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HEA Title IV Student Aid Program Enforcement Actions

Financial assistance provided under Title IV of the Higher Education Act (HEA) is the largest source of federal aid to assist students in obtaining a postsecondary education. Students may use Title IV funds to attend institutions of higher education (IHEs) that meet Title IV participation requirements. The requirements serve as a framework for federal oversight of Title IV participating IHEs by helping to ensure administrative and fiscal integrity of the Title IV programs at IHEs and to reduce potential waste or abuse of the federal funds received by the schools. The U.S. Department of Education (ED) estimates it provided \$120.8 billion in Title IV aid to students at about 5,400 IHEs in FY2024. The Office of Federal Student Aid (FSA) within ED administers the Title IV programs, including playing the lead role in providing oversight of participating IHEs by ensuring they comply with Title IV requirements.

This In Focus describes some of the tools ED may use to provide oversight of and enforce IHE compliance with Title IV rules and provides data on enforcement actions ED has initiated against noncompliant IHEs in recent years. For additional information on Title IV institutional requirements, see CRS Report R43159, *Eligibility for Participation in Title IV Student Financial Aid Programs*.

Determining Title IV Violations

ED may determine an IHE is violating Title IV program rules through several mechanisms. For example, it may identify Title IV violations through the following:

- **Recertification:** A Title IV participating IHE must have its eligibility to participate in the Title IV programs renewed by FSA on a basis not to exceed six years. During recertification, FSA determines if an IHE continues to meet Title IV requirements.
- **Audits:** Generally, Title IV participating IHEs must annually submit to FSA an audit, conducted by an independent auditor, of their compliance with Title IV requirements and financial statements. ED's Office of Inspector General may also conduct audits of IHEs.
- **Program reviews:** FSA conducts reviews of individual IHEs to confirm they meet Title IV rules and to identify compliance issues. FSA does not conduct program reviews at each IHE annually; priority for program reviews is given according to HEA criteria.
- **Investigations.** FSA opens investigations into IHEs based on information (e.g., a student complaint, media report, lawsuit or investigation from another regulator) that an IHE may be in violation of Title IV rules.

Addressing Title IV Violations

When FSA determines an IHE is in violation of Title IV program rules, and depending on the circumstances, it may

change the method by which it provides Title IV funds to the IHE, require the IHE to submit financial protection (e.g., a letter of credit) to ED, or take corrective or enforcement action. Under a corrective action, FSA may allow the IHE to respond to and indicate how it will address an issue, and to make payments to FSA or students for improperly used Title IV funds. An enforcement action (a sanction) is more punitive in nature than the aforementioned steps. The following are enforcement actions FSA may take against an IHE that has violated Title IV rules. (Some of these actions may also be taken against individuals or other entities engaged in Title IV activities.)

- **Debarment:** FSA may prohibit an IHE from conducting business with the federal government for a period.
- **Denial of recertification:** FSA may deny recertification to participate in Title IV to an IHE with a pending recertification application.
- **Denial of reinstatement:** FSA may deny reinstatement as a Title IV participating institution to an IHE with a pending application for reinstatement in the Title IV programs.
- **Emergency action:** FSA may take immediate action to suspend an IHE's access to Title IV funds (e.g., by withholding Title IV funds from an IHE) during the pendency of a limitation, suspension, or termination action.
- **Fine:** FSA may impose a fine against an IHE. The maximum fine assessed after January 21, 2025, per violation, for violations that occurred after November 2, 2015, is \$71,454.
- **Limitation:** FSA may limit the Title IV participation of an IHE. Limitations may be any that the Secretary of Education deems "reasonable and appropriate" and may include, for example, limiting the percentage of students enrolled in an IHE that may receive Title IV funds.
- **Revocation:** FSA may revoke an IHE's provisional certification to participate in the Title IV programs.
- **Suspension:** FSA may immediately prohibit an IHE from conducting business with the federal government for a temporary period pending the completion of an investigation or administrative proceeding or from Title IV participation for up to 60 days.
- **Termination:** FSA may terminate an IHE's full certification to participate in the Title IV programs.
- **Warning:** FSA may warn an IHE of potential, additional enforcement actions if it does not remedy its Title IV violation.

FSA may take the above actions alone or in combination with another (e.g., issue a fine and an emergency action).

Additionally, regulations state that ED may initiate a proceeding to require an IHE to reimburse ED for financial losses associated with a successful borrower defense to repayment student loan discharge resulting from its actions; however, a federal court has enjoined ED from implementing these regulations.

When taking these enforcement actions, FSA must follow procedural requirements outlined in regulations (e.g., 2 C.F.R. §§3485 et seq.; 34 C.F.R. Part 668, Subpart G). FSA may enter into settlement agreements with IHEs in which both parties agree to resolve identified Title IV issues without undergoing the formal procedural requirements outlined in regulations. Settlements may include some of the above enforcement actions.

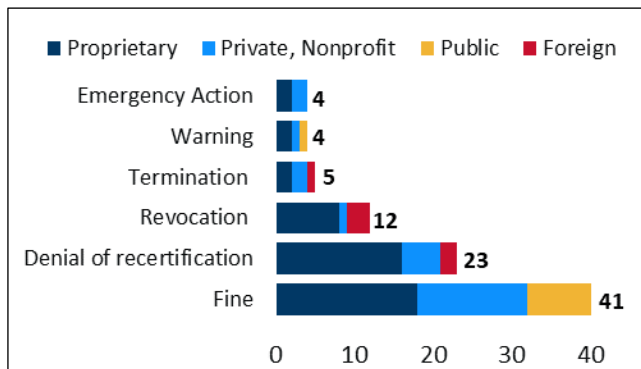
Enforcement Actions

In August 2024, FSA launched a new website to serve as a repository of information on its Title IV enforcement actions. Among other items, the website includes information on enforcement actions initiated by FSA between October 1, 2021, and December 31, 2024.

Figure 1 displays the count of enforcement actions initiated by FSA against IHEs during this period, by institutional control or location. In total, FSA initiated 89 enforcement actions against 81 IHEs. The most frequently initiated action was imposition of a fine (41 instances).

Figure 1. Enforcement Actions Initiated by FSA against IHEs, by Institutional Control or Sector

October 1, 2021-December 31, 2024



Source: CRS Analysis of Office of Federal Student Aid, Enforcement Actions by Administrative Year, <https://studentaid.gov/data-center/enforcement/enforcement-by-year>.

Notes: Excludes one initiation of a borrower defense to repayment collection action. Enforcement actions not depicted in the figure had a count of zero for the period shown.

Although FSA initiated enforcement actions against IHEs for a range of Title IV violations, the majority of enforcement actions (89%) were initiated due to one of four rationales. **Table 1** displays these four most frequently cited rationales, as well as the count of enforcement actions initiated for each one. The remaining rationales for FSA's initiation of an enforcement action covered a variety of Title IV requirements such as an IHE's failure to meet state

authorization requirements (two instances) and an IHE's filing for bankruptcy (one instance).

Table 1. FSA-Initiated Enforcement Actions for the Four Most Frequently Cited Rationales

October 1, 2021-December 31, 2024

Enforcement Action	Count of Enforcement Actions
Failure to Timely Submit IPEDS Survey	
Total	27
Fine	23
Warning	3
Loss of Accreditation	
Total	20
Denial of recertification	7
Revocation	7
Termination	3
Emergency action	3
Multiple Title IV Violations	
Total	18
Denial of recertification	13
Revocation	2
Other	3
Failure to Meet Clery Act Requirements	
Total	14
Fine	14

Source: CRS Analysis of Office of Federal Student Aid, Enforcement Actions by Administrative Year, <https://studentaid.gov/data-center/enforcement/enforcement-by-year>.

Notes: IPEDS = Integrated Postsecondary Education Data System. Clery Act = The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act; the Clery Act is part of the HEA.

As shown in **Table 1**, failure to meet Title IV requirements relating to reporting or disclosing certain information (i.e., failure to timely submit IPEDS surveys or to comply with the Clery Act) resulted in a fine or a warning. The HEA requires that IHEs be accredited or preaccredited by ED-recognized accrediting agencies to participate in the Title IV programs. All instances of an IHE's loss of accreditation resulted in FSA initiating an emergency action to withhold funds from the IHE or actions to end the IHE's eligibility to participate in the Title IV programs through either a denial of recertification, revocation, or termination (as warranted by the circumstances). Similarly, all instances of an IHE's failure to meet multiple Title IV requirements resulted in FSA initiating actions to end the IHE's eligibility to participate in the Title IV programs or an emergency action to withhold funds.

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