

COMMONWEALTH OF PENNSYLVANIA
Department of Education

August 21, 1995

SUBJECT: Private Licensed Schools Memorandum #46

TO: Chief Executive Officers/Directors
Licensed/Registered Private Schools

FROM: James G. Hobbs, Chief
State Board of Private Licensed Schools

Purpose of this Memorandum. The purpose of this memorandum is to acknowledge two changes in the Federal regulations brought about by the enactment of the Higher Education Amendments of 1992 which may have implications for the refund policies of private licensed schools.

Allowable Administrative Fee. Thirty-four CFR Section 668.22 (d)(2)(i)(ii) effective July, 1 1995 provides that:

- (2) An institution may exclude from calculation of a Federal refund under this paragraph a reasonable administrative fee not to exceed the lesser of...
 - (i) Five percent of the tuition, fees, room, board and other charges assessed the student; or
 - (ii) One hundred dollars.

Refunds of \$25.00 or less. Thirty-four CFR Section 668.22 (g)(3)(iii)(B) effective July 1, 1995 provides that:

- (B) If an institution demonstrates that the total amount of refund would be twenty-five dollars or less, the institution is not required to pay the refund, provided that the institution has written authorization from the student in the enrollment agreement to retain any amount of the refund that would be allocated to the Title IV, HEA loan programs.

This memorandum is intended to notify schools that the Pennsylvania State Board of Private Licensed Schools acknowledges these modifications to the Federal refund policy. It further acknowledges that private licensed schools that choose to apply these specific provisions of the Federal regulations to their own refund policies are in compliance with the Pennsylvania State Board of Private Licensed Schools regulations governing refunds.