

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

In the Matter of

Docket No. 97-175-ST

DELAWARE COUNTY INSTITUTE OF TRAINING,

Student Financial Assistance Proceeding

Respondent.

Appearances: Mr. Howard Kauff, Director, Delaware County Institute of Training, Chester, PA, for Respondent.

Alexandra Gil-Montero, Esq., Office of the General Counsel, United States Department of Education, Washington, D.C., for Student Financial Assistance Programs.

Before:

Frank K. Krueger, Jr., Administrative Judge

DECISION

On October 30, 1997, the Student Financial Assistance Programs (SFAP), U.S. Department of Education, notified Respondent of its intent to terminate Respondent's eligibility to participate in student assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended. The basis for the termination action is SFAP's final determination that Respondent's cohort default rate under the Federal Family Education Loan (FFEL) Program for the 1994 fiscal year was 41.3 percent. Under 34 C.F.R. § 668.17(a)(2) (1997), if the FFEL Program cohort default rate for a participating institution exceeds 40 percent for any fiscal year, the Secretary may initiate proceedings to terminate the institution's eligibility to participate in all Title IV programs.

By letter dated November 18, 1997, Respondent requested a hearing. On December 8, 1997, I issued an order requiring SFAP to file its brief and proposed exhibits by December 29, 1997, and requiring Respondent to file its brief and proposed exhibits by January 20, 1998. By order dated December 16, 1997, the briefing schedule was modified to require SFAP to submit its brief and exhibits by January 12, 1998, and to require Respondent to submit its brief and exhibits by February 12, 1998. SFAP's brief and exhibits were filed on time. Respondent never submitted its brief and exhibits nor requested an extension of time. On February 24, 1998, SFAP filed a motion for entry of default judgment against Respondent. On February 25, 1998, by certified mail, return receipt requested, I ordered Respondent to show cause by March 9, 1998, why SFAP's motion should not be granted. The receipt was returned indicating that Respondent received the show cause order, but Respondent has not otherwise responded to the order.

Under 34 C.F.R. § 668.117(c)(3) (1997), I find that Respondent's failure to file submissions in accordance with my orders warrants the termination of this proceeding and the entry of an order terminating Respondent's eligibility to participate in the student financial assistance programs authorized under Title IV. In addition, after a review of SFAP's brief and exhibits, I find that SFAP has met its burden of proving that Respondent's final FFEL Program cohort default rate for fiscal year 1994, as determined by SFAP, was 41.3 percent. Under 34 C.F.R. § 668.90(a)(3)(iv) (1997), I must conclude that the termination action proposed by SFAP is warranted.

ORDER

Respondent is terminated from participation in all programs authorized under Title IV of the Higher Education Act, as amended, 20 U.S.C. § 1070 *et seq.* and 42 U.S.C. § 2751 *et seq.*

Frank K. Krueger, Jr.
Administrative Judge

Dated: March 13, 1998

SERVICE

A copy of the attached initial decision was sent by certified mail, return receipt requested, to the following:

Alexandra Gil-Montero, Esq.
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