



## 90/10 Overview

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KHE 272311

Kaplan Higher Education Corporation  
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## What is the “90/10 Rule”?

- To be eligible to participate in federal grant and loan programs, a for-profit institution must derive no more than 90% of its revenues from the federal grant and loan programs (Title IV)
- Schools that fail to satisfy the 90/10 Rule automatically lose their eligibility and must immediately stop awarding Federal Student Aid (Title IV) program funds

## What Funds Cannot Exceed 90%?

Title IV sources:

- Pell Grant
- FSEOG Grant
- Subsidized Stafford Loan (Direct Loan or FFEL)
- Unsubsidized Stafford Loan (Direct Loan or FFEL)
- PLUS Loan (Direct Loan or FFEL)
- Perkins Loans
- Academic Competitive Grant-ACG (degree programs only)
- National Science & Mathematics Access to Retain Talent-SMART (bachelor degree 3<sup>rd</sup>/4<sup>th</sup> year programs only)

## What Funds Can Contribute to the 10%?

### Increase focus on Non-Title IV Sources:

- TUITION PAYMENTS
- Alternative Loans
- Vocational Rehabilitation Payments
- Employer Tuition Payments
- State Grants
- Outside Agency Payments (such as TRA)
- Scholarships
- *Remember, these must be applied to direct costs such as tuition, not to living expenses, in order to count toward the 10%.*

## Agency-Scholarship-Tuition Reimbursements

- What current resources are you using or have you used in the past?
- What ideas do you have for other resources to use in the future?

## Community Outreach Ideas

- Develop a Management committee to research outside scholarships and/or to approach community organizations which could award scholarships to the schools/students.
- Continue relationship-building with public funding entities (such as vocational rehabilitation) as well as with employers in the area who can benefit from their staff training at our schools.

## TUITION PAYMENT BENEFITS

- In addition to assisting with 90/10, a student making cash payments....
  - Is a more committed student.
  - Has reduced loan debt (borrows less; paying less interest).
  - Becomes accustomed to making monthly payments before student loans enter repayment (more likely to avoid default).
  - Is paying interest free and no fees!

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## Ideas to Help Students Make Tuition Payments

- Career Services can assist students with part-time jobs
- Encourage Federal Work Study students to use their paychecks toward their tuition
  - Note: We can not require this
- Sponsor tables/treats for a school-wide yard sale, flea market, or food sales to help students obtain additional cash.



## Do's & Don'ts

- **Do's**

- When there is little or no gap between tuition and Title IV eligibility, all departments must focus on tuition payment commitments with the student
- Explore other non-Title IV funding resources that the student could be eligible to receive

- **Don'ts**

- Any conversations about student-specific loan or grant eligibility should be referred to the Financial Aid staff
- A school may not recommend alternative loans when the student has Title IV loans (such as Stafford) available at lower cost