamble specifically identifies a nonrefundable deposit as falling within that definition. In many cases, institutions may waive such payments, especially for low-income learners or learners receiving financial aid. Would the following examples constitute a nonrefundable financial commitment?

- Full tuition payment when a refund may be available? Would the relevant date be the date payment is due to the institution, the date payment is made (if the individual pays after the due date), or the date after which a full refund is no longer available?
- Establishing a payment plan with an institution: If an individual establishes a payment plan, which may occur months before classes begin, does that constitute a nonrefundable financial commitment? If the plan provides a generous refund option when enrollment changes but imposes a small cancellation fee, does that fee trigger a nonrefundable financial commitment? Would a payment plan constitute a nonrefundable financial commitment only if the institution itself manages the plan, or would a plan managed by a third party also qualify even though the commitment is not made directly to the institution?
- Required deposits: If a deposit is refundable, would the Department no longer consider it a financial commitment for purposes of these regulations?
- Application fees: We expect that the Department would not consider admissions application fees to fall within the definition of a nonrefundable financial commitment to the institution, even though they are nonrefundable fees paid to the institution.

Additionally, we have more general questions about the connection among "nonrefundable financial commitment, enrollment, and registration." If an institution provides a refund option when a learner declines enrollment because transfer credit is denied, would that remove the payment from the definition of a "non-refundable financial commitment"? Additionally, if a learner voluntarily makes a nonrefundable financial commitment after being informed of the right to receive transfer-related information, but before an established deadline, would the institution be out of compliance if it had not completed the transfer credit review, or would the institution have to decline the payment?

Could the Department elaborate on how the proposal would apply to foreign transcripts? Foreign transcripts often require additional review because they may require translation services, and determining equivalencies for coursework completed in another country can require additional time and resources. Would implementation of this requirement differ based on the learner's status? For example, an American learner with a foreign transcript from study abroad compared with an international learner whose entire academic record is from institutions outside the United States?

§ 668.43 (c)

The Department's placement of these requirements in § 668.43(c) is inconsistent with the organization of the existing regulations. Currently, § 668.43(c) addresses requirements related to programs that prepare learners for state licensure or certification. Adding these new requirements to the same subsection could create confusion about whether they are related to licensure or certification or are separate requirements applicable more broadly. For clarity, we recommend placing the new requirements in a new § 668.43(d) and redesignating current §668.43(d) as § 668.43(e).

(3)

The Department proposes, in § 668.43(c)(3), that "if a student timely provides a transcript to an institution during the period described in paragraph (a)(11)(i) of this section, the institution must- (i) inform the student of the credit that will be awarded for credit on that transcript; (ii) inform the student of the credit that the institution declines to award for courses on that transcript; and (iii) disclose the estimated time and, when applicable, courses that would be needed to replace the courses for which the institution declined to award credit under paragraph (ii)." The Department's proposals in (i) and (ii) are straightforward and logical. The proposal in (iii), however, creates confusion and complexity in determining how institutions can provide useful information to learners during the transfer process.

This requirement appears to assume that every transfer credit denial corresponds directly to a course offered at the receiving institution or that institutions deny credit to require learners to retake their version of a course. Many credit denials do not fit this framework. For example:

- Institutions often limit the number of credits that may transfer because residency requirements mandate learners to complete a certain number of credits at the degree-granting institution. Denial of credit for this reason would not increase time to degree because the learner must satisfy the residency requirement regardless. Denial of transfer credit due to residency requirements does not necessarily require a learner to retake a course or add time to completion. Institutions are already required to disclose program length in 34 CFR 668.43(d)(1)(i). Would that disclosure satisfy the proposed requirement when transfer credit is denied because of residency requirements?
- A transfer learner who changes majors may have credits that do not apply because coursework completed at the prior institution no longer applies to the learner's course of study. This does not necessarily increase time to completion because the denied credits are not required under the new major; rather, the decision to change majors may itself extend the time needed to complete the credential. Because the learner did not complete coursework required for the new major, there may be no specific courses to "retake." Does the Department consider this an example in which an institution would need to disclose the estimated time needed to replace denied credits?

Additionally, this proposal continues to muddle transferability and applicability. An institution might accept credit for an upper-level course but not apply it to the learner's major requirements because institutional policy requires upper-level major coursework to be completed at that institution. The learner has received transfer credit, but the credit does not apply to the major, and the learner may therefore still need to complete a similar course to satisfy the major requirements. Does the Department intend situations like this to fall under the requirement to provide a list of courses that may need to be taken?

Furthermore, if an institution does not accept credit but there is no equivalent course that the learner must take, would the institution comply with the proposal if they did not provide this disclosure? For example, an institution denies credit because of residency requirements; the learner may not be required to take a specific course but instead have several upper-level course options. Does the Department interpret the proposal to require disclosure of those other course options?

Continuing this example, if a learner's courses are denied because of residency requirements, but the denial would neither increase the amount of time needed to complete the degree nor require the learner to retake particular courses, does the Department interpret the proposal to require the institution to provide this disclosure for those courses?

(4)

Under § 668.43(c)(4), the Department proposes to require institutions to provide a written rationale, specific to each course, when transfer credit is denied. AACRAO strongly supports this proposal and notes that it aligns with the LEARN Commission's recommendations. However, additional clarification would provide practitioners with needed guidance for successful implementation.

During the evaluation process, an institution may deny transfer credit for multiple courses for the same reason, such as the learner's grade does not demonstrate mastery of the material. May an institution provide a single rationale that groups together all courses denied for the same reason, or must it identify each course separately? Does the Department expect a separate disclosure for each denied course, or may institutions streamline communications by providing all rationales in a single document? Allowing a consolidated communication could improve both the efficiency and clarity and assist learners who choose to appeal.

Additionally, if an institution denies transfer credit for a reason clearly stated in its disclosed transfer policies, must the institution provide that justification again to the learner? For example, if an institution's policy states that it does not accept credit for courses in which the learner earned an "D," must the institution provide the reason for each course denied because of the grade? May the institution rely on its previously disclosed policy, or must it provide a course-specific reason for each denial?

Sincerely,

Melanie Gottlieb

Executive Director, AACRAO