



SEP 26 2022

Lonnye R. Black  
President  
CDA Technical Institute  
91 Trout River Drive  
Jacksonville, FL 32208-4131

Sent Via UPS  
Tracking #: 1Z37X7Y30197938906

Re: Denial of Application for Recertification to Participate in the Federal Student Financial Assistance Programs  
OPE ID: 03985300

Dear Mr. Black:

I.

The U.S. Department of Education (“Department”) has reviewed CDA Technical Institute’s (“CDA’s”) application for recertification to continue to participate in the student financial assistance programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (“Title IV, HEA programs”). CDA’s Program Participation Agreement (PPA) expired on June 30, 2021. However, since CDA submitted its recertification application in a timely fashion, CDA’s previous certification was extended on a month-to-month basis while the application was being reviewed. 34 C.F.R. § 668.13(b)(2).

This notice is to inform you that the Department has denied CDA’s application for continued participation. Therefore, as of September 10, 2022, CDA will no longer be eligible to participate in the following Title IV, HEA programs: Federal Pell Grant (“Pell Grant”), Federal Supplemental Educational Opportunity Grant (“FSEOG”), Iraq and Afghanistan Service Grants, Teacher Education Assistance for College and Higher Education (“TEACH”) Grant, Federal Work-Study (“FWS”), Federal Perkins Loan (“Perkins Loan”), and William D. Ford Federal Direct Loan (“Direct Loan”) programs. The Direct Loan Program includes the Federal Direct Stafford/Ford Loan Program, the Federal Direct Unsubsidized Stafford/Ford Loan Program, the Federal Direct PLUS (“PLUS”) program. The FSEOG, FWS, and Perkins Loan programs are known as the campus-based programs.

The denial is based on a September 18, 2022 notice from the Accrediting Council for Continuing Education & Training (“ACCET”) reporting the final withdrawal of CDA’s accredited status. Per confirmation from ACCET, the effective date of the loss of accreditation is September 10, 2022.. (Enclosure 1.) Accreditation by a nationally recognized accrediting agency, such as ACCET, is one of the statutory requirements that an institution must meet in order to be eligible to participate in the programs authorized under Title IV of the HEA. 20 U.S.C. §§ 1001(a)(5),

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Administrative Actions and Appeals Service Group  
830 First St., N.E. Washington, D.C. 20002-8019  
StudentAid.gov

Mr. Lonnye R. Black, President  
CDA Technical Institute  
Page 2

1002(b)(1)(D), (c)(1)(B). When CDA lost its accreditation, it became ineligible to participate in the Title IV, HEA programs since it no longer met the definition of a Title IV eligible institution.

Department regulations establish the date on which a loss of eligibility is effective. 34 C.F.R. § 600.40. As pertinent here, they provide that an institution loses its eligibility on the date that the institution fails to meet any of the eligibility requirements of 34 C.F.R. Part 600. 34 C.F.R. § 600.40(a)(1)(i). Thus, pursuant to 34 C.F.R. § 600.40(a)(1)(i), CDA's eligibility to participate in the Title IV programs ended on September 10, 2022, the effective date of its loss of accreditation.

An institution may not be considered Title IV eligible for 24 months after it has had its accreditation or preaccreditation withdrawn, revoked, or otherwise terminated for cause, unless the accrediting agency that took that action rescinds its action. 34 C.F.R. § 600.11(c)(1). Due to CDA's loss of accreditation, the Department will not entertain an application from CDA for reinstatement to participate in the Title IV programs before September 10, 2024. In addition, the Department will notify CDA of any liabilities it owes for Title IV, HEA funds it received after September 10, 2022 in a separate letter. That letter will provide CDA with the opportunity to contest those liabilities under the procedures set forth at 34 C.F.R. Part 668, Subpart H.

Should CDA have evidence to dispute the Department's findings, and demonstrate that, in fact, it did not lose its accreditation, CDA must submit that evidence via overnight mail to me at the following address:

Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid  
830 First Street, NE- UCP-3, Room 84F2  
Washington, DC 20002-8019

This denial of recertification is effective September 10, 2022. If CDA chooses to submit material for the Department's consideration, it must be received within two weeks of the date of this letter. Any such material will be reviewed by the Department, and CDA will be notified whether the recertification denial will be modified, rescinded, or left in place. If the denial of recertification is left in place, the Atlanta School Participation & Financial Analysis Division will then contact you concerning the proper procedures for closing out CDA's Title IV, HEA program accounts.

## II.

In addition, the Department notes the following concern that must be addressed should CDA apply for reinstatement in the future:

CDA currently fails the standards of financial responsibility. To continue participation in any Title IV, HEA program, an institution must demonstrate to the Department that it is financially responsible under the standards set forth at 34 C.F.R. Part 668, Subpart L. An institution is not able to meet its financial or administrative obligations if it is subject to an action or event that is

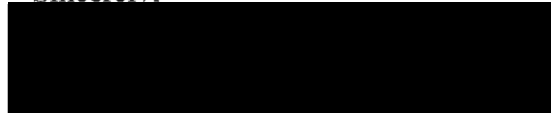
Mr. Lonnye R. Black, President  
CDA Technical Institute  
Page 3

likely to have a material adverse effect on its financial condition. 34 C.F.R. § 668.171(b)(3)(iii). The Secretary may determine that an institution is not able to meet its financial or administrative obligations under 34 C.F.R. § 668.171(b)(3)(iii) if its accrediting agency issues an order, such as a show cause order, that if not satisfied, could result in the withdrawal, revocation, or suspension of the institution's accreditation for failing to meet one or more of the agency's standards. 34 C.F.R. § 668.171(d)(1). On May 16, 2022, the Accrediting Council for Continuing Education & Training (ACCET), CDA's accrediting agency, issued a show cause directive to the institution. Accordingly, the Department determined that the accreditor's action constituted a discretionary triggering event under 34 C.F.R. § 668.171(d)(1).

On May 24, 2022, the Department notified CDA that it had completed its assessment and determined that ACCET's action, in addition to the recent loss of funding from the U.S. Department of Veteran Affairs, posed a significant risk to CDA's financial condition. Therefore, in order to continue participation, the Department advised CDA that it must be provisionally certified and provide financial protection in the amount of \$741,505. CDA was offered three options to provide the \$741,505 financial protection – it could provide an irrevocable letter of credit, cash, or enter into an agreement with the Department under which earned funds were offset. CDA elected to enter into an offset agreement. On June 8, 2022, the Department sent CDA an offset agreement to be signed, dated, and returned. Per the agreement, the entire \$741,505 was to be offset within nine months of the date of the agreement, with a minimum amount of \$74,451 to be offset by June 30, 2022; a cumulative minimum of at least \$164,132 to be offset by July 31, 2022; thereafter, a cumulative minimum that increased by 11% each month for eight months, and finally all draws until the full escrow was provided. The Department would allocate funds from CDA's Heightened Cash Monitoring 2 (HCM2) requests to a federal offset account. Since being transferred to the HCM2 method of payment on May 4, 2022, CDA has submitted only one cash request that has been reviewed and approved by the Department before being applied to the institution's federal offset account. CDA submitted a second HMC2 request that is currently under review. However, to date, only \$95,154 has been applied to the institution's federal offset account. CDA is delinquent in providing the remaining financial protection.

In the event that CDA submits an application to participate in the Title IV, HEA programs in the future, that application must address all of the deficiencies noted in this letter. If you have any questions about this letter, you may contact Lauren Pope via email at [Lauren.Pope@ed.gov](mailto:Lauren.Pope@ed.gov) or by phone at 202-377-4282.

Sincerely,



Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group

Enclosure

Mr. Lonnye R. Black, President  
CDA Technical Institute  
Page 4

cc: Lonnye Black, CDA President, via [captblack@cda.edu](mailto:captblack@cda.edu)  
Linda Scott, CDA Director, via [lscott@cda.edu](mailto:lscott@cda.edu)  
Res Helfer, Executive Director, Accrediting Council for Continuing Education &  
Training, via [RHelfer@accet.org](mailto:RHelfer@accet.org)  
Mr. Samuel L. Ferguson, Executive Director, FL Commission for Independent  
Education, via [Susan.hood@fldoe.org](mailto:Susan.hood@fldoe.org)  
Department of Defense, via [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)  
Department of Veteran Affairs, via [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov)  
Consumer Financial Protection Bureau, via [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov)