



DEC 21 2021

Judson DiVincenzo
President
Inner State Beauty School
5150 Mayfield Road
Lyndhurst, Ohio 44124-2406

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Dear Mr. DiVincenzo:

This is to inform you that the U.S. Department of Education (“Department”) has determined that Inner State Beauty School (“ISBS”) is unable to meet its responsibilities under its provisional program participation agreement (“PPA”) (Enclosure 1). 34 C.F.R. § 668.13(d)(1). As a result, the provisional certification the Department granted to ISBS on January 5, 2021, is hereby revoked. With this revocation, ISBS’s PPA ends, effective the date of this letter, which is also the date of its mailing. 34 C.F.R. § 668.13(d)(2)(ii). Following the revocation of a PPA, 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, with the mailing of this letter, ISBS is no longer 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, and the Federal Direct PLUS (“PLUS”) program. The FSEOG, FWS, and Perkins Loan programs are known as the campus-based programs.

To participate in the Title IV, HEA programs, an institution must demonstrate that it qualifies to be certified to participate in those programs under 34 C.F.R. Part 668, Subpart B. Specifically, an institution must meet the standards of administrative capability set forth at 34 C.F.R. § 668.16, and the standards of financial responsibility set forth at 34 C.F.R. Part 668, Subpart L. Moreover, an institution must satisfy the definitional prerequisites of institutional eligibility. 34 C.F.R. § 668.13(a)(1).

By executing its provisional PPA, ISBS affirmed that it would comply with all applicable regulatory and statutory provisions governing the administration of the Title IV, HEA programs. ISBS also expressly agreed that a cause for revocation included, among other things, “a violation of Department regulations deemed material by the Department.” (Enclosure 1 at 2.) As discussed below, the Department has determined that ISBS does not satisfy the statutory and

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regulatory specifications of an eligible institution and thus, by definition, is ineligible for additional Title IV, HEA program funds. A statutory loss of Title IV eligibility also constitutes a material violation of the Department's regulations.

The Department is revoking ISBS's provisional certification based on a December 16, 2021 notice from the National Accrediting Commission of Career Arts and Sciences ("NACCAS") reporting the withdrawal of ISBS's accredited status, effective December 16, 2021 (Enclosure 2). Accreditation by a nationally recognized accrediting agency, such as NACCAS, 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), 1002(b)(1)(D), (c)(1)(B). When ISBS 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 Title IV 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), ISBS's eligibility to participate in the Title IV programs ended on December 16, 2021, 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 ISBS's loss of accreditation, the Department will not entertain an application from ISBS for reinstatement to participate in the Title IV programs before December 16, 2023. In addition, the Department will notify ISBS of any liabilities it owes for Title IV, HEA funds it received after December 16, 2021 in a separate letter. That letter will provide ISBS with the opportunity to contest those liabilities under the procedures set forth at 34 C.F.R. Part 668, Subpart H.

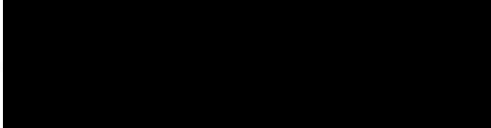
IBS may request reconsideration of this revocation by submitting to the Secretary, **no later than 20 days following receipt of this notice**, written evidence to show that it did not lose its accreditation, and thus, the revocation is unwarranted. 34 C.F.R. § 668.13(d)(3)(i). Should ISBS elect to pursue this option, please submit written materials to me at the following address:

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

The Secretary's designated official will promptly 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 you have any questions regarding this letter, you may contact Kerry O'Brien at 303-844-3319.

Sincerely


Susan D. Crim
Director
Administrative Actions and Appeals Service Group

Enclosures

cc: Tony Mirando, Executive Director, National Accrediting Commission of Career Arts & Sciences, via amirando@naccas.org
Margaret Rolf, Executive Director, Ohio State Cosmetology and Barber Board, via Margaret.rolf@cos.ohio.gov
Department of Defense, via osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil
Department of Veteran Affairs, via INCOMING.VBAVACO@va.gov
Consumer Financial Protection Bureau, via CFPB_ENF_Students@cfpb.gov