



March 7, 2022

Mr. Christopher J. Lee, President
Asel Beauty College
9240 East Garden Grove Boulevard, Suite #10
Garden Grove, CA 92844

Sent via email to: aselbeauty@gmail.com

Re: Denial of Initial Eligibility
OPE ID: 04299300

Dear Mr. Lee:

The San Francisco/Seattle School Participation Division (SPD) of the U.S. Department of Education (Department) has reviewed Asel Beauty College's (ABC's) application for initial certification to participate as an eligible institution in the student financial assistance programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA Programs). This notice is to inform you that the Department is denying ABC's application for initial certification due to limitations placed on the school by the National Accreditation Commission of Career Arts and Sciences (NACCAS), as described in the letters dated December 2, 2020, and November 11, 2021. The November 11, 2021, NACCAS letter describes in detail the process ABC must follow to comply with the accreditor's regulatory guidelines.

Pursuant to 34 C.F.R. § 668.171(a), in order for the Department to certify an institution to participate in the Title IV, HEA programs, the institution must demonstrate to the Secretary that it is financially responsible under the standards established in Subpart L of 34 C.F.R. Part 668. The Department considers an institution to be financially responsible if, among other requirements, the Department determines that: (1) the institution's Equity, Primary Reserve, and Net Income ratios yield a composite score of at least 1.5 out of a possible 3.0, as provided under 34 C.F.R. § 668.172 and appendices A and B to 34 C.F.R. Part 668, Subpart L; (2) the institution has sufficient cash reserves to make required returns of unearned Title IV, HEA program funds, as provided under § 668.173; and (3) the institution is able to meet all of its financial obligations and provide the administrative resources necessary to comply with all Title IV, HEA program regulations. ABC's Equity, Primary Reserve, and Net Income ratios yielded a non-passing composite score of 1.1 for the fiscal year ended December 31, 2020.

The November 11, 2021 letter from NACCAS advises ABC that, "The Commission's action constitutes placement on probation or equivalent status." The letter identified numerous financial

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

50 United Nations Plaza, Mailroom 1200, Suite 1273, San Francisco, CA 94102
StudentAid.gov

reporting requirements, as conditions of continued approval of its accreditation, and noted that failure to maintain compliance may result in other actions, including withdrawal of accreditation.

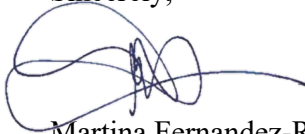
Due to the ongoing financial responsibility concerns and the current conditional approval of accreditation, the Department is denying ABC's application for initial participation in the Title IV programs.

Should ABC have evidence to dispute the Department's findings, ABC may submit that information to the Department for consideration.

In the event that ABC submits an application to participate in the Title IV, HEA programs in the future, that application, and the audited financial statements that are submitted in support of that application, must address the deficiencies noted in this letter.

Please contact Kim Meadows, Branch Chief, via email at Kim.Meadows@ed.gov if you have any questions regarding the content of this notice.

Sincerely,



Martina Fernandez-Rosario
Division Chief
San Francisco/Seattle School Participation Division

CC: Darin Wallace, Executive Director, NACCAS (via email at: dwallace@naccas.org)
Ms. Deborah Cochrane, Bureau Chief, California Bureau for Private Postsecondary
Education (Via email at: deborah.cochrane@dca.ca.gov)
Department of Defense (Via email at: osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veteran Affairs (Via email at: INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (Via email at: CFPB_ENF_Students@cfpb.gov)