

Federal Compliance Overview

**Effective for Federal Compliance Reviews beginning
September 1, 2025, through August 31, 2026**

In order to maintain its federal recognition by the U.S. Department of Education, the Higher Learning Commission (HLC) assures that all member institutions are complying with the expectations of specific federal regulations including, when applicable, Title IV program responsibilities.

Compliance with these requirements by both institutions and HLC is necessary to ensure that institutions that participate in Title IV HEA programs remain eligible for federal financial aid. Such compliance also represents a reinforcement of certain important quality assurance goals. HLC policy regarding Federal Compliance requires institutions to meet these requirements in order to gain candidacy, gain initial accreditation and to remain accredited.

When Federal Compliance Is Reviewed

HLC reviews an institution's compliance with Federal Compliance requirements at multiple points in the accreditation relationship and through various mechanisms. An institution submits a Federal Compliance Filing as part of the following evaluations:

- Comprehensive evaluations for Reaffirmation of Accreditation, regardless of when they occur (including the first comprehensive evaluation that occurs after a grant of initial accreditation, or after the removal of Probation or Show Cause).
- Comprehensive evaluations for institutions applying for Candidacy or Initial Accreditation.
- Comprehensive evaluations for Probation and Show Cause.
- Advisory visits arising from questions of compliance with one or more Federal Compliance requirements.
- As part of any other evaluation as determined necessary by HLC to verify compliance with one or more Federal Compliance requirements.

HLC may also require an institution to submit documentation related to one or more Federal Compliance requirements, without an on-site evaluation necessarily occurring, whether as part of routine monitoring or under HLC's policy on [Special Monitoring](#).



Canopy Integration

Beginning in 2025, institutions and peer reviewers will conduct their work for comprehensive evaluations, including the Federal Compliance Review, in HLC's Canopy system. The stand-alone Assurance System will be sunset during fall 2025.

For more information about the expansion of Canopy, see [HLC's website](#).

Background on HLC's Streamlined Procedure

Based on feedback from the membership and the Peer Corps and many conversations with representatives from the U.S. Department of Education, HLC significantly streamlined the Federal Compliance process in September 2019. The current process eliminates redundancies related to areas that are already reviewed as part of other HLC requirements and processes and highlights the areas where information is required only for Federal Compliance.

Reminders

- Standard Pathway institutions are not required to submit a Federal Compliance Filing for their Year 4 comprehensive evaluation (unless they are newly accredited or recently removed from Probation or Show-Cause).
- HLC policy nevertheless permits a Federal Compliance Review to be conducted at any time as circumstances may warrant.
- As contemplated by the Federal Compliance requirements, HLC expects institutions to be able to demonstrate Carnegie Unit equivalency in their assignment of credit hours. However, HLC no longer requires that institutions complete a separate credit hour worksheet as part of the Federal Compliance Review during comprehensive evaluations.
- Institutions remain responsible for meeting their Title IV, Higher Education Act program responsibilities. These requirements may be found in [34 CFR 668](#). Institutions may be required to submit documentation related to Title IV requirements as an appendix to their Federal Compliance Filing (see Additional Documents on page 8).
- Institutions are not required to solicit third-party comments from members of the public and other stakeholders as part of their Federal Compliance Filing. HLC maintains a [form on its website](#) that allows third parties to provide comments about institutions on an ongoing basis. Any comments received by HLC are provided to the peer review team and institution four weeks prior to the visit. Institutions are required to participate in HLC's [Student Opinion Survey](#) in advance of a comprehensive evaluation.
- In part due to information being regularly publicized by the U.S. Department of Education, HLC will follow up only with selected institutions regarding their Cohort Default Rates.

Procedure for Institutions

- 1. Submit Federal Compliance Filing.** Institutions submit the Federal Compliance Filing form and, if applicable, Appendix A before their on-site visit by a team of HLC peer reviewers. The filing form can be downloaded from HLC's website at hlcommission.org/federal-compliance.
 - For comprehensive evaluations: HLC will activate the Federal Compliance component of the institution's Assurance Filing in Canopy six months before the institution's lock date, and HLC recommends that institutions begin compiling the necessary documentation at that point. The Federal Compliance Filing should be uploaded to the system prior to the institution's lock date.
 - For other processes: Institutions submitting documentation related to Federal Compliance as part of HLC processes other than comprehensive evaluations (e.g., advisory visits, interim reports, focused visits, or other requests from HLC) should submit their documentation at hlcommission.org/upload. Select the appropriate submission option from the list provided to ensure the institution's materials are sent to the correct HLC staff member.
- 2. Provide sample of course and program materials to Federal Compliance reviewer.** After the institution's Assurance Filing has been locked and made available to reviewers, a Federal Compliance reviewer will conduct a preliminary evaluation of the institution's Federal Compliance Filing.

The Federal Compliance reviewer will contact the Accreditation Liaison Officer (ALO) to request a sample of course and program materials. The purpose of the representative sample of materials is to enable the Federal Compliance reviewer to make a preliminary determination as to whether an institution adheres to its credit hour policy. In no event should an institution submit, nor will Federal Compliance reviewers expect institutions to submit, all its course and program materials.
- 3. Respond to requests from peer review team, if applicable.** The peer review team will finalize the preliminary findings made by the Federal Compliance reviewer during the visit. The team

may request additional supporting documentation from the institution as needed while conducting the visit. The team's final determinations regarding Federal Compliance will be included in the team report.

- 4. Correct errors of fact, if needed, and submit institutional response to final report.** The institution will have an opportunity to correct any errors of fact related to Federal Compliance, along with the rest of the draft team report; and, once the report is finalized, will have the opportunity to respond to all the team's findings.

The institution will not receive a separate copy of the Federal Compliance reviewer's initial findings, because while this work represents an integral part of the evaluation, it is a preliminary part of the team's ultimate evaluation of Federal Compliance.

Personally Identifiable Information

When compiling documentation for its Federal Compliance Filing, the institution should carefully consider whether documents containing personally identifiable information (PII) must be included. If the documents must be included for evaluative purposes, please redact the PII where possible. If redaction of the PII will interfere with the evaluative value of the document, please clearly identify the document as containing PII (for example, through a cover page or prominent notation on the document). Institutions are not expected to redact or identify information or documents where the only PII included is employee or Board member names and work contact information.

PII is any information about an individual that allows the individual to be specifically identified. This includes, but is not limited to: name, address, telephone number, birthday, email, social security number, bank information, etc. A document does not include PII if personal information is de-identified (for example, student financial receivables without student names or bank routing information) or is provided in the aggregate (for example, data on faculty qualifications). See [HLC's PII Guidelines](#) for more information.

Procedure for Peer Reviewers

Federal Compliance Reviewers

- 1. Access institution's Federal Compliance Filing.**

The Federal Compliance materials submitted in advance of a comprehensive evaluation will be accessible once the institution's Assurance Filing has been locked in Canopy and released to the reviewers, no later than four weeks in advance of the visit. The Federal Compliance reviewer will receive an email from the system when this occurs. The Federal Compliance reviewer must log into Canopy and download the institution's materials. Federal Compliance materials submitted in advance of other types of evaluations will be provided as part of the relevant institutional reports in advance of such evaluations.
- 2. Request sample course and program materials.**

The Federal Compliance reviewer contacts the institution's Accreditation Liaison Officer (ALO) to request a sample of course and program materials. The Federal Compliance reviewer will use this sample to make a preliminary determination as to whether an institution adheres to its credit hour policy.
- 3. Conduct preliminary evaluation.** The Federal Compliance reviewer conducts a preliminary evaluation of the institution's materials using the Federal Compliance Instructions for Peer Reviewers. The instructions can be downloaded from HLC's website at hlcommission.org/federal-compliance.

The Federal Compliance reviewer enters preliminary findings in the Assurance Review section of Canopy. The findings should include a conclusion for each component of Federal Compliance and a rationale that supports the conclusion, especially if the conclusion is negative and the Federal Compliance reviewer recommends follow-up. The rationale should clearly explain what improvement is needed as well as how HLC would determine the institution has resolved the issue.
- 4. Notify team chair.** At least one week before the visit, the Federal Compliance reviewer completes the draft and notifies the team chair, referring any issues to the team for further exploration and confirmation during the visit.

Note: The Federal Compliance reviewer's role, while limited in scope in comparison to the peer review team, is intended as a preliminary aid to a peer review team's anticipated on-site evaluation. By definition, the Federal Compliance reviewer's findings are not conclusive. As such, the Federal Compliance reviewer's preliminary findings should only be provided to the peer review team, and not the institution.

Team Chairs

- 1. Contact Federal Compliance reviewer.** HLC will list the Federal Compliance reviewer's name in the visit description on the Evaluation Summary Sheet. Team chairs are encouraged to include the Federal Compliance reviewer in a team conference call prior to the visit, for the limited purpose of discussion related to Federal Compliance requirements. Team chairs may on occasion also hear from Federal Compliance reviewers if they have questions in the course of their preliminary review, related to the broader context of the visit.
- 2. Coordinate the team's review of Federal Compliance requirements.** While conducting the visit, the peer review team completes the following steps:
 - a. Determines whether the preliminary findings made by the Federal Compliance reviewer accurately represent the institution's compliance with all applicable requirements.
 - b. Requests additional documentation from the institution, if needed.
 - c. Finalizes the team's evaluation of the institution's Federal Compliance. If necessary, the team adjusts the preliminary findings and rationale provided by the Federal Compliance reviewer and removes any specific instructions addressed directly to the peer review team that the Federal Compliance reviewer included.
- 3. Finalize Federal Compliance report.** The team chair is responsible for finalizing the Federal Compliance report. It will be included automatically with the draft team report for review by the HLC staff liaison and, subsequently, for correction of errors of fact and then substantive response by the institution. The Federal Compliance report also will be included with the final team report when it is submitted in Canopy.

Potential Consequences for Not Meeting Federal Compliance Requirements

An institution determined not to be in compliance with one or more Federal Compliance requirements, even if in compliance with all other HLC requirements, may be subject to monitoring, Probation, a Show-Cause Order or an adverse action, as defined by HLC policy, based on the gravity of the finding as measured by:

1. The extent to which a substantial remediation period is necessary to address such noncompliance, in which case Probation may be appropriate; or
2. The extent to which the very existence of the finding suggests that the institution should not remain accredited, in which case a Show-Cause Order or adverse action may be appropriate. (HLC policy Federal Compliance Requirements [FDCR.A.10.010])

Policies Related to Federal Regulation

This section outlines the Federal Compliance requirements established by HLC to ensure that it and member institutions comply with federal regulations. It provides references to HLC policies, as well as an explanation of each requirement and links to related materials, including HLC forms and procedures.

The section also notes specific Assumed Practices, Core Components of the Criteria for Accreditation and Obligations of Membership that are related to each Federal Compliance requirement and that institutions must ultimately satisfy. The Assumed Practices and Criteria for Accreditation citations refer to the revised versions of these policies that go into effect on September 1, 2025.

Note: These HLC requirements remain subject to change based on federal regulations. To the extent not prohibited by federal regulations, HLC reserves the right to maintain higher expectations of its institutions without creating unnecessary burden.

1. Assignment of Credits, Program Length and Tuition

Explanation of This Requirement

An institution should make sure that it has a policy or set of policies and procedures for assigning credit hours for all types of courses, disciplines, programs, credential levels and formats offered, regardless of modality.

An institution should be able to articulate the processes and structures in place to demonstrate how it adheres to its policy(ies) for assigning credit hours (e.g., by reference to course approval guidelines and processes, course proposal forms, curriculum committee reviews, program review, registrar's class scheduling procedures etc.).

An institution that provides instruction through online, alternative, compressed or other formats should also have policies that address how learning is determined, organized and evaluated, and how the institution determines instructional equivalencies.

In addition, the institution should be able to justify tuition variations for a particular educational program or programs based on costs for offering that degree, the length of the program, or the objectives of the program.

HLC's intent is to:

1. Review an institution's policies regarding the award of credit in relation to the types of courses, disciplines, programs, credential levels and formats offered, regardless of modality;
2. Determine how the institution ensures it is adhering to those policies; and
3. Review the institution's process for verifying length of academic period and compliance with credit hour requirements through course scheduling.

Should the institution plan to make any significant change to credit hour assignments or educational program requirements, the institution may be required to seek HLC approval prior to making that change, as required by HLC policy. The institution should review HLC's [substantive change requirements related to clock and credit hours](#) for more information.

Related HLC Requirements

- Assignment of Credits, Program Length and Tuition (FDCR.A.10.020)
- Criteria for Accreditation Core Component 3.A. Educational Programs (CRRT.B.10.010)
- Assumed Practice B.1. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §§602.16(a)(1)(viii), 600.2, and 668.8(k-l)

2. Institutional Records Regarding Student Complaints

Explanation of This Requirement

The institution is expected to demonstrate that it utilizes a systematic complaint-tracking process that best fits its needs. This process should contemplate any formal complaint the institution receives, regardless of the subject matter. Whatever approach the institution takes, the institution should demonstrate that its tracking process effectively allows student complaints to be received, tracked and handled in a timely manner.

While under certain circumstances the institution and team may receive information regarding complaints filed directly with HLC prior to the evaluation visit, institutions are not required to supply any student complaints as part of demonstrating compliance with this requirement.

Related HLC Requirements

- Institutional Records of Student Complaints (FDCR.A.10.030)
- Criteria for Accreditation Core Components 2.A. Integrity and 2.B. Transparency (CRRT.B.10.010)
- Assumed Practices A.3. and A.4. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §602.16(a)(1)(ix)

3. Publication of Transfer Policies

Explanation of This Requirement

The institution must disclose its transfer policies to students and to the public. At a minimum, these disclosures must include:

1. 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.
2. A list of institutions with which the institution has established an articulation agreement, as well as information about each articulation agreement. The information the institution provides should include any program-specific articulation agreements in place. Also, the information the institution provides should list the specific credits that articulate through the agreement (e.g., general education only, pre-professional nursing courses only, etc.) and identify whether

the articulation agreement anticipates that the institution under HLC review does the following:

- a. Accepts credits for courses offered by the other institution(s) through the articulation agreement.
 - b. Offers courses for which credits are accepted by the other institution(s) through the articulation agreement.
 - c. Both offers courses and accepts credits with the other institution(s) in the articulation agreement.
3. Written criteria used to evaluate and award credit for prior learning experience including, but not limited to, service in the armed forces, paid or unpaid employment, or other demonstrated competency or learning.

Related HLC Requirements

- Publication of Transfer Policies (FDCR.A.10.040)
- Criteria for Accreditation Core Components 2.A. Integrity and 2.B. Transparency (CRRT.B.10.010)
- Assumed Practices A.5.c., B.1.e. and B.1.f. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §§668.5, 668.8, 668.43(a)(11) and 668.43(a)(12)

4. Practices for Verification of Student Identity

Explanation of This Requirement

An institution must verify the identity of students who participate in courses or programs provided through distance education or correspondence education. The institution may use a variety of approaches to verify student identity. These could include, but need not be limited to, for example, a secure login and pass code, proctored examinations, or other technologies and practices. The institution must be able to demonstrate the effectiveness of its approach(es). Additionally, if the method by which the institution verifies student identity will result in the student incurring a cost (such as a fee for a proctored exam), the institution must disclose that cost to the student at the time of registration or enrollment.

The institution must also demonstrate that it is making reasonable efforts to protect student privacy in verifying student identity.

Related HLC Requirements

- Institutional Practices for Verification of Student Identity and Protection of Student Privacy (FDCR.A.10.050)
- Criteria for Accreditation Core Component 2.A. Integrity (CRRT.B.10.010)

Related Federal Regulations

- 34 CFR §§602.17(g) and 602.17(h)

5. Protection of Student Privacy

Explanation of This Requirement

An institution must develop and maintain procedures to ensure student privacy is protected in compliance with relevant federal law. An institution must also ensure the privacy and security of student data (including without limitation, student records). In addition, an institution must provide training to ensure adherence to established procedures by employees (and any third-party contractors acting on the institution's behalf). The institution must also be transparent with students about how any personal data is collected and used.

Related HLC Requirements

- Institutional Practices for Verification of Student Identity and Protection of Student Privacy (FDCR.A.10.050)
- Recruiting, Admissions and Related Enrollment Practices (FDCR.A.20.020)
- Assumed Practice A.2. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §602.17(h)

6. Publication of Student Achievement Data

Explanation of This Requirement

An institution is required to publicly disclose student achievement data.

Content: The student achievement data must include, at a minimum, retention, completion, licensure exam pass rates (as applicable), and data about students after graduation (such as graduate school, employment, etc.). It may also include other student success outcomes appropriate for the mission of the institution and its goals for all students.

Data may be provided at the institutional or departmental level or both, but the institution must disclose data that address the broad variety of its

programs, including at the undergraduate and graduate levels as applicable. The institution may utilize data provided by the U.S. Department of Education or other external source.

If an institution uses student placement rates in any marketing or recruitment content, it must also publicly disclose these data.

Information should be presented in plain language with any technical terms defined and any necessary information on the method used to compile data included.

If the published data would not enable a reasonable member of the public to make an initial judgment about the institution's success because raw numbers were shared without sufficient context, the disclosure may be deemed insufficient.

Format: The institution should disclose the student achievement data on a public page on the institution's website.

If student achievement data is displayed in multiple places on the institution's website, the institution should have a summary webpage that links to all of the published student achievement data.

Information should be made available directly on the institution's website and not through a downloadable file (such as a PDF) or links to external sources (such as College Navigator).

Individuals must be able to navigate to an institution's student achievement information easily from the institution's homepage and through a search of related terms on the website.

Related HLC Requirements

- Public Information (FDCR.A.10.070)
- Recruiting, Admissions and Related Enrollment Practices (FDCR.A.20.020)
- Criteria for Accreditation Core Component 2.B. Transparency (CRRT.B.10.010)
- Assumed Practice A.6. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §602.16(a)(1)(i) and 34 CFR 668.14(b)(10)

7. Standing With State and Other Accreditors

Explanation of This Requirement

An institution must fairly represent to HLC and to the public its history and status with other recognized accreditors and with each state in which it is authorized or licensed. This includes accurately disclosing when an action affects its accreditation status or authorization has been taken by another recognized accreditor or state entity.

An institution must affirmatively disclose to HLC any pending or final state actions that affect the institution's legal status or authority to grant degrees or offer educational programs. An institution must also disclose to HLC any pending or final actions by a recognized accreditor to withdraw accredited or pre-accredited status or to impose a sanction, Show-Cause Order or adverse action.

Related HLC Requirements

- Standing With State and Other Accreditors (FDCR.A.10.080)
- Criteria for Accreditation Core Component 2.B. Transparency (CRRT.B.10.010)
- Assumed Practices A.7. and A.8. (CRRT.B.10.020)
- Obligations of Membership #8 and #9 (INST.B.30.020)

Related Federal Regulations

- 34 CFR §§602.28, 668.41 and 668.43

8. Recruiting, Admissions and Related Enrollment Practices

Explanation of This Requirement

Among other requirements, an institution must have a code of conduct (or the equivalent) related to recruiting, admissions, and financial aid, as well as training materials for any recruiters, admissions counselors, marketing or advertising staff, financial aid advisors, and any other personnel engaged in direct communications with prospective and current students. Institutions are also responsible for exercising appropriate oversight over any third-party contractor(s) involved in providing such services to prospective and current students.

Related HLC Requirements

- Fraud and Abuse (FDCR.A.20.010)
- Recruiting, Admissions and Related Enrollment Practices (FDCR.A.20.020)

- Criteria for Accreditation Core Components 2.A. Integrity and 2.B. Transparency (CRRT.B.10.010)
- Assumed Practices A.2. and A.13. (CRRT.B.10.020)

Related Federal Regulations

- 34 CFR §§668.14 and 668.82

Additional Documents

If applicable, the institution should provide any correspondence from the U.S. Department of Education that articulate a rationale for any negative actions and any reports issued by the institution demonstrating the institution's improvement efforts in response to such communications. Negative actions include, but are not limited to, limitation, suspension or termination actions by the Department; letter of credit requirements, fines, heightened cash monitoring, or reimbursement payment methods imposed by the Department; or other negative findings on the basis of any Single Audit (or its equivalent) submitted by the institution. This documentation should be included in the institution's Federal Compliance Filing as Appendix A.

Fraud, Abuse or Failing to Meet Title IV Responsibilities

Institutions should be aware that the Federal Compliance peer review report includes a requirement that the team bring to HLC's attention any circumstances encountered during the review that give them reason to believe that the institution (1) is not fulfilling its Title IV, HEA responsibilities or (2) is engaged in fraud or abuse.

Related HLC Requirements

- Title IV Program Responsibilities (FDCR.A.10.060)
- Fraud and Abuse (FDCR.A.20.010)
- Criteria for Accreditation Core Component 2.B. Transparency (CRRT.B.10.010)

Questions?

Contact accreditation@hlcommission.org