Process for determining Satisfactory Academic Progress (SAP) for US students of the Full-time MBA program, receiving federal loans, at IESE Business School.

1. Background and context.

U.S. federal regulations state that, in order to be eligible to receive federal aid from the U.S. Department of Education and receive their full loan entitlement each academic year, a student must be fully enrolled on an eligible education course and be judged to be making satisfactory academic progress (SAP). Loan schemes governed by these regulations at IESE Business School are:

1. Unsubsidized Direct Loans
2. Direct PLUS Loans

According to the U.S. federal requirements, the school must define the Title IV academic year for the Full-time MBA Program.

The IESE Full time MBA is a 19 months, 120 credit hours (each credit is composed of 25 hours) program composed of 5 terms:

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<thead>
<tr>
<th>Term</th>
<th>ECTS</th>
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<tbody>
<tr>
<td>Fall term</td>
<td>24</td>
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<tr>
<td>Winter term</td>
<td>20</td>
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<td>Spring term</td>
<td>24</td>
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<td>Summer term</td>
<td>12</td>
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<tr>
<td>Fall term</td>
<td>20</td>
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<td>Winter term</td>
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As the number of weeks in each term can vary from year to year, at IESE there is no exact correspondence between credit hours and number of weeks in each term of the Program. According to the advice from
the Department of Education, we will therefore use credit hours to define the payment periods to evaluate the eligibility to the following disbursement, according to the SAP.

The Program is divided in two enrollment periods (loan periods):

- **The first loan period** has 80 credit hours. The number of weeks can vary from year to year, but always fulfills the minimum requirement for an academic year (30 weeks). It is divided in two payment periods.
  - The first payment period, with 44 credit hours, starts in September and ends in April (fall + winter term);
  - The second payment period, with 36 credit hours, starts in April and ends in August (spring term + summer term).

US federal loans are disbursed in two installments, one in each payment period. The first disbursement is in October and includes 50% of the portion of the loan allocated to tuition fees, and 2/3 of the portion of the loan allocated to living costs (according to the CoA – See Annex 2). The second disbursement is in April and includes the remaining 50% of the portion of the loan allocated to tuition fees and 1/3 of the portion of the loan allocated to living costs.

- **The second loan period** has 40 credit hours. The number of weeks can vary from year to year, but always exceeds half academic year (or 15 weeks). It is divided in two payment periods.
  - The first payment period, with 20 credit hours, starts in September and ends in January (fall term).
  - The second payment period, with 20 credit hours, starts in January and ends in April (winter term).

US federal loans are disbursed in two equal installments, one in each payment period. The first disbursement is in October and the second disbursement is in January. Each disbursement includes 50% of the portion of the loan allocated to tuition fees, and 50% of the portion of the loan allocated to living costs (according to the CoA – See Annex 2).

The content of the program is described in the “**MBA Program Handbook**” (provided by the MBA Department: mbaoffice@iese.edu, See Annex 1).
2. IESE Business School’s regulations for determining satisfactory academic progress.

1. IESE Business School’s academic regulations set out the parameters of satisfactory academic progress.

2. All students are required to make satisfactory progress through their academic program.

3. The financial aid satisfactory academic progress standards are the same for all students regardless of whether they are receiving Title IV aid or not. All students will be subject to the same standards and will receive the appropriate action based on their status.

4. Each student has to sign the document “MBA Program Handbook”, before the classes start. This document sets out the policies and procedures governing participation in the full-time MBA Program at IESE Business School. Participation in the Program implies acceptance of these rules.

- **Qualitative Requirements**: The “MBA Program Handbook” includes the paragraph regarding academic rules for each Full-Time MBA student. The qualitative component of the SAP and minimum academic requirements are explained in Chapter Academic Requirements of this document.

- **First Year**: Students who receive three or more credit-equivalent C’s in any given term will be placed on probation and warned about their poor academic performance. An accumulation of 6 credit-equivalent C’s during the first year may lead to dismissal from the program. In the case of unsatisfactory academic performance and/or an accumulation of "Incompletes", the MBA Committee may ask the student to take a comprehensive examination at the end of the first year. The objective of the exam is to give students a final chance to prove they have acquired sufficient knowledge to enter the Second Year of the program, despite unsatisfactory performance. Students who fail to obtain a satisfactory score on the exam may be asked to leave the program. If the MBA Committee stipulates that students must take an exam and they fail to do so, they may be dismissed from the program. The examination date is published in the academic year calendar and takes place on campus approximately two weeks after the third-term final exams.

- **Second Year**: Students who receive three or more credit-equivalent C’s in any given term will be placed on probation and warned about their poor academic performance. When this happens in the last term of the second year, the student may be asked to repeat the term and will therefore not graduate with his or her class.

- **Quantitative Requirements**: Regarding quantitative terms, students must progress through the program at a pace which ensures that they will graduate within the maximum timeframe. The maximum timeframe for completion is 150% of the published length of the program not to count
any LOA. According to Chapter Class Attendance of the MBA Program Handbook, class attendance is compulsory and recorded daily. In the case of unavoidable absences, students need to inform the professor and the MBA Office in writing. It is the student’s responsibility to make up any missed work. Any student who accumulates 20% absences in any given course will automatically receive an Incomplete for that course, regardless of the academic grade awarded by the course professor. If a student accumulates two or more "Incompletes" in one term or three or more "Incompletes" in one academic year, an academic evaluation process may be opened. This process can also be initiated when a student misses more than 15 percent of classes in a given term. Conversely, classes missed due to health reasons will not be considered as absences if they are justified with a medical report and submitted to the MBA Office within a two-week timeframe. It is the responsibility of the MBA Committee (not the course professor) to evaluate each Incomplete. The Committee can ask any student with an Incomplete grade to do remedial work or attend specific courses in the second year. When these remedial conditions have been completed to the satisfaction of the MBA Committee, the Incomplete grade is replaced with the academic grade awarded to the student. Failure to complete the remedial work or follow the Committee’s instructions automatically triggers an Academic Evaluation Process.


The academic progress of students will be assessed prior to the disbursement of Federal Aid at the start of each payment period in order to determine continued eligibility. The Financial Aid Office will seek confirmation from the MBA Program Department of the pace of completion of each term (the school will calculate the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted) and that satisfactory academic progress has been made under the following criteria in line with US Federal Regulations:

a. The student’s progress is in line with the level expected for his/her academic program, as defined in the MBA Program Handbook, and sufficient to enable continued academic progression on their course, according to the minimum academic requirements and class attendance.

b. The student has an appropriate standing at the time of the SAP assessment consistent with the institution’s requirements for the successful completion of course.

Where SAP is confirmed, the student’s financial aid will be processed as normal.
4. Evaluation of the Satisfactory Academic Progress

To receive Title IV financial aid, a student must be considered to be making satisfactory academic progress as defined in the paragraph 2 of this document and as it is described in the MBA Program Handbook.

For the first year students, SAP will be assessed annually, at the end of the academic year.

For the second year students, SAP will be assessed at the end of each academic term prior to the disbursement of Federal Aid at the start of each payment period in order to determine continued eligibility.

A student who does not meet SAP standards will be notified that he is ineligible for disbursements of US federal aid. The eligibility of the student can be regained only by submitting a successful appeal and placing the student on the probation, or by taking action by a student which would lead to compliance with SAP standards.


The MBA Committee is responsible for ensuring that the program’s rules are consistently applied. Unsatisfactory academic performance, absenteeism or serious misconduct may initiate an Academic Evaluation Process. If an AEP is opened, the student will immediately be informed in writing on the motivating circumstances. As part of the process, the student has the right to explain his or her point of view on the issue. When conducting an AEP, the MBA Committee will take into account the student’s academic record and the opinions of the student's mentor and section head. The reasons behind the absences leading to the Incomplete will also be considered. Additional members may join the MBA Committee for deliberation as required. In cases of serious misconduct and as part of the AEP, the MBA Committee will ask the student to explain the circumstances of the perceived misconduct. Failure to do so may lead to a recommendation that the student should leave the program. The AEP may conclude with an unconditional or conditional continuation of the student in the program, or with a recommendation to the IESE Executive Committee that the student should leave the program. The AEP result is communicated in writing to the student.

Any student who is subject to an AEP or has been dismissed for academic reasons may appeal may appeal the decision of the MBA Committee. The appeal should be made to the associate dean for MBA programs at IESE, who will issue a decision in writing. Students are entitled to one appeal during their tenure at IESE.
If reinstatement is granted but the conditions are not satisfied within a specified period of time, dismissal is automatic and not open to further appeal. Appeals should be made within three days of receipt of the MBA Committee’s decision and sent in writing to the MBA Committee.

This process must be followed for the Financial Aid Office to consider the student’s exceptional circumstances.

The decision of the MBA Committee will be binding for the Financial Aid Office regarding the disbursement of funds to the student. The Financial Aid Office will inform the student by sending an email about the impact of the MBA Committee’s decision on his or her Title IV funds.

6. Academic Interruptions

- **Leave of Absence (LOA):** According to Chapter Leave of Absence of the “MBA Program Handbook”, if a student needs to interrupt the normal two-year course of study, he or she must request a leave of absence in writing from the Executive Director of the MBA indicating the reason for the request and the length of the anticipated absence. Depending on the circumstances, a leave of absence may be granted for up to two years. Leaves of absence are only granted to students with a good academic record.

  If the student is a Title IV loan recipient, the school will provide an explanation to the student, prior to granting the LOA, of the effects that the student’s failure to return from an LOA may have on the student’s loan repayment terms, including the expiration of the student’s grace period. According to U.S. federal regulations, for the purpose of receiving IV Title aid, according to US federal regulations, the leave of absence together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period. If this number is exceeded, IESE Business School is required to follow the “Title IV Return Policy” and the student is considered withdrawn for Title IV purposes.

- **Withdrawals:** please consult the “Withdrawal Policy”, provided by the MBA Department ([mbaoffice@iese.edu](mailto:mbaoffice@iese.edu)).

- **Transfers** from other institutions are not accepted at the IESE Business School.

Further advice and support is available from:

Financial Aid Office, E-mail: [faohelp@iese.edu](mailto:faohelp@iese.edu)
Annex 1 - MBA Program Handbook is available on request by contacting the MBA Department: mbaoffice@iese.edu

Annex 2 - CoA for MBA 1st year is available Here. CoA for MBA 2nd year is available Here.