



TO HOLD OR NOT TO HOLD?

THAT IS THE QUESTION

Interpretation and Guidance on the Use of Transcript Holds

In response to Changes to the Code of Federal Regulations
at 668.14(b)

AACRAO and NACUBO Coffee Break Session
November 17, 2023





WELCOME

HOUSE KEEPING

01

Please mute yourself during the webinar

03

You can write questions in the Q&A box and you will have the ability to unmute yourself and ask a question.

02

Q&A will begin around the 45- to 50-minute mark

04

The webinar will be recorded and posted to the AACRAO and NACUBO website.

THE REGULATION

TITLE

Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit (ATB)

DOCKET ID

ED-2023-ope-0089

CODE OF FEDERAL REGULATIONS

CFR 668.14(b)33 & 34 relating to an institution's Program Participation Agreement (PPA)

EFFECTIVE DATE

July 1, 2024



PROGRAM PARTICIPATION AGREEMENT

“Once an institution has demonstrated that it meets all Title IV eligibility criteria, it must enter into a program participation agreement (PPA) in order to receive and pay out Federal student financial assistance. The PPA defines the terms and conditions that the institution must meet to begin and continue participation in the Title IV programs.”

-- studentaidrefdesk.org



REGULATORY LANGUAGE

CFR 668.14 (b) (33 & 34)

668.14(b)(33) To provide that an institution may not withhold official transcripts or take any other negative action against a student related to a balance owed by the student that resulted from an error in the institution's administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel;

668.14(b)(34) To require an institution to provide an official transcript that includes all the credit or clock hours for payment periods in which 1) the student received title IV, HEA funds; and (2) all institutional charges were paid, or included in an agreement to pay, at the time the request is made.





INTERPRETATION

03



SCENARIO 1

- Student receives title IV, HEA funds for a payment period.
- A balance remains for the payment period
- The student **DOES NOT** have a loan or a payment plan in place at the time of the transcript request
- The balance is **NOT** due to an institutional error associated with the administration of title IV, HEA programs *and* did **NOT** commit fraud or misconduct

An institution MAY withhold the section of the transcript associated with the payment period with a balance and/or MAY take another negative action.

- **The sections of the transcript not associated with the debt MUST be released.**



SCENARIO 2

- Student received title IV, HEA funds for a payment period.
- A balance remains for one or more payment period
- The student **MAY** or **MAY NOT** have a loan or a payment agreement
- The balance is **DUE** to an institutional error associated with the administration of title IV, HEA programs **AND/OR** committed fraud or misconduct

An institution MAY NOT withhold the transcript AND/OR take another negative action

A vertical image on the left side of the slide shows silhouettes of hands in a meeting. One hand is pointing upwards, another is pointing to the right, and a third is writing on a notepad at the bottom. The background is a blurred indoor setting with warm lighting.

SCENARIO 3

- Student receives title IV, HEA funds for a payment period.
- A balance remains for the payment period
- The student **DOES** have a loan or a payment plan in place at the time of the transcript request
- The balance is **NOT DUE** to an institutional error associated with the administration of title IV, HEA programs *and* **DID NOT** commit fraud or misconduct

An institution may NOT withhold the section of the transcript associated with the payment period with a balance and/or MAY take another negative action

A vertical image on the left side of the slide shows silhouettes of hands. One hand is raised in a gesture, while another is writing on a notepad. The background is a blurred indoor setting with warm lighting. Green decorative bars are present at the top and bottom of the slide.

SCENARIO 4

- Student **DID NOT** receive title IV, HEA funds for **ANY** payment period
- A balance remains for one or more payment period

An institution MAY withhold the ENTIRE transcript and/or MAY take another negative action related to the balance owed.

A vertical image on the left side of the slide shows silhouettes of hands in a meeting. One hand is pointing upwards, another is pointing towards the center, and a third is writing on a notepad at the bottom. The background is a blurred indoor setting with warm lighting. There are green decorative bars at the top and bottom of the slide.

SCENARIO 5

- Student **DOES** receive title IV, HEA funds for a payment period.
- Account is paid in full for that payment period

An institution CANNOT withhold the portion of the transcript for the courses within the payment period OR *any* previous payment periods that are paid in full *and* title IV, HEA funds were used.

A photograph showing the silhouettes of hands in a classroom. One hand is pointing upwards, another is pointing to the right, and a third is writing on a notebook. The background is a blurred classroom with students and a teacher.

SCENARIO 6

- A student DID NOT not receive any title IV/federal funds for a term and has a balance for the term. However, for previous terms DID receive title IV/federal funds but these terms are paid in full

An institution COULD NOT withhold transcript for pervious terms that were paid in full and received title iv funds, but COULD withhold the transcript for the term where they did not use any federal funds, but have a balance.

STATE REQUIREMENTS TO COLLECT OR REPORT ON OUTSTANDING DEBT

When there is a state regulation mandating institutions to report and/or collect outstanding debts from students, this federal guidance does not offer direction on how to handle potential conflicts.



NEGATIVE ACTION

WHAT DOES THE REGULATION SAY ABOUT THEM?

The regulation limits the use of negative actions for specific scenarios discussed in this presentation. AACRAO, NACUBO and WICHE have described these actions as student success holds and administrative holds.

Important note: Please remember that these negative actions are separate from transcript holds.



NEGATIVE ACTION

WHAT ARE THEY?

Negative actions may include:

- not allowing enrollment for the following term
- charging a fee for carrying a balance
- withholding access to extracurricular resources
- reporting the student to a debt collection agency
- reporting the student to a state system
- annotating the transcript

Important note: Please remember that these negative actions are separate from transcript holds.



NEGATIVE ACTION

WHEN MAY THEY BE USED?

Negative actions **MAY NOT** be used if they are tied to a balance owed by the student resulting from an error in the administration of title IV, HEA programs OR institutional misconduct or fraud.

Otherwise, they may be used.

Important note: Please remember that these negative actions are separate from transcript holds.



OTHER USES OF TRANSCRIPT HOLDS NOT RELATED TO DEBT

The regulation does not address alternative uses of transcript holds for reasons other than debt.

For example,

- violations of the student code of conduct
- violations of the academic code of conduct
- failure to return equipment
- administrative requirements -- e.g., missing paperwork



OTHER USES OF TRANSCRIPT HOLDS NOT RELATED TO DEBT

INTERPRETATION

If a debt is associated with the reason to use a transcript hold, refer to the other guidance on whether or not an institution can use it.

If the use of a transcript hold is **NOT** based on the existence of a debt, then the ability to use a transcript hold remains in place.



KEY TAKEAWAYS

1

TRANSCRIPT HOLDS CAN STILL BE USED

Either partial transcript hold or in its entirety. Know the details before taking any action. Conditions for use vary.

2

HAS THE STUDENT USED TITLE IV, HEA TO PAY FOR ANY PART OF THE PAYMENT TERM IN QUESTION?

This is a key factor in the ability to use either a full or partial transcript hold.

3

DID YOUR INSTITUTION MAKE A MISTAKE OR COMMIT FRAUD THAT RESULTED IN AN UNPAID BALANCE FOR A STUDENT USING TITLE IV OR OTHER HEA PROGRAM FUNDS?

An institutional error resulting in a debt for a payment term means the institution cannot hold a transcript for the payment term with the balance.

4

USE OF OTHER NEGATIVE ACTIONS

Use of other actions (not a transcript hold) to help encourage a student to pay a debt not caused by an institutional error, misconduct or fraud may still be used.

KEY TAKEAWAYS

5

LOOK FOR GUIDANCE FROM THE DEPARTMENT OF EDUCATION

Please keep in mind that what is shared here are our initial interpretations based on how we read the regulations.

We anticipate that the Department will share further guidance.

WHAT SHOULD INSTITUTIONS DO NOW?

1

INVESTIGATE AND DOCUMENT WAYS YOUR SIS MAY ACCOMMODATE THESE NEW RULES

For example: Can you identify payment terms where title IV, HEA funds were used or not? Can the student record be configured to withhold a partial transcript?

2

DOCUMENT NEW BUSINESS PROCESSES

Based on the answers to the questions above and other related questions, determine your new business processes and document them. Your institution may decide to do away with transcript holds for debt altogether.

3

UPDATE INSTITUTIONAL POLICY

This action should be completed as soon as possible.

4

SHARE THE NEW POLICY AND PRACTICE WITH ALL STAKEHOLDERS

Stakeholders includes students too.

5

KEEP AN EYE OUT FOR FURTHER GUIDANCE FROM THE DEPARTMENT

6

BE READY TO IMPLEMENT BY JULY 1, 2024

YOUR Questions Answered


We gathered your questions from the webinar, analyzed them for common themes, and provided answers in this document.

(<https://www.aacrao.org/docs/default-source/webinar-documents/aacrao-and-nacubo-responses.pdf>)

NEXT Steps

 **1 Joint Statement on the Use of Administrative Holds**
AACRAO and NACUBO will update the the joint statement

 **2 This Presentation**
This presentation will be made available on the AACRAO and NACUBO web pages

 **3 Question gathering**
The new regulations impacted a lot of aspects of the work within the higher education community. All of the higher education associations are collaborating to send one document to the Department of Education asking for clarification/guidance on several issues.



THANK YOU

QUESTIONS?



gilw@aacrao.org



bdickson@nacubo.org



wendyk@aacrao.org