



July 6, 2015

Dr. John MacArthur, President  
The Master's College & Seminary  
21726 Placerita Canyon Road  
Santa Clarita, CA 91321

Certified Mail  
Return Receipt Requested  
#: 70070710000106755196

RE: **Final Program Review Determination**  
OPE ID: 00122000  
PRCN: 201430928570

Dear Dr. MacArthur:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on June 25, 2014 covering The Master's College and Seminary's (TMC'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 2012-2013 and 2013-2014 (year to the program review date) award years. TMC's final response was received on October 10, 2014. A copy of the program review report (and related attachments) and TMC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by TMC 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) close the review, and (2) notify TMC 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.

This FPRD contains findings regarding TMC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery

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Act) and the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. Since a Clery Act and DFSCA finding does not result in a financial liability, such a finding may not be appealed.

**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 Marisol Nealon, Institutional Review Specialist, at (415) 486-5506.

Sincerely,

A black rectangular redaction box covers the signature of Martina Fernandez-Rosario. A thin horizontal line extends from the right side of the box.

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

cc: Mr. Gary Edwards, Financial Aid Administrator  
WASC Senior College and University Commission  
California Bureau of Private Postsecondary Education  
Department of Defense (via e-mail at [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil))  
Department of Veterans Affairs (via e-mail at [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov))  
Consumer Financial Protection Board (via e-mail at [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov))

Enclosure:  
Final Program Review Determination

Prepared for  
The Master's College and Seminary

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OPE ID: 00122000  
PRCN: 201430928570

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

Final Program Review Determination  
July 6, 2015

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**A. Institutional Information**

The Master's College & Seminary  
 21726 Placerita Canyon Road  
 Santa Clarita, CA 91321-1200

Type: Private, Nonprofit

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: Western Association of Schools and Colleges, Senior Colleges and Universities Commission (WASC SR)

Current Student Enrollment: 1,305 (2013-2014)

% of Students Receiving Title IV: 76.62% (2013-2014)

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

<u>Award Year</u>	<u>2012-2013</u>
Federal Pell Grant Program	\$ 1,673,312
William D. Ford Federal Direct Loan Program	\$ 7,690,857
Federal Perkins Loan Program	\$ 75,100
Federal Supplemental Educational Opportunity Grant Program	\$ 81,242
Federal Work Study Program	\$ 162,640

Default Rate FFEL/DL:	2009	0.6%
	2010	3.1%
	2011	2.5%

Default Rate Perkins:	6/30/2011	10.9%
	6/30/2012	12.5%
	6/30/2013	16.4%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at The Master's College & Seminary (TMC) from April 7, 2014 to April 11, 2014. The review was conducted by Marisol Nealon and Lana Walter.

The focus of the review was to determine TMC'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 TMC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, and student account ledgers.

A sample of 32 files was identified for review from the 2012-2013 and 2013-2014 (year to date) 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 partial social security numbers of the students whose files were examined during the program review. A copy of the PRR issued on June 25, 2014 is attached as Appendix B.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning TMC'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 TMC 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**

- Finding 1. Failure to Comply with Verification Requirements
- Finding 2. Aggregate Loan Limit Exceeded
- Finding 3. Failure to Provide Consumer Information
- Finding 7. Inaccurate Reporting to National Student Loan Data System
- Finding 8. Exit Counseling Deficiencies
- Finding 9. Unprotected Personally Identifiable Information (PII) in Student File

TMC has taken the corrective actions necessary to resolve findings 1-3 and 7-9 of the program review report. Therefore, these findings may be considered closed. The institution's written response on these findings may be found at Appendix C. Findings requiring further action by TMC are discussed below.

