



May 22, 2014

Mr. Greg Malone
President
Casa Loma College
6725 Kester Avenue
Van Nuys, CA 91405-4523

Certified Mail Return Receipt Requested
Domestic Return Receipt
#7007 0710 0001 0674 7146

RE: **Final Program Review Determination**
OPE ID: 00673100
PRCN: 201310928442

Dear Mr. Malone:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on April 2, 2014 covering Casa Loma College (Casa Loma)'s administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2011-2012 and 2012-2013 award years. The institution's final response was received on April 22, 2014.

The San Francisco/Seattle School Participation Division has reviewed Casa Loma's responses to the Program Review Report. A copy of the program review report (and related attachments, if any) and Casa Loma's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Casa Loma 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.

Casa Loma's responses have resolved all findings. In addition, Casa Loma has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, Casa Loma may consider the program review closed with no further action required.

Appendix A, Student Sample, contains personally identifiable information and will be emailed to Casa Loma as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

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Casa Loma College
OPE ID: 00673100
PRCN: 201310928442
Page 2 of 3

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e) (3) (i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e) (1) and (e) (2)].

If you have any questions, please call Rick Allen at 415-486-5601.

Sincerely,

(b)(6)

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

Enclosures: Program Review Report (PRR)
Casa Loma Response to the PRR

cc: Ms. Rosleen Aurora, Financial Aid Administrator
California Bureau for Private Postsecondary Education
Accrediting Bureau of Health Education Schools (ABHES)



Appendix A. Student Sample

2011-2012

<u>Student #</u>	<u>Student Last Name</u>	<u>Student First Name</u>	<u>Student SSN</u>
1	(b)(6); (b)(7)(C)		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

2012-2013

16	(b)(6); (b)(7)(C)		
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			



April 2, 2014

Mr. Greg Malone, President
Casa Loma College
6725 Kester Avenue
Van Nuys, CA 91405-4523

Certified Mail
Return Receipt Requested
#: 7007 0710 0001 0675 4786

RE: **Program Review Report**
OPE ID: 00673100
PRCN: 201310928442

Dear Mr. Malone:

From October 22, 2012 through October 26, 2012, Rick Allen and Tracy Simmonds conducted a review of Casa Loma College's (Casa Loma's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by Casa Loma. The response should include a brief, written narrative for each finding that clearly states Casa Loma's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Casa Loma must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

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

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

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Casa Loma upon request. Copies of the program review report, the institution's response, 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 the FPRD is issued.

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

Protection of Personally Identifiable Information (PII):

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

Record Retention:

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Tracy Simmonds at (415) 486-5688 or by email at Tracy.Simmonds@ed.gov.

Sincerely,

(b)(6)

Erik Fosker
Compliance Manager
San Francisco/Seattle School Participation Division

cc: Ms. Rosleen Aurora, Financial Aid Officer

Enclosures:

Program Review Report
Protection of Personally Identifiable Information

Prepared for
Casa Loma College

OPE ID: 00673100
PRCN: 201310928442

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

Program Review Report
April 2, 2014

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 OPE ID: 0673100
 PRCN: 201310928442
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A. Institutional Information

Casa Loma College
 6725 Kester Avenue
 Van Nuys, CA 91405-4523

Type: Private, Nonprofit

Highest Level of Offering: Associates Degree

Accrediting Agency: Accrediting Bureau of Health Education Schools

Current Student Enrollment: 459 students

% of Students Receiving Title IV: 93%

Title IV Participation per U.S. Department of Education Records:

	<u>2011-2012</u> <u>Award Year</u>	<u>2012-2013</u> <u>Award Year</u>
Federal Pell Grant Program (Pell)	\$2,789,766	\$3,751,224
Federal Work-Study Program	\$ 44,507	\$ 64,836
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	\$ 120,538	\$ 111,588
Federal Direct Loan Program (FDLP) - Subsidized	\$2,855,631	\$2,820,576
FDLP - Unsubsidized	\$3,473,707	\$3,355,161
FDLP - PLUS	\$ 594,777	\$ 641,485
Federal Family Education Loan Program (FFELP) - Subsidized	\$ 0	\$ 44,106
FFELP - Unsubsidized	\$ 0	\$ 38,703
FFELP - PLUS	\$ 0	\$ 5,632

Default Rate FFEL/DL:	2011	5.5%
	2010	5.0%
	2009	9.3%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Casa Loma College (Casa Loma) from October 22, 2012 through October 26, 2012. The review was conducted by Rick Allen and Tracy Simmonds.

The focus of the review was to determine Casa Loma'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 Casa Loma'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 30 files was identified for review from the 2011-2012 and 2012-2013 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Casa Loma'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 Casa Loma of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

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

C. Findings

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

Finding 1. Satisfactory Academic Progress (SAP) Not Adequately Monitored

Citation: In order to begin and to continue to participate in any Title IV program, an institution must demonstrate that the institution is capable of adequately administering the Title IV programs under each of the standards set forth at 34 C.F.R. § 668.16. One such standard is the requirement that an institution establishes, publishes, and applies

reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his/her course of study. 34 C.F.R. § 668.16(e)

Noncompliance: Student #7's file contained no evidence that a review of this student's academic records had been completed to ensure that SAP was monitored.

Required Action: Casa Loma must provide documentation to show that Student #7 met SAP standards and was, therefore, entitled to any Title IV funds received, with its response to the PRR. If the student in question was not making SAP, and not entitled to any Title IV funds received, those funds are a liability due to the Department. Instructions on repaying any liabilities will be provided in the FPRD. In addition, Casa Loma must review and revise its policies and procedures to ensure that students' academic progress are monitored in accordance with federal regulations. A copy of the revised policies and procedures must also be provided with Casa Loma's response to the PRR.

Finding 2. Student Title IV Credit Balance Issued Late

Citation: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

In order to retain Title IV funds on behalf of a student, institutions must obtain written authorization from a student or parent, as applicable. The institution may use the student's or parent's Title IV, HEA program funds to pay for allowable charges that are included in that authorization. In obtaining the student's or parent's authorization to retain credit balances, an institution may not coerce the student or the parent to provide that authorization; must allow the student or parent to cancel or modify that authorization at any time; and must clearly explain how it will carry out that activity.

A student or parent may authorize an institution to hold credit balances for the period during which the student is enrolled at the institution. If a student or parent modifies an authorization, the modification takes effect on the date the institution receives the modification notice. If a student or parent cancels an authorization to use Title IV, HEA program funds to pay for authorized charges under 34 C.F.R. § 668.164(d)(2), the institution may use Title IV, HEA program funds to pay only those authorized charges incurred by the student before the institution received the notice. If a student or parent cancels an authorization to hold Title IV, HEA program funds, the institution must pay

those funds directly to the student or parent as soon as possible but no later than 14 days after the institution receives that notice. 34 C.F.R. § 668.164(e) and 34 C.F.R. § 668.165(b)

Noncompliance: Students ##2 and 5 were paid their Title IV credit balances 71 days and 2 days late, respectively.

Required Action: Casa Loma must review and revise its policies and procedures to ensure that Title IV credit balances are paid to students within the required timeframes, or implement policies and procedures for retention of student/parent credit balances, in accordance with federal regulations. A copy of the revised policies and procedures must be provided with Casa Loma's response to the PRR.

Appendix A: Student Sample

2011-2012

Student #	Student's Name	Student's SSN
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2012-2013

Student #	Student's Name	Student's SSN
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Confidential – This document contains Personally Identifiable Information and has been sent to Casa Loma electronically in an encrypted format.

Casa Loma College
OPE ID: 00673100
PRCN: 20310928442

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

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

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

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

Hard copy files and media containing PII must be:

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

PII data cannot be sent via fax.