§ 682.600 [Removed and Reserved]

37. Section 682.600 is removed and reserved

§ 682.602 [Removed and Reserved]

38. Section 682.602 is removed and reserved.

39. A new § 682.611 is added to Subpart F to read as follows:

§ 682.611 Foreign schools.

A foreign school is required to comply with the provisions of this part, except to the extent that the Secretary states in this part or in other official publications or documents that those schools need not comply with those provisions.

(Authority: 20 U.S.C. 1077, 1078, 1078–1, 1078–2, 1078–3, 1082, 1088, and 1094)

PART 685—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

40. The authority citation for part 685 continues to read as follows:

Authority: 20 U.S.C. § 1078a et seq., unless otherwise noted.

41. Section 685.200, paragraph (b) is amended by redesignating paragraphs (b)(1) through (b)(6) as paragraphs (b)(1)(i) through (b)(1)(vi), respectively; redesignating paragraph (b)(7) as (b)(1)(vii), paragraphs (b)(7)(i) through (b)(7)(iii) as (b)(1)(vii)(A) through (b)(1)(vii)(C), respectively, (b)(7)(i)(A)through (b)(7)(i)(C) as (b)(1)(vii)(A)(1)through (b)(1)(vii)(A)(3), respectively, and (b)(7)(ii)(A) and (b)(7)(ii)(B) as (b)(1)(vii)(B)(1) and (b)(1)(vii)(B)(2), respectively; by designating the undesignated introductory text following "(b) Parent borrower." as the introductory text of paragraph (b)(1); by removing the references to "(b)(7)(i)" in redesignated paragraphs (b)(1)(vii)(B) and (b)(1)(vii)(C) and adding, in their place "(b)(1)(vii)(A)"; and by adding a new paragraph (b)(2) to read as follows:

§ 685.200 Borrower eligibility.

* * * (b) * * *

(2) For purposes of paragraph (b)(1) of this section, a "parent" includes the individuals described in the definition of "parent" in 34 CFR 668.2 and the spouse of a parent who remarried, if that spouse's income and assets would have been taken into account when calculating a dependent student's expected family contribution.

PART 690—FEDERAL PELL GRANT PROGRAM

42. The authority citation for part 690 continues to read as follows:

Authority: 20 U.S.C. § 1070a, unless otherwise noted.

43. Section 690.2 is amended by removing the definition of "Payment Voucher" and by adding, in alphabetical order, the definition of "Payment Data" to read as follows:

§ 690.2 Definitions.

* * * * * (b) * * *

Payment Data: An electronic or magnetic record that is provided to the Secretary by an institution showing a student's expected family contribution, cost of attendance, enrollment status, and student disbursement information.

§ 690.7 [Amended]

44. Section 690.7, paragraph (a)(1) is removed and paragraph (a)(2) is redesignated as paragraph (a).

§ 690.71 [Amended]

45. Section 690.71 is amended by removing the second sentence.

§§ 690.72, 690.73, 690.74 [Removed and Reserved]

46. Sections 690.72, 690.73, and 690.74 are removed and reserved.

47. Section 690.83 is amended by revising paragraphs (a) through (d) to read as follows:

§ 690.83 Submission of reports.

(a) (1) An institution may receive either a payment from the Secretary for an award to a Federal Pell Grant recipient, or a corresponding reduction in the amount of Federal funds received in advance for which it is accountable, if—

(i) The institution submits to the Secretary the student's Payment Data for that award year in the manner and form prescribed in paragraph (a)(2) of this section by September 30 following the end of the award year in which the grant is made, or, if September 30 falls on a weekend, on the first weekday following September 30; and

(ii) The Secretary accepts the student's Payment Data.

(2) The Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the Federal Register, and that contain information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.

(3) An institution that does not comply with the requirements of this paragraph may receive a payment or reduction in accountability only as provided in paragraph (d) of this section.

(b) (1) An institution shall report to the Secretary any change in enrollment status, cost of attendance, or other event

or condition that causes a change in the amount of a Federal Pell Grant for which a student qualifies by submitting to the Secretary the student's Payment Data that discloses the basis and result of the change in award for each student. Through publication in the Federal Register, the Secretary divides the award year into periods and establishes the deadlines by which the institution shall report changes occurring during each period. The institution shall submit the student's Payment Data reporting a change to the Secretary by the end of that reporting period that next follows the reporting period in which the change occurred.

(2) An institution shall submit in accordance with deadline dates established by the Secretary, through publication in the Federal Register, other reports and information the Secretary requires in connection with the funds advanced to it and shall comply with the procedures the Secretary finds necessary to ensure that

the reports are correct.

(3) An institution that timely submits, and has accepted by the Secretary, the Payment Data for a student in accordance with this section shall report a reduction in the amount of a Federal Pell Grant award that the student received when it determines that an overpayment has occurred, unless that overpayment is one for which the institution is not liable under § 690.79(a).

(c) In accordance with 34 CFR 668.84 the Secretary may impose a fine on the institution if the institution fails to comply with the requirements specified in paragraphs (a) or (b) of this section.

(d) (1) Notwithstanding paragraphs (a) or (b) of this section, if an institution demonstrates to the satisfaction of the Secretary that the institution has provided Federal Pell Grants in accordance with this part but has not received credit or payment for those grants, the institution may receive payment or a reduction in accountability for those grants in accordance with paragraphs (d)(4) and either (d)(2) or (d)(3) of this section.

(2) The institution must demonstrate that it qualifies for a credit or payment by means of a finding contained in an audit report of an award year that was the first audit of that award year and that was conducted after December 31, 1988 and timely submitted to the Secretary under 34 CFR 668.23(c).

(3) An institution that timely submits the Payment Data for a student in accordance with paragraph (a) of this section but does not timely submit to the Secretary, or have accepted by the Secretary, the Payment Data necessary