

Consumer Disclosure Information



ARTICLE 07.16.15 DEAN DORTON

Although Consumer Disclosure Information (CDI) requirements have been required since the enactment of the Higher Education Opportunity Act (HEAO) in 2008, the attention and focus on CDI has grown in recent years, especially from the Department of Education (DOE). The number of DOE initiated compliance reviews have significantly increased in recent years. In 2013 the DOE issued more fines – both in number and in total amount than in any other year since the Clery Act was passed. In 2014 CDI landed on the Top 10 list of program review findings for the first time^[1].

As part of our presentation on CDI to the Kentucky Association of Student Financial Aid Administrators, Dean Dorton contacted the Department of Education (DOE) and discussed CDI from their perspective. The following are the highlights of our conversation:

Program Findings:

The DOE has summarized the CDI into 11 activities, which are the areas that the DOE has the most program review findings. The activities are shown below:

Activity 1: Institutional and Financial Assistance Information for Students

Activity 2: Drug & Alcohol Prevention

Activity 3: Consumer Information for Student Athletes

Activity 4: Student Right-to-Know Act

Activity 5: Clery/Campus Security Act

Activity 6: FERPA

Activity 7: Safeguarding Customer Information

Activity 8: Fire Safety Reports and Student Housing

Activity 9: Misrepresentation

Activity 10: Loan Disclosures

Activity 11: Gainful Employment Disclosures

On ifap.ed.gov, each of these activities above has a related checklist that details the required items for consumer disclosures. These checklists are an excellent resource for determining if compliance requirements are being met. According to the DOE, these are the basis of their program reviews.

Even though these 11 areas have the most program review findings, there is rarely a financial liability associated with these areas. The exceptions are the Drug & Alcohol Prevention and Clery/Campus Security Act activities which have resulted in fines ranging from \$35,000 to \$100,000.

Drug & Alcohol Prevention (Activity 2):

The Drug & Alcohol Prevention requirements are covered under 34 CFR 86. The main areas, according to the DOE, that schools struggle are not providing the proper materials to students, not providing an annual educational seminar or workshop, and improper review of the Drug & Alcohol Program.

Each school's Drug & Alcohol Program is required to have a biennial review. The review should have a team that represents a cross-section of the school community, an evaluation of results of program, recommendations for improvement, and be published on an annual basis.

Find the related checklist from ifap.ed.gov.

Clery/Campus Security (Activity 5):

This portion of CDI requires colleges and universities to disclose information about crime on and around their campuses. Due to this area being such an important area for the DOE, if a college or university undergoes a program review and there are findings related to this act, a separate review will be conducted by a specialized team in Washington D.C.

The Clery Act requires the following:

- Published Annual Security Report
- Disclosure of crime statistics for campus and surrounding areas
- Compilation and reporting of fire data and annual fire safety report
- Public Crime Log
- Emergency response, notification, and testing policy
- Policies and procedures for missing students

Read the related checklist from ifap.ed.gov. For more information on CDI, please visit the following:

- [Dean Dorton Student Financial Aid and Consumer Disclosure Information Presentation](#)
- [Consumer Information](#)

For more information or to discuss the impact on your organization, please contact Megan Crane at mcrane@deandorton.com or 859.425.7643 or Crissy Fiscus at cfiscus@deandorton.com or 859.425.7631.

[View Crissy Fiscus' Bio](#)

[1] Source: 2014 FSA Training Conference for Financial Aid Professionals, "Program Review Essentials and Top 10 Compliance Findings" presented by Effie Barnett and Cassandra Weems, U.S. Department of Education.