



February 20, 2026

Ronald Harden
Epic Bible College
4330 Auburn Boulevard
Sacramento, California 95841

Email: rharden@epic.edu

Re: Provisional Certification/ Financial Protection Alternative
OPE ID: 03403300
Financial Statements FYE: 6/30/2024

Dear Dr. Harden:

The School Eligibility and Oversight Services Branch (SEOSB) has completed its review of the fiscal year ended 06/30/2024 audited financial statements of Epic Bible College (EBC).

In assessing the financial strength of Epic Bible College (EBC), our financial analyst reviewed the financial statements using the indicators that are set forth in regulations at 34 C.F.R. § 668.171.

Financial Ratios 34 C.F.R. § 668.171(b)(1)

These statements yield a composite score of 0.6 out of a possible 3.0. A minimum score of 1.5 is necessary to meet the requirement of the financial standards. Accordingly, EBC fails to meet the standards of financial responsibility as described in 34 C.F.R. § 668.172, Financial Ratios.

Past Performance 34 C.F.R. § 668.171(b)(4)

As provided under the past performance provisions in 34 C.F.R. § 668.174(a), on September 17, 2026, EBC was cited for failure to submit in a timely fashion acceptable compliance and financial statement audits required under the individual title IV, HEA program regulations.

In view of its failure to meet the financial responsibility standards, EBC may continue to participate in the Title IV, HEA programs by choosing one of two alternatives:

1. Financial Protection Alternative (34 C.F.R. § 668.175(c)):

Under this alternative, the institution is required to submit financial protection by providing an irrevocable letter of credit (LOC), cash, or entering into an agreement with the Secretary under which earned funds are offset, for \$293,418. This amount represents 50% of the Title IV, HEA program funds received by the institution during its most recently completed fiscal year. By choosing this option, the institution qualifies as a financially responsible institution.

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION
School Eligibility and Oversight Services Branch
400 Maryland Ave SW
Washington, DC 20202

The U.S. Department of Education (Department) holds the financial protection to satisfy any debts and liabilities owed to the Department that are not otherwise paid directly by the institution, and provides to the institution any funds not used for the purpose during the period for which the financial protection was required, or provides the institution any remaining funds if the institution subsequently submits other financial protection for the amount required (34 C.F.R. § 668.175 (h)). Debts and liabilities may arise in the event that the institution closes, is subject to fines or liabilities resulting from a program review or terminates classes at other than the end of an academic period. It assures the Secretary that funds would be available from which to make refunds, provide teach-out facilities, and meet institutional obligations to the Department.

2. Provisional Certification Alternative (34 C.F.R. § 668.175(f)):

Under this alternative, the institution is required to submit financial protection by providing an LOC, or cash in the amount of \$58,684 and be provisionally certified for a period of up to three complete award years. This amount represents 10% of the Title IV, HEA program funds received by the institution during its most recently completed fiscal year.

EBC must comply with all of the requirements specified for the Provisional Certification Alternative in 34 C.F.R. § 668.175(f), including the Zone Alternative in 34 C.F.R. § 668.175(d)(2) and (3), and Requesting Funds 668.162(d) including the disbursement of Title IV, HEA program funds under the Heightened Cash Monitoring 1 Payment Method (HCM1). By choosing this option, EBC acknowledges that it has not met the Department's standard of financial responsibility.

Compliance with Zone Alternative Requirements:

1) Method of Payment –

Under the HCM1 as stated in 34 C.F.R. § 668.162(d), EBC must first make disbursements to eligible students and parents and pay any remaining credit balances before it requests or receives funds for the amount of those disbursements from the Department. The funding request may not exceed the amount of the actual disbursements that were made to the students and parents included in the funding request. Providing the student accounts are credited before the funding requests are initiated, the institution is permitted to draw down funds through the Department's electronic system for grants management and payments, G5, for the amount of disbursements it made to eligible students and parents. All credit balances must be paid prior to draw down of funds, even if the student/parent signed a credit balance authorization in the past. The use of credit balance authorization forms is prohibited.

The Records First requirement also means that institutions on HCM1 that are participating in the Direct Loan (DL) program will have their Current Funding Level reduced to the greater of Net Approved and Posted Disbursements (NAPD) or Net Draws (processed payments less all refunds, returns, offsets, and drawdown adjustments). In the event of returning to Advanced Funded status, the institution will be expected to continue processing DL awards as Records First until the next DL global funding increase is processed.

Please refer to the document titled: ***Reminders and 2025–26 Funding Authorization and Disbursement Information Attachment to March 2025 Electronic Announcement*** posted to the Knowledge Center for additional information:

[Reminders and 2025–26 Funding Authorization and Disbursement Information](#)

2)) **Notification Requirements** - EBC is required to provide information to the School Eligibility and Oversight Services Branch (SEOSB) via email to FSAFinancialAnalysisDivision@ed.gov and the Document Management System found at the Common Origination and Disbursement Website: <https://cod.ed.gov/cod/LoginPage> no later than 10 days after any of the oversight or financial events, as described below, occur EBC must also include with the information it submits, written notice that details the circumstances surrounding the event(s) and, if necessary, what steps it has taken or plans to take, to resolve the issue. Please upload your response into the *HCMI Monitoring* folder. (Please refer to the **Document Center Training Podcast** located on the Knowledge Center on FSA Partner Connect for additional information regarding accessing and uploading documents through the Document Center).

- Any event that causes the institution, or related entity as defined in Accounting Standards Codification (ASC) 850, to realize any liability that was noted as a contingent liability in the institution's or related entity's most recent audited financial statement; or
- Any losses that are unusual in nature or infrequently occur, or both, as defined in accordance with Accounting Standards Update (ASU) No. 2015–01 and ASC 225.

Action Required

EBC must notify the Department of the selection of one of these two alternatives in writing to this office within 14 calendar days of the date of this letter. Please send your response via the Document Management System found at the Common Origination and Disbursement Web Site: <https://cod.ed.gov/cod/LoginPage>. Please upload your response into the *School Response to Options Letter* folder. Please refer to the **Document Center Training Podcast** located on the Knowledge Center on FSA Partner Connect for additional information regarding accessing and uploading documents through the Document Center.

If the institution selects the Provisional Certification Alternative, the institution's current Provisional Program Participation Agreement will be amended to include the requirements identified under the Provisional Certification Alternative and will be effective the date the Department receives notification of the selection.

Letter of Credit Requirements

The LOC must be made payable to the Secretary, U.S. Department of Education.

Our records indicate that EBC has LOC MB60518043 on file for \$148,405 which is scheduled to expire on 7/10/2027. EBC may provide a new LOC or an LOC Amendment. If an amendment is submitted, it must be a separately numbered amendment issued by the financial institution clearly indicating the total LOC amount and new expiration date.

A sample LOC is enclosed. EBC's LOC must be issued by a United States bank. Your lending institution must use this format on its letterhead with no deviation in the language contained therein. The LOC must provide coverage until 03/31/2031. The LOC must be received prior to 45 calendar days from the date of this letter.

Please mail the LOC to the following address:

Kai Kimbrough, Branch Chief
Performance Management Branch
U.S. Department of Education
Federal Student Aid
400 Maryland Ave, SW
Washington, DC 20202

EBC is required to notify the School Eligibility and Oversight Services Branch (SEOSB) within 3 calendar days, in the event the LOC issuing institution should fail, resulting in financial transactions and operations being administered by the Federal Deposit Insurance Corporation (FDIC). EBC will also be required to submit a new replacement LOC issued by a different and non-failed United States bank insured by FDIC, within 45 calendar days.

Cash Surety Requirements

If EBC notifies the Department that it wants to provide cash for financial protection, the Department will establish an escrow fund in which to hold the funds. The Department will provide instructions for establishing the escrow fund in a separate letter. Please note, that if EBC submits cash the funds must be made by electronic transfer of funds through the Treasury Financial Communications System, known as FEDWIRE, via the Federal Reserve Bank in New York, a form with instructions is enclosed.

Please note if EBC fails to provide the irrevocable LOC or Cash within 45 calendar days, the institution may be referred to the Department's Administrative Actions and Appeals Branch (AAAB) for possible administrative action. Also, please note that information regarding the LOC or financial protection agreement may be released to the public under the Freedom of Information Act.

Promptly contact Rosa.Reth@ed.gov, Payment Analyst at Rosa.Reth@ed.gov with any questions regarding the EBC's **current DL award authorization level or the Records First requirements**.

If the institution has any general questions or disagrees with the methodology used to determine financial responsibility, the institution must contact the Financial Analyst Marie Scott within 7 calendar days. at Marie.Scott@ed.gov.

Sincerely,



Digitally signed by JEREMY
EARLY
Date: 2026.02.20 08:27:27 -05'00'

Jeremy Early, Ed.D.
Acting Branch Chief
School Eligibility and Operations Services Branch

JE/MS

Enclosure: Sample Irrevocable Letter of Credit
FED-WIRE EFT

cc: Steve Chaney, Chief Financial Officer, stevec@chaneyassociates.com
CA Bureau for Private Postsecondary Education, bppe@dca.ca.gov
Transnational Association of Christian Colleges and Schools, info@tracs.org
Department of Veteran Affairs, Incoming.VBAVA@va.gov
Department of Defense, OSD.Pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil
Consumer Financial Protection Bureau, CFPB_ENF_Students@cfpb.gov