

Federal Compliance for Peer Reviewers

Effective for Federal Compliance Reviews Beginning September 1, 2023

Evaluation of Federal Compliance Components

The evaluation of the institution's Federal Compliance Filing is to be completed preliminarily by a Federal Compliance reviewer and then, subsequent to the on-site evaluation, finalized by the peer review team that conducts the visit. The team is ultimately responsible for the contents of the Federal Compliance Evaluation. Refer to the [Federal Compliance Overview](#) for information about applicable HLC policies and explanations of each requirement, as well as expectations for communication between the Federal Compliance reviewer and the team. When a Federal Compliance reviewer is not assigned, the review is completed by the team.

Assurance System Instructions

The Federal Compliance reviewer and/or the team should download the institutional materials from the Assurance System and separately review each Federal Compliance component using the instructions provided in this document. Their findings should be entered in the Federal Compliance tab of the Assurance System.

Federal Compliance Reviewer: Use the template provided in the Rationale section to enter the preliminary findings for each component of Federal Compliance. The findings should include one of the following conclusions for each component, as well as a rationale that supports the conclusion:

- The institution meets HLC's requirements.
- The institution does not meet HLC's requirements.

Potential Consequences for Not Meeting Federal Compliance Requirements

An institution determined not to be in compliance with one or more Federal Compliance Requirements, even if in compliance with all other HLC requirements, may be subject to monitoring, Probation, a Show-Cause Order, or an adverse action, as defined by HLC policy based on the gravity of the finding as measured by (a) in the case of Probation, the extent to which a substantial remediation period is necessary to address such noncompliance or; (b) in the case of a Show-Cause Order or adverse action, the extent to which the very existence of the finding suggests that the institution should not remain accredited (Federal Compliance Requirements, HLC policy FDCR.A.10.010).

Federal Compliance Reviewer: If the reviewer recommends monitoring as a result of the institution not meeting one or more Federal Compliance components, provide that information in the Interim Monitoring section. Describe what improvement is

needed as well as how HLC would determine the institution has resolved the issue. In the Rating field, select the drop-down option that reflects the reviewer's preliminary findings of Met or Not Met.

If the reviewer has selected "Not Met" and believes Probation, Show-Cause or an adverse action (rather than interim monitoring) may be warranted because the institution does not meet one or more Federal Compliance components, the reviewer should contact the team chair for further discussion. After the on-site evaluation has occurred, the team chair will ultimately determine which outcome is most appropriate and will note this on the Summary Tab of the Assurance system by selecting the drop-down option that reflects the team's selected outcome.

Notify the team chair as soon as the draft evaluation is complete, and no later than one week before the team's on-site visit.

Evaluation team: While conducting the visit, the peer review team determines whether the preliminary findings made by the Federal Compliance reviewer accurately represent the institution's compliance with all applicable requirements. If necessary, adjust the rating, preliminary findings and rationale provided by the Federal Compliance reviewer. Ensure that one of the conclusions listed above is provided for each Federal Compliance component in the Rationale section. All information in the rationale should explain the conclusions ultimately selected. Specific instructions addressed directly to the evaluation team by the Federal Compliance Reviewer should be removed.

If the team finds that there are substantive issues related to the institution's compliance with the Criteria for Accreditation that are related to the institution's Federal Compliance, including with regard to any materials provided in Appendix A (if applicable), address those issues within the appropriate Core Component sections of the Review tab.

Finally, every Federal Compliance review must contain a response to the Mandatory Reporting Section. This section does not require federal compliance reviewers or evaluation teams to duplicate the work of Federal Student Aid in reviewing every aspect of an institution's responsibilities under the federal regulations. Rather, this section allows HLC to swiftly follow up with any institution based on concerns encountered during the course of an evaluation to determine whether an institution is failing to meet its Title IV, Higher Education Act (HEA) responsibilities or otherwise engaged in

fraud or abuse. If such a determination is made after the institution has had an opportunity to respond, HLC has an obligation to notify the U.S. Department of Education under federal regulations.

The Federal Compliance evaluation will be accessible to the HLC staff liaison when the team chair submits the draft team report for review. It will also be included with the team report when the team chair sends the draft report to the institution for correction of errors of fact and when the team chair submits the final team report to HLC.

Federal Compliance Review Instructions

1. Assignment of Credits, Program Length and Tuition

Contact the institution's Accreditation Liaison Officer (ALO) after the Federal Compliance materials are received to request a sample of course and program materials. Contact the Team Chair to ensure the Addendum Tab is activated to enable the institution to upload these materials. This sample will be used to make a preliminary determination as to whether the institution adheres to its credit hour policy. Verify that the institution's definition of credit hour (and clock hour, if applicable) are consistent with federal definitions. While institutions may develop other methods of measuring student learning, they must reasonably approximate the definition of a credit hour for federal purposes.

Review the documentation submitted by the institution and make a reasonable determination as to whether the institution's assignment of credit hours conforms to the institution's policy as well as commonly accepted practice in higher education:

- The institution's policy (or set of policies) and procedures for assignment of Credit Hour for all types of courses, disciplines, programs, credential levels, formats, regardless of modality.
- The institution's course or program credit assignment procedures and its representative sample approval documentation.
- The process the institution utilizes to verify length of academic period and compliance with credit hour requirements through course scheduling.
- Verify that the institution publicly discloses its tuition and fees, as well as its refund policies.

Related HLC Requirements

- Assignment of Credits, Program Length and Tuition (FDCR.A.10.020)
- Criteria for Accreditation Core Component 3.A. (CRRT.B.10.010)
- Assumed Practice B.1. (CRRT.B.10.020)

2. Institutional Mechanisms for Handling Student Complaints

Verify that the institution has a transparent policy and easily accessible procedure(s) for addressing student complaints, and verify that the institution's process enables it to make improvements when appropriate.

Related HLC Requirements

- Institutional Records of Student Complaints (FDCR.A.10.030)
- Criteria for Accreditation Core Component 2.A. (CRRT.B.10.010)
- Assumed Practices A.3. and A.4. (CRRT.B.10.020)

3. Publication of Transfer Policies

Verify that the institution has demonstrated it is appropriately disclosing its transfer policies to students and to the public.

1. Review the institution's transfer policies. Verify that the institution's transfer policies are publicly disclosed and that they include:
 - Any established criteria the institution uses regarding the transfer of credit earned at another institution and any types of institutions or sources from which the institution will not accept credits;
 - A list of institutions with which the institution has established an articulation agreement; and
 - Written criteria the institution uses to evaluate and award credit for prior learning experience, including but not limited to, service in the armed forces, paid or unpaid employment, or other demonstrated competency of learning.
2. Review the list of articulation agreements the institution has in place, including articulation agreements at the institution level and for specific programs and how the institution publicly discloses information about those articulation agreements.
3. The information the institution provides on the list should explain any program-specific articulation agreements in place. Also, the information the

institution provides should include whether the articulation agreement anticipates that the institution:

- Accepts credits for courses offered by the other institution(s) in the articulation agreement.
- Offers courses for which credits are accepted by the other institution(s) in the articulation agreements.
- Both offers courses and accepts credits with the other institution(s) in the articulation agreement.
- What specific credits articulate through the agreement (e.g., general education only, pre-professional nursing courses only, etc.).

Related HLC Requirements

- Publication of Transfer Policies (FDCR.A.10.040)
- Criteria for Accreditation Core Component 2.A. (CRRT.B.10.010)
- Assumed Practice A.5.D. (CRRT.B.10.020)

4. Practices for Verification of Student Identity

1. If the institution does not have students enrolled in distance or correspondence courses, indicate this in the Assurance System.
2. If the institution does have students enrolled in distance or correspondence courses, confirm that the institution verifies the identity of students. Confirm that it appropriately discloses additional fees related to verification to students, and that the method of verification makes reasonable efforts to protect students' privacy.
 - Determine how the institution verifies that the student who enrolls in a course is the same student who submits assignments, takes exams and earns a final grade. The team should ensure that the institution's approach respects student privacy.
 - Check that any costs related to verification (e.g., fees associated with test proctoring) and charged directly to students are explained to the students prior to enrollment in distance or correspondence courses.

Related HLC Requirements

- Institutional Practices for Verification of Student Identity and Protection of Student Privacy (FDCR.A.10.050)
- Criteria for Accreditation Core Component 2.A. (CRRT.B.10.010)

5. Protection of Student Privacy

Verify that the institution has developed procedures to ensure the privacy and security of student data (including student records), and that it provides timely training to ensure adherence to such procedures by its employees (and any third-party contractors acting on its behalf). Also verify that the institution is transparent with its students about its collection and use of personal data.

Related HLC Requirements

- Recruiting, Admissions and Related Enrollment Practices (FDCR.A.20.020)
- Institutional Practices for Verification of Student Identity and Protection of Student Privacy (FDCR.A.10.050)
- Assumed Practice A.2. (CRRT.B.10.020)

6. Publication of Student Outcome Data

Verify that the institution's website includes a webpage containing (or linking to) data related to student achievement that addresses the broad variety of its student populations and programs, including at the undergraduate and graduate levels, as applicable. The information must include, at a minimum, retention, completion, required state licensure exam pass data (if applicable), and data about the institution's students after transfer or graduation (such as continuing education, job placement and earnings). The institution must also disclose which student populations are excluded from the data. If an institution uses student job placement data in any marketing or recruitment content, it must also publicly disclose these data on its website along with information necessary to substantiate the truthfulness of its marketing and recruitment materials. All student achievement information must be presented in plain language, with any technical terms defined and the institution's methodology for compiling data included.

Related HLC Requirements

- Public Information (FDCR.A.10.070)
- Review of Student Outcome Data (FDCR.A.10.080)
- Assumed Practice A.6. (CRRT.B.10.020)

7. Standing With State and Other Accreditors

Verify that the institution discloses accurately to the public and HLC its relationship with each state in which it is authorized or licensed and with any other other recognized accreditors.

Verify that the institution's disclosures accurately represent its status with these state authorizing bodies and accreditors, including any pending or final state actions that affect the institution's legal status or authority to grant degrees or offer programs or any pending or final actions by any other recognized accreditor to withdraw status or impose a sanction, Show-Cause Order or adverse action.

Note: If the team is recommending initial or continued accreditation status, and the institution is now or has been in the past five years under sanction or show-cause with, or has received an adverse action (i.e., withdrawal, suspension, denial or termination) from any other federally recognized accreditor or a state entity, then the team must explain the sanction or adverse action of the other agency in the appropriate section of the team report and provide its rationale for recommending initial or continued HLC status despite this action.

Related HLC Requirements

- Standing With State and Other Accreditors (FDCR.A.10.090)
- Criteria for Accreditation Core Component 2.B. (CRRT.B.10.010)
- Assumed Practices A.7. and C.4. (CRRT.B.10.020)
- Obligations of Membership #8 and #9 (INST.B.30.020)

8. Recruiting, Admissions and Related Enrollment Practices

Review the institution's code of conduct (or the equivalent) related to recruiting, admissions, and financial aid, as well as its training materials for any recruiters, admissions counselors, marketing or advertising staff, financial aid advisors, and any other personnel engaged in direct communications with prospective and current students. Verify that the institution exercises appropriate oversight over any third-party contractor(s) involved in providing such services to prospective and current students on its behalf.

Related HLC Requirements

- Fraud and Abuse (FDCR.A.20.010)
- Recruiting, Admissions and Related Enrollment Practices (FDCR.A.20.020)
- Criteria for Accreditation Core Components 2.A. and 2.B. (CRRT.B.10.010)
- Assumed Practices A.2. and A.10. (CRRT.B.10.020)

Review of Additional Documents

If an institution submits an Appendix A, the Federal Compliance reviewer and then the team considers the implications of these documents in relationship to the institution's current compliance with HLC requirements, including the Criteria for Accreditation and the Assumed Practices.

Mandatory Reporting: Fraud, Abuse or Failing to Meet Title IV Responsibilities

This section is required in all Federal Compliance Reviews. Indicate whether in the course of the evaluation of the institution the team encountered any reason to believe that the institution (i) is failing to meet its Title IV, HEA responsibilities or (ii) is engaged in fraud and abuse. If the answer to either question is "Yes," provide a rationale.

Related HLC Requirements

- Fraud and Abuse (FDCR.A.20.010)