

(b) For purposes of paragraph (a) of this section—

(1) The institution must make the first payment to a student for an academic year, as calculated under paragraph (a) of this section, after the student submits 25 percent of the lessons or otherwise completes 25 percent of the work scheduled for the program or the academic year, whichever occurs last; and

(2) The institution must make the second payment to a student for an academic year, as calculated under paragraph (a) of this section, after the student submits 75 percent of the lessons or otherwise completes 75 percent of the work scheduled for the program or the academic year, whichever occurs last.

(c) In a program of correspondence study offered by correspondence courses using terms but not including any residential component—

(1) The institution must prepare a written schedule for submission of lessons that reflects a workload of at least 30 hours of preparation per semester hour or 20 hours of preparation per quarter hour during the term;

(2)(i) If the student is enrolled in at least 6 credit hours that commence and are completed in that term, the student's half-time annual award determined under § 691.62 is used to calculate the payment for the payment period; or

(ii) If the student is enrolled in less than 6 credit hours that commence and are completed in that term, the student is not eligible for an ACG and National SMART Grant;

(3) A payment for a payment period is calculated using the formula in § 691.63(d) except that paragraphs (c)(1) and (c)(2) of this section are used in lieu of § 691.63(d)(1) and (2), respectively; and

(4) The institution must make the payment to a student for a payment period after that student completes 50 percent of the lessons or otherwise completes 50 percent of the work scheduled for the term, whichever occurs last.

(d) Payments for periods of residential training must be calculated under § 691.63(d) if the residential training is offered using terms and credit hours or § 691.63(e) if the residential training is

offered using credit hours without terms.

(Authority: 20 U.S.C. 1070a-1)

[74 FR 20224, May 1, 2009]

## **Subpart G—Administration of Grant Payments**

### **§ 691.71 Scope.**

This subpart deals with program administration by an eligible institution.

(Authority: 20 U.S.C. 1070a-1)

### **§§ 691.72–691.74 [Reserved]**

### **§ 691.75 Determination of eligibility for payment.**

(a) For each payment period, an institution may pay a grant under this part to a student only after it determines that the student—

(1) Qualifies as a student who is eligible under § 691.15;

(2) Is enrolled as an undergraduate student in an eligible program;

(3) If enrolled in a self-paced credit-hour program without terms or a self-paced clock-hour program, as described in paragraph (e), is progressing as at least a half-time student after completing at least—

(i) Fifty percent of the credit or clock hours of the payment period for which the student is being paid; or

(ii) For a credit-hour program, 50 percent of the academic coursework of the payment period for which the student is being paid if the institution is unable to determine when the student has completed one-half of the credit hours of the payment period; and

(4) If enrolled in a credit-hour program without terms or a clock-hour program, has completed the payment period as defined in 34 CFR 668.4 for which he or she has been paid a grant.

(b)(1) If an institution determines at the beginning of a payment period that a student is not maintaining satisfactory progress, but reverses that determination before the end of the payment period, the institution may pay a grant under this part to the student for the entire payment period.

(2) For purposes of the ACG Program, if an institution determines at the beginning of a payment period that a student enrolled in the second year of his

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or her eligible program is not maintaining the necessary GPA for an ACG under §691.15(b)(1)(iii)(C), but reverses that determination before the end of the payment period, the institution may pay an ACG to the student for the entire payment period.

(3) For purposes of the National SMART Grant Program, if an institution determines at the beginning of a payment period that a student is not maintaining the necessary GPA for a National SMART Grant under §691.15(c)(3) or is not pursuing a required major under §691.15(c)(2), but reverses that determination before the end of the payment period, the institution may pay a National SMART Grant to the student for the entire payment period.

(c) If an institution determines at the beginning of a payment period that a student is not maintaining satisfactory progress or the necessary GPA for an ACG under §691.15(b)(1)(iii)(C), a National SMART Grant under §691.15(c)(3), or, in the case of a National SMART Grant is not pursuing a required major under §691.15(c)(2), but reverses that determination after the end of the payment period, the institution may neither pay the student an ACG or a National SMART Grant for that payment period nor make adjustments in subsequent payments to compensate for the loss of aid for that period.

(d) Subject to the requirement of paragraph (d)(2), an institution may make one disbursement for a payment period to an otherwise eligible student if—

(1)(i) For the first payment period of the student's ACG for the second year, a student's GPA for the first year under §691.15(b)(1)(iii)(C) is not yet available; or

(ii) For a payment period for a National SMART Grant, a student's cumulative GPA through the prior payment period under §691.15(c)(3) for the student's enrollment in the eligible program through the prior payment period under §691.15(c)(3) is not yet available; and

(2) The institution assumes liability for any overpayment as a result of the student failing to meet the required GPA to qualify for the disbursement.

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(e) For purposes of this section, a self-paced program is an educational program without terms that allows a student—

(1) To complete courses without a defined schedule for completing the courses; or

(2) At the student's discretion, to begin courses within a program either at any time or on specific dates set by the institution for the beginning of courses without a defined schedule for completing the program.

(Authority: 20 U.S.C. 1070a-1)

[71 FR 38004, July 3, 2006, as amended at 71 FR 64419, Nov. 1, 2006; 72 FR 61267, Oct. 29, 2007; 74 FR 20225, May 1, 2009]

### **§691.76 Frequency of payment.**

(a) In each payment period, an institution may pay a student at such times and in such installments as it determines will best meet the student's needs.

(b) The institution may pay funds in one lump sum for all the prior payment periods for which the student was eligible under §691.15 within the award year. The student's enrollment status must be determined according to work already completed.

(Authority: 20 U.S.C. 1070a-1)

[71 FR 38004, July 3, 2006, as amended at 74 FR 20225, May 1, 2009]

### **§§ 691.77-691.78 [Reserved]**

### **§691.79 Liability for and recovery of grant overpayments.**

(a)(1) Except as provided in paragraphs (a)(2) and (a)(3) of this section, a student is liable for any grant overpayment made to him or her under this part.

(2) The institution is liable for a grant overpayment if the overpayment occurred because the institution failed to follow the procedures set forth in this part or 34 CFR part 668. The institution must restore an amount equal to the overpayment to its ACG or National SMART Grant account, as applicable.

(3) A student is not liable for, and the institution is not required to attempt recovery of or refer to the Secretary, a grant overpayment under this part if the amount of the overpayment is less