

RULES AND REGULATIONS

Title 22—EDUCATION

PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY

[22 PA. CODE CH. 121]

Student Financial Aid

The Pennsylvania Higher Education Assistance Agency (PHEAA), State Grant and Special Programs, amends Chapter 121 (relating to student financial aid) to read as set forth in Annex A.

A. Statutory Authority

This final-form rulemaking is authorized by section 6(e) of the act of January 25, 1966 (P. L. 1546, No. 541) (24 P. S. § 5156).

B. Background and Description of Final-Form Rulemaking

The purpose of this final-form rulemaking is to update Chapter 121 to conform to current practice. PHEAA is amending provisions that are obsolete, inconsistent or superseded by current higher education practice. References to obsolete subdivisions are deleted or replaced with current references. References to specific forms, some of which are outdated, are deleted wherever possible.

Description of Amendments

§ 121.1. Definitions

In this final-form rulemaking, the definition of “academic year” is amended to add an ending date to coincide with the end of final examinations. The definition of “college entrance examination” is amended to recognize alternative examinations used by higher education institutions. The definition of “SAT” is deleted because it is no longer the only recognized entrance examination. The definition of “veteran” is amended to comply with current Federal standards.

§ 121.3. Discrimination prohibited

A technical edit was made to this section and the reference to the Federal Family Education Loan Program was deleted because it is no longer relevant to the Higher Education Grant Program.

§ 121.4. Denial of eligibility to loan defaulters

This final-form rulemaking makes clarifying amendments to be inclusive of Federal, State and private loans.

§ 121.5. Enrollment

This final-form rulemaking deletes outdated language.

§ 121.7. Notice of denial and preliminary review procedures

This final-form rulemaking deletes outdated language and references to outdated forms. The process is also simplified.

§ 121.8. Applicant and recipient appeals and hearings

This final-form rulemaking deletes outdated language and references to outdated forms. The process is also simplified.

§ 121.21. Requirements for higher education grant applicants

This final-form rulemaking clarifies the reference to the Pennsylvania Department of Education.

§ 121.22. Early admission students

This final-form rulemaking replaces “senior high” school with the more current term “secondary” school.

§ 121.32. Approved institution in higher education grant program

This final-form rulemaking updates language to reference current accrediting bodies, clarifies the reference to the Pennsylvania Department of Education and recognizes the appropriate responsible persons in institutions of higher education.

§ 121.33. Approved program of study in higher education grant program

This final-form rulemaking clarifies the reference to the Pennsylvania Department of Education and the Pennsylvania State Board of Private Licensed Schools.

§ 121.41. Grouping of applicants

This final-form rulemaking updates the reference to a college entrance examination in accordance with amendments to § 121.1 (relating to definitions).

§ 121.44. Required family financial data

This final-form rulemaking updates references to United States Department of Education criteria.

§ 121.47. State Higher Education Grant Program Manual

This final-form rulemaking increases transparency and updates the reference to recognized accrediting bodies.

§ 121.48. Limitation on payment of grants

This final-form rulemaking makes clarifying amendments regarding deadlines for payments of grants.

§ 121.52. Transferring an award

This final-form rulemaking deletes outdated language.

§ 121.55. Recipients on probation

This final-form rulemaking adds a cross-reference to § 121.58 (relating to academic progress).

§ 121.58. Academic progress

This final-form rulemaking increases transparency regarding how progress is determined.

Comments and Responses

The Independent Regulatory Review Commission (IRRC) submitted the following comments that were considered by PHEAA in preparing this final-form rulemaking.

Comment

IRRC commented that former § 121.21(b) (relating to requirement for higher education grant applicants) concluded with “. . . standards of instruction of the public high schools located in this Commonwealth.” IRRC noted that to be consistent with other amendments, the text should state “public secondary schools” rather than “public high schools.”

Response

The comment is accepted and the change in terminology is made in this final-form rulemaking.

Comment

IRRC commented that proposed § 121.44(b)(2) (relating to required family financial data) is vague because this paragraph does not provide a definitive standard for the

exception. The proposed phrase “other criteria” should be clearer so that the applicant can understand what criteria he must meet to qualify for the exception. Second, the phrase “. . . which generally are the United States Department of Education criteria . . .” implies that PHEAA may use other criteria. IRRC recommended amending subsection (b)(2) to provide a clear standard for an applicant to qualify for an exception.

Response

PHEAA uses the Free Application for Federal Student Aid developed by the United State Department of Education as the application for the higher education grant program. The language and requirements surrounding independent status may change from year to year and thus PHEAA must be able to be responsive to these variations in the definition. In addition, the variety and complexity of situations that lead to requests for an exception are so diverse that it would be difficult to encapsulate them in a few sentences.

Comment

IRRC stated that § 121.47(a)(5) (relating to State Higher Education Grant Program Manual) begins with the phrase “When applicable, a list of programs of study . . .” IRRC suggested that the text should be revised to “. . . a list of approved programs . . .” to be consistent with the language in this section.

Response

The comment is accepted and the change in terminology has been made in this final-form rulemaking.

Comment

Richard Dumaresq, Executive Director, Pennsylvania Association of Private School Administrators, submitted a comment through IRRC. The commentator suggested deleting “or the Council for Higher Education Accreditation” from § 121.32(b)(1) and (3) (relating to approved institution in higher education grant program) because the language is outdated.

Response

PHEAA replied that the reference to the Council for Higher Education Accreditation (CHEA) is not outdated. Currently, CHEA, a National advocate and institutional voice for self-regulation of academic quality through accreditation, is an association of 3,000 degree-granting colleges and universities, and recognizes 60 institutional and programmatic accrediting organizations. It remains a valid reference.

Fiscal Impact and Paperwork Requirements

The final-form rulemaking will not have adverse impact on the Commonwealth or its political subdivisions. The final-form rulemaking will not impose additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

Effective Date

This final-form rulemaking will become effective upon publication in the *Pennsylvania Bulletin*.

Sunset Date

The PHEAA Board of Directors continuously monitors the effectiveness of its regulations. Therefore, a sunset date has not been assigned.

Contact Person

Questions regarding this final-form rulemaking may be addressed in writing to Christine Zuzack, State Grant

and Special Programs, Pennsylvania Higher Education Assistance Agency, 1200 North Seventh Street, Harrisburg, PA 17102-1444, czuzack@pheaa.org. Reference Pennsylvania Higher Education Grant Program regulations when submitting comments.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on August 22, 2013, PHEAA submitted a copy of the notice of proposed rulemaking, published at 43 Pa.B. 6368 (October 26, 2013), to IRRC and the Chairpersons of the House and Senate Education Committees for review and comment.

Under section 5(c) of the Regulatory Review Act, IRRC and the House and Senate Committees were provided with copies of the comments received during the public comment period, as well as other documents when requested. In preparing the final-form rulemaking, the Department has considered all comments from IRRC, the House and Senate Committees and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P. S. § 745.5a(j.2)), on June 18, 2014, the final-form rulemaking was deemed approved by the House and Senate Committees. Under section 5.1(e) of the Regulatory Review Act, IRRC met on June 19, 2014, and approved the final-form rulemaking.

Findings

PHEAA finds that:

(1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. §§ 1201 and 1202) and the regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) A public comment period was provided as required by law and all comments were considered.

(3) The amendments to the final-form rulemaking do not enlarge the purpose of proposed rulemaking published at 43 Pa.B. 6368.

(4) This final-form rulemaking is necessary and appropriate for administering and enforcing the authorizing act identified in this preamble.

Order

PHEAA, acting under the authorizing statutes, orders that:

(a) The regulations of PHEAA, 22 Pa. Code Chapter 121, are amended by amending §§ 121.1, 121.3, 121.4, 121.5, 121.7, 121.8, 121.21, 121.22, 121.32, 121.33, 121.41, 121.44, 121.47, 121.48, 121.52, 121.55 and 121.58 to read as set forth in Annex A, with ellipses referring to the existing text of the regulations.

(b) PHEAA shall submit this order and Annex A to the Office of Attorney General as required by law.

(c) PHEAA shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) The final-form rulemaking shall take effect upon publication in the *Pennsylvania Bulletin*.

JAMES L. PRESTON,
President and Chief Executive Officer

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 44 Pa.B. 4263 (July 5, 2014).)

Fiscal Note: Fiscal Note 58-24 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 22. EDUCATION

PART VIII. HIGHER EDUCATION ASSISTANCE AGENCY

CHAPTER 121. STUDENT FINANCIAL AID

Subchapter A. GENERAL PROVISIONS

MISCELLANEOUS

§ 121.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Academic term—Semester, trimester or quarter.

Academic year—A period that begins on the first day of classes and ends on the last scheduled day of final examinations and that is a minimum of 30 weeks of instructional time during which, for an undergraduate educational program, a full-time student is expected to complete at least 24 semester or trimester hours or 36 quarter hours at a school which measures program length in credit hours or at least 900 clock hours at a school which measures program length in clock hours.

Agency or PHEAA—The Pennsylvania Higher Education Assistance Agency.

Board—The Board of Directors of the Agency.

Borrower—All endorsers on loans authorized by this chapter.

College entrance examination—A Nationally-recognized standardized test used to assess college readiness chosen at the Agency's sole discretion to rank students who demonstrate the greatest potential to perform at the highest level of academic achievement.

Disposable pay—That part of the borrower's compensation from an employer remaining after the deduction of any amounts required by law to be withheld.

* * * * *

Quarter—A period of approximately 11 weeks normally comprising 1/3 of the academic year.

Semester—A period of approximately 17 weeks normally comprising 1/2 of the academic year.

Trimester—A period of approximately 15 weeks normally comprising 1/2 of the academic year.

Veteran—A person who engaged in active service in the United States Army, Navy, Air Force, Marines or Coast Guard or was a cadet or midshipman at one of the service academies and was released under a condition other than dishonorable, or will be by June 30 of the academic year for which the application is made, or who was a National Guard or Reserve service member who was activated for Federal duty by Presidential order. ROTC students, cadets or midshipmen currently attending the service academies, National Guard or Reserve enlistees who were not activated for Federal duty by Presidential order or those currently serving in the United States Armed Forces and will continue to serve through June 30 of the academic year for which application is made are not considered veterans.

§ 121.3. Discrimination prohibited.

The race, religious creed, color, sex, national origin, ancestry, handicap, age or marital status of a student or

parent applicant will not be factors of consideration for eligibility except to the extent that adjustments or allowances based on marital status may be necessary within the State Higher Education Grant Program to properly reflect the ability of the family to finance costs of education.

§ 121.4. Denial of eligibility to loan defaulters.

(a) A higher education applicant who has defaulted on an educational loan guaranteed or reinsured by the Federal government, the government of any state or institution is ineligible for an award or a disbursement of funds unless the applicant has repaid the loan in whole or in part and, in the judgment of the Agency, did not make the repayment merely to gain grant eligibility or unless the applicant otherwise shows good cause why grant eligibility should be reinstated. This includes programs administered by the United States Department of Education or PHEAA when awards have been converted to loans due to failure to meet eligibility or service requirements and the loan is in default status.

(b) Applicants denied eligibility under this section shall be entitled to review of the denial in accordance with the procedure for review and appeals as provided in §§ 121.7 and 121.8 (relating to notice of denial and preliminary review procedures; and applicant and recipient appeals and hearings).

§ 121.5. Enrollment.

To be eligible for a State higher education grant, a student shall be or be about to be enrolled in an approved institution of higher learning on at least a half-time basis. In addition, the President and Chief Executive Officer may treat students as full-time if unusual circumstances would not permit the student to comply with the exact full-time basis requirements as defined in § 121.1 (relating to definitions). In these instances, the President and Chief Executive Officer will thereafter notify the Board of this action.

§ 121.7. Notice of denial and preliminary review procedures.

(a) If the Agency staff determines that eligibility for financial assistance should be denied, the applicant or recipient shall be notified in writing of the determination, the grounds therefor, and his right to appeal from the decision of the Agency staff.

(b) All appeals from the decisions of the Agency staff will be reviewed initially by an Administrative Review Committee composed of staff personnel of the Agency designated by the President and Chief Executive Officer. The Administrative Review Committee may grant eligibility in cases it deems proper. This subsection supersedes 1 Pa. Code § 35.20 (relating to appeals from actions of the staff).

(c) When the Agency through its Administrative Review Committee denies an applicant or recipient eligibility for financial assistance, the applicant or recipient may obtain a review of the Agency's determination by the Committee on Appeals. The Committee on Appeals will determine whether or not the applicant or recipient is eligible for financial assistance.

(d) An appeal to the Committee on Appeals shall be filed on or before the 60th day after the date on which notification of the determination by which he is aggrieved was delivered personally to the applicant or recipient or mailed to him at his last known post office address. The Committee on Appeals may waive this requirement in its discretion.

(e) The appeal shall be filed in writing at the Agency offices in Harrisburg, and must include the following information:

- (1) The name, address and PHEAA account number of the applicant or recipient.
- (2) The date of the decision being appealed.
- (3) The reasons for appeal.
- (4) The signature of the applicant or recipient.

§ 121.8. Applicant and recipient appeals and hearings.

(a) An applicant or recipient who is aggrieved by a determination of the Committee on Appeals denying him eligibility for financial assistance may file an appeal to the Board of Directors.

(b) An appeal to the Board shall be filed on or before the 15th day after the date on which notification of the determination by which he is aggrieved was delivered personally to the applicant or recipient or mailed to him at his last known post office address.

(c) Any written notice that may reasonably be construed as a request for an appeal, delivered or mailed to PHEAA's Office of General Counsel within the prescribed 15-day appeal period, advising that the applicant or recipient is aggrieved and requests a review of the determination denying him financial assistance, will be deemed to initiate and constitute an appeal. The date of initiation of an appeal delivered by mail will be determined from the postmark appearing upon the envelope in which the written communication was mailed.

(d) The appeal may be heard by the Board or, at its direction, by a hearing examiner appointed by the Chairperson of the Board of the Agency or, in the event of the unavailability of the Chairperson, by the Vice Chairperson of the Board of the Agency from a list maintained by the President and Chief Executive Officer. The hearing examiner or the Board will schedule the appeal promptly for hearing and give the applicant or recipient at least 7 days' notice of the hearing. The notice will specify the date, hour and place of hearing.

(e) Hearings will be held at the offices of the Agency in Harrisburg. During the hearing, the applicant or recipient will be given the opportunity to submit testimony or evidence, or both, in support of his contentions. The applicant or recipient will also have the right to present oral and written argument and to cross-examine any witnesses offered by the Agency. This subsection supplements 1 Pa. Code § 35.126 (relating to presentation by the parties).

(f) Where a hearing examiner has been appointed, he shall prepare or cause the preparation of a verbatim transcript of the hearing, develop findings of fact and conclusions of law, and forward these directly to the Board for review and final decision. This subsection supplements 1 Pa. Code §§ 35.131 and 35.202 (relating to recording of proceedings; and proceedings in which proposed reports are prepared).

(g) The Board will make an order or determination as appears just and proper from the evidence submitted.

(h) Notice of the decision of the Board will be mailed promptly to the applicant or recipient at his last known post office address.

(i) Where the decision of the Board is in favor of the applicant or recipient, he shall be eligible for retroactive

financial assistance payments for the period during which such assistance was temporarily delayed.

(j) The decision of the Board on an appeal will become final 10 days after the date thereof. Within 30 days after the decision of the Board becomes final, the applicant or recipient may file an appeal therefrom with Commonwealth Court.

SECONDARY SCHOOL GRADUATION

§ 121.21. Requirement for higher education grant applicants.

(a) A State higher education grant applicant shall be a graduate of or attending an approved secondary school, or be a recipient of a Commonwealth secondary school diploma or other State-issued general equivalency diplomas.

(b) An approved secondary school shall be any public or private secondary school, located in this Commonwealth or elsewhere, including foreign institutions and United States schools overseas, which in the judgment of the Pennsylvania Department of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially equivalent to the standards of instruction of the public secondary schools in this Commonwealth.

(c) For purposes of the State Higher Education Grant Program, an approved secondary school shall also include any home education program that is accredited by any home schooling accreditation agency approved by the Pennsylvania Department of Education. If the home education program lacks the requisite accreditation, certification by the appropriate local school official attesting that the home education program is in compliance with section 1327.1 of the Public School Code of 1949 (24 P. S. § 13-1327.1) shall be submitted to the Agency by the appropriate local school official.

§ 121.22. Early admission students.

Student applicants who leave a State approved secondary school prior to their senior year and are admitted for the academic year or a portion thereof, immediately following their secondary school studies, to an approved institution of higher learning as early admission students shall be considered as first-year collegiate applicants and in compliance with the secondary school graduation requirement for purposes of State higher education grant eligibility if the school district of the school that the applicant had attended certified that:

(1) The applicant left senior high school in accordance with policies and procedures previously established by the superintendent and the board of school directors to attend an approved institution of higher learning.

(2) The high school diploma will be awarded upon the applicant's successful completion of the requirements set forth by the local board of school directors.

EDUCATIONAL INSTITUTIONS

§ 121.32. Approved institution in higher education grant program.

(a) To be eligible for a State higher education grant, an applicant shall enroll in a program approved under § 121.33 (relating to approved program of study in higher education grant program) and shall attend an institution of higher education approved by the Agency for enrollment of grant recipients under the State Higher Education Grant Program

(b) To be approved, an institution shall be other than a school of theology or a theological seminary as determined by the Agency, be located in the United States or any of its territories and comply with the following:

(1) If the institution is a college or university located within this Commonwealth, the institution shall be approved by the Pennsylvania Department of Education and shall be accredited or a recognized candidate for accreditation with an accrediting body recognized by the United States Department of Education or the Council for Higher Education Accreditation and its successors; if the college or university is located outside this Commonwealth, the institution shall be degree-granting, shall be operated not-for-profit, shall be legally authorized to do business by the appropriate state licensing or approval authority in the state in which it is doing business and shall be fully accredited by an accrediting body recognized by the United States Department of Education or the regional institutional accrediting body recognized by the Council for Higher Education Accreditation and its successors responsible for accreditation in the state where the college or university is conducting its educational program.

(2) If the institution is a hospital school of nursing located within this Commonwealth, the institution shall be initially, provisionally or fully approved by the Pennsylvania State Board of Nursing and shall be accredited by the National League for Nursing Accrediting Commission, the Commission on Collegiate Nursing Education or other accrediting body recognized by the United States Department of Education for the accreditation of nursing schools; if located outside this Commonwealth, the institution shall be legally authorized to do business by the appropriate state licensing or approval authority in the state in which it is doing business and shall be accredited by the National League for Nursing Accrediting Commission, the Commission on Collegiate Nursing Education or any other accrediting body recognized by the United States Department of Education for the accreditation of nursing schools.

(3) If the institution is a trade, technical or business school located within this Commonwealth, the institution shall be approved by the Pennsylvania Department of Education or shall currently be, and shall have been throughout the preceding 24 months, licensed by the Pennsylvania State Board of Private Licensed Schools and shall be accredited by an accrediting body recognized by the United States Department of Education or the Council for Higher Education Accreditation and its successors, except that this requirement for licensure and accreditation may be waived by the President and Chief Executive Officer for branch campuses of an institution that have been operating satisfactorily in this Commonwealth for 2 years or more; if the institution is located outside this Commonwealth, it shall be degree-granting, shall be operated not-for-profit and shall be fully accredited by the United States Department of Education or the regional institutional accrediting body recognized by the Council for Higher Education Accreditation and its successors responsible for accreditation in the state where the institution is conducting its educational program.

(4) The institution shall have executed an Assurance of Compliance with section 602 of the Civil Rights Act of 1964 (42 U.S.C.A. § 2000d-1 (1974)) and filed it with the United States Secretary of Education.

(5) The institution shall have executed and filed with the Agency an agreement on a form provided by the Agency to report or advise the Agency if the institution

has knowledge of the name and address of Commonwealth resident students who are recipients of Agency-administered aid who have been convicted in a court of record of a criminal offense which under the laws of the United States or of the Commonwealth would constitute a felony committed after October 29, 1969. Institutional knowledge shall be facts contained in the academic, disciplinary or financial student records of the institution or facts known to persons occupying positions of authority such as the dean of students, director of financial aid or president of the institution.

(6) When a change in ownership of an approved institution occurs, the new owner shall notify the Agency in writing of the change in ownership within 30 days of the effective date of the change. The new owner shall execute and file with the Agency an agreement on a form provided by the Agency to assume responsibility for repayment of State grant funds to the Agency or payment of State grant funds to eligible students, as designated by the Agency, made necessary by the failure of the previous owner to follow Agency procedures and requirements. An institution that fails to execute this agreement will be required to wait 24 months before being considered for approval in the State Grant Program.

(7) The institution shall comply with other administrative requirements as the Agency may legally promulgate, as shall be set forth in the State Grant Certification Procedures and the State Grant Program Policy Manual which will be made available to institutions on an annual basis.

(c) Approved institutions for an academic year shall be those on record as of the preceding August 1 for the ensuing academic year.

(d) Approval of an institution after August 1 will become effective the following August 1 with two exceptions:

(1) To be effective for the ensuing summer term, approval shall be obtained prior to May 1.

(2) In the light of the particular circumstances related to the institution's approval and the funding and application processing conditions of the Agency, the President and Chief Executive Officer may make the approval effective on a date prior to August 1.

(e) The President and Chief Executive Officer may suspend the processing of aid request forms of State grant applicants or cease further disbursement of State grant funds to an approved institution, or both, when, in the judgment of the President and Chief Executive Officer, the institution's compliance with the conditions required for approval or the institution's continued eligibility or operation is in question and the action is deemed necessary to protect the interests of the student aid applicants, the Commonwealth or the Agency. This subsection may also be invoked upon a change in ownership, administration or directorship of the institution.

(f) An institution's approved status may be terminated by the President and Chief Executive Officer when any of the conditions required for approval cease to be met.

(g) In suspending or withdrawing the approval of an institution, the President and Chief Executive Officer may authorize continuation of eligibility determination and grant disbursement for State grant renewal applicants.

§ 121.33. Approved program of study in higher education grant program.

To be eligible for a State higher education grant, an applicant shall enroll in a program of study approved by

the Agency and offered by an institution approved by the Agency under § 121.32 (relating to approved institution in higher education grant program) for participation in the State Higher Education Grant Program. An approved program of study shall comply with the following:

(1) An approved program of study shall be a program of instruction of at least 2 academic years which shall be the equivalent of at least 60 semester credit hours or at least 1,800 clock hours of instruction (1,500 clock hours in the case of programs leading to the associate degree in specialized technology or the associate degree in specialized business offered by institutions of higher education located within this Commonwealth) except that, other than for those community college programs which are measured in credit hours, programs not leading to a degree shall be measured in clock hours, with at least 30 semester credit hours or 900 clock hours earned through instruction within the classroom, and shall be presented over a calendar of at least 15 months.

(2) An approved program of study shall require that at least 50% of the credits needed for completion of the program at the approved institution be earned through instruction within the classroom.

(3) If offered at a trade, technical or business school located within this Commonwealth, an approved program of study shall be approved by the Pennsylvania Department of Education or by the Pennsylvania State Board of Private Licensed Schools.

(4) An approved program of study shall be on the approved list as of August 1 for the ensuing academic year. Approval after August 1 will become effective the following August 1 with two exceptions:

(i) To be effective for the ensuing summer term, approval must be obtained prior to May 1.

(ii) In the light of the particular circumstances related to the approval of the program of study and the funding and application processing conditions of the Agency, the President and Chief Executive Officer may make the approval effective on a date prior to August 1.

Subchapter B. HIGHER EDUCATION GRANT PROGRAM

§ 121.41. Grouping of applicants.

Higher education grant applicants shall be grouped into the following categories:

(1) *Group I.* A roster of the top 5,000 prospective freshmen applicants—without breaking ties—listed in descending order by composite score on college entrance examinations.

(2) *Group IIA.* A roster of remaining prefreshmen applicants planning to enroll in degree institutions other than those enrolled in nontransferable Community College Programs.

(3) *Group IIB.* A roster of all prospective freshmen applicants planning to enroll in a nondegree-granting institution or an approved nondegree course of study in a degree-granting institution.

(4) *Group III.* A roster of all high school graduates who have a lapse of 1 year between their high school graduation date and the date of their planned enrollment in a degree-granting institution, all students enrolled or accepted for enrollment as other than first year students in a degree-granting institution, and all early admission students.

(5) *Renewals.* A roster of all students previously awarded State higher education grants who maintain eligibility.

§ 121.44. Required family financial data.

(a) *General.* The applicant, the applicant's parents and stepparents, and the applicant's spouse shall submit financial data that the Agency requests and, further, shall be required to authorize the Director of the State Personal Income Tax Bureau and the District Director of the Internal Revenue Service to release to the Agency, upon request of the Agency, a copy or extract of the State or Federal Income Tax Return filed by the applicant, the applicant's parents and stepparents, and the applicant's spouse for the tax years the Agency designates. The Agency may in addition require the applicant, the applicant's parents and stepparents, and the applicant's spouse to submit a copy of the tax returns directly to the Agency.

(b) *Exceptions.* The Agency may determine the eligibility of the applicant without regard to the parents' financial data, waiving its submission, in the following cases:

(1) If the applicant is a veteran as defined in § 121.1 (relating to definitions).

(2) If the applicant is in compliance with other criteria established by the Agency for the processing of applicants without regard to parental financial data which generally are the United States Department of Education criteria for financial independence for Title IV Federal student aid programs.

(3) Other exceptions may be granted by the Administrative Review Committee or the Committee on Appeals in turn on an individual case basis.

(c) *Severe casualty losses.* If, as a result of fire, storm or other casualty, the family of a higher education grant applicant has suffered severe losses not fully covered by insurance, the post-loss value of assets normally taxed in the eligibility determination may be used in processing the application to reflect the family's reduced ability to finance educational costs. If the family's loss is covered by insurance (whether fully or partially), the Agency, in processing the application, may elect to use either the preloss value of the assets or the insurance benefits received because of the loss. If the loss is not fully covered by insurance, the Agency may also elect to subtract from family income the amount of the casualty losses not covered by insurance, to waive the normal application filing deadline and to afford other special treatment of the application that may be merited.

§ 121.47. State Higher Education Grant Program Manual.

(a) The Agency will publish annually a State Higher Education Grant Program Manual containing:

(1) Current financial need analysis procedures established by the Agency.

(2) A list of approved colleges, universities and hospital schools of nursing in this Commonwealth.

(3) A list of approved programs of study offered by approved trade, technical and business schools in this Commonwealth.

(4) A list of approved institutions of higher learning outside of this Commonwealth.

(5) When applicable, a list of approved programs of study offered by institutions of higher learning outside of this Commonwealth.

(6) A list of accrediting agencies (bodies) recognized by the Agency for the State Higher Education Grant Program.

(b) The State Higher Education Grant Program Manual will be available on the Agency's web site.

§ 121.48. Limitation on payment of grants.

The Agency will not make payment of, or further payment on, an existing State higher education grant on the basis of an inquiry or request received after August 1 of the calendar year immediately following the academic year for which the payment is sought unless the President and Chief Executive Officer specifically directs that payment be made to prevent grave hardship.

§ 121.52. Transferring an award.

A recipient may not transfer his award to a nonapproved institution or course of study.

§ 121.55. Recipients on probation.

A recipient on academic or disciplinary probation shall remain eligible for a higher education grant if the institution of higher learning permits him to continue his studies on at least a half-time basis and he is making satisfactory academic progress as required under § 121.58 (relating to academic progress).

§ 121.58. Academic progress.

(a) A higher education grant recipient must make normal academic progress, as defined in the State Higher Education Grant Program Manual, from year to year to retain higher education grant eligibility.

(b) The Agency will make the final decision in all matters pertaining to academic progress.

[Pa.B. Doc. No. 15-1409. Filed for public inspection July 31, 2015, 9:00 a.m.]