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Sector reacts to latest US DOE third-party guidance

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The latest guidance issued by the US Department of Education last month has many in the international education and study abroad sector on alert.



The proposals could have huge impacts for third-party players such as online management programs and commission-based agencies. Photo: unsplash

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About Maureen Manning

Dr. Maureen Manning is the Vice President of Strategy and Insight for The PIE. She received her doctorate from Northeastern University in Boston and has worked as a professor, professional development facilitator, and strategist across four continents, working with stakeholders to promote best practices in strengthening intercultural competencies. She presents frequently on the topics of IC, language acquisition, and amplifying student voice in international education. Manning has been a featured speaker at Harvard University's Sino-American Conferences, Loyola University's Language Colloquium in Spain, the University of Lisbon, the Federal College of Education in Pakistan, the Beijing Institute of Communications in China, and at conferences across the US.

The US DOE has extended the period for public comment until 28 March

In the "Dear Colleague [Letter](#)" guidance, entitled (*GEN-23-03*) *Requirements and Responsibilities for Third-Party Servicers and Institutions*, the definition of third-party servicers has been significantly expanded to include student recruiting and retention services, developing curriculum and course materials, delivering instruction, assessing student learning, and disseminating marketing materials.

Leaders across the sector say these additions will significantly increase the number of third-party providers who will now be subject to additional government oversight.

It also indicates students may not apply Title IV federal aid funding if the servicer or subcontractor is outside the US or owned or operated by someone other than a US citizen or lawful permanent resident of the US.

Speaking with *The PIE News*, vice president for revenue planning and institutional positioning at 3 Enrollment Marketing, Inc, Bryan Gross asserted that it could have huge implications.

"In the experience I have had with institutions and the use of [online program management], most schools are very diligent about remaining in compliance with current regulations and requirements when it comes to Title IV funds," the former executive board member at [AIRC](#) said.

"The potential for negative impact on [study abroad] cannot be overstated"

Melissa Torres, president & CEO of The [Forum on Education Abroad](#), told The PIE, if the guidance takes effect as currently written, "the potential for negative impact on the ability of colleges and universities to provide high quality education abroad experiences for their students cannot be overstated".

She predicted the result would likely be a "complete halt to the participation of students receiving Title IV funding, which could negatively impact their retention and graduation rates, since study abroad is widely recognised as a [High Impact Practice](#)".

Likewise, Sara Dart, senior vice president of [Education in Ireland](#) shared her concerns with the PIE about the potential global impact this guidance could have on the entire study abroad “ecosystem”.

“It has the potential to negatively affect every type of mobility from faculty-led programs supported by small local providers to long-standing bilateral exchange agreements,” she said.

[Webster University’s](#) assistant vice president for international enrolment, Samrat Ray Chaudhuri, talked with The PIE about the both the potential impact on international recruitment and on TNE.

“Overseas campuses of US universities, which partner with a foreign university or a foreign government, often use services including recruitment as part of their overseas operations,” he stated.

“The new DOE guideline does not clarify how such institutional partnerships will survive, since the partner institutions are not owned and operated by US citizens or permanent residents,” he continued.

Chaudhuri said many small colleges and tuition-driven private universities depend on agents to recruit international students and suggested moving to a direct recruitment approach would likely prove extremely difficult.

He indicated the cost-prohibitive factors of HEIs employing their own recruiters overseas or regularly sending their teams abroad. “This is very expensive and will not be possible for smaller colleges and universities from a sustainability perspective.”

Chaudhuri said, in some countries, parents and students want to meet agents in person. “It is a culturally essential aspect to build trust. Particularly if the institution does not have a big brand-name.”

The [University of Delaware’s](#) director of international admissions, Song Hoffman, agreed. “International recruitment agencies, especially some ‘boutique’ ones, can often serve as great connectors between parents, students, and institutions, reducing culture and language barriers,” she told The PIE.

As such, if the guidance remains intact, with so much competition with countries that allow international recruiters, Chaudhuri predicted it could be “a free-fall for US international numbers”.

Dart expressed a deep concern about the equity factor, asserting the new guidance “has the potential to significantly widen the already existing access gap”.

“Education abroad should be clearly and unequivocally be excluded from this guidance”

She noted that studying abroad “is already outside the means of many students and restricting access to Title IV funding will only exacerbate this, leaving study abroad accessible only to those who have the funds to pay out of pocket”.

Likewise, Torres argued, “Education abroad should be clearly and unequivocally be excluded from this guidance so that students who rely on federal financial aid – students who are often from underrepresented and underserved populations – are not disadvantaged from their peers.”

The US DOE has extended the period for public comment until 28 March, with the guidance slated to go into effect on September 1.

The Forum on Education Abroad has scheduled a [webinar](#) for its members on Friday, March 17, and to date, over 700 participants are registered to attend.

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