

Questions from “**Keeping Up with the Capitol: Quarterly Update from AACRAO’s Government Relations Team**” (7/28/26)

Updates from the NPRM (8/26/26)

1. What is considered a non-refundable financial commitment? A deposit? A tuition payment plan?
 - a. The regulations don’t specify. We will ask for clarification on this when submitting AACRAO’s comments. It is highly likely the Department will ultimately include the submission of a deposit, if it is nonrefundable, as a non-refundable financial commitment. The tuition payment plan aspect is more grey area and would depend on who administers the tuition payment plan (if it's the institution, it is more likely to be included) and whether there is an option to withdraw from the plan.
 - b. The Department specifically clarifies that the regulations “intent is to prevent institutions from charging nonrefundable deposits and creating financial liability before students receive information about whether their academic credits will transfer.” The tuition payment plan remains a grey area, but it would seem likely that most tuition payment plans would occur after a deposit would be required unless that deposit was waived.
2. Seeking clarification on courses not accepted in transfer - does this mean not accepted at all or not accepted as equivalents that do not meet major requirements? We accept a lot of credit that equates to general elective hours. I'm hoping this is not considered not-accepted in transfer.
 - a. The regulations are unclear and confound the concepts of transferability and applicability, so we are already planning on asking for clarification from the Department. Our feeling at this point is they are specifically interested in not accepting transfer credits for any applicable category. These requirements won’t be triggered if you give the student credit, regardless of whether you make it count for major requirements or not. However, if you accept a course as elective credit, but then still require the student to retake essentially the same course for major credit, the Department may consider that triggered to at least provide the disclosures about retaking a course for credit.
 - b. Still no clarification on this point.
3. Under the new proposed rules, will we be able to award transfer credit differently based on college/accreditation? For example to take credit from an institution that's historically been "regionally" accredited vs. "nationally" accredited, vs. one that's not accredited at all

(but calls themselves a college/university) vs. one that's not a college/institution at all (e.g. Straighterline/Sophia). And can we award differently based on modality (e.g. online lab vs. in-person?)"

- a. Modality may likely still be an acceptable criteria for denying transfer credit. You will no longer be able to deny credits based on the accrediting agency of the institution so long as the agency is recognized by the Department of Education. This is a specific issue the Department is trying to address. They want to stop schools from denying credits from those accrediting agencies who used to be "national accreditors." If an institution has another reason for denying those credits, such as the course doesn't meet the standards of what your institution offers or the student didn't successfully show signs of mastery of the skills in that course, you can still deny it, but the reason cannot be because of the accrediting agency.
 - b. The preamble language and the regulatory text continue to make it clear that institutions will not be able to deny transfer credit because of the institution or accreditor. Further interpretation since the webinar on the part of this question related to companies like Straighterline: They link the definition of institution to separate definitions in 34 CFR 600.4, 600.5, and 600.6. Companies, such as straighterline. 600.4 and 600.5 includes the requirement of accreditation in that definition, which companies do not receive. As such, you can decline to award credit for those. However, if an institution contracts out some educational offerings to third-party servicers, which could include these companies, then the courses would fall under the accreditation of the institution. There is no additional information at this time on modality.
4. Can you remind us what language should be used instead of regional accreditation?
- a. AACRAO recommends that institutions review public-facing materials, including catalogs, transfer policies, and disclosures, and replace reference to "regional accreditors" with "institutional accreditors" or "institutional accrediting agencies recognized by the U.S. Department of Education." If it is necessary to distinguish agencies that were historically regional accreditors, consider using phrases such as "formerly regional accreditor" or "institutional accreditor formerly recognized as a regional accreditor," while identifying the specific accrediting agencies being referenced. Although continued use of the term "regional accreditation" is not a compliance issue, it no longer reflects the Department of Education's regulatory framework. Updating institutional terminology will improve clarity, better align communications with current federal policy, and help ensure students receive accurate information about accreditation and institutional quality. Additionally, those institutional accreditors that were previously identified as "regional" accreditors have started asking their institutions to stop using the term as well.
 - b. There is no additional guidance at this time.

5. When it says "an agency recognized by the Secretary", is there a list of these?
 - a. The Department of Education maintains an updated list of institutional accreditors at this [web location](#).
 - b. There is no additional guidance at this time.
6. For the comprehensive policy, if an institution has different transfer policies for graduate and undergraduate students, or one campus versus another, does that institution need one comprehensive university wide statement on transfer credit?
 - a. The regulations do not require one comprehensive global university wide statement on transfer credit. It would make sense to target the disclosure policy to the students at locations they would see it (e.g., provide a graduate policy on transfer credit on a graduate admissions page or a graduate program website), but it wouldn't hurt to have at least one location where you have all the policies together so someone could see all of your policies, even if there were nuances and differences between undergrad and grad.
 - b. There is no additional guidance at this time.
7. Can institutions deny transfer credit that is equivalent to their course but doesn't fit within their declared program? Is that a "curricular reason?"
 - a. The proposed regulation does not prohibit this. It would trigger the requirement of providing the learner a written reason for that denial and allow them a 15-day period to appeal your decision. You will also have to provide them with the time it takes to repeat the denied credit.
 - b. There is no additional guidance at this time.
8. Does this apply to all students or only students applying as transfer students?
 - a. Disclosure requirements generally are required for all students at the institution. So requirements such as providing the general policies of the institutions should be done for all students. Obviously, providing a disclosure about why credits are denied in transfer wouldn't apply to all students and those should be focused on those students who are attempting to transfer credits into your institution.
 - b. There is no additional guidance at this time.
9. Is the Transfer of Credit Consensus Language and disclosure already in place? What is the timeline for enforcement?
 - a. The current regulations for disclosure related to transfer of credit can be found at [668.43\(a\)\(11\)](#). There are three required disclosures: any established criteria the institution uses in evaluating transfer credit and any types of institutions you do not accept credits from, a list of institutions you have an articulation agreement with, and written criteria you use to evaluate prior learning experience. All of the other regulations in the presentation are proposed and will be new. The expected timeline is that final regulations will be published by November 1, 2026 with an effective date of July 1, 2027. That's the date your policies should be implemented. However, enforcement is tied to accreditation so you may not be reviewed for compliance until your next institutional accreditation review.

- b. The publication of the Notice of Proposed Rulemaking (NPRM) occurred on August 20, 2026. There are no additional changes to the remaining timeline; a final regulation will be expected by November 1, 2026 with an effective date of July 1, 2027.
10. Can you confirm the new transfer credit regulations will be required by private institutions also?
- a. The proposed regulations will apply to all institutions participating in Title IV programs.
- b. No additional information at this time.
11. Does it apply to freshman with dual credit or only true transfer students?
- a. Yes, the new regulations will apply to freshmen with dual credit.
- b. No additional information at this time.
12. Does notice still have to be sent to a student if failing to accept credit that has a negative grade? F, D, etc.?
- a. Yes, institutions will be required to send notice to students even for courses that they failed. This would be a clear and justified reason for denying credit, but you are still required to meet with all of the disclosures and will still have to provide them with an opportunity to appeal.
- b. No additional information at this time.
13. Submitting transcripts for timely review, does this mean that all transcripts must be submitted by a date we identify? We often have students who complete an enrollment agreement before they are done with courses at their prior institution, so we do not have a complete transcript to evaluate.
- a. The regulations require institutions to decide their own “timeline by which a transcript must be submitted for timely review so that a prospective student can make an informed decision prior to making a nonrefundable financial commitment, enrollment or registration.” It does not mean you should deny all transfer requests after that date. Any transcripts that come in after that deadline should still be reviewed in a timely fashion. However, those that come in after your disclosed deadline can be completed after you require a learner to make a nonrefundable financial commitment to the institution. When at all possible, you should do your best to give the student an indication of what can be transferred before they make that financial commitment.
- b. No additional information at this time.
14. Sometimes students submit their deposits the day that they are accepted. Does this mean that institutions will be required to provide evaluations before they are accepted?
- a. It depends. If the learner submits a transcript within your disclosed timeline, then you must review it before the deadline to make a financial commitment to the institution. If a student submits a deposit before that deadline regardless of the status of their transfer review, then there is no indication an institution would have to reject that deposit or change their procedures for review. A best practice

in that situation would be to ensure that the student is aware of the deadlines in which they have to submit transcripts by and when they must make that nonrefundable financial commitment.

b. No additional information at this time.

15. To be clear, this is based on transfer of credit for all students requesting evaluations, not just those who previously matriculated at other students, correct?

a. Disclosure requirements generally are required for all students, such as your general policies. Obviously, some of these new policies only apply to students who are transferring credits in or those who have some credits denied by your institutions so those only need to go to the appropriate populations.

b. No additional information at this time.

16. Do the transfer credit rules differentiate in any way between transfer courses for which direct course credit is awarded and transfer courses for which general or departmental credit is awarded? For instance, would I need to provide an explanation of why I gave general credit for an English Composition course, rather than considering it equivalent to my English Composition course?

a. There is some ambiguity in the current regulatory proposal that we will ask for clarification about. Our interpretation is that this example would not trigger the need to provide justification/explanation.

b. No additional information at this time.

17. Do these transfer credit rules apply to transferring graduate credit?

a. The proposal in 602.24(e)(4) that requires accrediting agencies to review schools for providing rejection justification specifically refers to undergraduate credits. However, the disclosure requirements in 668.43 generally applies to all students, regardless of level. There is a weird differentiation that the 668.43 language drops the word “undergraduate” and it's unclear if that's a mistake or intentional. We will ask for clarification on this issue.

b. The Department provides additional clarification on this issue. The preamble text states that “the Department clarifies that the transfer of credit provisions are intended to apply primarily to undergraduate credit, reflecting the reality that most student mobility and credit transfer activity occurs at the undergraduate level.

18. Is there a specific timeline in which the transfer credit must be completed? For example, 1-2 business days? Within 5 business days?

a. No, the regulations allow institutions the flexibility to set their own timeline, but they must adhere to that timeline once set. The regulations require institutions to decide their own “timeline by which a transcript must be submitted for timely review so that a prospective student can make an informed decision prior to making an nonrefundable financial commitment, enrollment or registration.”

b. No additional information at this time.

19. What if the admission officer makes a mistake in the transferability of credit on a course? Is an administrative error going to be taken into consideration or is that going to result in having to refund the student?
- a. It is unlikely that one mistake here and there will result in significant penalties from your accrediting agency or the Department of Education. If there is a finding on this, however, you should take it seriously and ensure strong policies and training is in place. If there are substantial issues that reflect a more systemic issue, then you could see a harsher response from your oversight agencies. AACRAO encourages you to consider learner-friendly policies and, if this is truly a one-off situation, it may make sense to provide the one student affected by an administrative error a refund if they request it.
 - b. No additional information at this time.
20. At some institutions, students must request which courses they want to transfer in for credit. Will the new regulations require institutions to change this practice and review credit for ALL transfer credit regardless if the student is asking for the credit?
- a. No, the Department does not indicate that you would have to change this policy. It is important that this is disclosed as your policy and practice in your disclosures.
 - b. No additional information at this time.
21. For credits that are denied due to general published policy (i.e. grade, not applicable to program, etc), does the requirement to notify the student and allow for them to appeal still apply?
- a. Yes, institutions will still have to send an individual notice to students and allow them 15 days to appeal even if they already have a general published policy. However, the individual notice could direct the student to the general published policy, thereby reducing the burden on the institution.
 - b. No additional information at this time.
22. Will we be compliant if we award institutional transfer credit toward graduation, but do not accept it toward fulfillment of specific major/program requirements? I'm thinking of our rules about % of courses in a major that must be completed in residence.
- a. The new regulations only say that institutions can't deny transfer credit based on the institution the credit is coming from or the accreditor of the institution the credit is coming from. It does not require institutions to apply transfer credit to major/program requirements. There is some general confusion in the regulatory proposal on transferability and applicability that we will ask for clarification about.
 - b. No additional information at this time.
23. We typically only review transfer credits for acceptance from official transcripts, is there any thought that these regulations would affect whether we can continue this business practice off of officials only, or would we have to consider using unofficial transcripts to satisfy these requirements?

- a. There is no requirement in this proposal that would change that practice. However, you should ensure that is disclosed in your policies and procedures about transfer of credits.
 - b. No additional information at this time.
24. Was there any discussion of having to post existing transfer equivalencies publicly on an institution's website?
- a. The regulatory proposal does not require this. We will not likely bring this up to the Department to not give them additional ideas on ways to regulate this issue. If your idea was that by posting this you would be covered by the justification when you deny credits, it's unlikely the Department would conclude that was compliant with their intention.
 - b. No additional information at this time.
25. If we deny credit based on our published criteria/policy (for example, we do not accept vocational credit) do we need to also provide the specific student an additional written denial separate from the publicly published statement that says vocational is denied?
- a. Under this proposal, you will have to provide the learner with a specific justification, such as referencing what in your criteria or policy was used. You do have to provide it to a student directly and reference what course you are referring to. For example, in that communication, you could say "COURSE 201 is not accepted for transfer credit because we do not accept vocational credit." You cannot just assume that since you've published a policy stating that you don't accept vocational credit as sufficient justification when you deny credit.
 - b. No additional information at this time.
26. Is there any distinction in the regs here for transfer credit from non-US institutions? I'm thinking about summer study abroad credit.
- a. The distinction here would be about the institution or the accrediting agency. You can't deny the credit because they are an international institution solely because they are an international institution if they are accredited by a recognized accrediting agency, which happens more frequently than you thought. Then you would have to have a different reason for not accepting that credit.
 - b. No additional information.

Additional Questions Received From Members

1. The proposed language uses the terms "prospective student" one time, in the section speaking to the "timeline by which a transcript must be submitted for timely review", and simply "student" in all other areas. I do not see any text that explicitly defines those terms to have the same meaning. That nuance/distinction may be critical here, as each campus/system currently sets their own definition of "student", and when an individual becomes one, under FERPA within their own campus policies. That transition from prospect/applicant to "student" may not occur until well after some of the events noted in this policy. For example, an institution's FERPA policy states that a Fall term admit

doesn't become a "student" unless they are enrolled on or after August 15th (unless of course they had attended as dual enrolled during HS), which generally meant anything that referred only to "student" wasn't applicable prior to that point in time. I hate to potentially be quibbling here but as we're discussing proposed legal terminology, which we'll be held accountable to, it seems important to split those hairs now.

- a. The Higher Education Act, which is the legislation that the regulations at play fall under, does have a definition for "prospective student." It is defined as "any individual who has contacted an eligible institution requesting information concerning admission to that institution." (20 USC 1092 (a)(2)). Generally, the requirements under that legislation indicates that information required to be given to a student must be done so prior to students enrolling or entering into any financial obligation. FERPA may have a different definition for when a student becomes a student and for the purposes of data protection a school should go by that definition. However, the Higher Ed Act holds sway for title IV programs, so a school should go by that definition for title IV programs. I think from context clues, the gist of what the Department's proposal is clear in proposed 668.43(a)(11)(i) that they want the disclosure to happen before the individual makes a nonrefundable financial commitment, enrollment, or registration. In the above example, if an individual can make a nonrefundable financial commitment before August 15th, ED will want them to have the disclosure regardless of the definition of FERPA and they'll go to the HEA definition of prospective student as justification. However, if your institution's legal counsel provides you with different guidance, you should follow their guidance. AACRAO does not serve as institutional legal counsel; we simply provide our interpretation. I am hesitant to bring this up in comments because I don't really want to open up another area for the Department of Education to regulate on in their final rule. I think the language is clear enough on who they want to receive the disclosure and by what point so asking them to further define student or prospective student may only cause problems for institutions if they decide to go outside a narrow clarification.
- b. No additional information at this time.

2. Based on the wording reading "successfully completed at another institution that is accredited by an agency recognized by the Secretary", my initial interpretation is that these new rules would not be applicable to credit hours derived from non-enrollment sources like exams (e.g. AP, CLEP, IB, DANTES, Cambridge A-levels, etc.), distinctions such as the Seal of Biliteracy, or a Joint Services Transcript. Does that seem correct?

- a. I think you are correct on that. The proposal specifically says completed at another institution, so I don't think the language includes non-enrolled sources. One area that may be a grey area would be dual enrollment, which could fall under it since the administering entity would be a college that is accredited by a recognized accrediting agency. But, I agree with you on the particular examples you give.
- b. No additional information at this time.

3. Shouldn't "F" and any other grades that don't earn any credit hours be excluded from the disclosure requirements since they universally signify a course was not "successfully completed"?

a. I would hesitate to say that anything is universally accepted or agreed to. There will eventually be one person who says I still learned despite my F and should be given credit. But this should be an easy to accomplish low hanging fruit. One sentence that says "We don't accept courses with failing grades as transfer." And then if a student tries to transfer a credit, that's the rationale a school provides as to why it denied the transfer credit.

b. **No additional information at this time.**

4. Many institutions include language in their general transfer credit policies that "establish criteria the institution uses regarding the transfer of credit earned at another institution" noting that grades at or below a certain level (e.g. D) are not considered to have been "successfully completed" and are thus ineligible for transfer, and then have those policies themselves fulfill the requirement of "providing a written basis for denial" of such courses rather than needing to send individualized denial messages for each such course? Such language included in the Catalog, on the transfer admissions website, and/or possibly even embedded as a disclaimer within the admission application itself, would in fact be a written notification.

a. We have this issue in our comments to the Department already as a clarification. Although I think they'll reply with: "Yes, you still need to provide it as a written basis."

b. **No additional information at this time.**

5. If an initial review would award only general credit, with a secondary review requiring submission of additional materials such as syllabi to make a more nuanced equivalency determination, is the disclosure of that first assessment likely to be held as sufficient to comply with these proposed new rules?

a. I think if you have a two-tier review process for transfer credit, you will need to indicate that in your policy. I think that's also a best practice to fully disclose what one's process is so that a student doesn't feel that they were lied to in an admissions process when all of a sudden they're told that credits have to go to a second review when they were only told about one.

b. **No additional information at this time.**

6. Is giving the student access in your CRM or SIS to a transfer credit report with course-level equivalency details sufficient to meet the requirement to "Inform the student of the credit that will be awarded for courses on that transcript" under the proposed new rules?

a. The Department doesn't prescribe too much around this and we shouldn't ask them to. If, at the end of the day, providing them access to the transfer credit report they know what you've accepted then I believe you can consider that requirement met. I'm assuming that this is your current process? I don't think the Department is trying to put schools in a "gotcha"

moment with this requirement, I think they're just saying you have to tell students what you're taking and what you're not taking.

b. No additional information at this time.

7. Would the phrase "signs an enrollment agreement" apply to the athletic grant-in-aid signed by NCAA prospects that replaced the old National Letter of Intent? I assume yes since those are framed as "a legally binding financial aid agreement directly with the college or university" once signed.

a. I would agree with you on that. Remember that the requirement is that you will respond to transfer reviews within the disclosed period for a timely review. So if your institution discloses that period to one-week and you receive a transcript for review a week before that required document to be signed then you need to have it reviewed by that period. If, however, they miss that deadline, you are under no obligation to have it reviewed in time.

b. No additional information at this time.

8. Given that many campuses cannot generate a formal advising plan until an incoming student has been formally matriculated into their SIS, would these rules potentially obligate academic advisors to make a manual determination of whether a rejected course may have degree plan applicability as part of efforts to "Disclose the estimated time and, when applicable, courses that would be needed to replace the courses for which the institution declined to award credit"?

a. Institutions have some flexibility in how they determine they would comply with this. Likely there would be some manual work. I assume that if SIS vendors hear enough on this after final regulations are published, they would likely find some work arounds to assist schools. But the Department would not likely accept this as an excuse to why a school was unable to comply with this requirement.

b. No additional information at this time.

9. Would these rules permit coursework completed via correspondence and/or self-paced learning to be deemed ineligible for transfer? My initial assumption is that would be like the discussion of modality.

a. I agree with you that this is a modality question. We have that as part of our comments to the Department to get clarification in the final regs.

b. No additional information at this time.

10. Can institutions require supporting documentation (e.g. syllabi) as part of students' appeals?

a. The proposal does not dictate a school's appeals' process, so requesting additional documentation should be fine.

b. No additional information at this time.

11. Would we be in compliance if we continue transferring all credits earned at other institutions, excluding only remedial coursework? Or is it based on the credits that can be applied to the intended degree program? For context, our current practice is to transfer all earned coursework, including failing grades, but exclude remedial coursework.

a. I don't see any issues with your current policy in context of the Department of Education's current proposal on transfer of credits. I would note a few extras though:

- that policy should be included with your publicly available disclosures on transfer of credit.
- If you deny credits to a student based on that policy, you will still have to provide the reason for denial
- You will still have to provide a student the opportunity to appeal any credits denied under that appeal.

There is still some ambiguity in the Department's proposal about when they mean the transferability of credits and the applicability to major requirements. We intend to ask them about that issue during the public comment period, but that may mean we won't have a definitive answer until closer to November 1.

b. No additional information at this time.