American Council on Education

Regulation Summary

The U.S. Department of Education's Final Rule on Accreditation

Background

Section 496 of the Higher Education Act (HEA) outlines the role of accreditors and the Department of Education (Department) in the accreditation process. As part of the triad system of shared oversight and quality assurance, accrediting agencies are granted federal recognition to set standards for quality and incentivize continued institutional improvement.

Prior to July 1, 2020, the Department had regulations that required recognized accreditors to have concentrated geographic regions that included at least three states that are reasonably close to one another, and these accreditors were known as regional accreditors.[1] On July 1, 2020, new regulations issued by the Department went into effect, which specified that a geographic region in which an agency concentrates includes a group of states "chosen by the agency." Since the new rules went into effect in 2020, institutions have been able to choose their accreditor either at the institutional level or the programmatic level, with a clear understanding that they must abide by the rigorous demands and requirements of the accrediting body.

On April 23, 2025, President Trump issued an Executive Order (EO) titled, "Reforming Accreditation To Strengthen Higher Education." This EO was the first document from the administration expressing its views in regard to accreditation. The EO prominently highlights the need for accreditors to:

- Be held accountable for failure to meet recognition criteria or for violating federal law, to include forcing institutions to engage in unlawful discrimination under the guise of diversity, equity, and inclusion; and
- Hold institutions accountable to providing high-quality, high-value academic programs that are free from unlawful discrimination and to support and prioritize intellectual diversity in order to advance academic freedom, intellectual inquiry, and student learning.

In January 2026, the Department issued an Intent to Establish a Negotiated Rulemaking Committee focused on accreditation and subsequently launched a negotiated rulemaking committee to debate the proposed changes to the regulations. The committee met in April and May of 2026 to finalize the proposed regulations on accreditation, and the committee reached consensus on the proposed rule.[2]

On August 20, 2026, the Department issued a Notice of Proposed Rulemaking (NPRM) and a final rule was issued on October 30, 2026. The summary of the final rule below only highlights the substantive changes proposed by the Department to the accreditation regulations and does not include an exhaustive reading of the full regulations or minor technical changes.

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[1] This can be found in Section 602.11 of the regulations.

[2] All negotiators had a thumbs up except for the negotiator representing students/student loan borrowers and the negotiator representing veterans who abstained from voting.

This regulation summary was prepared by ACE's Division of Government Relations and National Engagement (November 6, 2026).

The final rule goes into effect on July 1, 2027, and any further action is up to Congress and the judicial system. Additional sub-regulatory guidance can be expected as deemed necessary by the Department. Accreditors are able to early-implement this rule, in its entirety, beginning on January 1, 2027; however, any requirements for institutions would not go into effect until July 1, 2027. Accreditors are encouraged by the Department to begin any necessary revisions and trainings to ensure full compliance with the final rule.

Summary

600.11: Special Rules Regarding Institutional Accreditation or Preaccreditation.

The Secretary of Education (Secretary) will not recognize the accreditation or preaccreditation of an institution if it is in the process of changing its accrediting agency unless the institution provides all materials related to its prior accreditation or preaccreditation and provides materials demonstrating a reasonable cause for changing its accrediting agency. Also, if an institution wants to be accredited by multiple accreditors, the institution must provide materials related to its prior accreditation or preaccreditation and a written explanation explaining why there is a need for multiple accreditors. The Secretary will determine either cause to be reasonable unless the institution is seeking multiple accreditation or a change in its accrediting agency in order to:

- Evade or circumvent a requirement of federal law or regulation;
- Avoid or delay enforcement or oversight by the Department or an accrediting agency;
- Obtain eligibility for Title IV, HEA programs through misrepresentation or other unlawful means; or
- Otherwise undermine the integrity of the Title IV, HEA programs.

If an institution does change its accrediting agency, it must publicly disclose this information, within 10 business days after officially obtaining a new accreditor, on its website and make reasonable efforts to notify all current students and recent graduates. Also, the Secretary would not deem a request by an institution to have multiple accreditors to be reasonable if that institution experienced a withdrawal, revocation, or other negative action by an accreditor.

602.2: How Do I Know Which Agencies the Secretary Recognizes?

If the Secretary denies the continued recognition of an accreditor, or if the Secretary limits, suspends, or terminates the agency's recognition before the end of its recognition period, the Secretary will publish an announcement on the Department's website explaining this action and the reasonings for the action.

602.3: What Definitions Apply to This Part?

- **Institution** – means an educational institution that is considered to be an eligible institution as stated in 34 C.F.R. 600.2 of the regulations.

- **Related, Associated, or Affiliated Trade Association** - Means an organization that is:
    - Generally a membership organization;
    - Organized to promote a line of commerce, business, industry, or profession;
    - Not engaged in regular business of a kind that is primarily for profit and does not have any members benefiting from the earnings of the business; and

- Related to a particular accrediting agency that accredits institutions or programs that prepare students to enter the workforce of the same, or substantially the same, line of commerce, business, industry, or profession that organization promotes.

602.10: Link to Federal Programs.

If an accrediting agency is seeking renewal of recognition and the agency accredits institutions, it must demonstrate that its accreditation is a required element as stated in any official federal agency notice, grant, or regulation. The accrediting agency must also provide documentation that an institution or program is currently relying on the agency's accreditation as a condition of eligibility to participate in such programs.

If an accrediting agency is seeking initial recognition, it must demonstrate that an institution or program it accredits is likely to rely on the agency's accreditation for Title IV, HEA purposes upon recognition of the agency within the last two years. If the agency does not have an institution or program that is relying on it for Title IV, HEA purposes when the agency is recognized by the Department, then the accrediting agency must report to the Secretary when the first institution or program does rely on it for Title IV, HEA purposes. If no institution or program relies on the accrediting agency for Title IV, HEA purposes after two years of recognition by the Department, then the accreditation agency's recognition is rescinded.

602.11: Extent of Accrediting Activities.

An accrediting agency must identify the extent of its accrediting activities and demonstrate that it has the capacity, policies, and procedures necessary to conduct accrediting activities within the extent it is identified. An agency may seek recognition in a group of, or all, states to operate in but must have the capacity to do so. The Secretary is not allowed to assign states to an accreditor but can place limitations on geographic area if they believe that the accreditor lacks the capacity to carry out its intended accrediting activities.

The Secretary is not allowed to assign any accrediting agency to an institution or program or restrict institutions or programs from seeking accreditation from any accreditor. The Secretary is also not allowed to directly or indirectly discourage institutions or programs from seeking accreditation from a particular accreditor nor is the Secretary allowed to favor an accreditor. In addition, the Secretary cannot delay, condition, or otherwise adversely affect an institution's participation in Title IV, HEA programs if the institution switches accreditors.

602.12: Accrediting Experience.

An accrediting agency that is seeking initial recognition from the Department must demonstrate that it has sufficient accreditation experience prior to submitting an application for recognition. The Secretary will deem an agency eligible if the agency can show that it –

- Is legally established to operate in the relevant jurisdiction;
- Has adopted accreditation standards and operating procedures consistent with Sections 602.16 and 602.23 respectively; and
- Has established a process to accept applications for accreditation consistent with Section 602.17 and has at least one institution or program that has submitted an application.

Any agency that is seeking initial accreditation must undergo the Secretary's recognition process and the agency must have granted accreditation to one or more institutions or programs if it is requesting recognition as an institutional or programmatic accreditor. Any experience qualifying as a recognized accreditor is not limited to geographic area.

602.13: Effect of Recognition.

Any recognition by the Secretary given to an accreditor does not confer immunity or any relief from federal or state antitrust laws; does not authorize collective action amongst accreditors, institutions, or programs; and does not create a property interest or entitlement to continued recognition by the Secretary.

602.14: Purpose and Organization.

For an accrediting agency to be considered "separate and independent", the agency must establish and implement mandatory conflict of interest controls for each member of the decision-making body. The dues of the agency must be paid and held separately from any dues paid to any related, associated, or affiliated trade association or professional organization. The agency must develop and determine its own budget without review by or in consultation with any other entity or organization, including any related, associated, or affiliated trade association or professional organization. Lastly, the authorized representative of the accrediting agency must submit a signed statement certifying that it has met the requirements to be "separate and independent" within each petition for recognition submitted to the Department. The agency must also include any complaints received during the current recognition period in its statement as well.

602.15: Administrative and Fiscal Responsibilities.

The agency must have the administrative and fiscal capability, including conflict of interest controls, to carry out its accreditation activities in light of its requested scope of recognition. The agency meets this requirement if the agency demonstrates that it has training provided to all agency representatives and staff as necessary for each of their roles. This additional training should not increase institutional costs or restrict innovative or lower-cost models that can provide students with a high-quality education.

The agency must also conduct its accreditation activities in a way that avoids unnecessary financial, compliance, and administrative burdens on institutions such as duplicative reporting, excessive documentation requirements, and unwarranted prescriptive processes. The agency must also work with other recognized accrediting agencies and the Department in developing a common set of template and forms for institutions or programs to submit when seeking to change accrediting agencies.

In addition, the accrediting agency must have clear and effective controls to include guidelines that –

- Prevent or resolve conflicts of interest by the agency's officers and directors, employees, evaluation team members, consultants/contractors, volunteers, and other agency representatives;
- Ensure that members of the standard-setting body do not vote as members of the decision-making body on the setting of standards or policies for institutions or programs of which they are affiliated with;
- Determines its dues without review by any related, associated, or affiliated trade association or professional organization;
- Does not share resources, such as personnel, services, equipment, facilities, or information technology, and does not have office space in the same building as any related, associated, or

affiliated trade association or professional organization (this provision will take place one year after implementation of these regulations);
- Has sufficient controls to ensure that any officers, directors, employees, or volunteers of the agency do not share or solicit feedback regarding the agency's policies, standards, or decisions with respect to any institution or program from any related, associated, or affiliated trade association or professional association;
- Prominently discloses on its website all relationships with related, associated, or affiliated trade associations or professional organizations; and
- Will not act to restrict access to employment in a profession, occupation, or vocation unless the agency provides notice of clear and convincing evidence to the Secretary that the restriction is necessary to protect the public interest, the public benefits outweigh the costs to the public, and that no less restrictive alternative is viable. To restrict access to employment means to increase credentialing standards, increase the cost or level of required education or training, or decrease the availability of education or training in a way that may benefit any related, associated, or affiliated trade association or professional organization.

The agency's accreditation standards and policies must not restrict public institutions from fulfilling their obligations under the First Amendment of the Constitution of the United States. The standards must also not restrict private institutions that guarantee the same or similar protections for students or faculty through their institutional policies, unless the institution has a religious mission.

602.17: Application of Standards in Reaching Accreditation Decisions.

The accrediting agency must have effective mechanisms for evaluating institutional and programmatic compliance with agency standards before reaching a decision to accredit or preaccredit the institution or program. The agency will meet this requirement if it can demonstrate that it:

- In relation to the student achievement standards, evaluates whether an institution or program maintains clearly specified educational objectives, that may include credit for prior learning, that are consistent with its mission using reliable data;
- Reviews an institution's student success with respect to student achievement, including minimum expectations by assessing:
    - State licensing or certification examination results;
    - Program retention, completion, or graduation rates;
    - Post-completion or graduation outcomes;
    - Scores on relevant standardized tests; and
    - Educational and economic returns aligned to the program's credential level, length, and occupational context relative to the total cost of attendance. To determine the returns, data using the new earnings premium measure in the Student Tuition and Transparency System,[3] unemployment insurance wage records, or other reliable earnings data available to the agency will be used.
- In relation to faculty, evaluate whether an institution maintains:
    - A sufficient number of appropriately qualified faculty/instructors who are regularly evaluated on the performance of their instructional, research, or service responsibilities;

[3] Beginning in Section 668.401 of the NPRM on page 21201.

    - Written faculty performance evaluation policies that include defined performance criteria;
    - Academic freedom protections that are clear and applied to all faculty regardless of appointment classification, race, or other immutable characteristics, viewpoints, or ideology, unless the institution has a religious mission in which the institution will be evaluated based on how it applies its academic freedom protections consistently with its mission;
    - Sufficient flexibility in instructional staffing policies and procedures to respond to material changes including financial conditions;
    - For public institutions, policies that protect the First Amendment. For private institutions, their enforcement of their institutional policies guaranteeing the same or similar protections for students or faculty;
    - Policies regarding the integrity of scholarly activity and research and practices intended to prevent any types of research misconduct such as fabrication or material misrepresentation;
    - Policies to protect both civil and First Amendment rights that include academic freedom and freedom of inquiry protections that are consistently applied, unless the institution has a religious mission. For private institutions, policies that guarantee the same or similar protections regarding a sufficient number of appropriately qualified faculty/instructors and Written faculty performance evaluation.
    - A policy that prioritizes intellectual diversity and the free exchange of ideas among faculty that measures student and faculty perceptions on the range of viewpoints and perspectives offered by the institution or program, unless the institution has a religious mission.
- As it relates to facilities/equipment/supplies and student support services:
    - Uses a cost/benefit analysis, that is conducted by the institution, to review an institution's budget; resource utilization and allocation; and its business/strategic plan[4];
    - A review of an institution's practices and capabilities regarding the administration of student aid programs; and
    - A review of the sufficiency and proper maintenance of the institution's facilities.
- In relation to measures of program length and the objectives of the degrees or credentials offered, does not prohibit or unreasonably restrict the accreditation of a:
    - Short-term program that is designed to prepare students for employment in recognized occupations; or
    - Certificate or degree programs offered for a shorter period of time than is traditionally required to obtain that credential.

When applying the standards of the accrediting agency, it must seek to reduce unnecessary barriers that restrict the ability of institutions or programs from adopting instructional, programmatic, or delivery practices that improve student access, accelerate credential or degree completion, or support innovative models of postsecondary education, including program length. The accrediting agency must also adopt, implement, and enforce written policies and procedures that seek to ensure the accuracy, completeness, and integrity of all representations made by the agency to the Secretary; the public, including current and

[4] An accreditor must review the cost/benefit analysis of an institution that decides to conduct one. The accreditor will review the cost/benefit analysis to apply the following two standards: (1) facilities, equipment, and supplies; and (2) fiscal and administrative capacity as appropriate to the specified scale of operations.

prospective students; state, Tribal and other governmental authorities; and institutions or programs it accredits or preaccredits.

In addition, the agency must have policies that it:

- Does not knowingly make false, misleading, or materially incomplete statements regarding:
  - The accreditation or preaccreditation status of any institution or program; or
  - The scope, conditions, or implications of accreditation or preaccreditation; and
  - Compliance of an institution or program with applicable federal or state law.
- Maintains procedures for the prompt correction of materially inaccurate public statements or disclosures;
- Maintains procedures for investigating credible allegations that the accrediting agency, or its representatives, made materially inaccurate or misleading representations; and
- Takes appropriate corrective or disciplinary action when the agency determines that materially inaccurate or misleading representations have occurred.

Furthermore, the agency may not have standards that encourage institutions or programs to violate federal or state law, to include on the basis of race, and nothing in this section shall allow any agency action to conflict with applicable federal or state law.

602.18: Ensuring Consistency in Decision-Making.

The accrediting agency must consistently apply and enforce standards that respect the stated mission of the institution, including religious mission, and that ensure that the education or training offered by the institution or program is sufficient quality to achieve its stated objectives. In order to meet this requirement, the accrediting agency will adopt and follow procedures to ensure that the agency's decisions are neutral with respect to viewpoint and ideology that are unrelated to its accrediting policies or standards, except that an accrediting agency with a religious mission does not have to be neutral with respect to viewpoints.

Accrediting agencies are not prohibited from reducing barriers that limited institutions and programs from adopting practices that advance credential and degree completion and that promote new models of education.

602.20: Enforcement of Standards.

Any adverse action taken by an accrediting agency is subject to arbitration. Any agency's arbitration standard or policy must be nonbinding, except when both parties agree to binding arbitration after a dispute arises on a case-by-case basis. If an agency has an arbitration policy or a standard, it must:

- Apply to all final adverse actions;[5]
- Ensure that the arbitration process is fair and impartial; and
- Provide a transparent and reasonable amount time for disputes to take place.

[5] An accrediting agency may require the institution or program to first exhaust the agency's appeal process.

The accrediting agency must have a policy for restoring accreditation, including retroactive restoration, when the agency determines, especially if required by a judicial decision. The accrediting agency also is allowed to determine an institutional program to be out of compliance with one or more of its standards not to exceed 3 years unless the agency determines there's a good cause to extend that period of time. The period of time can be extended if:

- The agency and the institution or program can show that the circumstances requiring the period of noncompliance are beyond the institution's or program's control such as:
    - A natural disaster or other catastrophic event;
    - Accepting students from another institution due to a teach-out or a closure;
    - Significant economic changes like an economic recession;
    - Changes in state licensure requirements;
    - Instructors who do not typically meeting the agency's faculty standards but who are qualified to teach courses in dual or concurrent enrollment programs or career and technical education courses;
- The grant of the additional period of time is approved by the decision-making body;
- The agency projects that the institution or program has the resources necessary to achieve compliance in the allotted amount of time; and
- The institution or program demonstrates that won't:
    - Increase the cost of the program to the student without the student's consent;
    - Create any undue hardship or harm to students; or
    - Compromise the program's academic quality.

The agency must include timeline checkpoints along the way to ensure compliance with the allotted amount of time and an additional amount of time can only be granted if the circumstance constitutes a new and independent cause for the non-compliance.

602.22: Substantive Changes and Other Reporting Requirements.

If the accrediting agency accredits institutions, it must maintain adequate substantive change policies that ensure any substantive change, after the agency has accredited or preaccredited the institution, does not adversely affect the capacity of the institution to continue to meet the accrediting agencies standards. The agency meets this requirement if the agency's definition of substantive change covers:

- Any change in the legal status, form of control, or ownership of the institution that results in a change of control;
- The acquisition of any other institution or any program or location of another institution not otherwise reviewed as part of a change of control transaction or the process for the addition of a location; or
- The addition of the first prison education program at the first two additional locations.

Institutions that have been placed on probation or equivalent status, have been subject to negative action by the agency over the prior three academic years, or are under a provisional certification, must receive prior approval for (1) a change in the way an institution measures student progress and (2) a substantial increase in the number of clock hours or credit hours awarded.

602.23: Operating Procedures All Agencies Must Have.

Accrediting agencies must review any complaints against itself in a timely manner and apply unbiased judgement, to include conflict of interest violations, and take follow-up action based on the results of its review as appropriate. Complaints and actions must be documents as well. Furthermore, the agency must require its accredited institutions or programs to publicly disclose any action by the agency that begins the enforcement timeline.

The agency must not have policies that require institutions or programs to violate any federal or state law, including Title VI of the Civil Rights Act of 1964 and Title IX of the Education Amendments Act of 1972, which means that agencies must not have policies that require institutions or programs to provide unlawful preferences to students, faculty, staff, contractors, or any employees based on their race, color, national origin, or sex to include in admissions, hiring, and the selection of contracts.

The agency must have internal controls to ensure compliance with antitrust laws, including by ensuring that the agency does not directly or indirectly facilitate coordination or collusive activities that are anticompetitive among institutions or programs or unnecessarily restrict access to employment in an occupation.

The agency must refrain from reviewing aspects of institutional governance of public institutions that are established by state law, including the appointment of institutional directors or officers by elected or appointed state officials. The agency may have a timely procedure to accelerate the comprehensive accreditation process for an institution or program seeking initial accreditation if the institution or program:

- Holds current accreditation from another nationally recognized accrediting agency; and
- Either meets the geographic area requirements or is impacted by a decision by the Department to terminate the agency's recognition.

The accrediting agency must establish and maintain at least one structured mechanism through which currently enrolled students, employed staff, and employed faculty of accredited or preaccredited institutions or programs may communicate concerns directly with the agency. Permissible ways to do this include:

- A registration process through which students, staff, or faculty may sign up to participate in structured meetings with agency representatives during scheduled site visits or virtual visits;
- Randomized panels of students, staff, or faculty selected by the accrediting agency or its authorized representatives to participate in confidential interviews or focus groups during site visits; or
- Student, faculty, staff surveys independently administered by the agency as part of an initial or renewal of accreditation process which minimally address the standard areas required for accreditation and/or preaccreditation.

602.24: Additional Procedures Certain Institutional Agencies Must Have.

If the accrediting agency is an institutional agency and its accreditation or preaccreditation enables those institutions to obtain eligibility to participate in Title IV, HEA programs, the agency must require an institution it accredits or preaccredits to submit a teach-out agreement to the agency for approval if the

institution notifies the agency that it intends to cease operations entirely or close a location that provides 100 percent of at least one program, including if the location is being moved and is considered by the Secretary to be a closed school, unless the institution is completing its own teach-out.

If the institution is unable to secure a teach-out agreement within 30 days,[6] the institution must provide documentation to the agency and the state detailing why a teach-out agreement cannot be secured and must notify the Department that a teach-out agreement cannot be secured. The Department may require the institution to provide financial protection.

The accrediting agency must evaluate a teach-out plan to ensure it includes a list of currently enrolled students, academic programs offered by the institution, a plan to maintain and provide access to transcripts in the event of closure, and the names of other institutions that offer similar programs that could potentially enter into a teach-out agreement with the institution.

If an institution the agency accredits or preaccredits closes without a teach-out plan, the agency must work with the Department and the appropriate state agency to assist students in finding reasonable opportunities to complete their education without additional charges. The agency can successfully complete this by:

- Working with institutions to secure teach-out agreements;
- Working with institutions identified in the teach-out plan to secure transfer options if a teach-out agreement cannot be arranged;
- Making teach-out or transfer options, its terms, and information on obtaining transcripts, loan discharges, and reimbursement publicly available on the agency's website; and
- Sharing such information with appropriate state agencies and other recognized accrediting agencies.

Institutions must have transfer of credit policies[7], to include provisions that:

- Are publicly disclosed and include general policies for specific academic standards, time limits, and curricular requirements for acceptance of credits;
- Include a comprehensive statement of all transfer of credit criteria established by the institution, which must consider the comparability in applicability of course work completed or credit earned at another institution accredited by the agency recognized by the Secretary;
- Do not deny the transfer of credit based on the institution that the student completed the coursework or the recognized agency that accredits that particular institution;
- Award transfer credit for undergraduate programs for coursework that has been successfully completed at another institution that is accredited by an agency recognized by the Secretary and is comparable in content and learning outcomes to the institution's own course offerings. Unless the institution provides a written basis for denial in accordance with its academic standards or curricular requirements; and

[6] A teach-out agreement has to be secured within 30 days: (1) for a nonprofit or proprietary institution, if the Secretary is made aware by an independent auditor that there is doubt in the institution's ability to operate as a going concern, indicating an adverse opinion, or a finding of material weakness related to financial stability; (2) after the accrediting agency places the institution on probation or an equivalent status; or (3) the Secretary notifies the agency that the institution's participation in Title IV, HEA programs has changed from full to provisional certification.
[7] These policies do not apply to graduate and professional programs.

- Provide the student an opportunity to appeal the decision within 15 calendar days of receipt of the institution's written notification if an institution declines to award transfer credit.

602.26: Notification of Accrediting Decisions.

The accrediting agency must demonstrate that it has established, and follows, written procedures requiring it to provide written notice of its accrediting decisions to the Secretary, the appropriate state licensing or authorizing agency, the appropriate accrediting agencies, and the public. The agency meets this requirement if the agency, following its written procedures:

- Provides the decision letter, or clear explanation in writing, of the reasons for the final decision of a probation or equivalent status or an initiated adverse action to the Secretary, the appropriate state licensing or authorizing agency, and the appropriate accrediting agencies at the same time it notifies the institution or program of the decision and requires the institution or program to disclose such an action within seven business days of receipt to all current and prospective students;
- Provides the decision letter, or clear explanation in writing, of the following types of decisions to the Secretary, the appropriate state licensing or authorizing agency, and the appropriate accrediting agencies at the same time it notifies the institutional program of the decision, but no later than 30 days after it reaches the decision:
    - A final decision to deny, withdraw, suspend, revoke, or terminate the accreditation or preaccreditation; or
    - A final decision to take any other adverse action.

For the aforementioned decisions, the agency must update its website directory of accredited institutions or programs to note the decision within one business day of its notice to the institution or program. The agency must maintain on its website a clear record of all actions taken for each institution or program it accredits or preaccredits for a period of at least five years.

If the agency issues a final decision to withdraw, suspend, revoke, or terminate the accreditation or preaccreditation of the institution, and the institution challenges this final decision, the Department may continue to provide access to Title IV, HEA programs to an institution until both arbitration and judicial review (if applicable) has been concluded or until relief is denied, whichever occurs first, if failure to do so would result in immediate, irreparable harm to the institution. This provision does not authorize the Department to nullify agency decisions that are made in a manner consistent with the agency's standards, even if the Department disagrees with said decision.

602.28: Regard for Decisions of States and Other Accrediting Agencies.

If the agency learns that an institution or program it accredits or preaccredits is subject to an adverse action or has been placed on probation or an equivalent status by another recognized agency, or has been the subject of a similar action or status by a state agency or federal agency, the accrediting agency must promptly review its accreditation or preaccreditation of the institution or program to determine if it should also take adverse action or place the institutional program probation or an equivalent status.

602.31: Procedures for Submitting Applications for Recognition and Renewal of Recognition.

An accrediting agency must submit an application for initial or renewal of recognition and meet the submission deadline set by the Department. The type of application that must be submitted, and the scope and priority of the Department's review, is determined by the Department as follows:

- If the total amount of Title IV, HEA program funds received by an accredited institution constitute a substantial portion compared to overall amount of funding awarded for the Title IV, HEA programs, as determined by the Secretary, the accrediting agency must submit a comprehensive application that addresses the agency's compliance with the criteria for recognition;
- If the agency is not subject to the requirements above, the agency must submit an application addressing compliance with certain standards to include administrative and fiscal responsibilities; application of standards in reaching accrediting decisions; and any other criteria as directed by Department staff. The agency must also attest its compliance with the criteria for recognition since its last comprehensive review and at least once every third cycle of review;
- If the agency has been subject to any legal actions, complaints, or other compliance issues that raise substantial concerns, the agency must submit a comprehensive application showing their compliance with the criteria for recognition; and
- If the agency is programmatic accrediting agency that is not subject to any complaints, legal actions, or compliance issues as stated above, the agency must submit an application addressing compliance with certain standards to include administrative and fiscal responsibilities; application of standards in reaching accrediting decisions; and any other criteria as directed by Department staff. The agency must also attest its compliance with the criteria for recognition since its last comprehensive review and at least once every third cycle of review.

The Department may also consider factors that include:

- Whether an accredited institution closed without a required teach-out agreement;
- Whether the Department has received serious, or a high proportion of, complaints about the institution or program the accrediting agency accredits;
- Whether the agency has significantly increased the number of institutions or programs it accredits; and
- The number and severity of noncompliant findings identified in the senior Department official's or Secretary's decision letter for the renewal application of the agency.

After receipt of an agency's application for initial or renewal of recognition, the Department staff publishes a notice in the Federal Register stating that the agency submitted an application and inviting the public to provide information concerning the performance of the agency to assist the Department in determining whether the agency meets the criteria for recognition and establishing a deadline for receipt of information from the public. Within 10 business days after the publication of the aforementioned notice, the agency must publish the request for information on the agency's website to include instructions on how the public can submit information in response to the request.

The Department staff will analyze the agency's application for initial or renewal of recognition to determine if the agency satisfies the criteria for recognition. The analysis of an application will include a site visit, which may be conducted as an in-person visit at the agency. The site visit may also include, as appropriate, an in-person visit to the agency's member institutions or programs, an on-site or virtual

observation of a meeting of the agency's decision-making body, or an on-site or virtual observation of other agency activities.

The Department may view as a negative factor in considering an application for initial recognition as proposed by an agency any anticompetitive conduct that violates antitrust laws. Such violations can include collusion between accrediting agencies and any related, associated, or affiliated trade associations. Also, violations can include collusion between accrediting agencies and professional organizations, standard setting organizations, state certification organizations, or membership organizations to unnecessarily inflate the qualifications necessary for a student to sit for a licensure or certification examination or otherwise be eligible for injury into a profession, occupation, or vocation due to an increase in related education or training requirements.

The accrediting agency may request that the National Advisory Committee on Institutional Quality and Integrity (Advisory committee) defer acting on an application at an Advisory committee meeting if Department staff fails to provide the agency with certain materials. If the Department Staffs failure to send them materials in accordance with the set time frames is due to the agency's failure to timely submit reports or other information requested by the Secretary, submit its response to the draft analysis, or comply with other requirements, the Department will not grant the agency any requests to defer consideration of its application.

If Department staff does not conclude its review of the application for recognition before the expiration of an agency's recognition period, the recognition period automatically extends for a period of time that expires when a recognition decision is made and Department staff will limit the length of the recognition recommendation to not exceed five years from the expiration.

602.32: Procedures for Review of an Expansion of Scope, a Contraction of Scope, Compliance Reports, or Increases in Headcount Enrollment.

For an expansion or contraction of scope, the Department will only accept such applications in conjunction with an application for recognition, unless the Department decides to consider an application separately. In considering these types of applications, the Department may view any anticompetitive conduct that violates antitrust laws as a negative factor. Such violations can include collusion between accrediting agencies and any related, associated, or affiliated trade associations. Also, violations can include collusion between accrediting agencies and professional organizations, standard setting organizations, state certification organizations, or membership organizations to unnecessarily inflate the qualifications necessary for a student to sit for a licensure or certification examination or otherwise be eligible for injury into a profession, occupation, or vocation due to an increase in related education or training requirements.

For the review of a compliance report, the Department staff shall complete its evaluation of the agency's compliance report and, within 90 days of the submission deadline, prepare a written draft analysis of the agency's report. After this, the Department shall send a draft analysis to the agency, to include any identified areas of potential noncompliance and any other materials the Department received by the established deadline or that is included in its review. Within 45 days, the agency is invited to provide a written response to the draft analysis and other materials included in the review. The Department will review the written response by the agency and prepare a written final analysis:

- Indicating that the agency is in full compliance, substantial compliance, or noncompliance with each other criteria for recognition under review; and
- Including a recognition recommendation to the senior Department official recommending that the official approve, continue recognition with compliance reporting requirements based on a finding of good cause and extraordinary circumstances, approve with monitoring or other reporting requirements, or deny, limit, suspend, or terminate recognition.

The Department will provide the accrediting agency, no later than 30 days before the Advisory committee meeting, the final staff analysis and any other available information. For a review of a report regarding headcount enrollment, the accrediting agency will provide this report to the Department, and the Department will perform a compliance report review.

602.33: Procedures for Review of an Expansion of Scope, a Contraction of Scope, Compliance Reports, or Increases in Headcount Enrollment.

The Department staff may review the compliance of a recognized agency with the criteria for recognition at any time based on any information that appears credible and raises concerns relevant to the criteria for recognition. If there is any information that raises concerns, the Department will provide the agency with documentation and an opportunity to respond within a reasonable time. If Department staff determine that the agency is in compliance with the criteria for recognition, the Department will conclude the review and notify the agency.

668.36: Senior Department Official's Decision.

A senior Department official will make the decision regarding the recognition of an agency. This decision will define the scope of recognition and the recognition period, which is to not exceed five years. The senior Department official approves recognition if the agency has demonstrated compliance with the criteria for recognition or may approve recognition if the agency has a policy or procedure in place to comply with the criteria for recognition.

If an agency fails to comply with the criteria for recognition, a senior Department official can deny, limit, suspend, or terminate recognition. Should this happen, the reasons and rational would be supplied to the agency. A senior Department official may continue an agency's recognition if the agency submits a compliance report subject to review in the recognition process. The agency must be able to come into compliance within 12 months from the date of the decision or a later date given by the senior Department official.

668.43: Institutional and Programmatic Information.

Institutional information that the institution must make readily available to enrolled and prospective students under this subpart includes, but is not limited to, a description of the transfer of credit policies established by the institution, which must include a statement of the institution's current transfer of credit policies that includes, at a minimum:

- The timeline by which a transcript must be submitted for timely review so that a prospective student can make an informed decision prior to a nonrefundable financial commitment, enrollment, or registration;

- Any established criteria the institution uses regarding the transfer of credit earned at another institution and any types of institutions or sources from which the institution will not accept credits;
- A list of institutions with which the institution has established an articulation agreement;
- Written criteria used to evaluate an award credit for prior learning experience; and
- A statement regarding whether the institution considers credit earned in a non-degree program, or hours completed in a non-credit program, for transfer or articulation to a degree program.

If a student provides a transcript to an institution in the time set by the institution, the institution must:

- Inform the student of the credit that will be awarded for courses on that transcript;
- Inform the student of the credit that the institution declines to award for courses on that transcript; and
- Disclose the estimated time and, when applicable, courses that would be needed to replace the courses for which the institution declined to award credit.

If the institution declines to award credit to a student pursuant to its transfer of credit policy, the institution must provide to the student a written rationale specific to each course that does not result in transfer credit. All disclosures provided by the institution in this section must be made directly to the student in writing, which may include through e-mail or other electronic communication. Disclosures regarding what credit would be awarded for courses on a transcript if a student seeks to transfer credit must be provided to the student by the earlier of the date that the student either:

- Signs an enrollment agreement;
- Completes registration; or
- makes a financial commitment to the instituti