

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202

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In the Matter of

**Docket No. 97-110-ST**

**CONSUMER ELECTRONICS  
TRAINING CENTER,**  
Respondent.

Student Financial Assistance Proceeding

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Appearances: Christopher Chism, of Consumer Electronics Training Center of Chicago, Illinois, for Consumer Electronics Training Center.

Renée Brooker, Esq., Office of the General Counsel, United States Department of Education, Washington, D.C., for Student Financial Assistance Programs.

Before: Judge Ernest C. Canellos

**DECISION**

On July 2, 1997, the Office of Student Financial Assistance Programs (SFAP) of the United States Department of Education (ED) issued a notice of intent to terminate the eligibility of Consumer Electronics Training Center (Consumer) from participation in Federal student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV). 20 U.S.C. § 1070 *et seq.* and 42 U.S.C. § 2751 *et seq.* SFAP initiated the termination action as a result of the institution's cohort default rate for the 1994 fiscal year exceeding 68.8%. Under 34 C.F.R. § 668.17(a)(2), when an institution's cohort default rate exceeds 40% the Secretary may terminate that institution's eligibility for participation in Title IV programs.

Consumer filed a request for a hearing challenging the findings of the notice. [See footnote 1<sup>1</sup>](#) On June 30, 1997, I issued an Order Governing Proceedings requiring Respondent to file its brief on or before September 27, 1997. On October 17, 1997, SFAP filed a Motion For Default Judgment against Respondent on the ground that Consumer had failed to comply with my order. To date, Consumer has not filed any submissions in compliance with my order.

In accordance with my obligation to regulate the course of this proceeding and the conduct of the parties, I have the authority and the discretion to terminate the hearing process and issue a decision against a party if that party does not meet time limits established pursuant to my order. *See*, 34 C.F.R. § 668.117(c)(3). As such, I find that the institution's failure to file a submission in compliance with my order warrants the termination of this proceeding. More important, after a review of the notice to terminate and SFAP's initial brief, I am convinced that the findings contained in the notice sufficiently state allegations in a manner that demonstrate the existence of a *prima facie* showing that the institution's cohort default rate for fiscal year 1994 was in excess of the statutory minimum of 40%. Notably, the institution, in its request for review, did not provide any evidentiary basis for concluding that its cohort default rate was in compliance with the statutory minimum for fiscal year 1994 or any other fiscal year at issue in this proceeding. Accordingly, Consumer's failure to prosecute its appeal of the notice to terminate compels me to find that SFAP's determination, that the institution's eligibility to participate in programs authorized under Title IV should be terminated, is proper.

**ORDER**

On the basis of the foregoing findings of fact and conclusions of law, it is HEREBY ORDERED that the hearing process initiated pursuant to the institution's request for a hearing is TERMINATED. It is FURTHER ORDERED that

Consumer Electronics Training Center's eligibility to participate in programs authorized under Title IV of the Higher Education Act of 1965, as amended, is terminated.

Ernest C. Canellos

Chief Judge

Dated: November 6, 1997

Washington, D.C.

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*Footnote: 1In its request for a hearing, Consumer contended that its cohort default rate for fiscal year 1995 did not exceed the statutory threshold because the rate was exactly 40%.*

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