To be eligible for federal student assistance, individuals must be enrolled as regular students in eligible programs. This means, for example, that the student cannot also be enrolled in elementary or secondary school. Students must be enrolled in a degree, certificate, or other approved program at an eligible school. They must also be enrolled at least half-time.

Most potential borrowers must have a high school diploma or General Education Certificate (GED) or complete an approved home school education. Exceptions to this rule have undergone several changes, including significant changes effective in 2012 and 2014, as described below.

First, as of July 1, 2012, most students without high school diplomas or equivalencies are no longer eligible for federal aid. Effective on that date, Congress eliminated the following ways of qualifying—known as “ability-to-benefit” (ATB) alternatives—that had formerly been allowed: (1) passing an independently administered ATB test approved by the Department of Education; (2) completing at least six credit hours, or the equivalent coursework, applicable toward a degree or certificate; or (3) completing a state process approved by the Secretary of Education. These changes apply only to students who first enroll in a program of study on or after July 1, 2012. The Department clarified that a student who attended an eligible program prior to July 1, 2012, may establish eligibility at the same institution or a different institution using all of the ATB alternatives.

For students without high school diplomas or GEDs, the following are still acceptable to prove high school equivalency: (1) other recognized equivalents of a high school diploma, including a state certificate received by a student after passing a state-authorized exam, (2) an academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor’s degree, or (3) for a person who is seeking enrollment in a program that leads to at least an associate degree or its equivalent and who has not completed high school, documentation that the student excelled academically in high school and has met the formalized, written policies of that postsecondary institution for admission. Students who have completed a secondary school education in a home school setting that is treated as a home school or private school under state law are also still eligible for federal aid.

In December of 2014, Congress reinstated ATB alternatives for financial aid eligibility, but only for students enrolled in an “eligible Career Pathways program,” as defined in section 484(d)(2) of the Higher Education Act (HEA), on or after July 1, 2014. Career Pathways refers to programs designed to prepare adult students to meet the skill needs of industries in state or regional economies and to succeed in education and the labor market; specific criteria for program eligibility are set out in section 484(d)(2) of the HEA. Students without high school diplomas or equivalents enrolled in eligible Career Pathways programs on or after July 1, 2014, are eligible for Title IV aid if the student meets one of the ATB alternatives in section 484(d)(1) of the HEA: (1) passing an independently administered ATB test approved by the Department of Education; (2) completing at least six credit hours, or the equivalent coursework, applicable toward a degree or certificate; or (3) completing a state process approved by the Secretary of Education (though no such state process had been submitted for approval as of mid-2019).

Footnotes

194 (190) 20 U.S.C. § 1091; 34 C.F.R. § 668.32.

195 (191) 34 C.F.R. § 668.32(b).


197 (193) 20 U.S.C. § 1078(b)(1)(A); 34 C.F.R. § 668.2 (definition of half-time status).

There are a number of issues related to how “time” is counted for purposes of determining full-time and half-time status. See 34 C.F.R. § 668.2 for definitions.
1.6.1 Academic Requirements

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during which a school may originate a Direct Loan for a student who transfers from one school into a non-term or nonstandard program at another school.

198 [194] 20 U.S.C. § 1091(d); 34 C.F.R. § 668.32(e). See § 1.7.1.5 [1], infra (proof of high school diploma or equivalency).


201 [197] Id.

202 [198] Id.

203 [199] U.S. Dep’t of Educ., Dear Colleague Letter, GEN-12-09, Title IV Eligibility for Students Without a High School Diploma (June 28, 2012); 34 C.F.R. § 600.2.

204 [200] U.S. Dep’t of Educ., Dear Colleague Letter, GEN-12-09, Title IV Eligibility for Students Without a High School Diploma (June 28, 2012).

205 [201] Pub. L. No. 113-235, 128 Stat. 2130 (Dec. 16, 2014). See also § 10.4.2.4 [3], infra (discussing Career Pathways ATB requirements in the context of false certification discharge).


207 [203] See id.


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