



September 30, 2014

Dr. Paul Hennigan
President
Point Park University
201 Wood Street
Pittsburgh, PA 15222-1912

Sent Via Email

RE: **Expedited Final Program Review Determination Letter**
OPE ID: 00335700
PRCN: 201430328722

Dear Dr. Hennigan:

From June 30, 2014 through July 2, 2014, Stephen Conger conducted a review of Point Park University's (PPU) 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 purpose of this Final Program Review Determination Letter is to close the program review.

On January 20, 2014, Point Park University (PPU) self-reported to the U.S. Department of Education (the Department) that the institution awarded Title IV Federal Loan funds to three students at an additional location that was not previously approved by the Department. The focus of this review was to assess and determine the Title IV compliance issues with the disbursement of Title IV Federal Loans to the three students listed in Appendix A.

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. Appendix A was encrypted and sent separately to the institution via e-mail.

The Philadelphia School Participation Division has made a Final Program Review Determination concerning the finding that was identified during the program review. Following is a discussion of the finding identified and the resolution of the finding.

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Philadelphia

100 Penn Square East Suite 511 Philadelphia, PA 19107

Finding # 1: Failure to Report Timely an Additional Location to the Department

Citation: An institution that wishes to establish its eligibility to participate in any Title IV, HEA program must submit an application to the Secretary of Education, as well as documentation of state licensure and accreditation, in order to enable the Secretary to determine if the institution satisfies all certification requirements. 34 C.F.R. § 600.20(a).

Once the Secretary receives and approves such an application, the Secretary will notify the institution of its eligibility and of the locations and educational programs that qualify as eligible. The eligible locations are then specifically named on the Secretary's approval notice to the school, the Eligibility and Certification Approval Report (ECAR). 34 C.F.R. § 600.20(e).

This eligibility does not extend to any location that an institution establishes after it receives its eligibility designation if the institution plans to offer at least 50 percent of an educational program at that location. 34 C.F.R. § 600.10(b)(3).

An eligible institution must report to the Secretary using the Department's "Application for Approval to Participate in the Federal Student Financial Aid Programs" ("E-App" (electronic application)) no later than 10 days after the change occurs, of any change in its establishment of an accredited and licensed additional location at which it offers or will offer 50% or more of an education program if the institution wants to disburse Title IV, HEA program funds to students enrolled at that location. 34 C.F.R. § 600.21(a)(3).

When an institution must report to the Secretary about an additional location, the institution may not disburse Title IV, HEA funds to students at the location before reporting to the Secretary about the location. If the institution is not required to wait for the Secretary's approval of the location, once it reports the location to the Secretary, the institution may disburse funds to students at that location, if the location is licensed and accredited. 34 C.F.R. § 600.21(d).

Noncompliance: PPU failed to notify the Department within 10 days when it established an additional location in Homestead, Pennsylvania (OPE ID 00335715). PPU established this location on August 25, 2009 and began offering 50% or more of an educational program at that location. PPU did not notify the Department of its establishment of this location until August 23, 2013. Further, PPU did not have approval from its accreditor, Middle States Commission on Higher Education (MSCHE), for its Homestead, PA location until January 5, 2010. Nonetheless, PPU disbursed Title IV funds to three students who attended the Homestead, PA location, as follows;

<u>Student #</u>	<u>Loan Type</u>	<u>Amount Disbursed</u>	<u>Date of Disbursement</u>
#1	Federal Direct Unsubsidized Loan	\$3,580.00	09/22/2011
#1	Federal Direct Unsubsidized Loan	\$3,580.00	02/02/2012
#1	Federal Direct Unsubsidized Loan	\$3,580.00	05/30/2012
#1	Federal Direct Unsubsidized Loan	\$5,196.00	09/17/2012
#1	Federal Direct Unsubsidized Loan	\$5,196.00	02/01/2013
#2	Federal Direct Unsubsidized Loan	\$4,970.00	09/16/2009
#2	Federal Direct Unsubsidized Loan	\$4,970.00	01/27/2010
#2	Federal Direct Unsubsidized Loan	\$4,970.00	05/26/2010
#2	Federal Direct Unsubsidized Loan	\$5,030.00	09/17/2010
#2	Federal Direct Unsubsidized Loan	\$5,030.00	02/02/2011
#3	Federal Direct Unsubsidized Loan	\$3,187.00	12/13/2011
#3	Federal Direct Unsubsidized Loan	\$3,187.00	02/01/2012
#3	Federal Direct Unsubsidized Loan	\$393.00	12/13/2011
#3	Federal Direct Unsubsidized Loan	\$2,025.00	02/01/2012
#3	Federal Direct Unsubsidized Loan	\$2,832.00	06/29/2012
#3	Federal Direct Unsubsidized Loan	\$2,380.00	06/29/2012
#3	Federal Direct Unsubsidized Loan	\$4,425.00	09/17/2012
#3	Federal Direct Unsubsidized Loan	\$4,425.00	02/01/2013
Total Loan Amount		\$68,956.00	

Institutional Action Taken to Resolve Noncompliance: On January 20, 2014, PPU contacted the Department to self-report that it had disbursed Title IV loan funds to three students at the Homestead, PA location before it had notified the Department and without MSCHE approval.

Final Program Review Determination: The Department has determined that PPU failed to notify the Department timely of its establishment of the Homestead location, at which it offered more than 50 percent of an educational program. PPU also failed to obtain accreditor approval for its Homestead location until well after it began offering classes at that location. Although, the institution met neither requirement to initiate the Homestead site as a Title IV eligible location, PPU did disburse a total of \$68,956.00 in Federal Direct Unsubsidized Loan funds to three students who attended the Homestead location.

In such circumstances, the Department estimates the loss it will incur as a result of the ineligible disbursements. The calculation is based on the institution's most recent cohort default rate. Based on PPU's cohort default rate, there is no liability due as a result of the ineligible disbursement. However, the Department considers PPU's failure to report the additional location prior to requesting Title IV, HEA funds, to be a serious violation. PPU remains responsible, in its role as a fiduciary for Title IV, HEA federal funds, to ensure that it reports all additional locations to the Department in a timely manner, and that it does not disburse Title IV funds to students attending those locations prior to reporting those locations to the Department.

PPU has already taken the corrective action necessary to comply with the reporting requirement for the Homestead location. Therefore, PPU may consider this finding closed,

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. If you have any questions concerning this report, please call Stephen Conger at 215-656-5898 or email at stephen.conger@ed.gov.

Sincerely,

(b)(6)

Nancy Paula Gifford
Division Director

DPD

cc: Mr. George Santucci, Financial Aid Director

Appendix A: Student Sample

Sample #	SSN	Last Name	First Name
1	(b)(6)		
2			
3			