

From: Paul Gardner
Sent: Thursday, May 15, 2008 7:44 AM
To: Director of IT
Subject: FW: Formula 4 --34CFR 690.63e

Please see the discussion below regarding campus vue, is this correct, if we change 08-09, would it impact 07-08?

Paul R. Gardner
V.P., Chief Financial Officer
Concorde Career Colleges, Inc.
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Paul Gardner.vcf

From: National Director of Financial Aid
Sent: Wednesday, May 14, 2008 9:46 PM
To: Paul Gardner
Subject: FW: Formula 4 --34CFR 690.63e

This is my answer to Connie Colin earlier today about the Pell increase". Her inquiry came from Memphis.

In it, I outline the highlights of the To Do list for the changes.

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National Director of Financial Aid
Concorde Career Colleges, Inc.
Redacted by HELP

From: National Director of Financial Aid
Sent: Wednesday, May 14, 2008 10:17 AM
To: Connie Collin
Subject: RE: Formula 4 --34CFR 690.63e

Memphis
Campus
Connie
I saw that you cc'd Pres but as you read some of the below, you may want to filter that which you share with Redact Some is not relevant.

Sorry. It took me so long to get back to you. Tuesday was my last day serving as a Federal Trainer; I was in Atlanta training schools on these very changes. So, yes. I am very conversant in them.

The Change is effective for the 08-09 Award Year therefore it would be effective for second disbursements of Pell Grant for students starting now, so it would not be \$700; it would be closer to \$350 for students starting before July 1.

But, it's not that simple. In the immediate aspect, there is Campus Vue. Campus Vue programming does not accommodate this change in formula by award year. The programming is academic program specific, not award year specific. So, if we change Campus Vue so it calculates the 08-09 correctly, it will calculate the 07-08 Pell Grants awards wrong. We are currently awarding and **disbursing** 07-08 Pell Grants. We have asked Campus Management when this change in programming will be updated into Campus Vue. Answer pending. I don't like to blame stuff on Campus Vue to the campuses; the conversion change being so recent, not all of them are "in love" with Campus Vue, so adding to that does not seem healthy.

Therefore, when Campus Vue can accept these changed awards, we will have to make changes to all of the 08-09 students anyway. Therefore, the below items will be addressed simultaneously.

There are other complexities as well: There are two other changes which also take effect for 08-09 which have huge impact on processing:

- 1) Loan limit increases (\$2000 which are also effective for 08-09 for loans first disbursed after July 1, 2008,)
- 2) Limit on funds carried back from one award year to a previous award year. In our longer programs, students generally have balances in their first year which we have used part of their second year funds to satisfy. These balances are often \$6K or \$10K. This was perfectly legal. Effective 7/1/08 for 08-09 award year funds, the maximum will be \$200. WE are setting up a process for this which is compliant, but I did not want to introduce this change without addressing the other two changes simultaneously.

The increase in Pell for Formula 4 and the loan limit increase are a big concern for the 4- 90/10 high-concern campuses (like Memphis). All of these campuses are in your region. Home Office is concerned and discussions about strategy are going on at Home Office on this topic.

But, there is another layer here, You made the statement

"It will not affect 90/10 because we will replace grant with loan."

Sort of. Concorde has been following a policy of meeting only institutional charges with Title IV Awards (and at three Eastern campuses only meeting 90% of Inst'l charges due to 90/10 concerns) that Concorde has forgotten that institutional policy is not what the Feds want us to do, and therefore we must do it in a complex but compliant way.. The FA Directors have slipped into a habit which has lead to Title IV compliance Audit findings. I have been calling these "Unauthorized FFELP Loan Reductions." In past years, our Title IV compliance Auditor has

commented on these things but not cited them. This year she is citing them. AS with many things, she is being stricter than she has been in past years due to her OIG review of her audits.

I have prepared a new Tentative for the campuses and it is being duplicated for all campuses now. In addition, I am preparing training tools on the other issues. When all 12 campuses Tentatives ready I will do a Teleconference. Prior to that FA Director teleconference, I will want to inform Admissions and Campus Presidents, so will be calling on you and Redact to help me pull those together.

Call me to discuss this further. There is, of course, more to the story.

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National Director of Financial Aid
Concorde Career Colleges, Inc.
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From: Connie Collin
Sent: Tuesday, May 13, 2008 8:58 PM
To: National Director of Financial Aid
Cc: Memphis Campus President
Subject: Formula 4 --34CFR 690.63e

Hj National Director of Financial Aid

I am visiting the Memphis campus this week and have a question regarding a change that was recently made to Formula 4. It appears that Memphis offer programs that would benefit from the new formula—one of the programs has a start next week and the campus would like to use the new formula to determine the amount of the students' Pell grants.

Have you reviewed this change?? What are the steps that need to occur to allow the campus to package students using the new formula? The change does not have an impact on 90:10. It would benefit the student and the company by shifting approximately \$700 from loans to Pell grants.

Please let me know if you have any questions. We appreciate your assistance in approving the change. Thank you. Connie

Connie Collin
Vice President Eastern Operations
Concorde Career Colleges, Inc.
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