

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

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In the Matter of                    **Docket No. 98-104-ST**  
  
**BROMS ACADEMY,**  
  
Student Financial Assistance Proceeding  
  
Respondent.

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Appearances:

Pamela Gault, Esq., Office of the General Counsel, U.S. Department of Education, Washington, D.C., for Student Financial Assistance Programs.

Stacia Giaquinto, Vice President, Broms Academy, Holyoke, Massachusetts.

Before:

Frank K. Krueger, Jr., Administrative Judge.

**DECISION**

Respondent participates in the Pell Grant and Federal Family Education Loan (FFEL) programs authorized under Title IV of the Higher Education Act of 1965, as amended. On July 2, 1998, the Student Financial Assistance Programs (SFAP), U.S. Department of Education, notified Respondent of its intent to terminate Respondent's eligibility to participate in all student assistance programs authorized under Title IV based on Respondent's FFEL cohort default rate for fiscal year 1995, which SFAP contends is 41.2 percent. Respondent requested a hearing under 34 C.F.R. Part 668, Subpart G.

Under 34 C.F.R. § 668.90 (a)(3)(iv) (1998), if Respondent's FFEL cohort default rate for **any** fiscal year exceeds 40 percent, and is a final rate arrived at under 34 C.F.R. § 668.17 (1998), I must find that the "remedy" proposed by SFAP, i.e., termination, is warranted. *See Aladdin Beauty College # 32*, Docket No. 97-108-ST, U.S. Dept. of Educ. (Order of the Secretary, Aug. 20, 1998). SFAP submitted a brief and exhibits in support of its position. Respondent declined to submit a brief or exhibits.

The record in this case supports SFAP's contention that Respondent's FFEL cohort default rate for fiscal year 1995 was 41.2 percent, and that it was a final rate arrived at under section 668.17. The record further indicates that SFAP seeks Respondent's termination from participation in all programs authorized under Title IV. Thus, I have no discretion but to order termination.

**FINDINGS**

1. SFAP made a final determination under 34 C.F.R. § 668.17 (1998) that Respondent's FFEL program cohort default rate for fiscal year 1995 was 41.2 percent.

2. SFAP seeks an order terminating Respondent's eligibility to participate in all programs authorized under Title IV of the Higher Education Act of 1965, as amended.

### **ORDER**

Respondent is terminated from participation in all programs authorized under Title IV of the Higher Education Act, as amended.

Frank K. Krueger, Jr.  
Administrative Judge

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Dated: October 27, 1998

### **SERVICE**

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

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