

PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

7. The authority citation for Part 668 continues to read as follows:

Authority: 20 U.S.C. 1085, 1088, 1091, 1092, 1099c, and 1141, unless otherwise noted.

8. Section 668.7 is amended by removing paragraph (b)(1) introductory text "Before admission—", revising paragraph (f), and revising the authority citation to read as follows:

§ 668.7 Eligible student.

* * * * *

(f) *Effect of bankruptcy relief on title IV, HEA program eligibility.* The Secretary does not consider an unpaid title IV, HEA program loan to be in default nor an unpaid title IV, HEA program grant overpayment to be owed for purposes of determining eligibility for assistance under a title IV, HEA program if the student applicant—

(1) Has obtained a judicial determination that the debt has been discharged or is dischargeable in bankruptcy, or

(2) Demonstrates to the satisfaction of the holder of the debt that—

(i) At the time the applicant filed the petition for relief the loan or demand had been outstanding for repayment of the grant overpayment, for the period required under 11 U.S.C. 523(a)(8)(A), exclusive of applicable suspensions of the repayment period for either debt of the kind defined in 34 CFR 682.402(m), and

(ii) The debt otherwise qualifies for discharge under applicable bankruptcy law.

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(**Authority:** 20 U.S.C. 1070a-1070c-1, 1077, 1078, 1078-1-3, 1082, 1085, 1087a, 1087cc, and 1091; 28 U.S.C. 3201; 42 U.S.C. 2753; section 9 of Pub. L. 100-369; and 11 U.S.C. 523 and 525)

9. Section 668.13 is amended by revising paragraphs (c)(2)(ii) and (c)(2)(iii) to read as follows:

§ 668.13 Certification procedures.

* * * * *

(c) * * *

(2) * * *

(ii) Not later than the end of the third complete award year following the date on which the Secretary provisionally certified the institution under paragraphs (c)(1)(ii), (iii), (iv) or (e)(2) of this section; and

(iii) If the Secretary provisionally certified the institution under paragraph (c)(1)(v) of this section, not later than 18 months after the date that the Secretary withdrew recognition from the

institution—s nationally recognized accrediting agency.

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10. Section 668.15 is amended by adding new paragraph (b)(7)(i)(C), revising paragraphs (c)(1)(ii), and (e)(3)(ii), and by adding a new paragraph (e)(3)(iii) to read as follows:

§ 668.15 Factors of financial responsibility.

* * * * *

(b) * * *

(7) * * *

(i) * * *

(C) Had, for its latest fiscal year, a positive tangible net worth. In applying this standard, a positive tangible net worth occurs when the institution's tangible assets exceed its liabilities. The calculation of tangible net worth shall exclude all assets classified as intangible in accordance with the generally accepted accounting principles; or

* * * * *

(c) * * *

(1) * * *

(ii) That person, family member, institution, or servicer does not demonstrate that the liability is being repaid in accordance with an agreement with the Secretary; or

* * * * *

(e) * * *

(3) * * *

(ii) Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations;" or

(iii) Office of Management and Budget Circular A-128, "Audits of State and Local Governments."

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11. Section 668.16 is amended by removing the letter "(d)" from the cross-reference in the last sentence of paragraph (m)(2)(ii).

12. Section 668.22 is amended by revising paragraph (d)(1) to read as follows:

§ 668.22 Institutional refunds and repayments.

* * * * *

(d) *Federal Refund.* (1) "Federal refund," as used in this section, means a refund by an institution to a student attending that institution of not less than the portion of institutional charges (tuition, fees, room, board and other charges assessed the student by the institution) to be refunded as follows—

(i) The institution must refund 100 percent of institutional charges, if a student withdraws from the institution before the first day of classes for the period of enrollment for which the student was charged;

(ii) The institution must refund 100 percent of institutional charges, less an administrative fee, if any, as described in paragraph (d)(2) of this section, if a student withdraws on the first day of classes for the period of enrollment for which the student was charged;

(iii) The institution must refund at least 90 percent of institutional charges, less an administrative fee, if any, as described in paragraph (d)(2) of this section, if a student withdraws at any time after the first day of classes for the period of enrollment for which the student was charged up to and including the end of the first 10 percent (in time) of that period of enrollment;

(iv) The institution must refund at least 50 percent of institutional charges, less an administrative fee, if any, as described in paragraph (d)(2) of this section, if the student withdraws at any time after the end of the first 10 percent (in time) of the period of enrollment for which the student was charged up to and including the end of the first 25 percent (in time) of that period of enrollment; and

(v) The institution must refund at least 25 percent of institutional charges, less an administrative fee, if any, as described in paragraph (d)(2) of this section, if the student withdraws at any time after the end of the first 25 percent (in time) of the period of enrollment for which the student was charged up to and including the end of the first 50 percent (in time) of that period of enrollment.

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13. Section 668.47 is amended by revising paragraphs (a)(6)(i), (a)(8), (b)(1) introductory text, and (b)(1)(i) to read as follows:

§ 668.47 Institutional security policies and crime statistics.

(a) * * *

(6) * * *

(i) Statistics concerning the occurrence on campus of the following criminal offenses reported to local police agencies or to any official of the institution who has significant responsibility for student and campus activities:

(A) Murder.

(B) Rape (prior to August 1, 1992) or sex offenses, forcible or nonforcible (on or after August 1, 1992).

(C) Robbery.

(D) Aggravated assault.

(E) Burglary.

(F) Motor-vehicle theft; and

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(8) Statistics concerning the number of arrests for the following crimes occurring on campus:

(i) Liquor-law violations.