

114TH CONGRESS
1ST SESSION

H. R. 2192

To improve the Higher Education Act of 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2015

Mr. TAKANO (for himself, Mrs. DAVIS of California, Mr. COHEN, Ms. SPEIER, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To improve the Higher Education Act of 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Protections and Regulation for Our Students Act” or
6 “PRO Students Act”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. 85–15 revenue source requirement for proprietary institutions.
- Sec. 3. Definitions.
- Sec. 4. Restriction on marketing with Federal educational assistance funds.

- Sec. 5. Whistleblower protections for persons associated with institutions of higher education.
- Sec. 6. Establishment of complaint resolution and tracking system.
- Sec. 7. Proprietary education oversight coordination committee.
- Sec. 8. Improved determination of cohort default rates; publication of default prevention plan.
- Sec. 9. Elimination of origination fees and other amendments to terms and conditions of loans.
- Sec. 10. Improved student loan servicing and debt collection practices.
- Sec. 11. Improved disclosures, counseling, and financial assistance information for students.
- Sec. 12. Program participation agreements.
- Sec. 13. Improved disclosures, counseling, and financial assistance information for students.
- Sec. 14. Civil penalties.
- Sec. 15. Requirements for accrediting agencies or associations.
- Sec. 16. Program review and data.
- Sec. 17. Consumer protections for students.

1 **SEC. 2. 85–15 REVENUE SOURCE REQUIREMENT FOR PRO-**
 2 **PRIETARY INSTITUTIONS.**

3 (a) CHANGE FROM 90–10 TO 85–15.—Section
 4 487(a)(24) of the Higher Education Act of 1965 (20
 5 U.S.C. 1094(a)(24)) is amended by striking “ten percent”
 6 and inserting “15 percent”.

7 (b) REVISIONS TO ACCOUNTING.—Section 487(d)(1)
 8 of the Higher Education Act of 1965 (20 U.S.C.
 9 1094(d)(1)) is amended—

10 (1) in subparagraph (A), by striking “account-
 11 ing,” and all that follows and inserting “account-
 12 ing;”;

13 (2) in subparagraph (B), by striking clause (iii)
 14 and inserting the following new clause:

15 “(iii) a contractual arrangement with
 16 a Federal agency for the purpose of pro-

1 viding job training to low-income individ-
2 uals who are in need of such training;”;

3 (3) in subparagraph (C)—

4 (A) by striking clauses (i) through (iii) and
5 inserting the following new clause:

6 “(i) grant funds provided by a source
7 that has no affiliation with the institution
8 and shares no employees with the institu-
9 tion;”;

10 (B) by redesignating clause (iv) as clause
11 (ii); and

12 (4) by striking subparagraphs (D) and (E) and
13 inserting the following new subparagraphs:

14 “(D) include no loans made by an institu-
15 tion of higher education as revenue to the
16 school, except for payments made by students
17 on such loans;

18 “(E) include a scholarship provided by the
19 institution—

20 “(i) only if the scholarship is in the
21 form of monetary aid based upon the aca-
22 demic achievements or financial need of
23 students, disbursed to qualified student re-
24 cipients during each fiscal year from an es-
25 tablished restricted account; and

1 “(ii) only to the extent that funds in
2 that account represent designated funds,
3 or income earned on such funds, from a
4 source that has no affiliation with the in-
5 stitution and shares no employees with the
6 institution; and”.

7 **SEC. 3. DEFINITIONS.**

8 (a) IN GENERAL.—Section 103 of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1003) is amended—

10 (1) by redesignating paragraphs (4) through
11 (9), (10) through (14), and (15) through (24), as
12 paragraphs (5) through (10), (12) through (16), and
13 (18) through (26), respectively;

14 (2) by inserting after paragraph (3) the fol-
15 lowing new paragraph:

16 “(4) DEFAULT MANIPULATION.—The term ‘de-
17 fault manipulation’ means engaging in a device or
18 practice, including branching, consolidation of cam-
19 puses, consolidation or manipulation of the identi-
20 fication codes used by the Office of Postsecondary
21 Education to designate campuses and institutions,
22 change of ownership or control, serial forbearance,
23 or any similar device or practice (as determined by
24 the Secretary) when, but for the device or practice,
25 one or more campuses of an institution of higher

1 education would be at risk of cohort default rate
2 sanctions under section 435 or student default risk
3 sanctions under section 489A.”;

4 (3) by inserting after paragraph (10), as redese-
5 gnated by paragraph (1) of this section, the fol-
6 lowing new paragraph:

7 “(11) FEDERAL EDUCATIONAL ASSISTANCE
8 FUNDS.—The term ‘Federal educational assistance
9 funds’ means funds provided directly to an institu-
10 tion or to a student attending such institution under
11 any of the following provisions of law:

12 “(A) Title IV.

13 “(B) Chapter 30, 31, 32, 33, 34, or 35 of
14 title 38, United States Code.

15 “(C) Chapter 101, 105, 106A, 1606, 1607,
16 or 1608 of title 10, United States Code.

17 “(D) Section 1784a, 2005, or 2007 of title
18 10, United States Code.

19 “(E) Title I of the Workforce Investment
20 Act of 1998 (29 U.S.C. 2801 et seq.).

21 “(F) The Adult Education and Family Lit-
22 eracy Act (20 U.S.C. 9201 et seq.).”; and

23 (4) by inserting after paragraph (16), as redese-
24 gnated by paragraph (1) of this section, the fol-
25 lowing new paragraph:

1 “(17) RECRUITING AND MARKETING ACTIV-
2 ITY.—

3 “(A) IN GENERAL.—Except as provided in
4 subparagraph (B), the term ‘recruiting and
5 marketing activity’ means an activity that con-
6 sists of any of the following:

7 “(i) Any advertising or promotion ac-
8 tivity, including a paid announcement in
9 newspapers, magazines, radio, television,
10 billboards, electronic media, naming rights,
11 or any other public medium of communica-
12 tion, including paying for a display or pro-
13 motion at a job fair, military installation,
14 or postsecondary education recruiting
15 event.

16 “(ii) Any effort to identify and attract
17 prospective students, directly or through a
18 contractor or other third party, including
19 any contact concerning a prospective stu-
20 dent’s potential enrollment or application
21 for grant, loan, or work assistance under
22 title IV or participation in preadmission or
23 advising activities, including—

24 “(I) paying employees responsible
25 for overseeing enrollment and for con-

1 tacting potential students in person,
2 by phone, by email, by internet com-
3 munications, or by other means, re-
4 garding enrollment;

5 “(II) compensating a person to
6 provide to an institution of higher
7 education contact information regard-
8 ing prospective students, including in-
9 formation obtained through websites
10 established for such purpose; and

11 “(III) providing funds to a third
12 party to create or maintain a website
13 for the purpose of obtaining contact
14 information regarding prospective stu-
15 dents.

16 “(iii) Any other activity as the Sec-
17 retary may determine.

18 “(B) EXCEPTION.—An activity that is re-
19 quired as a condition of receipt of funds by an
20 institution under title IV, or under another ap-
21 plicable Federal law, shall not be considered to
22 be a recruiting and marketing activity under
23 subparagraph (A).”.

1 (b) TITLE IV PROGRAMS.—Section 481 of the Higher
2 Education Act of 1965 (20 U.S.C. 1088) is amended by
3 adding at the end the following new subsection:

4 “(g) STUDENT DEFAULT RISK.—In this title, the
5 term ‘student default risk’ means the percentage that is
6 calculated by taking an institution’s cohort default rate
7 (as defined in section 435(m)) for the most recent fiscal
8 year available, and multiplying it by the percentage of stu-
9 dents enrolled at such institution receiving a loan made,
10 insured, or guaranteed under this title during the previous
11 academic year.”.

12 **SEC. 4. RESTRICTION ON MARKETING WITH FEDERAL EDU-**
13 **CATIONAL ASSISTANCE FUNDS.**

14 (a) REPEAL OF EXISTING PROVISION.—The Higher
15 Education Opportunity Act is amended by striking section
16 119 (20 U.S.C. 1011m).

17 (b) INSERTION IN HIGHER EDUCATION ACT OF 1965
18 AND AMENDMENTS.—Part B of title I of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1011 et seq.) is amended
20 by adding at the end the following new section:

1 **“SEC. 124. CERTIFICATION REGARDING THE USE OF CER-**
2 **TAIN FEDERAL FUNDS AND RESTRICTIONS**
3 **ON SOURCES OF FUNDS FOR RECRUITING**
4 **AND MARKETING ACTIVITIES.**

5 “(a) PROHIBITION.—No Federal funds received
6 under this Act by an institution of higher education or
7 other postsecondary educational institution may be used
8 to pay any person for influencing or attempting to influ-
9 ence an officer or employee of any agency, a Member of
10 Congress, an officer or employee of Congress, or an em-
11 ployee of a Member of Congress in connection with any
12 Federal action described in subsection (b).

13 “(b) APPLICABILITY.—The prohibition in subsection
14 (a) applies with respect to the following Federal actions:

15 “(1) The awarding of any Federal contract.

16 “(2) The making of any Federal grant.

17 “(3) The making of any Federal loan.

18 “(4) The entering into of any Federal coopera-
19 tive agreement.

20 “(5) The extension, continuation, renewal,
21 amendment, or modification of any Federal contract,
22 grant, loan, or cooperative agreement.

23 “(c) LOBBYING AND EARMARKS.—No Federal stu-
24 dent aid funding under this Act may be used to hire a
25 registered lobbyist or pay any person or entity for securing
26 an earmark.

1 “(d) RESTRICTIONS ON SOURCES OF FUNDS FOR RE-
2 CRUITING AND MARKETING ACTIVITIES.—

3 “(1) IN GENERAL.—An institution of higher
4 education, or other postsecondary educational insti-
5 tution, may not use revenues derived from Federal
6 educational assistance funds for recruiting or mar-
7 keting activities.

8 “(2) RULE OF CONSTRUCTION.—Nothing in
9 this section shall be construed as a limitation on the
10 use by an institution of revenues derived from
11 sources other than Federal educational assistance
12 funds.

13 “(3) REPORTS.—Each institution of higher
14 education, or other postsecondary educational insti-
15 tution, that derives 65 percent or more of revenues
16 from Federal educational assistance funds shall re-
17 port annually to the Secretary and to Congress and
18 shall include in such report—

19 “(A) a statement of the institution’s ex-
20 penditures on advertising, marketing, and re-
21 cruiting; and

22 “(B) a verification from an independent
23 auditor that the institution is in compliance
24 with the requirements of this subsection.

1 “(e) CERTIFICATION.—Each institution of higher
2 education or other postsecondary educational institution
3 receiving Federal funding under this Act, as a condition
4 for receiving such funding, shall annually certify to the
5 Secretary of Education that the requirements of sub-
6 sections (a) through (d) have been met.

7 “(f) ACTIONS TO IMPLEMENT AND ENFORCE.—The
8 Secretary shall take such actions as are necessary to en-
9 sure that the provisions of this section are implemented
10 and enforced.”.

11 **SEC. 5. WHISTLEBLOWER PROTECTIONS FOR PERSONS AS-**
12 **SOCIATED WITH INSTITUTIONS OF HIGHER**
13 **EDUCATION.**

14 (a) WHISTLEBLOWER PROTECTION PROGRAM.—Title
15 I of the Higher Education Act of 1965 is amended by in-
16 serting after section 123 (20 U.S.C. 10111) the following
17 new section:

18 **“SEC. 124. PROTECTION FROM RETALIATION FOR DISCLO-**
19 **SURE OF CERTAIN INFORMATION BY PER-**
20 **SONS ASSOCIATED WITH INSTITUTIONS OF**
21 **HIGHER EDUCATION.**

22 “(a) PROHIBITION OF RETALIATION.—

23 “(1) IN GENERAL.—An institution of higher
24 education participating in programs under title IV
25 (in this section referred to as an ‘institution’) may

1 not discharge, demote, or otherwise discriminate
2 against any person as retaliation for—

3 “(A) such person disclosing to an indi-
4 vidual or entity described in paragraph (2) in-
5 formation such person reasonably believes evi-
6 dences a violation of any law, rule, or regulation
7 by the institution; or

8 “(B) assisting a person disclosing such in-
9 formation or providing information or docu-
10 ments for use in disclosing such information.

11 “(2) INDIVIDUALS AND ENTITIES COVERED.—

12 The individuals and entities described in this para-
13 graph are:

14 “(A) A Member of Congress or a rep-
15 resentative of a committee of Congress.

16 “(B) An Executive agency (as defined in
17 section 105 of title 5, United States Code).

18 “(C) The Government Accountability Of-
19 fice.

20 “(D) A law enforcement agency.

21 “(E) A court or grand jury.

22 “(F) A management official or other em-
23 ployee of an institution who has the responsi-
24 bility to investigate, discover, or address mis-
25 conduct.

1 “(b) INVESTIGATION OF COMPLAINTS.—

2 “(1) SUBMISSION OF COMPLAINT.—A person
3 who believes that they have been subjected to a re-
4 tialiation prohibited by subsection (a) may submit a
5 complaint to the Inspector General of the Depart-
6 ment of Education (in this section referred to as the
7 ‘Inspector General’). Unless the Inspector General
8 determines that the complaint is frivolous, fails to
9 allege a violation of subsection (a), or has previously
10 been addressed in another Federal or State judicial
11 or administrative proceeding initiated by the com-
12 plainant, the Inspector General shall investigate the
13 complaint and, upon completion of such investiga-
14 tion, submit a report of the findings of the investiga-
15 tion to the complainant, the institution concerned,
16 and the Secretary.

17 “(2) INSPECTOR GENERAL ACTION.—

18 “(A) DETERMINATION OR SUBMISSION OF
19 REPORT ON FINDINGS.—Except as provided
20 under subparagraph (B), the Inspector General
21 shall make a determination that a complaint is
22 frivolous, fails to allege a violation of subsection
23 (a), or has previously been addressed in another
24 Federal or State judicial or administrative pro-
25 ceeding initiated by the complainant or submit

1 a report under paragraph (1) not later than
2 180 days after receiving the complaint.

3 “(B) EXTENSION OF TIME.—If the Inspec-
4 tor General is unable to complete an investiga-
5 tion in time to submit a report within the 180-
6 day period specified in subparagraph (A) and
7 the complainant agrees to an extension of time,
8 the Inspector General shall submit a report
9 under paragraph (1) within such additional pe-
10 riod of time, up to 180 days, as shall be agreed
11 upon between the Inspector General and the
12 complainant.

13 “(3) PROHIBITION ON DISCLOSURE.—The In-
14 spector General may not respond to any inquiry or
15 disclose any information from or about any person
16 alleging retaliation, except to the extent that such
17 response or disclosure is—

18 “(A) made with the consent of the person
19 alleging the retaliation;

20 “(B) made in accordance with the provi-
21 sions of section 552a of title 5, United States
22 Code, or as required by any other applicable
23 Federal law; or

24 “(C) necessary to conduct an investigation
25 of the alleged retaliation.

1 “(4) TIME LIMITATION.—A complaint may not
2 be brought under this subsection more than three
3 years after the date on which the alleged retaliation
4 took place.

5 “(c) REMEDY AND ENFORCEMENT AUTHORITY.—

6 “(1) IN GENERAL.—Not later than 30 days
7 after receiving an Inspector General report pursuant
8 to subsection (b), the Secretary shall determine
9 whether there is sufficient basis to conclude that the
10 institution has violated subsection (a) and shall ei-
11 ther issue an order denying relief or shall take one
12 or more of the following actions:

13 “(A) Order the institution to take action to
14 abate the retaliation.

15 “(B) Order the institution to reinstate the
16 complainant to the position that the complain-
17 ant held before the retaliation, together with
18 compensatory damages (including back pay)
19 and any other benefits, terms, or conditions
20 that would apply to the complainant in that po-
21 sition if the retaliation had not occurred.

22 “(C) Order the institution to pay the com-
23 plainant an amount equal to the aggregate
24 amount of all costs and expenses (including at-
25 torneys’ fees and expert witness fees) that were

1 reasonably incurred by the complainant for, or
2 in connection with, bringing the complaint re-
3 garding the retaliation, as determined by the
4 Secretary.

5 “(2) EXHAUSTION OF REMEDIES.—If the Sec-
6 retary issues an order denying relief under para-
7 graph (1) or has not issued an order within 210
8 days after the submission of a complaint under sub-
9 section (b), or in the case of an extension of time
10 under subsection (b)(2)(B), not later than 30 days
11 after the expiration of the extension of time, and
12 there is no showing that such delay is due to the bad
13 faith of the complainant, the complainant shall be
14 deemed to have exhausted all administrative rem-
15 edies with respect to the complaint, and the com-
16 plainant may bring a de novo action at law or equity
17 against the institution to seek compensatory dam-
18 ages and other relief available under this section in
19 the appropriate district court of the United States,
20 which shall have jurisdiction over such an action
21 without regard to the amount in controversy. Such
22 an action shall, at the request of either party to the
23 action, be tried by the court with a jury. An action
24 under this paragraph may not be brought more than

1 two years after the date on which remedies are
2 deemed to have been exhausted.

3 “(3) ADMISSIBILITY OF EVIDENCE.—The In-
4 spector General determination and order of the Sec-
5 retary denying relief under paragraph (2) shall be
6 admissible in evidence in any de novo action at law
7 or equity brought pursuant to this subsection.

8 “(4) ENFORCEMENT OF ORDERS.—Whenever a
9 person fails to comply with an order issued under
10 paragraph (1), the Secretary shall file an action for
11 enforcement of such order in the United States dis-
12 trict court for a district in which the retaliation was
13 found to have occurred. In any action brought under
14 this paragraph, the court may grant appropriate re-
15 lief, including injunctive relief, compensatory and ex-
16 emplary damages, and attorneys’ fees and costs. The
17 person upon whose behalf an order was issued may
18 also file such an action or join in an action filed by
19 the Secretary.

20 “(5) JUDICIAL REVIEW.—Any person adversely
21 affected or aggrieved by an order issued under para-
22 graph (1) may obtain review of the order’s conform-
23 ance with this subsection, and any regulations issued
24 to carry out this section, in the United States court
25 of appeals for a circuit in which the retaliation is al-

1 leged in the order to have occurred. No petition
2 seeking such review may be filed more than 60 days
3 after issuance of the order by the head of the execu-
4 tive agency. Such review shall conform to chapter 7
5 of title 5, United States Code. Filing such an appeal
6 shall not act to stay the enforcement of the order of
7 the Secretary, unless a stay is specifically entered by
8 the court.

9 “(6) BURDENS OF PROOF.—The legal burdens
10 of proof specified in section 1221(e) of title 5,
11 United States Code, shall be controlling for the pur-
12 poses of any investigation conducted by the Inspec-
13 tor General, decision by the Secretary, or judicial or
14 administrative proceeding to determine whether dis-
15 crimination prohibited under this section has oc-
16 curred.

17 “(7) RIGHTS AND REMEDIES NOT WAIVABLE.—
18 The rights and remedies provided for in this section
19 may not be waived by any agreement, policy, form,
20 or condition of employment.

21 “(d) NOTIFICATION OF PERSONS ASSOCIATED WITH
22 INSTITUTION.—The Secretary shall ensure that each insti-
23 tution informs the employees, students, and contractors
24 of the institution in writing of the rights and remedies
25 provided under this section.

1 “(e) CONSTRUCTION.—Nothing in this section may
 2 be construed to authorize the discharge of, demotion of,
 3 or discrimination against a person for a disclosure other
 4 than a disclosure protected by subsection (a) or to modify
 5 or derogate from a right or remedy otherwise available
 6 such person.”.

7 (b) PROHIBITION OF RETALIATION.—Section 487(a)
 8 of the Higher Education Act of 1965 (20 U.S.C. 1094(a))
 9 is amended by adding at the end the following new para-
 10 graph:

11 “(30) The institution will comply with the re-
 12 quirements of section 124.”.

13 **SEC. 6. ESTABLISHMENT OF COMPLAINT RESOLUTION AND**
 14 **TRACKING SYSTEM.**

15 Title I of the Higher Education Act of 1965 (20
 16 U.S.C. 1001 et seq.) is amended by adding at the end
 17 the following new part:

18 **“PART F—COMPLAINT TRACKING SYSTEM**

19 **“SEC. 161. COMPLAINT TRACKING SYSTEM.**

20 “(a) ESTABLISHMENT OF COMPLAINT TRACKING
 21 SYSTEM.—

22 “(1) ESTABLISHMENT OF COMPLAINT TRACK-
 23 ING SYSTEM.—Not later than 1 year after the enact-
 24 ment of the PRO Students Act, the Secretary shall
 25 complete the establishment of a complaint tracking

1 system that includes a single, toll-free telephone
2 number and a website to facilitate the centralized
3 collection of, monitoring of, and response to com-
4 plaints or inquiries regarding the educational prac-
5 tices and services, and recruiting and marketing
6 practices, of all postsecondary educational institu-
7 tions.

8 “(2) ESTABLISHMENT OF COMPLAINT TRACK-
9 ING OFFICE.—The Secretary shall establish within
10 the Department an office whose functions shall in-
11 clude establishing, administering, and disseminating
12 widely information about the complaint tracking sys-
13 tem established under paragraph (1). The Secretary
14 shall—

15 “(A) to the extent necessary, combine and
16 consolidate the other offices and functions of
17 the Department to ensure that the office estab-
18 lished under this paragraph is the single point
19 of contact for students and borrowers with com-
20 plaints; and

21 “(B) to the extent practicable, ensure that
22 the office established in this paragraph will
23 work with the Student Loan Ombudsman ap-
24 pointed in accordance with section 141(f) to as-
25 sist borrowers that have complaints regarding

1 the educational practices and services, and re-
2 cruiting and marketing practices, of postsec-
3 ondary educational institutions.

4 “(b) HANDLING OF COMPLAINTS.—

5 “(1) TIMELY RESPONSE TO COMPLAINTS.—The
6 Secretary shall establish, in consultation with the
7 heads of appropriate agencies, reasonable procedures
8 to provide a timely response to complainants, in
9 writing where appropriate, to complaints against, or
10 inquiries concerning, an institution of higher edu-
11 cation that receives funds under this Act. Each re-
12 sponse shall include a description of—

13 “(A) the steps that have been taken by the
14 Secretary in response to the complaint or in-
15 quiry;

16 “(B) any responses received by the Sec-
17 retary from the institution of higher education;
18 and

19 “(C) any additional actions that the Sec-
20 retary has taken, or plans to take, in response
21 to the complaint or inquiry.

22 “(2) TIMELY RESPONSE TO SECRETARY BY IN-
23 STITUTION OF HIGHER EDUCATION.—The Secretary
24 shall notify each institution of higher education that
25 receives funds under this Act and that is the subject

1 of a complaint or inquiry under this section regard-
2 ing the complaint or inquiry. Not later than 60 days
3 after receiving such notice, such institution shall
4 provide a response to the Secretary concerning the
5 complaint or inquiry, including—

6 “(A) the steps that have been taken by the
7 institution to respond to the complaint or in-
8 quiry;

9 “(B) all responses received by the institu-
10 tion from the complainant; and

11 “(C) any additional actions that the insti-
12 tution has taken, or plans to take, in response
13 to the complaint or inquiry.

14 “(3) FURTHER INVESTIGATION.—The Secretary
15 may, in the event that the complaint is not ade-
16 quately resolved or addressed by the responses of the
17 institution of higher education receiving funds under
18 this Act under paragraph (2), ask additional ques-
19 tions of such institution or seek additional informa-
20 tion from or action by the institution.

21 “(4) PROVISION OF INFORMATION.—

22 “(A) IN GENERAL.—An institution of high-
23 er education that receives funds under this Act
24 shall, in a timely manner, comply with a re-
25 quest by the Secretary for information in the

1 control or possession of such institution con-
2 cerning a complaint or inquiry received by the
3 Secretary under subsection (a), including sup-
4 porting written documentation, subject to sub-
5 paragraph (B).

6 “(B) EXCEPTIONS.—An institution of
7 higher education that receives funds under this
8 Act shall not be required to make available
9 under this subsection—

10 “(i) any nonpublic or confidential in-
11 formation, including any confidential com-
12 mercial information;

13 “(ii) any information collected by the
14 institution for the purpose of preventing
15 fraud or detecting or making any report
16 regarding other unlawful or potentially un-
17 lawful conduct; or

18 “(iii) any information required to be
19 kept confidential by any other provision of
20 law.

21 “(5) COMPLIANCE.—An institution of higher
22 education that receives funds under this Act shall
23 comply with the requirements to provide responses
24 and information, in accordance with this subsection,
25 as a condition of receiving such funds.

1 “(c) TRANSPARENCY.—

2 “(1) SHARING INFORMATION WITH FEDERAL
3 AND STATE AGENCIES.—As appropriate and in ac-
4 cordance with section 444 of the General Education
5 Provisions Act (20 U.S.C. 1232g) (commonly re-
6 ferred to as the “Family Educational Rights and
7 Privacy Act of 1974”) and other laws, the Secretary
8 shall coordinate with the heads of relevant Federal
9 and State agencies to—

10 “(A) collect complaints related to the com-
11 plaint tracking system described in subsection
12 (b) from such agencies; and

13 “(B) when appropriate, route such com-
14 plaints to the Department of Education, the
15 Department of Justice, the Department of De-
16 fense, the Department of Veterans Affairs, the
17 Federal Trade Commission, the Consumer Fi-
18 nancial Protection Bureau, or any equivalent
19 State agency.

20 “(2) INTERACTION WITH EXISTING COMPLAINT
21 SYSTEMS.—To the extent practicable, all procedures
22 established under this section, and all coordination
23 carried out under paragraph (1), shall be done in ac-
24 cordance with the complaint tracking systems estab-
25 lished under Executive Order 13607 (77 Fed. Reg.

1 25861; relating to establishing principles of excel-
2 lence for educational institutions serving
3 servicemembers, veterans, spouses, and other family
4 members).

5 “(3) PUBLIC INFORMATION.—

6 “(A) IN GENERAL.—The Secretary shall
7 regularly publish on the website of the Depart-
8 ment information on the complaints and inquir-
9 ies received for each postsecondary educational
10 institution under this section, including—

11 “(i) the number of complaints and in-
12 quires received;

13 “(ii) the types of complaints and in-
14 quires received; and

15 “(iii) where applicable, information
16 about the resolution of the complaints and
17 inquiries.

18 “(B) DATA PRIVACY.—In carrying out sub-
19 paragraph (A), the Secretary shall—

20 “(i) comply with applicable data pri-
21 vacy laws and regulations; and

22 “(ii) ensure that personally identifi-
23 able information is not shared.

1 “(4) REPORTS.—Each year, the Secretary shall
2 prepare and submit to the authorizing committees a
3 report describing—

4 “(A) the types and nature of complaints
5 the Secretary has received under this section;

6 “(B) the extent to which complainants are
7 receiving relief pursuant to this section;

8 “(C) whether particular types of com-
9 plaints are more common in a given sector of
10 postsecondary educational institutions;

11 “(D) any legislative recommendations that
12 the Secretary determines are necessary to bet-
13 ter assist students and families; and

14 “(E) the schools with the highest volume
15 of complaints, as determined by the Secretary.

16 “(d) COMPLAINANT DEFINED.—In this section, the
17 term ‘complainant’ means a person with a complaint
18 against, or inquiry concerning, an institution of higher
19 education that receives funds under this Act who is—

20 “(1) a student of a postsecondary educational
21 institution;

22 “(2) a family member of a student of a postsec-
23 ondary educational institution;

24 “(3) a third party acting on behalf of a student
25 of a postsecondary educational institution; or

1 “(2) PROPRIETARY INSTITUTION OF HIGHER
2 EDUCATION.—The term ‘proprietary institution of
3 higher education’ has the meaning given the term in
4 section 102(b).

5 “(3) STATE APPROVAL AGENCY.—The term
6 ‘State approval agency’ means any State agency that
7 determines whether an institution of higher edu-
8 cation is legally authorized within such State to pro-
9 vide a program of education beyond secondary edu-
10 cation.

11 “(4) VETERANS SERVICE ORGANIZATION.—The
12 term ‘veterans service organization’ means an orga-
13 nization recognized by the Secretary of Veterans Af-
14 fairs for the representation of veterans under section
15 5902 of title 38, United States Code.

16 **“SEC. 167. ESTABLISHMENT OF COMMITTEE.**

17 “(a) ESTABLISHMENT.—There is established a com-
18 mittee to be known as the ‘Proprietary Education Over-
19 sight Coordination Committee’ (referred to in this part as
20 the ‘Committee’) and to be composed of the head (or the
21 designee of such head) of each of the following:

22 “(1) The Department of Education.

23 “(2) The Bureau of Consumer Financial Pro-
24 tection.

25 “(3) The Department of Justice.

1 “(4) The Securities and Exchange Commission.

2 “(5) The Department of Defense.

3 “(6) The Department of Veterans Affairs.

4 “(7) The Federal Trade Commission.

5 “(8) The Department of Labor.

6 “(9) The Internal Revenue Service.

7 “(10) At the discretion of the President, any
8 other relevant Federal agency or department.

9 “(b) DUTIES.—The Committee shall have the fol-
10 lowing duties:

11 “(1) Coordinate Federal oversight of propri-
12 etary institutions of higher education to—

13 “(A) improve enforcement of applicable
14 Federal laws and regulations;

15 “(B) increase accountability of proprietary
16 institutions of higher education to students and
17 taxpayers; and

18 “(C) ensure the promotion of quality edu-
19 cation programs.

20 “(2) Coordinate Federal activities to protect
21 students from unfair, deceptive, abusive, unethical,
22 fraudulent, or predatory practices, policies, or proce-
23 dures of proprietary institutions of higher education.

24 “(3) Encourage information sharing among
25 agencies related to Federal investigations, audits, or

1 inquiries of proprietary institutions of higher edu-
2 cation.

3 “(4) Increase coordination and cooperation be-
4 tween Federal and State agencies, including State
5 Attorneys General and State approval agencies, with
6 respect to improving oversight and accountability of
7 proprietary institutions of higher education.

8 “(5) Develop best practices and consistency
9 among Federal and State agencies in the dissemina-
10 tion of consumer information regarding proprietary
11 institutions of higher education to ensure that stu-
12 dents, parents, and other stakeholders have easy ac-
13 cess to such information.

14 “(c) MEMBERSHIP.—

15 “(1) DESIGNEES.—For any designee described
16 in subsection (a), the head of the member entity
17 shall appoint a high-level official who exercises sig-
18 nificant decisionmaking authority for the oversight
19 or investigatory activities and responsibilities related
20 to proprietary institutions of higher education of the
21 respective Federal entity of such head.

22 “(2) CHAIR.—The Secretary of Education or
23 the designee of the Secretary shall serve as the
24 Chair of the Committee.

1 “(3) COMMITTEE SUPPORT.—The head of each
2 entity described in subsection (a) shall ensure appro-
3 priate staff and officials of such entity are available
4 to support the Committee-related work of such enti-
5 ty.

6 **“SEC. 168. MEETINGS.**

7 “(a) COMMITTEE MEETINGS.—The members of the
8 Committee shall meet regularly, but not less than once
9 during each quarter of each fiscal year, to carry out the
10 duties described in section 167(b).

11 “(b) MEETINGS WITH STATE AGENCIES AND STAKE-
12 HOLDERS.—The Committee shall meet not less than once
13 each fiscal year, and shall otherwise interact regularly,
14 with State Attorneys General, State approval agencies,
15 veterans service organizations, and consumer advocates to
16 carry out the duties described in section 167(b).

17 **“SEC. 169. REPORT.**

18 “(a) IN GENERAL.—The Committee shall annually
19 submit to the authorizing committees, and any other com-
20 mittee of Congress that the Committee determines appro-
21 priate, a report on the activities of the Committee.

22 “(b) PUBLIC ACCESS.—Each report described in sub-
23 section (a) shall be made available to the public in a man-
24 ner that is easily accessible to parents, students, and other

1 stakeholders in accordance with the best practices devel-
2 oped under section 167(b)(5).

3 “(c) CONTENTS.—

4 “(1) IN GENERAL.—Each report under sub-
5 section (a) shall include—

6 “(A) an accounting of any action taken by
7 the Federal Government, any member entity of
8 the Committee, or a State—

9 “(i) to enforce Federal or State laws
10 and regulations applicable to proprietary
11 institutions of higher education;

12 “(ii) to hold proprietary institutions of
13 higher education accountable to students
14 and taxpayers; and

15 “(iii) to promote quality education
16 programs;

17 “(B) a summary of complaints against
18 each proprietary institution of higher education
19 received by any member entity of the Com-
20 mittee;

21 “(C) the data described in paragraph (2)
22 and any other data relevant to proprietary insti-
23 tutions of higher education that the Committee
24 determines appropriate; and

1 “(D) recommendations of the Committee
2 for such legislative and administrative actions
3 as the Committee determines are necessary
4 to—

5 “(i) improve enforcement of applicable
6 Federal laws;

7 “(ii) increase accountability of propri-
8 etary institutions of higher education to
9 students and taxpayers; and

10 “(iii) ensure the promotion of quality
11 education programs.

12 “(2) DATA.—

13 “(A) INDUSTRY-WIDE DATA.—Each report
14 under subsection (a) shall include data on all
15 proprietary institutions of higher education that
16 consists of information regarding—

17 “(i) the total amount of Federal funds
18 provided to proprietary institutions of
19 higher education during the previous aca-
20 demic year;

21 “(ii) the percentage of the total
22 amount of Federal funds provided to insti-
23 tutions of higher education (as defined in
24 section 102) for such previous academic
25 year that were provided to proprietary in-

1 stitutions of higher education for such pre-
2 vious academic year;

3 “(iii) the total amount of Federal
4 funds that proprietary institutions of high-
5 er education disbursed or delivered, on be-
6 half of a student, or to a student to be
7 used to attend an institution of higher edu-
8 cation, for the previous academic year,
9 disaggregated by—

10 “(I) educational assistance in the
11 form of a loan provided under title IV;

12 “(II) educational assistance in
13 the form of a grant provided under
14 title IV;

15 “(III) educational assistance pro-
16 vided under chapter 33 of title 38,
17 United States Code;

18 “(IV) tuition assistance provided
19 under section 2007 of title 10, United
20 States Code;

21 “(V) assistance provided under
22 section 1784a of title 10, United
23 States Code; and

24 “(VI) Federal funds not de-
25 scribed in subclauses (I) through (V);

1 “(iv) the percentage of the total
2 amount of Federal funds provided to insti-
3 tutions of higher education (as defined in
4 section 102) for such previous academic
5 year for each of the programs described in
6 subclauses (I) through (V) of clause (iii)
7 that were provided to proprietary institu-
8 tions of higher education for such previous
9 academic year for each of such programs;

10 “(v) the average retention and grad-
11 uation rates for students pursuing a degree
12 at proprietary institutions of higher edu-
13 cation;

14 “(vi) the average cohort default rate
15 (as defined in section 435(m)) for propri-
16 etary institutions of higher education, and
17 an annual list of cohort default rates (as
18 defined in such section) for all proprietary
19 institutions of higher education;

20 “(vii) for careers requiring the pas-
21 sage of a licensing examination—

22 “(I) the passage rate of individ-
23 uals who attended a proprietary insti-
24 tution of higher education taking such

1 examination to pursue such a career;
2 and

3 “(II) the passage rate of all indi-
4 viduals taking such exam to pursue
5 such a career; and

6 “(viii) the use of private education
7 loans at proprietary institutions of higher
8 education that includes—

9 “(I) an estimate of the total
10 number of such loans; and

11 “(II) information on the average
12 debt, default rate, and interest rate of
13 such loans.

14 “(B) DATA ON PUBLICLY TRADED COR-
15 PORATIONS.—

16 “(i) IN GENERAL.—Each report under
17 subsection 9(a) shall include data on pro-
18 prietary institutions of higher education
19 that are publicly traded corporations, con-
20 sisting of information on—

21 “(I) any pre-tax profit of such
22 proprietary institutions of higher edu-
23 cation—

24 “(aa) reported as a total
25 amount and an average percent-

1 age of revenue for all such pro-
2 prietary institutions of higher
3 education; and

4 “(bb) reported for each such
5 proprietary institution of higher
6 education;

7 “(II) revenue for such propri-
8 etary institutions of higher education
9 spent on recruiting and marketing ac-
10 tivities, student instruction, and stu-
11 dent support services, reported—

12 “(aa) as a total amount and
13 an average percentage of revenue
14 for all such proprietary institu-
15 tions of higher education; and

16 “(bb) for each such propri-
17 etary institution of higher edu-
18 cation;

19 “(III) total compensation pack-
20 ages of the executive officers of each
21 such proprietary institution of higher
22 education; and

23 “(IV) a list of institutional loan
24 programs offered by each such propri-
25 etary institution of higher education

1 that includes information on the de-
2 fault and interest rates of such pro-
3 grams.

4 “(ii) DISAGGREGATED BY OWNER-
5 SHIP.—Each report under subsection (a)
6 shall include data on proprietary institu-
7 tions of higher education that are publicly
8 traded corporations, disaggregated by cor-
9 porate or parent entity, brand name, and
10 campus, consisting of—

11 “(I) the total cost of attendance
12 for each program at each such propri-
13 etary institution of higher education,
14 and information comparing such total
15 cost for each such program to—

16 “(aa) the average cost of at-
17 tendance for each program at
18 public institutions of higher edu-
19 cation; and

20 “(bb) the average total cost
21 of attendance for each program
22 at all non-profit institutions of
23 higher education;

24 “(II) total enrollment, disaggre-
25 gated by—

1 “(aa) individuals enrolled in
2 programs taken online; and

3 “(bb) individuals enrolled in
4 programs that are not taken on-
5 line;

6 “(III) the average retention and
7 graduation rates for students pur-
8 suing a degree at such proprietary in-
9 stitutions of higher education;

10 “(IV) the percentage of students
11 enrolled in such proprietary institu-
12 tions of higher education who com-
13 plete a program of such an institution
14 within—

15 “(aa) the standard period of
16 completion for such program; and

17 “(bb) a period that is 150
18 percent of such standard period
19 of completion;

20 “(V) the total cost of attendance
21 for each program at such proprietary
22 institutions of higher education;

23 “(VI) the average cohort default
24 rate, as defined in section 435(m), for
25 such proprietary institutions of higher

1 education, and an annual list of co-
2 hort default rates (as defined in such
3 section) for all proprietary institutions
4 of higher education;

5 “(VII) the median educational
6 debt incurred by students who com-
7 plete a program at such a proprietary
8 institution of higher education;

9 “(VIII) the median educational
10 debt incurred by students who start
11 but do not complete a program at
12 such a proprietary institution of high-
13 er education;

14 “(IX) the job placement rate for
15 students who complete a program at
16 such a proprietary institution of high-
17 er education and the type of employ-
18 ment obtained by such students;

19 “(X) for careers requiring the
20 passage of a licensing examination,
21 the rate of individuals who attended
22 such a proprietary institution of high-
23 er education and passed such an ex-
24 amination; and

1 “(XI) the number of complaints
2 from students enrolled in such propri-
3 etary institutions of higher education
4 who have submitted a complaint to
5 any member entity of the Committee.

6 “(iii) DEPARTMENT OF DEFENSE AND
7 VETERANS AFFAIRS ASSISTANCE.—

8 “(I) IN GENERAL.—To the extent
9 practicable, each report under sub-
10 section (a) shall provide information
11 on the data described in clause (ii) for
12 individuals using, to pay for the costs
13 of attending such a proprietary insti-
14 tution of higher education, Federal
15 funds provided under title 10, United
16 States Code, or title 38, United States
17 Code.

18 “(II) REVENUE.—Each report
19 under subsection (a) shall provide in-
20 formation on the revenue of propri-
21 etary institutions of higher education
22 that are publicly traded corporations
23 that is derived from the Federal funds
24 described in subclause (I).

1 “(C) COMPARISON DATA.—To the extent
2 practicable, each report under subsection (a)
3 shall provide information comparing the data
4 described in subparagraph (B) for proprietary
5 institutions of higher education that are pub-
6 licly traded corporations with such data for
7 public institutions of higher education disaggre-
8 gated by State.

9 “(3) ACCOUNTING OF ANY ACTION.—For the
10 purposes of paragraph (1)(A), the term ‘any action’
11 shall include—

12 “(A) a complaint filed by a Federal or
13 State agency in a Federal, State, local, or tribal
14 court;

15 “(B) an administrative proceeding by a
16 Federal or State agency involving noncompli-
17 ance of any applicable law or regulation; or

18 “(C) any other review, audit, or adminis-
19 trative process by any Federal or State agency
20 that results in a penalty, suspension, or termi-
21 nation from any Federal or State program.

22 **“SEC. 170. WARNING LIST FOR PARENTS AND STUDENTS.**

23 “(a) IN GENERAL.—Each academic year, the Com-
24 mittee shall publish a list to be known as the ‘Warning

1 List for Parents and Students’ to be comprised of propri-
2 etary institutions of higher education—

3 “(1) that have engaged in illegal activity during
4 the previous academic year as determined by a Fed-
5 eral or State court;

6 “(2) that have entered into a settlement result-
7 ing in a monetary payment for an unfair, deceptive,
8 abusive, unethical, fraudulent, or predatory practice,
9 policy, or procedure;

10 “(3) that have had any higher education pro-
11 gram withdrawn or suspended; or

12 “(4) for which the Committee has sufficient evi-
13 dence of widespread or systemic unfair, deceptive,
14 abusive, unethical, fraudulent, or predatory prac-
15 tices, policies, or procedures that pose a threat to
16 the academic success, financial security, or general
17 best interest of students.

18 “(b) DETERMINATIONS.—In making a determination
19 pursuant to subsection (a)(4), the Committee may con-
20 sider evidence that includes the following:

21 “(1) Any consumer complaint collected by any
22 member entity of the Committee.

23 “(2) Any complaint filed by a Federal or State
24 agency in a Federal, State, local, or tribal court.

1 “(3) Any administrative proceeding by a Fed-
2 eral or State agency involving noncompliance of any
3 applicable law or regulation.

4 “(4) Any other review, audit, or administrative
5 process by any Federal or State agency that results
6 in a penalty, suspension, or termination from any
7 Federal or State program.

8 “(5) Data or information submitted by a pro-
9 prietary institution of higher education to any ac-
10 crediting agency or association recognized by the
11 Secretary of Education pursuant to section 496 or
12 the findings or adverse actions of any such accred-
13 iting agency or association.

14 “(6) Information submitted by a proprietary in-
15 stitution of higher education to any member entity
16 of the Committee.

17 “(7) Any other evidence that the Committee de-
18 termines relevant in making a determination pursu-
19 ant to subsection (a)(4).

20 “(c) PUBLICATION.—

21 “(1) IN GENERAL.—Not later than July 1 of
22 each fiscal year, the Committee shall publish the list
23 described in subsection (a) prominently and in a
24 manner that is easily accessible to parents, students,

1 and other stakeholders in accordance with any best
2 practices developed under section 167(b)(5).

3 “(2) NOTICE OF SELF REPORTING.—In pub-
4 lishing the list in accordance with paragraph (1), the
5 Committee shall note each institution that is in-
6 cluded on the list due to an act described in sub-
7 section (a) that was reported by such institution.”.

8 **SEC. 8. IMPROVED DETERMINATION OF COHORT DEFAULT**
9 **RATES; PUBLICATION OF DEFAULT PREVEN-**
10 **TION PLAN.**

11 Section 435 of the Higher Education Act of 1965 (20
12 U.S.C. 1085) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (2), by adding at the end
15 the following new subparagraph:

16 “(D) In any case where the Secretary has de-
17 termined that the institution has engaged in default
18 manipulation, the Secretary—

19 “(i) shall recalculate the cohort default
20 rate for the institution under this section using
21 corrected data and information, for all fiscal
22 years for which the default manipulation has
23 occurred; and

24 “(ii) using the recalculated cohort default
25 rate, shall redetermine under subsection (a)(2)

1 whether the institution is ineligible to partici-
2 pate in a program under this title.”; and

3 (B) in paragraph (7)(A), by adding at the
4 end the following new clause:

5 “(iii) SUMMARY OF DEFAULT PRE-
6 VENTION PLAN.—Upon receiving technical
7 assistance from the Secretary under clause
8 (ii), each institution subject to this sub-
9 paragraph shall—

10 “(I) prepare a summary of the
11 plan described under clause (i) that is
12 directed to a student audience;

13 “(II) make the summary publicly
14 available; and

15 “(III) provide the summary to
16 students at the institution.”; and

17 (2) in subsection (m)(3), by striking “through
18 the use of” and all that follows through the period
19 at the end and inserting “through default manipula-
20 tion”.

1 **SEC. 9. ELIMINATION OF ORINATION FEES AND OTHER**
2 **AMENDMENTS TO TERMS AND CONDITIONS**
3 **OF LOANS.**

4 (a) AMENDMENTS.—Section 455(h) of the Higher
5 Education Act of 1965 (20 U.S.C. 1087e(h)) is amended
6 to read as follows:

7 “(h) BORROWER CLAIMS AND DEFENSES.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of State or Federal law, a borrower, re-
10 gardless of the account status of the borrower’s loan,
11 may assert as an affirmative claim or defense
12 against repayment, any act or omission of an insti-
13 tution of higher education attended by the borrower
14 that would give rise to a cause of action against the
15 institution under this Act, other Federal law, or ap-
16 plicable State law, except that in no event may a
17 borrower recover from the Secretary, in any action
18 arising from or relating to a loan made under this
19 part, an amount in excess of the amount such bor-
20 rower has repaid on such loan.

21 “(2) EXERCISE BY SECRETARY.—The Secretary
22 may elect to carry out the authority under this sub-
23 section on behalf of a group of multiple borrowers
24 if the Secretary determines that the group has been
25 harmed by the same act, omission, or practice.”

1 **SEC. 10. IMPROVED STUDENT LOAN SERVICING AND DEBT**
2 **COLLECTION PRACTICES.**

3 Section 456 of the Higher Education Act of 1965 (20
4 U.S.C. 1087f) is amended by adding at the end the fol-
5 lowing new subsection:

6 “(c) NO PREDISPUTE ARBITRATION CLAUSES.—A
7 contract entered into under this section for the servicing
8 of loans made or purchased under this part shall include
9 a provision that any rights and remedies available to bor-
10 rowers against the servicer may not be waived by any
11 agreement, policy, or form, including by a predispute arbi-
12 tration agreement.”.

13 **SEC. 11. IMPROVED DISCLOSURES, COUNSELING, AND FI-**
14 **NANCIAL ASSISTANCE INFORMATION FOR**
15 **STUDENTS.**

16 Section 485(l) of the Higher Education Act of 1965
17 (20 U.S.C. 1092(l)) is amended—

18 (1) by striking paragraph (1) and inserting the
19 following new paragraph:

20 “(1) DISCLOSURE REQUIRED PRIOR TO SIGNING
21 MASTER PROMISSORY NOTE.—Each eligible institu-
22 tion shall, prior to obtaining or arranging execution
23 of a master promissory note for a loan under part
24 D (other than a Federal Direct Consolidation Loan)
25 by a first-time borrower at such institution, ensure
26 that the borrower receives comprehensive informa-

1 tion on the terms and conditions of the loan and of
2 the responsibilities the borrower has with respect to
3 such loan in accordance with paragraph (2). Such
4 information—

5 “(A) shall be provided through the use of
6 interactive programs that include mechanisms
7 to check the borrower’s comprehension of the
8 terms and conditions of the borrower’s loans
9 under part D, using simple and understandable
10 language and clear formatting; and

11 “(B) shall be provided—

12 “(i) during an entrance counseling
13 session conducted in person; or

14 “(ii) online.”; and

15 (2) in paragraph (2), by adding at the end the
16 following new subparagraph:

17 “(L) Information relating to the institu-
18 tion’s cohort default rate, including—

19 “(i) the cohort default rate, as defined
20 in section 435(m), of the institution;

21 “(ii) an easy to understand expla-
22 nation of the cohort default rate;

23 “(iii) the percentage of students at
24 the institution of higher education who

1 borrow Federal student loans under this
2 title;

3 “(iv) the national average cohort de-
4 fault rate (as determined by the Secretary
5 in accordance with section 435(m));

6 “(v) in the case of an institution with
7 a cohort default rate that is greater than
8 the national average cohort default rate (as
9 described in clause (iv)), a disclosure to the
10 student that the institution’s cohort de-
11 fault rate is above the national average;
12 and

13 “(vi) in the case of an institution with
14 a cohort default rate that is greater than
15 30 percent, a disclosure to the students
16 that if the cohort default rate remains
17 greater than 30 percent for the 3 consecu-
18 tive years—

19 “(I) the institution will lose insti-
20 tutional eligibility for the purposes of
21 programs authorized under this title;
22 and

23 “(II) the student will no longer
24 be able to receive Federal financial aid
25 at that institution.”.

1 **SEC. 12. PROGRAM PARTICIPATION AGREEMENTS.**

2 (a) SENSE OF CONGRESS REGARDING INCENTIVE
3 COMPENSATION.—It is the sense of Congress that—

4 (1) incentive compensation is an inappropriate
5 mechanism in the delivery of higher education for in-
6 stitutions of higher education wishing to participate
7 in programs under title IV of the Higher Education
8 Act of 1965 (20 U.S.C. 1001 et seq.); and

9 (2) the ban on incentive compensation under
10 section 487(a)(20) of the Higher Education Act of
11 1965 (20 U.S.C. 1094(a)(20)), as amended by sub-
12 section (b), is intended to preclude its use by institu-
13 tions wishing to participate in such programs, at any
14 point in the recruitment, enrollment, education, or
15 employment placement of students.

16 (b) AMENDMENTS.—Section 487 of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1094) is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (19), by inserting “hous-
20 ing facilities,” after “libraries,”;

21 (B) by striking paragraph (20) and insert-
22 ing the following:

23 “(20)(A) The institution or any third party act-
24 ing on the institution’s behalf, including an institu-
25 tion affiliate or service provider to the institution,
26 will not provide any commission, bonus, or other in-

1 centive payment to any person or entity at any
2 phase of the academic process based directly or indi-
3 rectly on success in—

4 “(i) securing enrollments or securing or award-
5 ing financial aid;

6 “(ii) performance in educational coursework;

7 “(iii) graduation;

8 “(iv) job placement; or

9 “(v) any other academic facet of a student’s en-
10 rollment in an institution of higher education.

11 “(B) The requirements of subparagraph (A) shall not
12 apply to the recruitment of foreign students residing in
13 foreign countries who are not eligible to receive Federal
14 student assistance.”; and

15 (C) by adding at the end the following new
16 paragraphs:

17 “(30)(A) The institution—

18 “(i) shall not include a predispute arbitra-
19 tion agreement in any contract with a student
20 or prospective student for enrollment at the in-
21 stitution; and

22 “(ii) shall agree that, in any case where a
23 contract for enrollment at the institution en-
24 tered into by a student before the date of enact-
25 ment of the Protections and Regulation for Our

1 Students Act included a predispute arbitration
2 agreement, such agreement shall be invalid and
3 unenforceable by the institution.

4 “(B) In this paragraph, the term ‘predispute
5 arbitration agreement’ means any agreement to arbi-
6 trate a dispute that had not yet arisen at the time
7 of the making of the agreement.

8 “(31)(A) If the institution has a student default
9 risk for a fiscal year, as calculated by the Secretary,
10 of 0.1 or greater, the institution will, for such
11 year—

12 “(i) provide an individual accepted for en-
13 rollment at the institution with a waiting pe-
14 riod, beginning on the date that the individual
15 receives notification of the acceptance and last-
16 ing for not less than 2 weeks, before the indi-
17 vidual is required to enroll in the institution,
18 pay tuition charges, or sign a master promis-
19 sory note for a loan under this title, in order to
20 give the individual time to consider, and com-
21 pare among postsecondary options, program
22 costs at the institution and employment pros-
23 pects upon completion of a program of study;

24 “(ii) ensure that the receipt of financial
25 aid, incentives, or other benefits is not made

1 contingent on an individual confirming enroll-
2 ment before the end of the individual’s waiting
3 period;

4 “(iii) inform the individual, in writing and
5 in a manner determined by the Secretary at the
6 time of the acceptance notification, of—

7 “(I) the individual’s right to the 2-
8 week waiting period under clause (i) begin-
9 ning on the date that the individual re-
10 ceives notification of the acceptance; and

11 “(II) the reason why the institution is
12 required to provide such waiting period;

13 “(iv) notify an individual accepted for en-
14 rollment at the institution of all financial aid
15 determinations by not less than 1 week before
16 the enrollment confirmation deadline, if all re-
17 quested application forms are received from the
18 individual on time; and

19 “(v) disclose to an individual accepted for
20 enrollment, in a manner determined by the Sec-
21 retary, that the individual may file a complaint
22 through the complaint tracking system estab-
23 lished under section 161 if the individual be-
24 lieves that the institution has violated any pro-
25 vision of this paragraph.

1 “(B) If an institution described in subpara-
2 graph (A) fails to meet the requirements of this
3 paragraph, the institution shall be subject to a civil
4 penalty in accordance with section 489A.

5 “(C) Notwithstanding subparagraph (A), the
6 Secretary may, after providing notice and an oppor-
7 tunity to comment, elect to replace the use of the
8 student default risk percentage threshold established
9 under subparagraph (A) with a loan repayment rate
10 threshold calculated in accordance with section
11 483D(b).”; and

12 (2) in subsection (c)(1)(A)(i), by striking
13 “available” and inserting “made publicly available
14 and provided”.

15 **SEC. 13. IMPROVED DISCLOSURES, COUNSELING, AND FI-**
16 **NANCIAL ASSISTANCE INFORMATION FOR**
17 **STUDENTS.**

18 Section 485 of the Higher Education Act of 1965 (20
19 U.S.C. 1092) is amended by adding at the end the fol-
20 lowing new subsection:

21 “(n) **REPORTS RELATING TO CLINICAL TRAINING**
22 **PROGRAMS.—**

23 “(1) **REPORT ON CLINICAL TRAINING PROGRAM**
24 **AGREEMENTS.—**

1 “(A) IN GENERAL.—Beginning in the year
2 in which the Protections and Regulation for
3 Our Students Act is enacted, an eligible institu-
4 tion that participates in any program under this
5 title shall prepare and submit a report to the
6 Secretary containing the information described
7 in subparagraph (C), for every year in which
8 the eligible institution has an agreement with a
9 hospital or health facility, through which—

10 “(i) the eligible institution agrees to
11 provide funding or other benefits to the
12 hospital or health facility; and

13 “(ii) that hospital or health facility
14 provides opportunities for students at the
15 institution to participate in a clinical train-
16 ing program.

17 “(B) TIMING.—Following the year in
18 which the Protections and Regulation for Our
19 Students Act is enacted, the report described in
20 this paragraph shall be submitted not more
21 than 30 days after the end of any year for
22 which a report is required to comply with sub-
23 paragraph (A).

1 “(C) CONTENTS OF REPORT.—The report
2 described in this paragraph shall include the
3 following:

4 “(i) The amount of any payments
5 from the institution of higher education to
6 a hospital or health facility during the pe-
7 riod covered by the report, and the precise
8 terms of any agreement under which such
9 amounts are determined.

10 “(ii) Any conditions associated with
11 the transfer of money or the provision of
12 clinical training program opportunities
13 that are part of the agreement described in
14 subparagraph (A).

15 “(iii) Any memorandum of under-
16 standing between the institution of higher
17 education, or an alumni association or
18 foundation affiliated with or related to
19 such institution, and a hospital or health
20 facility, that directly or indirectly relates to
21 any aspect of any agreement referred to in
22 subparagraph (A) or controls or directs
23 any obligations or distribution of benefits
24 between or among any such entities.

1 “(iv) For each hospital or health facil-
2 ity that has an agreement described in
3 subparagraph (A) with the institution, the
4 number of clinical training positions at the
5 hospital or health facility that are reserved
6 for students at that institution.

7 “(2) REPORT ON CHARITABLE DONATIONS.—

8 “(A) IN GENERAL.—Beginning in the year
9 in which the Protections and Regulation for
10 Our Students Act is enacted, and annually
11 thereafter, an eligible institution shall prepare
12 and submit to the Secretary a report containing
13 the information described in subparagraph (C)
14 if—

15 “(i) the eligible institution made a
16 charitable donation to a hospital or health
17 facility in any of the previous 3 years; and

18 “(ii) the number of students from the
19 eligible institution who participate in any
20 clinical training program at the hospital or
21 health facility where such a donation was
22 made increases by more than 5 students or
23 10 percent, whichever is less, as compared
24 to the number of such students who par-
25 ticipated in a clinical training program at

1 that hospital or health facility during the
2 first year in the previous 3-year period.

3 “(B) TIMING.—Following the year in
4 which the Protections and Regulation for Our
5 Students Act is enacted, the report described in
6 subparagraph (A) shall be submitted not more
7 than 30 days after the end of any year for
8 which a report is required to comply with sub-
9 paragraph (A).

10 “(C) CONTENTS OF REPORT.—The report
11 described in this paragraph shall include the
12 following:

13 “(i) The amount of each charitable
14 donation that was made in the previous 3-
15 year period by the eligible institution to a
16 hospital or health facility.

17 “(ii) The number of students from the
18 eligible institution who participate in any
19 clinical training program at the hospital or
20 health facility where each such donation
21 was made—

22 “(I) during the year in which the
23 report is submitted; and

1 “(II) during the first year in the
2 previous 3-year period covered by the
3 report.

4 “(3) AGGREGATION BY INSTITUTION.—The in-
5 formation required to be reported in this subsection
6 shall include, and shall be aggregated with respect
7 to, each institution of higher education and each
8 alumni association or foundation affiliated with or
9 related to such institution. For any year in which an
10 institution is required to submit a report described
11 under paragraph (1) and a report described under
12 paragraph (2), the institution may submit a single
13 report for that year containing all of the information
14 required under paragraphs (1) and (2).

15 “(4) REPORT TO CONGRESS.—The Secretary, in
16 conjunction with the Secretary of Health and
17 Human Services, shall submit to Congress, and
18 make available to the public, an annual report that
19 lists the reports submitted to the Secretary by each
20 institution of higher education in accordance with
21 this subsection.

22 “(5) PUBLIC DISCLOSURE.—Each eligible insti-
23 tution described in paragraph (1) or (2) of this sub-
24 section shall make readily available the reports de-
25 scribed in such paragraph (as applicable), through

1 appropriate publications, mailings, and electronic
2 media to the general public.

3 “(6) DEFINITIONS.—In this subsection:

4 “(A) CLINICAL TRAINING PROGRAM.—The
5 term ‘clinical training program’ means any pro-
6 gram at, or associated or affiliated with, a hos-
7 pital or health facility (or any of a hospital’s af-
8 filiates or health facility’s affiliates), the com-
9 pletion of which fulfills a requirement that is
10 necessary to receive a license, certificate, spe-
11 cialized accreditation, or other academically re-
12 lated pre-condition necessary under Federal or
13 State law for a health profession.

14 “(B) HEALTH FACILITY.—The term
15 ‘health facility’ has the meaning given that
16 term in section 804(d).

17 “(C) HOSPITAL.—The term ‘hospital’ has
18 the meaning given that term in section 1861 of
19 the Social Security Act (42 U.S.C. 1395x).”.

20 **SEC. 14. CIVIL PENALTIES.**

21 Part G of title IV of the Higher Education Act of
22 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
23 after section 489 the following new section:

1 **“SEC. 489A. CIVIL PENALTIES AND OTHER REMEDIES.**

2 “(a) SANCTIONS FOR SUBSTANTIAL MISREPRESENTATIONS OR SERIOUS VIOLATIONS.—

3
4 “(1) CIVIL PENALTIES.—The Secretary may
5 impose a civil penalty upon an eligible institution
6 upon making a determination, after reasonable notice and opportunity for a hearing, that an eligible
7 institution has engaged in a substantial misrepresentation or other serious violation.

8
9
10 “(2) AMOUNT OF CIVIL PENALTIES.—A civil
11 penalty imposed for a violation under subparagraph
12 (A) shall be not less than \$100,000 or—

13 “(A) in the case of a first violation, an
14 amount equal to the product of \$1,000,000
15 multiplied by the institution’s student default
16 risk, whichever is larger;

17 “(B) in the case of a second violation, an
18 amount equal to the product of \$2,000,000
19 multiplied by the institution’s student default
20 risk, whichever is larger; and

21 “(C) in the case of a third or subsequent
22 violation, an amount equal to the product of
23 \$3,000,000 multiplied by the institution’s student
24 default risk, whichever is larger.

25 “(3) TREATMENT OF MULTIPLE INSTITUTIONS.—For the purpose of determining the number
26

1 of violations for subparagraph (B), any violation by
2 a particular institution will accrue against all identi-
3 fication codes used by the Office of Postsecondary
4 Education to designate campuses and institutions
5 affiliated with the institution, and within the period
6 of participation for the institution, as defined in sec-
7 tion 668.13(b) of title 34, Code of Federal Regula-
8 tions, or any successor regulation.

9 “(b) SANCTIONS FOR OTHER VIOLATIONS OF THIS
10 TITLE.—Upon determination, after reasonable notice and
11 opportunity for a hearing, that an eligible institution has
12 engaged in a violation of any other provision of this title,
13 including the failure to carry out any provision of this
14 title, that is not a significant misrepresentation or other
15 serious violation, the Secretary may impose a civil penalty
16 upon such institution of not more than \$100,000 (subject
17 to such adjustments for inflation as the Secretary may
18 prescribe by regulation) for each such violation.

19 “(c) CIVIL PENALTIES AND SANCTIONS FOR OFFI-
20 CERS OF INSTITUTIONS.—Upon determination, after rea-
21 sonable notice and an opportunity for a hearing on the
22 record, that an officer of an institution of higher education
23 that participates in a program under this title has know-
24 ingly and willfully, or with gross negligence, violated a pro-

1 vision of this title, the Secretary may sanction the officer.

2 Such sanctions may include the following:

3 “(1) Prohibiting the institution of higher edu-
4 cation that has employed the officer of an institution
5 of higher education and that participates in a pro-
6 gram under this title, or any other institution of
7 higher education that participates in a program
8 under this title, from employing the officer, except
9 that any such prohibition under this subsection shall
10 not be for a period of more than 5 years from the
11 date of the determination of the violation.

12 “(2) Assessing a civil penalty against an officer
13 of an institution of higher education who has know-
14 ingly and willfully, or with gross negligence, violated
15 a provision of this title, except that any such civil
16 penalty under this subsection shall not be greater
17 than the amount of the officer’s compensation for
18 each year for which the violations are determined to
19 have occurred. For purposes of this subparagraph,
20 an officer’s compensation shall include proceeds of
21 any sales of stock and any incentive-based com-
22 pensation (including stock options awarded as com-
23 pensation) based on information required to be re-
24 ported to the Secretary or any other Federal agency

1 during the period in which the violations are deter-
2 mined to have occurred.

3 “(d) LIMITATION, SUSPENSION, OR TERMINATION OF
4 ELIGIBILITY STATUS.—

5 “(1) IN GENERAL.—Upon determination, after
6 reasonable notice and opportunity for a hearing, that
7 an eligible institution has engaged in a violation of
8 any provision of this title (including the failure to
9 carry out any provision of this title or any regulation
10 prescribed under such provision) or a violation of
11 any applicable special arrangement, agreement, or
12 limitation, the Secretary may limit, suspend, or ter-
13minate the participation in any program under this
14title of an eligible institution, subject to the require-
15ments of paragraph (2).

16 “(2) SUSPENSION PROCEDURES.—No period of
17 suspension under this section shall exceed 60 days
18 unless the institution and the Secretary agree to an
19 extension or unless limitation or termination pro-
20ceedings are initiated by the Secretary within that
21 period of time.

22 “(e) EMERGENCY ACTION.—

23 “(1) IN GENERAL.—The Secretary may take an
24 emergency action against an institution, under which
25 the Secretary shall, effective on the date on which a

1 notice and statement of the basis of the action is
2 mailed to the institution (by registered mail, return
3 receipt requested), withhold funds from the institu-
4 tion or its students and withdraw the institution's
5 authority to obligate funds under any program
6 under this title, if the Secretary—

7 “(A) receives information, determined by
8 the Secretary to be reliable, that the institution
9 is violating any provision of this title, any regula-
10 tion prescribed under this title, or any appli-
11 cable special arrangement, agreement, or limita-
12 tion;

13 “(B) determines that immediate action is
14 necessary to prevent misuse of Federal funds;
15 and

16 “(C) determines that the likelihood of loss
17 outweighs the importance of the procedures pre-
18 scribed in subsection (e) for limitation, suspen-
19 sion, or termination.

20 “(2) TIME LIMITATION.—An emergency action
21 described in paragraph (1) shall not exceed 30 days
22 unless limitation, suspension, or termination pro-
23 ceedings are initiated by the Secretary against the
24 institution within that period of time.

1 “(3) OPPORTUNITY TO SHOW CAUSE.—The Sec-
2 retary shall provide an institution that is the subject
3 of an emergency action under this subsection an op-
4 portunity to show cause, if the institution so re-
5 quests, that the emergency action is unwarranted
6 and should be lifted.

7 “(f) LIFTING OF SANCTIONS.—Notwithstanding any
8 other provision of this title, an institution of higher edu-
9 cation that has been sanctioned by the Secretary under
10 this section or any other provision of this title may not
11 have such sanctions lifted until the Secretary has con-
12 ducted a subsequent program review under section 498A
13 and has found the institution to be in compliance with this
14 title.

15 “(g) SINGLE COURSE OF CONDUCT; COMPROMISE
16 AUTHORITY AND COLLECTION OF PENALTY.—

17 “(1) SAME COURSE OF CONDUCT.—For pur-
18 poses of this section, acts and omissions relating to
19 a single course of conduct shall be treated as a sin-
20 gle violation.

21 “(2) COMPROMISE AUTHORITY.—Any civil pen-
22 alty under this section may be compromised (but not
23 eliminated) by the Secretary. In determining the
24 amount of such penalty, or the amount agreed upon
25 in compromise, the Secretary shall consider—

1 “(A) the appropriateness of the penalty to
2 the size of the institution of higher education
3 subject to the determination; and

4 “(B) the gravity of the violation, failure, or
5 misrepresentation.

6 “(h) COLLECTION OF PENALTY.—The amount of any
7 penalty under this section may be deducted from any sums
8 owing by the United States to the institution charged.

9 “(i) DISPOSITION OF AMOUNTS RECOVERED.—

10 “(1) IN GENERAL.—Amounts collected under
11 this section shall be transferred to the Secretary,
12 who shall determine the distribution of collected
13 amounts, in accordance with paragraphs (2) and (3).

14 “(2) USE FOR PROGRAM INTEGRITY EFFORTS
15 AND PROGRAM REVIEWS.—

16 “(A) IN GENERAL.—For each fiscal year,
17 an amount equal to not more than 50 percent
18 of the amounts recovered or collected under this
19 section—

20 “(i) shall be available to the Secretary
21 to carry out program reviews under section
22 498A and other efforts by the Secretary
23 related to program integrity under part H;
24 and

1 “(ii) may be credited, if applicable, for
2 that purpose by the Secretary to any ap-
3 propriations and funds that are available
4 to the Secretary for obligation at the time
5 of collection.

6 “(B) SUPPLEMENT NOT SUPPLANT.—
7 Amounts made available under subparagraph
8 (A) shall be used to supplement and not sup-
9 plant any other amounts available to the Sec-
10 retary for the purpose described in such sub-
11 paragraph.

12 “(C) AVAILABILITY FOR FUNDS.—Any
13 amounts collected under this section that are
14 made available under paragraph (2) shall re-
15 main available until expended.

16 “(3) USE FOR STUDENT RELIEF FUND.—For
17 each fiscal year, an amount equal to not less than
18 50 percent of the amounts recovered or collected
19 under this section shall be deposited into the Stu-
20 dent Relief Fund established under subsection (k).

21 “(4) REPORT.—The Secretary shall regularly
22 publish, on the website of the Department, a de-
23 tailed description that includes—

24 “(A) the amount of funds that were dis-
25 tributed for the purposes described in para-

1 graph (2) and the amount used for the Student
2 Relief Fund under paragraph (3); and

3 “(B) how funds were distributed among
4 the purposes described in paragraph (2)(A)(i).

5 “(j) STUDENT RELIEF FUND.—

6 “(1) ESTABLISHMENT.—The Secretary shall es-
7 tablish a Student Relief Fund (referred to in this
8 subsection as the ‘Fund’) that shall be used, subject
9 to the availability of funds, to provide financial relief
10 to any student enrolled in an institution of higher
11 education that—

12 “(A) has failed to comply with an eligi-
13 bility requirement under section 101 or 102 or
14 an obligation incurred under the terms of the
15 program participation agreement under section
16 487; or

17 “(B) has been sanctioned under subsection
18 (b) or (c).

19 “(2) DETERMINATION OF RELIEF.—The Sec-
20 retary, in consultation with Director of the Bureau
21 of Consumer Financial Protection—

22 “(A) shall determine the manner of relief
23 to be provided under paragraph (1), which may
24 include tuition reimbursement, full or partial
25 loan forgiveness, or loan reinstatement; and

1 “(B) may issue regulations regarding how
2 the amounts in the Fund will be distributed
3 among students eligible for the funds.

4 “(3) TREATMENT AND AVAILABILITY OF
5 FUNDS.—

6 “(A) FUNDS THAT ARE NOT GOVERNMENT
7 FUNDS.—Funds obtained by or transferred to
8 the Fund shall not be construed to be Govern-
9 ment funds or appropriated monies.

10 “(B) AMOUNTS NOT SUBJECT TO APPOR-
11 TIONMENT.—Notwithstanding any other provi-
12 sion of law, amounts in the Fund shall not be
13 subject to apportionment for purposes of chap-
14 ter 15 of title 31, United States Code, or under
15 any other authority.

16 “(C) NO FISCAL YEAR LIMITATION.—Sums
17 deposited in the Fund shall remain in the Fund
18 and be available for expenditure under this
19 chapter without fiscal year limitation.

20 “(4) INVESTMENTS.—

21 “(A) AMOUNTS IN FUND MAY BE IN-
22 VESTED.—The Secretary of Education may re-
23 quest the Secretary of the Treasury to invest
24 the portion of the Fund that is not, in the dis-

1 cretion of the Secretary of Education, required
2 to meet the current needs of the Fund.

3 “(B) ELIGIBLE INVESTMENTS.—Invest-
4 ments shall be made by the Secretary of the
5 Treasury in obligations of the United States or
6 obligations that are guaranteed as to principal
7 and interest by the United States, with matu-
8 rities suitable to the needs of the Fund as de-
9 termined by the Secretary on the record.

10 “(C) INTEREST AND PROCEEDS CRED-
11 ITED.—The interest on, and the proceeds from
12 the sale or redemption of, any obligations held
13 in the Fund shall be credited to the Fund.

14 “(5) REGULATIONS.—The Secretary shall pre-
15 scribe regulations to implement the requirements of
16 this section within 1 year after the date of enact-
17 ment of the PRO Students Act.

18 “(6) AUTHORIZATION OF APPROPRIATIONS.—In
19 addition to funds derived from financial penalties as-
20 sessed pursuant to subsection (j), there are author-
21 ized to be appropriated such sums as may be nec-
22 essary to carry out this subsection.

23 “(k) STATE ENFORCEMENT.—

24 “(1) IN GENERAL.—Any violation of subsection
25 (b), including the regulations promulgated under

1 such subsection, shall be a cause of action enforce-
2 able by the State, through the attorney general (or
3 the equivalent thereof) of the State, in any district
4 court of the United States in that State or in a
5 State court that is located in that State and that
6 has jurisdiction over the defendant. The State may
7 seek any relief provided under paragraph (4)(B) for
8 such violation, or any remedies otherwise provided
9 under law.

10 “(2) NOTICE REQUIRED.—

11 “(A) IN GENERAL.—Before initiating any
12 action in a court or other administrative or reg-
13 ulatory proceeding against any institution of
14 higher education as authorized by paragraph
15 (1) to enforce any provision of this subsection,
16 including any regulation promulgated by the
17 Secretary under this subsection, a State attor-
18 ney general shall timely provide a copy of the
19 complete complaint to be filed and written no-
20 tice describing such action or proceeding to the
21 Secretary, except as provided in subparagraph
22 (B).

23 “(B) EMERGENCY ACTION.—If prior notice
24 of the initiation of an action or administrative
25 or regulatory proceeding required under sub-

1 paragraph (A) is not practicable, the State at-
2 torney general shall provide a copy of the com-
3 plete complaint and the notice to the Secretary
4 immediately upon instituting the action or pro-
5 ceeding.

6 “(C) CONTENTS OF NOTICE.—The notifi-
7 cation required under this subparagraph shall
8 include—

9 “(i) the identity of the parties;

10 “(ii) the alleged facts underlying the
11 proceeding; and

12 “(iii) whether there may be a need to
13 coordinate the prosecution of the pro-
14 ceeding so as not to interfere with any ac-
15 tion, including any rulemaking, undertaken
16 by the Secretary or another Federal agen-
17 cy.

18 “(3) REGULATIONS.—The Secretary shall pre-
19 scribe regulations to implement the requirements of
20 this subsection and periodically provide guidance to
21 further coordinate actions with the State attorneys
22 general.

23 “(4) PRESERVATION OF STATE AUTHORITY.—

24 “(A) STATE CLAIMS.—Nothing in this sub-
25 section shall be construed as altering, limiting,

1 or affecting the authority of a State attorney
2 general or any other regulatory or enforcement
3 agency or authority to bring an action or other
4 regulatory proceeding arising solely under the
5 law in effect in that State.

6 “(B) RELIEF.—

7 “(i) IN GENERAL.—Relief under this
8 subsection may include, without limita-
9 tion—

10 “(I) rescission or reformation of
11 contracts;

12 “(II) refund of moneys or return
13 of real property;

14 “(III) restitution;

15 “(IV) disgorgement or compensa-
16 tion for unjust enrichment;

17 “(V) payment of damages or
18 other monetary relief pursuant to the
19 requirements of paragraph (2);

20 “(VI) public notification regard-
21 ing the violation, including the costs
22 of notification; and

23 “(VII) limits on the activities or
24 functions of the person.

1 “(ii) EXCLUSION.—Relief under this
2 subsection shall not include the ability to
3 suspend or terminate the eligibility status
4 of an institution of higher education for
5 programs under this title.

6 “(1) DEFINITIONS.—In this section:

7 “(1) OFFICER OF AN INSTITUTION OF HIGHER
8 EDUCATION.—The term ‘officer of an institution of
9 higher education’ includes the president, chief execu-
10 tive officer, and chief financial officer of an institu-
11 tion of higher education or their equivalents.

12 “(2) SUBSTANTIAL MISREPRESENTATION OR
13 OTHER SERIOUS VIOLATION.—The term ‘substantial
14 misrepresentation or other serious violation’ means
15 any of the following:

16 “(A) A substantial misrepresentation re-
17 garding—

18 “(i) the nature of the educational pro-
19 gram of an institution of higher education;

20 “(ii) the financial charges of the insti-
21 tution;

22 “(iii) the space availability in a pro-
23 gram of the institution for which a student
24 is considering enrollment;

1 “(iv) the admission requirements of
2 the institution;

3 “(v) the transferability of credits from
4 the institution;

5 “(vi) whether a program of the insti-
6 tution meets the necessary standards to
7 qualify students to sit for licensing exami-
8 nations, or obtain certification required as
9 a precondition for employment, in the
10 State in which the students reside;

11 “(vii) the passage rates of students at
12 the institution in obtaining certification re-
13 quirements;

14 “(viii) the passage rates of students
15 who sit for licensing examinations; or

16 “(ix) the employability of the grad-
17 uates of the institution.

18 “(B) Failure of an institution subject to
19 the requirements of section 487(a)(32) to com-
20 ply with such section.

21 “(C) A knowing and willful misuse of Fed-
22 eral student aid from any source.

23 “(D) A violation of section 487(a)(20).

1 “(E) A violation of the default manipula-
2 tion regulations promulgated by the Secretary
3 under section 435(m)(3).

4 “(F) Failure to comply with the program
5 review process described in section 498A, in-
6 cluding any disclosure requirement described in
7 paragraph (2)(C) or (5) of section 498A(b).

8 “(G) A violation of the program integrity
9 regulations promulgated by the Secretary under
10 this Act.

11 “(H) A violation of this Act that the Sec-
12 retary has determined, by regulation, to be a
13 serious violation for purposes of this section.”.

14 **SEC. 15. REQUIREMENTS FOR ACCREDITING AGENCIES OR**
15 **ASSOCIATIONS.**

16 Section 496(a) of the Higher Education Act of 1965
17 (20 U.S.C. 1099b(a)) is amended—

18 (1) in paragraph (7), by striking “and” after
19 the semicolon;

20 (2) in paragraph (8), by striking the period and
21 inserting “; and” ; and

22 (3) by adding at the end the following new
23 paragraph:

24 “(9) such agency or association does not re-
25 quire any institution to enter into predispute arbi-

1 tration agreements with the students of the institu-
2 tion.”.

3 **SEC. 16. PROGRAM REVIEW AND DATA.**

4 Section 498A of the Higher Education Act of 1965
5 (20 U.S.C. 1099c-1) is amended to read as follows:

6 **“SEC. 498A. PROGRAM REVIEW AND DATA.**

7 “(a) PROGRAM REVIEWS FOR INSTITUTIONS PAR-
8 TICIPATING UNDER TITLE IV.—

9 “(1) IN GENERAL.—The Secretary—

10 “(A) may conduct program reviews, includ-
11 ing on-site visits, of each institution of higher
12 education participating in a program authorized
13 under this title; and

14 “(B) shall conduct a program review under
15 this subsection of each institution of higher
16 education that poses a significant risk of failure
17 to comply with this title, as described in para-
18 graphs (2) and (3).

19 “(2) MANDATORY REVIEWS.—

20 “(A) IN GENERAL.—The Secretary shall,
21 on an annual basis, conduct program reviews of
22 each institution of higher education partici-
23 pating in a program authorized under this title
24 that meets one or more of the following criteria:

25 “(i) The Secretary determines that—

1 “(I) more than 15 percent of the
2 students enrolled at the institution
3 have received a Federal Direct Unsub-
4 subsidized Stafford Loan during the pre-
5 vious year; and

6 “(II) the institution has a cohort
7 default rate, as defined in section
8 435(m), that is more than 20 percent.

9 “(ii) The Secretary determines that—

10 “(I) the institution has a cohort
11 default rate, as defined in section
12 435(m), that exceeds the national av-
13 erage, as determined by the Secretary
14 in accordance with such section; and

15 “(II) the institution has an ag-
16 gregate amount of defaulted loans, as
17 determined by the Secretary, that
18 places the institution in the highest 1
19 percent of institutions participating in
20 programs authorized under this title
21 in terms of the aggregate amount of
22 defaulted loans.

23 “(iii) In the case of proprietary insti-
24 tutions of higher education, the institution
25 received more than 80 percent of the insti-

1 tution’s revenues from Federal funds as
2 defined in section 166(2), during the 2
3 most recent years for which data is avail-
4 able.

5 “(iv) The institution is among the top
6 1 percent of institutions participating in
7 programs authorized under this title in
8 terms of numbers or rates of complaints
9 related to Federal student financial aid,
10 educational practices and services, or re-
11 cruiting and marketing practices, as re-
12 ported in the complaint tracking system
13 established under section 161.

14 “(v) As of the date of the determina-
15 tion, the institution is among the top 1
16 percent of institutions in terms of low
17 graduation rates, as determined by the
18 Secretary, of all institutions participating
19 in programs authorized under this title.

20 “(vi) The institution spends more
21 than 20 percent of the institution’s reve-
22 nues on recruiting and marketing activities
23 and executive compensation.

1 “(vii) In the fiscal year immediately
2 following the most recent cohort default
3 rate period—

4 “(I) the institution’s loan de-
5 faults increased by 50 percent or
6 more as compared to the preceding
7 period; and

8 “(II) more than 50 percent of
9 the students attending the institution
10 received loans under this title.

11 “(viii) The institution, or an executive
12 of the institution, has publicly acknowl-
13 edged or disclosed that the institution—

14 “(I) is in violation or noncompli-
15 ance with any provision of law admin-
16 istered by a relevant Federal agency
17 or relevant State entity or agency; or

18 “(II) is being investigated re-
19 garding a potential violation of such
20 provision of law.

21 “(ix) The institution—

22 “(I) is a proprietary institution
23 of higher education that has acquired
24 a nonprofit institution of higher edu-
25 cation at any point during the 1-year

1 period preceding the date of the deter-
2 mination; or

3 “(II) was a proprietary institu-
4 tion of higher education and has be-
5 come a nonprofit institution of higher
6 education at any time during the 1-
7 year period preceding the date of the
8 determination.

9 “(B) PUBLICATION OF INSTITUTIONS RE-
10 VIEWED.—The Secretary shall—

11 “(i) post, on a publicly available
12 website, the name of each institution of
13 higher education that is reviewed under
14 subparagraph (A);

15 “(ii) indicate, on such website, with
16 respect to each such institution, which of
17 the mandatory review criteria, as described
18 in subparagraph (A), such institution met;
19 and

20 “(iii) indicate on the College Navi-
21 gator website of the Department, or any
22 successor website, the name of each insti-
23 tution of higher education that is reviewed
24 under subparagraph (A).

1 “(C) INSTITUTIONAL DISCLOSURE OF RE-
2 VIEW.—Each institution of higher education
3 that is reviewed under subparagraph (A)
4 shall—

5 “(i) post on the home page of the in-
6 stitution’s website that the institution will
7 be subject to a mandatory program review
8 and why the institution is being reviewed
9 and shall maintain such posting and expla-
10 nation for 1 year or until the Secretary has
11 issued its final program review report
12 under subsection (c)(5)(C), whichever oc-
13 curs sooner;

14 “(ii) provide a clear, conspicuous dis-
15 closure of the information described in
16 clause (i) to students who inquire about
17 admission to the institution or submit an
18 application for admission to the institution
19 prior to the student signing an enrollment
20 agreement with the institution, for 1 year
21 or until the Secretary has issued the final
22 program review report under subsection
23 (c)(6)(C), whichever occurs sooner; and

24 “(iii) include the information de-
25 scribed in clause (i) on materials of accept-

1 ance or admission submitted to each stu-
2 dent before the student enrolls in the insti-
3 tution, for 1 year or until the Secretary
4 has issued the final program review report
5 under subsection (c)(6)(C), whichever oc-
6 curs sooner.

7 “(3) RISK-BASED REVIEWS.—

8 “(A) IN GENERAL.—The Secretary shall
9 use a risk-based approach to select, on an an-
10 nual basis not less than 2 percent of institu-
11 tions of higher education participating in a pro-
12 gram authorized under this title that are not
13 reviewed under paragraph (2), for a program
14 review. Such approach shall prioritize program
15 reviews of institutions that—

16 “(i) have received large increases in
17 funding under this title during the 5-year
18 period preceding the date of the determina-
19 tion;

20 “(ii) have a large proportion of overall
21 revenue from Federal funds, as defined in
22 section 166(2);

23 “(iii) have a significant fluctuation in
24 Federal Direct Stafford Loan volume, Fed-
25 eral Pell Grant award volume, or any com-

1 bination thereof, in the year for which the
2 selection is made, compared to the year
3 prior to such year, that is not accounted
4 for by changes in the Federal Direct Staf-
5 ford Loan program, the Federal Pell Grant
6 program, or any combination thereof;

7 “(iv) have experienced sharp increases
8 in enrollment in absolute numbers or rate
9 of growth;

10 “(v) have high rates of defaults, rel-
11 ative to all other institutions of higher edu-
12 cation participating in a program author-
13 ized under this title, for loans issued under
14 this title over the lifetime of the loans;

15 “(vi) have a large aggregate dollar
16 amount of loans under this title in default,
17 or a high cohort default rate as described
18 in section 435(m);

19 “(vii) have a high student default
20 risk, as compared to the student default
21 risk for all institutions participating in a
22 program under this title;

23 “(viii) have a high proportion or high
24 rate of complaints related to Federal stu-
25 dent financial aid, educational practices

1 and services, or recruiting and marketing
2 practices, as reported in the complaint
3 tracking system established under section
4 161;

5 “(ix) have extremely low graduation
6 rates, as determined by the Secretary;

7 “(x) are in poor financial health ac-
8 cording to financial responsibility stand-
9 ards described in section 498(c);

10 “(xi) are spending a large percentage
11 of the institution’s revenues on recruiting
12 and marketing activities and executive
13 compensation;

14 “(xii) in the case of proprietary insti-
15 tutions of higher education, have large
16 profit margins and profit growth;

17 “(xiii) have been put on notice, warn-
18 ing, or probation by, or is subject to a
19 show cause order from, a nationally recog-
20 nized accrediting agency or association
21 that is recognized by the Secretary pursu-
22 ant to part H of title IV;

23 “(xiv) has been found to have compli-
24 ance problems under this title, or is at sig-
25 nificant risk of failing to comply with ap-

1 applicable Federal or State laws, by a relevant
2 relevant Federal agency or a relevant State
3 entity or agency, including the Comptroller
4 General of the United States;

5 “(xv) has had a large amount of funds
6 returned under section 484B; or

7 “(xvi) in the case of proprietary insti-
8 tutions of higher education, have experi-
9 enced a change in ownership or control of
10 the institution, including a buyout.

11 “(B) CRITERIA FOR RISK-BASED RE-
12 VIEWS.—The Secretary shall publish, and up-
13 date as necessary, the specific criteria that the
14 Secretary will use to determine which institu-
15 tions of higher education are selected for risk-
16 based reviews under subparagraph (A).

17 “(4) PUBLIC DISCLOSURE OF VIOLATIONS.—

18 The Secretary shall—

19 “(A) post on the College Navigator
20 website, or any successor website, of the De-
21 partment, the name of each institution of high-
22 er education that is found to have violated a
23 provision of this title knowingly and willfully or
24 with gross negligence;

1 “(B) indicate on such website, with respect
2 to each such institution, which of the provisions
3 of this title the institution violated; and

4 “(C) maintain such posting until the date
5 the institution of higher education rectifies the
6 violation or the date that is 1 year after the
7 date the Secretary issues the final program re-
8 view report under subsection (e)(6)(C) with re-
9 spect to such institution, whichever date is
10 later.

11 “(5) INSTITUTIONAL DISCLOSURE OF VIOLA-
12 TIONS.—Each institution of higher education that is
13 found to have violated a provision of this title know-
14 ingly and willfully or with gross negligence shall—

15 “(A) not later than 15 days after the date
16 of issuance of the final program review report
17 containing the finding, post on the home page
18 of the institution’s website that the institution
19 has been found to have violated a provision of
20 this title knowingly and willfully or with gross
21 negligence, including the provision the institu-
22 tion was found to have violated;

23 “(B) maintain such posting until the date
24 the institution rectifies the violation or the date
25 that is 1 year after the date the Secretary

1 issues the final program review report under
2 subsection (c)(6)(C) with respect to such insti-
3 tution, whichever date is later; and

4 “(C) include the information described in
5 subparagraph (A) on materials of acceptance or
6 admission submitted to each student before the
7 student enrolls in the institution until the date
8 the institution rectifies the violation or the date
9 that is 1 year after the date the Secretary
10 issues the final program review report under
11 subsection (c)(6)(C) with respect to such insti-
12 tution, whichever date is later.

13 “(b) CHARACTERISTICS OF PROGRAM REVIEWS.—

14 “(1) NOTICE.—The Secretary may give not
15 more than 72 hours notice to an institution of high-
16 er education that will undergo a program review
17 pursuant to subsection (b) of such review.

18 “(2) SHARING OF INFORMATION.—The Sec-
19 retary shall share all final program review deter-
20 minations conducted under this section with relevant
21 Federal agencies and relevant State entities or agen-
22 cies, and appropriate accrediting agencies and asso-
23 ciations, to enable such agencies, entities, and asso-
24 ciations to determine the eligibility of institutions for
25 funds or accreditation.

1 “(3) INTERACTION WITH OTHER FEDERAL
2 AGENCIES AND LAWS.—To the extent practicable,
3 the Secretary shall coordinate program reviews con-
4 ducted under this section with other reviews and au-
5 dits conducted by the Department, and with relevant
6 Federal agencies and relevant State entities or agen-
7 cies.

8 “(4) VIOLATIONS DISCOVERED THROUGH PRO-
9 GRAM REVIEW.—

10 “(A) VIOLATIONS OF THIS TITLE.—If, in
11 the course of conducting a program review, the
12 Secretary obtains evidence that any institution
13 of higher education or person has engaged in
14 conduct that may constitute a violation of this
15 title, including a failure to fully comply with the
16 program review process and reporting require-
17 ments under this section, the Secretary may
18 sanction such institution or person, pursuant to
19 section 489A.

20 “(B) VIOLATIONS OF OTHER FEDERAL
21 LAWS.—If, in the course of conducting a pro-
22 gram review, the Secretary obtains evidence
23 that any institution of higher education or per-
24 son has engaged in conduct that may constitute
25 a violation of Federal law, the Secretary shall

1 transmit such evidence to the Attorney General
2 of the United States, the Director of the Bu-
3 reau of Consumer Financial Protection, the
4 Commissioner of the Federal Trade Commis-
5 sion, or the head of any other appropriate Fed-
6 eral agency who may institute proceedings
7 under appropriate law.

8 “(C) RULE OF CONSTRUCTION.—Nothing
9 in this paragraph shall be constructed to affect
10 any other authority of the Secretary to disclose
11 information.

12 “(5) CONDUCT OF REVIEWS.—When conducting
13 program reviews under this section, the Secretary
14 shall assess the institution of higher education’s
15 compliance with the provisions of this title. Each
16 program review shall include, at a minimum, the fol-
17 lowing:

18 “(A) With regard to the institutional infor-
19 mation, the Secretary shall assess financial ca-
20 pability, administrative capability, and program
21 integrity, including whether the institution—

22 “(i) knowingly and willfully misused
23 Federal student aid from any source;

24 “(ii) violated section 487(a)(20);

1 “(iii) engaged in any substantial mis-
2 representation or other serious violation, as
3 defined in section 489A; or

4 “(iv) violated the program integrity
5 regulations promulgated by the Secretary
6 under this Act.

7 “(B) With regard to student information,
8 the Secretary shall examine—

9 “(i) graduation rates compared with
10 all other institutions participating in a pro-
11 gram authorized under this title;

12 “(ii) student complaints, including
13 interviews with current and former stu-
14 dents, faculty and staff, and accrediting
15 agencies; and

16 “(iii) information from the complaint
17 data system established under section 161.

18 “(6) ADMINISTRATIVE PROCESS.—

19 “(A) TRAINING.—The Secretary shall pro-
20 vide training, including investigative training, to
21 personnel of the Department designed to im-
22 prove the quality of financial and compliance
23 audits and program reviews conducted under
24 this section, including instruction about appro-
25 priately and effectively conducting such audits

1 and reviews for institutions of higher education
2 from different sectors of higher education.

3 “(B) CARRYING OUT PROGRAM RE-
4 VIEWS.—In carrying out program reviews under
5 this section, the Secretary shall—

6 “(i) establish guidelines designed to
7 ensure uniformity of practice in the con-
8 duct of such reviews;

9 “(ii) make available to each institu-
10 tion of higher education participating in a
11 program authorized under this title com-
12 plete copies of all review guidelines and
13 procedures used in program reviews, except
14 that internal training materials for Depart-
15 ment staff related to identifying instances
16 of fraud, misrepresentation, or intentional
17 noncompliance shall not be disclosed;

18 “(iii) permit an institution of higher
19 education to correct or cure an administra-
20 tive, accounting, or recordkeeping error
21 within 90 days of the issuance of the final
22 program review report, if the error is not
23 part of a pattern of error and there is no
24 evidence of fraud or misconduct related to
25 the error;

1 “(iv) without sharing personally iden-
2 tifiable information and in accordance with
3 section 444 of the General Education Pro-
4 visions Act (20 U.S.C. 1232g, commonly
5 known as the ‘Family Educational Rights
6 and Privacy Act of 1974’), inform the rel-
7 evant Federal agencies and relevant State
8 entities or agencies, and accrediting agency
9 or association, whenever the Secretary
10 finds a violation of this title or sanctions
11 an institution of higher education under
12 section 432, 489A, or 498; and

13 “(v) provide to an institution of high-
14 er education 90 calendar days to review
15 and respond to any program review report
16 and relevant materials related to the report
17 before any final program review report is
18 issued.

19 “(C) FINAL PROGRAM REVIEW DETER-
20 MINATION.—

21 “(i) IN GENERAL.—Not later than
22 180 calendar days after issuing a program
23 review report under this section, the Sec-
24 retary shall review and consider an institu-
25 tion of higher education’s response, and

1 issue a final program review determination
2 or audit determination. The final deter-
3 mination shall include—

4 “(I) a written statement address-
5 ing the institution of higher edu-
6 cation’s response;

7 “(II) a written statement of the
8 basis for such determination; and

9 “(III) a copy of the institution’s
10 response.

11 “(ii) CONFIDENTIALITY.—The Sec-
12 retary shall maintain and preserve at all
13 times the confidentiality of any program
14 review report until a final program review
15 determination is issued, other than to in-
16 form the relevant Federal agencies and rel-
17 evant State entities or agencies, and ac-
18 crediting agency or association, as required
19 under this section.

20 “(D) REPORTS DISCLOSED TO THE INSTI-
21 TUTION.—The Secretary shall promptly disclose
22 each program review report and each final pro-
23 gram review determination to the institution of
24 higher education under review.

1 “(E) REMOVAL OF PERSONALLY IDENTIFI-
2 ABLE INFORMATION.—Any personally identifi-
3 able information from the education records of
4 students shall be removed from any program re-
5 view report or final program review determina-
6 tion before the report is shared with any rel-
7 evant Federal agency, State entity or agency, or
8 accrediting agency or association.

9 “(7) FOLLOW-UP REVIEWS AFTER VIOLA-
10 TIONS.—The Secretary shall conduct follow-up re-
11 views of each institution of higher education that
12 has been found in violation of a provision of this
13 title not later than 1 year after the date of such
14 finding. Such follow-up reviews may only assess
15 whether the institution of higher education has cor-
16 rected violations found in a previous program review
17 or final program review determination.

18 “(c) DEFINITIONS.—In this section:

19 “(1) EXECUTIVE COMPENSATION.—The term
20 ‘executive compensation’, when used with respect to
21 an institution of higher education, means the wages,
22 salary, fees, commissions, fringe benefits, deferred
23 compensation, retirement contributions, options, bo-
24 nuses, property, and any other form of remuneration
25 that the Secretary determines is appropriate, given

1 to the 5 percent of employees at the institution who
2 are the highest compensated.

3 “(2) RELEVANT FEDERAL AGENCY.—The term
4 ‘relevant Federal agency’ means—

5 “(A) the Department of Education;

6 “(B) the Department of Veterans Affairs;

7 “(C) the Department of Defense;

8 “(D) the Bureau of Consumer Financial
9 Protection;

10 “(E) the Federal Trade Commission; or

11 “(F) any other Federal agency that pro-
12 vides Federal student assistance or that the
13 Secretary determines appropriate.

14 “(3) RELEVANT STATE ENTITY OR AGENCY.—
15 The term ‘relevant State entity or agency’ means—

16 “(A) an appropriate State licensing or au-
17 thorizing agency;

18 “(B) the attorney general (or the equiva-
19 lent thereof) of the State; or

20 “(C) any other State entity or agency that
21 the Secretary determines appropriate.”.

22 **SEC. 17. CONSUMER PROTECTIONS FOR STUDENTS.**

23 (a) DEFINITIONS.—In this section:

24 (1) FEDERAL FINANCIAL ASSISTANCE PRO-
25 GRAM.—The term “Federal financial assistance pro-

1 gram” means a program that provides Federal edu-
2 cation assistance funds, as described in section 103
3 of the Higher Education Act of 1965 (20 U.S.C.
4 1003), to any postsecondary educational institution.

5 (2) POSTSECONDARY EDUCATIONAL INSTITU-
6 TION.—The term “postsecondary educational institu-
7 tion” means an educational institution that awards
8 a degree or certificate and is located in any State
9 and includes—

10 (A) an institution of higher education, as
11 defined in section 102 of the Higher Education
12 Act of 1965 (20 U.S.C. 1002);

13 (B) a postsecondary educational institu-
14 tion, as defined in section 203 of the Adult
15 Education and Family Literacy Act (20 U.S.C.
16 9202); and

17 (C) an educational institution, as defined
18 under section 3452 of title 38, United States
19 Code.

20 (3) STATE.—

21 (A) STATE.—The term “State” includes,
22 in addition to the several States of the United
23 States, the Commonwealth of Puerto Rico, the
24 District of Columbia, Guam, American Samoa,
25 the United States Virgin Islands, the Common-

1 wealth of the Northern Mariana Islands, and
2 the freely associated States.

3 (B) FREELY ASSOCIATED STATES.—The
4 term “freely associated States” means the Re-
5 public of the Marshall Islands, the Federated
6 States of Micronesia, and the Republic of
7 Palau.

8 (b) CONSUMER PROTECTIONS.—Notwithstanding
9 any other provision of law, a postsecondary educational
10 institution is not eligible to participate in a Federal finan-
11 cial assistance program with respect to any program of
12 postsecondary education or training, including a degree or
13 certificate program, that is designed to prepare students
14 for entry into a recognized occupation or profession that
15 requires licensing or other established requirements as a
16 pre-condition for entry into such occupation or profession,
17 unless—

18 (1) the successful completion of the program
19 fully qualifies a student, in the Metropolitan Statis-
20 tical Area in which the student resides, to—

21 (A) take any examination required for
22 entry into the recognized occupation or profes-
23 sion in the Metropolitan Statistical Area in
24 which the student resides, including satisfying
25 all State or professionally mandated pro-

1 grammatic and specialized accreditation re-
2 quirements, if any; and

3 (B) be certified or licensed or meet any
4 other academically related pre-conditions that
5 are required for entry into the recognized occu-
6 pation or profession in the Metropolitan Statis-
7 tical Area in which the student resides; and

8 (2) the institution offering the program pro-
9 vides timely placement for all of the academically re-
10 lated pre-licensure requirements for entry into the
11 recognized occupation or profession in the Metropoli-
12 tan Statistical Area in which the student resides,
13 such as clinical placements, internships, or appren-
14 ticeships.

15 (c) EFFECTIVE DATE.—This section shall take effect
16 on the date that is 180 days after the date of the enact-
17 ment of this Act.

○