



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

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The Honorable ROSARIO MARR  
Secretary of State and Consumer Services Agency  
915 Capitol Mall, Suite 200  
Sacramento, CA 95814-2719

Dear Secretary Marin:

Thank you for your agency's letter dated November 17, 2006. I understand from your letter, and from discussing this matter with you on the phone, that the authority of California's Bureau of Private Postsecondary and Vocational Education (Bureau) will cease, effective July 1, 2007. You have asked whether abolition of the Bureau will cause institutions presently approved by the Bureau to lose eligibility to participate in the federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070 et seq. (Title IV).

As I mentioned when we spoke, except to the extent, if any, that California law continues to require schools in the State to maintain approval from the Bureau in order to offer postsecondary education in the State, abolition of the Bureau will have no effect on Title IV eligibility.

On the other hand, even if the Bureau is abolished, to the extent, if any, that there are other state laws requiring various kinds of schools to obtain other kinds of licenses or approvals from other bodies in order to offer postsecondary education in the state, such laws would remain relevant to Title IV eligibility. These state laws would go to the Title IV requirement that schools be "legally authorized within [the] State to provide a program of education beyond secondary education." 20 U.S.C. § 1001(a)(2)

In addition, licensing laws limiting the ability of individuals to pursue various occupations in the State may have relevance in determinations made by the U.S. Department of Education as to whether non-degree programs meet Title IV requirements that they prepare students for "gainful employment in a recognized occupation." See, e.g., 20 U.S.C. § 1002(b)(1)(A).

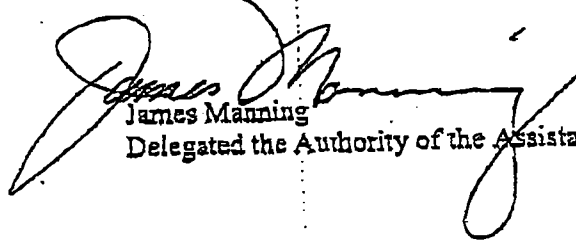
1990 K STREET, N.W. WASHINGTON, D.C. 20008

Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

Page Two - The Honorable Rosario Marin

If a school were to lose Title IV eligibility on July 1, 2007, that would not abrogate any pre-repayment "grace period" otherwise available to the borrower under the terms of the loan, nor would it preclude a student who transferred to a Title IV-eligible school from maintaining any in-school deferment then in place. Thank you for calling this matter to my attention and please let me know if my office or I can be of further assistance.

Sincerely,



James Manning  
Delegated the Authority of the Assistant Secretary

cc: Dorothea Johnson