

SETTLEMENT AGREEMENT

This Agreement is made by and between Eastern Michigan University (EMU) (OPE ID 00225900), located in Ypsilanti, Michigan and the United States Department of Education (Department), Federal Student Aid (FSA) acting through its Director, Administrative Actions and Appeals Division. The Agreement is effective the latest date opposite the signature below.

A. On December 14, 2007, the Department issued a notice of its intent to fine EMU \$357,500 (hereafter "the proposed fine action") based on the Department's findings that EMU had failed to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) included in §485(f) of the Higher Education Act of 1965, as amended, (HEA), 20 U.S.C. §1085(f), and the Department's implementing regulations. The violations were discovered during a program review conducted at EMU by the Department on April 3-5, 2007. On November 14, 2007, the Department issued a Final Program Review Determination (FPRD) letter describing the findings of the program review. Under the Clery Act, institutions of higher education are required to report accurate and complete campus crime statistics to the Department and to the institution's students and their parents. The Clery Act also requires institutions to establish and maintain certain procedures and records relating to campus security.

B. On December 21, 2007, EMU filed a timely appeal of the proposed fine action pursuant to 34 C.F.R. §668.91.

C. EMU and the Department now desire to resolve the proposed fine action and terminate the current administrative proceeding.

In consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

1. EMU agrees to pay the Department a fine in the amount of \$350,000 in resolution of the proposed fine action initiated on December 14, 2007. The fine shall be paid in three installments. An initial payment of \$100,000 shall be sent by EMU to the Department with the signed Settlement Agreement. A second payment of \$125,000 shall be paid to the Department on or before November 1, 2008 and the final payment of \$125,000 shall be paid to the Department on or before November 1, 2009. After EMU's initial payment, interest will be assessed on the outstanding amount due at an annual rate of 5%.

2. EMU will make each payment by check made payable to the U.S. Department of Education and include the billing number #AAA200803014 on the face of the check. EMU must send each payment to the Department by the deadlines reflected in paragraph 1 to:

Mary E. Gust, Director
Administrative Actions and Appeals Division
U. S. Department of Education
Federal Student Aid
830 First Street, N.E., Room 84F2
Washington, DC 20002

3. If EMU does not make the payments required by this Settlement Agreement, the Department may, in its sole discretion, take any action authorized by law to collect the debt or may initiate an action to limit, suspend or terminate EMU's participation in the Federal student financial aid programs authorized by Title IV of the HEA in accordance with 34 C.F.R. Part 668, Subpart G.

4. EMU admits to the violations of the Clery Act that are described in the FPRD. EMU certifies that it will continue to take whatever steps are necessary to ensure continual compliance with the provisions of the Clery Act.

5. The Department, as stated in the FPRD, acknowledges that, based on its review of EMU's response to the finding that EMU lacked adequate policy statements and its review of EMU's revised "Safety Awareness Handbook" (Annual Security Report) for 2003, 2004 and 2005, that it appears that EMU has taken appropriate steps to address the findings in the FPRD relating to the policy statements required by the Clery Act and made the needed corrections identified during the program review.

6. The Department, as stated in its FPRD, acknowledges that, based on its review of EMU's response to the finding that EMU lacked a timely warning policy, that it appears that EMU now has procedures in place and a published policy that should substantially improve EMU's ability to make timely warning determinations and issue campus-wide advisories, as needed. EMU must fully implement these new procedures and policies to fulfill the requirements of the Clery Act.

7. The Department, as stated in its FPRD, acknowledges that, based on its review of EMU's response to the finding that EMU's administrative capability to comply with the Clery Act and the Department's regulations is impaired, that EMU has taken significant corrective action, and has made strides in curing the deficiencies that led to this finding.

8. This Agreement constitutes a settlement and full accord and satisfaction of the proposed fine action issued on December 14, 2007. This Agreement fully and finally

resolves any and all possible administrative claims, obligations and/or fines for Clery Act violations by EMU specifically described in the Department's FPRD.

9. This Agreement does not waive, compromise, restrict, or settle:

a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.

b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States.

The Department is not aware of any such actions pending against EMU based on the Clery Act issues addressed in this Settlement Agreement.

Each of the parties warrants that its undersigned representative is fully authorized to sign this Agreement on its behalf.



Donald M. Loppnow, Ph.D

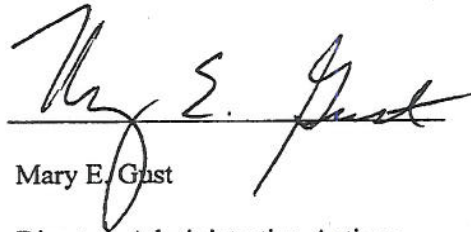
Provost and Executive Vice President

Eastern Michigan University

Ypsilanti, Michigan

6-4-08

Date



Mary E. Gnst

Director, Administrative Actions

and Appeals Division

Federal Student Aid

U. S. Department of Education

6/5/08

Date