Temporary Consortium Agreements and COVID-19

March 31, 2020

Issue
Consortium agreements allow a student to receive financial aid from her degree-seeking institution while also taking courses at another institution. These agreements predate COVID-19. On March 5, USED reminded institutions of this option, explained that they may be temporary, and allowed accreditors flexibility in waiving requirements for percentage of credits in residence at the student’s degree-granting institution.

Impacted
This issue impacts an institution's administrators in charge of accreditation, regulatory compliance, financial aid, student advising, and academic affairs.

Effective Dates
According to USED, this flexibility applies “to students who enroll in payment periods that begin on or before June 1, 2020.” USED has not extended this flexibility beyond this date.

Background
Title IV regulations have long allowed institutions and individual students to deploy consortium agreements, which allow a student to receive financial aid from her degree seeking-institution while also taking courses at another institution.

During COVID, USED has explained that all Title IV institutions may “enter into temporary consortium agreements with other institutions so that students can complete courses at other institutions but be awarded credit by their home institution. In addition, in instances where accrediting agencies require students to complete a final number or percentage of credits in residence at the institution, accrediting agencies may waive that requirement for students impacted by COVID-19 without objection by the Department.”

Recommended Action(s)
- Seek partner institutions: Think creatively about what courses your students need.
- Encourage students to take initiative: Individual students may find their own partner institutions.
- Promote established consortia: NEXus, for nursing students, for example.
- Keep a written record: “We [USED] recommend that institutions document, as contemporaneously as possible, any actions taken as a result of COVID-19.”

Applicable regulations and policies
- The USED Memo of March 5
- 34 CFR § 668.5
- Sample consortium agreement form.