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Subject: 2015-2016 Unusual Enrollment History Flag

Summary: This letter describes changes made in the selection of 2015-2016 FAFSA applicants for an Unusual Enrollment History Flag. It also provides information on institutional responsibilities to resolve such flags.

Dear Colleague:

In [Dear Colleague Letter GEN-13-09](#), published on March 8, 2013, we provided information regarding the initiation of an Unusual Enrollment History Flag (UEH Flag), which first appeared on 2013-2014 Institutional Student Information Records (ISIRs). As noted in the March 8 letter, the UEH Flag is intended to address possible abuse in the Title IV student aid programs; specifically, when a student attends an institution long enough to receive a Title IV credit balance, leaves without completing the enrollment period, and then enrolls at another institution, repeating the pattern of remaining just long enough to collect a Title IV credit balance without earning any academic credit.

Dear Colleague Letter GEN-13-09 also provided guidance on institutional responsibilities to resolve ISIRs with UEH Flags. That institutional responsibility guidance remains applicable for the current 2014-2015 FAFSA processing year, except that the relevant years for resolution have been changed to include award years 2011-2012, 2012-2013, and 2013-2014. The guidance included in GEN-13-09 also remains applicable for the 2015-2016 FAFSA processing year.

Beginning with the 2015-2016 FAFSA processing year, selection of applicants for a UEH Flag has been expanded to consider:

- (1) An applicant's prior receipt of, in addition to a Federal Pell Grant, a Federal Direct Loan (not including a Direct Consolidation Loan or parent PLUS Loan). Our analysis shows that including Federal Direct Loans does not substantially increase the number of FAFSA applicants who will be assigned a UEH Flag. Including Federal Direct Loans addresses the concern that students who may not be

receiving a Federal Pell Grant may be receiving loans at multiple institutions over a relatively short period of time, and, therefore, should be subject to the same scrutiny.

- (2) The prior four, instead of three, award years. For 2015-2016 FAFSA processing, UEH Flag evaluation includes the 2011-2012, 2012-2013, 2013-2014, and 2014-2015 award years.

This change addresses the concern that the review of three prior award years could result in a student not receiving a UEH Flag because of not enrolling for one year, even with a continuing unusual enrollment history. Therefore, institutions must consider all four award years when evaluating if the student completed any academic credit for which Pell or Federal Direct Loan funds were provided, or whether the student had a valid reason for not earning any credit.

There may be instances where an institution suspects that a student for whom the Department did not assign a UEH Flag may be one whose past enrollment suggests that the student's prior academic history should be reviewed. In such instances, the institution may choose to treat the student as though the Department had assigned the student a UEH Flag with a value of '3.'

The institutional resolution guidance for UEH Flags that was provided in Dear Colleague Letter GEN-13-09 is applicable for both the 2014-2015 and 2015-2016 FAFSA processing years. For reference, we provide a summary of that guidance below but we urge institutions to review the full guidance provided in the earlier Dear Colleague Letter.

ISIR Unusual Enrollment History Flags

The UEH Flag on the ISIR indicates whether the student has an unusual enrollment history with regard to the receipt of Federal Pell Grant and Federal Direct Loan funds. UEH Flag values of '2' or '3' generate a 'C' Code to indicate to institutions that the student's records must be reviewed.

Resolving Unusual Enrollment History Flags

An institution must take the following steps to resolve a UEH Flag.

UEH Flag value is '2': The institution must review the student's enrollment and financial aid records to determine if, during the four award year review period (award years 2011-2012, 2012-2013, 2013-2014, and 2014-2015), the student received a Pell Grant and/or

Federal Direct Loan at the institution that is performing the review.

- If so, no additional action is required. However, if the institution has reason to believe that the student is one who remains enrolled just long enough to collect student aid funds, the institution must follow the guidance that is provided below for a UEH Flag of '3.'
- If not, the institution must follow the guidance provided below for a UEH Flag of '3.'

UEH Flag value is '3': The institution must review the student's academic records to determine if the student received academic credit at the institutions the student attended during the four award year period (award years 2011-2012, 2012-2013, 2013-2014, and 2014-2015). Using information from the National Student Loan Data System (NSLDS), the institution must identify the institutions where the student received Pell Grant and/or Federal Direct Loan funding over the past four award years (2011-2012, 2012-2013, 2013-2014, and 2014-2015).

Based upon academic transcripts the institution may already possess, or by asking the student to provide academic transcripts or grade reports, the institution must determine, for each of the previously attended institutions, whether academic credit was earned during the award year in which the student received Pell Grant and/or Federal Direct Loan funds. Academic credit is considered to have been earned if the academic records show that the student completed any credit hours or clock hours.

- **Academic Credit Earned:** If the institution determines that the student earned any academic credit at each of the previously attended institutions during the relevant award years, no further action is required unless the institution has other reasons to believe that the student is one who enrolls just to receive the credit balance. In such instances, the institution must require the student to provide the additional information discussed below under "Academic Credit Not Earned." If it is determined that academic credit was not earned at one or more of the previously attended institutions, the institution must follow the "Academic Credit Not Earned" guidance below.
- **Academic Credit Not Earned:** If the student did not earn academic credit at a previously attended institution and, if applicable, at the institution performing the review, the institution must obtain documentation from the student explaining why the student failed to earn academic credit. The institution must determine whether the documentation supports (1) the reasons given by the student for the student's failure to earn academic credit; and (2) that the student did not enroll only to receive credit balance funds.

Denial of Continued Eligibility

If a student did not earn academic credit at one or more of the relevant institutions and does not provide, to the financial aid administrator's satisfaction, an acceptable explanation and documentation for each of those failures, the institution must deny the student any additional Title IV, HEA program assistance. The student must be provided with an opportunity to question and appeal the decision. The institution must also provide the student with information regarding how the student may subsequently regain eligibility.

If you have questions about the guidance provided in the letter, please contact Federal Student Aid's Research and Customer Care Center Staff. Staff is available Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. (Eastern Time) at 1-800-433-7327. After-hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may e-mail the Care Center at fsa.customer.support@ed.gov.

Sincerely,

Lynn B. Mahaffie
Deputy Assistant Secretary
for Policy, Planning, and Innovation
Office of Postsecondary Education

Attachments/Enclosures:

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