

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF HEARINGS AND APPEALS

IN THE MATTER OF

FISCHER TECHNICAL INSTITUTE,

Respondent.

Docket No. 92-141-ST

Student Financial Assistance

Proceeding

DECISION

Appearances:

James M. Fischer; Jr., President, Fischer Educational System, Inc., for the Respondent.

Edmund J. Trepacz, Esq. , of the Office of the General Counsel, United States Department of Education, for the Office of Student Financial Assistance Programs.

Before:

Allan C. Lewis, Chief Administrative Law Judge

This matter comes before this tribunal as a result of an Order of Remand issued by the Secretary of the United States Department of Education on January 27, 1995, which vacated the Order re Dismissal of Proceedings by the undersigned dated March 1, 1994, and remanded the matter for a decision on the merits.

This is an action initiated by the United States Department of Education, Office of Student Financial Assistance Programs (ED) to terminate the eligibility of Fischer Technical Institute (Fischer) to participate in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended, and to impose a fine in the amount of \$91,000. 1/ This action was proposed following a program review for fiscal years 1990 and 1991 which concluded that Fischer failed to satisfy the current ratio test under the financial responsibility regulations and that it failed to pay refunds to lenders and students in a timely manner. Based on the findings of fact and conclusions of law, infra, the eligibility of Fischer Technical Institute to participate in Title IV programs is terminated; however, no civil fine is warranted.

I. FINDINGS OF FACT

The pertinent findings of fact are set forth in the opinion. The detailed findings of fact are set forth in Appendix A, *infra*. To the extent that proposed findings of fact or conclusions of law by a party have not been adopted in this decision, they are rejected as being inaccurate or unnecessary to the disposition of this matter.

II. OPINION

In this proceeding, ED seeks to terminate the eligibility of Fischer to participate in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended, and to impose a fine of \$91,000. On November 16, 1992, ED notified Fischer that, as of December 16, 1992, it intended to terminate the institution from participating in the Title IV programs and to impose the fine referenced above. On December 16, 1992, and within the period specified by 34 C.F.R. § 668.84 (b) (1) (iii) and 668.86 (b) (1) (iii), Fischer filed its request for a hearing. Accordingly, jurisdiction is proper before this tribunal.

The Secretary of Education is authorized under the Higher Education Act of 1965, Pub. L. No. 89-329, § 487(c) (1) (D), 79 Stat. 1219, as added by the Higher Education Amendments of 1986, Pub. L. No. 99-498, § 407(a), 100 Stat. 1268, 1490, and amended by Section 490 of the Higher Education Amendments of 1992, Pub. L. No. 102-325, 106 Stat. 448, 627 (to be codified at 20 U.S.C. § 1094 (c) (1) (F)), to prescribe regulations for--

(F) the limitation, suspension, or termination of the participation in any program under this subchapter . . . of an eligible institution, or the imposition of a civil penalty under paragraph (2) (B) whenever the Secretary has determined, after reasonable notice and opportunity for hearing, that such institution has violated or failed to carry out any provision of this subchapter . . . [or] any regulation prescribed under this subchapter.

Pursuant to this authority, ED promulgated 34 C.F.R. § 668.86(a) which provides that--

[t]he Secretary may terminate or limit the eligibility of an institution to participate in any or all Title IV, HEA programs if the institution violates any provision of Title IV of the HEA or any regulation or agreement implementing . . . that Title.

ED proposes to terminate Fischer's eligibility to participate in the student financial assistance programs due to its lack of financial responsibility and its failure to pay refunds to lenders and students in a timely manner.

In order to begin and to continue to participate in the student financial assistance programs, an institution must demonstrate that it is financially responsible under the standards established in 34 C.F.R. § 668.13. Under 34 C.F.R. § 668.13(c) (2), an institution is not considered financially responsible if, "[u]nder an accrual basis of accounting, it had, at the end of its latest fiscal year, a ratio of current assets to current liabilities of less than 1:1."

In its termination notice, ED determined that, in fiscal year 1990, the current ratio within the consolidated balance sheet of Fischer Educational Systems, Inc. (FES) was .6:1 and was based on current assets of \$10,498,464 and current liabilities of \$16,932,443. 2/ In fiscal year 1991, ED

determined that the current ratio within the consolidated balance sheet of FES was .5:1 and was based on current assets of \$9,146,795 and current liabilities of \$16,906,528.

At the hearing in this matter, Fischer introduced the fiscal year 1992 audited financial statements of Risdan, Inc., doing business Fischer Technical Institute ED indicated that its policy is to use the most recent financial statement in determining whether an institution meets the current ratio test for financial responsibility. [3/](#) Therefore, the financial condition for fiscal years 1999 and 1991 is no longer relevant.

On its face, the 1992 balance sheet is comprised of \$1,581,945 in current assets and \$1,215,105 in current liabilities for a current ratio of 1.3:1. The initial controversy between the parties is whether ED may "go behind" the financial statements to challenge the classification of an intercompany receivable as a current asset. [4/](#)

ED argues that due to the filing for Chapter 11 bankruptcy protection by FES and its subsidiaries, the intercompany receivable would cancel itself upon approval of the plan for reorganization and, as such, is not likely to be paid during the current operating cycle. [5/](#) To support its position, ED cites In re Hartford Modern School of Welding, Dkt. No. 90-42-ST, U.S. Dep't of Education at 10-11 (Jan. 31, 1991) to indicate that this tribunal has previously recognized ED's ability to "look behind" the balance sheet if there is a sufficient reason.

Fischer counters that the financial statements were audited by Deloitte & Touche, an independent auditor, and, absent an adverse opinion regarding those financial statements, the opinion of the auditors regarding classification should be dispositive. In addition, Fischer asserts that Hartford stands for the proposition that ED may "look behind" the balance sheet when allegations of fraud, material omission, or misrepresentation are raised. Fischer asserts that such allegations are not present in this case.

In the instant case, the record indicates that the intercompany receivable was used as a clearinghouse se account in which cash receipts of the subsidiaries were deposited and from which expenses of the subsidiary were paid. Accordingly, the intercompany receivable was the net difference between the funds paid into the clearinghouse account and the amount paid out of the same account on behalf of Fischer. Therefore, the test is whether there is sufficient financial activity within the account to support payment within the current operating cycle. The Statement of Cash Flows for Fischer for fiscal year 1992 reflects that receipts and expenses were in excess of \$2.4 million. Accordingly, there exists the requisite financial activity to support the payment of the \$460,824 balance within the current cycle. Therefore, the intercompany receivable was properly classified as a current asset.

In addition, the independent auditors who performed the audit on the 1992 financial statements apparently did not question the classification. While the auditors disclaimed issuing an opinion on the financial statements, the disclaimer was based on "the possible material effects of [three] uncertainties" which were an unresolved claim by the Internal Revenue Service, the filing of petitions for bankruptcy, and present termination action by the United States Department of Education. Inasmuch as the auditors did not limit their opinion concerning the classification of

assets, it appears that financial statements are free from material misstatement. [6/](#) As such, the classification of the intercompany receivable is accepted for purposes of this proceeding. [7/](#)

ED also asserts that, based on the 1992 financial statements, Fischer lacks financial responsibility under 34 C.F.R. § 668.113(b) (3) (i) because it failed to make refund payments identified therein.

Fischer responds that its filing for bankruptcy protection under the United States Bankruptcy Code precludes payment of these refunds. Alternatively, Fischer argues that this ground for termination was not included within the Notice of Termination and, therefore, is not properly before the tribunal.

This tribunal has determined that ED is precluded from introducing additional grounds for termination which were not included within the Notice of Termination--

Under 34 C.F.R. § 668.86(b) (1) (i) , ED must identify in its notice of termination "the violations which constitute the basis for the action." Such notice is a fundamental aspect of due process and, as a rule which governs the proceedings, it must be scrupulously observed by the agency. See *Service v. Dulles*, 354 U.S. 363 (1957)

In re Hartford Modern School of Welding, Dkt. No. 90-42-ST, U.S. Dep't of Education at 17 (Jan. 31, 1991).

In as much as this ground for termination was not included within the Notice of Termination and that Fischer did not have notice as required under 34 C.F.R. § 668.86(b) (1) (i), it is not properly a matter for consideration in this proceeding. ED also proposes to terminate Fischer's eligibility to participate in the student financial assistance programs due to its failure to pay refunds to lenders and students in a timely manner.

Under 34 C.F.R. § 682.607(c) (1) (iv) (1991), a institution is required to pay refunds that are due to lenders--

(1) [w]ithin 60 days after the earliest of the--

* * *

(iv) [t]he date on which the school makes a determination that the student has withdrawn. . . .

In addition, an institution is required to develop a "fair and equitable refund policy" under which it is required to refund to student unearned charges. 34 C.F.R. § 682.606 (a) . See also 34 R § 668.22; 34 C.F.R. § 682 App. A, ¶ (XI).

ED asserts that, during fiscal year 1990, refunds owed by Fischer to lenders were delinquent beyond the 60 day grace period in 73 instances, ranging from one month to twenty-seven months, and totaling in excess of \$57,000. In addition, ED asserts that 109 students were denied timely refunds in fiscal years 1990 and 1991.

Fischer counters that ED's analysis is flawed under several theories. Initially, Fischer asserts that ED has not satisfied its burden of proof with respect to the proposed violations. In this regard, Fischer argues that ED has placed the burden on the tribunal to establish the amount of the refund in issue and the degree of untimeliness by not providing specific information for each claimed instance of delay.

Inasmuch as the documentation with regard to the 182 purported instances of late payments of refunds is included within the record and that these documents speak for themselves, ED has satisfied its burden. See United States v. Rogers, 475 F.2d 821, 823-24 (7th Cir. 1973). See also United States v. Lopez, 758 F.2d 1517, 1519 (11th Cir. 1985), cert. denied, 474 U.S. 1054 (1986); RKO General, Inc. v. F.C.C., 670 F.2d 215, 230 (D.C. Cir. 1981), cert. denied, 456 U.S. 927 and 457 U.S. 1119 (1982). Accordingly, Fischer's argument is rejected.

Alternatively, Fischer argues that ED has included, within the 182 instances of delinquent refunds, amounts which were actually credit balances. 8/ Fischer argues that credit balances are different than refunds, are not covered by regulation and, therefore, cannot be a ground for termination.

ED concedes that the regulations do not specifically address credit balances, however, ED argues that there exists no educational purpose for Fischer to retain these funds once a student graduates. As such, ED contends that Fischer must remit the funds retained to the students within a reasonable time after graduation.

The distinction between refunds and credit balances proposed by Fischer is a distinction without a difference. Whether the funds retained by the school are unpaid refunds or credit balances due, these funds represent obligations owed by the school and must be repaid.

ED urges 30 days as a reasonable time within which an institution must repay funds owed to students. In light of the procedures established by ED which provides a period of 60 days in which an institution is required to repay funds owed to lenders when a student withdraws, there is no basis to impose a stricter standard with respect to funds owed to students. Accordingly, Fischer is permitted 60 days within which to distribute funds owed to students.

Finally, Fischer challenges ED's calculations which determined that Fischer paid refunds and credit balances untimely. In this regard, Fischer asserts that the grace period commences when the school determines the date of the student's withdrawal. Fischer argues that ED's computation used the "separation date" listed on Fischer's Separation Form when it should have used the date that the Separation Form was prepared. 9/

ED concedes that the date of withdrawal, for purposes of this proceeding, is "[t]he date on which the school makes a determination that the student has withdrawn." 34 C.F.R. § 682.607(c) (1) (iv). ED, however, disagrees that its computation was erroneous. ED asserts that the student's last date of attendance (i.e. separation date) is the date Fischer determined that each student no longer attended the institution.

With regard to students who withdrew from the program, ED failed to demonstrate or provide any documentary evidence that the "separation date" was the same date that Fischer determined that the student withdrew. In fact, ED concedes that "it assumed that the separation date listed was [Fischer's] determination of this date." Without any additional evidence, the date that the Separation Form was prepared must be considered the date that Fischer made the determination.

The result with regard to those students who graduated, however, is necessarily different. In this circumstance, the last date of attendance is the date of the student's last class. Accordingly, the separation date must be used to determine the commencement of the grace period with respect to students who graduate.

In this case, Fischer was given a 60-day grace period in which to pay lenders and students the amounts due. See 34 C.F.R. § 682.607(c) .10/ Further, in light of testimony of the Finance Manager of Student Finance for Fischer Educational Systems who indicated that Fischer did not promptly mail the checks to lenders or students after they were cut because of cash flow problems, it is not reasonable to utilize the date of issuance of the checks to determine if refunds were timely made. In this instance, it is more appropriate to utilize the date upon which the check was deposited to determine if the funds owed by Fischer were paid in a timely manner. Based on this timetable, there were 66 instances involving \$57,783.62 in which Fischer failed to pay lenders in a timely fashion. See Appendix B. Additionally, there were 93 instances involving \$31,716.97 in which Fischer failed to pay students in a timely manner. See Appendix C. In light of the pervasive number of unpaid refunds owed by Fischer to lenders and students, and the amounts involved, Fischer failed to comply with the regulations regarding the return of funds to lenders and students.

Where, as here, there are violations of the regulations by the institution in a termination proceeding, it is incumbent upon the tribunal to determine the nature of the appropriate sanctions. In this regard, the tribunal may--

issue a decision to fine the institution or impose one or more limitations on the institution rather than terminating its eligibility to participate.

34 C.F.R. § 668.90 (a) (2).

While the tribunal may impose sanctions other than termination, it is not appropriate in this case. As discussed above, the significant number of refunds owed to lenders and students, as well as the amounts involved, indicate the pervasive nature of Fischer's failure to pay refunds in a timely manner. Accordingly, Fischer's eligibility to participate in the student financial assistance programs is terminated.

Under the Higher Education Act of 1965, Pub. L. No. 89-329, § 487(c) (2) (B) (i), 79 Stat. 1219, as added by the Higher Education Amendments of 1986, Pub. L. No. 99-498, § 407(a), 100 Stat. 1268, 1490, and amended by Section 490 of the Higher Education Amendments of 1992, Pub. L. No. 102-325, 106 Stat. 448, 627 (to be codified as amended at 20 U.S.C. § 1094(c) (3) (B) (i)), the Secretary "may impose a civil penalty upon such institution of [an amount] not to exceed

\$25,000 for each violation or misrepresentation" of any provision of this subchapter or any regulation promulgated thereunder.

ED seeks to impose a fine against Fischer in the amount of \$91, 000 for failure to pay refunds to lenders and students in a timely manner. The amount of this fine is approximately \$1,500 more than the total amount of the late-paid refunds. "When assessing an appropriate 'punishment' for the violation of program regulations, it is the total punishment that must be r appropriate." In re Cosmetology Training Center, Dkt. No. 93-86- ST, U.S. Dep't of Education at 9 (Jan. 21, 1994) (quoting In re Beth Rochel Seminary, Dkt. No. 92-110-ST, U.S. Dep't of Education at 7 (1993)). Here, Fischer was terminated for failure to pay refunds to lenders and students in a timely manner. Termination is the severest sanction which exists. Inasmuch as Fischer has been terminated and has repaid the funds due to lenders and students, an additional sanction of a fine is clearly unwarranted. See In re Cosmetology Training Center, Dkt. No. 93- 86-ST, U.S. Dep't of Education (Jan. 21, 1994). Accordingly, no fine is imposed.

III. ORDER

On the basis of the foregoing findings of fact and conclusions of law, and the proceedings herein, it is hereby--

ORDERED, that the eligibility of Fischer Technical Institute to participate in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended, is terminated; it is further ORDERED, that no civil fine is imposed against Fischer Technical Institute.

Allan C Lewis
Chief Administrative Law Judge

Issued: March 16, 1995
Washington, D.C.

Appendix A - FINDINGS OF FACT

1. Fischer Educational Systems, Inc. (FES) owns seven proprietary schools in eleven locations and has approximately 1,800 students. Fischer Technical Institute (Fischer) is one of the seven schools owned by FES.
2. Fischer is a technical school located in Virginia Beach, Virginia and teaches auto mechanics and auto technicians, diesel mechanics and diesel technicians, and tractor-trailer driving. Fischer's student population is approximately 330 students.
3. Fischer participates in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended. Approximately 75% of Fischer students receive Title IV student financial assistance.

4. The 1992 financial statements of Risdan, Inc., doing business as Fischer Technical Institute, were audited by Deloitte & Touche. The auditors disclaimed an opinion on the financial statements due to the uncertainties involving (1) a claim of approximately \$5,300,000 by the Internal Revenue Service; (2) the potential liabilities resulting from the filing of petitions for bankruptcy under Chapter 11 of the Bankruptcy Code by FES and Fischer; and (3) the possibility that Fischer will not continue as a "going concern" due to this termination proceeding.

5 "Going concern" is a term which refers to an existing solvent business, which is being conducted in the usual and ordinary way for which it was organized.

6. The August 31, 1992 balance sheet of Risdan, Inc. listed current assets of \$1,581,945 which consisted of--

Cash	\$13,109
Accounts Receivable, net allowance for doubtful accounts of \$212,221	1,080,578
Prepaid expenses	12,446
Inventories	14,988
Intercompany receivable	460,824

Total Current Assets	\$1,581,945

7. The August 31, 1992 balance sheet of Risdan, Inc. listed current liabilities of \$1,215,105 which consisted of--

Accounts payable and accrued expenses	\$86,314
Unearned tuition income	1,122,295
Current portion of capital lease obligation	6,496

Total Current Liabilities	\$1,215,105

8. The ratio of current assets to current liabilities of Fischer for fiscal year 1992 is 1.3:1.

9. The intercompany receivable account listed within the 1992 balance sheet of Risdan, Inc. represents a clearinghouse account in which its cash receipts were deposited and from which its expenses were paid. The balance within the intercompany receivable account is the difference between the funds paid into the clearinghouse account and the amount paid out of the same account on behalf of Fischer.

10. The Statement of Cash Flows of Risdan, Inc. for year ended August 31, 1992 provides--

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from students	\$2,510,393
Cash paid to suppliers and employees	(2,485,501)
Interest paid	(6,034)
Income taxes refunded	<u>2,478</u>
Net cash provided by operating activities	21,336

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment, net	<u>(6,523)</u>
Net cash used in investing activities	(6,523)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on capital lease obligations	<u>(3,978)</u>
Net cash used in financing activities	(3,978)
NET INCREASE IN CASH	10,835
CASH AT BEGINNING OF YEAR	<u>2,274</u>
CASH AT END OF YEAR	<u>\$13,109</u>

11. On July 21, 1993, FES and Fischer filed for protection under Chapter 11 of the Bankruptcy Code.

12. On November 16, 1992, ED notified Fischer that it intended to terminate its eligibility to participate in the student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended. ED also informed Fischer that it intended to impose a fine in the amount of \$91,000 for failure to make timely refund payments to lenders and students.

13. By letter dated December 16, 1995, Fischer filed a request for a hearing based on the Notice of Termination and Fine issued by ED on November 16, 1992.

Late Refunds to Lenders

Appendix B

#1

Name	Check Date	Amount	Last Date Attendance	Date Separation form Prepared	Deposit Date	Months Late	Hold Days	Late Amount
B, A	04/12/90	\$2,666.20	12/07/89	03/14/90	05/01/90	0.0	19	\$0.00
B, J	01/18/90	\$614.12	09/28/89	10/11/89	01/31/90	1.7	13	\$614.12
B, K	01/04/90	\$1,443.90	10/03/89	11/30/89	02/15/90	0.6	42	\$1,443.90
	09/01/89	\$1,000.00	10/03/89	11/30/89	09/14/89	0.0	13	\$0.00

B, E	10/06/89	\$1,312.81	08/10/89	08/31/89	11/07/89	0.3	32	\$1,312.81
B, D	08/28/89	\$305.75	07/10/89	07/27/89	10/23/89	0.9	56	\$305.75
B, J	11/01/90	\$2,205.96	05/03/90	10/16/90	12/06/90	0.0	35	\$0.00
B, E	05/03/90	\$1,737.00	03/28/90	04/17/90	06/11/90	0.0	39	\$0.00
B, W	05/03/90	\$48.00	03/07/90	04/19/90	06/12/90	0.0	40	\$0.00
C, S	06/20/90	\$735.50	09/06/89	10/26/89	07/17/90	6.8	27	\$735.50
	06/20/90	\$2,475.00	09/06/89	10/26/89	07/26/90	7.1	36	\$2,475.00
C, M	07/25/90	\$219.29	01/22/90	03/14/90	09/12/90	4.1	49	\$219.29
C, A	09/19/90	\$1,524.24	07/20/89	08/04/89	10/24/90	12.9	35	\$1,524.24
C, W	07/25/90	\$1,401.37	05/29/90	06/19/90	09/17/90	1.0	54	\$1,401.37
D, J	02/22/90	\$30.58	12/05/89	12/28/89	03/21/90	0.8	27	\$30.58
D, M	03/15/90	\$686.89	01/10/90	02/15/90	04/17/90	0.0	33	\$686.89
D, K	09/22/89	\$290.02	08/01/89	08/10/89	11/30/89	1.7	69	\$290.02
F, J	03/08/90	\$1,577.10	11/30/89	02/15/90	04/06/90	0.0	29	\$0.00
F, L	02/22/90	\$370.00	11/22/89	01/25/90	02/26/90	0.0	4	\$0.00
	04/12/90	\$2,189.92	11/22/89	01/25/90	05/01/90	1.2	19	\$2,189.92
F, W	10/19/89	\$567.73	07/13/89	09/28/89	11/30/89	0.1	42	\$567.73
G, R	10/06/89	\$1270.18	08/02/89	08/10/89	11/30/89	1.7	55	\$1,270.18
G, A	03/31/91	\$13.00	06/29/90	02/05/91	05/21/91	1.5	51	\$13.00
G, L	05/24/90	\$324.54	03/20/90	04/17/90	06/18/90	0.1	25	\$324.54
G, R	05/24/90	\$82.00	03/27/90	04/25/90	06/18/90	0.0	25	\$0.00
G, D	03/15/90	\$1365.95	01/18/90	02/01/90	04/16/90	0.5	32	\$1,365.95
G, H	10/06/89	\$561.72	08/07/89	08/31/89	11/10/89	0.4	35	\$561.72
G, J	04/12/90	\$2121.88	02/07/90	03/14/90	05/23/90	0.3	41	\$2,121.88
H, S	06/20/90	\$1,042.06	03/29/90	05/24/90	07/25/90	.01	35	\$1,042.06
H, A	12/18/89	\$1,142.02	09/13/89	10/11/89	03/06/90	2.9	78	\$1,142.02
H, T	10/08/89	\$45.34	08/01/89	08/17/89	10/08/89	0.0	0	\$0.00
H, T	10/10/90	\$1,150.00	06/21/90	07/17/90	10/16/90	1.0	6	\$1,150.00
H, T	11/01/90	\$685.34	06/21/90	07/17/90	11/28/90	2.5	27	\$685.34
H, C	06/20/90	\$634.50	05/04/90	05/30/90	07/25/90	0.0	35	\$0.00
H, C	03/15/90	\$1,631.38	01/31/90	02/07/90	05/01/90	0.8	47	\$1,631.38
H, C	06/20/90	\$992.50	01/31/90	02/07/90	07/25/90	3.6	35	\$992.50
H, L	06/20/90	\$1,030.88	03/15/90	04/25/90	07/25/90	1.0	35	\$1,030.88
J, A	05/03/90	\$207.60	03/20/90	04/17/90	06/13/90	0.0	41	\$0.00
J, J	10/18/90	\$775.00	06/21/90	09/26/90	10/23/90	0.0	5	\$0.00
	10/18/90	\$2,211.66	06/21/90	09/26/90	11/01/90	0.0	14	\$0.00
	10/18/90	\$1,464.02	06/21/90	09/26/90	11/06/90	0.0	19	\$0.00
J, C	09/01/89	\$1,781.74	07/25/89	08/17/90	10/20/89	0.1	49	\$1,781.74

J, K	03/15/90	\$1,304.88	01/09/90	02/07/90	04/17/90	0.3	33	\$1,304.88
J, R	09/19/90	\$660.34	08/07/89	08/31/89	11/05/90	12.4	47	\$660.34
K, A	03/15/90	\$281.79	11/14/89	02/01/90	06/28/90	2.9	105	\$281.79
L, T	07/25/90	\$1,644.40	01/11/90	03/14/90	07/25/90	2.4	0	\$1,644.40
L, G	11/01/89	\$96.52	08/27/89	08/31/89	12/21/89	1.7	50	\$96.52
L, M	08/01/90	\$530.24	12/21/89	03/29/90	10/15/90	4.7	75	\$530.24
L, J	02/01/91	\$44.00	11/21/90	01/17/91	03/04/91	0.0	31	\$0.00
M, W	04/12/90	\$512.22	08/30/89	09/19/89	05/08/90	5.7	26	\$512.22
M, R	12/18/89	\$466.93	07/12/89	08/17/89	02/05/90	3.7	49	\$466.93
N, G	06/20/90	\$24.10	03/29/90	04/25/90	07/25/90	1.0	35	\$24.10
N, J	03/15/90	\$65.59	12/21/89	02/07/90	03/20/90	0.0	5	\$0.00
	03/15/90	\$916.30	12/21/89	02/07/90	06/28/90	2.7	105	\$916.30
O, L	05/24/90	\$448.00	12/21/89	12/28/89	06/12/90	3.5	19	\$448.00
O, R	06/20/90	\$658.52	04/12/90	04/25/90	08/07/90	1.5	48	\$658.52
P, D	08/22/90	\$71.90	06/05/90	07/25/90	10/10/90	0.6	49	\$71.90
Q, R	12/18/89	\$869.04	10/26/89	11/02/89	03/16/90	2.5	88	\$869.04
R, M	04/12/90	\$847.34	12/21/89	03/21/90	05/02/90	0.0	20	\$0.00
R, D	06/20/90	\$97.52	03/26/90	04/25/90	08/07/90	1.5	48	\$97.52
R, J	04/12/90	\$458.33	11/21/89	12/28/89	06/28/90	4.1	77	\$458.33
R, R	05/10/90	\$264.72	11/09/89	04/04/90	06/12/90	0.3	33	\$264.72
S, A	03/15/90	\$1,504.67	01/22/90	02/15/90	05/01/90	0.5	47	\$1,504.67
S, W	04/12/90	\$679.22	11/04/89	12/28/89	05/07/90	2.3	25	\$679.22
S, A	05/24/90	\$34.12	03/01/90	03/29/90	06/12/90	0.5	19	\$34.12
S, Da	09/01/90	\$1,450.98	06/28/90	07/30/90	11/26/90	2.0	86	\$1,450.98
S, Do	06/20/90	\$2,154.52	05/03/90	05/15/90	08/07/90	0.8	48	\$2,154.52
S, S	05/24/90	\$1,010.62	03/14/90	04/17/90	06/18/90	0.1	25	\$1,010.62
S, G	01/04/90	\$148.96	10/25/89	11/14/89	03/28/90	2.5	83	\$148.96
T, B	09/01/90	\$95.00	06/01/90	08/15/90	10/31/90	0.6	60	\$95.00
T, M	10/06/89	\$990.00	08/30/89	09/19/89	11/30/89	0.4	55	\$990.00
T, M	10/06/89	\$1,838.24	08/30/89	09/19/89	11/30/89	0.4	55	\$1,838.24
T, F	09/12/90	\$1,573.24	08/02/89	08/17/89	11/05/90	12.8	54	\$1,573.24
V, E	03/08/90	\$659.01	11/30/89	11/30/89	04/05/90	2.2	28	\$659.01
W, M	09/01/89	\$1,610.53	07/18/89	08/04/89	10/20/89	0.6	49	\$1,610.53
W, B	11/01/89	\$84.75	09/19/89	10/11/89	12/08/89	0.0	37	\$0.00
W, L	11/09/89	\$473.50	11/21/89	02/07/90	12/11/89	0.0	32	\$0.00
	03/15/90	\$773.00	11/21/89	02/07/90	05/09/90	1.0	55	\$773.00
W, J	11/01/89	\$239.31	09/19/89	10/11/89	12/21/89	0.4	50	\$239.31
W, L	05/24/90	\$999.53	03/21/90	04/17/90	07/18/90	1.1	55	\$999.53

W, J	12/10/90	\$213.62	06/28/90	11/13/90	01/22/91	0.3	43	\$213.62
Y, D	05/10/90	\$363.00	02/22/90	03/29/90	06/12/90	0.5	33	\$363.00

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Total
Loans \$71,093.19

Late Amount \$54,553.63

Number of Loans 82

Total Late Refunds 62

** See 34 CFR 682.607(c) - 60 days to refund

Late Refunds to Lenders
Check Not Negotiated
Appendix B
#2

Name	Check Date	Amount	Last Date Attendance	Date Separation Form Prepared	Deposit Date	Months Late	Hold Days	Late Amount
H, T	10/08/89	\$45.34	08/01/89	08/17/89	10/08/89	0.0	0	\$0.00
L, T	07/25/90	\$1,644.40	01/11/90	03/14/90	07/25/90	2.4	0	\$1,644.40

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Total
Loans \$1,689.74

Late Amount \$1,644.40

Number of Loans 2

Total Late Refunds 1

** See 34 CFR 682.607(c) - 60 days to refund

Late Refunds to Students
Appendix B
#3

Name	Check Date	Amount	Last Date Attendance	Date Separation form Prepared	Deposit Date
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Name	Check Date	Amount	Last Date Attendance	Date Separation Form Prepared	Deposit Date	Months Late	Hold Days	Late Amount
B, K	09/01/89	\$1,000.00	10/03/89		11/30/89			09/14/89
W, L	11/09/89	\$473.50	11/21/89		02/07/90			12/11/89
B, J	01/18/90	\$614.12	09/28/89		10/11/89			01/31/90

** Note -- refunds moved to student's category -- Appendix C #1

Late Refunds to NDSL Lenders
Appendix B
#4

Name	Check Date	Amount	Last Date Attendance	Date Separation Form Prepared	Deposit Date	Months Late	Hold Days	Late Amount
-	-	--	-----	-----	-----	--	---	-
F, L	02/22/90	\$370.00	11/22/89	01/25/90	02/26/90	0.1	4	\$370.00
-	-	--	-----	-----	-----	--	---	-
Total Loans		\$370.00						
Late Amount		\$370.00						
Number of Loans		1						
Total Late Refunds		1						

** See 34 CFR 668.22(e)(5) -- 30 days to refund

Late Refunds of Pell Grants
Appendix B
#5

Name	Check Date	Amount	Last Date Attendance	Date Separation Form Prepared	Deposit Date	Months Late	Hold Days	Late Amount
--	-	-----	-----	-----	-	--	-----	-----
N, J	03/15/90	\$65.59	12/21/89	02/07/90	03/20/90	0.4	5	\$65.59
H, T	10/10/90	\$1,150.00	06/21/90	07/17/90	10/16/90	2.0	6	\$1,150.00

J, J	10/18/90	\$775.00	06/21/90	09/26/90	10/23/90	0.0	5	\$0.00

-								
Total		\$1,990.59						
Late	Amount	\$1,215.59						
Number	Loans	3						
of								
Total	Refunds	2						
Late								

** See 34 CFR 668.22(e)(5) -- 30 days to refund

Summary of Appendix B

Total Loans	\$75,143.52
Late Amount	\$57,783.62
Number of Loans	88
Total Late Refunds	66

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Appendix B - Key

Check Date	Date on which check was issued by school
Amount	Amount of check issued with separate entries used when multiple checks issued on behalf of the same student
Last Date of Attendance	Date student last attended school
Date Separation Form Prepared	Date the institution determined that the student has ceased attending the Institution.
Deposit Date	Earliest date stamped by a financial institution for deposit. Where a check was not deposited or the deposit date was not evident from the check, the deposit date used was the date that the check was issued.
Months Late	Difference between the Deposit Date and the Date Separation Form Prepared in excess of time period within which a refund must be made. If the difference is less than the time period to make a refund, Months Late is 0.
Hold Days	Difference between the Check Date and Deposit Date.

Late Amount

Amount of refund not paid within the time period in which a refund is required.

Late Refunds to Students

Appendix C

#1

Name	Check Date	Amount	Last Date Attendance	Deposit Date	Months Late	Hold Days	Late Amount
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A, D	12/11/89	\$737.50	10/26/89	01/03/90	1.2	51	\$737.50
A, W	02/08/90	\$277.50	10/26/89	02/09/90	1.5	1	\$277.50
B, R	11/01/89	\$64.01	08/30/89	11/30/89	1.1	29	\$64.01
B, C	08/15/90	\$106.98	06/28/90	09/10/90	0.5	26	\$106.98
B, L	11/01/89	\$55.24	07/19/89	11/01/89	1.5	0	\$55.24
B, G	07/25/90	\$438.50	06/01/90	08/06/90	0.2	12	\$438.50
B, P	08/15/90	\$114.05	06/28/90	09/04/90	0.3	20	\$114.05
B, J	01/18/90	\$473.25	11/22/89	01/13/90	0.8	26	\$473.25
B, J	04/12/90	\$382.50	11/22/89	06/02/90	4.4	51	\$382.50
B, J	06/01/90	\$575.00	11/22/89	06/04/90	4.5	3	\$575.00
B, C	08/15/90	\$42.34	06/20/90	08/31/90	0.4	16	\$42.34
B, C	09/01/90	\$62.00	06/01/90	09/10/90	1.4	9	\$62.00
B, F	03/15/90	\$191.50	11/22/89	05/21/90	4.0	67	\$191.50
B, C	07/11/90	\$14.99	03/02/90	07/11/90	2.4	0	\$14.99
B, K	04/12/90	\$60.00	03/01/90	06/05/90	1.2	54	\$60.00
B, M	04/12/90	\$62.23	03/01/90	06/05/90	1.2	54	\$62.23
B, D	07/11/90	\$438.50	06/01/90	07/23/90	0.0	12	\$0.00
B, E	06/20/90	\$510.00	05/03/90	07/09/90	0.2	19	\$510.00
B, W	03/15/90	\$169.00	09/28/89	05/01/90	5.2	47	\$169.00
B, G	08/15/90	\$528.25	06/28/90	09/06/90	0.3	22	\$528.25
B, GE	07/11/90	\$21.50	06/01/90	08/13/90	0.4	33	\$21.50
B, W	02/08/90	\$21.98	11/22/89	02/09/90	0.6	1	\$21.98
B, E	05/24/90	\$131.50	11/22/89	06/18/90	4.9	25	\$131.50
C, K	01/11/90	\$113.81	11/22/89	02/05/90	0.5	25	\$113.81
C, R	09/19/90	\$131.00	09/28/89	10/09/90	10.5	20	\$131.00
C, D	05/10/90	\$93.00	03/30/90	06/11/90	0.4	32	\$93.00
C, B	10/12/89	\$466.00	09/01/89	10/30/89	0.0	18	\$0.00
C, M	08/15/90	\$100.16	06/28/90	08/15/90	0.0	0	\$0.00

C, C	03/15/90	\$38.00	02/02/90	04/09/90	0.2	25	\$38.00
C, C	08/15/90	\$14.30	06/01/90	08/15/90	0.5	0	\$14.30
C,H	05/10/90	\$16.38	03/30/90	06/06/90	0.3	27	\$16.38
C, D	06/20/90	\$18.35	05/04/90	07/13/90	0.3	23	\$18.35
C, J	06/20/90	\$17.52	05/04/90	07/09/90	0.2	19	\$17.52
C, J	06/20/90	\$190.58	05/03/90	07/06/90	0.1	16	\$190.58
D, A	02/08/90	\$523.50	12/21/89	02/13/90	0.0	5	\$0.00
D, G	08/15/90	\$32.00	06/29/90	11/26/90	3.0	103	\$32.00
D, G	08/15/90	\$77.30	06/28/90	09/05/90	0.3	21	\$77.30
D, T	05/24/90	\$75.92	03/01/90	06/15/90	1.5	22	\$75.92
D, S	02/08/90	\$1,125.00	12/21/89	02/09/90	0.0	1	\$0.00
D, T	06/20/90	\$643.45	05/03/90	07/06/90	0.1	16	\$643.45
E, E	03/15/90	\$51.00	02/01/90	04/25/90	0.8	41	\$51.00
E, B	11/01/89	\$57.52	08/30/89	11/15/89	0.6	14	\$57.52
E, H	05/10/90	\$97.00	03/30/90	07/05/90	1.2	56	\$97.00
E, T	10/06/89	\$123.50	09/01/89	10/26/89	0.0	20	\$0.00
F, W	06/20/90	\$58.96	05/04/90	07/16/90	0.4	26	\$58.96
F, J	06/20/90	\$383.38	03/02/90	07/03/90	2.1	13	\$383.38
G, G	05/10/90	\$1,617.90	03/29/90	05/25/90	0.0	15	\$0.00
G, G	05/10/90	\$1,106.00	03/29/90	06/14/90	0.6	35	\$1,106.00
G, R	05/10/90	\$338.50	03/30/90	06/06/90	0.3	27	\$338.50
G, A	06/20/90	\$663.75	03/30/90	06/29/90	1.0	9	\$663.75
G, W	07/25/90	\$24.09	09/28/89	08/27/90	9.1	33	\$24.09
G, D	08/15/90	\$1,350.00	06/28/90	08/31/90	0.1	16	\$1,350.00
G, M	08/15/90	\$828.47	06/28/90	08/31/90	0.1	16	\$828.47
G, D	09/19/90	\$47.50	10/27/89	09/19/90	8.9	0	\$47.50
H, R	08/1/90	\$153.79	05/03/90	09/04/90	2.1	20	\$153.79
H,J	12/01/89	\$84.00	08/30/89	12/07/89	1.3	6	\$84.00
H, D	08/15/90	\$98.88	11/22/89	09/04/90	7.5	20	\$98.88
H, D	11/01/89	\$231.00	09/01/89	11/13/89	0.4	12	\$231.00
H, S	04/12/90	\$826.22	03/02/90	04/12/90	0.0	0	\$0.00
H, W	03/29/90	\$302.50	03/29/90	03/29/90	0.0	0	\$0.00
H, R	06/20/90	\$975.00	05/03/90	07/06/90	0.1	16	\$975.00
J, M	02/08/90	\$35.28	12/21/89	02/21/90	0.1	13	\$35.28
J, S	12/01/89	\$515.50	08/03/89	12/04/89	2.1	3	\$515.50
J, J	12/01/89	\$717.00	08/03/89	12/04/89	2.1	3	\$717.00
J, J	10/06/89	\$25.60	08/30/89	11/10/89	0.4	35	\$25.60
J, B	08/15/90	\$278.00	06/28/90	09/04/90	0.3	20	\$278.00

J, M	09/19/90	\$431.38	11/22/89	09/19/90	8.0	0	\$431.38
K, A	08/15/90	\$42.45	06/28/90	09/06/90	0.3	22	\$42.45
K, S	06/20/90	\$763.39	03/01/90	07/03/90	2.1	13	\$763.39
L, P	02/22/90	\$607.50	12/21/89	04/20/90	2.0	57	\$607.50
L, B	08/15/90	\$44.20	06/29/90	08/15/90	0.0	0	\$0.00
M, T	07/11/90	\$338.50	06/01/90	07/20/90	0.0	9	\$0.00
M, E	10/25/89	\$515.50	09/01/89	10/30/89	0.0	5	\$0.00
M, T	04/12/90	\$21.66	02/02/90	06/04/90	2.1	53	\$21.66
M, R	04/12/90	\$382.50	03/01/90	06/06/90	1.2	55	\$382.50
M, W	06/20/90	\$22.10	05/03/90	07/12/90	0.3	22	\$22.10
M, J	04/12/90	\$1,538.25	02/01/90	06/26/90	2.8	75	\$1,538.25
	06/20/90	\$1,088.25	02/01/90	08/08/90	4.3	49	\$1,088.25
M, R	12/01/89	\$892.50	10/26/89	01/05/90	0.4	35	\$892.50
M, D	03/15/90	\$98.50	02/01/90	04/24/90	0.7	40	\$98.50
M, L	07/11/90	\$167.30	06/01/90	07/30/90	0.0	19	\$0.00
N, L	08/15/90	\$18.50	06/29/90	08/15/90	0.0	0	\$0.00
P, H	07/11/90	\$438.50	06/01/90	08/06/90	0.2	26	\$438.50
P, W	06/07/90	\$538.00	05/03/90	07/06/90	0.1	29	\$538.00
P, J	07/11/90	\$48.40	06/01/90	07/27/90	0.0	16	\$0.00
R, R	07/11/90\	\$42.82	06/01/90	07/11/90	0.0	0	\$0.00
M, J	02/22/90	\$1,020.00	07/18/89	02/28/90	5.5	6	\$1,020.00
P, E	02/08/90	\$111.85	10/26/89	02/20/90	1.9	12	\$111.85
R, C	06/20/90	\$90.24	05/04/90	07/03/90	0.0	13	\$0.00
R, J	11/01/89	\$2,300.00	09/28/89	11/07/89	0.0	6	\$0.00
R, D	10/18/90	\$279.25	06/28/90	10/26/90	2.0	8	\$279.25
R, J	07/11/90	\$114.15	12/21/89	09/12/90	6.8	63	\$114.15
R, R	08/15/90	\$1,597.25	06/28/90	09/04/90	0.3	20	\$1,597.25
R, R	08/15/90	\$10.20	06/28/90	09/24/90	0.9	40	\$10.20
S, J	11/01/90	\$1,602.75	06/01/90	12/20/90	4.7	49	\$1,602.75
S, D	06/20/90	\$740.00	05/03/90	06/29/90	0.0	9	\$0.00
S, R	07/11/90	\$382.00	03/29/90	08/22/90	2.9	42	\$382.00
S, W	06/20/90	\$38.34	05/04/90	07/06/90	0.1	16	\$38.34
S, J	09/12/90	\$716.00	06/29/90	09/24/90	0.9	12	\$716.00
S, A	11/01/89	\$506.50	08/03/89	11/14/89	1.4	13	\$506.50
R, R	05/10/90	\$24.30	03/30/90	06/20/90	0.7	41	\$24.30
T, R	07/11/90	\$34.00	12/21/89	07/11/90	4.7	0	\$34.00
U, R	07/25/90	\$1,188.11	05/31/90	08/30/90	1.0	36	\$1,188.11
V, G	06/20/90	\$100.40	05/03/90	07/23/90	0.7	33	\$100.40

V, D	03/15/90	\$430.38	02/02/90	04/10/90	0.2	26	\$430.38
W, M	10/12/89	\$506.50	09/01/89	10/18/89	0.0	6	\$0.00
W, J	08/15/90	\$26.00	06/29/90	08/15/90	0.0	0	\$0.00
W, G	10/12/89	\$170.94	08/30/89	11/15/89	0.6	34	\$170.94
W, K	08/15/90	\$282.00	06/28/90	09/04/90	0.3	20	\$282.00
W, D	04/12/90	\$202.36	03/01/90	05/14/90	0.5	32	\$202.36
W, C	08/15/90	\$438.50	06/29/90	08/25/90	0.0	10	\$0.00
W, L	06/20/90	\$938.46	05/04/90	06/29/90	0.0	9	\$0.00
Y, B	05/24/90	\$65.50	03/30/90	06/19/90	0.7	26	\$65.50

Total		\$42,101.17					
Total Late		\$30,362.97					
Number of Balances			113				
Total Late			90				

** 60 days to refund

Late Refunds to Lenders

Appendix C

#2

Name	Check Date	Amount	Last Date Attendance	Deposit Date
P, W	06/07/90	\$538.00	05/03/90	07/06/90
G, G	05/10/90	\$1,106.00	03/29/90	06/14/90
B, F	03/15/90	\$191.50	11/22/89	05/21/90
B, E	05/24/90	\$131.50	11/22/89	06/18/90
R, J	07/11/90	\$114.15	12/21/89	09/12/90

** See 34 CFR 682.607(c) - 60 days to refund

** Note -- Refunds moved to lender's category -- Appendix B #1

Late Refunds of Pell Grants

Appendix C

#3

Name	Check Date	Amount	Last Date Attendance	Deposit Date	Months Late	Hold Days	Late Amount
--	-	-	-	-	--	----	--

H, S	04/12/90	\$826.22	03/02/90	04/12/90	0.0	0	0.00
J, S	12/01/89	\$717.00	08/03/89	12/04/89	2.1	3	\$717.00
B, J	06/01/90	\$575.00	11/22/89	06/04/90	4.5	3	\$575.00
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--		-		-	--	-----	--
Total		\$2,118.22					
Amount Late		\$1,292.00					
Number of	Balances		3				
Total	Late		2				

** 60 days to refund .

Late Refunds to SEOG Lenders
Appendix C
#4

Name	Check Date	Amount	Last Date Attendance	Deposit Date	Months Late	Hold Days	Amount Late
		-----	-----	-----	-----	-----	-----
		-				-	
B, C	09/01/90	\$62.00	06/01/90	09/10/90	1.4	9	\$62.00
-----		-----	-----	-----	-----	-----	-----
		-				-	
Total		\$62.00					
Total Late		\$62.00					
Number of	Balances		1				
Total	Late		1				

** 60 days to refund

Late Refunds
No Loans
Appendix C
#5

Name	Check Date	Amount	Last Date Attendance	Deposit Date
-----	-----	-----	-----	-----

C, B	10/12/89	\$466.00	09/01/89	10/30/89
M, R	12/01/89	\$892.50	10/26/89	01/05/90
C, K	01/11/90	\$113.87	11/22/89	02/05/90
B, R	11/01/89	\$64.01	08/30/89	11/30/89
D, T	05/24/90	\$75.92	03/01/90	06/15/90
B, W	03/15/90	\$169.00	09/28/89	05/01/90
H, W	01/01/90	\$302.50	03/29/90	04/05/93
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** No federal funds involved

Summary of Appendix C

Total	\$44,281.39
Late Amount	\$31,716.97
Number of Balances	117
Total Late	93

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Appendix C - Key

Check Date	Date on which check was issued by school
Amount	Amount of check issued with separate entries used when multiple checks issued on behalf of the same student
Last Date of Attendance	Date student last attended school
Deposit Date	Earliest date stamped by a financial institution for deposit. Where a check was not deposited or the deposit date was not evident from the check, the deposit date used was the date that the check was issued.
Months Late	Difference between the Deposit Date and the Date Separation Form Prepared in excess of time period within which a refund must be made. If the difference is less than the time period to make a refund, Months Late is 0.
Hold Days	Difference between the Check Date and Deposit Date.
Late Amount	Amount of refund not paid within the time period in which a refund is required.

1/ More specifically, ED seeks to terminate Fischer from participating in the Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Federal work-Study, Federal Perkins Loans, and the Federal Family Education Loan (FFEL) (formerly known as the Guaranteed Student Loan (GSL) programs) which include the Robert T. Stafford Federal Student Loan, Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans (CL) programs.

2/ FES owns seven proprietary schools which includes Fischer Technical Institute .

3/ According to the official charged with receiving the appropriate financial statements - - the Section Chief of the Financial Analysis Branch, United States Department of Education -- it is ED's policy to accept consolidated financial statements of the parent corporation. If, however, a subsidiary such as Fischer submits financial statements for a particular period without submitting the financial statements of the parent, the financial statements of the subsidiary are acceptable. In

this circumstance, ED will require the financial statements of the other subsidiaries who participate in the student financial assistance programs and will not accept the financial statements of the parent for that period.

4/ Fischer concedes that if the intercompany receivable of \$460,824 is reclassified and is not considered a current asset, it fails the current ratio test for financial responsibility.

5/ A current asset is any property that will be converted into cash in the normal operation of business, usually within one year .

6/ While ED has suggested that the intercompany receivable was generated to assure that a subsidiary exceeded the current ratio test for financial responsibility and that the account and its were not fully disclosed to the Bankruptcy Court, it has not demonstrated, through any evidence in the record, that this actually occurred. In fact, the 1992 financial statements, prepared subsequent to the filing for bankruptcy, indicate that the intercompany receivable "primarily results from the . cumulative excess of cash collections of accounts receivable transferred to the Parent over payment of expenses made on behalf of [Fischer] by the Parent." Therefore, ED's suggestion lacks a solid foundation.

7/ ED also asserts that the representation by Fischer regarding the Listing of current assets and current liabilities is flawed because Fischer failed to include \$105,347 of refunds payable Within the current liability section of the balance sheet. Assuming that ED's argument is correct, the adjustment to the current liabilities section does not reduce the ratio of current assets to current liabilities below 1:1, and, as such, would not require a determination that Fischer is not financially responsible under 34 C.F.R. § 668.13(c) (2). Accordingly, resolution of the matter is not necessary.

8/ According to Fischer, a credit balance is the amount remaining in a student's account, after he or she graduates, over and above the amount owed to the school. A refund, on the other hand, is the amount remaining in a student's account when a student does not complete the period of enrollment for which the loan was intended .

9/ Fischer characterizes the "separation date" as the last date of the student's attendance which occurred prior to the school determining that the student not longer attended the institution.

10/ Fisher was allotted 30 days to remit funds due to lenders under the National Direct Student Loan Program (NDSL) and the Pell Grant Program. 34 C.F.R. § 668.22(e) (5). In this case, one NDSL and three Pell Grants were required to be refunded within 30 days. See Appendix B #4 and Appendix B #5. All other funds were required to be repaid within 60 days.