



David Petley  
Vice-Chancellor  
University of Hull  
Cottingham Road  
Hull, HU6 7RX  
ENGLAND

NOV 08 2024

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Dear Vice-Chancellor Petley:

This is to inform you that the U.S. Department of Education (“Department”) has determined that University of Hull (“Hull”) failed to meet its responsibilities under the provisional program participation agreement (“PPPA”) by and between the Department and Hull, dated November 14, 2023 (Enclosure 1). 34 C.F.R. § 668.13(d)(1). Therefore, the provisional certification the Department granted to Hull on November 14, 2023 is hereby revoked, effective as of the date of this letter (and its date of its mailing). 34 C.F.R. § 668.13(d)(2)(ii). Following the revocation of a PPPA, an institution may no longer participate in the federal 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”). 34 C.F.R. § 668.26(a)(4).

In particular, as of the date of this letter, Hull is no longer eligible to participate in the William D. Ford Federal Direct Loan program (“Direct Loan Program”). The Direct Loan Program includes the Federal Direct Stafford Loan Program, the Federal Direct Unsubsidized Stafford Loan Program, and the Federal Direct PLUS Loan Program. Hull’s ability to provide Federal loan funds to currently enrolled students will also end at the conclusion of Hull’s next academic year, as explained more fully below.

#### **A. Hull Failed to Meet the Standards of Financial Responsibility**

To continue to participate in any Title IV, HEA program, an institution must demonstrate to the Department that it meets the standards for participation set forth at 34 C.F.R. Part 668, Subpart B, and the standards of financial responsibility set forth at 34 C.F.R. Part 668, Subpart L. An institution is not financially responsible if the institution has been cited during the preceding five years for failure to timely submit an acceptable annual compliance and financial statement audit. See 34 C.F.R. §§ 668.171(b)(4) and 668.174(a)(3). Foreign institutions participating in Title IV, HEA programs must submit the compliance audit to the Department no later than six months after the last day of the institution’s fiscal year. 34 C.F.R. § 668.23(a)(2), (h)(2).

Hull did not submit an acceptable annual audit or an alternative compliance audit to the Department for each of the following fiscal years: 1) fiscal year ended (“FYE”) July 31, 2021

**Federal Student Aid**

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("FYE 2021"), 2) FYE July 31, 2022 ("FYE 2022"), and 3) FYE July 31, 2023 ("FYE 2023"). Therefore, Hull has failed to meet the requisite standard of financial responsibility.

Hull failed to submit to the Department its annual audit submission or alternative compliance audit for FYE 2021 and FYE 2022 which were required to have been submitted no later than January 31, 2022 and January 31, 2023, respectively. Accordingly, on May 10, 2023, the Department issued an Annual Submission Citation Letter (Enclosure 2), advising Hull that its failure to timely submit these annual compliance audits constituted a failure of financial responsibility under the Department's regulations and informed Hull that citation for the failure to timely submit its compliance audit constituted a past performance violation under 34 C.F.R. § 668.174(a)(3). Additionally, this letter warned Hull that failure to submit its compliance audit by the deadline and in the manner required under 34 C.F.R. § 668.23 could result in the Department initiating adverse action against Hull, including terminating or revoking its program participation agreement.

On November 14, 2023, the Department and Hull entered into the PPPA, which had a one-year term, to give Hull the opportunity to come into compliance with 34 C.F.R. § 668.23(h). By executing the PPPA, Hull affirmed that it would comply with all applicable regulatory and statutory provisions governing the administration of the Title IV, HEA programs and take remedial steps to cure the issues outlined in the Department's May 10, 2023 letter, including submitting acceptable compliance audits by January 31, 2024 for FYE 2021, FYE 2022, and FYE 2023, no later than January 31, 2024.<sup>1</sup> Additionally, Hull acknowledged in the PPPA that "Failure to meet this requirement by January 31, 2024 may result in the Department taking further administrative action such as, heightened cash monitoring or a loss of eligibility action" (Enclosure 1, Page 3, "Missing Audit Submission").

Hull failed to submit the required compliance audits by the submission deadline set forth in the PPPA. Accordingly, on March 8, 2024, the Department issued another Annual Submission Citation Letter (Enclosure 3), again advising Hull that its failure to timely submit its annual compliance audit for FYE 2021, FYE 2022 and FYE 2023 constitutes a failure of financial responsibility under the Department's regulations. As of the date of this letter, Hull has failed to submit any of the required compliance audits to the Department. Therefore, Hull has failed to meet the standards of financial responsibility set forth at 34 C.F.R. Part 668, Subpart L.

### **B. University of Hull Has Failed to Meet the Fiduciary Standard of Conduct**

An institution participating in the Title IV, HEA programs acts in the nature of a fiduciary in the administration of the Title IV, HEA programs and must, at all times, act with the competency and integrity necessary to qualify as a fiduciary. *See* 34 C.F.R. § 668.82(a). In the capacity of a fiduciary, an institution is subject to the highest standard of care and diligence in administering those programs and in accounting to the Department for the funds received under those programs. *See* 34 C.F.R. § 668.82(b)(1).

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<sup>1</sup> January 31, 2024 was chosen as it was the submission deadline for Hull's FYE July 31, 2023 compliance audit.

Hull's failure to submit acceptable annual audits or alternative compliance audits for three consecutive fiscal years constitutes a failure to meet this fiduciary standard of conduct. Furthermore, when Hull signed the PPPA, Hull explicitly promised to submit late annual audits or alternative compliance audits and Hull broke this promise when it failed to do so (Enclosure 1, Page 3). Therefore, Hull failed to act with the competency and integrity necessary to qualify as a fiduciary of Title IV, HEA program funds.

### **C. University of Hull Has Failed to Demonstrate Administrative Capability**

To continue participating in the Title IV, HEA programs, an institution must demonstrate that it is capable of adequately administering those programs. The Secretary considers an institution to have the requisite administrative capability if the institution administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations. *See* 34 C.F.R. § 668.16(a).

Through its failure to provide an acceptable audit or alternative compliance audit submission for its FYE 2021, FYE 2022 and FYE 2023, Hull has demonstrated a lack of administrative capability. Despite being given multiple opportunities to rectify this issue, Hull failed to do so. Hull's unwillingness or inability to submit the required acceptable audit or alternative compliance audit – a requirement of all institutions, both foreign and domestic – despite being given multiple chances to do so, demonstrates that Hull is incapable of adequately administering the Title IV, HEA programs.

### **D. Effective Date, Appeal Procedures, and Future Application for Reinstatement**

Hull has violated the Department's standards of financial responsibility, has failed to meet the Department's fiduciary standard of conduct, and has failed to demonstrate administrative capability; therefore, it is no longer eligible to participate in the Title IV programs. Consequently, Hull's PPPA is hereby revoked, effective November 8, 2024.

As of November 8, 2024, Hull will no longer be authorized to award or disburse Direct Loans or process any loan deferments under the Direct Loan Programs for students attending Hull, **except that, for its current academic year that included November 8, 2024 and the subsequent academic year only, Hull may award and disburse Direct Loans and process loan deferments under the Direct Loan Programs for currently enrolled U.S. citizens and eligible non-citizens who have previously borrowed Direct Loan Program loans to attend Hull while it was still an eligible institution and who have remained continuously enrolled.** *See* 20 U.S.C. § 1002(a)(2)(D); 34 C.F.R. § 600.58(c).<sup>2</sup>

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<sup>2</sup> This provision was enacted to help U.S. citizens and eligible non-citizens complete their programs of study or make other arrangements to attend another school that is eligible to participate in the Title IV, HEA programs. **The provision, however, is not available to U.S. citizens and eligible non-citizens who did not previously borrow Direct Loan Program loans to attend Hull while it was eligible or who have not maintained continuous enrollment.**

Hull may request reconsideration of this revocation by submitting to the Department, **no later than 20 days following receipt of this notice**, written evidence to show that the revocation is unwarranted. 34 C.F.R. § 668.13(d)(3)(i). Should Hull elect to pursue this option, it must do so, in writing, via overnight mail, 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 92G4  
Washington, DC 20002-8019

The Secretary's designated official will consider any request for reconsideration and will notify the institution by certified mail, return receipt requested, of a final decision. 34 C.F.R. § 668.13(d)(4)(i). If the revocation remains in effect, Hull may not apply for reinstatement of its Title IV participation until after the expiration of eighteen months following the effective date of the revocation. 34 C.F.R. § 668.13(d)(4)(ii)(A).

In the event that Hull submits an application to participate in the Title IV, HEA programs in the future, that application must address the deficiencies noted in this letter. In addition to submitting a materially complete application and meeting all other eligibility requirements, Hull will be required to demonstrate its compliance with the Department's annual audit submission requirements. Additionally, if approved for reinstatement, Hull would have to participate as a provisionally certified institution with financial protection, and meet any other conditions the Department deems necessary at the time it considers Hull's application.

If you have any questions regarding this letter, you may contact Katherine Bartges at [Katherine.Bartges@ed.gov](mailto:Katherine.Bartges@ed.gov).

Sincerely,



Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group

Enclosures

cc: Samuel R. Skilton, Financial Aid Administrator via [s.skilton@hull.ac.uk](mailto:s.skilton@hull.ac.uk)  
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)