

Male:

So we're going to spend less time on slides this year, and a little bit more time on this document, which you can find from the FSA assessments. We've set up separate assessments for foreign schools and we're going to talk more about the assessments tomorrow morning, but for now, this document is the consumer information disclosures at a glance. Now, I know for some of you, English isn't your first language. At a glance, a glance is something you just look at it really quick. Well, this is 21 pages, which would take pretty big eyes to make it in a glance. If it's any consolation, though, US Schools version of this is 32 pages long.

So as bad as this is for you, it's even worse for them. So we're going to – this was just updated. An electronic announcement was posted last week, and so this is the most current version of this document, and it's divided into two sections, pages 1 through 15 are what are called non-loan disclosures, so they are more general, and then finally, the last pages, 16 through 21, are all about disclosures related to the loan programs.

So we're going to start with some general disclosure requirements, with limited exceptions, most to the information you need to disclose can be disclosed on the web. We used to talk in a lot more detail about how you had to give things away, but realizing that most people had their information on the web for most things, you can just simply disclose it on your website, and in general, most information must be available to enrolled students, but there's a fair amount of information that also has to be available for prospective students, so in other words, people who are considering coming to your college or university.

And I said this last year when we had policy people in the room, and they didn't contradict me. I don't think there's anything that would prevent you from having a page somewhere in your website, here's consumer information for American students. Because a lot of what you need to disclose for your American students may not be information that you need to disclose for your domestic students or your other international students. And so there's no reason that you couldn't just have one place for all of this information. And although this is not yet specifically required by the regulations, I think having all of this information in one place makes it a lot easier to find.

I can tell you from looking at domestic schools, looking for this information on their website, sometimes it's very difficult to find. And Congress isn't too keen on that, which is why the easier you make it to find, the closer you are to the intent of these regulations.

So in addition to all the information you have to disclose, every year, you are required to send an annual notice to all of your current students, telling them about the information that's available.

So in addition to just having it on your website or maybe you have it on paper and you give it or mail it to your American students and that's perfectly fine, every year, you have to send a notice to all your enrolled students that tells them about all of the consumer information you have and where they can find it. Yes, sir?

[Inaudible Question]

The question is – When we say disclose it to all students, do we mean all US citizens or all recipients of federal aid? When I saw your hand go up, I thought the question was going to be like that.

[Laughter]

I didn't bring the consumer – I meant to bring them out and bring them with me. I believe that the language in the regulation says must distribute to all enrolled students. There are no adjectives in front of that. That, I think, a literal reading of that regulation would mean everybody enrolled at your institution, even all the students from your own country. So you may not really want to ask me that question. Cause I'm not sure that your domestic students would care about the information you're disclosing, but then again, they might be interested in some of this information.

And this can't just be posted, you actually got to send an email or some other kind of communication to everyone that says, "Here's what's available." So you need to tell them the consumer information is available. And every – the things that have to be disclosed – so it isn't that you tell them all this information but you would say, the information that you have to disclose in this, and if you look at this document, it's pages, I'm going to refer to row numbers, they're not any on the page, but just to make a little easier for me to talk about, like this middle row is row two because it's the second row on the page.

So the information that has to be described in this annual notice can be found on pages one, two, three, six, and eight. And it's the third row here on page one, and on page two, it's rows four, five, six, seven, and eight, and on page three, it's rows nine, ten, and eleven, and on page six, it's row eighteen, and that continues onto

pages seven and eight, and on page eight, it's rows twenty, twenty-one, and twenty-two.

Well, to try and make this a little easier to talk about, this is row one, the first row going across. Row two is the second one. Row three is the third one. But you can actually find this in the regulation, too, in six-six-eight-point-four-one. Basically, the things you have to describe in the annual notice are in the regulations in six-six-eight-point-four-one little 'd' as in David, 'e' as in Edward, and 'g' as in Gary, and also the information in six-six-eight-point-four-two and six-six-eight-point-four-three. And we're going to go over this information in detail.

So in this annual notice, you're not giving them all the information, but you are saying, for example, we have information about our retention rate and you can find it here and graduation rate and you can find it there and so forth and so on. Because one of the things you need to disclose is your retention rate, your completion or graduation rate, your placement in employment, and the types of graduate and professional education in which the school's graduates enroll. There are some caveats to this that we'll talk about in just a minute.

And then there's also an annual notification about FERPA. FERPA is an acronym and it stands for Family Education Rights and Privacy Act. And so this is in a separate section of the regulations, the FERPA requirements are in [34-CFR-apart](#) I think 98 and 99. And we don't – federal student aid doesn't administer the FERPA requirements, but every year, you'll need to send you students a notice of their rights under FERPA, which includes the right to inspect their records, their education records, and FERPA will tell you what an education record is – their right to request amendment of those, the right to consent to the disclosure of personally identifiable information or PII, and their right to file a complaint with [ED](#).

There's some information about this in the handbook, and I've given you a link to the Family Policy Compliance Office, where you can get more information about FERPA. And then some of the things you'll define in your FERPA policies are that how you will disclose records internally within the university, what constitutes a legitimate educational interest, and how you determine who is a school official, and what will constitute directory information. So last year, we had several slides that talked about financial assistance information. Now, we're going to

look at the at a glance documents to figure out what those things are.

So if you look on page one of the at a glance document, the last column on the page, this is all the financial aid information. This is some of what you need – what needs to be available either via paper or on your website, and that’s all the need and non-need based financial aid programs that are available, the terms and conditions of the direct loans that you offer, how you will select recipients and determine their awards, how do they apply for aid, what do they have to do to be eligible for aid. So maybe the students – only some of your programs might be eligible, so you’ll need to explain which programs students could get loans for that they would have to be, for example, at least half time.

The methods and frequency of dispersing aid – so you would want to say, for example, we disperse aid at least once a semester, and you will receive your aid, your account will be credited, for example, or we will give you a check, or whatever it might be. But you need to talk about that. The rights and responsibilities of students receiving **Title IV HEA** student financial aid including criteria for continued student eligibility and standards for satisfactory academic progress. So this is where you’ll say that if you want to continue to receive aid, you need to comply with our standards for satisfactory academic progress and other things that apply.

And then you need to describe the terms of any loan that’s received as part of the financial aid package, a sample loan repayment schedule, and the necessity for repaying loans. And then the procedures and forms by which students apply for assistance. So they need to complete a FAFSA, but they may need to do things that are also internal to your university and you would need to describe what those are. And then, on page two, the very first row, additional information that has to be disclosed. Well, you don’t have to worry about the employment unless it’s need based, and it won’t be federal money if it is. And then the exit counseling information the school provides and collects.

You need to tell students that we’re going to have you go through exit counseling, and when you do, you’re going to fill out some information and we’re going to collect that information and we’re going to communicate it to the servicers, cause they need to know what your address is so they can follow up and collect the loan. So that’s the financial information, the financial assistance information, that needs to be part of your consumer information.

Then, there's institutional information. And this starts on page two, we're going to start in the second column on the page. For the – you have to make available to your prospective – here's information that has to go to prospective students or be available to them, and enrolled students, about facilities and services available to students with disabilities, including any that you have for students with intellectual disabilities, and then moving down to the third column, you need to make information available about the price of attendance, including tuition and fees, books and supplies, room and board, transportation costs, and any other additional costs for any programs in which the student expresses an interest.

So the general cost for the university might be X, but I'm interested in a specific program that has additional charges – you need to communicate that clearly to the students. And then you are required to make information available about any refund policy with which the institution has to comply. That would include the – that might include your institutional refund policy, so far all students, whether or not they're American or not, if they drop out in the second week of class, this is how we calculate a refund for them. You also need to explain how the R2-T4 process works. And you need to describe the policies and procedures for officially withdrawing from the institution.

There has to be a way that students officially withdraw, and you need to explain that in your consumer information. And then down in the last row on the page, you need to make information available about the academic programs at the school, including your current degree and if you have any other educational or training programs, the instructional laboratory and other physical planned facilities that relate to the academic program, who are the faculty and the instructional personnel, and any plans that the school has for improving the academic program. That seems kind of broad. Like, well, we're always trying to make sure we're up to date and doing things right.

It's only a plan for improving the educational program when you decide it's a plan. So if the business school professors get together every quarter and have a chat about what's working and not, that might be a plan, but it might not be a plan until they write up a formal document that's approved by the vice president of the college. But once you determine it's a plan for improving things, you need to make that available to students.

Then, on page three, starting in the top of the page, you need to make information available to current and prospective students about your institution's transfer of credit policies, which would include any criteria that you have for evaluating transfer credits from another university, and any schools with which you have articulation agreements, if there are any. Now, an articulation agreement refers oftentimes to programs in the United States – as many of you know, we have what are called community colleges that are often two-year colleges and then most – the first degree level in the United States then above that is a bachelor's degree. And so in many states, the community college system or systems will have articulation agreements with universities, public universities, or even private universities in the state.

So if I finish two years at the county community college, that meets the first two year requirements at the university, even if I haven't taken all the exact right classes, because of this articulation agreement. Very few of you may have anything like that, but maybe you do. And so if you do have any arrangements like that, you need to describe them. Yes?

[Inaudible Question]

Her question is, if this information is just available on our website, have we complied, or do we have to tell them, if you want information on our transfer of credit policies, you need to go to X. The answer is sort of yes to both. Having this information on your website is sufficient. However, in that annual notice, you're required to tell people where they find it. Now, we don't – there are a few things, like the campus security report, which you guys don't have to do – We say when you give the annual notice for that you have to give the exact web address. So I think you would technically in compliance if, in your annual notice, you said, "Here's all this information and you can find it on the web."

But I think you're supposed to be a little bit more specific than that in terms of telling them where it is. I think if you picked five American universities when you got back to campus and said let me see how they're doing their consumer information disclosures, you would probably discover that finding all this information is a challenge. Most schools don't make this easy to find. Even things that are relatively, to me, innocuous, innocent, like what are our transfer of credit policies? Usually people don't really get upset about that. I can see why a school might not want to publish that they have a 15 percent graduation rate. That doesn't look very good.

So some of this, I can – I still don't think it's right, but I understand why schools hide this information, but some of it, I don't know why they do. And for some of you, your answer to this might just be no, we don't have any – and you don't even have to say it. Or you could say we have no articulation agreements, there may not be anything to list for this. We – our facilities for disabled students are, depending on what your university is like, you might have an office for disabled students that helps them manage the campus and things like that, or you might not have anything for them. We're not saying you have to have it, but whatever you do have, you have to describe. So it isn't necessarily that you need to create things so you can talk about them, but if you have them you need to talk about them.

But we're not done yet with institutional information. Second column of page three – you have to make available to current and prospective students your school's policies and sanctions related to copyright infringement, including a statement that the unauthorized distribution of copyrighted material, including unauthorized peer to peer file sharing, may subject them to civil and criminal liabilities. A subject of penalties for violations of copyright laws. And your institution's policies with respect to the unauthorized peer to peer file sharing. Including any disciplinary actions you might take against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the school's information technology system.

And then in the third row, you need to disclose information on all the bodies, the agencies, or governmental bodies that accredit, approve, or license the school and its programs, and what a student would have to do to review the accreditation or licensure information documents that you have. So in other words if you'd like to see what **Equas** or the Australian Council of Education or whatever it might be called said about our institution, you need to come to the **bercers** office and fill out a form and here's what you have to do.

And then if you turn to page six, starting on the bottom row of the page, you have to make available to current and prospective students the retention rate of certificate or degree seeking first time undergraduate students. So if you're a graduate school, that disclosure doesn't apply to you. This is only for first time undergraduates. And note, if a prospective student asks you for the retention rate information, you have to disclose that before they make a financial commitment to attend your institution.

And then this topic continues onto the next page, at the top of page seven, and you'll notice here this is set up – the topic related kind of what are we talking about here is the first column. The second column is applicable to – that means who has to comply with this requirement. And then the third column is the required information and the links, and then the fourth column tells you method of disclosure, and you'll notice that usually the method of disclosure is made available through appropriate publications mailings or electronic media. So, for example, that information about the faculty, the academic facilities, that might be in your catalog. Anyway, each school must annually make available to prospective and enrolled students the completion or graduation rate of certificate or degree seeking first time full time undergraduate students.

So that means I didn't go to school somewhere else, so a college or university, before I came to you, and I'm full time, and I'm an undergraduate. That's who you're calculating this rate for. And if a prospective student asks for it, you got to tell him before they make a financial arrangement with you. A school that determines its mission includes providing substantial preparation for students to enroll in another Title IV eligible school must disclose a transfer-out rate. And a student shall be counted as a completion or graduation if the student earns a degree or certificate within 150 percent of normal time. And then we said a recent update to the law requires that you disaggregate your completion and graduation rate, or, in other words, break it out into subsets, disaggregate by gender, major, racial, and ethnic subgroup, and then students who got a direct loan and not a **PILL**. And students who didn't get either.

However, turning over to the next page, at the top of page eight, the disaggregated rates are to be disclosed only if the number of students in each group is sufficient to yield statistically reliable information and not reveal personally identifiable information about an individual student. So depending on where your university is, you may not have enough students of a variety of ethnic groups to be able to disclose this information. Yes, sir?

[Inaudible Question]

The question is – he says, in Canada, they can't disclose this information about racial subgroups. If you can't collect it, then you can't collect it. And there's a little caveat, too, if you have a lot of students leave your university and join the American armed

forces, that gives you a little out there as well. And then, schools must make available to current and prospective students information regarding the placement and employment of – and types of employment attained by – graduates of the school’s degree or certificate programs. You are not required to calculate placement rates under this provision, but if you calculate any, you have to disclose it.

So for example, let’s say that the university doesn’t calculate a placement rate, but the MBA program does. Then, you would only disclose the placement rate for the MBA program. And then whatever placement rates you disclose, you need to identify where the information came from, and any timeframes and methodology associated with it. And then, finally, on the bottom of the page, schools must make available to current and prospective students, information about the kinds of graduate programs and professional education in which the graduates of the four year degree programs enroll. And, again, you would disclose the information based on how you calculated this.

[Inaudible Question]

Her question is well, our degrees are three years, does that not count? Somebody was going to ask that as soon as I said four years out loud. Well, I think the regulation says all participating Title IV schools that have four year degree programs. So I’ll – hmm, do I want to guess? If it’s not four years, I think it’s not four years, I’m going to go with that. That’s not what’s written in the regulations. That might be what we mean, but that isn’t what we said. I’m going to try and research that, and I don’t know if I can get an answer before our session tomorrow, but we could ask Jeff in the – if I can’t get an answer before then. Yeah, I think it might be four year.

Okay. Yes?

[Inaudible Question]

So there’s – I think the second column on the page talks about placement meaning where do they go to work when they’re finished with their degree here. Graduate and professional education means I get my three year degree at the University of Greenwich, and then I go on and pursue a master’s or a PhD at Oxford or I go back to the United States and get one from the University of Michigan or whatever it might be. So one is about

further education, one is about employment. And now, we're going to talk about things that are even more obscure.

You are required to disclose if you have any institutional policies about vaccination, which you can find on page four, at the top of the page, and you may not have any school policies about vaccination, so you wouldn't have to disclose any.

[Inaudible Question]

Her question is what if there were we had vaccination requirements for a particular program or major, would we have to disclose that? Yes, you would. So it might be people enrolled in a medical program for example have to have a hepatitis-C vaccination, nobody else, if I'm majoring in English, that's irrelevant, so you would disclose that information that for this program this is required. Then, the bottom, all the rest of the page on page four is that you need to disclose information about the textbook costs. We talked about this last year, so I'm not going to go over all these details, but basically, the key driver of this to remember is it ties to an internet course schedule. If you have an internet course schedule, you are required to disclose this information there. And that would be the international standard book number, or ISBN, and the retail price information for required and recommended textbooks. And then it talks about what that means and – so if your program is lockstep and I don't get to – it's the Spring semester, and am I going to take French Literature or am I going to take British Literature?

So I go to the internet course schedule and look that up. That's where you'd be disclosing this book information. But maybe your program is you start here and for three years you don't get to register. You take these things in lockstep. We don't have an internet course schedule. Then you would not have to disclose this. And then, let's see, what else do we have? Did get a question – the good news here if you were at this session last year all the things we talked about for fire safety you don't have to worry about anymore. Little bit of good news on the consumer information front.

However, even though you do not have to comply with that, on page ten, at the bottom half of the page, the missing student notification policy still sticks. That's the only thing of the **Clarry** Act, or what we normally consider as part of the Clarry Act, that you have to comply with, and this only applies if you have on campus housing. And what it means is if you have on campus

housing and a student lives in there, you have to have missing student notification procedures. So what does that mean? So **Adele Sinai** are in the dorm at a university in the Dominican Republic. And I haven't seen her for three days and I'm getting worried. Who would I go tell that she's gone missing? That's what this policy is about.

And then, if somebody came and told you that, what are you going to do? Are you going to call the police? Are you going to call the interior ministry? The foreign – who? What's the policy going to be for that? Did you have a question?

[Inaudible Question]

Her question is about what does 'on campus' mean. I don't have a regulation book in front of me, but on campus generally means owned or controlled by the institution, and in her example, the dorm that they own and control is about 50 minutes away from the university. Check that definition of on campus in the campus security regulations but if you own and control that building, then that's part of your campus for this purpose. Yes?

[Inaudible Question]

Her question is – what if we have our own policies? Great! If you already have policies about this for missing students, all you have to do is disclose what they are. And I think then this goes on, continues onto page eleven, is that if I live on campus, I can designate someone that I want you to contact if I go missing. Now, if I'm a minor child, I think you're required to contact mom and dad, but if I'm 22, I can say I want you to contact my girlfriend at home, or my aunt, or my whatever. They can but are not required to designate someone, and then you need to tell them that you will do that and that will be treated in confidence. And then you need to tell them, if they're under 18, even if they designate someone, you're also going to tell mom and dad.

And then finally, there are some special requirements for some schools with athletic programs. And so if you turn to page nine, yes?

[Inaudible Question]

Yes, and this would be the only thing that would be in your annual security report, is this information. Right. Okay. I'm going to follow up on that, but I would say put it just wherever your regular

consumer information is. Okay, page nine. Now, there are two separate kind of buckets of ways that you might have to disclose information. So the first one is on the bottom of page nine, and that's all schools that enroll schools who receive athletically related student aid. That's a football scholarship. I'm thinking some of the Canadian universities might have these, not just football, it could be lacrosse – sorry, American football scholarship, or it could be this kind of football scholarship. Yes, ma'am?

[Inaudible Question]

Her question, I believe, is what is athletically related student aid? I would say that that is aid that you are giving to that student because they, he or she, is an athlete. Wow, you are great on the football pitch, we want you to be on our football team here at the university, and we're going to give you £5,000.00 scholarship. Now, if it's a scholarship – when you were in high school in the United States, you did a lot of things, you were in the band, you played football, you are a superstar, and we like overachieving Americans at our university, so we're going to give you £1,000.00 – that's probably not the same. I think probably the intent of this would be people – In America, you could get a scholarship because you are great at football, and you're expected to play on the football team or the lacrosse team or the basketball team – that's probably what athletic related student aid means.

And then this tells you, cause there are so few of you that this applies to, I'm not going to go over this in detail. Hey, Joe, I'm going to put you on the spot. We say the missing student notification is supposed to be disclosed in the annual security report, but they don't have an annual security report, so they could just disclose that – okay. In some other way. Joe just updated this, so he's our go-to person. I'll blame him. We're not responsible for the contents of this advertisement. Then, however, so that information about athletically related student aid continues onto page ten.

Her question is, are you likely to have American students playing on your sports teams? I don't know.

[Chatter]

Well, no, no, no, this would be money that's coming from your university. If some club in America gave some student a scholarship, that's not what we're talking about. We're talking

about money from your university that is applicable to this student to play football or whatever it might be, at your university. So I'll get you next. Do you have a question?

[Inaudible Question]

Her question is, so we give students sometimes might get a scholarship for having the best grade point average on the team, or being a great sportsman. Is that athletically related student aid, where do you draw the line? You draw the line where you think it's appropriate. I don't know if athletically related student aid is defined in the regulations. If it is, I would follow that definition. Don't ask too many questions, because if we don't answer – don't give you an answer you don't want to hear, you're good to go. Yes, sir?

[Inaudible Question]

What an excellent question.

[Laughter]

He asked – well, it says I'm supposed to submit it to the Department of Education, where do I send it? I don't have to submit this report. Well, the athletically related student aid, I think – does that come to us? Oh, right. The report must also be submitted to the US Department of Education. The Department of Education is required to make the information available to the public. Other schools do this. Domestic schools do this through iPads. You're not required to report through iPads, so all you need to do is make this report. You need to create it, then you're good. You don't have to send it to us, because we haven't told you where to send it.

[Laughter]

And if we kick the auditor in the room out, the chances of you ever finding – who's going to know?

[Laughter]

Oh, and one other thing. For the Canadian schools, I know at least a few of you I think are in the NCAA, and reports that they prepare will meet some of these requirements. What? Simon Frazier is the only one? All right, well, you've complied with this based on –

you can meet these requirements via NCAA reports. Okay. Oh, yes?

[Inaudible Question]

Her question is, can we clarify what we mean by ‘operating expenses’. I would say it means what they spend. What does it cost to operate? We’re not asking about how the expenses are funded, we’re asking about what the expenses are. By the same token, in the United States a lot of university athletic programs would receive institutional money, but many of them also have booster clubs or other fundraising organizations that raise funds for the organization. We’re not asking so much about where the money comes from as we are about just what the total expenditures are. Yes?

[Inaudible Question]

Her question is – does this information fall under the compliance audit? Theoretically, one of the things that an auditor should be looking at, I believe, is your compliance with all of the laws and regulations. I don’t know whether this is specifically addressed in the audit guide, but in theory, it should be covered by it. What? Well, whether or not something is covered in the audit guide doesn’t mean you don’t have to comply with it. So these regulations apply, whether or not the department found out an institution wasn’t complying because it was in the audit would be something separate, but I know as part of the recertification process for domestic schools, they do go out and look at some of this information. They look at the R2-T4 policy, the SAP policy. So there are some reviews of this that happen. Yes, sir?

[Inaudible Question]

His question is – if foreign schools use the same audit guide and program review guide as domestic schools, the answer is no they do not. There is a separate audit guide for foreign schools. Unfortunately, we have not had the resources to send staff out to do program reviews of international institutions, because if we did, I’d probably go back and work in that office. So I could travel all over the world. So we don’t really address the issue of a program review guide for foreign schools.

[Inaudible Question]

Yes, you are correct, it is. He said that consumer information is a very hot issue with domestic schools, and it is a very hot issue with Congress as well. You'll notice a lot of our new laws and regulations have come out have been about consumer information. Yes, ma'am?

[Inaudible Question]

Her question is – is there any information about when the new foreign school audit guide will be coming out? If there's a word, it's a secret word, because we don't know, nor do we know when the domestic audit guide will be coming out. Sorry. So let's talk about something else.

[Laughter]

So now we're going to move into the disclosure requirements that are specific just to the loan program. Anything we publicize about the loan, any brochures, you need to make those available to your students, you need to let students know that loan information will be provided to NSLDS, and so this information, this starts on page sixteen. First row is about the information we publish. The second row is that you'll be providing information about NSLDS. The third row talks about entrance counseling. Then, starting on the top of seventeen, entrance counseling continues. And then exit counseling starts on page seventeen, at the bottom of the page, and that continues onto the next page. And then, there are some requirements for private loans.

How many of you award your students loans for American students that are not part of the Title IV programs? Lots of you do. Then, this applies to you. So we're starting at the bottom of page eighteen. So any time you provide information to students about private loans, you're required to provide information from that section of the Truth in Lending Act. You need to tell them they may qualify for Title IV loans and those Title IV loans could have better terms, and you need to make sure that the information they get about private loans makes it clear that private loans are different from Title IV loans, and then if a student asks you – we're moving onto the top of page nineteen – you're required to provide the self-certification form.

And that self-certification form can be found in dear colleague letter JEN-10-01. And then separate from private loans, you are required to publish and prominently display a code of conduct that prohibits a conflict of interest with the responsibilities of an agent

of the school with respect to private education loans, and anybody at your campus who has a connection to private loans needs to be informed about the code of conduct every year, and that code of conduct needs to then prohibit all the items here listed in the middle of page nineteen. And that's all the things that lenders cannot do for you, and so that needs to be in your code of conduct. Yes, ma'am?

[Inaudible Question]

Her question is – if we give private loans, or will approve them, but we don't provide any information, then the information on page eighteen would not apply to you, because that says it's for schools that provide any information about private education loans, though I think the fact that you're telling them you have them probably gets close to this and you probably want to disclose this information, but even if you don't provide information, you're still required to have the code of conduct, and you're still required to do the self-certification form.

And then, how many of you have a preferred lender list? So when you tell students about private loans, do you list any lenders on that? Okay. It's only not considered a preferred lender list if you list every lender that has provided loans to your students over the past – is it five years? I'm not sure. I'll get you in just a second. You had a question?

[Inaudible Question]

Her question is – and she's from a school in Germany – private loans would be German loans, it doesn't have to be US. I would say if it's from a German bank, cause there's not really a loan system for German students, is there? Then, yes, if I went into **DuetteBank** and got a loan as a student, that would be, for this purpose, a private loan. Yes, sir?

[Inaudible Question]

Well, his question is, he thinks there's only one lender that will provide loans to students in the UK – right, to American students in the UK. It's easy to slide all of these things together, but they're actually separate buckets. One thing has to do with a preferred lender list. Another thing has to do with do you tell anybody anything about private loans, whether or not there's one lender or 50, if you do private loans, you've got to do the self-certification form if they bring it in and ask you to do it, not optional not to do

it. If you do private – The code of conduct actually applies even if you only do direct loans. So this regulation came into effect while the bank loan FFEQ was still in existence, and then the bank loans went away, and so domestic schools are like, why do I need a code of conduct if I can't choose who my lender is? You just do.

So whether or not you have private loans or not, you have to have a code of conduct for education loans. If there's only one lender who will work with you who will provide loans, then your code of conduct might be really short, but it's got to address all of these issues. Joe, do you remember? I think this question came up last year, and didn't we say that if there's only one lender, then that's a preferred lender? We can try and confirm that before the meeting with Jeff tomorrow, but I'm pretty sure that we said last year if there's only one lender that will provide loans, then by default, that's a preferred lender.

[Inaudible Question]

Well, her question is – if I tell them, nope, I'm not going to tell you anything about a lender, you figure it out, and you know the only thing they can figure out is the one lender, is that then we're avoiding the private lender thing? Having to comply, I don't think you ought to worry too much to avoid saying we have a preferred lender, because the next thing talks about what do you have to do if you have a preferred lender? Well, you've got to give – you've got to say why do you participate in a preferred lender arrangement, cause they're the only school that'll do it. That's an easy answer. That the students do not have to borrow from a lender on the list. You are correct. You don't have to borrow from this lender. We aren't making you do it. If you can find another one, that'll be great. So disclosing this information isn't bad. It doesn't make you a bad school to have a preferred lender.

So now you're not going to really have a preferred lender list, because you only have one school, but I think because there's only one school by default, you need to consider that a preferred lender. Yes?

[Inaudible Question]

Her question is – don't you have to file an annual report if you have a preferred lender list? Not if we haven't told you where to send it. And I don't believe we've told schools where to send that. Okay. I mean I think if I were you, no, I didn't choose this preferred lender, it's the only lender I can use because they're the

only one who helps me – disclose as much of this information as is relevant and that applies to you. Like, one of the things – if you have a preferred lender list, you're supposed to have two lenders on it. Well, I can't, so I don't have a preferred lender list. I haven't done anything to choose this lender, it's the only lender that's available.

Now, here's something new that – well, this slide, we did talk about last year. This is another unique notification you need to provide to students. When they enroll, you need to provide them a notice that says what the penalty is if they violate a state or federal conviction for drug offenses while receiving Title IV aid, what happens? And if they did lose eligibility for this reason, how would they – what would they have to do to regain it? And this is on page three, on row twelve.

[Inaudible Question]

Oh, yeah, sorry, that's my little numbering thing. It's the last row on the page. Sorry. Talks about this. And then, now, we're going to talk about something we didn't talk about last year. Yes?

[Inaudible Question]

Her question is – how will we know if someone has violated this? Well, we ask them on the FAFSA. They're supposed to tell us if they violated this. You're going to know the same way that a domestic school would know, which is if a student happens to self-report, sometimes in a domestic school, you might read the newspaper and see that someone was arrested, but until they're convicted, nothing matters. Generally, you will find out about this because if they answer the FAFSA questions truthfully. Yes?

[Inaudible Question]

That is their issue, that is correct. Her question was if an offense occurs in a foreign country, and the student doesn't answer the FAFSA honestly, and we don't know about it, then what do we do? If you don't have information, there's nothing you can do with it, and, remember, here, state and federal refers to the US state and the US federal courts. If I got busted for drugs in Germany, that doesn't affect my Title IV eligibility. I might lose my visa, but it doesn't affect this. They – the chances of this affecting you should be pretty slim, cause they've got to violate the law while they're receiving Title IV assistance. So basically, they have to go home at Christmas, get busted, get convicted, and you'd have to find out

about it. So hopefully, this isn't going to apply very often to many of you. Yes?

[Inaudible Question]

The penalty here refers to losing your eligibility for Title IV assistance.

[Inaudible Question]

Her comment was that if every student means every student, and this only applies to my American Title IV recipients sending this information to 50,000 students seems a bit strange, was her word. I'm not sure I'm prepared to argue that assessment. I would say you might want to apply a reasonable person test to who you notify. Remember, I'm being recorded. I have to be very careful.

[Laughter]

Cause now you're all so happy. This is stuff we didn't talk about last year, about the drug prevention program. I told you last year, I'm not bringing that up, and then I'm like, well, we got to talk about something different this year, so I'm going to go here. This is on page five, starting on the top of the page. Schools are required to implement a drug prevention program to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by all students and employees on school premises or as part of any of its activities. And this needs to be accessible to any student, employee, or officer, and I've given you the section of the regulations when you see us waving around our regulation book this isn't in that part of the regulations. This is way up in parts 86 of the regulations that talks about this.

[Inaudible Question]

Her question is – illicit in as it would be defined in the United States, or illicit as it would be defined in my country? This would be violating the local law. So like when I was a student and I went to Germany, I was really excited cause I could drink legally. So underage drinking may not be a problem on your campuses because everyone is of age, but, nevertheless, you need to have this policy.

Then, you need to describe the legal sanctions for the unlawful possession or distribution of illegal drugs or alcohol, a description of the health risks associated with the use of illicit drugs or abuse

of alcohol. You need to describe any drug or alcohol counseling treatment rehab or re-entry programs that are available to students and employees – that may not be any. And then you need to have a clear statement that the school will impose disciplinary sanctions on students and employees consistent with the law, so this would be local law, for any violation of the standards of conduct. And those could be disciplinary actions up to including expulsion, or termination of employment, and referral for prosecution. The health risk examples could be a risk of dependence or possible long and short term effects, or the effects of overdose.

And then, every two years, you need to review your plan. You need to determine how effective your plan is. You need to determine the number of drug and alcohol violations and fatalities that occur on campus and are reported to campus officials, and ensure that disciplinary sanctions are consistently enforced, including the number and type of sanctions imposed, and then the records of this review are also subject to the three year record retention requirement.

[Inaudible Question]

You just review this internally, and you keep a record that you did. So if someone got to come and do a program review at your institution, and they wanted to see the results of your plan review, you'd be able to show them that. The plan's working great, nobody was arrested for drug or alcohol abuse, nothing was ever reported to campus officials, none of our students ever go out on a beer binge on the weekends, it's wonderful. Cause I know when I was in Europe, I never had too many German beers, not at all.

Now, this specifically says – so we're saying, when we talk about every student, this drug prevention program information needs to be disclosed to all employees and every student taking any class for academic credit. And you need to retain the records, including the annual notification document, for three years after the fiscal year in which the record was created. So the only exception to this would be if a student was taking classes just for what's called 'continuing education', but if I'm taking any course for credit, they're supposed to receive this notification.

So that wraps up what we're going to talk about with these slides. These are some resources that are available to you. There's the exact link to download this Word document. I'm sure that you could have many fun meetings on your campus by saying look what the crazy Americans want us to do!

[Laughter]

Americanos Locos! Many of you need to know, though, that when your president signed the program participation agreement, he said you – or she said you were going to do all of these things. So if you read your PPA closely, you'll see that many of these things are described in the program participation agreement, and then I've given you a couple of other resources about this, and I believe Joe would like me – do you want to speak, or do you want me...? Okay.

Joe: Hi, everybody. How's everyone doing? Does anybody want to go get a drink after that? I say that because at 6:00 PM we'd like to invite you to come to the terrace pool deck. If you go up the main tower one, hit the 'R' level for the recreation level, there's an outdoor bar. It opens at 5:00 PM. We're going to be in the Ask A Fed Booth until 6:00 PM, so I'd encourage you to get together. We're unable to share with you the list of registrations, because it has personal information on it, and the government is very protective about your information, but so we don't want to share it with you, but absolutely get together. I'll be there. Marcia will be there. Mike will be there. Other folks will be there. So you can come meet with us and see us a little later.

Male: Thanks, Joe. Cause you're all of age to drink, so we don't have to fill out a report or anything. Are there questions about consumer information or anything else that we've talked about today? Well, yes, ma'am?

[Inaudible Question]

Well, her question is – some of these requirements may contradict our own laws. If you have a specific example of that, I mean we're not going to tell you to break the law. Cause you're probably going to get more in trouble at home than you would with us. Even though it may not feel that way sometimes. If you have a specific example, contact the Foreign Schools team. I know many of you are in countries that have stricter privacy protections than we do in the United States, so for example, under FERPA, we talk about directory information. Schools might make information publically available, like here's all of our students, or these are the states, so under FERPA, schools in the United States will say we're going to release your name and your home town and what you're majoring in. We're calling that directory information and you don't have to approve that. You can tell us up front you don't

want to but this is what directory information is and we can disclose this without your additional authorization.

Well, it may be that in your country, you can't disclose any of that to comply with your privacy laws. Then, you would say, we don't disclose any information without your authorization, and that would be in compliance with both our law and your law. So but that's an example that kind of comes to mind about FERPA stuff. And like in the United States, if you're playing athletics, they might list your position and I know in the football program they usually say how big they are and how wide they are and other information that might be disclosed, so that's kind of what the connection is for that. Anything else?

Well, great. Go, enjoy, and come to the party at 6:00.

[Applause]

[End of Audio]