

PROPOSED REGULATIONS ADDRESSING TRANSFER OF CREDIT

Transfer-of-credit provisions are included in two sections of the Higher Education Act: disclosures to students & prospective students and accreditation. Transfer of credit was not discussed in proposed regulations dealing with student disclosures (although a discussion of the issue was included in the final general and non-loan programmatic regulations. See "Final Regulations.") The issue was discussed in the proposed regulations dealing with accreditation.

Accreditation

Proposed Regulations: Department of Education –
Federal Register/ Vol. 74, No. 150/ Thursday, August 6, 2009
[pp. 39498-39533]

Excerpts relating to transfer of credit --

Summary of Proposed Changes [p. 39499]

This NPRM reflects the Department's proposals to revise current regulations and adopt new regulations governing the recognition of accrediting agencies as a result of the following changes made to the HEA by the HERA and the HEOA:

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- The addition of a requirement that accrediting agencies confirm that institutions have transfer of credit policies. (See section 496(c)(9) of the HEA).

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Preamble [p. 39513]

Transfer of Credit (Sec. 602.24)

Statute: As amended by the HEOA, section 496(c)(9) of the HEA specifies, among other requirements, that to be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution seeking to participate in title IV, HEA programs, an accrediting agency must confirm, as part of the agency's review for initial or renewal of accreditation, that an institution has transfer of credit policies that are publicly disclosed and that include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.

Section 485(h) of the HEA contains a new HEOA requirement that institutions publicly disclose their transfer of credit policies in a readable and comprehensible manner. This section also specifies that neither the Secretary nor the NACIQI is

authorized to require particular policies, procedures, or practices by institutions with respect to transfer of credit.

Current Regulations: There are no current regulations addressing transfer of credit.

Proposed Regulations: **Proposed Sec. 602.24(e)** would incorporate the provisions of the HEA regarding the new requirement in the HEOA that accrediting agencies confirm that institutions have transfer of credit policies that are publicly disclosed and include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education. The proposed regulations include a cross-reference to the paragraph in 34 CFR 668.43 that the Department plans to include in a final rule to reflect the HEOA's new institutional disclosure requirement regarding transfer of credit policies. In the final regulations governing accrediting agencies, the complete cross-reference will be inserted in Sec. 602.24.

Reasons: The new paragraph would implement the new statutory provisions contained in the HEOA. Some of the non-Federal negotiators expressed concern about a perceived lack of clarity regarding availability of information and were interested in having a definition of "publicly disclosed" to make it clear that the information must be readily available to students and their advisors. To address this concern, the proposed regulations provide a reference to the new institutional disclosure requirement that will require institutions to disclose the information specified regarding transfer of credit in a readable and comprehensible manner.

Some non-Federal negotiators wanted to add language requiring that the criteria established by the institution regarding the transfer of credit earned at another institution of higher education be fair. These negotiators stated that the issue of transfer of credit is a serious one and that full disclosure of this kind of information is needed so students can assess the fairness of an institution's policies and can decide whether to apply to the institution. Other non-Federal negotiators said there was a problem with expanding the statutory language, noting the Rule of Construction in section 485 of the HEA that constrains the Secretary from elaborating on the requirement. In addition, the regulations governing accrediting agencies require only that the agencies confirm that institutions being reviewed publicly disclose their transfer of credit policies. The more specific requirements on transfer of credit in section 485 of the HEA govern institutions, not accrediting agencies. The proposed regulations reflect the statutory language, but include a cross-reference to the institutional transfer of credit provisions to address some of the non-Federal negotiators' concerns.

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Proposed Regulation dealing with transfer of credit [p. 39527]

Sec. 602.24 Additional procedures certain institutional accreditors must have.

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(e) Transfer of credit policies. The accrediting agency must confirm, as part of its review for initial accreditation or preaccreditation, or renewal of accreditation, that the institution has transfer of credit policies that--

- (1) Are publicly disclosed in accordance with Sec. 668.43(x); and
- (2) Include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.