



May 5, 2014

Mr. Jon Oliveros
President
Ambria College of Nursing
5210 Trillium Boulevard
Hoffman Estates, IL 60192-3712

Certified Mail Return Receipt Requested
7012 1640 0000 0215 7644

RE: **Final Program Review Determination**
OPE ID: 04124700
PRCN: 2011-1-05-27386

Dear Mr. Oliveros:

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Division issued a program review report (PRR) on May 4, 2012 covering Ambria College of Nursing's (Ambria's) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2009-2010 and 2010-2011 award years. Ambria's final response was received on July 24, 2012. A copy of the program review report (and related attachments) and Ambria's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Ambria 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 can 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 program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) notify Ambria of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal, **if the action is appealable.**

Federal Student Aid

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Chicago/Denver School Participation Division

500 West Madison Street, Room 1576, Chicago, IL 60661

This FPRD contains one or more findings regarding Ambria's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41 and 668.46. Since a Clery Act finding does not result in a financial liability, **such a finding may not be appealed.**

The total liabilities due from the institution from this program review are **\$32,875.00.**¹

This FPRD contains detailed information about the liability determination for all findings.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the May 4, 2012 program review report. If Ambria wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date Ambria receives this FPRD. An original and four copies of the information Ambria submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

Ambria's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

¹ This amount does not contain any fines resulting from Clery findings and are therefore, appealable.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to Ambria's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: 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 Clare Barger at 312-730-1595. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Douglas A. Parrott
Division Director

Enclosures:

Program Review Report (and appendices)
Final Program Review Determination Report (and appendices)

cc: Ms. Flor Frondoso, Financial Aid Director
Accrediting Council for Independent Colleges and Schools
IL Board of Higher Education
IL Illinois Department of Financial & Professional Regulations

Prepared for

Ambria College of Nursing

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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OPE ID 04124700

PRCN 2011-1-05-27386

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division – Chicago/Denver

Final Program Review Determination

May 5, 2014

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A. Institutional Information

Ambria School of Nursing
5210 Trillium Blvd.
Hoffman Estates, Illinois 60192-3603

Type: Proprietary

Highest Level of Offering: AAS

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment (9/30/2010): 326

% of Students Receiving Title IV, HEA funds: 58%

Title IV, HEA Program Participation (PC Net):

| | <u>2009-2010</u> | <u>2010-2011</u> | <u>2011-2012</u> |
|-----------------------------|------------------|------------------|------------------|
| Federal Pell Grant | \$ 309,296 | \$ 607,741 | \$ 402,855 |
| Federal Direct Loan Program | \$1,199,758 | \$1,832,230 | \$1,443,210 |

Default Rate FFEL/DL: 2009: 0%
2010: 0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Ambria School of Nursing (Ambria)¹ from December 6 to December 10, 2010. The review was conducted by Clare Barger and Mike Powers.

The focus of the review was to determine Ambria's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of Ambria's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 31 files was identified for review from the 2009-2010 and 2010-2011.² The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. A program review report was issued on May 4, 2012.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings 4 - 10 and 13

Ambria has taken the corrective actions necessary to resolve findings 4 - 10 and 13 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by Ambria are discussed below.

¹ The name of the institution at the time of the on-site program review was Americare Institute.

² Year-to-date at the time of the review.

Resolved Finding with Comments

The following program review findings has/have been resolved by the institution, and may be considered closed. This finding is included solely for the purpose of discussing resolution of the finding.

Finding 12: Crime Awareness Requirements Not Met

***Citation:** A participating institution must establish a campus security policy in accordance with Section 485(f) of the Higher Education Act of 1965, as amended. 34 C.F.R. § 668.14(c)(2)(i). All participating institutions are required to provide annual campus security information directly to all current students and employees. 34 C.F.R. § 668.41(e). This information may be provided through publications and mailings, including direct mailing to each individual through the U.S. Postal Service, campus mail or electronic mail. If an institution chooses to fulfill this requirement by posting the crime report on an internet or intranet web site, an individual notice must be distributed to each student and current employee that includes:*

- *a statement of the report's availability,*
- *a list and brief description of the information contained in the report,*
- *the exact electronic address at which the report is posted, and*
- *a statement saying the school will provide a paper copy on request.*

The information is to be made reasonably available to prospective students. Upon request, a school must provide its annual campus security report to a prospective student or employee. Institutions must provide them with notice of the report's availability, and this notice must include a brief description of the report.

Pursuant to 34 C.F.R. § 668.46(b) the campus security report must contain information regarding campus security policies and campus crime statistics as follows:

(1) The crime statistics.

(2) A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include the institution's policies concerning its response to these reports, including—

(i) Policies for making timely warning reports to members of the campus community regarding the occurrence of crimes described in paragraph (c)(1) of this section;

(ii) Policies for preparing the annual disclosure of crime statistics; and

(iii) A list of the titles of each person or organization to whom students and employees should report the criminal offenses described in paragraph (c)(1) of this section for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures.

(3) A statement of current policies concerning security of and access to campus facilities, including campus residences, and security considerations used in the maintenance of campus facilities.

(4) A statement of current policies concerning campus law enforcement that—

(i) Addresses the enforcement authority of security personnel, including their relationship with State and local police agencies and whether those security personnel have the authority to arrest individuals;

(ii) Encourages accurate and prompt reporting of all crimes to the campus police and the appropriate police agencies; and

(iii) Describes procedures, if any, which encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.

(5) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

(6) A description of programs designed to inform students and employees about the prevention of crimes.

(7) A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.

(8) A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws.

(9) A statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws.

(10) A description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. For the purpose of meeting this requirement, an institution may cross-reference the materials the institution uses to comply with section 120(a) through (d) of the HEA.

(11) A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs. The statement must include—

(i) A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and nonforcible sex offenses;

(ii) Procedures students should follow if a sex offense occurs, including procedures concerning who should be contacted, the importance of preserving evidence for the proof of a criminal offense, and to whom the alleged offense should be reported;

(iii) Information on a student's option to notify appropriate law enforcement authorities, including on-campus and local police, and a statement that institutional personnel will assist the student in notifying these authorities, if the student requests the assistance of these personnel;

(iv) Notification to students of existing on- and off-campus counseling, mental health, or other student services for victims of sex offenses;

(v) Notification to students that the institution will change a victim's academic and living situations after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available;

(vi) Procedures for campus disciplinary action in cases of an alleged sex offense, including a clear statement that—

(A) The accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding; and

(B) Both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense. Compliance with this paragraph does not constitute a violation of the Family Educational Rights and Privacy Act (20 U.S.C. 1232g). For the purpose of this paragraph, the outcome of a disciplinary proceeding means only the institution's final determination with respect to the alleged sex offense and any sanction that is imposed against the accused; and

(vii) Sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or nonforcible sex offenses.

(12) Beginning with the annual security report distributed by October 1, 2003, a statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

Noncompliance: *Americare's report does not include a statement, under (2)(iii)³, disclosing whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.*

Under (4)(i), Americare's campus law enforcement policies do not address whether security personnel have the authority to arrest individuals.

Under (5), Americare's report does not contain a description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

Under (10), Americare's report does not contain a description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA

Under (11)(i)-(vii), Americare's report does not contain a statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs.

Required Action: *Americare must immediately develop comprehensive policies and procedures required to bring the institution into compliance with federal regulations for campus crime reporting. In response to this report, Americare must submit a copy of the revised campus crime report.*

Ambria's Response: *In its response, Ambria concurred with the finding and conceded that the 2010 Annual Security Report (ASR) did not contain all of the required elements. Ambria officials also asserted that the missing content was added to the 2012 ASR. Finally, Ambria stated that new policies and procedures were developed and implemented to ensure that the College complies with all Clery Act requirements going*

³ All references of noncompliance will be listed by the regulation citation of 34 C.F.R. § 668.46(b).

forward. A copy of the revised ASR and the new policies were submitted to the review team as part of the response to the program review report.

Final Determination: This finding cited Ambria for its failure to publish a complete 2010 ASR. Specifically, the College's 2012 ASR did not include a statement, disclosing whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics; a statement on whether security personnel have the authority to arrest individuals; a description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others; a statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs; and a description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. Ambria's failure to describe drug and alcohol abuse education programs also indicates that the institution did not comply with the requirements of the Drug-Free Schools and Communities Act (*DFSCA*). As noted above, Ambria concurred with the finding in its response and asserted that adequate corrective action was taken.

The narrative response and supporting documents submitted by Ambria were carefully reviewed and the Department determined that the materials met minimum requirements. Based on that determination, the Department accepts Ambria's response and considers this finding to be closed for purposes of the program review report. Although the finding is now closed, Ambria must submit the following documents so that the Department can confirm that the College's remedial action plan was effective. Therefore, Ambria must submit: 1) a copy of the 2013 ASR it provided to students and employees with proof of compliance with the active distribution and notification requirements; 2) a copy of the DAAPP disclosure with proof of compliance with the active distribution requirement in 2013; and 3) a copy of the College's two most-recent DAAPP biennial review reports. These materials must be submitted to the Department's Clery Act Compliance Division (CACD) at: clery@ed.gov within 10 days of Ambria's receipt of this FPRD. The College's submission must reference its PRCN in the subject line of its e-mail message. If any of the requested records do not exist or are otherwise unavailable, the College must clearly state that fact in its submission to the CACD. Because these documents are being requested to confirm compliance for past periods, Ambria is specifically advised that no new materials are to be created at this time in an attempt to demonstrate compliance during past periods. Failure to respond to this request for production will result in a referral for the imposition of adverse administrative actions in addition to any such referral that may be made to address the violations identified in the finding.

Notwithstanding management's efforts to address the incidents of noncompliance, Ambria is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a

violation of this type once it occurs. The requirement to develop meaningful campus safety policies, procedures, and programs and to disclose them in the ASR is fundamental to the goals of the *Clery Act*. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers individuals to play a more active role in their own safety and security. Ambria was required to initiate remedial measures and as a result of its efforts, has begun to address the conditions that led to these violations. Ambria has stated that it has brought its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement. Nevertheless, Ambria is advised that such actions 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 actions as a result.

Because of the serious consequences of such violations, The Department strongly recommends that Ambria officials re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other *Clery Act* training resources. The College can access these materials at: www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finally, Ambria officials are advised to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the *DFSCA*. Therefore, it is essential that the College makes sure that it has developed and implemented a comprehensive DAAPP and that it conducts substantive biennial reviews and completes its biennial review reports on the proper schedule. For assistance or more information on the *Clery Act* and/or the *DFSCA*, please contact a member of the program review team or another member of the Chicago/Denver School Participation Division.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of Ambria's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on May 4, 2012 is attached as Appendix C.⁴

⁴ May 4, 2012 is used as the date in the liability determinations where Ambria had not made the return of the Title IV funds on the students' behalf.

Finding 1: Return to Title IV (R2T4) Calculation Errors

Citation: *The Federal Student Aid Handbook (Handbook), 2009-2010, Volume 5, page 5-24, indicates how to complete the mathematical calculation for an R2T4 calculation for students that withdrew during a payment period. The Handbook instructs an institution to:*

Enter dollars and cents using standard rounding rules to round to the nearest penny. Final repayment amounts that the school and student are each responsible for returning may be rounded to the nearest dollar. Percentages are calculated to four decimal places, and rounded to three decimal places. The third decimal place is rounded up if the fourth decimal place is 5 or above. For example, .4486 would be rounded to .449, or 44.9%.

See 2009-2010, Volume 5, page 5-24.

The percentage of Title IV grant or loan assistance that has been earned by the student is calculated by:

- *Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described below; and*
- *Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed and **that could have been disbursed**,⁵ to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date.*

The percentage of Title IV grant or loan assistance that has been earned by the student is:

- *Equal to the percentage of the payment period or period of enrollment that the student completed as of the student's withdrawal date, if this date occurs on or before:*
 1. *Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or*
 2. *Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program that is measured in clock hours;*
or
- *100 percent, if the student's withdrawal date occurs after:*

⁵ A student's aid is counted as aid disbursed in the calculation if it is disbursed as of the date of the institution's determination that the student withdrew. See 2009-2010 and 2010-2011 FSA Handbooks, Volume 2, Chapter 5.

1. Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or
2. Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours.

34 C.F.R § 668.22(e).

Noncompliance: The Department reviewed several files of withdrawn students and all of the R2T4 calculations in the files were incorrect due to mathematical and rounding errors. The particular files reviewed were for students' #4⁶, 9, 16⁷, 34 and 40.

In addition, for all the withdrawn student files reviewed, the reviewers were unable to correctly ascertain the **exact** number of hours the student **was scheduled to complete** in Step 2 of the R2T4 calculation form. There was a lack of information provided in the student files to make that determination.

For student #40, in addition to the errors noted above, Americare included the student's Pell fund disbursement in the "Amount Disbursed" column in Step 1 of the R2T4 calculation form. The date of determination (DOD) was October 1, 2010, but the Pell funds were not disbursed until October 12, 2010. Because the Pell funds were disbursed "after" the DOD, the Pell funds must be included in the "Amount that Could Have Been Disbursed" in Step 1 of the R2T4 calculation form.

Required Action: Except for the additional error for student #40, the errors for this finding were systemic and as a result, Americare is required to complete a full file review of all students who withdrew during the 2009-2010 and 2010-2011 (through December 6, 2010) award years to determine the correct amount of Title IV funds that should have been returned to the Department.

For each student that withdrew during the aforementioned award years, Americare must provide the following information (each in their own dedicated column) electronically in an Excel spreadsheet:

1. Student name
2. Student SSN
3. The start date of their program
4. The withdrawal date/last date of attendance
5. The date of determination of withdrawal

⁶ This student's R2T4 calculation incorrectly included an ineligible disbursement. Upon recalculation Americare must exclude the ineligible disbursement funds from the calculation. Ineligible disbursement issues are addressed in Finding #2 – Improper Disbursement of Direct Loans Prior to Midpoint.

⁷ This student's R2T4 calculation incorrectly included an ineligible disbursement. Upon recalculation Americare must exclude the ineligible disbursement funds from the calculation. Ineligible disbursement issues are addressed in Finding #2 – Improper Disbursement of Direct Loans Prior to Midpoint.

6. *The exact number of hours student was scheduled to complete*
7. *The amount of Title IV funds already returned to the Department by Title IV program and date (e.g. Pell - \$400.- 10/1/10)*
8. *The amount of Title IV funds due to the Department by Title IV program*

*Each award year must have a dedicated Excel spreadsheet and list all of the information for the student in one row only. In addition to the information required above, for all student files reviewed, Americare must provide to the Department all supporting documentation including but not limited to: Student account ledgers, R2T4 calculation forms, documentation that supports the exact number of hours the student **was scheduled to complete** at the time of withdrawal, attendance forms, withdrawal forms or documents indicating withdrawal date, academic transcripts and proof of any funds previously returned to the Department.*

Americare must establish and implement procedures to ensure that it properly performs all required R2T4 calculations.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination (FPRD) letter.

Ambria's Response: Ambria agreed that its R2T4 processing had systemic errors. They completed a full file review of all students who withdrew during the 2009-2010 and 2010-2011 (through December 6, 2010) award years to determine the correct amount of Title IV funds that should have been returned to the Department.

Final Determination: Each student file (including those cited in the PRR) was reviewed and notes to support the Department's final determination are included on the Excel spreadsheets originally provided by Ambria.⁸ The most common errors included:

- Using the wrong date of determination;⁹
- Using the incorrect number of scheduled hours;
- Using the incorrect withdrawal date;
- Awarding incorrect post withdrawal disbursements;
- Late and unmade returns; and
- R2T4 calculations that were not completed.¹⁰

⁸ Since the information on the Excel spreadsheets contain personally identifiable information (PII), the spreadsheets were password protected and sent separately to Ambria. The Department created an additional column providing each student with an "ED Student ID" number. The letter "A" refers to students from the 2009-2010 R2T4 Excel spreadsheet and the letter "B" refers to students from the 2010-2011 R2T4 spreadsheet.

⁹ Ambria was a clock hour school required to take attendance and a determination of withdrawal must be made within 14 days of the last date of attendance.

¹⁰ See students M-1 and M-3 on the R2T4 spreadsheets, Appendix B.

Any ineligible disbursements identified in the R2T4 calculations were removed from the calculations and treated separately in Finding #2 – Ineligible Disbursements. The liabilities for this finding are as follows:¹¹

Unmade Pell Returns:¹²

| | |
|----------------------|-------------------|
| Pell Owed to ED: | \$3,885.77 |
| Interest Owed to ED: | \$109.18 |
| Total: | \$3,994.95 |

Late Pell Returns:¹³

| | |
|----------------------|---------------|
| Interest Owed to ED: | \$3.43 |
|----------------------|---------------|

Ineligible Pell Disbursements Not Returned:¹⁴

| | |
|----------------------|-----------------|
| Pell Owed to ED: | \$514.47 |
| Interest Owed to ED: | \$8.80 |
| Total: | \$523.27 |

Ineligible Pell Disbursements Late Return:¹⁵

| | |
|----------------------|---------------|
| Interest Owed to ED: | \$2.45 |
|----------------------|---------------|

Unmade Loan Returns:¹⁶

| | |
|--------------------------------|--------------------|
| Subsidized Loans Owed to ED: | \$2,857.40 |
| Unsubsidized Loans Owed to ED: | \$7,300.58 |
| Interest Owed to ED: | \$190.00 |
| Total: | \$10,617.32 |

Late Loan Return:¹⁷

| | |
|----------------------|----------------|
| Interest Owed to ED: | \$62.00 |
|----------------------|----------------|

Ineligible Loan Disbursement Not Returned:¹⁸

| | |
|-----------------------------|-----------------|
| Subsidized Loan Owed to ED: | \$301.43 |
| Interest Owed to ED: | \$6.00 |
| Total: | \$307.43 |

Total Liabilities for Finding:

| | |
|------------------|---------------------------------|
| Pell Owed to ED: | \$4,400.24 (\$4,400.00 Rounded) |
|------------------|---------------------------------|

¹¹ Refer to appendices D through N. "ED" refers to the Department.

¹² See Appendix D.

¹³ See Appendix E.

¹⁴ See Appendix F.

¹⁵ See Appendix G.

¹⁶ See Appendix H.

¹⁷ See Appendix I.

¹⁸ See Appendix J.

| | |
|---------------------------------|-----------------------------------|
| Pell Interest Owed to ED: | \$123.86 (\$124.00 Rounded) |
| Total Loans Owed to ED: | \$10,728.75 (\$10,729.00 Rounded) |
| Total Loan Interest Owed to ED: | \$258.00 (\$258.00 Rounded) |

Total Rounded Liability for Finding: \$15,511.00

Ambria must notify all students and/or borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments.

Finding 2: Improper Disbursement of Direct Loan (DL) Funds

Citation: *The first payment period of an academic year is the period of time in which the student successfully completes half of the number of weeks and clock hours of instructional time in the academic year. 34 C.F.R § 668.4(c)(2)(i)(A). For a loan originated under §685.301(a)(10)(i)(B),¹⁹ a school may not make the second disbursement until the student successfully completes half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period. 34 C.F.R § 685.301(b)(3)(ii)(B).*

Noncompliance: *The second disbursement of direct loan funds, for students' #1, 2, 11, 15, 32, 35 and 36, was made prior to the students completing 13 weeks and 450 clock hours; however, these students subsequently earned the second disbursement upon completion of 13 weeks and 450 clock hours.*

The second disbursement of direct loan funds, for students' #4, 14 and 16, was made prior to the students completing 13 weeks and 450 clock hours. The second disbursement for students' #4 and 16 is deemed ineligible since both students withdrew during the first payment period of the loan certification period. Student #14's second disbursement is deemed ineligible because the student – though still enrolled – has not yet completed 13 weeks and 450 clock hours at the time of the on-site program review.

Required Action: *The three ineligible students were all awarded from the 2009-2010 year and since the errors are greater than 10% of the year, Americare is required to complete a full file review. Americare must identify those students who received the second/subsequent loan disbursement prior to attending the required number of clock hours for loan disbursement eligibility and who did not subsequently gain eligibility for the loan disbursement(s). Americare must provide the following information in an Excel spreadsheet:*

¹⁹ At a school that measures academic progress in clock hours, or measures academic progress in credit hours but does not use a semester, trimester, or quarter system, the lesser of: The length of the student's program at the school; or the academic year as defined by the school.

1. Student name
2. Student SSN
3. Date of second loan disbursement
4. Amount of second loan disbursement
5. List whether loan was subsidized or unsubsidized
6. Amount of return due to lender
7. Date return was due to the lender
8. Date and proof return if a return was made to lender before this file review

In addition to the required above for all student files reviewed, Americare must provide documentation including but not limited to: Student account ledgers and academic transcripts.

Americare must establish and implement procedures to ensure that in the second disbursements of Direct Loan funds in any payment period are not made until the student has met the requirement of completing half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination letter.

Ambria's Response: Ambria agreed that it made improper disbursements of direct loan funds to students who received the second disbursement prior to the successful completion of half of the number of weeks and clock hours of instructional time in the academic year.

Ambria completed a full file review to identify those students who received a second/subsequent disbursement and who did not subsequently gain eligibility.

Final Determination: Each student file was reviewed and notes to support the Department's final determination are included on the Excel spreadsheets originally provided by Ambria.²⁰

The liabilities for this finding are as follows:

Ineligible Loan Disbursements Not Returned:²¹

| | |
|--------------------------------|------------|
| Subsidized Loans Owed to ED: | \$5,426.00 |
| Unsubsidized Loans Owed to ED: | \$4,820.08 |
| Interest Owed to ED: | \$211.00 |

²⁰ Since the information on the Excel spreadsheets contain personally identifiable information (PII), the spreadsheets were password protected and sent separately to Ambria. The Department created an additional column providing each student with an "ED Student ID" number. The letter "C" refers to students from the 2009-2010 Ineligible Disbursement spreadsheet and the letter "D" refers to students from the 2010-2011 Ineligible Disbursement spreadsheet.

²¹ See Appendix K.

| | |
|---|-----------------------------------|
| Total: | \$10,457.08 |
| <u>Ineligible Loan Disbursements Late Return:</u> ²² | |
| Interest Owed to ED: | \$167.00 |
| <u>Total Liability for Finding:</u> | |
| Total Loans Owed to ED: | \$10,246.08 (\$10,246.00 Rounded) |
| Total Loan Interest Owed to ED: | \$378.00 (\$378.00 Rounded) |
| Total Rounded Liability for Finding: | \$10,624.00 |

Ambria must notify all students and/or borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments.

Finding 3: Verification Violations

***Citation:** Pursuant to 34 C.F.R. § 668.56(a), an institution shall require an applicant selected for verification to submit acceptable documentation, noted below, that will verify or update the following information used to determine the applicant's expected family contribution (EFC):*

- *Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.*
- *U.S. income tax paid for the base year if base year data was used in determining eligibility.*
- *For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents.*
- *For an applicant who is an independent student, the number of family members in the household of the applicant.*
- *The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.*
- *Certain untaxed income and benefits for the base year if base year data was used in determining eligibility.*

34 C.F.R. § 668.56(a)(3) – (5).

If an institution has reason to believe that any information on an application used to calculate an EFC is inaccurate, it shall require the applicant to verify the information that it has reason to believe is inaccurate. 34 C.F.R. § 668.54(a)(3). Furthermore, an institution must develop and apply an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with

²² See Appendix L.

respect to a student's application for financial aid under Title IV, HEA programs. 34 C.F.R. § 668.16(f).

Noncompliance: *Student #2 indicated on the Verification Worksheet that she provided more than 50% support for her 37 year old sister. The reviewer found this information questionable and brought it to the attention of staff at Americare while on site. Americare followed up with the student and determined that they simply lived together and the student did not provide more than 50% of her sister's support. The change in information did not cause the student's EFC to increase.*

Student #39 indicated on the Verification Worksheet that she provided more than 50% support for her parents and two brothers. The reviewer found this information questionable because she was unemployed and her father was not. Furthermore, the deposit for the program was paid for by her father. It was clear to the reviewer that the student did not provide more than 50% support for her parents and two brothers. Since the information on the ISIR conflicts with the information in the student's file, verification for this student is considered incomplete for this student.

Required Action: *For student #39, Americare must resolve the verification deficiency and, if required, recalculate the student's eligibility based on verified information. If the student's EFC changes, Americare must provide the new EFC (include all calculation forms) as well as the new Title IV award. If Americare is unable to verify the student's information, the student will be considered ineligible for all Title IV funds received during the award year. Americare must immediately develop and implement written procedures which will ensure that they carefully review all documents provided for verification for discrepancies between the ISIR and the verification documents, and that questionable information exists. The information provided in Section B, Family Information on the Verification Worksheet is quite prone to error because students and parents have a tendency to simply list everyone in the household and fail to read the entire set of instructions which requests that the person completing the form list only those people for whom they will provide more than half of the household member's support for the award year.*

Instructions for the repayment of any identified liability will be provided in the FPRD letter.

Ambria's Response: *Ambria indicated that they resolved the verification discrepancy by obtaining supporting documentation of the parents' unemployment status to validate the student's claim that she provided more than 50% of the support her parents and two brothers. They attached tax form 1099-G for both parents from tax year 2009 as proof of their position.*

Final Determination: *The Department disagrees with Ambria's response. Ambria had student #39 complete a 2011-2012 Verification Worksheet, after the fact for the 2010-2011*

award year. Ambria should have contacted the student – completed and signed on June 9, 2010 – to how the student (who listed herself as unemployed at the time) will be providing more than half of the support for her father (who was listed as employed), mother and two brothers. Ambria should have clarified why the student's father paid nearly \$3000 towards the student's tuition if she claimed to be the one to be providing more than half of the support.

A recalculation by Ambria using all of the original information but changing the number in the household and college to one, revealed that the student would not have been eligible for \$5,550 in Pell funds but still retained eligibility for the subsidized and unsubsidized loans.

For student #39 Ambria must refund the \$5,550.00 in Pell funds and is also liable for \$67.29 (\$67.00 Rounded) in interest to the Department.²³

Finding 11: Undocumented Professional Judgment

***Citation:** Section 479A [20 USC 1087tt] of the Higher Education Act of 1965 states that financial aid administrators have authority, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances. Special circumstances may include changes in a family's income, a family's assets, or a student's status. Special circumstances shall be conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. Adequate documentation for such adjustments shall substantiate such special circumstances of individual students.*

***Noncompliance:** Americare failed to document professional judgment made for student #13. The only documentation in the student's file was the request by the parent for an adjustment to the parent's 2008 income. Americare needed to provide documentation as to reason behind the decision to adjust the parent's income.*

***Requirement:** Americare must review the student file and document the reasons for its decision. If Americare is unable to do so, the student's original EFC must be used to determine the student's Title IV award for the 2009-2010 award year. Americare must immediately establish and implement procedures to ensure that it properly documents all cases of professional judgment.*

Liabilities resulting from the improper disbursement of Title IV funds will be assessed in the FPRD letter.

²³ See Appendix M.

Ambria's Response: Ambria agrees that they failed to document professional judgment for student #13. Ambria recalculated the student's Expected Family Contribution and determined that the student was not eligible for the Pell award of \$1,100.00.

Final Determination: For student #13 Ambria must refund the \$1,100.00 in Pell funds and is also liable for \$22.87 (\$23.00 Rounded) in interest to the Department.²⁴

²⁴ See Appendix N.

D. Summary of Liabilities²⁵

The total amount calculated as liabilities from the findings in the program review determination is as follows.

| Liabilities | Pell (Closed Award Year) | Direct Loans |
|--------------------------|-----------------------------|--------------------|
| Finding #1 | \$4,400.00 | \$10,729.00 |
| Finding #2 | \$0 | \$10,246.00 |
| Finding #3 | \$5,550.00 | \$0 |
| Finding #11 | \$1,100.00 | \$0 |
| Subtotal | \$11,050.00 | \$20,975.00 |
| Interest | | |
| Finding #1 | \$124.00 | \$258.00 |
| Finding #2 | \$0 | \$378.00 |
| Finding #3 | \$67.00 | \$0 |
| Finding #11 | \$23.00 | \$0 |
| Subtotal | \$214.00 | \$636.00 |
| Total Payable To: | \$11,264.00 | \$21,611.00 |
| The Department | | \$32,875.00 |

²⁵ The U.S. Treasury Current Value Funds Rate (CVFR) is used to calculate the cost of funds for ineligible Title IV disbursements. The federal government uses the CVFR to calculate interest on overdue federal government receivables. The CVFR can be found at the U.S. Treasury website at <http://fms.treas.gov/cvfr/index.html>. The CVFR is used as simple interest on the principal amounts only.

E. Payment Instructions

1. Liabilities Owed to the Department

Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000

Ambria owes to the Department **\$32,875.00**. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

Note: Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability.

The following identification data must be provided with the payment:

Amount: \$32,875.00
DUNS: 829604797
TIN: 611488184
Program Review Control Number: 2011-1-05-27386

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. Ambria is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to Ambria's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
 OCFO Financial Management Operations
 Accounts Receivable Group
 550 12th Street, S.W., Room 6114
 Washington, DC 20202-4461

If within 45 days of the date of this letter, Ambria has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due Ambria from the Federal Government. **Ambria may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Ambria must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

2. Direct Loan Liabilities for Closed Award Years (Request Extended Processing)²⁶

Findings: 1 and 2

Appendices: H, J and K

In addition to the repayment listed under "Liabilities Owed to the Department" Ambria must apply the following Direct Loan (DL) liabilities (**principal only**) to Common Origination and Disbursement (COD):

| DL – Closed Award Year | | |
|-------------------------------|--------------------|------------|
| | Amount (Principal) | Award Year |
| Finding #1 | \$1,250.00 | 2010-2011 |
| Finding #2 | \$117.00 | 2010-2011 |

The disbursement record for each student identified in Appendices A and B for the applicable findings must be adjusted in the COD system based on the recalculated amount identified in Appendices H, J and K.

²⁶ Instructions for this type of request are noted below.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Clare Barger within 45 days of the date of this letter.

Request Extended Processing

COD adjustments are necessary for the closed award years listed above. Before any student level adjustments can be processed, Ambria must immediately request extended processing through the COD Website (<http://cod.ed.gov>).

- Click on the Request Post Deadline/Extended Processing link under the School menu.
- On the request screen, the institution should indicate in their explanation that the request is based on a program review, and provide the program review control number.
- The institution will be notified of the status of the request at the time of submission, and will also be notified by email to the FAA and President when extended processing has been authorized. At that time, the school must transmit student/borrower level adjustments to COD for the closed award years.

3. Direct Loan Liabilities for Archived Award Year

Findings: 1 and 2

Appendices: H, J and K

In addition to the repayment listed under "Liabilities Owed to the Department" Ambria must apply the following Direct Loan (DL) liabilities (**principal only**) to Common Origination and Disbursement (COD):

| DL – Archived Award Year | Amount (Principal) | Award Year |
|---------------------------------|---------------------------|-------------------|
| Finding #1 | \$9,489.00 | 2009-2010 |
| Finding #2 | \$10,129.00 | 2009-2010 |

The disbursement record for each student identified in Appendices A and B for the applicable findings must be adjusted in the COD system based on the recalculated amount identified in Appendices H, J and K.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Clare Barger **within 45 days of the date of this letter.**

The Direct Loan records for award years prior to 2010-2011 are archived, please contact the Internal Controls Division's School Reconciliation Team, Lisa Howell at (202) 377-3290 or Constance Daly at (202) 377-3119, or send an email to SchoolReconciliation@ed.gov, for assistance in making the adjustments. When contacting the Internal Controls Division School Reconciliation Team the following information must be provided:

- DL Award ID
- School Name
- Year Requested
- Reason: Program Review
- Program Review Control Number: 2011-1-05-27386

4. Pell Grant Liabilities for Closed Award Years (Request Extended Processing)²⁷

Findings: 1, 3 and 11
 Appendices: D, F, M and N

In addition to the repayment listed under "Liabilities Owed to the Department" Ambria must apply the following Pell Grant liabilities (**principal only**) to COD:

| Pell Grant – Closed Award Years | | |
|--|--------------------|------------|
| | Amount (Principal) | Award Year |
| Finding #1 | \$3,272.00 | 2009-2010 |
| | \$1,128.00 | 2010-2011 |
| Finding #1 Total | \$4,400.00 | |

²⁷ The same instructions apply to DL and Pell.

| | | |
|-------------|------------|-----------|
| | | |
| Finding #3 | \$5,550.00 | 2010-2011 |
| | | |
| Finding #11 | \$1,100.00 | 2009-2010 |

The disbursement record for each student identified in Appendices A and B for the applicable findings must be adjusted in the COD system based on the recalculated amount identified in Appendices D, F, M and N.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Clare Barger **within 45 days of the date of this letter.**

F. Appendices

Appendix A (Student Review Sample) and Appendix B (File Review Excel Spreadsheets) contain personally identifiable information and will be emailed to Ambria as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip files will be sent in a separate email.

Appendices C through N are attached to this report.



START HERE
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FEDERAL STUDENT AID

Prepared for

Americare Institute

OPE ID: 04124700
PRCN: 201110527386

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Team – Chicago/Denver

Program Review Report

April 27, 2012

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A. Institutional Information

Americare Institute²⁸
5210 Trillium Blvd.
Hoffman Estates, Illinois 60192-3603

Type: Proprietary

Highest Level of Offering: Certificate

Accrediting Agency: North Central Association

Student Enrollment as of 9/30/2010: 326

Percentage of Students Receiving Title IV: 58%

Title IV Participation (COD):

| | |
|-----------------------------|------------------|
| | <u>2009-2010</u> |
| Federal Pell Grant | \$ 309,297 |
| Federal Direct Loan Program | \$1,206,426 |

Default Rate DL: N/A – new institution at the time of review

²⁸ Americare Institute currently does business as Ambria College of Nursing. The school also changed their location since the on-site program review.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Americare Institute (Americare) from December 6 through December 10, 2010. The review was conducted by Clare Barger and Michael Powers.

The focus of the review was to determine Americare's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Americare's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 31 files was identified for review from the 2009-2010 and 2010-2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, Higher Education Act (HEA) program funds for each award year. Appendix A lists the names and partial 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 the institution's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Americare 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 Letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by the institution to bring operations of the financial aid programs into compliance with the statutes and regulations.

1. Return to Title IV (R2T4) Calculation Errors

Citation: The Federal Student Aid Handbook (Handbook), 2009-2010, Volume 5, page 5-24, indicates how to complete the mathematical calculation for an R2T4 calculation for students that withdrew during the payment period. The Handbook instructs an institution to:

Enter dollars and cents using standard rounding rules to round to the nearest penny. Final repayment amounts that the school and student are each responsible for returning may be rounded to the nearest dollar. Percentages are calculated to four decimal places, and rounded to three decimal places. The third decimal place is rounded up if the fourth decimal place is 5 or above. For example, .4486 would be rounded to .449, or 44.9%.

See 2009-2010, Volume 5, page 5-24.

The percentage of Title IV grant or loan assistance that has been earned by the student is calculated by:

- Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described below; and
- Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed and **that could have been disbursed**,²⁹ to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date.

The percentage of Title IV grant or loan assistance that has been earned by the student is:

- Equal to the percentage of the payment period or period of enrollment that the student completed as of the student's withdrawal date, if this date occurs on or before:
 3. Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or
 4. Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program that is measured in clock hours; or
- 100 percent, if the student's withdrawal date occurs after:
 3. Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or
 4. Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours.

34 C.F.R. § 668.22(e).

Noncompliance: The Department reviewed several files of withdrawn students and all of the R2T4 calculations in the files were incorrect due to mathematical and rounding errors. The particular files reviewed were for students' #4³⁰, 9, 16³¹, 34 and 40.

In addition, for all the withdrawn student files reviewed, the reviewers were unable to correctly ascertain the **exact** number of hours the student **was scheduled to complete** in Step 2 of the R2T4 calculation form. There was a lack of information provided in the student files to make that determination.

For student #40, in addition to the errors noted above, Americare included the student's Pell fund disbursement in the "Amount Disbursed" column in Step 1 of the R2T4 calculation form. The date of determination (DOD) was October 1, 2010, but the Pell funds were not disbursed until October 12, 2010. Because the Pell funds were disbursed "after" the DOD, the Pell funds must be included in the "Amount that Could Have Been Disbursed" in Step 1 of the R2T4 calculation form.

Required Action: Except for the additional error for student #40, the errors for this finding were systemic and as a result, Americare is required to complete a full file review of all students who

²⁹ A student's aid is counted as aid disbursed in the calculation if it is disbursed as of the date of the institution's determination that the student withdrew. See 2009-2010 and 2010-2011 FSA Handbooks, Volume 2, Chapter 5.

³⁰ This student's R2T4 calculation incorrectly included an ineligible disbursement. Upon recalculation Americare must exclude the ineligible disbursement funds from the calculation. Ineligible disbursement issues are addressed in Finding #2 – Improper Disbursement of Direct Loans Prior to Midpoint.

³¹ This student's R2T4 calculation incorrectly included an ineligible disbursement. Upon recalculation Americare must exclude the ineligible disbursement funds from the calculation. Ineligible disbursement issues are addressed in Finding #2 – Improper Disbursement of Direct Loans Prior to Midpoint.

withdrew during the 2009-2010 and 2010-2011 (through December 6, 2010) award years to determination the correct amount of Title IV funds that should have been returned to the Department.

For each student that withdrew during the aforementioned award years, Americare must provide the following information (each in their own dedicated column) electronically in an Excel spreadsheet:

1. Student name
2. Student SSN
3. The start date of their program
4. The withdrawal date/last date of attendance
5. The date of determination of withdrawal
6. The exact number of hours student was scheduled to complete
7. The amount of Title IV funds already returned to the Department by Title IV program and date (e.g. Pell - \$400 - 10/1/10)
8. The amount of Title IV funds due to the Department by Title IV program

Each award year must have a dedicated Excel spreadsheet and list all of the information for the student in one row only. In addition to the information required above, for all student files reviewed, Americare must provide to the Department all supporting documentation including but not limited to: Student account ledgers, R2T4 calculation forms, documentation that supports the exact number of hours the student **was scheduled to complete** at the time of withdrawal, attendance forms, withdrawal forms or documents indicating withdrawal date, academic transcripts and proof of any funds previously returned to the Department.

Americare must establish and implement procedures to ensure that it properly performs all required R2T4 calculations.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination letter.

2. Improper Disbursement of Direct Loan (DL) Funds

Citation: The first payment period of an academic year is the period of time in which the student successfully completes half of the number of weeks and clock hours of instructional time in the academic year. *34 C.F.R § 668.4(c)(2)(i)(A)*. For a loan originated under §685.301(a)(10)(i)(B),³² a school may not make the second disbursement until the student successfully completes half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period. *34 C.F.R § 685.301(b)(3)(ii)(B)*.

Noncompliance: The second disbursement of direct loan funds, for students' #1, 2, 11, 15, 32, 35 and 36, was made prior to the students completing 13 weeks and 450 clock hours; however, these students subsequently earned the second disbursement upon completion of 13 weeks and 450 clock hours.

³² At a school that measures academic progress in clock hours, or measures academic progress in credit hours but does not use a semester, trimester, or quarter system, the lesser of: The length of the student's program at the school; or the academic year as defined by the school.

The second disbursement of direct loan funds, for students' #4, 14 and 16, was made prior to the students completing 13 weeks and 450 clock hours. The second disbursement for students' #4 and 16 is deemed ineligible since both students withdrew during the first payment period of the loan certification period. Student #14's second disbursement is deemed ineligible because the student – though still enrolled – has not yet completed 13 weeks and 450 clock hours at the time of the on-site program review.

Required Action: The three ineligible students were all awarded from the 2009-2010 year and since the errors are greater than 10% of the year, Americare is required to complete a full file review. Americare must identify those students who received the second/subsequent loan disbursement prior to attending the required number of clock hours for loan disbursement eligibility and who did not subsequently gain eligibility for the loan disbursement(s). Americare must provide the following information in an Excel spreadsheet:

1. Student name
2. Student SSN
3. Date of second loan disbursement
4. Amount of second loan disbursement
5. List whether loan was subsidized or unsubsidized
6. Amount of return due to lender
7. Date return was due to the lender
8. Date and proof return if a return was made to lender before this file review

In addition to the required above for all student files reviewed, Americare must provide documentation including but not limited to: Student account ledgers and academic transcripts.

Americare must establish and implement procedures to ensure that the second disbursements of Direct Loan funds in any payment period are not made until the student has met the requirement of completing half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination letter.

3. Verification Violations

Citation: Pursuant to 34 C.F.R. § 668.56(a), an institution shall require an applicant selected for verification to submit acceptable documentation, noted below, that will verify or update the following information used to determine the applicant's expected family contribution (EFC):

- Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.
- U.S. income tax paid for the base year if base year data was used in determining eligibility.
- For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents.
- For an applicant who is an independent student, the number of family members in the household of the applicant.
- The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.

- Certain untaxed income and benefits for the base year if base year data was used in determining eligibility.

34 C.F.R. § 668.56(a)(3) – (5).

If an institution has reason to believe that any information on an application used to calculate an EFC is inaccurate, it shall require the applicant to verify the information that it has reason to believe is inaccurate. *34 C.F.R. § 668.54(a)(3)*. Furthermore, an institution must develop and apply an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. *34 C.F.R. § 668.16(f)*.

Noncompliance: Student #2 indicated on the Verification Worksheet that she provided more than 50% support for her 37 year old sister. The reviewer found this information questionable and brought it to the attention of staff at Americare while on site. Americare followed up with the student and determined that they simply lived together and the student did not provide more than 50% of her sister's support. The change in information did not cause the student's EFC to increase.

Student #39 indicated on the Verification Worksheet that she provided more than 50% her parents and two brothers. The reviewer found this information questionable because she was unemployed and her father was not. Furthermore, the deposit for the program was paid for by her father. It was clear to the reviewer that the student did not provide more than 50% support for her parents and two brothers. Since the information on the ISIR conflicts with the information in the student's file, verification for this student is considered incomplete for this student.

Required Action: For student #39, Americare must resolve the verification deficiency and, if required, recalculate the student's eligibility based on verified information. If the student's EFC changes, Americare must provide the new EFC as well as the new Title IV award. If Americare is unable to verify the student's information, the student will be considered ineligible for all Title IV funds received during the award year. Americare must immediately develop and implement written procedures which will ensure that they carefully review all documents provided for verification for discrepancies between the ISIR and the verification documents, and that questionable information exists. The information provided in Section B, Family Information on the Verification Worksheet is quite prone to error because students and parents have a tendency to simply list everyone in the household and fail to read the entire set of instructions which requests that the person completing the form list only those people for whom they will provide more than half of the household member's support for the award year.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination letter.

4. Federal Pell Grant Overaward/Underaward

Citation: The Federal Pell Grant (Pell) for a payment period for a student in a program using clock hours is calculated by:

- Determining the student's Scheduled Federal Pell Grant using the Payment Schedule; and
- The multiplying that amount by the lesser of:

$$\frac{\text{The number of credit or clock hours in the payment period}}{\text{The number of credit or clock hours in the program's academic year}}$$

OR

$$\frac{\text{The number of weeks of instructional time in the payment period}}{\text{The number of weeks of instructional time in the program's academic year}}$$

34 C.F.R § 690.63(e).

Noncompliance: Student #10 received \$728.00 Pell funds for the third and final payment period of the student's program. The student's remaining portion of the program was less than a full academic year, and the award for this period was subject to proration. Taking the smaller fraction of the number of weeks remaining in the program divided by the number of weeks in an academic year or the number of hours remaining in the program divided by the number of hours in an academic year and multiplying by a full year award, the student was eligible for a Pell award of \$411.54. Therefore, there was a Pell overaward of \$316.46.

For the first term of the 2009-2010 award year, student #15 was enrolled in a full-time program. The student was eligible for half of a full academic award year's Pell, which would have been \$2,675.00 in Pell funds. Instead, the student only received \$1,337.00 in Pell funds. Therefore, there was a Pell underaward of \$1,338.00.

For the first term of the 2009-2010 award year, student #16 was enrolled at least half time. The student was eligible for half of a full academic award year's Pell, which would have been \$1,750.00 Pell funds. Instead, the inexplicably only received \$1,550.00 in Pell funds. Therefore, there was a Pell underaward of \$200.00.

During the Fall term of the 2010-2011 award year student #31 was enrolled at least half time. The student's remaining portion of the program was less than a full academic year, so the award was subject to proration. Americare had an error in a spreadsheet they used to calculate the prorated award, and also used a half-award as the basis for their proration calculation, instead of a full award. Americare was comparing 2 ratios, one based on clock hours remaining in the program and one based on weeks remaining in the program, compared to an academic year. The clock hour formula was correct, but the weeks formula included the incorrect denominator. The correct denominator should have been 26 weeks (the weeks in the academic year), but instead, Americare incorrectly used 44 weeks, the number of weeks in the student's program, as the denominator. The incorrect calculation caused the student to be underawarded. The student received only \$95.00 in Pell funds, but was eligible for an award of \$323.07. Therefore, there was a Pell underaward of \$228.07.

For the first term of the 2010-2011 award year, student #34 was enrolled at least half time. The student was eligible for half of a full academic award year's Pell, which would have been \$2,775.00 in Pell funds. Instead, the student only received \$1,337.00 in Pell funds. Therefore, there was a Pell underaward of \$1,338.00.

For the first term of the 2010-2011 award year, student #37 was enrolled at least half time. The student was eligible for half of a full academic award year's Pell, which would have been \$2,450.00 in Pell funds. Instead, the student only received \$1,225.00 in Pell funds. Therefore, there was a Pell underaward of \$1,225.00.

Required Action: For the students that were underawarded, Americare must exercise due diligence in its effort to provide Pell funds due to those students. Americare must immediately develop and implement written procedures which will ensure that, in the future, Federal Pell Grant disbursements are accurate. A copy of those policies and /or procedures must be submitted in response to this report.

Instructions for the repayment of any identified liability will be provided in the Final Program Review Determination letter.

5. Incorrect Calculation of Pell Cost of Attendance

Citation: For Federal Pell Grants, the Cost of Attendance should be based on the costs of a full-time student for a full academic year. *See The Federal Student Aid Handbook, 2009-10, Volume 3, page 3-42.*

Noncompliance: Americare used the cost of the entire program, which is longer than an academic year, in determining the Cost of Attendance for awarding Federal Pell Grants to its students.

Required Action: Americare must immediately develop and implement policies and procedures to ensure that it calculates the Cost of Attendance for Federal Pell Grant awards correctly. These procedures must detail the costs that are included, and calculations made for any proration of full program costs down to an academic year. A copy of those policies and /or procedures must be submitted in response to this report.

6. Borrower Not Notified of Right to Cancel All or Part of Loans

Citation: Before an institution disburses Title IV funds for any award year, the institution must notify a student of the amount of funds that the student or parent can expect to receive and how and when those funds will be disbursed and in the case of Direct Loans, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans. *34 C.F.R § 668.165(a)(1).*

If the institution credits a student's account with loan funds, the institution must notify the student/parent of:

- The anticipated date and amount of disbursement;
- The student's right to cancel or parent's right to cancel all or a portion of that loan and have the loan proceeds returned to the holder of that loan; and
- The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan.

34 C.F.R § 668.165(a)(2).

The institution must provide the notice in writing:

- No earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution, if the institution obtains affirmative confirmation from the student; or
- No earlier than 30 days before, and no later than seven days after, crediting the student account at the institution, if the institution does not obtain affirmative confirmation from the student.

34 C.F.R § 668.165(a)(3).

Noncompliance: Americare did not send the notices, as required above, to students or parents when loan disbursements were made to the students' accounts.

Requirement: Americare must immediately establish and implement a system of notification of student or parent's right to cancel all or a portion of their Direct Loan disbursements. Americare's procedures must describe how it will ensure that it complies with the requirements of 34 C.F.R § 668.165(a). A copy of those policies and /or procedures must be submitted in response to this report.

7. Student Status Confirmation Report Errors

Citation: A school shall:

- Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
- Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who:
 1. Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
 2. Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
 3. Has changed his or her permanent address.

34 C.F.R § 685.309(b)(1) and (2).

All schools participating (or approved to participate) in the FSA programs must have some arrangement to report student enrollment data to the National Student Loan Data System (NSLDS) through a Roster file (formerly called the Student Status Confirmation Report or SSCR). *See 2010-2011 FSA Handbook, Volume 2, Chapter 3.*

Noncompliance: For students' #11, 14 and 16, Americare failed to notify NSLDS when the students' enrollment status dropped below half time.

Required Action: Americare must immediately establish and implement a system to timely notify NSLDS when a student's enrollment status falls within the regulations cited above. A copy of those policies and /or procedures must be submitted in response to this report.

8. Exit Counseling Deficiencies

Citation: A school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school. *34 C.F.R § 685.304(b)(1).* The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student borrower may be provided with written counseling materials within 30 days after the student borrower completes the program. *34 C.F.R § 685.304(b)(2).* If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through

interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required. 34 C.F.R § 685.304(b)(3). If exit counseling is conducted through interactive electronic means, a school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the exit counseling. 34 C.F.R § 685.304(b)(6). The school must maintain documentation substantiating the school's compliance with this section for each student borrower. 34 C.F.R § 685.304(b)(7).

Noncompliance: Student #4 withdrew in September 2010 and the student did not perform exit counseling with Americare. If exit counseling was not performed before the student's departure, Americare would e-mail a link to the student to do exit counseling online as opposed to sending the exit counseling materials to the student.

Required Action: Americare must perform the required exit counseling for student #4 and submit proof that it conducted the required counseling in response to this report. Certified mail receipts will be considered acceptable documentation. If the exit counseling materials are emailed to the students, an email delivery receipt will also be considered acceptable documentation. Americare must immediately establish and implement a system to ensure that every student either completes exit counseling before their departure from the school and if not, that the materials are sent to the student. A copy of those policies and /or procedures must be submitted in response to this report.

9. 30-Day Disbursement Requirement for First-Time Borrowers

Citation: states that if a student is enrolled in the first year of an undergraduate program of study and has not previously received a Federal Stafford, Federal Supplemental Loans for Students, Direct Subsidized, or Direct Unsubsidized Loan, a school may not disburse the proceeds of a Direct Subsidized or Direct Unsubsidized Loan until 30 days after the first day of the student's program of study unless:

- The school has a cohort default rate, or weighted average cohort rate of less than 10 percent for each of the three most recent fiscal years for which data are available; or
- For loans first disbursed on or after October 1, 2011, the school in which the student is enrolled has a cohort default rate of less than 15 percent for each of the three most recent fiscal years for which data are available.

34 C.F.R. § 685.303(b)(4)(i).

Noncompliance: Americare failed to delay the disbursement of loans for students' #7, 9, 11 and 41, all of whom were first-year, first-time borrowers. At the time of the program review, Americare had only been participating in Title IV programs for one year and three months; therefore, the exceptions cited above did not apply to them.

Required Action: Americare must immediately establish and implement procedures to ensure that no funds are disbursed to first-year, first-time borrowers until 30 days after the first day of the student's program of study. A copy of those policies and /or procedures must be submitted in response to this report.

10. Improper Certification of Direct Loans

Citation: In the case of a student enrolled for no longer than one consecutive 12-month period in a course of study necessary for enrollment in a program leading to a degree or a certificate, the total amount the student may borrow is a subsidized loan that does not exceed \$2,625.00 for coursework necessary for enrollment in an undergraduate degree or certificate program. 34 C.F.R. § 685.203(a)(6)(i). Before a student is awarded an unsubsidized loan the student must receive a determination of need for a subsidized loan. 34 C.F.R. § 682.201(a)(2)(i).

For a program of study with less than a full academic year remaining, a student's loan shall be prorated as follows:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in academic year}}$$

34 C.F.R. § 685.203(a).

Noncompliance: Student #10 received a \$1,750.00 subsidized and a \$2,750.00 unsubsidized loan for a payment period that was the student's remaining portion of the program and was less than a full academic year. Therefore, the loans should have been prorated as cited above. Using this formula, the student was eligible for a \$296.00 subsidized and a \$464.00 unsubsidized loan. The student was overawarded \$1,454.00 in subsidized and \$2,286.00 in unsubsidized loan funds.

Student #44 was awarded an unsubsidized loan in the amount of \$1,985.00 for prerequisite coursework at Americare prior to enrolling in the LPN program. Americare failed to conduct an analysis of need for a subsidized loan before awarding the unsubsidized loan. The student had an EFC of zero and should have been awarded only the subsidized loan.

Required Action: For student #44, Americare needs to have the unsubsidized loan re-characterized as a subsidized one. Americare must immediately develop and implement written procedures which will ensure that, in the future, Direct Loans are properly originated, calculated, and certified. A copy of those policies and /or procedures must be submitted in response to this report.

Liabilities resulting from the improper disbursement of Title IV funds will be assessed in the final program review determination letter.

11. Undocumented Professional Judgment

Citation: Section 479A [20 USC 1087tt] of the Higher Education Act of 1965 states that financial aid administrators have authority, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances. Special circumstances may include changes in a family's income, a family's assets, or a student's status. Special circumstances shall be conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. Adequate documentation for such adjustments shall substantiate such special circumstances of individual students.

Noncompliance: Americare failed to document professional judgment made for student #13. The only documentation in the student's file was the request by the parent for an adjustment to the parent's 2008 income. Americare needed to provide documentation as to reason behind the decision to adjust the parent's income.

Requirement: Americare must review the student file and document the reasons for its decision. If Americare is unable to do so, the student's original EFC must be used to determine the student's Title IV award for the 2009-2010 award year. Americare must immediately establish and implement procedures to ensure that it properly documents all cases of professional judgment.

Liabilities resulting from the improper disbursement of Title IV funds will be assessed in the final program review determination letter.

12. Crime Awareness Requirements Not Met

Citation: A participating institution must establish a campus security policy in accordance with Section 485(f) of the Higher Education Act of 1965, as amended. *34 C.F.R. § 668.14(c)(2)(i)*. All participating institutions are required to provide annual campus security information directly to all current students and employees. *34 C.F.R. § 668.41(e)*. This information may be provided through publications and mailings, including direct mailing to each individual through the U.S. Postal Service, campus mail or electronic mail. If an institution chooses to fulfill this requirement by posting the crime report on an internet or intranet web site, an individual notice must be distributed to each student and current employee that includes:

- a statement of the report's availability,
- a list and brief description of the information contained in the report,
- the exact electronic address at which the report is posted, and
- a statement saying the school will provide a paper copy on request.

The information is to be made reasonably available to prospective students. Upon request, a school must provide its annual campus security report to a prospective student or employee. Institutions must provide them with notice of the report's availability, and this notice must include a brief description of the report.

Pursuant to 34 C.F.R. § 668.46(b) the campus security report must contain information regarding campus security policies and campus crime statistics as follows:

- (1) The crime statistics described in paragraph (c) of this section.
- (2) A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include the institution's policies concerning its response to these reports, including—
 - (i) Policies for making timely warning reports to members of the campus community regarding the occurrence of crimes described in paragraph (c)(1) of this section;
 - (ii) Policies for preparing the annual disclosure of crime statistics; and
 - (iii) A list of the titles of each person or organization to whom students and employees should report the criminal offenses described in paragraph (c)(1) of this section for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to

report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures.

(3) A statement of current policies concerning security of and access to campus facilities, including campus residences, and security considerations used in the maintenance of campus facilities.

(4) A statement of current policies concerning campus law enforcement that—

(i) Addresses the enforcement authority of security personnel, including their relationship with State and local police agencies and whether those security personnel have the authority to arrest individuals;

(ii) Encourages accurate and prompt reporting of all crimes to the campus police and the appropriate police agencies; and

(iii) Describes procedures, if any, which encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.

(5) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

(6) A description of programs designed to inform students and employees about the prevention of crimes.

(7) A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.

(8) A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws.

(9) A statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws.

(10) A description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. For the purpose of meeting this requirement, an institution may cross-reference the materials the institution uses to comply with section 120(a) through (d) of the HEA.

(11) A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs. The statement must include—

(i) A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and nonforcible sex offenses;

(ii) Procedures students should follow if a sex offense occurs, including procedures concerning who should be contacted; the importance of preserving evidence for the proof of a criminal offense, and to whom the alleged offense should be reported;

(iii) Information on a student's option to notify appropriate law enforcement authorities, including on-campus and local police, and a statement that institutional personnel will assist the student in notifying these authorities, if the student requests the assistance of these personnel;

(iv) Notification to students of existing on- and off-campus counseling, mental health, or other student services for victims of sex offenses;

(v) Notification to students that the institution will change a victim's academic and living situations after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available;

(vi) Procedures for campus disciplinary action in cases of an alleged sex offense, including a clear statement that—

(A) The accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding; and

(B) Both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense. Compliance with this paragraph does not constitute a violation of the Family Educational Rights and Privacy Act (20 U.S.C. 1232g). For the purpose of this paragraph, the outcome of a disciplinary proceeding means only the institution's final determination with respect to the alleged sex offense and any sanction that is imposed against the accused; and

(vii) Sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or nonforcible sex offenses.

(12) Beginning with the annual security report distributed by October 1, 2003, a statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

Noncompliance: Americare's report does not include a statement, under (2)(iii)³³, disclosing whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.

Under (4)(i), Americare's campus law enforcement policies does not address whether security personnel have the authority to arrest individuals.

³³ All references to noncompliance will be listed by the regulation citation of 34 C.F.R. § 668.46(b). The reference should be appended to section 668.46(b).

Under (5), Americare's report does not contain a description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

Under (10), Americare's report does not contain a description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA.

Under (11)(i)-(vii), Americare's report does not contain a statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs.

Required Action: Americare must immediately develop comprehensive policies and procedures required to bring the institution into compliance with federal regulations for campus crime reporting. In response to this report, Americare must submit a copy of the revised campus crime report.

13. Lack of Administrative Capability

Citation: 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 each of the standards established, including requiring written policies and procedures governing the administration of Title IV HEA funds. *34 C.F.R. § 668.16.*

Before an institution disburses Title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each 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 subsidized loans and which are from unsubsidized loans.³⁴ *34 C.F.R. § 668.165(a)(1).*

Noncompliance: Americare did not have a policy of determining if a student remained eligible for all of their financial aid or whether an R2T4 calculation should be performed when the student dropped classes.

When Americare made disbursements of Pell or Direct Loan funds to a student's account they did not send a notice as required by the federal regulations.

Required Action: Americare must immediately develop policies regarding the determination of Title IV eligibility when a student drops a class. In addition, Americare must develop policies to ensure that notices with all of the required elements are sent to students and parents (only for Plus loans) for each disbursement made to the student's account. A copy of those policies and procedures must be submitted in response to this report.

³⁴ See Finding #6.

Appendix D. Unmade Pell Returns - Cost of Funds

Name of Institution: Ambria: Finding #1 - R2T4

Note: the withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

| No. | Description/Name | Return Amount | Program | W/D Date | Institution Det Date | Return Paid Date | Return Due Date | Days Late | Imputed CVFR | Federal Share | To ED | To Inst Accounts |
|------|------------------|---------------|------------|----------|----------------------|------------------|-----------------|-----------|--------------|---------------|----------|------------------|
| A-7 | (b)(6) | \$767.22 | Pell Grant | 10/29/09 | 11/12/2009 | 5/4/2012 | 12/27/09 | 859 | 3.00% | \$ 767.22 | \$ 54.17 | \$ - |
| A-29 | | \$1,363.82 | Pell Grant | 03/16/10 | 3/30/2010 | 5/4/2012 | 05/14/10 | 721 | 1.00% | \$ 1,363.82 | \$ 26.94 | \$ - |
| A-30 | | \$775.94 | Pell Grant | 04/20/10 | 5/4/2010 | 5/4/2012 | 06/18/10 | 686 | 1.00% | \$ 775.94 | \$ 14.58 | \$ - |
| B-8 | | \$435.11 | Pell Grant | 10/11/10 | 10/25/2010 | 5/4/2012 | 12/09/10 | 512 | 1.00% | \$ 435.11 | \$ 6.10 | \$ - |
| B-12 | | \$271.84 | Pell Grant | 10/28/10 | 11/9/2010 | 5/4/2012 | 12/24/10 | 497 | 1.00% | \$ 271.84 | \$ 3.70 | \$ - |
| B-14 | | \$271.84 | Pell Grant | 10/28/10 | 11/11/2010 | 5/4/2012 | 12/26/10 | 495 | 1.00% | \$ 271.84 | \$ 3.69 | \$ - |

| | |
|--------------------|-------------|
| Total Returns | \$ 3,885.77 |
| Total Campus-Based | \$ - |

| | | |
|--------|-----------|------|
| Totals | \$ 109.18 | \$ - |
|--------|-----------|------|

Totals By Program

| | |
|------------------|-------------|
| Pell Grant | \$ 3,885.77 |
| FSEOG | \$ - |
| Perkins | \$ - |
| ACG | \$ - |
| SMART | \$ - |
| TEACH | \$ - |
| FSEOG-No Match | \$ - |
| Perkins-No Match | \$ - |

Interest Breakdown

| | | |
|------------------|-----------|------|
| Pell Grant | \$ 109.18 | \$ - |
| FSEOG | \$ - | \$ - |
| Perkins | \$ - | \$ - |
| ACG | \$ - | \$ - |
| SMART | \$ - | \$ - |
| TEACH | \$ - | \$ - |
| FSEOG-No Match | \$ - | \$ - |
| Perkins-No Match | \$ - | \$ - |

Appendix E. Late Pell Returns - Cost of Funds

Name of Institution:

Ambria: Finding #1 - R2T4

Note: the withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

| No. | Description/Name | Return Amount | Program | W/D Date | Institution Det Date | Return Paid Date | Return Due Date | Days Late | Imputed CVFR | Federal Share | To ED | To Inst Accounts |
|------|------------------|---------------|------------|----------|----------------------|------------------|-----------------|-----------|--------------|---------------|---------|------------------|
| A-29 | (b)(6) | \$520.00 | Pell Grant | 03/16/10 | 3/30/2010 | 8/11/2010 | 05/14/10 | 89 | 1.00% | \$ 520.00 | \$ 1.27 | \$ - |
| B-8 | | \$907.01 | Pell Grant | 10/11/10 | 10/25/2010 | 1/19/2011 | 12/09/10 | 41 | 1.00% | \$ 907.01 | \$ 1.02 | \$ - |
| B-15 | | \$2,197.35 | Pell Grant | 11/16/10 | 11/23/2010 | 1/26/2011 | 01/07/11 | 19 | 1.00% | \$ 2,197.35 | \$ 1.14 | \$ - |

| | |
|--------------------|-------------|
| Total Returns | \$ 3,624.36 |
| Total Campus-Based | \$ - |

| | | |
|--------|---------|------|
| Totals | \$ 3.43 | \$ - |
|--------|---------|------|

Totals By Program

| | |
|------------------|-------------|
| Pell Grant | \$ 3,624.36 |
| FSEOG | \$ - |
| Perkins | \$ - |
| ACG | \$ - |
| SMART | \$ - |
| TEACH | \$ - |
| FSEOG-No Match | \$ - |
| Perkins-No Match | \$ - |

Interest Breakdown

| | | |
|------------------|---------|------|
| Pell Grant | \$ 3.43 | \$ - |
| FSEOG | \$ - | \$ - |
| Perkins | \$ - | \$ - |
| ACG | \$ - | \$ - |
| SMART | \$ - | \$ - |
| TEACH | \$ - | \$ - |
| FSEOG-No Match | \$ - | \$ - |
| Perkins-No Match | \$ - | \$ - |

Appendix F. Ineligible Pell Disbursements Not Returned - Cost of Funds and Administrative Cost Allowance

Name of Institution: Ambria: Finding #1 - R2T4

| No. | Description/Name | Ineligible Disbrsmnt | Program | Disbursemt Date | Return Paid Date | No. of Days | Imputed CVFR | Federal Share | To ED | To Inst Accounts |
|------|------------------|----------------------|------------|-----------------|------------------|-------------|--------------|---------------|---------|------------------|
| | | | | | | | | | | |
| A-26 | (b)(6) | \$365.50 | Pell Grant | 7/2/2010 | 5/4/2012 | 672 | 1.00% | \$ 365.50 | \$ 6.73 | \$ - |
| B-11 | | \$148.97 | Pell Grant | 12/15/2010 | 5/4/2012 | 506 | 1.00% | \$ 148.97 | \$ 2.07 | \$ - |

Total Ineligible \$514.47

| | | |
|---------------|---------|------|
| Totals | \$ 8.80 | \$ - |
| ACA Liability | | |

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

| | |
|-----------------|--|
| Federal FWS | |
| Federal SEOG | |
| Federal Perkins | |

| | |
|-----------------|------|
| Total C-B Spent | \$ - |
| ACA Percentage | |

| | | |
|------------------|---------|------|
| Pell Grants | \$ 8.80 | \$ - |
| ACG | \$ - | \$ - |
| SMART | \$ - | \$ - |
| TEACH | \$ - | \$ - |
| FWS | \$ - | \$ - |
| FSEOG | \$ - | \$ - |
| Perkins | \$ - | \$ - |
| FWS-50% Match | \$ - | \$ - |
| FWS-No Match | \$ - | \$ - |
| FSEOG-No Match | \$ - | \$ - |
| Perkins-No Match | \$ - | \$ - |

ACA Breakdown

| | |
|------------------|--|
| FWS | |
| FSEOG | |
| Perkins | |
| FWS-50% Match | |
| FWS-No Match | |
| FSEOG-No Match | |
| Perkins-No Match | |

| | Total | Federal Share |
|------------------|-----------|---------------|
| Pell | \$ 514.47 | \$ 514.47 |
| ACG | \$ - | \$ - |
| SMART | \$ - | \$ - |
| TEACH | \$ - | \$ - |
| FWS | \$ - | \$ - |
| FSEOG | \$ - | \$ - |
| Perkins | \$ - | \$ - |
| FWS-50% Match | \$ - | \$ - |
| FWS-No Match | \$ - | \$ - |
| FSEOG-No Match | \$ - | \$ - |
| Perkins-No Match | \$ - | \$ - |

Total Campus-Based \$ -

Appendix G. Ineligible Pell Disbursements (Late Return) - Cost of Funds and Administrative Cost Allowance

Name of Institution: Ambria: Finding #1 - R2T4

| | | | | | | | |
|--|-------------------------|-------------------------------|-------------|---------------|---------------|-------|------------------|
| | Ineligible Disbursement | Disbursement Return Paid Date | No. of Days | Imputed CVFRR | Federal Share | To ED | To Inst Accounts |
|--|-------------------------|-------------------------------|-------------|---------------|---------------|-------|------------------|

| | | | | | | | | | |
|-----|--------|---------------------|-----------|-----------|----|-------|-----------|---------|------|
| A-9 | (b)(6) | \$950.00 Pell Grant | 4/19/2010 | 7/22/2010 | 94 | 1.00% | \$ 950.00 | \$ 2.45 | \$ - |
|-----|--------|---------------------|-----------|-----------|----|-------|-----------|---------|------|

Total Ineligible \$950.00

Totals \$ 2.45
ACA Liability \$ -

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

| | |
|-----------------|--|
| Federal FWS | |
| Federal SEOG | |
| Federal Perkins | |

| | |
|------------------|---------|
| Pell Grants | \$ 2.45 |
| ACG | \$ - |
| SMART | \$ - |
| TEACH | \$ - |
| FWS | \$ - |
| FSEOG | \$ - |
| Perkins | \$ - |
| FWS-50% Match | \$ - |
| FWS-No Match | \$ - |
| FSEOG-No Match | \$ - |
| Perkins-No Match | \$ - |

Total C-B Spent \$ -
ACA Percentage

| | | | |
|------------------|-----------|----|---------------|
| | Total | | Federal Share |
| Pell | \$ 950.00 | \$ | 950.00 |
| ACG | \$ - | \$ | - |
| SMART | \$ - | \$ | - |
| TEACH | \$ - | \$ | - |
| FWS | \$ - | \$ | - |
| FSEOG | \$ - | \$ | - |
| Perkins | \$ - | \$ | - |
| FWS-50% Match | \$ - | \$ | - |
| FWS-No Match | \$ - | \$ | - |
| FSEOG-No Match | \$ - | \$ | - |
| Perkins-No Match | \$ - | \$ | - |

| | |
|------------------|--|
| ACA Breakdown | |
| FWS | |
| FSEOG | |
| Perkins | |
| FWS-50% Match | |
| FWS-No Match | |
| FSEOG-No Match | |
| Perkins-No Match | |

Total Campus-Based \$ -

Appendix H. Unmade Loan Returns - Cost of Funds

Name of Institution: Ambrria: Finding #1 - R2T4

Note: The withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

| No. | Description/Name | Return Amount | Program | W/D Date | Institution Det Date | Return Paid Date | Return Due Date | Late Days | ED Days | Stud Days | Imputed CVFR | FFEL Interest | Special Allow | To ED | To Student |
|------|------------------|---------------|----------|----------|----------------------|------------------|-----------------|-----------|---------|-----------|--------------|---------------|---------------|-------|------------|
| A-4 | (b)(6) | \$47.28 | DL Unsub | 09/20/10 | 09/22/10 | 5/4/2012 | 11/6/2010 | 545 | | | 1.00% | | | \$ | 1.00 |
| A-6 | (b)(6) | \$463.15 | DL Sub | 03/08/10 | 03/10/10 | 5/4/2012 | 4/24/2010 | 741 | | | 1.00% | | | \$ | 9.00 |
| A-9 | (b)(6) | \$2,388.66 | DL Unsub | 04/23/10 | 05/07/10 | 5/4/2012 | 6/21/2010 | 683 | | | 1.00% | | | \$ | 45.00 |
| A-10 | (b)(6) | \$2,705.32 | DL Unsub | 05/26/10 | 06/09/10 | 5/4/2012 | 7/24/2010 | 650 | | | 1.00% | | | \$ | 48.00 |
| A-12 | (b)(6) | \$85.00 | DL Unsub | 02/25/10 | 03/11/10 | 5/4/2012 | 4/25/2010 | 740 | | | 1.00% | | | \$ | 2.00 |
| A-12 | (b)(6) | \$384.92 | DL Sub | 02/25/10 | 03/11/10 | 5/4/2012 | 4/25/2010 | 740 | | | 1.00% | | | \$ | 8.00 |
| A-13 | (b)(6) | \$985.60 | DL Unsub | 04/14/10 | 04/23/10 | 5/4/2012 | 6/7/2010 | 697 | | | 1.00% | | | \$ | 19.00 |
| A-15 | (b)(6) | \$269.34 | DL PLUS | 05/18/10 | 06/01/10 | 5/4/2012 | 7/16/2010 | 658 | | | 1.00% | | | \$ | 5.00 |
| A-18 | (b)(6) | \$63.36 | DL Unsub | 04/22/10 | 05/06/10 | 5/4/2012 | 6/20/2010 | 684 | | | 1.00% | | | \$ | 1.00 |
| A-20 | (b)(6) | \$91.00 | DL Unsub | 02/25/10 | 03/11/10 | 5/4/2012 | 4/25/2010 | 740 | | | 1.00% | | | \$ | 2.00 |
| A-20 | (b)(6) | \$384.92 | DL Sub | 02/25/10 | 03/11/10 | 5/4/2012 | 4/25/2010 | 740 | | | 1.00% | | | \$ | 8.00 |
| A-22 | (b)(6) | \$384.92 | DL Sub | 02/25/10 | 03/11/10 | 5/4/2012 | 4/25/2010 | 740 | | | 1.00% | | | \$ | 8.00 |
| A-27 | (b)(6) | \$934.36 | DL Unsub | 04/22/10 | 05/06/10 | 5/4/2012 | 6/20/2010 | 684 | | | 1.00% | | | \$ | 18.00 |
| B-3 | (b)(6) | \$151.74 | DL Sub | 11/18/10 | 12/01/10 | 5/4/2012 | 1/15/2011 | 475 | | | 1.00% | | | \$ | 2.00 |
| B-10 | (b)(6) | \$5.75 | DL Sub | 11/24/10 | 12/01/10 | 5/4/2012 | 1/15/2011 | 475 | | | 1.00% | | | \$ | - |
| B-14 | (b)(6) | \$211.00 | DL Sub | 10/28/10 | 11/11/10 | 5/4/2012 | 12/26/2010 | 495 | | | 1.00% | | | \$ | 3.00 |
| M-3 | (b)(6) | \$871.00 | DL Sub | 12/31/10 | 12/31/10 | 05/04/12 | 2/14/2011 | 445 | | | 1.00% | | | \$ | 11.00 |

Total Principal \$ 190.00 \$ - \$ 190.00

Total DL Sub \$ 2,857.40
 Total DL Unsub \$ 7,300.58
 Total FFEL Sub \$ -
 Total FFEL Unsub \$ -
 Total PLUS 269.34

Appendix I. Late Loan Returns - Cost of Funds

Name of Institution: Ambria: Finding #1 - R2T4

Note: The withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

| No. | Description/ Name | Return Amount | Program | W/D Date | Institution Det Date | Return Paid Date | Return Due Date | Late | Days | Days | ED | Stud | CVFR | Interest | Special Allow | To ED | To Student |
|------|----------------------|---------------|----------|----------|-------------------------|---------------------|--------------------|------|------|------|----|------|-------|----------|------------------|-------|------------|
| A-4 | (b)(6) | \$1,281.00 | DL Unsub | 09/20/10 | 09/22/10 | 03/30/11 | 11/6/2010 | 144 | | | | | 1.00% | | \$ | 5.00 | |
| A-6 | | \$184.00 | DL Sub | 03/08/10 | 03/10/10 | 09/16/10 | 4/24/2010 | 145 | | | | | 1.00% | | \$ | 1.00 | |
| A-15 | | \$1,200.00 | DL PLUS | 05/18/10 | 06/01/10 | 03/31/11 | 7/16/2010 | 258 | | | | | 1.00% | | \$ | 8.00 | |
| A-18 | | \$1,200.00 | DL Unsub | 04/25/10 | 05/06/10 | 09/24/10 | 6/20/2010 | 96 | | | | | 1.00% | | \$ | 3.00 | |
| A-20 | | \$1,278.00 | DL Unsub | 02/25/10 | 03/11/10 | 05/27/10 | 4/25/2010 | 32 | | | | | 1.00% | | \$ | 1.00 | |
| A-22 | | \$1,369.00 | DL Unsub | 02/25/10 | 03/11/10 | 03/29/11 | 4/25/2010 | 338 | | | | | 1.00% | | \$ | 13.00 | |
| A-24 | | \$1,493.00 | DL Unsub | 05/27/10 | 06/10/10 | 09/24/10 | 7/25/2010 | 61 | | | | | 1.00% | | \$ | 2.00 | |
| A-24 | | \$700.79 | DL Sub | 05/27/10 | 06/10/10 | 10/21/10 | 7/25/2010 | 88 | | | | | 1.00% | | \$ | 2.00 | |
| A-30 | | \$50.00 | DL Sub | 04/20/10 | 05/04/10 | 02/14/11 | 6/18/2010 | 241 | | | | | 1.00% | | \$ | - | |
| B-3 | | \$86.00 | DL Unsub | 11/18/10 | 12/01/10 | 03/21/11 | 1/15/2011 | 65 | | | | | 1.00% | | \$ | - | |
| B-3 | | \$1,050.00 | DL Sub | 11/18/10 | 12/01/10 | 03/21/11 | 1/15/2011 | 65 | | | | | 1.00% | | \$ | 2.00 | |
| B-5 | | \$1,168.84 | DL Unsub | 07/31/10 | 08/14/10 | 12/30/10 | 9/28/2010 | 93 | | | | | 1.00% | | \$ | 3.00 | |
| B-8 | | \$2,985.00 | DL Unsub | 10/11/10 | 10/25/10 | 01/19/11 | 12/9/2010 | 41 | | | | | 1.00% | | \$ | 3.00 | |
| B-8 | | \$1,742.00 | DL Sub | 10/11/10 | 10/25/10 | 01/19/11 | 12/9/2010 | 41 | | | | | 1.00% | | \$ | 2.00 | |
| B-10 | | \$498.00 | DL Unsub | 11/24/10 | 12/01/10 | 02/09/11 | 1/15/2011 | 25 | | | | | 1.00% | | \$ | - | |
| B-10 | | \$408.00 | DL Sub | 11/24/10 | 12/01/10 | 02/09/11 | 1/15/2011 | 25 | | | | | 1.00% | | \$ | - | |
| B-13 | | \$2,486.40 | DL Unsub | 11/22/10 | 11/23/10 | 01/19/11 | 1/7/2011 | 12 | | | | | 1.00% | | \$ | 1.00 | |
| B-14 | | \$1,493.00 | DL Unsub | 10/28/10 | 11/11/10 | 03/25/11 | 12/26/2010 | 89 | | | | | 1.00% | | \$ | 4.00 | |
| B-14 | | \$660.00 | DL Sub | 10/28/10 | 11/11/10 | 03/25/11 | 12/26/2010 | 89 | | | | | 1.00% | | \$ | 2.00 | |
| A-12 | | \$1,284.00 | DL Unsub | 02/25/10 | 03/11/10 | 10/20/10 | 4/25/2010 | 178 | | | | | 1.00% | | \$ | 6.00 | |
| A-14 | | \$871.00 | DL Sub | 02/23/10 | 02/26/10 | 07/02/10 | 4/12/2010 | 81 | | | | | 1.00% | | \$ | 2.00 | |
| M-1 | | \$1,369.00 | DL Unsub | 04/22/10 | 04/22/10 | 07/02/10 | 6/6/2010 | 26 | | | | | 1.00% | | \$ | 1.00 | |
| M-1 | | \$871.00 | DL Sub | 04/22/10 | 04/22/10 | 07/02/10 | 6/6/2010 | 26 | | | | | 1.00% | | \$ | 1.00 | |

Total Principal \$25,728.03

| | | |
|----------------|----|-----------|
| Total DL Sub | \$ | 6,536.79 |
| Total DL Unsub | \$ | 17,991.24 |
| Total FFEL S | \$ | - |
| Total FFEL U | \$ | - |
| Total PLUS | \$ | 1,200.00 |

| | | | |
|----|-------|----|-------|
| \$ | 62.00 | \$ | - |
| \$ | 62.00 | \$ | 62.00 |

Appendix J. Ineligible Loan Disbursements Not Returned - Cost of Funds

Name of Institution: Ambria: Finding #1 - R2T4

Note: Only for FFEL loans not subject to Estimated Actual Loss

| No. | Description/ Name | Ineligible Disbrsmnt | Program | Disbursement Date | Loan Paid Date | No. of Days | Imputed CVFR | FFEL Interest | Special Allow | To ED |
|-----|----------------------|-------------------------|---------|----------------------|-------------------|----------------|-----------------|------------------|------------------|--------|
| A-3 | (b)(6) | \$301.43 | DL Sub | 06/15/10 | 5/4/2012 | 689 | 1.00% | | | \$6.00 |

Total Principal \$ 301.43

Total

\$ 6.00

| | |
|--------------|-----------|
| Total DL Sub | \$ 301.43 |
| Total DL Uns | - |
| Total FFEL S | - |
| Total FFEL U | - |
| Total PLUS | - |

Appendix K. Ineligible Loan Disbursements - Cost of Funds - Not Returned

Name of Institution: Ambria: Finding #2 - Ineligible Disbursements Note: Only for FFEL loans not subject to Estimated Actual Loss

| No. | Description/Name | Ineligible Disbrsmnt | Program | Disbursement Date | Loan Paid Date | No. of Days | Imputed CVFR | FFEL Interest | Special Allow | To ED |
|------|------------------|----------------------|----------|-------------------|----------------|-------------|--------------|---------------|---------------|---------|
| C-13 | (b)(6) | \$871.00 | DL Sub | 04/19/10 | 05/04/12 | 746 | 1.00% | | | \$18.00 |
| C-16 | | \$589.08 | DL Unsub | 03/15/10 | 05/04/12 | 781 | 1.00% | | | \$13.00 |
| C-16 | | 871.00 | DL Sub | 03/15/10 | 05/04/12 | 781 | 1.00% | | | \$19.00 |
| C-27 | | 871.00 | DL Sub | 04/19/10 | 05/04/12 | 746 | 1.00% | | | \$18.00 |
| C-27 | | 1,369.00 | DL Unsub | 04/19/10 | 05/04/12 | 746 | 1.00% | | | \$28.00 |
| C-33 | | 1,369.00 | DL Unsub | 03/15/10 | 05/04/12 | 781 | 1.00% | | | \$29.00 |
| C-33 | | 871.00 | DL Sub | 03/15/10 | 05/04/12 | 781 | 1.00% | | | \$19.00 |
| C-35 | | 871.00 | DL Sub | 02/26/10 | 05/04/12 | 798 | 1.00% | | | \$19.00 |
| C-40 | | 83.00 | DL Sub | 04/19/10 | 05/04/12 | 746 | 1.00% | | | \$2.00 |
| C-44 | | 871.00 | DL Sub | 06/25/10 | 05/04/12 | 679 | 1.00% | | | \$16.00 |
| C-44 | | 1,493.00 | DL Unsub | 06/25/10 | 05/04/12 | 679 | 1.00% | | | \$28.00 |
| D-20 | | 117.00 | DL Sub | 12/03/10 | 05/04/12 | 518 | 1.00% | | | \$2.00 |

Total Principal \$ 10,246.08

Total \$ 211.00

| | |
|------------------|-------------|
| Total DL Sub | \$ 5,426.00 |
| Total DL Unsub | \$ 4,820.08 |
| Total FFEL Sub | \$ - |
| Total FFEL Unsub | \$ - |
| Total PLUS | \$ - |

Appendix L. Ineligible Loan Disbursements - Cost of Funds - Late Return

Name of Institution: Ambria: Finding #2 - Ineligible Disbursements

Note: Only for FFEL loans not subject to Estimated Actual Loss

| No. | Description/Name | Ineligible Disbrsmnt | Program | Disbursement Date | Loan Paid Date | No. of Days | Imputed CVFR | FFEL Interest | Special Allow | To ED |
|------|------------------|----------------------|----------|-------------------|----------------|-------------|--------------|---------------|---------------|---------|
| C-13 | (b)(6) | \$1,369.00 | DL Unsub | 04/19/10 | 12/30/10 | 255 | 1.00% | | | \$10.00 |
| C-14 | | \$1,493.00 | DL Unsub | 06/25/10 | 03/30/11 | 278 | 1.00% | | | \$11.00 |
| C-14 | | 871.00 | DL Sub | 06/25/10 | 03/30/11 | 278 | 1.00% | | | \$7.00 |
| C-16 | | 779.92 | DL Unsub | 03/15/10 | 12/20/10 | 280 | 1.00% | | | \$6.00 |
| C-19 | | 871.00 | DL Sub | 03/15/10 | 07/02/10 | 109 | 1.00% | | | \$3.00 |
| C-19 | | 1,369.00 | DL Unsub | 04/05/10 | 07/02/10 | 88 | 1.00% | | | \$3.00 |
| C-22 | | 871.00 | DL Sub | 03/15/10 | 09/16/10 | 185 | 1.00% | | | \$4.00 |
| C-23 | | 1,742.00 | DL Sub | 03/15/10 | 05/27/10 | 73 | 1.00% | | | \$3.00 |
| C-23 | | 2,737.00 | DL Unsub | 03/15/10 | 05/27/10 | 73 | 1.00% | | | \$5.00 |
| C-24 | | 1,742.00 | DL Sub | 04/19/10 | 08/02/10 | 105 | 1.00% | | | \$5.00 |
| C-24 | | 2,737.00 | DL Unsub | 04/19/10 | 08/02/10 | 105 | 1.00% | | | \$8.00 |
| C-25 | | 1,742.00 | DL Sub | 12/21/09 | 05/27/10 | 157 | 3.00% | | | \$22.00 |
| C-25 | | 2,737.00 | DL Unsub | 12/21/09 | 05/27/10 | 157 | 3.00% | | | \$35.00 |
| C-26 | | 1,742.00 | DL Sub | 04/19/10 | 04/30/10 | 11 | 1.00% | | | \$1.00 |
| C-26 | | 2,737.00 | DL Unsub | 04/19/10 | 04/30/10 | 11 | 1.00% | | | \$1.00 |
| C-28 | | 871.00 | DL Sub | 04/26/10 | 07/02/10 | 67 | 1.00% | | | \$2.00 |
| C-34 | | 871.00 | DL Sub | 03/15/10 | 07/02/10 | 109 | 1.00% | | | \$3.00 |
| C-34 | | 1,369.00 | DL Unsub | 03/15/10 | 07/02/10 | 109 | 1.00% | | | \$4.00 |
| C-35 | | 1,369.00 | DL Unsub | 02/26/10 | 03/08/10 | 10 | 1.00% | | | \$0.00 |
| C-37 | | 1,369.00 | DL Unsub | 03/15/10 | 07/02/10 | 109 | 1.00% | | | \$4.00 |
| C-37 | | 871.00 | DL Sub | 03/15/10 | 07/02/10 | 109 | 1.00% | | | \$3.00 |
| C-40 | | 507.00 | DL Sub | 04/19/10 | 09/09/10 | 143 | 1.00% | | | \$2.00 |
| C-40 | | 281.00 | DL Sub | 04/19/10 | 03/29/11 | 344 | 1.00% | | | \$3.00 |
| C-42 | | 871.00 | DL Sub | 06/15/10 | 10/12/10 | 119 | 1.00% | | | \$3.00 |
| C-42 | | 1,369.00 | DL Unsub | 06/15/10 | 09/24/10 | 101 | 1.00% | | | \$4.00 |
| C-45 | | 811.00 | DL Sub | 04/26/10 | 02/14/11 | 294 | 1.00% | | | \$7.00 |
| C-45 | | 60.00 | DL Sub | 04/26/10 | 03/29/11 | 337 | 1.00% | | | \$1.00 |

| | | | | | | | | |
|------|--------|----------|----------|----------|----------|----|-------|--------|
| D-19 | (b)(6) | 498.00 | DL Unsub | 11/12/10 | 02/09/11 | 89 | 1.00% | \$1.00 |
| D-19 | | 871.00 | DL Sub | 11/12/10 | 02/09/11 | 89 | 1.00% | \$2.00 |
| D-20 | | 1,493.00 | DL Unsub | 12/03/10 | 02/10/11 | 69 | 1.00% | \$3.00 |
| D-20 | | 754.00 | DL Sub | 12/03/10 | 02/10/11 | 69 | 1.00% | \$1.00 |
| | | | | | | | | |

Total \$ 167.00

Total Principal \$ 39,774.92

| | |
|------------------|--------------|
| Total DL Sub | \$ 16,349.00 |
| Total DL Unsub | \$ 23,425.92 |
| Total FFEL Sub | \$ - |
| Total FFEL Unsub | \$ - |
| Total PLUS | \$ - |

Appendix M. Ineligible Pell Disbursements - Cost of Funds and Administrative Cost Allowance

Name of Institution: Ambria - Finding #3 Verification Violation

| No. | Description/Name | Ineligible Disbrsmnt | Program | Disburse Date | Return Paid Date | No. of Days | Imputed CVFR | Federal Share | To ED | To Inst Accounts |
|-----|------------------|----------------------|------------|---------------|------------------|-------------|--------------|---------------|----------|------------------|
| 39 | (b)(6) | \$2,775.00 | Pell Grant | 10/6/2010 | 5/4/2012 | 576 | 1.00% | \$ 2,775.00 | \$ 43.80 | \$ - |
| | | \$2,775.00 | Pell Grant | 6/30/2011 | 5/4/2012 | 309 | 1.00% | \$ 2,775.00 | \$ 23.49 | \$ - |

Total Ineligible \$5,550.00

| | | |
|---------------|----------|------|
| Totals | \$ 67.29 | \$ - |
| ACA Liability | | |

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

| | |
|-----------------|--|
| Federal FWS | |
| Federal SEOG | |
| Federal Perkins | |

| | |
|-----------------|------|
| Total C-B Spent | \$ - |
| ACA Percentage | |

| | | |
|--------------------|----------|------|
| Interest Breakdown | | |
| Pell Grants | \$ 67.29 | \$ - |
| ACG | \$ - | \$ - |
| SMART | \$ - | \$ - |
| TEACH | \$ - | \$ - |
| FWS | \$ - | \$ - |
| FSEOG | \$ - | \$ - |
| Perkins | \$ - | \$ - |
| FWS-50% Match | \$ - | \$ - |
| FWS-No Match | \$ - | \$ - |
| FSEOG-No Match | \$ - | \$ - |
| Perkins-No Match | \$ - | \$ - |
| ACA Breakdown | | |

| | |
|------------------|---------------|
| Total | Federal Share |
| Pell | \$ 5,550.00 |
| ACG | \$ - |
| SMART | \$ - |
| TEACH | \$ - |
| FWS | \$ - |
| FSEOG | \$ - |
| Perkins | \$ - |
| FWS-50% Match | \$ - |
| FWS-No Match | \$ - |
| FSEOG-No Match | \$ - |
| Perkins-No Match | \$ - |

| | |
|------------------|--|
| FWS | |
| FSEOG | |
| Perkins | |
| FWS-50% Match | |
| FWS-No Match | |
| FSEOG-No Match | |
| Perkins-No Match | |

Total Campus-Based \$ -

Appendix N. Ineligible Pell Disbursements - Cost of Funds and Administrative Cost Allowance

Name of Institution: Ambria - Finding #11 Undocumented Professional Judgment

| No. | Description/Name | Ineligible Disbrsmnt | Program | Disburseme nt Date | Return Paid Date | No. of Days | Imputed CVFR | Federal Share | To ED | To Inst Accounts |
|-----|------------------|----------------------|------------|--------------------|------------------|-------------|--------------|---------------|----------|------------------|
| 13 | (b)(6) | \$550.00 | Pell Grant | 3/24/2010 | 5/4/2012 | 772 | 1.00% | \$ 550.00 | \$ 11.63 | - |
| | | \$550.00 | Pell Grant | 4/19/2010 | 5/4/2012 | 746 | 1.00% | \$ 550.00 | \$ 11.24 | - |

Total Ineligible \$1,100.00

| | | |
|--|----------|---|
| | \$ 22.87 | - |
|--|----------|---|

Totals
ACA Liability

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

| | | |
|-----------------|--|--|
| Federal FWS | | |
| Federal SEOG | | |
| Federal Perkins | | |

| | | |
|-----------------|--|--|
| Total C-B Spent | | |
| ACA Percentage | | |

| | | |
|--------------------|----------|---|
| Interest Breakdown | | |
| Pell Grants | \$ 22.87 | - |
| ACG | - | - |
| SMART | - | - |
| TEACH | - | - |
| FWS | - | - |
| FSEOG | - | - |
| Perkins | - | - |
| FWS-50% Match | - | - |
| FWS-No Match | - | - |
| FSEOG-No Match | - | - |
| Perkins-No Match | - | - |

ACA Breakdown

| | | |
|------------------|--|--|
| FWS | | |
| FSEOG | | |
| Perkins | | |
| FWS-50% Match | | |
| FWS-No Match | | |
| FSEOG-No Match | | |
| Perkins-No Match | | |

| | Total | Federal Share |
|------------------|-------------|---------------|
| Pell | \$ 1,100.00 | \$ 1,100.00 |
| ACG | - | - |
| SMART | - | - |
| TEACH | - | - |
| FWS | - | - |
| FSEOG | - | - |
| Perkins | - | - |
| FWS-50% Match | - | - |
| FWS-No Match | - | - |
| FSEOG-No Match | - | - |
| Perkins-No Match | - | - |

Total Campus-Based \$ -