



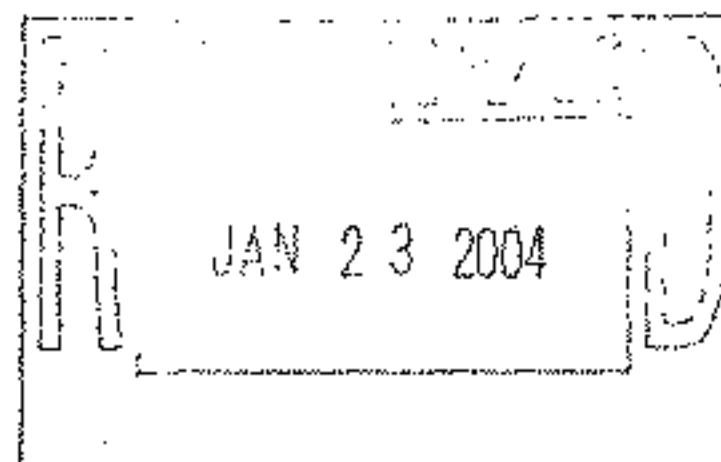
**UNITED STATES DEPARTMENT OF EDUCATION
FEDERAL STUDENT AID
CASE MANAGEMENT & OVERSIGHT**

**FOREIGN SCHOOL
PROGRAM PARTICIPATION AGREEMENT
[PROVISIONAL APPROVAL]**

Effective Date of Approval: The date on which this Agreement is signed on behalf of the Secretary of Education
Approval Expiration Date: **September 30, 2006**
Reapplication Date: **June 30, 2006**

Name of Institution: **University of Debrecen Medical and Health Science Center**
Address of Institution: **Nagyerdei Krt 98
Debrecen H-4012
Hungary**

OPE ID Number: 03073800
DUNS Number: 401224027



The execution of this Agreement by the Institution and the Secretary is a prerequisite to the Institution's initial or continued participation in any Title IV, HEA Program.

The postsecondary educational institution listed above, referred to hereafter as the "Institution," and the United States Secretary of Education, referred to hereafter as the "Secretary," agree that the Institution may participate in those student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA Programs) indicated under this Agreement and further agrees that such participation is subject to the terms and conditions set forth in this Agreement. As used in this Agreement, the term "Department" refers to the U.S. Department of Education.

SCOPE OF COVERAGE

This Agreement applies to all locations of the Institution as stated on the most current

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT issued by the Department. This Agreement covers the Institution's eligibility to participate in each of the following listed Title IV, HEA programs, and incorporates by reference the regulations cited.

- **FEDERAL FAMILY EDUCATION LOAN PROGRAM**, 20 U.S.C. 1011, et seq; 34 CFR Part 682.

PROVISIONAL CERTIFICATION

This provisional certification is granted for a limited period to permit the Institution to participate in the Title IV, HEA programs referenced in this Agreement. During the period of provisional certification, the participation of the Institution will be subject to revocation for cause. Cause for revocation includes, without limitation, a failure to comply with any provision set forth in this Agreement, a violation of Department regulations deemed material by the Department, or a material misrepresentation in the material submitted to the Department as part of the Institution's application process for this certification. The Department in its sole discretion may provide the Institution with an opportunity to cure any such failure, may place the Institution on reimbursement funding pending a decision regarding revocation of this Agreement by a designated Department official, or may suspend the participation of the Institution pending a decision by the Department regarding revocation of this Agreement. In the event the Department chooses to revoke this Agreement and the Institution's participation in the Title IV, HEA programs, the Institution will have the right to show cause why this Agreement should not be revoked by presenting its objections to the designated Department official in writing. The Institution agrees that this opportunity to show cause, and not the procedures in 34 CFR 668 subpart G, shall be the sole administrative appeal regarding such revocation. The decision by the designated Department official will constitute the final agency action.

Special Requirements for Substantial Changes Made During Term of Provisional Certification

Any institution, whether provisionally certified or generally certified, must apply for and receive approval by the Secretary of any substantial change (as hereinafter identified) before it may award, disburse or distribute Title IV, HEA funds based on the substantial change. Substantial changes generally include, but are not limited to: (a) establishment of an additional location; (b) change in ownership, merger or change of type of institution (such as conversion from proprietary to private nonprofit); (c) increase in the level of academic offering beyond those listed in the Institution's Eligibility and Certification Approval Report (ECAR); (d) addition of any nondegree or short-term training program that is not within the immediate scope of programs listed in the ECAR; (e) change in the form of educational measurement; (f) change of Country authorizing agency or of primary accrediting agency; or (g) any waiver or recognition of regulatory exception.

If the Institution applies for the Secretary's approval of a substantial change, it must show good cause for making any such substantial change and, in the case of any change described in (a) through (d), the Institution must demonstrate that it has the financial and administrative resources necessary to assure the Institution's continued compliance with the standards of

financial responsibility (34 CFR 668.15) and administrative capability (34 CFR 668.16).

Reasons and Special Conditions of Provisional Certification

Unresolved Audit

Based on our review of the Title IV Federal Student Aid (FSA) audit reports prepared by KPMG Peat Marwick, Certified Public Accountants, the University failed to administer the Federal Family Education Loan (FFEL) Program with adequate checks and balances in its system of internal controls, and failed to establish and maintain records required under the FFEL Program as indicated in the audits covering the four award years ending December 31, 2001. In addition, the institution is late in submitting Title IV FSA audit report for the award year ending December 31, 2002. The next audit report for the period ended December 31, 2002 must show improvement in the University's administration of the FFEL Program.

Application for Recertification

Upon completion of the period of provisional certification, if the Institution wishes to apply for recertification to participate in the Title IV, HEA programs, the Institution must submit a completed Application for Approval to Participate in Federal Student Financial Aid Programs, together with all required supporting documentation, no later than June 30, 2006.

Grant or Denial of Full Certification

Notwithstanding any paragraph above, the provisional certification ends upon the Department's notification to the Institution of the Department's decision to grant or deny a six year certification to participate in the Title IV, HEA programs.

GENERAL TERMS AND CONDITIONS

1. The Institution understands and agrees that it is subject to and will comply with the program statutes and implementing regulations for institutional eligibility as set forth in 34 CFR Part 600 and for each Title IV, HEA program in which it participates, as well as the general provisions set forth in Part F and Part G of Title IV of the HEA, and the Student Assistance General Provisions regulations set forth in 34 CFR Part 668.
The recitation of any portion of the statute or regulations in this Agreement does not limit the Institution's obligation to comply with other applicable statutes and regulations.
2. The Institution acknowledges and agrees that 34 CFR Part 602 requires legal authorization and approval of the Institution by the country's authorized agency, commission, or statutory body and those agencies and the Secretary may share or report information to one another about the Institution without limitation.
3. The Institution certifies that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from coverage transactions by its country's government or by any approving agency as defined at 34 CFR Part 85, §§85.105 and 85.110.

**SELECTED PROVISIONS FROM
GENERAL PROVISIONS REGULATIONS, 34 CFR PART 668**

By entering into this Program Participation Agreement, the Institution agrees that:

- (1) It will comply with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA, including the requirement that the institution will use funds it receives under any Title IV, HEA program and any interest or other earnings thereon, solely for the purposes specified in and in accordance with that program;
- (2) It will not request from or charge any student a fee for processing or handling any application, form, or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance;
- (3) It will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to--
 - (i) The Secretary;
 - (ii) The Country's regulatory bodies or any other agency for the country or countries in which the institution or any of the institution's campuses or other locations are located;
 - (iii) A guaranty agency, as defined in 34 CFR part 682, that guarantees loans made under the Federal Stafford Loan, and Federal PLUS programs for attendance at the institution or any of the institution's campuses or other locations;
- (4) It will comply with the provisions of §668.15 relating to factors of financial responsibility;
- (5) It will comply with the provisions of §668.16 relating to standards of administrative capability;
- (6) It will submit reports to the Secretary and, in the case of an institution participating in the Federal Family Education Loan (Federal Stafford Loan and Federal PLUS) Programs to the holders of loans made to the students with U.S. citizenship or eligible noncitizen status studying in that institution under these programs at such times and containing such information as the Secretary may reasonably require to carry out the purpose of the Title IV, HEA programs;
- (7) It will not provide any statement to any student or certification to any lender under the Federal Stafford Loan or Federal PLUS Program that qualifies the student for a loan or loans in excess of the amount that the student is eligible to borrow in accordance with §§425(a), 428(a)(2), 428(b)(1)(A) and (B), and 428H of the HEA;
- (8) It will comply with the requirements of Subpart D of 34 CFR part §§668.43 and 44 concerning institutional and financial assistance information for students and prospective students;
- (9) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, it will make available to prospective students, at or before the time that those students apply for enrollment, the most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements;
- (10) In the case of an institution seeking to participate for the first time in the Federal

Stafford Loan and Federal PLUS Program, the institution has included a default management plan as part of its application under §600.20 for participation in those programs and will use the plan for at least two years from the date of that application;

(11) In the case of an institution that changes ownership that results in a change of control, or that changes its status as a main campus, or an additional location, the institution will, to participate in the Federal Stafford Loan and Federal PLUS Programs, develop a default management plan for approval by the Secretary and implement the plan for at least two years after the change in control or status.

(12) The Secretary, guaranty agencies and lenders as defined in 34 CFR Part 682, country's authorized government agencies that legally authorize institutions and branch campuses or other locations to provide the postsecondary education, have the authority to share with each other any information pertaining to the institution's eligibility for or participation in the Title IV, HEA programs or any information on fraud and abuse;

(13) It will not impose any penalty, including, but not limited to, the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds for which interest or other charges are assessed, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a Title IV, HEA program loan due to compliance with statutory and regulatory requirements of or applicable to the Title IV, HEA programs, or delays attributable to the institution;

(14) It will not provide, nor contract with any entity that provides, any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the awarding of student financial assistance, except that this requirement shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal Student Assistance. This provision does not apply to the giving of token gifts to students or alumni for referring students for admission to the institution as long as: the gift is not in the form of money, check, or money order; no more than one such gift is given to any student or alumnus; and the gift has a value of not more than \$100;

(15) It will meet the requirements established pursuant to Part H of Title IV of the HEA by the Secretary, country's legally recognized authorized agencies;

(16) It will comply with the refund provisions established in 34 CFR Part 668.22;

(17) It is liable for all improperly administered funds received or refunded under the Title IV, HEA programs, including any funds administered by a third-party servicer;

(18) The Institution is required to compile and make available information about security policies and crime statistics in accordance with 34 CFR §668.47 and §485(f) of the HEA;

(19) (i) This Agreement becomes effective on the date that the Secretary signs the Agreement;

(ii) This Agreement supersedes any prior Agreement between the Secretary and the Institution;

(20)a. With respect to an institution that has been certified *other than under a provisional certification*--

(1) Except as provided in paragraphs (ii) and (iii) of this section, the Secretary terminates this Agreement through the proceedings in Subpart G of 34 CFR §668.

(2) An Institution may terminate this Agreement.

(3) If the Secretary or the Institution terminates this Agreement under paragraph (i) of

this section, the Secretary establishes the termination date.

b. With respect to an institution that has been *provisionally certified*, the Secretary revokes a provisional certification through the proceedings in §668.13(d):

(iii) An Institution's program participation agreement automatically expires on the date that--

(1) The Institution changes ownership that results in a change in control as determined by the Secretary under 34 CFR Part 600, or

(2) The Institution's participation ends under the provisions of 34 CFR §668.26(a)(1), and (2).

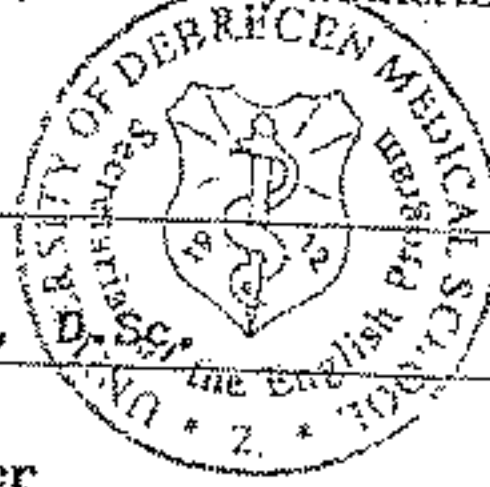
(a) An Institution's program participation Agreement no longer applies to or covers a location of the Institution as of the date on which that location ceases to be a part of the participating Institution.

IN WITNESS WHEREOF

the parties hereto have caused this Agreement to be executed by their duly authorized representatives,

Signature of Institution's
Chief Executive Officer:

János Szöllösi



Date: 01-16-2004

Print Name and Title:

János Szöllösi, Ph.D.,

Chief Executive Officer

For the Secretary:
U.S. Department of Education

M. Geneva Powell

Date: February 19, 2004

Vettickal, Joseph

From: Rezso Gaspar [gaspar@jaguar.dote.hu]
Sent: Thursday, January 23, 2003 8:05 AM
To: Vettickal, Joseph
Subject: RE: Status of renewal

Dear Dr. Vettickal,

Thank you for your kind reply. As far as the 2001 audits are concerned I contacted David Thompson partner at KPMG and asked him to inform you urgently about their status. We contracted KPMG for the auditing work for a longer period in order to satisfy the requirements of USDE. Their team from the USA is in Debrecen at the moment completing the 2001 compliance audit.

Thanks again for your kind attention.

Sincerely yours,
Prof. Rezso Gaspar

At 15:03 2003. 01. 22. 9z -0500, you wrote:

Professor Gaspar:

We are missing the 2001 Compliance audit. Please submit that this month itself, otherwise you may become not eligible. Did the CPA send the 2001 audited financials meeting GAAP & GAAGAS?

1998, 99, and 2000 compliance audits are acceptable. I checked with Mr. George Bryant.

Your immediate attention in this matter is expected.

Thanks

Joseph Vettickal

-----Original Message-----

From: Rezso Gaspar [mailto:gaspar@jaguar.dote.hu]
Sent: Friday, January 17, 2003 8:15 AM
To: Joseph.Vettickal@ed.gov
Subject: Status of renewal

Dear Dr. Vettickal,

I would like to inform you that KPMG is doing the field work for the 2001 and 2002 audits of our institution. We contracted them for the next couple of years too.

I spoke to the experts who are here in Debrecen, Hungary from the US office of KPMG and they advised me to contact you and inform you that the last communication between USDE and KPMG about the previous audits happened on December 23, 2002. Terry W. Simon managing partner from KPMG, Greensboro, NC, USA sent the last piece of information requested by USDE in relation to our audits for 1998, 1999 and 2000. He sent this to Mr. George Bryant at Department of Education. We hope that with this information the previous audits have been closed down and we are waiting for a positive answer about the renewal of our status with USDE.

I send my best wishes to you for 2003.

Sincerely yours,
Prof. Rezsó Gaspar

= 030738

Vettickal, Joseph

From: Rezzo Gaspar [gaspar@jaguar.dote.hu]
Sent: Friday, January 17, 2003 8:15 AM
To: Joseph.Vettickal@ed.gov
Subject: Status of renewal

Dear Dr. Vettickal,

I would like to inform you that KPMG is doing the field work for the 2001 and 2002 audits of our institution. We contracted them for the next couple of years too.

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I send my best wishes to you for 2003.

Sincerely yours,
Prof. Rezzo Gaspar

**DRAFT****UNITED STATES DEPARTMENT OF EDUCATION****CASE MANAGEMENT & OVERSIGHT****ELIGIBILITY AND CERTIFICATION APPROVAL REPORT**

DATE PRINTED: 12/05/2003

PAGE A - 1

NAME AND ADDRESS OF University of Debrecen Medical and Health Science

INSTITUTION: Center

Nagyerdei Krt 98

Debrecen, HUNGARY H-4012

TYPE OF INSTITUTION: Foreign Public

DEPARTMENT REGION: 11

ACTION DATE: 09/17/2003

CASE TEAM: 11

ACTION: Reapprove Elig/Prov Cert

OPE ID: 03073800

FEDERAL FAMILY EDUCATION LOAN ID: 030738

DUNS NBR: 401224027

ACADEMIC CALENDAR: Semester Hours

ELIGIBLE: Y

HIGHEST EDUCATIONAL PROGRAM OFFERED:

INITIAL APPROVAL DATE: 02/21/1992

Master's Degree or Doctor's Degree

CERTIFIED: Provisional

LOAN DEFERMENT: Y

PROGRAM PARTICIPATION AGREEMENT

WAIVER(S):

EFFECTIVE DATE:

*** End of Waivers ***

EXPIRATION DATE: 09/30/2006

THE INSTITUTION IS ELIGIBLE TO APPLY FOR PARTICIPATION IN THE FOLLOWING PROGRAMS AUTHORIZED UNDER THE HIGHER EDUCATION ACT OF 1965, AS AMENDED:

TITLE IV: Y

TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

<u>PROGRAM</u>	<u>CERTIFIED</u>	<u>APPROVAL DATE</u>
FFEL Staff	Y	02/21/1992
FFEL Staff Unsub	Y	02/21/1992



DRAFT

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

ACCREDITATION SECTION

PAGE B - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

ACCREDITATION

<u>ACCREDITING AGENCY</u>	<u>DESIGNATION</u>	<u>SCOPE</u>	<u>EFFECTIVE YEAR</u>	<u>NUMBER OF YEARS</u>
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**** End of Accreditation Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

STATE AUTHORIZATION SECTION

PAGE C - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

STATE AUTHORIZATION

STATE AGENCY

**** End of State Authorization Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

OFFICIALS SECTION

PAGE D - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

OFFICIALS

<u>NAME AND ADDRESS</u>	<u>TITLE</u>	<u>PHONE FAX</u>	<u>E-MAIL</u>
Fesus, Laszlo Nagyerdei Krt 98 Debrecen, HUNGARY H-4012	President President, Member of the Hungarian Academy of Sciences	36-52-417-571 36-52-419-807	fesus@ indi.biochem.dote.hu
Gaspar, Rezso Nagyerdei Krt 98 Debrecen, HUNGARY H-4012	Director of the English Program	36-52-447-751 36-52-414-013	gaspar@ jaguar.dote.hu
Kecskes, Gabor Nagyerdei Krt 98 Debrecen, HUNGARY H-4012	Director	36-52-410-960 36-52-442-205	kg@ joszfigy.dote.hu
Gyory, Kalman Egyetem ter 1, Debrecen, HUNGARY H-4012	Rector, Member of the Hungarian Academy of Sciences	36-52-412-060 36-52-416-490	gyory@ math.klte.hu

**** End of Officials Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

ADDITIONAL LOCATIONS SECTION

PAGE E - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

ADDITIONAL LOCATIONS

<u>OPE ID</u>	<u>NAME AND ADDRESS</u>	<u>APPROVED FOR CERTIFICATION</u>	<u>INITIAL APPROVAL DATE</u>
**** End of Additional Locations Section ****			



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

VOCATIONAL PROGRAMS SECTION

PAGE F - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

VOCATIONAL PROGRAMS

<u>CIP</u>	<u>INSTITUTION'S PROGRAM NAME</u>	<u>INITIAL APPROVAL</u>	<u>CREDIT HOURS</u>	<u>TYPE</u>	<u>CLOCK HOURS</u>	<u>DURATION IN WEEKS</u>
**** End of Vocational Programs Section ****						



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

SERVICER INFORMATION SECTION

PAGE H - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

SERVICER INFORMATION

<u>SERVICER NAME</u>	<u>CONTACT NAME</u>	<u>SERVICES OFFERED</u>
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**** End of Servicer Information Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

NON-U.S. MEDICAL EVALUATION AGENCY
SECTION

PAGE 1 - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

NON-U.S. MEDICAL EVALUATION AGENCY

EVALUATION AGENCY NAME

CONTACT NAME

Hungary: Hungarian Accreditation Committee
Ajtosi Durer sor 10-21
Budapest, HUNGARY H-1146

Ms. Nora halmay

**** End of Non-U.S. Medical Evaluation Agency Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

U.S. CLINICAL TRAINING FACILITY
SECTION

PAGE J - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

U.S. CLINICAL TRAINING FACILITY

<u>NAME AND ADDRESS OF FACILITY</u>	<u>APPROVED</u>	<u>CURRENTLY</u>
	<u>BY STATE</u>	<u>APPROVED</u>
	<u>JAN 01, 1992</u>	

**** End of U.S. Clinical Training Facility Section ****



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CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 12/05/2003

COUNTRY AUTHORIZATION SECTION

PAGE K - 1

INSTITUTION NAME : University of Debrecen Medical and Health Science Center

OPE ID : 030738 00

INSTITUTION TYPE : Foreign Public

COUNTRY AUTHORIZATION

OVERSIGHT AGENCY

Ministry of Education

Szalay u. 10-12

Budapest, HUNGARY H-1055

**** End of Country Authorization Section ****

