

Index Sheet

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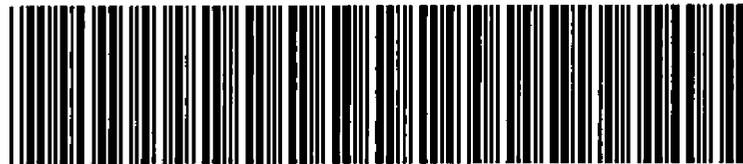
School Year: 2013

ACN:

PRCN: 201310428131

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August 13, 2013

Jack Forrest
Remington College
828 Downtowner Loop
Mobile, AL 36609-5404

UPS Next Day Air Tracking#:
1ZA5467Y0194808151

RE: Final Program Review Determination
OPE ID: 026055-00
PRCN: 201310428131

Dear President Forrest:

The U.S. Department of Education's (Department's) School Participation Division - Atlanta issued a program review report on February 27, 2013 covering Remington College'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 May 16, 2013.

The School Participation Division - Atlanta has reviewed Remington College's response to the Program Review Report. A copy of the program review report (and related attachments) and Remington College's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Remington College 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.

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

Appendix A, Student Sample, contains personally identifiable information and will be emailed to Remington College as an encrypted WinZip file using Advanced Encryption Standard, 256-bit upon request.

Federal Student
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Atlanta
61 Forsyth Street, SW Suite 18T40, Atlanta, GA 30303
StudentAid.gov

The password needed to open the encrypted WinZip file(s) would be sent in a separate email. 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 contact Toyoko Woodard at (404) 974-9448 or Toyoko.Woodard@ed.gov.

Sincerely,

(b)(6)

Charles Engstrom
Division Director

Enclosure: Program Review Report (with attachments)
Remington College's Response to the Program Review Report

cc: James Dunn, Financial Aid Administrator
Alabama State Department of Education
Accrediting Commission of Career Schools and Colleges

Prepared for
Remington College
Mobile Campus

Federal Student Aid
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OPE ID: 026055-00
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Prepared by: Toyoko Woodard
U.S. Department of Education
Federal Student Aid
Atlanta School Participation Division

Program Review Report

February 27, 2013

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A. Institutional Information

Remington College – Mobile Campus
828 Downtowner Loop West
Mobile, AL 36609-5593

Type: Private Nonprofit

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Student Enrollment: 2087 (2012-2013)

% of Students Receiving Title IV: 90% (2012-2013)

Title IV Participation Postsecondary Education Participants System (PEPS):

<u>Title IV Programs</u>	<u>2011-2012</u>
Federal Pell Grant (PELL)	\$ 15,955,963
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 365,033
Federal Direct Loan (DL)	\$ 30,715,920
Default Rate DL:	2010 - 6.2%
	2009 - 9.7%
	2008 -11.3%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Remington College from December 10, 2012 to December 14, 2012. The review was conducted by Toyoko Woodard, Melody Venable-Parker and Robert Scott.

The focus of the review was to determine Remington College'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 Remington College'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 (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.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Remington College'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 Remington College 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 Remington College to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Credit Balance Authorization Form Inadequate

Citation:

In obtaining the student's or parent's written authorization to hold Title IV credit balances, an institution

1. May not require or coerce the student or parent to provide that authorization;
2. Must allow the student or parent to cancel or modify that authorization at any time; and
3. Must clearly explain how it will carry out that activity. 34 C.F.R. § 668.165

Noncompliance:

The institution has no formal procedure in place for a student to receive their credit balance. The credit balance authorization form used does not include the option to return credit balances to the student or provide the option to rescind holding the credit balances. This gives the appearance that Remington College may be deterring students from receiving a credit balance and the opportunity to rescind the initial authorization to hold a credit balance.

Required Action:

Remington College was advised during the review that they must revise its Credit Balance Authorization form. The form must clearly state that the authorization may be modified and/or rescinded at any time. The form must be clearly titled, that it is a credit balance authorization form, and the student must be given the option to directly receive their credit balance. Remington College provided an updated copy of their Credit Balance Authorization form onsite with the required components therefore this finding is considered closed and no further action is required.

Finding 2: Title IV Funds Not Maintained in an Interest Bearing or Investment Account

Citation:

34 C.F.R § 668.163 states, an institution must maintain Title IV, HEA program funds in a bank or investment account that is Federally insured or secured by collateral of value reasonably equivalent to the amount of those funds. In addition, Direct Loan, Federal Pell Grant, ACG, National SMART Grant, TEACH Grant, FSEOG, and FWS program funds must be maintained in an interest-bearing bank account or an investment account.

An institution does not have to maintain Direct Loan, Federal Pell Grant, ACG, National SMART Grant, TEACH Grant, FSEOG, and FWS program funds in an interest-bearing bank account or an investment account for an award year if—

- The institution drew down less than a total of \$3 million of those funds in the prior award year and anticipates that it will not draw down more than that amount in the current award year;
- The institution demonstrates by its cash management practices that it will not earn over \$250 on those funds during the award year; or
- The institution requests those funds from the Secretary under the just-in-time payment method.

Noncompliance:

The institution does not deposit its Title IV funds into an interest-bearing bank account or investment account as required nor was it able to produce any supporting documentation that they meet any of the exemptions for this requirement.

Failure to deposit Title IV funds into an interest-bearing bank account or investment account constitutes an inability by the institution to properly administer Title IV programs; deprives needy students of these funds, and causes a loss to the government in interest earned.

Required Action:

The institution must ensure that all Title IV funds are deposited into an interest-bearing bank account or investment account that is insured by an agency of the Federal Government. The institution must exercise the level of care required of a fiduciary with regard to these deposits and investments and report earned interest as required. Further, the institution must calculate the interest which would have been earned if the institution complied with regulations for all Title IV funds for the award 2011-2012 and 2012-2013 award years. Supporting bank documentation indicating Title IV funds are maintained in an interest bearing or investment account and a copy of the interest calculation [including the source of the interest rate(s) used] must be submitted to this office in response to this report.

Finding 3: Verification Violation

Citation:

34 C.F.R. § 668.54 states, an institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary to verify all of the applicable items specified in 34 C.F.R. § 668.56.

The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. An institution must establish procedures to

request, receive and verify applicant data for each award year. Institutions are also responsible for resolving conflicting information related to a student's application for Title IV aid. There are five required data elements that must be verified. These five items are:

- Household size (HHS)
- Number enrolled in college;
- Adjusted Gross Income (AGI);
- U.S. income tax paid; and,
- Other untaxed income and benefits

34 C.F.R. § 668.54 of the General Provisions regulation states that an institution must verify all applications CPS selects for verification.

In general, your school must have correct data before it can pay the student. If your school has conflicting information concerning a student's eligibility or you have any reason to believe a student's application information is incorrect, you must resolve the discrepancies before disbursing Title IV funds. If you discover discrepancies after disbursing Title IV funds, you must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Noncompliance:

Remington College did not accurately complete verification for Student #27. This student was selected for verification; however, there are no supporting verification documents provided in the student's financial aid file. Therefore, verification is not considered to be complete.

Required Action:

Remington College's response to this finding should provide copies of the missing verification documentation to support Student #27's eligibility for the Title IV funds that were disbursed. In addition, the institution must explain corrective actions the institution will take to complete verification and resolve applicant discrepancies in the future in its response to this report.

Finding 4: Maximum Annual Direct Lending (DL) Award Exceeded

Citation:

34 C.F.R. § 685.203 indicates, for any academic year of study the maximum annual Direct Loan amount a student may borrow for subsidized and unsubsidized loans for a first-year dependent undergraduate is \$5,500, however; no more than \$3,500 of this amount may be in subsidized loans.

Under paragraph (c)(1)(ii) of C.F.R. § 685.203, a dependent student whose parents are ineligible for a Direct PLUS Loan may be able to receive additional loan funds. In order for a dependent undergraduate student to receive this additional loan amount, the financial aid administrator must determine that the student's parent likely will be precluded by exceptional circumstances from borrowing under the Federal Direct PLUS Program or the Federal PLUS Program and the student's family is otherwise unable to provide the student's expected family contribution. The financial aid administrator shall base the determination on a review of the family financial information provided by the student and consideration of the student's debt burden and shall document the determination in the school's file.

Noncompliance:

Remington College awarded Student #25 an additional unsubsidized loan that exceeded the student's annual undergraduate dependent loan limit. The institution was unable to provide supporting documentation that the parent was denied a Direct Plus Loan and/or met any of the exceptional circumstances for borrowing a Direct Plus Loan. As a result, this student was over awarded \$4,000 in Unsubsidized Federal Direct Loans.

Required Action:

Remington College is liable for the over awarded amount of \$4,000 in Unsubsidized Federal Direct Loans. Remington College must provide copies of their Packaging and Awarding policy and procedure revisions and corrective action measures to ensure students Title IV awards are being packaged and disbursed appropriately with their response to this report. The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 5: Inaccurately Reporting Information to COD

Citation:

34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Common Origination and Disbursement (COD) system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement (COD Technical Reference, 2008-2009, Volume II). The disbursement date is the date that the institution:

- (a) Credits funds to a student's account, or;
- (b) Pays funds to a student directly

Refer to the COD Technical Reference, 2008-2009 and the June 9, 2008 Federal Register for the most recent reporting deadlines and requirements.

Noncompliance:

Disbursement dates reported to COD conflict with the student's account ledger for Student #8. The institution initially drew down \$2,775 in Pell funds on 8/21/12. The institution never posted these funds to the student's account ledger but later returned these funds on 9/5/12. Subsequently on 9/7/12 the institution drew down \$2,415 in Pell funds however these funds were not posted to the student's account until 9/17/12.

Required Action:

Remington College must review COD reporting procedures to determine why disbursement dates are not accurate for its students. Remington College must correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. Remington College's response must describe procedures that the institution will put into place in order to correct these deficiencies. In addition, the institution must correct the dates in COD for Student #8 that was selected during the review. To show the correction has been made in COD, the institution must provide this office with a copy of the "Award Disbursements Information" page from the COD system.

Finding 6: R2T4 (Return of Title IV) Calculation Errors

Citation:

34 C.F.R. § 668.22 When a Title IV recipient withdraws from an institution during a payment period or period of enrollment in which he or she began attendance, the institution must determine the amount of Title IV assistance the student earned (or could have earned) as of the date of withdrawal. The amount of aid earned is calculated by determining how much of the payment period the student completed, and then multiplying that percentage by the amount of Title IV funds he received or could have received.

Noncompliance:

Remington College did not calculate and return the proper amount of Title IV funds for Students # 5 and 7, for example:

Student #5: The R2T4 calculation indicates that the total amount of Title IV funds of \$3,237.88 was required to be returned by the school. However, the institution failed to complete the entire R2T4 calculation process and returned an additional \$445.06 of the Subsidized Loan disbursed. As result, this student was denied their full Subsidized Loan award.

Student #7: The R2T4 calculation indicates that the total amount of Title IV funds of \$5,092.09 was required to be returned by the school. In addition to returning the Direct Loan funds, the institution was also required to return \$428.09 in Pell funds. The institution determined that \$625.69 in Pell funds was due from the student. However, Remington College failed to accurately complete the protected grant amount on the R2T4 form that exempted the student from this return. The institution inaccurately returned \$1,054 in Pell funds for this student. As result, this student was denied their full Pell award.

Required Action:

Remington College is required to revise its procedures to ensure R2T4s are performed accurately and the correct amount of Title IV aid is returned when performing R2T4 calculations for students who cease attendance. This procedure must be corrected immediately. Your response to this finding must provide a copy of these revisions and assurance that this finding will not be repeated in the future. Further instructions, if any, will be provided in the Final Program Review Determination Letter.

Finding 7: Over Awards – Program Shorter Than an Academic Year

Citation:

34 C.F.R. § 668.3 indicates, an academic year for a credit-hour program must be defined as at least 30 weeks of instructional time. In addition, the law and regulations set the following minimum standards for coursework earned by a full-time student in an academic year in an undergraduate educational program is 36 quarter credit-hours for a program measured in credit-hours.

The Federal Student Aid (FSA) academic year that a school defines for a program has to meet the regulatory minimums for both clock or credit-hours AND weeks of instructional time. In some instances, the academic year may not coincide with the academic calendar of the school. For a program longer than an academic year in length, awards would be affected if the completion of the credit or clock-hours in the program's academic year does not coincide with completing the weeks of instructional time in the academic year.

In addition, the credits approved by states and accrediting agencies are **not** necessarily the credits for FSA purposes. For FSA purposes, the number of credits in the program will be those determined by the conversion formula, and they will never be more than those approved by a state or accrediting agency. Refer to the 2011-2012 FSA Handbook, Vol. 2, Ch.2, Page 30 and 2012-2013 FSA Handbook, Vol. 2, Ch.2, Page 27.

Noncompliance:

The Medical Assisting Diploma program for Remington College is 34 quarter credit-hours which is less than the minimum academic year definition of 36 quarter credit-hours. Remington College failed to follow the payment period rules for a program that is less than an academic year and as a result several students were over awarded Title IV funds. The formulas that should have been used to determine the Pell and Direct loan eligibility for this program are below.

To determine the Pell payment for a payment period, multiply the student's scheduled award by the lesser of:

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

or

$$\frac{\text{weeks* in the payment period}}{\text{weeks* in the program's academic year}} \\ \text{(at least 30 for credit-hour)}$$

For Direct Loan purposes, if an academic program is shorter than a full academic year in length, you must multiply the applicable loan limit(s) by the *lesser* of —

$$\frac{\text{credit hours enrolled in program}}{\text{credit hours in academic year}}$$

or

$$\frac{\text{weeks enrolled in program}}{\text{weeks in the academic year}}$$

The result is the prorated annual loan limit for that program. Refer to the FSA Handbook, Vol. 3 Calculating Awards and Packaging for further information.

The following chart illustrates the applicable over awards from the statistical sample:

Student #	EFC	Actual v.s. Correct	Pell Disbursed	Subsidized Loan Disbursed	Unsubsidized Loan Disbursed	Over Awarded Amount
2	0	Actual	\$2,775	\$3,500	\$6,000	\$681.95
		Correct	\$2,620.83	\$3,305.55	\$5,666.67	
13	0	Actual	\$2775			\$154.17
		Correct	\$2,620.83			
18	1601	Actual	\$1,950	\$1,750	\$3,000	\$372.24
		Correct	\$1,841.66	\$1,652.77	\$2,833.33	

Required Action:

Remington College must complete a full file review and identify **all** locations where the Medical Assisting Diploma was approved by their primary accreditor at 34 academic credits and include any other programs that were incorrectly paid for less than an academic year. Remington College must also identify all students who were enrolled in the Medical Assisting Diploma program and/or any additional programs that are identified from July 1, 2011 to current.

The results of the file review must be forwarded to this office in an electronic spreadsheet format with the following information:

- Main and/or Branch Location
- Award Year
- Last Name
- First Name
- Last 4 digits of SSN
- Disbursed Amount by Program
- Correct Amount That Should Have Been Disbursed by Program
- Date of Disbursements (mm/dd/yy)

Remington College must engage an independent Public Accountant (IPA) to test the file review completed by the Institution. The IPA must develop a set of procedures designed for testing the accuracy and completeness of the file review. The suggested procedures must be provided to Toyoko Woodard within 30 days of the institution's receipt of the Program Review Report. Ms. Woodard will review the procedures, indicate if any changes are needed, and approve the procedures.

The IPA must apply the Agreed upon Procedures to test the file review(s) completed by Institution, and prepare a report including any exceptions noted during its testing. The exceptions must be detailed and identified. Exceptions must be reported for all file review elements as specified in the finding requirement as presented in the Program Review Report. The IPA must prepare the report in accordance with AICPA Attestations Standards. The IPA's report must be submitted with Institution's response to this Program Review Report.

If Remington College submits the data electronically, the institution must place the files in a password protected WINZIP archive. This will compress the data in addition to providing password protection. The institution must telephone Toyoko Woodard with the password at (404) 974-9448. If the documentation is mailed, the institution must only submit the last 4 numbers of the student's social security number.

Results of the full file review must be included in Remington College's response to this report. Please contact Toyoko Woodard for detailed instructions regarding the excel

Remington College – Mobile Campus

OPE ID: 026055-00

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format required before submission. Remington College's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future.



May 16, 2013

Ms. Toyoko Woodard
United States Department of Education
Federal Student Aid, School Participation Team – Atlanta
61 Forsyth Street, SW Suite 18T40
Atlanta, GA 30303

Re: Program Review Report
OPE ID: 026055-00
PRCN: 201310428131

Dear Ms. Woodard:

We are in receipt of the letter of February 27, 2013 from Mr. Christopher Miller, Compliance Manager and of the Program Review Report of the same date attached thereto. The letter instructs that “the institution’s response should be sent directly to Toyoko Woodard within 90 calendar days of receipt of this letter”. Please allow this correspondence and the enclosures herewith to serve as the official response of Remington College – Mobile Campus (“Remington”).

The findings and Remington’s responses are presented in the order in which they appear in the Program Review Report.

Finding 1: Credit Balance Authorization Form Inadequate

Noncompliance – The institution has no formal procedure in place for a student to receive their credit balance. The credit balance authorization form used does not include the option to return credit balances to the student or provide the option to rescind holding the credit balances. This gives the appearance that Remington College may be deterring students from receiving a credit balance and the opportunity to rescind the initial authorization to hold a credit balance.

Response to Finding 1

Remington provided a copy of its updated Credit Balance Authorization form to the onsite Program Reviewers and, as stated in the Program Review Report’s “Required Actions” section, “this finding is considered closed and no further action is required.”

Finding 2: Title IV Funds Not Maintained in an Interest Bearing or Investment Account

Noncompliance – The institution does not deposit its Title IV funds into an interest-bearing bank account or investment account as required nor was it able to produce any supporting documentation that they meet any of the exemptions for this requirement.

Failure to deposit Title IV funds into an interest-bearing bank account or investment account constitutes an inability by the institution to properly administer Title IV programs; deprives needy students of these funds, and causes a loss to the government in interest earned.

Response to Finding 2

Remington trusts that the additional information in our response will resolve the Department's concerns (copies of the documentation supporting our response below are enclosed.)

Our third party servicer, Global Financial Aid Services, Inc. ("Global"), draws down federal funds into accounts at Hancock Bank. Hancock Bank, through Global, provided us with the average monthly balances in our Edpay and Direct Loan bank accounts for the periods covered by the 2011-12 award year and for the 2012-13 award year through March, 2013. In addition, Hancock Bank provided Global with the interest rates they paid on interest bearing deposit accounts for the same periods, ranging from 0.001% per annum to 0.002% per annum.

Based on this information, the amount of interest that would have been earned in the 2011-12 award year is computed to be \$13.54, and the amount for the 2012-13 award year (through March, 2013) is computed to be \$2.81, both of which are well below the \$250 annual threshold to require the funds be deposited in an interest bearing account.

Remington College respectfully submits that our institution has demonstrated that it meets this exception and is, therefore, not required to deposit its Title IV funds into an interest-bearing bank account or investment account.

Finding 3: Verification Violation

Noncompliance: Remington College did not accurately complete verification for Student #27. This student was selected for verification; however, there are no supporting verification documents provided in the students financial aid file. Therefore, verification is not considered to be complete.

Response to Finding 3

Remington trusts that the additional information in our response will resolve the Department's concerns (copies of the documentation supporting our response below are enclosed).

May 16, 2013

Page 3 of 7

Student #27 started her program at the Remington College Campus in Nashville, TN on September 17, 2012. She submitted a web correction to 02 Institutional Student Information Report (ISIR) on September 11, 2012 correcting her college choice and used the IRS retrieval process to transfer her tax information to her 03 ISIR. The 04 ISIR received on October 10, 2012 provided a correction to the amount of income earned from work. The change did not cause any change to the EFC.

Remington has enclosed copies of the 03 and 04 Institutional Student Information Reports, and a copy of the 2012-2013 Verification Worksheet that verifies number in household and number in college. Also, provided is a statement that the student received benefits from the Supplemental Nutrition Assistance Program. Last, we have included the student's 2011 Tax Return Transcript.

In response to the "Required Actions" in the Program Review Report, Remington expects that the "copies of the missing verification documentation" provided herewith will resolve the student cited.

The "missing verification documents" were available at the time of the Program Review. When Mr. Dunn was gathering the student files that the Program Review Team requested, he made copies of the information he provided to the team and in his copies, these documents are present. It is not clear to us whether the documents were inadvertently not provided, or were inadvertently not in the correct student's file, were overlooked, or misplaced or exactly what happened. In any event, the copies are included here, and Remington is confident that the documents were present at the campus at the time the Program Review was conducted.

Accordingly, Remington respectfully asserts that its verification process is working properly and that no corrective actions are required.

Finding 4: Maximum Annual Direct Lending (DL) Award Exceeded

Noncompliance: Remington College awarded Student #25 an additional unsubsidized loan that exceeded the student's annual undergraduate dependent loan limit. The institution was unable to provide supporting documentation that the parent was denied a Direct Plus Loan and/or met any of the exceptional circumstances for borrowing a Direct Plus Loan. As a result, this student was over awarded \$4,000 in Unsubsidized Federal Direct Loans.

Response to Finding 4

Remington agrees that the student only provided a statement from the mother at the time of enrollment. However, Remington believes that the additional documentation provided with this response demonstrates that the student is eligible for the additional \$4,000 in unsubsidized loan funds.

We reviewed the student's verification worksheet and ISIR and verified that neither parent had any income other than disability benefits. When we attempted to get information to justify the payment of additional unsubsidized student loans, we learned that shortly after the student started school she reported to the police that her father had sexually abused her. Copies of the police report and arrest are attached. The father has been incarcerated since that time. Also, the mother has provided additional documentation for her disability benefits. Remington believes the student is eligible for the additional

unsubsidized loan funds based on the documentation provided with this response. Remington's third party servicer, Global, agrees that the student is eligible, as well.

Remington will provide refresher training to its financial aid personnel to remind its financial aid staff of the steps required for a dependent student to receive additional unsubsidized loan funds, and has included these requirements in its file audit checklist.

Finding 5: Inaccurately Reporting Information to COD

Noncompliance: Disbursement dates reported to COD conflict with the student's account ledger for Student #8. The institution initially drew down \$2,775 in Pell funds on 8/21/12. The institution never posted these funds to the student's account ledger but later returned these funds on 9/5/12. Subsequently on 9/7/12 the institution drew down \$2,415 in Pell funds however these funds were not posted to the student's account until 9/17/12.

Response to Finding 5

Remington trusts that the additional information in our response will resolve the Department's concerns about this Finding (copies of the documentation supporting our response below are enclosed).

Remington did not draw down funds on behalf of this student on 8/21/12, as originally shown in COD. During the reconciliation of August drawdowns, it was discovered by Global that the 8/21/12 disbursement shown in COD had not been received, and the disbursement record was adjusted in COD to show zero disbursed to the student by the entry dated 9/5/12. On 9/7/12, a disbursement record was transmitted for \$2,415 with a disbursement date of 9/7/12; however, this disbursement was not reflected on a check register until 9/13/12. (The "check register" consists of a list of the students for whom Global has requested funds through G5).

The disbursement was then posted on September 17, 2012 to the student ledger, which was 2 business days after it appeared on the check register and one business day after the funds were received. On October 1, the disbursement date was corrected in COD to match the disbursement date on the ledger. Copies of supporting documentation are attached, including COD Screenshots/G5 payment request for \$7,741 (which includes this disbursement and three others) and bank statement copies reflecting the deposit and transfer to the school.

The following routine process is currently in place at Remington to correct any COD discrepancies (since December 27, 2012, Remington has been required to use HCM1):

Global provides Remington with a check register on "Day 0" ("Day 0" is the date that the request for funds is made – not the requested disbursement date of the funds). On Day 1 (the next business day) Remington posts the funds to student accounts and notifies Global of the amounts posted. Global then updates the dates in COD to indicate that the funds were posted to the students' accounts on this date. On Day 2 (the next business day) Global moves the funds to the Remington operating account.

In the event that requested funds (as detailed on the check register) are not received as scheduled, for whatever reason, Remington reviews the posting date in COD to ensure that the date matches the dates posted on the ledger card.

As an additional quality assurance measure, after funds have been posted to student accounts, Remington selects a sample from each batch posting and manually confirms that the amounts and dates posted to the selected student accounts match the COD records.

Remington respectfully rejects the assertion that it was noncompliant with its obligations to make timely postings of funds received to this student's ledger. Remington believes its handling of this student's funds was fully compliant with the requirements of the regulations, and trusts that the supporting documentation provided will prove that.

Finding 6: R2T4 (Return of Title IV) Calculation Errors

Noncompliance: Remington College did not calculate and return the proper amount of Title IV funds for Students # 5 and 7.

Response to Finding 6

Remington agrees that it refunded more Title IV funds than was required by the Return of Title IV calculation.

In the cases of both Student #5 and Student #7 the R2T4 calculation indicated that Remington needed to return some funds and the Student(s) needed to return some funds. In both instances Remington returned both the amount it should have refunded and the amount which should have been returned by the student.

Remington appreciates the review team bringing this to our attention, and has revised its internal practices and procedures to ensure that it returns only TIV funds for which the institution is responsible. Remington assures the Department that this will not be a repeat finding.

Finding 7: Over Awards – Program Shorter Than an Academic Year

Noncompliance: The Medical Assisting Diploma Program for Remington College is 34 quarter credit-hours which is less than the minimum academic year definition of 36 quarter credit-hours. Remington College failed to follow the payment period rules for a program that is less than an academic year and as a result several students were over awarded Title IV funds.

Response to Finding 7

Remington respectfully submits that it did not fail to follow the payment period rules for a program that is less than an academic year for any students selected for review by the Program Review team during the Program Review conducted on site at the Mobile campus December 10-13, 2012. So, to the extent that the finding is related to the students cited, that is incorrect.

However, based on approvals received in late December 2012, Remington College (not just the Mobile OPEID group, but **also other Remington College OPEID groups**) revised the Medical Assisting Program ("MADP") at nine campuses in a manner that resulted in fewer academic credit hours than financial aid credit hours. (No students were enrolled in this program during the period of time up and including the dates of the Program Review.)

Remington based its understanding of the minimum standards for an academic year on the Code of Federal Regulations ("Regulations"), and was not aware that the Federal Student Aid Handbook had an additional requirement for an academic year that used the *lesser of* the credit hours as determined by the Regulations or those determined by a state or accrediting agency. This 34 academic credit hour version of MADP was first used with students beginning their programs in January, 2013

As soon as you made us aware of this issue, Remington re-revised its MADP at the nine locations identified, so that those programs since March, 2013 have more than 36 academic credit hours as determined by our primary accreditor. In addition, Remington College reviewed **all** its other programs at all its campuses and found no other programs with this issue, and Remington College is not aware of any of its programs have had this issue in the past.

Remington has taken the following steps to address this Finding:

- Remington performed a full file review and identified **all** locations where the Medical Assisting Program was approved by the primary accreditor at 34 academic credits, and confirmed that none of its other programs had less academic credits than approved financial aid credits.
- Remington prepared an Excel spreadsheet with the data elements specified in the Program Review Report, containing all students who enrolled in the MADP in January and February. This spreadsheet is attached.
- Remington engaged the independent Public Accounting firm, BKD, LLC to test the accuracy and completeness of our file review and our spreadsheet, as required by the Program Review Report, using the procedures approved by Ms. Toyoko Woodard. Their report is attached.
- Based on the spreadsheet, Remington identified students who began their MADP in January or February and received TIV funds based on a full academic year of 36 hours, but who dropped before the March term began on March 25th, 2013. For all these students, Remington compared the actual TIV awards to what should have been awarded based on the proration using 34 academic credits. **Remington has refunded all additional over-awarded funds to the Department, as shown on the spreadsheet.**

May 16, 2013

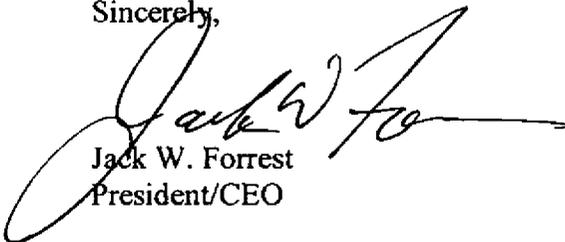
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- Remington transferred all continuing students who had begun their MADP in January or February at these nine campuses into the revised MADP effective with the term which began on March 25th, 2013. For all students who began their MADP in January or February and continued into the March term, since all those students became enrolled in an MADP with at least 36 academic credit hours, they are entitled to the full TIV funds they have received and/or have been packaged to receive. Remington believes no further action is required on these students as their MADP has been changed to be a full academic year by any measurement method.

Remington's management appreciates you and the Program Review team bringing this issue to our attention and making us aware of this Federal Student Aid Handbook requirement. In order to prevent a similar finding in the future, Remington has added a step in its compliance review of its Eligibility and Certification Approval Reports to compare the financial aid credits shown for its programs to the credits approved by the state and accreditation agencies. Also, Remington's internal team that prepares state and accrediting agency submissions has added this review to their process.

We trust that our responses to the Program Review Report fully address your concerns. To the extent you have additional questions or need additional details, please let me know. We appreciate your courtesy and cooperation in performing and completing this Program Review, and respect the important role that Program Reviews play in determining compliance with applicable rules and regulations.

Sincerely,



Jack W. Forrest
President/CEO

JWF:sde

Enclosures

Checklist - FPRD Review

(b)(7)(E)