



December 26, 2019

Dr. Lisa Skari
President
Mount Hood Community College
26000 SE Stark Street
Gresham, OR 97030-3300

UPS 2nd Day Air
#: 1Z A87 964 02 9614 3720

RE: **Final Program Review Determination**
OPE ID: 00320400
PRCN: 201941030064

Dear Dr. Skari:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a Program Review Report (PRR) on October 22, 2019, covering Mount Hood Community College's (MHCC's) administration of 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), for the 2017-18 and 2018-19 award years. The Department received MHCC's response on December 6, 2019.

Copies of the PRR and MHCC's response are attached. The Department has retained any supporting documentation submitted with the response and will make it available to MHCC for inspection upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and may be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the PRR. The purpose of this letter is to notify MHCC of the final disposition of all findings and to close the program review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student

Federal Student Aid

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Mount Hood Community College

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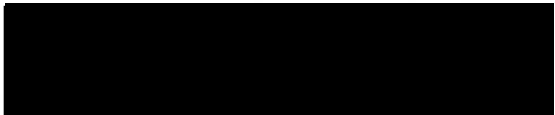
Sample. The Department encrypted Appendix A and sent it separately to the institution via e-mail.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Leslie Chin, Institutional Review Specialist, at 415-486-5613.

Sincerely,


for Martina Fernandez-Rosario
Division Director
San Francisco/Seattle School Participation Division

Enclosure: Final Program Review Determination

cc: Mr. Christopher Natelborg, Assistant Manager of Financial Aid
Northwest Commission on Colleges and Universities
Oregon Department of Community Colleges and Workforce Development
Department of Defense (via e-mail at osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veterans Affairs (via e-mail at INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (via e-mail at CFPB_ENF_Students@cfpb.gov)

Prepared for
Mount Hood Community College

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Final Program Review Determination
December 26, 2019

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A. Institutional Information

Mount Hood Community College
26000 SE Stark Street
Gresham, OR 97030-3300

Type: Public

Highest Level of Offering: Associate Degree

Accrediting Agency: Northwest Commission on Colleges and Universities

Student Enrollment: 8,612 (2018-19 award year)

Percentage of Students Receiving Title IV: 42% (2017-18 award year)

Title IV Participation according to the National Student Loan Data System (NSLDS):

	2016-17 Award Year
Federal Pell Grant (Pell Grant) Program	\$ 9,425,057
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 327,280
Federal Work Study (FWS) Program	\$ 324,851
William D. Ford Federal Direct Loan (Direct Loan) Program	\$ 9,328,577

Default Rate Direct Loans:	2016	19.1%
	2015	23.7%
	2014	23.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Mount Hood Community College (MHCC) from August 12, 2019 through August 16, 2019. The review was conducted by Patricia McAuley and Adeline Espinosa, Institutional Review Specialists, and Anna Archila, Campus Crime Specialist.

The focus of the review was to determine MHCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The review consisted of, but was not limited to, an examination of MHCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, campus security policies and documents, and its policies, procedures, and systems relative to other Title IV matters.

The Department identified a sample of 30 student files for review from the 2017-18 and 2018-19 award years. The Department selected the files randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

The Department issued its Program Review Report (PRR) on October 22, 2019, included in Appendix B. MHCC submitted its response to the PRR on December 6, 2019 (December 6, 2019 Response to the Program Review Report), included in Appendix C.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning MHCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve MHCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

Resolved Findings

MHCC has taken the corrective actions necessary to resolve the following findings of the PRR.

- Finding 1. Inadequate Pell Grant Policy/Pell Grant Underpayment
- Finding 2. Inadequate Satisfactory Academic Progress (SAP) Policy
- Finding 3. Inadequate Direct Loan Awarding Policy
- Finding 4. Verification Violations
- Finding 5. Inaccurate Student Enrollment Reporting to National Student Loan Data System (NSLDS)
- Finding 6. Inadequate Notice of Disbursement and Right to Cancellation Options

- Finding 7. Inadequate Exit Loan Counseling
Finding 8. Inadequate Consumer Information

Finding 1 - Inadequate Pell Grant Policy/Pell Grant Underpayment: MHCC agreed with the finding, and resolved it by revising its policies and procedures regarding Pell disbursements, ensuring students are being paid amounts appropriate to their enrollment statuses. The school stated that it will adjust the Pell Grant amounts based on the enrollment status at the time of disbursement.

Finding 2 - Inadequate Satisfactory Academic Progress (SAP) Policy: MHCC agreed with the finding, and resolved it by revising its policies and procedures to include "K" grades as unearned credits in its calculation of the pace of completion. The school also revised its pace calculation policy and procedures to include the student's cumulative attempted credits versus the student's cumulative earned credits.

Finding 3 - Inadequate Direct Loan Awarding Policy: MHCC agreed with the finding, and resolved it by revising its Direct Loan awarding policies and procedures to ensure that students are awarded the full amount of Subsidized and Unsubsidized Direct Loans for which they are eligible for the academic year. The policy and procedures addressed the issue of awarding students who are eligible for the full annual loan amount, even though they were not enrolled for the entire academic year. The policy ensured students are accurately awarded in accordance with their grade level.

Finding 4 - Verification Violations: MHCC agreed with the finding, and resolved it by revising its verification policies and procedures, and completing staff training to enhance the verification process. The school stated that specific efforts have been made to ensure Financial Aid Advisers are **all have an** understanding of current federal regulations regarding: 1) the documentation and information required for each verification flag; 2) how to document household size; 3) zero income verification; and 4) **the** dependency status of nonrelatives.

Finding 5 - Inaccurate Student Enrollment Reporting to National Student Loan Data System (NSLDS): MHCC agreed with the finding, and resolved it by correcting the enrollment information for the students referenced in the PRR, and revising its NSLDS reporting policies and procedures to ensure that accurate information is reported to NSLDS in a timely manner in accordance with federal regulations.

Finding 6 - Inadequate Notice of Disbursement and Right to Cancellation Options: MHCC agreed with the finding, and resolved it by submitting a copy of the notice of cancellation it will send to students and parent borrowers for each disbursement, as well as submitting its procedures regarding the distribution of this notification.

Finding 7 - Inadequate Exit Loan Counseling: MHCC agreed with the finding, and resolved it by revising its exit loan counseling procedures to have its computer system automatically generate the information to send to students who graduate, withdraw, or fall below half-time enrollment status within the 30-day regulatory guideline.

Finding 8 - Inadequate Consumer Information: MHCC agreed with the finding, and resolved it by: 1) providing evidence that all of the required consumer information had been updated and distributed to current and prospective students; 2) providing documentation that it has made its complete Equity in Athletics Report more easily accessible on its website and that the intended recipients are notified of the availability of the report; 3) correcting and updating all policies and procedures that were addressed in separate findings; and 4) revising its consumer information-related policies and procedures, which addressed how the information will be gathered, and how the institution will ensure that the information remains current.

Therefore, these findings are closed. Please refer to Appendix C, which contains the institution's written response, for additional information.

Campus Safety and Security Findings

Finding 9: Failure to Conduct a Biennial Review/Prepare a Biennial Review Report

Summary of Noncompliance:

Each IHE must conduct a biennial review in order to measure the effectiveness of its Drug and Alcohol Prevention Program, (DAAPP) and implement changes to the program, if needed, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department upon request. 34 C.F.R. §86.3 and 86.100.

The Department announced the program review to the institution on July 2, 2019. In the announcement letter, the Department requested a copy of the MHCC's biennial review. The Department received all the requesting documents, except for the last two biennial reviews. On July 23, 2019, the Assistant Manager of Financial Aid, sent an email, indicating that the institution does not currently have a biennial review process and committee in place, but MHCC is currently in the process of implementing a biennial review.

Failure to comply with the DFSCA's DAAPP requirements deprives students, faculty and staff of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Directives from the PRR:

MHCC was required to take all necessary corrective actions to resolve this violation. To address the specific deficiencies identified in this finding, MHCC was required to:

- Conduct a biennial review to measure the effectiveness of its DAAPP. MHCC must describe the research methods and data analysis tools used to determine program effectiveness and identify liable officials and offices responsible for assessing data collected for evaluation. Moreover, the biennial review report must be approved by MHCC's President.
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented.
- Submit a statement certifying the institution understands its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

A copy of its new biennial review policies and procedures had to be submitted with MHCC's response to the Program Review Report.

Based on an evaluation of all available information including MHCC's response, the Department would determine if additional actions would be required, and would advise the institution accordingly in the FPRD.

Analysis of Final Determination:

In its official response, dated December 6, 2019, MHCC concurred with the finding and provided supporting documentation as part of its response, indicating that it understands the importance of this violation.

The Department carefully examined all available information and supporting documentation. Based on that review, the violation identified on the original finding are sustained. However, the review team noted that the identified violation was, for the most part addressed by the action plan meet minimum requirements, and for these reasons, has accepted the response, and considers this finding to be closed for the purposes of this program review. Nevertheless, MHCC's directors and officials are advised that they must take any additional action that may be needed to address the deficiencies identified by the Department, as well as any other deficiencies or weaknesses that were detected during the preparation of the its response and/or as may be otherwise needed to ensure that these violations do not recur.

MHCC must continue to work to enhance its DAAPP programming and the methodology that it utilizes to review the effectiveness of its DAAPP, and it must clearly explain the methods and analytical tools that it will use to conduct its future biennial reviews.

Although this finding is now closed, MHCC is reminded that the exceptions identified above constitute serious and persistent violations of the *DFSCA* that, by their nature, cannot be "cured." There is no way to truly correct violations of this type once they occur. MHCC officials must understand that the Department deems compliance with the *DFSCA* as essential to maintaining a safe and healthy learning environment. This is true for all institutions, regardless of their size, location, or organizational structure. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus, increased absenteeism, and a failure to successfully complete a program of study. The compliance

failures identified above deprived MHCC and its officials of important information about the effectiveness of any drug and alcohol programs that were in place during the Department's review period. Such failures may contribute to increased drug and alcohol abuse on-campus, as well as to an increase in drug and alcohol-related violent crime which constitutes a violation of Federal law. For these reasons, MHCC is reminded that corrective measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

D. Appendices

Appendix A: Program Review Student Sample

Appendix B: Program Review Report

Appendix C: December 6, 2019 Response to the Program Review Report

Mount Hood Community College

OPE ID: 00320400

PRCN: 201941030064

APPENDIX A
Program Review Student Sample

Appendix A (Program Review Student Sample) contains personally identifiable information. The Department will e-mail Appendix A to MHCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The Department will send the password needed to open the encrypted WinZip file in a separate e-mail.

Mount Hood Community College

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PRCN: 201941030064

APPENDIX B
Program Review Report



October 22, 2019

Dr. Lisa Skari
President
Mount Hood Community College
26000 SE Stark Street
Gresham, OR 97030-3300

UPS 2nd Day Air
#: 1Z A87 964 02 9614 0009

RE: **Program Review Report**
OPE ID: 00320400
PRCN: 201941030064

Dear Dr. Skari:

From August 12, 2019 through August 16, 2019, Patricia McAuley, Adeline Espinosa, and Anna Archila conducted a review of Mount Hood Community College's (MHCC's) administration of the 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). The enclosed report presents the findings of that review.

The report references findings of noncompliance to the applicable statutes and regulations and specifies the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions MHCC has taken. The response should include a brief, written narrative for each finding that clearly states MHCC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, MHCC must provide supporting documentation as required in each finding. Please note that pursuant to § 498A(b) of the HEA, the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to a preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). The FPRD will not include any supporting documentation submitted with the institution's written response; however, the Department will retain the documentation and make it available to MHCC for inspection upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

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Freedom of Information Act (FOIA) and may be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Leslie Chin of this office within 30 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers appear in Appendix A, Program Review Student Sample. The Department encrypted the appendix and sent it separately to the institution via e-mail. Please see the enclosure, *Protection of Personally Identifiable Information*, for instructions regarding submission to the Department of required data/documents containing PII.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the resolution of the loans, claims, or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the Program Review Control Number (PRCN) at the top of this letter in all correspondence relating to this report. If MHCC has any questions concerning this report, please contact Leslie Chin at 415-486-5613 or at leslie.chin@ed.gov.

Sincerely,



Dyon F. Toney
Compliance Manager
San Francisco/Seattle School Participation Division

Enclosures: Protection of Personally Identifiable Information
Program Review Report

cc: Christopher Natelborg, Assistant Manager of Financial Aid

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for
Mount Hood Community College

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OPE ID: 00320400
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Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report
October 22, 2019

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Appendix A (Program Review Student Sample)	

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A. Institutional Information

Mount Hood Community College
26000 SE Stark Street
Gresham, OR 97030-3300

Type: Public

Highest Level of Offering: Associate Degree

Accrediting Agency: Northwest Commission on Colleges and Universities

Student Enrollment: 8,612 (2018-19 award year)

Percentage of Students Receiving Title IV: 42% (2017-18 award year)

Title IV Participation according to the National Student Loan Data System (NSLDS):

	2016-17 Award Year
Federal Pell Grant (Pell Grant) Program	\$ 9,425,057
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 327,280
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The focus of the review was to determine MHCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs). The review consisted of, but was not limited to, an examination of MHCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, campus security policies and documents, and its policies, procedures, and systems relative to other Title IV matters.

The Department identified a sample of 30 files for review from the 2017-18 and 2018-19 award years. The Department selected the files randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning MHCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve MHCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) report.

C. Findings

During the review, the Department noted several areas of noncompliance. This Program Review Report (PRR) references findings of noncompliance to the applicable statutes and regulations and specifies the actions that MHCC must take to bring operations of the financial aid programs into compliance with these statutes and regulations.

Finding #1. Inadequate Pell Grant Policy/Pell Grant Underpayment

Noncompliance: The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year. 34 C.F.R. § 690.62(a). If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period,

the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance. 34 C.F.R. § 690.80(b)(2)(ii).

MHCC had a policy in which it required students to declare the number of credits for which they were enrolled each term. MHCC then checked the student's actual enrollment just prior to the first disbursement for each term. If the student was enrolled for less than the number of declared credits, MHCC appropriately adjusted the student's scheduled Pell award to reflect the lower credit level eligibility. However, if the student was enrolled for a higher credit level than the student had declared for the term, MHCC did not adjust the Pell award to reflect the higher enrollment level eligibility.

For example, if the student originally declared that he/she would be full-time for the Fall quarter, but actually enrolled only half-time, MHCC appropriately reduced the student's Pell award to reflect the student's eligibility at the half-time enrollment level at the time of the first disbursement. However, if the reverse was true and the student originally declared half-time enrollment but actually was enrolled full-time at the first disbursement for the term, MHCC did not adjust the student's Pell award to reflect his/her eligibility at the full-time enrollment level.

The effect of this policy was identified for the following student in the sample:

Student #12: Just before the first financial aid disbursement for the Fall, 2017 term, the student informed MHCC financial aid staff that she would not be enrolled for the Fall, 2017. However, at the time she made this statement, she was, in fact, enrolled for 7 credits. MHCC did not cancel her Pell award, but in keeping with their policy, input her enrollment as zero credits so that when the first disbursement occurred for the term shortly thereafter, MHCC did not pay the student any Pell funds. MHCC underawarded the student \$1,480 in Pell for the Fall, 2017 term. This is the amount the student was eligible to receive based on her Estimated Family Contribution (EFC) and half-time enrollment level. The student ultimately withdrew from MHCC on November 13, 2017. Though MHCC would have been required to complete a Return to Title IV (R2T4) calculation based on the student's withdrawal, it is likely, given the length of the term and the student's withdrawal date, that the student would have been eligible to keep all or most of the Pell disbursement.

While on-site, reviewers discussed this Pell disbursement policy with MHCC financial aid staff and informed them that going forward MHCC must disburse Pell funds based on the student's level of enrollment for all eligible credits each term.

Required Action:

- MHCC must revise its policies and procedures regarding Pell disbursements, to ensure students are being paid amounts appropriate to their enrollment statuses, and provide a copy in its response to the PRR.

- As processing for the 2017-18 award year has closed, MHCC can no longer pay additional Pell Grant funds to Student #12 for the Fall, 2017 term. Therefore, there are no further actions required for this student.

Finding #2. Inadequate Satisfactory Academic Progress (SAP) Policy

Noncompliance: An institution must have a satisfactory academic progress (SAP) policy for purposes of determining student eligibility for assistance under the Title IV, HEA programs. The institution must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining SAP in his or her educational program. 34 C.F.R. §§ 668.16(e) and 668.34.

The Secretary considers an institution's SAP policy to be reasonable if, among other criteria, it

- Is at least as strict as the policy the institution applies to a student who is not receiving assistance under the Title IV, HEA programs;
- Provides for consistent application of standards to all students within categories of students and educational programs established by the institution;
- Specifies the pace at which a student must progress through the educational program to ensure that the student will complete the program within the maximum timeframe and provides for a measure of the student's progress at each evaluation (i.e., quantitative component). An institution calculates the pace at which the student is progressing by dividing the cumulative number of (credit or clock) hours the student has successfully completed by the cumulative number of (credit or clock) hours the student has attempted.

See 34 C.F.R. § 668.34(a).

MHCC's SAP policy did not meet regulatory requirements in the following ways:

- MHCC used a "K" grade for specific lower level remedial courses. As explained on the student records page on MHCC's website, a "K" grade indicates that a student was registered for the course, was in attendance, met some of the objectives but did not advance far enough to receive credit for completion. A student who receives a "K" grade must reregister, repay, and pass the class satisfactorily to receive credit. A student completing a developmental education course may receive a "K" grade up to two times for the same course.

MHCC's SAP policies and procedures counted the "K" grade as a passing grade, even though, by definition, it is only awarded when a student has not successfully completed a specific lower level remedial course. The SAP policies and procedures stated:

It is intended that classes in which "K" grades were earned will be re-registered for and successfully completed the following term. Furthermore, it is expected that the "K" grades resulted from at least one full term's effort, not late registration.

Students enrolling in specifically designated classes may receive a "K" grade until academic skills are sufficient for success in college level classes. At that time, a grade of "S" will be assigned. A "K" grade in the first term will be accepted as satisfactory progress without affecting financial aid. For financial aid purposes, the receipt of a "K" grade at the end of the second term will not be viewed as a satisfactory grade.

Though the "K" grade was not defined as a passing grade by MHCC's academic policy, and the student was expected to retake the course during the subsequent term in order to obtain a passing grade, the financial aid office still counted it as an earned course the first time a student received the grade. This gave the student an incorrect pace calculation.

- Additionally, MHCC's pace calculation was inadequate as it did not calculate the pace of completion by calculating the student's cumulative attempted credits versus his or her cumulative earned credits, as required in the regulation cited above. Rather, MHCC calculated a student's pace of completion based on enrollment status. MHCC's SAP policy is as follows:

SAP is measured in both credit hours completed and grade point average received and is monitored each term. Credit hour standards are:

- Full-time - Complete a minimum of 12 contracted credit hours* each term with a minimum term GPA of 2.00.
- Three-quarter-time - Complete a minimum of 9 contracted credit hours* each term with a minimum term GPA of 2.00.
- Half-time - Complete a minimum of 6 contracted credit hours* each term with a minimum term GPA of 2.00.
- Less than half-time - Complete 1-5 contracted credit hours* each term with a minimum term GPA of 2.00.
- Students receiving financial aid must be accepted into, and working toward, a degree, certificate, or a program leading to a recognized occupation. Completion of minimum contract credit hours per term will be recognized as showing progress toward a degree or certificate.
- Contracted credit hours means the minimum number of credit hours a student agrees to complete based on the signed award offer.
Full time CCH = 12, three - quarter time CCH = 9, one-half time CCH = 6
and less-than-half time CCH = 3.

MHCC measures the pace of completion only by determining if the student attempted and earned enough credits to maintain the enrollment status at which he or she was paid financial aid for the term. The policy did not include a calculation based on the actual number of attempted and earned credits. In addition, the practice included only reviewing the student's pace of completion for the term in question. MHCC did not

calculate the pace of completion based on the student's cumulative attempted and cumulative earned credits, as is required by the regulations cited above.

The reviewers did not identify any students in the sample who had incorrect SAP calculations. However, while on-site, reviewers discussed these SAP calculation issues with MHCC's Financial Aid Director and staff. Reviewers emphasized that the necessary changes to the SAP calculations must be implemented in time for MHCC's next SAP review process. The next SAP review was scheduled to occur at the end of the school's Summer 2019 term, as MHCC treats the Summer term as a header term for the 2019-20 academic year for financial aid purposes.

Required Action: To address the SAP policy issues, MHCC must:

- Revise its policies and procedures to include "K" grades as unearned credits in its calculation of the pace of completion, consistent with the view of these grades in general by MHCC (i.e. for non-Title IV recipients). MHCC must submit the revised policies and procedures addressing how this grade is counted in the pace calculation.
- Revise its pace calculation policy and procedures to include the student's cumulative attempted credits versus the student's cumulative earned credits. MHCC must submit a copy of these revised policies and procedures in its response to the PRR.

Finding #3. Inadequate Direct Loan Awarding Policy

Noncompliance: 34 C.F.R. § 685.203, states, in part, that the total amount a student may borrow for any academic year of study under the Direct Unsubsidized Loan Program is the same as the amount determined under 34 C.F.R. § 685.203(a), less any amount received under the Direct Subsidized Loan Program.

MHCC did not accurately award Direct Loan funds to the following students:

Student #4: For the 2017-18 award year, the student had over 30 earned credits, which enabled the student to be awarded \$4,500 in Direct Loan funds as a second year student. However, the student was only awarded \$3,500 in a Direct Subsidized Loan, the first-year student limit. When discussed with reviewers, MHCC financial aid staff agreed that the student was eligible for the \$4,500 and that the incorrect award amount was due to human error.

Student #16: This student was awarded two-thirds of the annual amount of \$3,500 in a Direct Subsidized Loan for the 2019 Winter and Spring quarters. However, the student was eligible for the full annual loan amount of \$3,500. MHCC told reviewers that it was their policy to prorate the loan amount if the student was not enrolled for the entire academic year, though the student may be eligible for the full annual amount. MHCC does not have the authority to change federal limits on Direct Loans.

Required Action: MHCC must review and revise its Direct Loan awarding policies and procedures to ensure that students are awarded the full amount of Subsidized and Unsubsidized

Direct Loans for which they are eligible for the academic year. This policy and procedures must address the issue of awarding students who are eligible for the full annual loan amount, even though they were not enrolled for the entire academic year. It must also ensure students are accurately awarded in accordance with their grade level. MHCC must submit a copy of the revised policies and procedures its the response to the PRR.

Finding #4. Verification Violations

Noncompliance: An institution must require an applicant whose Free Application for Federal Student Aid (FAFSA) information is selected for verification by the Secretary to verify the information specified by the Secretary. In addition, if an institution has reason to believe that an applicant's FAFSA information is inaccurate, it must verify the accuracy of that information. An institution may require an applicant to verify any FAFSA information that it specifies. *See* 34 C.F.R. § 668.54(a).

An institution must require applicants selected for verification to submit acceptable documentation that will verify or update any of the following information (from the applicable year in question) used to determine the applicant's EFC and as determined in an annual Federal Register notice published by the Secretary: adjusted gross income; income earned from work; U.S. income tax paid; number of family members in the household; number of household members enrolled in eligible postsecondary institutions; and other information specified in the annual Federal Register notice. *See* 34 C.F.R. § 668.57.

For an individual that has not filed an income tax return, an institution must accept a statement certifying that he or she has not filed and is not required to file an income tax return for the specified year and certifying, for that year, that individual's sources of income and amounts of income from each source. *See* 34 C.F.R. § 668.57(a)(4)(i).

An institution must require an applicant selected for verification to verify the number of family members in the household and the number of family members enrolled in eligible postsecondary institutions by submitting a statement signed by both the applicant and one of the applicant's parents if the applicant is a dependent student, or only the applicant if the applicant is an independent student. *See* 34 C.F.R. § 668.57(b)-(c).

The 2017-18 Federal Student Aid Application and Verification Guide (AVG), p. 29, provides the following guidance relating to who should be included in the household size:

The student's siblings and children, if they will receive more than half their support from the student's [or student's parent(s), as applicable] from July 1, 2017, through June 30, 2018. Siblings need not live in the home. This includes unborn children and siblings of the student who will receive more than half support from the student's parent(s) from birth to the end of the award year. It also includes siblings who would be considered dependent based on the FAFSA dependency questions (i.e., they need not be students nor apply for aid).

In addition, the 2018-19 Federal Student Aid AVG, p. 90, provides additional guidance on the use of electronic signatures on verification forms submitted to schools:

For verification documentation, a school may collect an electronic signature for an applicant, parent, or spouse if the process includes an assurance of the identity of the person signing. This is often accomplished with a PIN or password that is assigned only after the identity of the person receiving the PIN or password has been authenticated.

MHCC did not properly perform verification in the following instances:

- **Student #2:** The verification worksheet submitted by the student included the student's 24-year-old son as a dependent. However, MHCC excluded this individual from the household size. The explanation in the student's file explaining this decision stated that the individual was excluded because he would be considered independent if he was an aid applicant because of his age. However, as stated in the regulations cited above, the only requirement to including a child as a dependent on the FAFSA is that the individual receives more than half of his support from his parent during the applicable award year. Because this student's EFC was already zero, adding this individual to the family size does not impact the student's eligibility. Therefore, no further action is required for this student.
- **Student #16:** The household size reported on the student's verification worksheet was 5, but on the Institutional Student Information Record (ISIR) it was reported as 3. There was no explanation in the student's file for the discrepancy. When discussed with the MHCC Financial Aid Director, he determined that it was an error in processing. This student's EFC was 3317, so correcting the family size to 5 will impact the student's Title IV eligibility.

Further, for independent students, MHCC used electronic submissions of its verification worksheet to include, among other items, a student's household size and income sources for non-tax filers. However, MHCC did not require online forms to be signed. Upon discussion with reviewers, MHCC stated that it believed that because the student had to sign-in to their student account to access the forms, that this sign-in process constituted a signature. Reviewers explained that the sign-in process was not sufficient as it did not meet the requirements set forth in the regulations and guidance provided in the FSA Handbook detailed above. Lastly, upon discussion with MHCC, the Financial Aid Director indicated that MHCC had already changed its policy on the practice of excluding individuals from the family based on their age, and provided documentation that this policy change had already been implemented.

While reviewers were on-site, MHCC input an electronic signature requirement for each of the verification forms it allows students to submit electronically. Note that for dependent students, MHCC requires a paper verification worksheet to be submitted, signed by both student and parent.

Required Action: MHCC must review and revise, as necessary, verification policies and procedures and complete staff training to enhance the verification process, specifically as regards

rules regarding household size. MHCC must submit a copy of these revised policies, procedures, and training documentation in the response to the PRR.

Student #16's ISIR was corrected and an additional award amount disbursed due to the corrected, accurate household size so no further action is required on this individual student.

Finding #5. Inaccurate Student Enrollment Reporting to National Student Loan Data System (NSLDS)

Noncompliance: By entering into a Program Participation Agreement (PPA), an institution agrees that, among other criteria, it will submit reports to the Secretary at such times and containing such information as the Secretary may reasonably require to carry out the purpose of the Title IV, HEA programs. 34 C.F.R. § 668.14(b)(7). To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under the Department's administrative capability standards. The Secretary considers an institution to have administrative capability if the institution, among other criteria, participates in the electronic processes that the Secretary provides at no substantial charge to the institution. 34 C.F.R. § 668.16(o).

Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that—

- (i) A loan under Title IV of the HEA was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or
- (ii) A student who is enrolled at the school and who received a loan under Title IV of the HEA has changed his or her permanent address. 34 C.F.R. § 685.309(b)(2).

MHCC failed to accurately update student enrollment data in NSLDS for the following students in the review sample:

- **Student #3:** This student was withdrawn on November 9, 2017. However, MHCC incorrectly reported her withdrawn status with an effective date of December 16, 2017.
- **Student #4:** This student's enrollment status was reported as withdrawn with an effective of June 16, 2018. However, MHCC's record reflects that this student graduated on June 16, 2018.
- **Student #11:** This student completed the Winter 2018 term and did not enroll in the Spring 2018 term. However, NSLDS reflects a status of "less than half-time" during that term. MHCC reported this student as withdrawn on October 12, 2018 with an effective date of June 16, 2018. The student's status should have been reported as withdrawn in the Spring 2018 term.

- **Student #12:** This student's enrollment status was reported to NSLDS as less than half-time for the Fall 2017 term. However, MHCC's record reflects a withdrawn status with an effective date of November 13, 2017.
- **Student #15:** This student's enrollment status was reported as withdrawn with an effective date of December 16, 2017. However, MHCC's record reflects that this student was withdrawn on November 9, 2017.

Required Action: MHCC must:

1. Correct the enrollment information reported to NSLDS for the students listed above. MHCC must submit a written statement indicating that it has made all of the necessary corrections in its response to the PRR.
2. Revise its NSLDS reporting policies and procedures to ensure that accurate information is reported to NSLDS in a timely manner in accordance with the regulations cited above. MHCC must submit a copy of these revised policies and procedures with its response to the PRR.

Finding #6. Inadequate Notice of Disbursement and Right to Cancellation Options

Noncompliance: Before disbursing any Title IV funds, an institution must notify a student of the amount of funds that the student can expect to receive under each Title IV, HEA program and how and when those funds will be disbursed. If those funds include Direct Loan funds, the notice must indicate which funds are from Direct Subsidized Loans, which are from Direct Unsubsidized Loans, and which are from Direct PLUS Loans. 34 C.F.R. § 668.165(a)(1).

An institution must also inform a student or parent of his or her right to cancel all or a portion of a loan disbursement. The institution must return the loan proceeds, cancel the loan, or do both, provided that the institution receives a loan cancellation request —

- By the later of the first day of a payment period or 14 days after the date it notifies the student or parent of his or her right to cancel all or a portion of a loan, if the institution obtains affirmative confirmation from the student under 34 C.F.R. § 668.165(a)(6)(i); or
- Within 30 days of the date the institution notifies the student or parent of his or her right to cancel all or a portion of a loan, if the institution does not obtain affirmative confirmation from the student under paragraph (a)(6)(i) of 34 C.F.R. § 668.165. See 34 C.F.R. § 668.165(a)(4).

MHCC informed reviewers that it has not been sending right to cancel notices to students who receive loan disbursements.

Required Action: MHCC must submit a copy of the notice of cancellation form it will send to students and parent borrowers for each disbursement and its procedures regarding the distribution of this notification in its response to the PRR.

Finding #7. Inadequate Exit Loan Counseling

Noncompliance: A school must ensure that exit counseling is conducted with each Direct Subsidized Loan, Direct Unsubsidized Loan, or PLUS Graduate Loan borrower shortly before the student borrower ceases at least half-time study at the school. In addition, if the student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, the school must provide exit counseling within 30 days after the school learns that the student borrower has withdrawn. *See* 34 C.F.R. § 685.304(b).

MHCC did not adequately perform Exit Loan Counseling for the following student:

Student # 28: This student loan borrower withdrew from MHCC on 3/23/19. However, MHCC failed to send the student exit counseling information until it was brought to their attention by reviewers while on-site. During the review, MHCC gave reviewers documentation that it has now sent the exit counseling information to the student. Therefore, no further action is required for this student.

Required Action: MHCC must review and revise, as necessary, its exit counseling policies and procedures to ensure that it identifies and sends exit counseling information to all students who graduate, withdraw, or fall below half-time enrollment status within the 30-day regulatory guideline. MHCC must submit a copy of the revised procedures in its response to the PRR or a description of any actions taken.

Finding #8. Inadequate Consumer Information

Noncompliance: In accordance with the HEA, institutions must publish and make readily available certain consumer information to current students, prospective students, current employees, prospective employees, and other parties, as applicable. These disclosures broadly include information about the availability of institutional and financial aid information, student financial assistance information, general institutional information, health and safety information, student outcomes information, and intercollegiate athletics program information. *See* Title I and Part F of Title IV of the HEA; 34 C.F.R. Part 668, Subpart D.

The information required to be disseminated includes, but is not limited to, the following:

- Student body diversity information, including the percentage of enrolled, full-time students in the following categories: male, female, self-identified members of a major racial or ethnic group, and Pell Grant recipients. § 485(a)(1)(Q) of the HEA.
- Completion, graduation, and, if applicable, transfer-out rates of first-time, full-time undergraduate students. The rates must be disaggregated by:
 - Gender;
 - Major racial and ethnic sub-group;
 - Recipients of a Pell Grant;
 - Recipients of a Direct Subsidized Loan who did not receive a Pell Grant; and

- Students who did not receive either a Pell Grant or a Direct Subsidized Loan. §§ 485(a)(1)(L), 485(a)(3), and 485(a)(7) of the HEA and 34 C.F.R. §§ 668.41 and 668.45.
- At institutions with intercollegiate athletic programs, a report on the athletic program participation rates and financial support data, i.e., the Equity in Athletics Report. This report must be made available to enrolled students, prospective students, and the public no later than October 15th of each year. The institution must make the report easily accessible to students, prospective students, and the public and must provide the report promptly to anyone who requests it. Annually, the institution must provide a notice to all enrolled and prospective students of their right to request this report. If the institution chooses to make the report available by posting the disclosure on an Internet website or an Intranet website, it must provide in the notice the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report on request. See 34 C.F.R. §§ 668.41(g); 668.47(c).
- The school's policies and sanctions related to copyright infringement, including—
 - A statement that explicitly informs students that unauthorized distribution of copyrighted material may subject the students to civil and criminal liabilities;
 - A summary of the penalties for violation of federal copyright laws; and
 - A description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system. 34 C.F.R. § 668.43(a)(10).
- A summary of the requirements for the Return of Title IV grant or loan assistance. 34 C.F.R. §§ 668.43(a)(4) and 668.22.

In addition, an institution offering private loans must comply with several consumer information requirements. The institution must:

- Provide a prospective borrower with information required by 15 U.S.C. § 1638(e)(1)¹.
- Inform a prospective borrower that he or she may qualify for loans or other financial assistance under the Title IV, HEA programs, and that the terms and conditions of a Title IV, HEA program loan may be more favorable than the provisions of private education loans.
- Provide the self-certification form for private education loans developed by the Secretary and the information necessary to complete the form (34 C.F.R. § 601.11).

¹ 12 C.F.R. § 226.47(a) in the Federal Reserve System regulations

- For any year in which it has a preferred lender arrangement, compile, maintain, and make available a list of the specific lenders for private education loans that the school recommends, promotes, or endorses in accordance with that preferred lender arrangement. The school's preferred lender list must fully disclose:
 - Why the school participates in a preferred lender arrangement with each lender on the preferred lender list, including why the terms, conditions, and provisions of each type of loan are beneficial to the school's students or their families;
 - That students attending the school or their families do not have to borrow from a lender on the preferred lender list; and
 - The method and criteria used by the school to select the lenders.

For each type of private education loan offered under a preferred lender arrangement, a school must disclose Truth in Lending information. 15 U.S.C. § 1638(e)(11).

An institution that participates in a preferred lender arrangement must also comply with code of conduct requirements, including publishing prominently on the institution's website a code of conduct that prohibits the following:

- Revenue sharing arrangements;
- Receipts of gifts by school officials from a lender, guarantor, or loan servicer;
- Consulting or contracting arrangements;
- Directing borrowers to particular lenders or delaying loan certifications;
- Offers of funds for private loans;
- Staffing assistance; and
- Advisory board compensation. 34 C.F.R. § 601.21.

See 34 C.F.R. §§ 601.2, 601.10, 601.11(d), and 668.14(b)(28) – (29).

The reviewers requested that MHCC provide its consumer information prior to and during the onsite program review. The following required consumer information was either not provided, was incorrect, or was inadequate, as detailed below:

- MHCC did not provide a breakdown of the percentage of full-time, enrolled students who are male, are female, and are self-identified members of a major racial or ethnic group and are Pell Grant recipients.
- MHCC did not provide completion, graduation and transfer-out rates disaggregated by recipients of Pell Grant, recipients of Direct Subsidized Loan who did not receive a Pell Grant, and recipients of neither a Pell Grant nor a Direct Subsidized Loan.
- MHCC's Equity in Athletics Report is not provided to current students, prospective students, and the public in an easily accessible manner. MHCC provided a link that leads to the Department's website where schools must report this information and only portions of the information is embedded within its website. MHCC did not publish the entire report itself on its website and did not notify current or prospective students when the report is available, thus making it less accessible to intended recipients.

- MHCC did not provide information related to the school's policies and sanctions for copyright infringement in either its school catalog, or on its website.
- MHCC did not provide a summary of the requirements for the Return of Title IV grant or loan assistance.
- MHCC listed Wells Fargo and Sallie Mae as alternative loan options on its website. Thus, MHCC is required to comply with the preferred lender disclosures cited above. However, MHCC did not provide any of the required disclosures.

Required Action: To resolve this finding, MHCC must:

1. Provide evidence that all the required consumer information has been updated and distributed to current and prospective students, as applicable, with its response to the PRR. In its response, MHCC must address each item outlined above, and explain how the school has resolved it.
2. Provide documentation that it has made its complete Equity in Athletics Report more easily accessible on its website and that the intended recipients are notified of the availability of the report.
3. Correct and update all policies and procedures that were addressed in separate findings to ensure the accuracy and consistency between the updated policies and procedures provided in response to the PRR and the published consumer information.
4. Revise its consumer information-related policies and procedures and provide them with its response to the PRR. These policies and procedures must address the information that will be disclosed, how the information will be gathered, and how the institution will ensure that the information remains current.

The Department provides several resources to assist institutions in meeting the consumer information requirements, including Volume 2, Chapter 6 of the Federal Student Aid Handbook, FSA Assessments (Consumer Information), and the Consumer Information Disclosures at a Glance Guide. These materials are available on the Information for Financial Aid Professionals website at www.ifap.ed.gov. MHCC officials are encouraged to review these resources as it prepares its response to the PRR.

Finding #9. Failure to Conduct a Biennial Review/Prepare a Biennial Review Report

Noncompliance: Each Institution of Higher Education (IHE) must conduct a biennial review in order to measure the effectiveness of its Drug and Alcohol Prevention Program, (DAAPP) and implement changes to the program, if needed, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

The Department announced the program review to the institution on July 2, 2019. In the announcement letter, the Department requested a copy of the MHCC's biennial review. The

Department received all the requesting documents, except for the last two biennial reviews. On July 23, 2019, the Assistant Manager of Financial Aid, sent an email, indicating that the institution does not currently have a biennial review process and committee in place, but MHCC is currently in the process of implementing a biennial review.

Failure to comply with the DFSCA's DAAPP requirements deprives students, faculty and staff of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action: MHCC is required to take all necessary corrective actions to resolve this violation. To address the specific deficiencies identified in this finding, MHCC must:

- Conduct a biennial review to measure the effectiveness of its DAAPP. MHCC must describe the research methods and data analysis tools used to determine program effectiveness and identify liable officials and offices responsible for assessing data collected for evaluation. Moreover, the biennial review report must be approved by MHCC's President.
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented.
- Submit a statement certifying the institution understands its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

A copy of its new biennial review policies and procedures must be submitted with MHCC's response to this Program Review Report.

Based on an evaluation of all available information including MHCC's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

D. Recommendation

The following is a recommendation based upon observations made by the review team during the program review. MHCC is not required to provide a response to, nor is MHCC required to act upon the recommendation. However, the review team believes that adopting this recommendation will assist the institution in its administration of Title IV, HEA program funds.

Overaward Monitoring Procedure

All student financial assistance that a student may receive, whether from federal assistance, state assistance, scholarships, or other sources, may not exceed the Title IV, HEA program cost of attendance (COA). § 485 of the HEA. In addition, the 2018-19 Federal Student Aid Handbook, Vol 3, Chapter 7, p. 158, provides the following guidance:

If, at any time during the award period, the student receives additional Estimated Financial Assistance that was not considered in calculating the student's eligibility for Campus-Based aid, and if the estimated financial assistance combined with the expected financial aid will exceed the student's need, the amount in excess of the student's need is considered an overaward.

The treatment of overawards in the Direct/Direct PLUS programs depends on whether the loans have been fully disbursed—if you discover that there's going to be an overaward before Direct/Direct PLUS funds are disbursed, you must eliminate the overaward through the packaging process by canceling the loan or by making a downward adjustment to a Direct Loan, or by reducing/canceling aid over which you have direct institutional control. If the overaward situation occurs after Direct Loan funds have been disbursed to the borrower, there is no Direct Loan overaward that needs to be addressed; however, you might need to adjust the student's aid package to prevent an overaward of Campus-Based funds. See Volume 5 of the FSA Handbook for a full discussion of overawards for all programs.

MHCC did not have a consistent process in place to monitor overawards on a regular basis for all Title IV recipients. When manually awarding students, financial aid staff attempted to ensure students were not overawarded. However, there was no consistent process in place to review all awards or to ensure that additional resources that Title IV recipients may subsequently receive did not cause an overaward.

There was no automated mechanism in place to identify overawards. Since checking for overawards manually for all financial aid recipients was very burdensome, the Financial Aid Director implemented a manual process wherein he randomly selected a sample of student awards on a weekly basis to check for overawards. The Financial Aid Director stated in interviews with reviewers that this process was very time consuming and acknowledged that it was not ideal as it did constitute a review of all awards. The Financial Aid Director explained that he wanted to implement a routine, automated reporting process that can identify overawards by reviewing all financial aid awards. This would improve the overaward monitoring accuracy, as well as be a less burdensome process.

Though no overawards were identified in the student sample, it is important that institutions have in place a consistent method of reviewing all financial aid awards to ensure overawards are monitored and addressed adequately. The Department recommends that MHCC implement an automated process to be run routinely in order to monitor all Title IV recipients for overawards to ensure compliance with federal regulations.

E. Appendix

Appendix A (Program Review Student Sample) contains personally identifiable information. The Department will e-mail Appendix A to MHCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit and will send the password needed to open the encrypted WinZip file in a separate e-mail.

Mount Hood Community College

OPE ID: 00320400

PRCN: 201941030064

APPENDIX C

December 6, 2019 Response to the Program Review Report