§ 600.21 Updating application information.

(a) Reporting requirements. Except as provided in paragraph (b) of this section, an eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after the change occurs, of any change in the following:

(1) Its name, the name of a branch, or the name of a previously reported location.

(2) Its address, the address of a branch, or the address of a previously reported location.

(3) Its establishment of an accredited and licensed additional location at which it offers or will offer 50 percent or more of an educational program if the institution wants to disburse title IV, HEA program funds to students enrolled at that location, under the provisions in paragraph (d) of this section.

(4) Except as provided in 34 CFR 668.10, the way it measures program length (e.g., from clock hours to credit hours, or from semester hours to quarter hours).

(5) A decrease in the level of program offering (e.g. the institution drops its graduate programs).

(6) A person’s ability to affect substantially the actions of the institution if that person did not previously have this ability. The Secretary considers a person to have this ability if the person—

(i) Holds alone or together with another member or members of his or her family, at least a 25 percent “ownership interest” in the institution as defined in §600.31(b);

(ii) Represents or holds, either alone or together with other persons, under a voting trust, power of attorney, proxy, or similar agreement at least a 25 percent “ownership interest” in the institution, as defined in §600.31(b); or

(7) The change in the way the institution measures program length (e.g., from clock hours to credit hours, or from semester hours to quarter hours).

(b) Exception. A change in the way an institution measures program length, as provided in paragraph (a)(4) of this section, is not subject to the reporting requirements of paragraph (a)(6) of this section until the institution has conducted an evaluation of its students and determined that the change results in a student’s experiencing a substantial increase in program length.

(c) Required reports. An eligible institution is required to submit reports in the following circumstances:

(1) An eligible institution is required to report to the Secretary, at least 60 days before the start date of an educational program, the name and address of the institution’s accrediting agency.

(2) An eligible institution is required to report to the Secretary, at least 60 days before the start date of an educational program, the name and address of the State agency that authorizes the institution to legally provide post-secondary education in that State.

(d) Submitting report. The Secretary shall notify the institution of the required contents and format of a report by sending the institution a copy of the applicable program participation agreement, or by otherwise notifying the institution of the requirements. The Secretary shall also provide the institution with a form that the institution may use to submit the required report.

(e) Penalties. If an eligible institution fails to submit a required report, the Secretary may take such action as the Secretary deems appropriate, including denying the institution’s eligibility to participate in title IV programs.

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(Authority: 20 U.S.C. 1001, 1002, 1088, and 1099c)
(iii) Is a general partner, the chief executive officer, or chief financial officer of the institution.

(7) The individual the institution designates under 34 CFR 668.16(b)(1) as its title IV, HEA Program administrator.

(8) The closure of a branch campus or additional location that the institution was required to report to the Secretary.

(9) The governance of a public institution.

(10) For a freestanding foreign graduate medical school, or a foreign institution that includes a foreign graduate medical school, the school adds a location that offers all or a portion of the school’s clinical rotations that are not required, except for those that are included in the accreditation of a medical program accredited by the Liaison Committee on Medical Education (LCME) or the American Osteopathic Association (AOA), or that are not used regularly, but instead are chosen by individual students who take no more than two electives at the location for no more than a total of eight weeks.

(b) Additional reporting from institutions owned by publicly-traded corporations. An institution that is owned by a publicly-traded corporation must report to the Secretary any change in the information described in paragraph (a)(6) of this section when it notifies its accrediting agency, but no later than 10 days after the institution learns of the change.

(c) Secretary’s response to reporting. The Secretary notifies an institution if any reported changes affects the institution’s eligibility, and the effective date of that change.

(d) Disbursement rules related to additional locations. When an institution must report to the Secretary about an additional location under paragraph (a)(3) of this section, the institution may not disburse title IV, HEA funds to students at that location before it reports to the Secretary about that location. Unless it is an institution that must apply to the Secretary under §600.20(c)(1), once it reports to the Secretary about that location, the institution may disburse those funds to those students if that location is licensed and accredited.

(e) Consequence of failure to report. An institution’s failure to inform the Secretary of a change described in paragraph (a) of this section within the time period stated in that paragraph may result in adverse action against the institution.

(f) Definition. A family member includes a person’s—

(1) Parent or stepparent, sibling or step-sibling, spouse, child or step-child, or grandchild or step-grandchild;

(2) Spouse’s parent or stepparent, sibling or step-sibling, child or step-child, or grandchild or step-grandchild;

(3) Child’s spouse; and

(4) Sibling’s spouse.

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[Authority: 20 U.S.C. 1001, 1002, 1088, and 1099c]


Subpart C—Maintaining Eligibility

Source: 59 FR 22336, Apr. 29, 1994, unless otherwise noted.

§ 600.30 [Reserved]

§ 600.31 Change in ownership resulting in a change in control for private nonprofit, private for-profit and public institutions.

(a) (1) Except as provided in paragraph (a)(2) of this section, a private nonprofit, private for-profit, or public institution that undergoes a change in ownership that results in a change in control ceases to qualify as an eligible institution upon the change in ownership and control. A change in ownership that results in a change in control includes any change by which a person who has or thereby acquires an ownership interest in the entity that owns the institution or the parent corporation of that entity, acquires or loses the ability to control the institution.

(2) If a private nonprofit, private for-profit, or public institution has undergone a change in ownership that results in a change in control, the Secretary may, under the provisions of §600.20(g) and (h), continue the institution’s participation in the title IV, HEA programs on a provisional basis,