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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success.

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IN THE HOUSE OF REPRESENTATIVES

Ms. FOXX (for herself and Mr. GUTHRIE) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success.

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 “Promoting Real Opportunity, Success, and Prosperity  
6 through Education Reform Act” or the “PROSPER 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. References.
- Sec. 3. General effective date.

## TITLE I—GENERAL PROVISIONS

### PART A—DEFINITIONS

- Sec. 101. Definition of institution of higher education.
- Sec. 102. Institutions outside the United States.
- Sec. 103. Additional definitions.
- Sec. 104. Regulatory relief.

### PART B—ADDITIONAL GENERAL PROVISIONS

- Sec. 111. Free speech protections.
- Sec. 112. National Advisory Committee on Institutional Quality and Integrity.
- Sec. 113. Repeal of certain reporting requirements.
- Sec. 114. Programs on drug and alcohol abuse prevention.
- Sec. 115. Campus access for religious groups.
- Sec. 116. Secretarial prohibitions.
- Sec. 117. Ensuring equal treatment by governmental entities.

### PART C—COST OF HIGHER EDUCATION

- Sec. 121. College Dashboard website.
- Sec. 122. Net price calculators.
- Sec. 123. Text book information.

### PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

- Sec. 131. Performance-based organization for the delivery of Federal student financial assistance.
- Sec. 132. Administrative data transparency.

### PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

- Sec. 141. Modification of preferred lender arrangements.

### PART F—ADDRESSING SEXUAL ASSAULT

- Sec. 151. Addressing sexual assault.

## TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

- Sec. 201. Repeal.
- Sec. 202. Grants for access to high-demand careers.

## TITLE III—INSTITUTIONAL AID

- Sec. 301. Strengthening institutions.
- Sec. 302. Strengthening historically Black colleges and universities.
- Sec. 303. Historically Black college and university capital financing.
- Sec. 304. Minority Science and Engineering Improvement Program.
- Sec. 305. Strengthening historically Black colleges and universities and other minority-serving institutions.
- Sec. 306. General provisions.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF  
HIGHER EDUCATION

- Sec. 401. Federal Pell Grants.
- Sec. 402. Federal TRIO programs.
- Sec. 403. Gaining early awareness and readiness for undergraduate programs.
- Sec. 404. Special programs for students whose families are engaged in migrant and seasonal farmwork.
- Sec. 405. Child care access means parents in school.
- Sec. 406. Repeals.
- Sec. 407. Sunset of TEACH grants.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Federal Direct Consolidation Loans.
- Sec. 422. Loan rehabilitation.
- Sec. 423. Loan forgiveness for teachers.
- Sec. 424. Loan forgiveness for service in areas of national need.
- Sec. 425. Loan repayment for civil legal assistance attorneys.
- Sec. 426. Sunset of cohort default rate and other conforming changes.
- Sec. 427. Closed school and other discharges.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Purpose; authorization of appropriations.
- Sec. 442. Allocation formula.
- Sec. 443. Grants for Federal work-study programs.
- Sec. 444. Flexible use of funds.
- Sec. 445. Job location and development programs.
- Sec. 446. Community service.
- Sec. 447. Work colleges.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

- Sec. 451. Termination of Federal Direct Loan Program under part D and other conforming amendments.
- Sec. 452. Borrower defenses.
- Sec. 453. Administrative expenses.
- Sec. 454. Loan cancellation for teachers.

PART E—FEDERAL ONE LOANS

- Sec. 461. Wind-down of Federal Perkins Loan Program.
- Sec. 462. Federal ONE Loan program.

PART F—NEED ANALYSIS

- Sec. 471. Cost of attendance.
- Sec. 472. Simplified needs test.
- Sec. 473. Discretion of student financial aid administrators.
- Sec. 474. Definitions of total income and assets.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

- Sec. 481. Definitions of academic year and eligible program.
- Sec. 482. Programmatic loan repayment rates.

- Sec. 483. Master calendar.
- Sec. 484. FAFSA Simplification.
- Sec. 485. Student eligibility.
- Sec. 486. Statute of limitations.
- Sec. 487. Institutional refunds.
- Sec. 488. Information disseminated to prospective and enrolled students.
- Sec. 489. Early awareness of financial aid eligibility.
- Sec. 490. Distance education demonstration programs.
- Sec. 491. Contents of program participation agreements.
- Sec. 492. Regulatory relief and improvement.
- Sec. 493. Transfer of allotments.
- Sec. 494. Administrative expenses.
- Sec. 494A. Repeal of advisory committee.
- Sec. 494B. Regional meetings and negotiated rulemaking.
- Sec. 494C. Deferral of loan repayment following active duty.
- Sec. 494D. Contracts; matching program.

#### PART H—PROGRAM INTEGRITY

- Sec. 495. Repeal of and prohibition on State authorization regulations.
- Sec. 496. Recognition of accrediting agency or association.
- Sec. 497. Eligibility and certification procedures.

#### TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Hispanic-serving institutions.
- Sec. 502. Promoting postbaccalaureate opportunities for Hispanic Americans.
- Sec. 503. General provisions.

#### TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. International and foreign language studies.
- Sec. 602. Business and international education programs.
- Sec. 603. Repeal of assistance program for Institute for International Public Policy.
- Sec. 604. General provisions.

#### TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

- Sec. 701. Graduate education programs.
- Sec. 702. Repeal of Fund for the Improvement of Postsecondary Education.
- Sec. 703. Programs for students with disabilities.
- Sec. 704. Repeal of college access challenge grant program.

#### TITLE VIII—OTHER REPEALS

- Sec. 801. Repeal of additional programs.

#### TITLE IX—AMENDMENTS TO OTHER LAWS

##### PART A—EDUCATION OF THE DEAF ACT OF 1986

- Sec. 901. Education of the Deaf Act of 1986.

##### PART B—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978; DINE' COLLEGE ACT

Sec. 911. Tribally Controlled Colleges and Universities Assistance Act of 1978.  
Sec. 912. Dine' College Act.

1 **SEC. 2. REFERENCES.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Higher Education Act of  
7 1965 (20 U.S.C. 1001 et seq.).

8 **SEC. 3. GENERAL EFFECTIVE DATE.**

9 Except as otherwise provided in this Act or the  
10 amendments made by this Act, this Act and the amend-  
11 ments made by this Act shall take effect on the date of  
12 enactment of this Act.

13 **TITLE I—GENERAL PROVISIONS**

14 **PART A—DEFINITIONS**

15 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**  
16 **CATION.**

17 Part A of title I (20 U.S.C. 1001 et seq.) is amended  
18 by striking section 101 (20 U.S.C. 1001) and inserting  
19 the following:

20 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**  
21 **CATION.**

22 **“(a) INSTITUTION OF HIGHER EDUCATION.—For**  
23 **purposes of this Act, the term ‘institution of higher edu-**

1 cation' means an educational institution in any State  
2 that—

3           “(1) admits as regular students only persons  
4 who—

5                   “(A) have a certificate of graduation from  
6 a school providing secondary education, or the  
7 recognized equivalent of such a certificate, or  
8 who meet the requirements of section 484(d);

9                   “(B) are beyond the age of compulsory  
10 school attendance in the State in which the in-  
11 stitution is located; or

12                   “(C) will be dually or concurrently enrolled  
13 in the institution and a secondary school;

14           “(2) is legally authorized by the State in which  
15 it maintains a physical location to provide a program  
16 of education beyond secondary education;

17                   “(3)(A) is accredited by a nationally recognized  
18 accrediting agency or association; or

19                   “(B) if not so accredited, is an institution that  
20 has been granted preaccreditation status by such an  
21 agency or association that has been recognized by  
22 the Secretary for the granting of preaccreditation  
23 status, and the Secretary has determined that there  
24 is satisfactory assurance that the institution will

1 meet the accreditation standards of such an agency  
2 or association within a reasonable time; and

3 “(4) provides—

4 “(A) an educational program for which the  
5 institution awards a bachelor’s degree, graduate  
6 degree, or professional degree;

7 “(B) not less than a 2-year educational  
8 program which is acceptable for full credit to-  
9 wards a bachelor’s degree; or

10 “(C) a non-degree program leading to a  
11 recognized educational credential that meets the  
12 definition of an eligible program under section  
13 481(b).

14 “(b) ADDITIONAL LIMITATIONS.—

15 “(1) PROPRIETARY INSTITUTIONS OF HIGHER  
16 EDUCATION.—

17 “(A) LENGTH OF EXISTENCE.—A propri-  
18 etary institution shall not be considered an in-  
19 stitution of higher education unless such insti-  
20 tution has been in existence for at least 2 years.

21 “(B) INSTITUTIONAL INELIGIBILITY FOR  
22 MINORITY SERVING INSTITUTION PROGRAMS.—  
23 A proprietary institution shall not be considered  
24 an institution of higher education for the pur-  
25 poses of any program under title III or V.

1           “(2) POSTSECONDARY VOCATIONAL INSTITU-  
2           TIONS.—A nonprofit or public institution that offers  
3           only non-degree programs described in subsection  
4           (a)(4)(C) shall not be considered an institution of  
5           higher education unless such institution has been in  
6           existence for at least 2 years.

7           “(3) LIMITATIONS BASED ON MANAGEMENT.—  
8           An institution shall not be considered an institution  
9           of higher education if—

10                   “(A) the institution, or an affiliate of the  
11                   institution that has the power, by contract or  
12                   ownership interest, to direct or cause the direc-  
13                   tion of the management or policies of the insti-  
14                   tution, has filed for bankruptcy; or

15                   “(B) the institution, the institution’s  
16                   owner, or the institution’s chief executive officer  
17                   has been convicted of, or has pled nolo  
18                   contendere or guilty to, a crime involving the  
19                   acquisition, use, or expenditure of Federal  
20                   funds, or has been judicially determined to have  
21                   committed a crime involving the acquisition,  
22                   use, or expenditure involving Federal funds.

23           “(4) LIMITATION ON COURSE OF STUDY OR EN-  
24           ROLLMENT.—An institution shall not be considered



1 an institution of higher education if such institu-  
2 tion—

3 “(A) offers more than 50 percent of such  
4 institution’s courses by correspondence edu-  
5 cation, unless the institution is an institution  
6 that meets the definition in section 3(3)(C) of  
7 the Carl D. Perkins Career and Technical Edu-  
8 cation Act of 2006;

9 “(B) enrolls 50 percent or more of the in-  
10 stitution’s students in correspondence education  
11 courses, unless the institution is an institution  
12 that meets the definition in section 3(3)(C) of  
13 such Act, except that the Secretary, at the re-  
14 quest of the institution, may waive the applica-  
15 bility of this subparagraph to the institution for  
16 good cause, as determined by the Secretary in  
17 the case of an institution of higher education  
18 that provides a 2- or 4-year program of instruc-  
19 tion (or both) for which the institution awards  
20 an associate or baccalaureate degree, respec-  
21 tively;

22 “(C) has a student enrollment in which  
23 more than 25 percent of the students are incar-  
24 cerated, except that the Secretary may waive  
25 the limitation contained in this subparagraph

1 for an institution that provides a 2- or 4-year  
2 program of instruction (or both) for which the  
3 institution awards an associate's degree or a  
4 postsecondary certificate, or a bachelor's de-  
5 gree, respectively; or

6 “(D) has a student enrollment in which  
7 more than 50 percent of the students either do  
8 not have a secondary school diploma or its rec-  
9 ognized equivalent, or do not meet the require-  
10 ments of section 484(d), and does not provide  
11 a 2- or 4-year program of instruction (or both)  
12 for which the institution awards an associate's  
13 degree or a bachelor's degree, respectively, ex-  
14 cept that the Secretary may waive the limita-  
15 tion contained in this subparagraph if an insti-  
16 tution demonstrates to the satisfaction of the  
17 Secretary that the institution exceeds such limi-  
18 tation because the institution serves, through  
19 contracts with Federal, State, or local govern-  
20 ment agencies, significant numbers of students  
21 who do not have a secondary school diploma or  
22 its recognized equivalent or do not meet the re-  
23 quirements of section 484(d).

24 “(e) LIST OF ACCREDITING AGENCIES.—For pur-  
25 poses of this section, the Secretary shall publish a list of

1 nationally recognized accrediting agencies or associations  
2 that the Secretary determines, pursuant to subpart 2 of  
3 part H of title IV, to be reliable authority as to the quality  
4 of the education offered.

5 “(d) CERTIFICATION.—The Secretary shall certify,  
6 for the purposes of participation in title IV, an institu-  
7 tion’s qualification as an institution of higher education  
8 in accordance with the requirements of subpart 3 of part  
9 H of title IV.

10 “(e) LOSS OF ELIGIBILITY.—An institution of higher  
11 education shall not be considered to meet the definition  
12 of an institution of higher education for the purposes of  
13 participation in title IV if such institution is removed from  
14 eligibility for funds under title IV as a result of an action  
15 pursuant to part H of title IV.

16 “(f) RULE OF CONSTRUCTION.—Nothing in sub-  
17 section (a)(2) relating to State authorization shall be con-  
18 strued to—

19 “(1) impede or preempt State laws, regulations,  
20 or requirements on how States authorize out-of-state  
21 institutions of higher education; or

22 “(2) limit, impede, or preclude a State’s ability  
23 to collaborate or participate in a reciprocity agree-  
24 ment to permit an institution within such State to

1 meet any other State’s authorization requirements  
2 for out-of-state institutions.”.

3 **SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.**

4 Part A of title I (20 U.S.C. 1001 et seq.) is further  
5 amended by striking section 102 (20 U.S.C. 1002) and  
6 inserting the following:

7 **“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.**

8 “(a) INSTITUTIONS OUTSIDE THE UNITED  
9 STATES.—

10 “(1) IN GENERAL.—Only for purposes of part  
11 D or E of title IV, the term ‘institution of higher  
12 education’ includes an institution outside the United  
13 States (referred to in this part as a ‘foreign institu-  
14 tion’) that is comparable to an institution of higher  
15 education as defined in section 101 and has been ap-  
16 proved by the Secretary for purposes of part D or  
17 E of title IV, consistent with the requirements of  
18 section 452(d).

19 “(2) QUALIFICATIONS.—Only for the purposes  
20 of students receiving aid under title IV, an institu-  
21 tion of higher education may not qualify as a foreign  
22 institution under paragraph (1), unless such institu-  
23 tion—

24 “(A) is legally authorized to provide an  
25 educational program beyond secondary edu-

1 cation by the education ministry (or comparable  
2 agency) of the country in which the institution  
3 is located;

4 “(B) is not located in a State;

5 “(C) except as provided with respect to  
6 clinical training offered by the institution under  
7 600.55(h)(1), section 600.56(b), or section  
8 600.57(a)(2) of title 34, Code of Federal Regu-  
9 lations (as in effect pursuant to subsection  
10 (b))—

11 “(i) does not offer any portion of an  
12 educational program in the United States  
13 to students who are citizens of the United  
14 States;

15 “(ii) has no written arrangements  
16 with an institution or organization located  
17 in the United States under which students  
18 enrolling at the foreign institution would  
19 take courses from an institution located in  
20 the United States; and

21 “(iii) does not allow students to enroll  
22 in any course offered by the foreign insti-  
23 tution in the United States, including re-  
24 search, work, internship, externship, or  
25 special studies within the United States,

1           except that independent research done by  
2           an individual student in the United States  
3           for not more than one academic year is  
4           permitted, if the research is conducted dur-  
5           ing the dissertation phase of a doctoral  
6           program under the guidance of faculty and  
7           the research is performed at a facility in  
8           the United States;

9           “(D) awards degrees, certificates, or other  
10          recognized educational credentials in accordance  
11          with section 600.54(e) of title 34, Code of Fed-  
12          eral Regulations (as in effect pursuant to sub-  
13          section (b)) that are officially recognized by the  
14          country in which the institution is located; and

15          “(E) meets the applicable requirements of  
16          subsection (b).

17          “(3) INSTITUTIONS WITH LOCATIONS IN AND OUT-  
18          SIDE THE UNITED STATES.—In a case of an institution  
19          of higher education consisting of two or more locations  
20          offering all or part of an educational program that are  
21          directly or indirectly under common ownership and that  
22          enrolls students both within a State and outside the  
23          United States, and the number of students who would be  
24          eligible to receive funds under title IV attending locations

1 of such institution outside the United States, is at least  
2 twice the number of students enrolled within a State—

3 “(A) the locations outside the United States shall  
4 apply to participate as one or more foreign institutions  
5 and shall meet the requirements of paragraph (1) of this  
6 definition, and the other requirements of this part; and

7 “(B) the locations within a State shall be treated as  
8 an institution of higher education under section 101.

9 “(b) TREATMENT OF CERTAIN REGULATIONS.—

10 “(1) FORCE AND EFFECT.—

11 “(A) IN GENERAL.—The provisions of title  
12 34, Code of Federal Regulations, referred to in  
13 subparagraph (B), as such provisions were in  
14 effect on the day before the date of the enact-  
15 ment of the PROSPER Act, shall have the  
16 force and effect of enacted law until changed by  
17 such law and are deemed to be incorporated in  
18 this subsection as though set forth fully in this  
19 subsection.

20 “(B) APPLICABLE PROVISIONS.—The pro-  
21 visions of title 34, Code of Federal Regulations,  
22 referred to in this subparagraph are the fol-  
23 lowing:

24 “(i) Subject to paragraph (2)(A), sec-  
25 tion 600.41(e)(3).

1                   “(ii) Subject to paragraph (2)(B), sec-  
2                   tion 600.52.

3                   “(iii) Subject to paragraph (2)(C),  
4                   section 600.54, except that paragraph (1)  
5                   of subsection (a) of such section shall have  
6                   no force or effect.

7                   “(iv) Subject to subparagraphs (D)  
8                   and (E) of paragraph (2), section 600.55,  
9                   except that paragraph (4) of subsection (f)  
10                  of such section shall have no force or ef-  
11                  fect.

12                  “(v) Section 600.56.

13                  “(vi) Subject to paragraph (2)(F),  
14                  section 600.57.

15                  “(vii) Subject to subparagraphs (G)  
16                  and (H) of paragraph (2), section  
17                  668.23(h), except that clause (iii) of para-  
18                  graph (1) of such section shall have no  
19                  force or effect.

20                  “(viii) Section 668.5.

21                  “(C) APPLICATION TO FEDERAL ONE  
22                  LOANS.—With respect to the provisions of title  
23                  34, Code of Federal Regulations, referred to  
24                  subparagraph (B), as modified by paragraph  
25                  (2) any reference to a loan made under part D



1 of title IV shall also be treated as a reference  
2 to a loan made under part E of title IV.

3 “(2) MODIFICATIONS.—The following shall  
4 apply to the provisions of title 34, Code of Federal  
5 Regulations, referred to in paragraph (1)(B):

6 “(A) Notwithstanding section 600.41(e)(3)  
7 of title 34, Code of Federal Regulations (as in  
8 effect pursuant to paragraph (1)), if the basis  
9 for the loss of eligibility of a foreign graduate  
10 medical school to participate in programs under  
11 title IV is one or more annual pass rates on the  
12 United States Medical Licensing Examination  
13 below the threshold required in subparagraph  
14 (D) the sole issue is whether the aggregate pass  
15 rate for the preceding calendar year fell below  
16 that threshold. For purposes of the preceding  
17 sentence, in the case of a foreign graduate med-  
18 ical school that opted to have the Educational  
19 Commission for Foreign Medical Graduates cal-  
20 culate and provide the pass rates directly to the  
21 Secretary for the preceding calendar year as  
22 permitted under section 600.55(d)(2) of title  
23 34, Code of Federal Regulations (as in effect  
24 pursuant to paragraph (1)), in lieu of the for-  
25 eign graduate medical school providing pass

1 rate data to the Secretary under section  
2 600.55(d)(1)(iii) of title 34, Code of Federal  
3 Regulations (as in effect pursuant to paragraph  
4 (1)), the Educational Commission for Foreign  
5 Medical Graduates' calculations of the school's  
6 rates are conclusive; and the presiding official  
7 has no authority to consider challenges to the  
8 computation of the rate or rates by the Edu-  
9 cational Commission for Foreign Medical Grad-  
10 uates.

11 “(B) Notwithstanding section 600.52 of  
12 title 34, Code of Federal Regulations (as in ef-  
13 fect pursuant to paragraph (1)), in this Act, the  
14 term ‘foreign institution’ means an institution  
15 described in subsection (a).

16 “(C) Notwithstanding section 600.54(e) of  
17 title 34, Code of Federal Regulations (as in ef-  
18 fect pursuant to paragraph (1)), to be eligible  
19 to participate in programs under title IV, for-  
20 eign institution may not enter into a written ar-  
21 rangement under which an institution or orga-  
22 nizations that is not eligible to participate in  
23 programs under title IV provides more than 25  
24 percent of the program of study for one or more  
25 of the eligible foreign institution's programs.

1                   “(D)           Notwithstanding           section  
2                   600.55(f)(1)(ii) of title 34, Code of Federal  
3                   Regulations (as in effect pursuant to paragraph  
4                   (1)), for a foreign graduate medical school out-  
5                   side of Canada, for Step 1, Step 2–CS, and  
6                   Step 2–CK, or the successor examinations, of  
7                   the United States Medical Licensing Examina-  
8                   tion administered by the Educational Commis-  
9                   sion for Foreign Medical Graduate, at least 75  
10                  percent of the school’s students and graduates  
11                  who receive or have received title IV funds in  
12                  order to attend that school, and who completed  
13                  the final of these three steps of the examination  
14                  in the year preceding the year for which any of  
15                  the school’s students seeks a loan under title IV  
16                  shall have received an aggregate passing score  
17                  on the exam as a whole; or except as provided  
18                  in section 600.55(f)(2) of title 34, Code of Fed-  
19                  eral Regulations (as in effect pursuant to para-  
20                  graph (1)), for no more than two consecutive  
21                  years, at least 70 percent of the individuals who  
22                  were students or graduates of the graduate  
23                  medical school outside the United States or  
24                  Canada (who receive or have received title IV  
25                  funds in order to attend that school) taking the

1 United States Medical Licensing Examination  
2 exams in the year preceding the year for which  
3 any of the school's students seeks a loan under  
4 title IV shall have received an aggregate pass-  
5 ing score on the exam as a whole.

6 “(E) Notwithstanding 600.55(h)(2) of title  
7 34, Code of Federal Regulations (as in effect  
8 pursuant to paragraph (1)), not more than 25  
9 percent of the graduate medical educational  
10 program offered to United States students,  
11 other than the clinical training portion of the  
12 program, may be located outside of the country  
13 in which the main campus of the foreign grad-  
14 uate medical school is located.

15 “(F) Notwithstanding section 600.57(a)(5)  
16 of title 34, Code of Federal Regulations (as in  
17 effect pursuant to paragraph (1)), a nursing  
18 school shall reimburse the Secretary for the  
19 cost of any loan defaults for current and former  
20 students during the previous fiscal year.

21 “(G) Notwithstanding section  
22 668.23(h)(1)(ii), of title 34, Code of Federal  
23 Regulations (as in effect pursuant to paragraph  
24 (1)), a foreign institution that received  
25 \$500,000 or more in funds under title IV dur-

1           ing its most recently completed fiscal year shall  
2           submit, in English, for each most recently com-  
3           pleted fiscal year in which it received such  
4           funds, audited financial statements prepared in  
5           accordance with generally accepted accounting  
6           principles of the institution’s home country pro-  
7           vided that such accounting principles are com-  
8           parable to the International Financial Report-  
9           ing Standards.

10           “(H)           Notwithstanding           section  
11           668.23(h)(1)(ii), of title 34, Code of Federal  
12           Regulations (as in effect pursuant to paragraph  
13           (1)), only in a case in which the accounting  
14           principles of an institution’s home country are  
15           not comparable to International Financial Re-  
16           porting Standards shall the institution be re-  
17           quired to submit corresponding audited finan-  
18           cial statements that meet the requirements of  
19           section 668.23(d) of title 34, Code of Federal  
20           Regulations (as in effect pursuant to paragraph  
21           (1)).

22           “(c) SPECIAL RULES.—

23           “(1) IN GENERAL.—A foreign graduate medical  
24           school at which student test passage rates are below  
25           the minimum requirements set forth in subsection

1 (b)(2)(D) for each of the two most recent calendar  
2 years for which data are available shall not be eligi-  
3 ble to participate in programs under part D or E of  
4 title IV in the fiscal year subsequent to that con-  
5 secutive two year period and such institution shall  
6 regain eligibility to participate in programs under  
7 such part only after demonstrating compliance with  
8 requirements under section 600.55 of title 34, Code  
9 of Federal Regulations (as in effect pursuant to sub-  
10 section (b)) for one full calendar year subsequent to  
11 the fiscal year the institution became ineligible un-  
12 less, within 30 days of receiving notification from  
13 the Secretary of the loss of eligibility under this  
14 paragraph, the institution appeals the loss of its eli-  
15 gibility to the Secretary. The Secretary shall issue a  
16 decision on any such appeal within 45 days after its  
17 submission. Such decision may permit the institution  
18 to continue to participate in programs under part D  
19 or E of title IV, if—

20 “(A) the institution demonstrates to the  
21 satisfaction of the Secretary that the test pas-  
22 sage rates on which the Secretary has relied are  
23 not accurate, and that the recalculation of such  
24 rates would result in rates that exceed the re-

1           quired minimum for any of these two calendar  
2           years; or

3           “(B) there are, in the judgement of the  
4           Secretary, mitigating circumstances that would  
5           make the application of this paragraph inequi-  
6           table.

7           “(2) STUDENT ELIGIBILITY.—If, pursuant to  
8           this subsection, a foreign graduate medical school  
9           loses eligibility to participate in the programs under  
10          part D or E of title IV, then a student at such insti-  
11          tution may, notwithstanding such loss of eligibility,  
12          continue to be eligible to receive a loan under such  
13          part while attending such institution for the aca-  
14          demic year succeeding the academic year in which  
15          such loss of eligibility occurred.

16          “(3) TREATMENT OF CLINICAL TRAINING PRO-  
17          GRAMS.—

18                 “(A) IN GENERAL.—Clinical training pro-  
19                 grams operated by a foreign graduate medical  
20                 school with an accredited hospital or clinic in  
21                 the United States or at an institution in Can-  
22                 ada accredited by the Liaison Committee on  
23                 Medical Education shall be deemed to be ap-  
24                 proved and shall not require the prior approval  
25                 of the Secretary.

1           “(B) ON-SITE EVALUATIONS.—Any part of  
2           a clinical training program operated by a for-  
3           foreign graduate medical school located in a for-  
4           foreign country other than the country in which  
5           the main campus is located, in the United  
6           States, or at an institution in Canada accred-  
7           ited by the Liaison Committee on Medical Edu-  
8           cation, shall not require an on-site evaluation or  
9           specific approval by the institution’s medical ac-  
10          crediting agency if the location is a teaching  
11          hospital accredited by and located within a for-  
12          foreign country approved by the National Com-  
13          mittee on Foreign Medical Education and Ac-  
14          creditation.

15          “(d) FAILURE TO RELEASE INFORMATION.—An in-  
16          stitution outside the United States that does not provide  
17          to the Secretary such information as may be required by  
18          this section shall be ineligible to participate in the loan  
19          program under part D or E of title IV.

20          “(e) ONLINE EDUCATION.—Notwithstanding section  
21          481(b)(2), an eligible program described in section 600.54  
22          of title 34, Code of Federal Regulations (as in effect pur-  
23          suant to subsection (b)) may not offer more than 50 per-  
24          cent of courses through telecommunications.”.



1 **SEC. 103. ADDITIONAL DEFINITIONS.**

2 (a) DIPLOMA MILL.—Section 103(5)(B) (20 U.S.C.  
3 1003(5)(B)) is amended by striking “section 102” and in-  
4 serting “section 101 or 102”.

5 (b) CORRESPONDENCE EDUCATION.—Section 103(7)  
6 (20 U.S.C. 1003(7)) is amended to read as follows:

7 “(7) CORRESPONDENCE EDUCATION.—The  
8 term ‘correspondence education’ means education  
9 that is provided by an institution of higher education  
10 under which—

11 “(A) the institution provides instructional  
12 materials (including examinations on the mate-  
13 rials) by mail or electronic transmission to stu-  
14 dents who are separated from the instructor;  
15 and

16 “(B) interaction between the institution  
17 and the student is limited and the academic in-  
18 struction by faculty is not regular and sub-  
19 stantive, as assessed by the institution’s accred-  
20 iting agency or association under section 496.”.

21 (c) EARLY CHILDHOOD EDUCATION PROGRAM.—  
22 Section 103(8) (20 U.S.C. 1003(8)) is amended to read  
23 as follows:

24 “(8) EARLY CHILDHOOD EDUCATION PRO-  
25 GRAM.—The term ‘early childhood education pro-  
26 gram’ means a program—

1           “(A) that serves children of a range of  
2           ages from birth through age five that addresses  
3           the children’s cognitive (including language,  
4           early literacy, and early mathematics), social,  
5           emotional, and physical development; and

6           “(B) that is—

7                   “(i) a Head Start program or an  
8                   Early Head Start program carried out  
9                   under the Head Start Act (42 U.S.C. 9831  
10                   et seq.), including a migrant or seasonal  
11                   Head Start program, an Indian Head  
12                   Start program, or a Head Start program  
13                   or an Early Head Start program that also  
14                   receives State funding;

15                   “(ii) a State licensed or regulated  
16                   child care program;

17                   “(iii) a State-funded prekindergarten  
18                   or child care program;

19                   “(iv) a program authorized under sec-  
20                   tion 619 of the Individuals with Disabil-  
21                   ities Education Act or part C of such Act;  
22                   or

23                   “(v) a program operated by a local  
24                   educational agency.”.

1 (d) NONPROFIT.—Section 103(13) (20 U.S.C.  
2 1003(13)) is amended to read as follows:

3 “(13) NONPROFIT.—

4 “(A) The term ‘nonprofit’, when used with  
5 respect to a school, agency, organization, or in-  
6 stitution means a school, agency, organization,  
7 or institution owned and operated by one or  
8 more nonprofit corporations or associations, no  
9 part of the net earnings of which inures, or may  
10 lawfully inure, to the benefit of any private  
11 shareholder or individual.

12 “(B) The term ‘nonprofit’, when used with  
13 respect to foreign institution means—

14 “(i) an institution that is owned and  
15 operated only by one or more nonprofit  
16 corporations or associations; and

17 “(ii)(I) if a recognized tax authority  
18 of the institution’s home country is recog-  
19 nized by the Secretary for purposes of  
20 making determinations of an institution’s  
21 nonprofit status for purposes of title IV,  
22 the institution is determined by that tax  
23 authority to be a nonprofit educational in-  
24 stitution; or

1                   “(II) if no recognized tax authority of  
2                   the institution’s home country is recog-  
3                   nized by the Secretary for purposes of  
4                   making determinations of an institution’s  
5                   nonprofit status for purposes of title IV,  
6                   the foreign institution demonstrates to the  
7                   satisfaction of the Secretary that it is a  
8                   nonprofit educational institution.”.

9                   (e) COMPETENCY-BASED EDUCATION; COMPETENCY-  
10                  BASED EDUCATION PROGRAM.—Section 103 (20 U.S.C.  
11                  1003) is amended by adding at the end the following:

12                   “(25) COMPETENCY-BASED EDUCATION; COM-  
13                  PETENCY-BASED EDUCATION PROGRAM.—

14                   “(A) COMPETENCY-BASED EDUCATION.—  
15                  Except as otherwise provided, the term ‘com-  
16                  petency-based education’ means education  
17                  that—

18                   “(i) measures academic progress and  
19                  attainment—

20                   “(I) by direct assessment of a  
21                  student’s level of mastery of com-  
22                  petencies;

23                   “(II) by expressing a student’s  
24                  level of mastery of competencies in

1 terms of equivalent credit or clock  
2 hours; or

3 “(III) by a combination of the  
4 methods described in subclauses (I) or  
5 (II) and credit or clock hours; and

6 “(ii) provides the educational content,  
7 activities, and resources, including sub-  
8 stantive instructional interaction, including  
9 by faculty, and regular support by the in-  
10 stitution, necessary to enable students to  
11 learn or develop what is required to dem-  
12 onstrate and attain mastery of such com-  
13 petencies, as assessed by the accrediting  
14 agency or association of the institution of  
15 higher education.

16 “(B) COMPETENCY-BASED EDUCATION  
17 PROGRAM.—Except as otherwise provided, the  
18 term ‘competency-based education program’  
19 means a postsecondary program offered by an  
20 institution of higher education that—

21 “(i) provides competency-based edu-  
22 cation, which upon a student’s demonstra-  
23 tion or mastery of a set of competencies  
24 identified and required by the institution,  
25 leads to or results in the award of a certifi-

1           cate, degree, or other recognized edu-  
2           cational credential;

3           “(ii) has a method to differentiate be-  
4           tween knowledge that a student acquired  
5           prior to enrollment in the competency-  
6           based education program and knowledge  
7           that the student acquired as a result of en-  
8           rollment in such program; and

9           “(iii) is organized in such a manner  
10          that an institution can determine, based on  
11          the method of measurement selected by the  
12          institution under subparagraph (A)(i),  
13          what constitutes a full-time, three-quarter  
14          time, half-time, and less than half-time  
15          workload for the purposes of awarding and  
16          administering assistance under title IV of  
17          this Act, or assistance provided under an-  
18          other provision of Federal law to attend an  
19          institution of higher education.

20          “(C) COMPETENCY DEFINED.—In this  
21          paragraph, the term ‘competency’ means the  
22          knowledge, skill, or characteristic demonstrated  
23          by a student in a subject area.”.

1 (f) PAY FOR SUCCESS INITIATIVE.—Section 103 (20  
2 U.S.C. 1003) is amended by adding at the end the fol-  
3 lowing:

4 “(26) PAY FOR SUCCESS INITIATIVE.—The  
5 term ‘pay for success initiative’ has the meaning  
6 given the term in section 8101 of the Elementary  
7 and Secondary Education Act of 1965 (20 U.S.C.  
8 7801).”.

9 (g) EVIDENCE-BASED.—Section 103 (20 U.S.C.  
10 1003) is amended by adding at the end the following:

11 “(27) EVIDENCE-BASED.—The term ‘evidence-  
12 based’ has the meaning given the term in section  
13 8101(21)(A) of the Elementary and Secondary Edu-  
14 cation Act of 1965 (20 U.S.C. 7801(21)(A)), except  
15 that such term shall also apply to institutions of  
16 higher education.”.

17 **SEC. 104. REGULATORY RELIEF.**

18 (a) REGULATIONS REPEALED.—

19 (1) REPEAL.—The following regulations (in-  
20 cluding any supplement or revision to such regula-  
21 tions) are repealed and shall have no legal effect:

22 (A) DEFINITION OF CREDIT HOUR.—The  
23 definition of the term “credit hour” in section  
24 600.2 of title 34, Code of Federal Regulations,  
25 as added by the final regulations published by

1 the Department of Education in the Federal  
2 Register on October 29, 2010 (75 Fed. Reg.  
3 66946).

4 (B) GAINFUL EMPLOYMENT.—Sections  
5 600.10(c), 600.20(d), 668.401 through  
6 668.415, 668.6, and 668.7, of title 34, Code of  
7 Federal Regulations, as added or amended by  
8 the final regulations published by the Depart-  
9 ment of Education in the Federal Register on  
10 October 31, 2014 (79 Fed. Reg. 64889 et seq.).

11 (C) BORROWER DEFENSE.—Sections  
12 668.41, 668.90, 668.93, 668.171, 668.175,  
13 674.33, 682.211, 682.402(d), 682.405,  
14 682.410, 685.200, 685.205, 685.206,  
15 685.212(k), 685.214, 685.215, 685.222, appen-  
16 dix A to subpart B of part 685, 685.300,  
17 685.308, of title 34, Code of Federal Regula-  
18 tions, as added or amended by the final regula-  
19 tions published by the Department of Edu-  
20 cation in the Federal Register on November 1,  
21 2016 (81 Fed. Reg. 75926 et seq.).

22 (2) EFFECT OF REPEAL.—To the extent that  
23 regulations repealed—

24 (A) by subparagraph (A) or subparagraph

25 (B) of paragraph (1) amended regulations that



1           were in effect on June 30, 2011, the provisions  
2           of the regulations that were in effect on June  
3           30, 2011, and were so amended are restored  
4           and revived as if the regulations repealed by  
5           such subparagraph had not taken effect; and

6                   (B) by paragraph (1)(C) amended regula-  
7           tions that were in effect on October 31, 2016,  
8           the provisions of the regulations that were in  
9           effect on October 31, 2016, and were so amend-  
10          ed are restored and revived as if the regulations  
11          repealed by paragraph (1)(C) had not taken ef-  
12          fect.

13          (b) CERTAIN REGULATIONS AND OTHER ACTIONS  
14          PROHIBITED.—

15                   (1) GAINFUL EMPLOYMENT.—The Secretary of  
16          Education shall not, on or after the date of enact-  
17          ment of this Act, promulgate or enforce any regula-  
18          tion or rule with respect to the definition or applica-  
19          tion of the term “gainful employment” for any pur-  
20          pose under the Higher Education Act of 1965 (20  
21          U.S.C. 1001 et seq.).

22                   (2) CREDIT HOUR.—The Secretary of Edu-  
23          cation shall not, on or after the date of enactment  
24          of this Act, promulgate or enforce any regulation or  
25          rule with respect to the definition of the term “cred-

1 it hour” for any purpose under the Higher Edu-  
2 cation Act of 1965 (20 U.S.C. 1001 et seq.).

3 (3) POSTSECONDARY INSTITUTION RATINGS  
4 SYSTEM.—The Secretary of Education shall not  
5 carry out, develop, refine, promulgate, publish, im-  
6 plement, administer, or enforce a postsecondary in-  
7 stitution ratings system or any other performance  
8 system to rate institutions of higher education (as  
9 defined in section 101 or 102 of the Higher Edu-  
10 cation Act of 1965 (20 U.S.C. 1001; 1002)).

## 11 **PART B—ADDITIONAL GENERAL PROVISIONS**

### 12 **SEC. 111. FREE SPEECH PROTECTIONS.**

13 Section 112 (20 U.S.C. 1011a) is amended—

14 (1) in subsection (a)—

15 (A) by redesignating paragraph (2) as  
16 paragraph (3); and

17 (B) by inserting after paragraph (1) the  
18 following:

19 “(2) It is the sense of Congress that—

20 “(A) free speech zones and restrictive speech  
21 codes are inherently at odds with the freedom of  
22 speech guaranteed by the First Amendment of the  
23 Constitution; and

24 “(B) no public institution directly or indirectly  
25 receiving financial assistance under this Act should

1 restrict the speech of such institution’s students  
2 through such zones or codes.”;

3 (2) by redesignating subsections (b) and (c) as  
4 subsections (c) and (d), respectively; and

5 (3) by inserting after subsection (a), the fol-  
6 lowing:

7 “(b) DISCLOSURE OF FREE SPEECH POLICIES.—No  
8 institution of higher education shall be eligible to receive  
9 funds under this Act, including participation in any pro-  
10 gram under title IV, unless the institution certifies to the  
11 Secretary that the institution has annually disclosed to  
12 current and prospective students any policies held by the  
13 institutions related to protected speech on campus, includ-  
14 ing policies limiting where and when such speech may  
15 occur.”.

16 **SEC. 112. NATIONAL ADVISORY COMMITTEE ON INSTITU-**  
17 **TIONAL QUALITY AND INTEGRITY.**

18 Section 114 (20 U.S.C. 1011c) is amended—

19 (1) by striking “section 102” each place it ap-  
20 pears and inserting “section 101”;

21 (2) in subsection (b)—

22 (A) in paragraph (3), by striking “Except  
23 as provided in paragraph (5), the term” and in-  
24 serting “The term”;

1 (B) by striking paragraph (5) and insert-  
2 ing the following:

3 “(5) SECRETARIAL APPOINTEES.—The Sec-  
4 retary may remove any member who was appointed  
5 under paragraph (1)(A) by a predecessor of the Sec-  
6 retary and may fill the vacancy created by such re-  
7 moval in accordance with paragraphs (3) and (4).”.

8 (3) in subsection (c)—

9 (A) in paragraph (2), by adding “and” at  
10 the end;

11 (B) in paragraph (3) by striking the semi-  
12 colon at the end and inserting a period; and

13 (C) by striking paragraphs (4) through  
14 (6);

15 (4) in subsection (e)(2)(D) by striking “, in-  
16 cluding any additional functions established by the  
17 Secretary through regulation”; and

18 (5) in subsection (f), by striking “September  
19 30, 2017” and inserting “September 30, 2024”.

20 **SEC. 113. REPEAL OF CERTAIN REPORTING REQUIRE-**  
21 **MENTS.**

22 (a) REPEALS.—The following provisions of the High-  
23 er Education Act of 1965 (20 U.S.C. 1001 et seq.) are  
24 repealed:

25 (1) Section 117 (20 U.S.C. 1011f).

1 (2) Section 119 (20 U.S.C. 1011h).

2 (b) CONFORMING AMENDMENTS.—

3 (1) section 118 is redesignated as section 117;

4 (2) sections 120, 121, 122, and 123 are redesi-  
5 gnated as sections 118, 119, 120, and 121, respec-  
6 tively; and

7 (3) section 485(f)(1)(H) (20 U.S.C.  
8 1092(f)(1)(H)) is amended by striking “section  
9 120” and inserting “section 118”.

10 **SEC. 114. PROGRAMS ON DRUG AND ALCOHOL ABUSE PRE-**  
11 **VENTION.**

12 Section 118 (as so redesignated) is amended to read  
13 as follows:

14 **“SEC. 118. DRUG AND ALCOHOL ABUSE PREVENTION.**

15 “(a) **REQUIRED PROGRAMS.**—Each institution of  
16 higher education participating in any program under this  
17 Act shall adopt and implement a program to prevent the  
18 use of illicit drugs and the abuse of alcohol by students  
19 and employees that, at a minimum, includes the annual  
20 distribution to each student and employee of—

21 “(1) institutional standards of conduct and  
22 sanctions that clearly prohibit and address the un-  
23 lawful possession, use, or distribution of illicit drugs  
24 and alcohol by students and employees; and

1           “(2) the description of any drug or alcohol  
2           counseling, treatment, rehabilitation, or re-entry pro-  
3           grams that are available to students or employees.

4           “(b) INFORMATION AVAILABILITY.—Each institution  
5 of higher education described in subsection (a) shall, upon  
6 request, make available to the Secretary and to the public  
7 a copy of the institutional standards described under sub-  
8 section (a)(1) and information regarding any programs  
9 described in subsection (a)(2).”.

10 **SEC. 115. CAMPUS ACCESS FOR RELIGIOUS GROUPS.**

11           Part B of title I (20 U.S.C. 1011 et seq.) (as amend-  
12 ed by sections 111 through 114 of this part) is amended  
13 by adding at the end the following:

14 **“SEC. 122 CAMPUS ACCESS FOR RELIGIOUS GROUPS.**

15           “None of the funds made available under this Act  
16 may be provided to any public institution of higher edu-  
17 cation that denies to a religious student organization any  
18 right, benefit, or privilege that is generally afforded to  
19 other student organizations at the institution (including  
20 full access to the facilities of the institution and official  
21 recognition of the organization by the institution) because  
22 of the religious beliefs, practices, speech, membership  
23 standards, or standards of conduct of the religious student  
24 organization.”.

1 **SEC. 116. SECRETARIAL PROHIBITIONS.**

2 Part B of title I (20 U.S.C. 1011 et seq.) (as amend-  
3 ed by sections 111 through 115 of this part) is amended  
4 by adding at the end the following:

5 **“SEC. 123. SECRETARIAL PROHIBITIONS.**

6 “(a) IN GENERAL.—Nothing in this Act shall be con-  
7 strued to authorize or permit the Secretary to promulgate  
8 any rule or regulation that exceeds the scope of the explicit  
9 authority granted to the Secretary under this Act.

10 “(b) DEFINITIONS.—The Secretary shall not define  
11 any term that is used in this Act in a manner that is in-  
12 consistent with the scope of this Act, including through  
13 regulation or guidance.

14 “(c) REQUIREMENTS.—The Secretary shall not im-  
15 pose, on an institution or State as a condition of partici-  
16 pation in any program under this Act, any requirement that  
17 exceeds the scope of the requirements explicitly set forth  
18 in this Act for such program.”.

19 **SEC. 117. ENSURING EQUAL TREATMENT BY GOVERN-**  
20 **MENTAL ENTITIES.**

21 Part B of title I (20 U.S.C. 1011 et seq.) (as amend-  
22 ed by sections 111 through 116 of this part) is further  
23 amended by adding at the end the following:

1 **“SEC. 124. ENSURING EQUAL TREATMENT BY GOVERN-**  
2 **MENTAL ENTITIES.**

3 “(a) IN GENERAL.—Notwithstanding any other pro-  
4 vision of law, no government entity shall take any adverse  
5 action against an institution of higher education that re-  
6 ceives funding under title IV, if such adverse action—

7 “(1)(A) is being taken by a government entity  
8 that—

9 “(i) is a department, agency, or instrumen-  
10 tality of the Federal Government; or

11 “(ii) receives Federal funds; or

12 “(B) would affect commerce with foreign na-  
13 tions, among the several States, or with Indian  
14 Tribes; and

15 “(2) has the effect of prohibiting or penalizing  
16 the institution for acts or omissions by the institu-  
17 tion that are in furtherance of its religious mission  
18 or are related to the religious affiliation of the insti-  
19 tution.

20 “(b) ASSERTION BY INSTITUTION.—An actual or  
21 threatened violation of subsection (a) may be asserted by  
22 an institution of higher education that receives funding  
23 under title IV as a claim or defense in a proceeding before  
24 any court. The court shall grant any appropriate equitable  
25 relief, including injunctive or declaratory relief.



1           “(c) RULE OF CONSTRUCTION.—Nothing in this sec-  
2 tion shall be construed to alter or amend—

3           “(1) title VI of the Civil Rights Act of 1964 (42  
4 U.S.C. 2000d et seq.);

5           “(2) section 182 of the Elementary and Sec-  
6 ondary Education Amendments Act of 1966 (42  
7 U.S.C. 2000d–5); or

8           “(3) section 2 of the Elementary and Secondary  
9 Education Amendments Act of 1969 (42 U.S.C.  
10 2000d–6)

11          “(d) DEFINITIONS.—In this section:

12           “(1) ADVERSE ACTION.—The term ‘adverse ac-  
13 tion’ includes, with respect to an institution of high-  
14 er education or the past, current, or prospective stu-  
15 dents of such institution—

16           “(A) the denial or threat of denial of fund-  
17 ing, including grants, scholarships, or loans;

18           “(B) the denial or threat of denial of ac-  
19 cess to facilities or programs;

20           “(C) the withholding or threat of with-  
21 holding of any licenses, permits, certifications,  
22 accreditations, contracts, cooperative agree-  
23 ments, grants, guarantees, tax-exempt status,  
24 or exemptions; or

1           “(D) any other penalty or denial, or threat  
2           of such other penalty or denial, of an otherwise  
3           available benefit.

4           “(2) GOVERNMENT ENTITY.—The term ‘gov-  
5           ernment entity’ means—

6           “(A) any department, agency, or instru-  
7           mentality of the Federal Government;

8           “(B) a State or political subdivision of a  
9           State, or any agency or instrumentality thereof;  
10          and

11          “(C) any interstate or other inter-govern-  
12          mental entity.

13          “(3) INSTITUTION OF HIGHER EDUCATION.—  
14          The term ‘institution of higher education’ has the  
15          meaning given the term in section 101 or 102.

16          “(4) RELIGIOUS MISSION.—The term ‘religious  
17          mission’ includes an institution of higher education’s  
18          religious tenets, beliefs, or teachings, and any poli-  
19          cies or decisions related to such tenets, beliefs, or  
20          teachings (including any policies or decisions con-  
21          cerning housing, employment, curriculum, self-gov-  
22          ernance, or student admission, continuing enroll-  
23          ment, or graduation).”.

1           **PART C—COST OF HIGHER EDUCATION**

2   **SEC. 121. COLLEGE DASHBOARD WEBSITE.**

3           (a) ESTABLISHMENT.—Section 132 (20 U.S.C.  
4 1015a) is amended—

5                   (1) in subsection (a)—

6                           (A) by striking paragraph (1) and insert-  
7                           ing the following new paragraph:

8                           “(1) COLLEGE DASHBOARD WEBSITE.—The  
9                           term ‘College Dashboard website’ means the College  
10                           Dashboard website required under subsection (d).”.

11                           (B) in paragraph (2), by striking “first-  
12                           time,”;

13                           (C) in paragraph (3), in the matter pre-  
14                           ceding subparagraph (A), by striking “first-  
15                           time,”; and

16                           (D) in paragraph (4), by striking “first-  
17                           time,”;

18                   (2) in subsection (b)—

19                           (A) in paragraph (1), by striking “first-  
20                           time,”; and

21                           (B) in paragraph (2), by striking “first-  
22                           time,”;

23                           (3) by striking subsections (e) through (g), (j),  
24                   and (l);

25                           (4) by redesignating subsections (h), (i), and  
26                   (k) as subsections (c), (d), and (e), respectively; and

1           (5) by striking subsection (d) (as so redesign-  
2           nated) and inserting the following new subsection:

3           “(d) CONSUMER INFORMATION.—

4           “(1) AVAILABILITY OF TITLE IV INSTITUTION  
5           INFORMATION.—The Secretary shall develop and  
6           make publicly available a website to be known as the  
7           ‘College Dashboard website’ in accordance with this  
8           section and prominently display on such website, in  
9           simple, understandable, and unbiased terms for the  
10          most recent academic year for which satisfactory  
11          data are available, the following information with re-  
12          spect to each institution of higher education that  
13          participates in a program under title IV:

14                 “(A) A link to the website of the institu-  
15                 tion.

16                 “(B) An identification of the type of insti-  
17                 tution as one of the following:

18                         “(i) A four-year public institution of  
19                         higher education.

20                         “(ii) A four-year private, nonprofit in-  
21                         stitution of higher education.

22                         “(iii) A four-year private, proprietary  
23                         institution of higher education.

24                         “(iv) A two-year public institution of  
25                         higher education.

1                   “(v) A two-year private, nonprofit in-  
2                   stitution of higher education.

3                   “(vi) A two-year private, proprietary  
4                   institution of higher education.

5                   “(vii) A less than two-year public in-  
6                   stitution of higher education.

7                   “(viii) A less than two-year private,  
8                   nonprofit institution of higher education.

9                   “(ix) A less than two-year private,  
10                  proprietary institution of higher education.

11                  “(C) The number of students enrolled at  
12                  the institution—

13                         “(i) as undergraduate students, if ap-  
14                         plicable; and

15                         “(ii) as graduate students, if applica-  
16                         ble.

17                  “(D) The student-faculty ratio.

18                  “(E) The percentage of degree-seeking or  
19                  certificate-seeking undergraduate students en-  
20                  rolled at the institution who obtain a degree or  
21                  certificate within—

22                         “(i) 100 percent of the normal time  
23                         for completion of, or graduation from, the  
24                         program in which the student is enrolled;

1                   “(ii) 150 percent of the normal time  
2                   for completion of, or graduation from, the  
3                   program in which the student is enrolled;  
4                   and

5                   “(iii) 200 percent of the normal time  
6                   for completion of, or graduation from, the  
7                   program in which the student is enrolled.

8                   “(F)(i) The average net price per year for  
9                   undergraduate students enrolled at the institu-  
10                  tion who received Federal student financial aid  
11                  under title IV based on dependency status and  
12                  an income category selected by the user of the  
13                  College Dashboard website from a list con-  
14                  taining the following income categories:

15                         “(I) \$0 to \$30,000.

16                         “(II) \$30,001 to \$48,000.

17                         “(III) \$48,001 to \$75,000.

18                         “(IV) \$75,001 to \$110,000.

19                         “(V) \$110, 001 to \$150,000.

20                         “(VI) Over \$150,000.

21                   “(ii) A link to the net price calculator for  
22                   such institution.

23                   “(G) The percentage of undergraduate and  
24                   graduate students who obtained a certificate or

1 degree from the institution who borrowed Fed-  
2 eral student loans—

3 “(i) set forth separately for each edu-  
4 cational program offered by the institution;  
5 and

6 “(ii) made available in a format that  
7 allows a user of the College Dashboard  
8 website to view such percentage by select-  
9 ing from a list of such educational pro-  
10 grams.

11 “(H) The average Federal student loan  
12 debt incurred by a student who obtained a cer-  
13 tificate or degree in an educational program  
14 from the institution and who borrowed Federal  
15 student loans in the course of obtaining such  
16 certificate or degree—

17 “(i) set forth separately for each edu-  
18 cational program offered by the institution;  
19 and

20 “(ii) made available in a format that  
21 allows a user of the College Dashboard  
22 website to view such student loan debt in-  
23 formation by selecting from a list of such  
24 educational programs.

1           “(I) The median earnings of students who  
2           obtained a certificate or degree in an edu-  
3           cational program from the institution and who  
4           received Federal student financial aid under  
5           title IV in the course of obtaining such certifi-  
6           cate or degree—

7                   “(i) in the fifth and tenth years fol-  
8                   lowing the year in which the students ob-  
9                   tained such certificate or degree;

10                   “(ii) set forth separately by edu-  
11                   cational program; and

12                   “(iii) made available in a format that  
13                   allows a user of the College Dashboard  
14                   website to view such median earnings in-  
15                   formation by selecting from a list of such  
16                   educational programs.

17           “(J) A link to the webpage of the institu-  
18           tion containing campus safety data with respect  
19           to such institution.

20           “(2) ADDITIONAL INFORMATION.—The Sec-  
21           retary shall publish on websites that are linked to  
22           through the College Dashboard website, for the most  
23           recent academic year for which satisfactory data is  
24           available, the following information with respect to



1 each institution of higher education that participates  
2 in a program under title IV:

3 “(A) ENROLLMENT.—The following enroll-  
4 ment information:

5 “(i) The percentages of male and fe-  
6 male undergraduate students enrolled at  
7 the institution.

8 “(ii) The percentages of under-  
9 graduate students enrolled at the institu-  
10 tion—

11 “(I) full-time; and

12 “(II) less than full-time.

13 “(iii) In the case of an institution  
14 other than an institution that provides all  
15 courses and programs through online edu-  
16 cation, of the undergraduate students en-  
17 rolled at the institution—

18 “(I) the percentage of such stu-  
19 dents who are residents of the State  
20 in which the institution is located;

21 “(II) the percentage of such stu-  
22 dents who are not residents of such  
23 State; and

24 “(III) the percentage of such stu-  
25 dents who are international students.

1                   “(iv) The percentages of under-  
2                   graduate students enrolled at the institu-  
3                   tion, disaggregated by—

4                               “(I) race and ethnic background;

5                               “(II) classification as a student  
6                   with a disability;

7                               “(III) recipients of a Federal Pell  
8                   Grant;

9                               “(IV) recipients of assistance  
10                   under a tuition assistance program  
11                   conducted by the Department of De-  
12                   fense under section 1784a or 2007 of  
13                   title 10, United States Code, or other  
14                   authorities available to the Depart-  
15                   ment of Defense or veterans’ edu-  
16                   cation benefits (as defined in section  
17                   480); and

18                               “(V) recipients of a Federal stu-  
19                   dent loan.

20                               “(B) COMPLETION.—The information re-  
21                   quired under paragraph (1)(E), disaggregated  
22                   by—

23                               “(i) recipients of a Federal Pell  
24                   Grant;

25                               “(ii) race and ethnic background;

1 “(iii) classification as a student with a  
2 disability;

3 “(iv) recipients of assistance under a  
4 tuition assistance program conducted by  
5 the Department of Defense under section  
6 1784a or 2007 of title 10, United States  
7 Code, or other authorities available to the  
8 Department of Defense or veterans’ edu-  
9 cation benefits (as defined in section 480);  
10 and

11 “(v) recipients of a Federal student  
12 loan.

13 “(C) COSTS.—The following cost informa-  
14 tion:

15 “(i) The cost of attendance for full-  
16 time undergraduate students enrolled in  
17 the institution who live on campus.

18 “(ii) The cost of attendance for full-  
19 time undergraduate students enrolled in  
20 the institution who live off campus.

21 “(iii) The cost of tuition and fees for  
22 full-time undergraduate students enrolled  
23 in the institution.

24 “(iv) The cost of tuition and fees per  
25 credit hour or credit hour equivalency for

1                   undergraduate students enrolled in the in-  
2                   stitution less than full time.

3                   “(v) In the case of a public institution  
4                   of higher education (other than an institu-  
5                   tion described in clause (vi)) and notwith-  
6                   standing subsection (b)(1), the costs de-  
7                   scribed in clauses (i) and (ii) for—

8                   “(I) full-time students enrolled in  
9                   the institution who are residents of  
10                  the State in which the institution is  
11                  located; and

12                  “(II) full-time students enrolled  
13                  in the institution who are not resi-  
14                  dents of such State.

15                  “(vi) In the case of a public institu-  
16                  tion of higher education that offers dif-  
17                  ferent tuition rates for students who are  
18                  residents of a geographic subdivision small-  
19                  er than a State and students not located in  
20                  such geographic subdivision and notwith-  
21                  standing subsection (b)(1), the costs de-  
22                  scribed in clauses (i) and (ii) for—

23                  “(I) full-time students enrolled at  
24                  the institution who are residents of  
25                  such geographic subdivision;

1                   “(II) full-time students enrolled  
2                   at the institution who are residents of  
3                   the State in which the institution is  
4                   located but not residents of such geo-  
5                   graphic subdivision; and

6                   “(III) full-time students enrolled  
7                   at the institution who are not resi-  
8                   dents of such State.

9                   “(D) FINANCIAL AID.—The following in-  
10                  formation with respect to financial aid:

11                  “(i) The average annual grant amount  
12                  (including Federal, State, and institutional  
13                  aid) awarded to an undergraduate student  
14                  enrolled at the institution who receives  
15                  grant aid, and the percentage of under-  
16                  graduate students receiving such aid.

17                  “(ii) The percentage of undergraduate  
18                  students enrolled at the institution receiv-  
19                  ing Federal, State, and institutional  
20                  grants, student loans, and any other type  
21                  of student financial assistance known by  
22                  the institution, provided publicly or  
23                  through the institution, such as Federal  
24                  work-study funds.

1                   “(iii) The loan repayment rate (as de-  
2                   fined in section 481B) for each educational  
3                   program at such institution.

4                   “(3) OTHER DATA MATTERS.—

5                   “(A) COMPLETION DATA.—The Commis-  
6                   sioner of Education Statistics shall ensure that  
7                   the information required under paragraph  
8                   (1)(E) includes information with respect to all  
9                   students at an institution, including students  
10                  other than first-time, full-time students and  
11                  students who transfer to another institution, in  
12                  a manner that the Commissioner considers ap-  
13                  propriate.

14                  “(B) ADJUSTMENT OF INCOME CAT-  
15                  EGORIES.—The Secretary may annually adjust  
16                  the range of each of the income categories de-  
17                  scribed in paragraph (1)(F) to account for a  
18                  change in the Consumer Price Index for All  
19                  Urban Consumers as determined by the Bureau  
20                  of Labor Statistics if the Secretary determines  
21                  an adjustment is necessary.

22                  “(4) INSTITUTIONAL COMPARISON.—The Sec-  
23                  retary shall include on the College Dashboard  
24                  website a method for users to easily compare the in-

1           formation required under paragraphs (1) and (2) be-  
2           tween institutions.

3           “(5) UPDATES.—

4                   “(A) DATA.—The Secretary shall update  
5           the College Dashboard website not less than an-  
6           nually.

7                   “(B) TECHNOLOGY AND FORMAT.—The  
8           Secretary shall regularly assess the format and  
9           technology of the College Dashboard website  
10          and make any changes or updates that the Sec-  
11          retary considers appropriate.

12          “(6) CONSUMER TESTING.—

13                   “(A) IN GENERAL.—In developing and  
14          maintaining the College Dashboard website, the  
15          Secretary, in consultation with appropriate de-  
16          partments and agencies of the Federal Govern-  
17          ment, shall conduct consumer testing with ap-  
18          propriate persons, including current and pro-  
19          spective college students, family members of  
20          such students, institutions of higher education,  
21          and experts, to ensure that the College Dash-  
22          board website is usable and easily understand-  
23          able and provides useful and relevant informa-  
24          tion to students and families.

1                   “(B)           RECOMMENDATIONS           FOR  
2           CHANGES.—The Secretary shall submit to the  
3           authorizing committees any recommendations  
4           that the Secretary considers appropriate for  
5           changing the information required to be pro-  
6           vided on the College Dashboard website under  
7           paragraphs (1) and (2) based on the results of  
8           the consumer testing conducted under subpara-  
9           graph (A).

10           “(7) PROVISION OF APPROPRIATE LINKS TO  
11           PROSPECTIVE STUDENTS AFTER SUBMISSION OF  
12           FAFSA.—The Secretary shall provide to each stu-  
13           dent who submits a Free Application for Federal  
14           Student Aid described in section 483 a link to the  
15           webpage of the College Dashboard website that con-  
16           tains the information required under paragraph (1)  
17           for each institution of higher education such student  
18           includes on such Application.

19           “(8) INTERAGENCY COORDINATION.—The Sec-  
20           retary, in consultation with each appropriate head of  
21           a department or agency of the Federal Government,  
22           shall ensure to the greatest extent practicable that  
23           any information related to higher education that is  
24           published by such department or agency is con-



1       sistent with the information published on the College  
2       Dashboard website.

3               “(9) DATA COLLECTION.—The Commissioner  
4       for Education Statistics shall continue to update and  
5       improve the Integrated Postsecondary Education  
6       Data System, including by reducing institutional re-  
7       porting burden and improving the timeliness of the  
8       data collected.

9               “(10) DATA PRIVACY.—The Secretary shall en-  
10      sure any information made available under this sec-  
11      tion is made available in accordance with section  
12      444 of the General Education Provisions Act (com-  
13      monly known as the ‘Family Educational Rights and  
14      Privacy Act of 1974’).”.

15      (b) CONFORMING AMENDMENTS.—The Higher Edu-  
16      cation Act of 1965 (20 U.S.C. 1001 et seq.), as amended  
17      by subsection (a) of this section, is further amended, by  
18      striking “College Navigator” each place it appears and in-  
19      serting “College Dashboard”.

20      (c) REFERENCES.—Any reference in any law (other  
21      than this Act), regulation, document, record, or other  
22      paper of the United States to the College Navigator  
23      website shall be considered to be a reference to the College  
24      Dashboard website.

1 (d) DEVELOPMENT.—The Secretary of Education  
2 shall develop and publish the College Dashboard website  
3 required under section 132 (20 U.S.C. 1015a), as amend-  
4 ed by this section, not later than one year after the date  
5 of the enactment of this Act.

6 (e) COLLEGE NAVIGATOR WEBSITE MAINTENANCE.—The Secretary shall maintain the College Navi-  
7 gator website required under section 132 (20 U.S.C.  
8 1015a), as in effect the day before the date of the enact-  
9 ment of this Act, in the manner required under the Higher  
10 Education Act of 1965, as in effect on such day, until  
11 the College Dashboard website referred to in subsection  
12 (d) is complete and publicly available on the Internet.

14 **SEC. 122. NET PRICE CALCULATORS.**

15 Subsection (c) of section 132 (20 U.S.C. 1015a), as  
16 so redesignated by section 121(a)(4) of this Act, is amend-  
17 ed—

18 (1) by redesignating paragraph (4) as para-  
19 graph (6); and

20 (2) by inserting after paragraph (3) the fol-  
21 lowing new paragraphs:

22 “(4) MINIMUM REQUIREMENTS FOR NET PRICE  
23 CALCULATORS.—Not later than 1 year after the date  
24 of the enactment of the PROSPER Act, a net price

1 calculator for an institution of higher education shall  
2 meet the following requirements:

3 “(A) The link for the calculator shall—

4 “(i) be clearly labeled as a net price  
5 calculator and prominently, clearly, and  
6 conspicuously posted in locations on the  
7 website of such institution where informa-  
8 tion on costs and aid is provided and any  
9 other location that the institution considers  
10 appropriate; and

11 “(ii) match in size and font to the  
12 other prominent links on the webpage  
13 where the link for the calculator is dis-  
14 played.

15 “(B) The webpage displaying the results  
16 for the calculator shall specify at least the fol-  
17 lowing information:

18 “(i) The net price (as calculated  
19 under subsection (a)(3)) for such institu-  
20 tion, which shall be the most visually  
21 prominent figure on the results screen.

22 “(ii) Cost of attendance, including—

23 “(I) tuition and fees;

24 “(II) average annual cost of  
25 room and board for the institution for

1 a full-time undergraduate student en-  
2 rolled in the institution;

3 “(III) average annual cost of  
4 books and supplies for a full-time un-  
5 dergraduate student enrolled in the  
6 institution; and

7 “(IV) estimated cost of other ex-  
8 penses (including personal expenses  
9 and transportation) for a full-time un-  
10 dergraduate student enrolled in the  
11 institution.

12 “(iii) Estimated total need-based  
13 grant aid and merit-based grant aid from  
14 Federal, State, and institutional sources  
15 that may be available to a full-time under-  
16 graduate student.

17 “(iv) Percentage of the full-time un-  
18 dergraduate students enrolled in the insti-  
19 tution that received any type of grant aid  
20 described in clause (iii).

21 “(v) The disclaimer described in para-  
22 graph (6).

23 “(vi) In the case of a calculator  
24 that—

1                   “(I) includes questions to esti-  
2                   mate the eligibility of a student or  
3                   prospective student for veterans’ edu-  
4                   cation benefits (as defined in section  
5                   480) or educational benefits for active  
6                   duty service members, such benefits  
7                   are displayed on the results screen in  
8                   a manner that clearly distinguishes  
9                   such benefits from the grant aid de-  
10                  scribed in clause (iii); or

11                  “(II) does not include questions  
12                  to estimate eligibility for the benefits  
13                  described in subclause (I), the results  
14                  screen indicates that certain students  
15                  (or prospective students) may qualify  
16                  for such benefits and includes a link  
17                  to information about such benefits.

18                  “(C) The institution shall populate the cal-  
19                  culator with data from an academic year that  
20                  is not more than 2 academic years prior to the  
21                  most recent academic year.

22                  “(5) PROHIBITION ON USE OF DATA COL-  
23                  LECTED BY THE NET PRICE CALCULATOR.—A net  
24                  price calculator for an institution of higher edu-  
25                  cation shall—

1           “(A) clearly indicate which questions are  
2           required to be completed for an estimate of the  
3           net price from the calculator;

4           “(B) in the case of a calculator that re-  
5           quests contact information from users, clearly  
6           mark such requests as optional and provide for  
7           an estimate of the net price from the calculator  
8           without requiring users to enter such informa-  
9           tion; and

10           “(C) prohibit any personally identifiable in-  
11           formation provided by users from being sold or  
12           made available to third parties.”.

13 **SEC. 123. TEXT BOOK INFORMATION.**

14           Section 133(b)(5) (20 U.S.C. 1015b(b)(5)) is amend-  
15           ed by striking “section 102” and inserting “section 101  
16           or 102”.

17           **PART D—ADMINISTRATIVE PROVISIONS FOR**  
18           **DELIVERY OF STUDENT FINANCIAL ASSISTANCE**  
19           **SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE**  
20                           **DELIVERY OF FEDERAL STUDENT FINANCIAL**  
21                           **ASSISTANCE.**

22           Section 141 (20 U.S.C. 1018) is amended—  
23           (1) in subsection (a)(2)—

1 (A) by redesignating subparagraphs (F)  
2 and (G) as subparagraphs (H) and (I), respec-  
3 tively; and

4 (B) by inserting after subparagraph (E)  
5 the following:

6 “(F) to maximize transparency in the op-  
7 eration of Federal student financial assistance  
8 programs;

9 “(G) to maximize stakeholder engagement  
10 in the operation of and accountability for such  
11 programs;”;

12 (2) in subsection (b)—

13 (A) in paragraph (1)(C)—

14 (i) in clause (i), by striking “and” at  
15 the end;

16 (ii) in clause (ii), by striking the pe-  
17 riod at the end and inserting “; and”;

18 (iii) by adding at the end the fol-  
19 lowing:

20 “(iii) acquiring senior managers and  
21 other personnel with demonstrated man-  
22 agement ability and expertise in consumer  
23 lending.”;

24 (B) in paragraph (2) by adding at the end  
25 the following:

1           “(C) Collecting input from stakeholders on  
2           the operation of all Federal student assistance  
3           programs and accountability practices relating  
4           to such programs, and ensuring that such input  
5           informs operation of the PBO and is provided  
6           to the Secretary to inform policy creation re-  
7           lated to Federal student financial assistance  
8           programs.”; and

9           (C) in paragraph (6)—

10           (i) in subparagraph (A), by striking  
11           “The Secretary” and inserting “Not less  
12           frequently than once annually, the Sec-  
13           retary”;

14           (ii) by redesignating subparagraph  
15           (B) as subparagraph (C); and

16           (iii) by inserting after subparagraph  
17           (A) the following: :

18           “(B) REPORT.—On an annual basis, after  
19           carrying out the consultation required under  
20           subparagraph (A), the Secretary and the Chief  
21           Operating Officer shall jointly submit to the au-  
22           thorizing committees a report that includes—

23           “(i) a summary of the consultation;  
24           and



1                   “(ii) a description of any actions  
2                   taken as a result of the consultation..”.

3                   (3) in subsection (c)—

4                   (A) in paragraph (1)—

5                   (i) in subparagraph (A)—

6                   (I) by striking “Each year,” and  
7                   inserting “Not less frequently than  
8                   once every three years”; and

9                   (II) by striking “succeeding 5”  
10                  and inserting “succeeding 3”;

11                  (ii) by amending subparagraph (B) to  
12                  read as follows:

13                  “(B) CONSULTATION.—

14                  “(i) PLAN DEVELOPMENT.—Begin-  
15                  ning not later than 12 months before  
16                  issuing each 3-year performance plan  
17                  under subparagraph (A), the Secretary and  
18                  the Chief Operating Officer shall consult  
19                  with students, institutions of higher edu-  
20                  cation, Congress, lenders, and other inter-  
21                  ested parties regarding the development of  
22                  the plan. In carrying out such consulta-  
23                  tion, the Secretary shall seek public com-  
24                  ment consistent with the requirements of  
25                  subchapter II of chapter 5 of title 5,

1 United States Code (commonly known as  
2 the ‘Administrative Procedure Act’).

3 “(ii) REVISION.—Not later than 90  
4 days before implementing any revision to  
5 the performance plan described in subpara-  
6 graph (A), the Secretary shall consult with  
7 students, institutions of higher education,  
8 Congress, lenders, and other interested  
9 parties regarding such revision.”;

10 (iii) in subparagraph (C)—

11 (I) in the matter preceding clause  
12 (i), by inserting “and target dates  
13 upon which such action steps will be  
14 taken and such goals will be achieved”  
15 after “achieve such goals”;

16 (II) by redesignating clause (v)  
17 as clause (vi);

18 (III) by inserting after clause (iv)  
19 the following:

20 “(v) ENSURING TRANSPARENCY.—  
21 Maximizing the transparency in the oper-  
22 ations of the PBO, including complying  
23 with the data reporting requirements  
24 under section 144.”;

25 (B) in paragraph (2)—

1 (i) by striking “5-year” and inserting  
2 “3-year”;

3 (ii) in subparagraph (C), by inserting  
4 “, including an explanation of the specific  
5 steps the Secretary and the Chief Oper-  
6 ating Officer will take to address any such  
7 goals that were not achieved” before the  
8 period;

9 (iii) in subparagraph (D), by inserting  
10 “, in the aggregate and per individual” be-  
11 fore the period;

12 (iv) in subparagraph (E), by striking  
13 “Recommendations” and inserting “Spe-  
14 cific recommendations”;

15 (v) by redesignating subparagraph (F)  
16 as subparagraph (G); and

17 (vi) by inserting after subparagraph  
18 (E), the following:

19 “(F) A description of the performance  
20 evaluation system developed under subsection  
21 (d)(6).”.

22 (C) in paragraph (3)—

23 (i) in the matter preceding subpara-  
24 graph (A), by striking “establish appro-  
25 priate means to”;

1 (ii) in subparagraph (A), by striking  
2 “; and” and inserting “and the PBO;”;

3 (iii) in subparagraph (B), by striking  
4 the period at the end and inserting “and  
5 the PBO; and”;

6 (iv) by adding at the end the fol-  
7 lowing:

8 “(C) through a nationally-representative  
9 survey, that at a minimum shall evaluate the  
10 degree of satisfaction with the delivery system  
11 and the PBO.”;

12 (4) in subsection (d)—

13 (A) in paragraph (2), by striking “The  
14 Secretary may reappoint” and inserting “Ex-  
15 cept as provided in paragraph (4)(C),”

16 (B) in paragraph (4)—

17 (i) in subparagraph (A)—

18 (I) by inserting “specific, meas-  
19 urable” after “set forth”; and

20 (II) by inserting “and metrics  
21 used to measure progress toward such  
22 goals” before the period;

23 (ii) by amending subparagraph (B) to  
24 read as follows:

1                   “(B) TRANSMITTAL AND PUBLIC AVAIL-  
2 ABILITY.—The Secretary shall—

3                   “(i) transmit to the authorizing com-  
4 mittees the final version of, and any subse-  
5 quent revisions to, the agreement entered  
6 into under subparagraph (A); and

7                   “(ii) before the expiration of the pe-  
8 riod of 5 business days beginning after the  
9 date on which the agreement is trans-  
10 mitted under clause (i), make such agree-  
11 ment publicly available on a publicly acces-  
12 sible website of the Department of Edu-  
13 cation.”.

14                   (iii) by adding at the end the fol-  
15 lowing:

16                   “(C) LOSS OF ELIGIBILITY.—If the agree-  
17 ment under subparagraph (A) is not made pub-  
18 licly available before the expiration of the period  
19 described in subparagraph (B)(ii), the Chief  
20 Operating Officer shall not be eligible for re-  
21 appointment under paragraph (2).”; and

22                   (C) in paragraph (5), by amending sub-  
23 paragraph (B) to read as follows:

1           “(B) BONUS.—In addition, the Chief Op-  
2           erating Officer may receive a bonus in the fol-  
3           lowing amounts:

4                   “(i) For a period covered by a per-  
5                   formance agreement entered into under  
6                   paragraph (4) before the date of the enact-  
7                   ment of the PROSPER Act, an amount  
8                   that does not exceed 50 percent of the an-  
9                   nual rate basic pay of the Chief Operating  
10                  Officer, based upon the Secretary’s evalua-  
11                  tion of the Chief Operating Officer’s per-  
12                  formance in relation to the goals set forth  
13                  in the performance agreement.

14                   “(ii) For a period covered by a per-  
15                   formance agreement entered into under  
16                   paragraph (4) on or after the date of the  
17                   enactment of the PROSPER Act, an  
18                   amount that does not exceed 40 percent of  
19                   the annual rate basic pay of the Chief Op-  
20                  erating Officer, based upon the Secretary’s  
21                  evaluation of the Chief Operating Officer’s  
22                  performance in relation to the goals set  
23                  forth in the performance agreement.”.

24                  (D) by adding at the end the following:

1           “(6) PERFORMANCE EVALUATION SYSTEM.—

2           The Secretary shall develop a system to evaluate the  
3           performance of the Chief Operating Officer and any  
4           senior managers appointed by such Officer under  
5           subsection (e). Such system shall—

6                   “(A) take into account the extent to which  
7                   each individual attains the specific, measurable  
8                   organizational and individual goals set forth in  
9                   the performance agreement described in para-  
10                  graph (4)(A) and subsection (e)(2) (as the case  
11                  may be); and

12                   “(B) evaluate each individual using a rat-  
13                   ing system that accounts for the full spectrum  
14                   of performance levels, from the failure of an in-  
15                   dividual to meet the goals described in clause  
16                   (i) to an individual’s success in meeting or ex-  
17                   ceeding such goals.”;

18                  (5) in subsection (e)—

19                   (A) in paragraph (2), by striking “organi-  
20                   zation and individual goals” and inserting “spe-  
21                   cific, measurable organization and individual  
22                   goals and the metrics used to measure progress  
23                   toward such goals”;

24                   (B) in paragraph (3), by amending sub-  
25                   paragraph (B) to read as follows:

1           “(B) BONUS.—In addition, a senior man-  
2           ager may receive a bonus in the following  
3           amounts:

4                   “(i) For a period covered by a per-  
5                   formance agreement entered into under  
6                   paragraph (2) before the date of the enact-  
7                   ment of the PROSPER Act, an amount  
8                   such that the manager’s total annual com-  
9                   pensation does not exceed 125 percent of  
10                  the maximum rate of basic pay for the  
11                  Senior Executive Service, including any ap-  
12                  plicable locality-based comparability pay-  
13                  ment, based upon the Chief Operating Of-  
14                  ficer’s evaluation of the manager’s per-  
15                  formance in relation to the goals set forth  
16                  in the performance agreement.

17                   “(ii) For a period covered by a per-  
18                   formance agreement entered into under  
19                   paragraph (2) on or after the date of the  
20                   enactment of the PROSPER Act, an  
21                   amount such that the manager’s total an-  
22                   nual compensation does not exceed 120  
23                   percent of the maximum rate of basic pay  
24                   for the Senior Executive Service, including  
25                   any applicable locality-based comparability



1 payment, based upon the Chief Operating  
2 Officer's evaluation of the manager's per-  
3 formance in relation to the goals set forth  
4 in the performance agreement.”.

5 (6) by redesignating subsections (f), (g), (h),  
6 and (i) as subsections (g), (h), (i), (j); and

7 (7) by inserting after subsection (e) the fol-  
8 lowing:

9 “(f) ADVISORY BOARD.—

10 “(1) ESTABLISHMENT AND PURPOSE.—Not  
11 later than one year after the date of the enactment  
12 of the PROSPER Act, the Secretary shall establish  
13 an Advisory Board (referred to in this subsection as  
14 the ‘Board’) for the PBO. The purpose of such  
15 Board shall be to conduct oversight over the PBO  
16 and the Chief Operating Officer and senior man-  
17 agers described under subsection (e) to ensure that  
18 the PBO is meeting the purposes described in this  
19 section and the goals in the performance plan de-  
20 scribed under such section.

21 “(2) MEMBERSHIP.—

22 “(A) BOARD MEMBERS.—The Board shall  
23 consist of 7 members, one of whom shall be the  
24 Secretary.

1           “(B) CHAIRMAN.—A Chairman of the  
2 Board shall be elected by the Board from  
3 among its members for a 2-year term.

4           “(C) SECRETARY AS AN EX OFFICIO MEM-  
5 BER.—The Secretary, ex officio—

6           “(i) shall—

7           “(I) serve as a member of the  
8 Board;

9           “(II) be a voting member of the  
10 Board; and

11           “(III) be eligible to be elected by  
12 the Board to serve as chairman or  
13 vice chairman of the Board; and

14           “(ii) shall not be subject to the terms  
15 or compensation requirements described in  
16 this paragraph that are applicable to the  
17 other members of the Board.

18           “(D) ADDITIONAL BOARD MEMBERS.—  
19 Each member of the Board (excluding the Sec-  
20 retary) shall be appointed by the Secretary.

21           “(E) TERMS.—

22           “(i) IN GENERAL.—Each Board mem-  
23 ber, except for the Secretary and the  
24 Board members described in clause (ii)(II),  
25 shall serve 5-year terms.

1 “(ii) INITIAL MEMBERS.—

2 “(I) FIRST 3 MEMBERS.—The  
3 first 3 members confirmed to serve on  
4 the Board after the date of enactment  
5 of the PROSPER Act shall serve for  
6 5-year terms.

7 “(II) OTHER MEMBERS.—The  
8 fourth, fifth, and sixth members con-  
9 firmed to serve on the Board after  
10 such date of enactment shall serve for  
11 3-year terms.

12 “(iii) REAPPOINTMENT.—The Sec-  
13 retary may reappoint a Board member for  
14 one additional 5-year term.

15 “(iv) VACANCIES.—

16 “(I) IN GENERAL.—Not later  
17 than 30 days after a vacancy of the  
18 Board occurs, the Secretary shall pub-  
19 lish a Federal Register notice solici-  
20 ting nominations for the position.

21 “(II) FILLING VACANCY.—Not  
22 later than 90 days after such vacancy  
23 occurs, such vacancy shall be filled in  
24 the same manner as the original ap-  
25 pointment was made, except that—

1                   “(aa) the appointment shall  
2                   be for the remainder of the  
3                   uncompleted term; and

4                   “(bb) such member may be  
5                   reappointed under clause (iii).

6                   “(F) MEMBERSHIP QUALIFICATIONS AND  
7                   PROHIBITIONS.—

8                   “(i) QUALIFICATIONS.—The members  
9                   of the board, other than the Secretary,  
10                  shall be appointed without regard to polit-  
11                  ical affiliation and solely on the basis of  
12                  their professional experience and expertise  
13                  in—

14                  “(I) the management of large  
15                  and financially significant organiza-  
16                  tions, including banks and commercial  
17                  lending companies; or

18                  “(II) Federal student financial  
19                  assistance programs.

20                  “(ii) CONFLICTS OF INTEREST AMONG  
21                  BOARD MEMBERS.—Before appointing  
22                  members of the Board, the Secretary shall  
23                  establish rules and procedures to address  
24                  any potential conflict of interest between a  
25                  member of the Board and responsibilities

1 of the Board, including prohibiting mem-  
2 bership for individuals with a pecuniary in-  
3 terest in the activities of the PBO.

4 “(G) NO COMPENSATION.—Board mem-  
5 bers shall serve without pay.

6 “(H) EXPENSES OF BOARD MEMBERS.—  
7 Each member of the Board shall receive travel  
8 expenses and other permissible expenses, in-  
9 cluding per diem in lieu of subsistence, in ac-  
10 cordance with applicable provisions under title  
11 5, United States Code.

12 “(3) BOARD RESPONSIBILITIES.—The Board  
13 shall have the following responsibilities:

14 “(A) Conducting general oversight over the  
15 functioning and operation of the PBO, includ-  
16 ing—

17 “(i) ensuring that the reporting and  
18 planning requirements of this section are  
19 fulfilled by the PBO; and

20 “(ii) ensuring that the Chief Oper-  
21 ating Officer acquires senior managers  
22 with demonstrated management ability and  
23 expertise in consumer lending (as described  
24 in subsection (b)(1)(C)(iii)).

1           “(B) Approving the appointment or re-  
2           appointment of a Chief Operating Officer, ex-  
3           cept that the board shall have no authority to  
4           approve or disapprove the reappointment of the  
5           Chief Operating Officer who holds such position  
6           on the date of enactment of the PROSPER  
7           Act.

8           “(C) Making recommendations with re-  
9           spect to the suitability of any bonuses proposed  
10          to be provided to the Chief Operating Officer or  
11          senior managers described under subsections  
12          (d) and (e), to ensure that a bonus is not  
13          awarded to the Officer or a senior manager in  
14          a case in which such Officer or manager has  
15          failed to meet goals set for them under the rel-  
16          evant performance plan under subsections  
17          (d)(4) and (e)(2), respectively.

18          “(D) Approving any performance plan es-  
19          tablished for the PBO.

20          “(4) BOARD OPERATIONS.—

21                 “(A) MEETINGS.—The Board shall meet  
22                 at least twice per year and at such other times  
23                 as the chairperson determines appropriate.

24                 “(B) POWERS OF CHAIRPERSON.—Except  
25                 as otherwise provided by a majority vote of the

1 Board, the powers of the chairperson shall in-  
2 clude—

3 “(i) establishing committees;

4 “(ii) setting meeting places and times;

5 “(iii) establishing meeting agendas;

6 and

7 “(iv) developing rules for the conduct  
8 of business.

9 “(C) QUORUM.—Four members of the  
10 Board shall constitute a quorum. A majority of  
11 members present and voting shall be required  
12 for the Board to take action.

13 “(D) ADMINISTRATION.—The Federal Ad-  
14 visory Committee Act shall not apply with re-  
15 spect to the Board, other than sections 10, 11  
16 and 12 of such Act.

17 “(5) ANNUAL REPORT.—

18 “(A) IN GENERAL.—Not less frequently  
19 than once annually, the Board shall submit to  
20 the authorizing committees a report on the re-  
21 sults of the work conducted by the PBO.

22 “(B) CONTENTS.—Each report under  
23 clause (i) shall include—

1           “(i) a description of the oversight  
2 work of the Board and the results of such  
3 work;

4           “(ii) a description of statutory re-  
5 quirements of this section and section 144  
6 where the PBO is not in compliance;

7           “(iii) recommendations on the ap-  
8 pointment or reappointment of a Chief Op-  
9 erating Officer;

10           “(iv) recommendations regarding  
11 bonus payments for the Chief Operating  
12 Officer and senior managers; and

13           “(v) recommendations for the author-  
14 izing Committees and the Appropriations  
15 Committees on—

16           “(I) any statutory changes need-  
17 ed that would enhance the ability of  
18 the PBO to meet the purposes of this  
19 section; and

20           “(II) any recommendations for  
21 the Secretary or the Chief Operating  
22 Officer that will improve the oper-  
23 ations of the PBO.

24           “(vi) ISSUANCE AND PUBLIC RE-  
25 LEASE.—Each report under clause (i) shall



1 be posted on the publicly accessible website  
2 of the Department of Education.

3 “(vii) PBO RECOMMENDATIONS.—Not  
4 later than 180 days after the submission of  
5 each report under clause (i), the Chief Op-  
6 erating Officer shall respond to each rec-  
7 ommendation individually, which shall in-  
8 clude a description of such actions that the  
9 Officer is undertaking to address such rec-  
10 ommendation.

11 “(C) STAFF.—

12 “(i) IN GENERAL.—The Secretary  
13 may appoint to the Board not more than  
14 7 employees to assist in carrying out the  
15 duties of the Board under this section.

16 “(ii) TECHNICAL EMPLOYEES.—Such  
17 appointments may include, for terms not  
18 to exceed 3 years and without regard to  
19 the provisions of title 5, United States  
20 Code, governing appointments in the com-  
21 petitive service, not more than 3 technical  
22 employees who may be paid without regard  
23 to the provisions of chapter 51 and sub-  
24 chapter III of chapter 53 of such title re-  
25 lating to classification and General Sched-

1           ule pay rates, but no individual so ap-  
2           pointed shall be paid in excess of the rate  
3           authorized for GS-18 of the General  
4           Schedule.

5           “(iii) DETAILEES.—The Secretary  
6           may detail, on a reimbursable basis, any of  
7           the personnel of the Department for the  
8           purposes described in clause (i). Such em-  
9           ployees shall serve without additional pay,  
10          allowances, or benefits.

11          “(iv) STATUTORY CONSTRUCTION.—  
12          Nothing in this subparagraph shall be con-  
13          strued to provide for an increase in the  
14          total number of permanent full-time equiv-  
15          alent positions in the Department or any  
16          other department or agency of the Federal  
17          Government.

18          “(6) BRIEFING ON ACTIVITIES OF THE OVER-  
19          SIGHT BOARD.—The Secretary shall, upon request,  
20          provide a briefing to the authorizing committees on  
21          the steps the Board has taken to carry out its re-  
22          sponsibilities under this subsection.”.

23 **SEC. 132. ADMINISTRATIVE DATA TRANSPARENCY.**

24          Part D of title I (20 U.S.C. 1018 et seq.) is amended  
25          by adding at the end the following:

1 **“SEC. 144. ADMINISTRATIVE DATA TRANSPARENCY.**

2 “(a) IN GENERAL.—To improve the transparency of  
3 the student aid delivery system, the Secretary and the  
4 Chief Operating Officer shall collect and publish informa-  
5 tion on the performance of student loan programs under  
6 title IV in accordance with this section.

7 “(b) DISCLOSURES.—

8 “(1) IN GENERAL.—The Secretary and the  
9 Chief Operating Officer shall publish on a publicly  
10 accessible website of the Department of Education  
11 the following aggregate statistics with respect to the  
12 performance of student loans under title IV:

13 “(A) The number of borrowers who paid  
14 off the total outstanding balance of principal  
15 and interest on their loans before the end of the  
16 10-year or consolidated loan repayment sched-  
17 ule.

18 “(B) The number of loans under each type  
19 of deferment and forbearance.

20 “(C) The average length of time a loan  
21 stays in default.

22 “(D) The percentage of loans in default  
23 among borrowers who completed the program of  
24 study for which the loans were made.

25 “(E) The number of borrowers enrolled in  
26 an income-based repayment plan who make

1 monthly payments of \$0 and the average stu-  
2 dent loan debt of such borrowers.

3 “(F) The number of students whose loan  
4 balances are growing because such students are  
5 not paying the full amount of interest accruing  
6 on the loans.

7 “(G) The number of borrowers entering in-  
8 come-based repayment plans to get out of de-  
9 fault.

10 “(H) The number of borrowers in income-  
11 based repayment plans who have outstanding  
12 student loans from graduate school, and the av-  
13 erage balance of such loans.

14 “(I) With respect to the public service loan  
15 forgiveness program under section 455(m)—

16 “(i) the number of applications sub-  
17 mitted and processed;

18 “(ii) the number of borrowers granted  
19 loan forgiveness;

20 “(iii) the amount of loan debt for-  
21 given; and

22 “(iv) the number of borrowers granted  
23 loan forgiveness, and the amount of the  
24 loan debt forgiven, disaggregated by each  
25 category of employer that employs individ-

1                   uals in public service jobs (as defined in  
2                   section 455(m)(3)(B), including—

3                               “(I) the Federal Government, or  
4                               a State or local government;

5                               “(II) an organization that is de-  
6                               scribed in section 501(c)(3) of the In-  
7                               ternal Revenue Code of 1986 and ex-  
8                               empt from taxation under section  
9                               501(a) of such Code; and

10                              “(III) a non-profit organization  
11                              not described in subclause (II).

12                              “(J) Any other aggregate statistics the  
13                              Secretary and the Chief Operating Officer de-  
14                              termine to be necessary to adequately inform  
15                              the public of the performance of the student  
16                              loan programs under title IV.

17                              “(2) DISAGGREGATION.—The statistics de-  
18                              scribed in clauses (i) through (iii) of paragraph  
19                              (1)(I) shall be disaggregated—

20                                      “(A) by the number or amount for most  
21                                      recent quarter;

22                                      “(B) by the total number or amount as of  
23                                      the date of publication;

24                                      “(C) by repayment plan;

1           “(D) by borrowers seeking loan forgiveness  
2           for loans made for an undergraduate course of  
3           study; and

4           “(E) by borrowers seeking loan forgiveness  
5           for loans made for a graduate course of study.

6           “(3) QUARTERLY UPDATES.—The statistics  
7           published under paragraph (1) shall be updated not  
8           less frequently than once each fiscal quarter.

9           “(c) INFORMATION COLLECTION.—

10           “(1) IN GENERAL.—The Secretary and the  
11           Chief Operating Officer shall collect information on  
12           the performance of student loans under title IV over  
13           time, including—

14           “(A) measurement of the cash flow gen-  
15           erated by such loans as determined by assessing  
16           monthly payments on the loans over time;

17           “(B) the income level and employment sta-  
18           tus of borrowers during repayment;

19           “(C) the loan repayment history of bor-  
20           rowers prior to default;

21           “(D) the progress of borrowers in making  
22           monthly payments on loans after defaulting on  
23           the loans; and

1           “(E) such other information as the Sec-  
2           retary and the Chief Operating Officer deter-  
3           mine to be appropriate.

4           “(2) AVAILABILITY.—

5           “(A) IN GENERAL.—The information col-  
6           lected under paragraph (1) shall be made avail-  
7           able biannually to organizations and researchers  
8           that—

9                   “(i) submit to the Secretary and the  
10                  Chief Operating officer a request for such  
11                  information; and

12                   “(ii) enter into an agreement with the  
13                  National Center for Education Statistics  
14                  under which the organization or researcher  
15                  (as the case may be) agrees to use the in-  
16                  formation in accordance with the privacy  
17                  laws described in subparagraph (B).

18           “(B) PRIVACY PROTECTIONS.—The privacy  
19           laws described in this subparagraph are the fol-  
20           lowing:

21                   “(i) Section 183 of the Education  
22                  Sciences Reform Act of 2002 (20 U.S.C.  
23                  9573).

24                   “(ii) The Privacy Act of 1974 (5  
25                  U.S.C. 552a).

1                   “(iii) Section 444 of the General Edu-  
2                   cation Provisions Act (commonly known as  
3                   the ‘Family Educational Rights and Pri-  
4                   vacy Act of 1974’) (20 U.S.C. 1232g).

5                   “(iv) Subtitle A of title V of the E-  
6                   Government Act of 2002 (44 U.S.C. 3501  
7                   note).

8                   “(C) FORMAT.—The information described  
9                   in subparagraph (A) shall be made available in  
10                  the format of a data file that contains an statis-  
11                  tically accurate, representative sample of all  
12                  borrowers of loans under title IV.

13               “(d) DATA SHARING.—The Secretary and the Chief  
14               Operating Officer may enter into cooperative data sharing  
15               agreements with other Federal or State agencies to ensure  
16               the accuracy of information collected and published under  
17               this section.

18               “(e) PRIVACY.—The Secretary and the Chief Oper-  
19               ating Officer shall ensure that any information collected,  
20               published, or otherwise made available under this section  
21               does not reveal personally identifiable information.”.



1 **PART E—LENDER AND INSTITUTION REQUIRE-**  
2 **MENTS RELATING TO EDUCATION LOANS**

3 **SEC. 141. MODIFICATION OF PREFERRED LENDER AR-**  
4 **RANGEMENTS.**

5 (a) IN GENERAL.—Part E of title I (20 U.S.C. 1019  
6 et seq.) is amended—

7 (1) in section 151 (20 U.S.C. 1019(2))—

8 (A) in paragraph (2), by striking “section  
9 102” and inserting “section 101 or 102”;

10 (B) in paragraph (3)—

11 (i) by striking “or” at the end of sub-  
12 paragraph (B);

13 (ii) by redesignating subparagraph  
14 (C) as subparagraph (D); and

15 (iii) by inserting after subparagraph  
16 (B), the following:

17 “(C) any loan made under part E of title  
18 IV after the date of enactment of the PROS-  
19 PER Act; or”;

20 (C) in paragraph (6)(A)—

21 (i) by striking “and” at the end of  
22 clause (ii);

23 (ii) by redesignating clause (iii) as  
24 clause (iv); and

25 (iii) by inserting after clause (ii), the  
26 following:

1 “(iii) in the case of a loan issued or  
2 provided to a student under part E of title  
3 IV on or after the date of enactment of the  
4 PROSPER Act;”;

5 (D) in paragraph (8)(B)(ii)—

6 (i) by striking “or” at the end of  
7 clause (i);

8 (ii) by redesignating clause (ii) as  
9 clause (iii); and

10 (iii) by inserting after clause (i), the  
11 following:

12 “(ii) arrangements or agreements with  
13 respect to loans under part E of title IV;  
14 or”;

15 (2) in section 152 (20 U.S.C. 1019)—

16 (A) in subsection (a)(1)—

17 (i) in subparagraph (B), by amending  
18 clause (i) to read as follows:

19 “(i) make available to the prospective  
20 borrower on a website or with informa-  
21 tional material, the information the Board  
22 of Governors of the Federal Reserve Sys-  
23 tem requires the lender to provide to the  
24 covered institution under section  
25 128(e)(11) of the Truth in Lending Act

1 (15 U.S.C. 1638(e)(11)) for such loan;”;

2 and

3 (ii) by adding at the end the fol-  
4 lowing:

5 “(D) SPECIAL RULE.—Notwithstanding  
6 any other provision of law, a covered institu-  
7 tion, or an institution-affiliated organization of  
8 such covered institution, shall not be required  
9 to provide any information regarding private  
10 education loans to prospective borrowers except  
11 for the information described in subparagraph  
12 (B).”; and

13 (B) in subsection (b)(1)(A)(i), by striking  
14 “part B or D” and inserting “part B, D, or  
15 E”;

16 (3) in section 153 (20 U.S.C. 1019b)—

17 (A) in subsection (a)—

18 (i) in paragraph (1)(B)—

19 (I) in clause (i), by adding “and”  
20 at the end;

21 (II) in clause (ii), by striking “;  
22 and” at the end and inserting a pe-  
23 riod; and

24 (III) by striking clause (iii); and

1 (ii) in paragraph (2), by amending  
2 subparagraph (C) to read as follows:

3 “(C) update such model disclosure form  
4 not later than 180 after the date of enactment  
5 of the PROSPER Act, and periodically there-  
6 after, as necessary.”; and

7 (B) by amending subsection (c) to read as  
8 follows:

9 “(c) DUTIES OF COVERED INSTITUTIONS AND INSTI-  
10 TUTION-AFFILIATED ORGANIZATIONS.—

11 “(1) CODE OF CONDUCT.—Each covered insti-  
12 tution, and each institution-affiliated organization of  
13 such covered institution, that has a preferred lender  
14 arrangement, shall comply with the code of conduct  
15 requirements of subparagraphs (A) through (C) of  
16 section 487(a)(22).

17 “(2) APPLICABLE CODE OF CONDUCT.—For  
18 purposes of subparagraph (A), an institution-affili-  
19 ated organization of a covered institution shall—

20 “(A) comply with the code of conduct de-  
21 veloped and published by such covered institu-  
22 tion under subparagraphs (A) and (B) of sec-  
23 tion 487(a)(22);

1           “(B) if such institution-affiliated organiza-  
2           tion has a website, publish such code of conduct  
3           prominently on the website; and

4           “(C) administer and enforce such code of  
5           conduct by, at a minimum, requiring that all of  
6           such organization’s agents with responsibilities  
7           with respect to education loans be annually in-  
8           formed of the provisions of such code of con-  
9           duct.”; and

10          (4) in section 154 (20 U.S.C. 1019c)—

11           (A) in the subsection heading, by inserting  
12           before the period the following: “OR THE FED-  
13           ERAL ONE LOAN PROGRAM”;

14           (B) by striking “William D. Ford Direct  
15           Loan Program” each place it appears and in-  
16           serting “William D. Ford Direct Loan Program  
17           or the Federal ONE Loan Program”

18           (C) by striking “part D” each place it ap-  
19           pears and inserting “part D or E”; and

20           (D) in subsection (a)—

21           (i) by striking “the development” and  
22           inserting “the first update”;

23           (ii) by striking “section 153(a)(2)(B)”  
24           and inserting “section 153(a)(2)(C)”; and

1 (iii) by striking “Federal Direct Staf-  
2 ford Loans, Federal Direct Unsubsidized  
3 Stafford Loans, and Federal Direct  
4 PLUS” and inserting “undergraduate,  
5 graduate, and parent”.

6 (b) LIMITATION.—The Secretary of Education shall  
7 not impose, administer, or enforce any requirements on  
8 a covered institution or an institution-affiliated organiza-  
9 tion of a covered institution relating to preferred lender  
10 lists or arrangements unless explicitly authorized by sec-  
11 tions 152(a)(1)(B), 153(c), or 487(h)(1) of the Higher  
12 Education Act of 1965 (20 U.S.C. 1019a(a)(1)(B),  
13 1019b(c), or 1094(h), respectively) as amended by this  
14 Act.

## 15 **PART F—ADDRESSING SEXUAL ASSAULT**

### 16 **SEC. 151. ADDRESSING SEXUAL ASSAULT.**

17 Title I (20 U.S.C. 1001 et seq.) is amended by adding  
18 at the end the following new part:

## 19 **“PART F—ADDRESSING SEXUAL ASSAULT**

### 20 **“SEC. 161. APPLICATION.**

21 “The requirements of this part shall apply to any in-  
22 stitution of higher education receiving Federal financial  
23 assistance under this Act, including financial assistance  
24 provided to students under title IV, other than—

25 “(1) an institution outside the United States; or

1           “(2) an institution that provides instruction pri-  
2           marily through online courses.

3   **“SEC. 162. CAMPUS CLIMATE SURVEYS.**

4           “(a) SURVEYS TO MEASURE CAMPUS ATTITUDES  
5   AND CLIMATE REGARDING SEXUAL ASSAULT AND MIS-  
6   CONDUCT ON CAMPUS.—Each institution of higher edu-  
7   cation that is subject to this part shall conduct surveys  
8   of its students to measure campus attitudes towards sex-  
9   ual assault and the general climate of the campus regard-  
10   ing the institution’s treatment of sexual assault on cam-  
11   pus, and shall use the results of the survey to improve  
12   the institution’s ability to prevent and respond appro-  
13   priately to incidents of sexual assault.

14          “(b) CONTENTS.—The institution’s survey under this  
15   section shall consist of such questions as the institution  
16   considers appropriate, which may (at the option of the in-  
17   stitution) include any of the following:

18           “(1) Questions on the incidence and prevalence  
19           of sexual assault experienced by students.

20           “(2) Questions on whether students who experi-  
21           ence sexual assault report such incidents to campus  
22           officials or law enforcement agencies.

23           “(3) Questions on whether the alleged perpetra-  
24           tors are students of the institution.

1           “(4) Questions to test the students’ knowledge  
2           and understanding of institutional policies regarding  
3           sexual assault and available campus support services  
4           for victims of sexual assault.

5           “(5) Questions to test the students’ knowledge,  
6           understanding, and retention of campus sexual as-  
7           sault prevention and awareness programming.

8           “(6) Questions related to dating violence, do-  
9           mestic violence, and stalking.

10          “(c) OTHER ISSUES RELATING TO THE ADMINISTRA-  
11          TION OF SURVEYS.—

12           “(1) MANDATORY CONFIDENTIALITY OF RE-  
13           SPONSES.—The institution shall ensure that all re-  
14           sponses to surveys under this section are kept con-  
15           fidential and do not require the respondents to pro-  
16           vide personally identifiable information.

17           “(2) ENCOURAGING USE OF BEST PRACTICES  
18           AND APPROPRIATE LANGUAGE.—The institution is  
19           encouraged to administer the surveys under this sec-  
20           tion in accordance with best practices derived from  
21           peer-reviewed research, and to use language that is  
22           sensitive to potential respondents who may have  
23           been victims of sexual assault.



1           “(3) ENCOURAGING RESPONSES.—The institu-  
2           tion shall make a good faith effort to encourage stu-  
3           dents to respond to the surveys.

4           “(d) ROLE OF SECRETARY.—

5           “(1) DEVELOPMENT OF SAMPLE SURVEYS.—  
6           The Secretary, in consultation with relevant stake-  
7           holders, shall develop sample surveys that an institu-  
8           tion may elect to use under this section, and shall  
9           post such surveys on a publicly accessible website of  
10          the Department of Education. The Secretary shall  
11          develop sample surveys that are suitable for the var-  
12          ious populations who will participate in the surveys.

13          “(2) LIMIT ON OTHER ACTIVITIES.—In carrying  
14          out this section, the Secretary—

15                 “(A) may not regulate or otherwise impose  
16                 conditions on the contents of an institution’s  
17                 surveys under this section, except as may be  
18                 necessary to ensure that the institution meets  
19                 the confidentiality requirements of subsection  
20                 (c)(1); and

21                 “(B) may not use the results of the sur-  
22                 veys to make comparisons between institutions  
23                 of higher education.

24          “(e) FREQUENCY.—An institution of higher edu-  
25          cation that is subject to this part shall conduct a survey

1 under this section not less frequently than once every 3  
2 academic years.

3 **“SEC. 163. SURVIVORS’ COUNSELORS.**

4 “(a) REQUIRING INSTITUTIONS TO MAKE COUN-  
5 SELOR AVAILABLE.—

6 “(1) IN GENERAL.—Each institution of higher  
7 education that is subject to this part shall retain the  
8 services of qualified sexual assault survivors’ coun-  
9 selors to counsel and support students who are vic-  
10 tims of sexual assault.

11 “(2) USE OF CONTRACTORS PERMITTED.—At  
12 the option of the institution, the institution may re-  
13 tain the services of counselors who are employees of  
14 the institution or may enter into agreements with  
15 other institutions of higher education, victim advo-  
16 cacy organizations, or other appropriate sources to  
17 provide counselors for purposes of this section.

18 “(3) NUMBER.—The institution shall retain  
19 such number of counselors under this section as the  
20 institution considers appropriate based on a reason-  
21 able determination of the anticipated demand for  
22 such counselors’ services, so long as the institution  
23 retains the services of at least one such counselor at  
24 all times.

1       “(b) QUALIFICATIONS.—A counselor is qualified for  
2 purposes of this section if the counselor has completed  
3 education specifically designed to enable the counselor to  
4 provide support to victims of sexual assault, and is famil-  
5 iar with relevant laws on sexual assault as well as the in-  
6 stitution’s own policies regarding sexual assault.

7       “(c) INFORMING VICTIMS OF AVAILABLE OPTIONS  
8 AND SERVICES.—In providing services pursuant to this  
9 section, a counselor shall—

10           “(1) inform the victim of sexual assault of op-  
11 tions available to victims, including the procedures  
12 the victim may follow to report the assault to the in-  
13 stitution or to a law enforcement agency; and

14           “(2) inform the victim of interim measures that  
15 may be taken pending the resolution of institutional  
16 disciplinary proceedings or the conclusion of criminal  
17 justice proceedings.

18       “(d) CONFIDENTIALITY.—

19           “(1) MAINTAINING CONFIDENTIALITY OF IN-  
20 FORMATION.—In providing services pursuant to this  
21 section, a counselor shall—

22           “(A) maintain confidentiality with respect  
23 to any information provided by a victim of sex-  
24 ual assault to the greatest extent permitted  
25 under applicable law; and

1           “(B) notify the victim of any cir-  
2           cumstances under which the counselor is re-  
3           quired to report information to others (includ-  
4           ing a law enforcement agency) notwithstanding  
5           the general requirement to maintain confiden-  
6           tiality under subparagraph (A).

7           “(2) MAINTAINING PRIVACY OF RECORDS.—A  
8           counselor providing services pursuant to this section  
9           shall be considered a recognized professional for pur-  
10          poses of section 444(a)(4)(B)(iv) of the General  
11          Education Provisions Act (commonly known as the  
12          ‘Family Educational Rights and Privacy Act of  
13          1974’) (20 U.S.C. 1232g(a)(4)(B)(iv)).

14          “(e) LIMITATIONS.—

15                 “(1) NO REPORTING OF INCIDENTS UNDER  
16                 CLERY ACT OR OTHER AUTHORITY.—A counselor  
17                 providing services pursuant to this section is not re-  
18                 quired to report incidents of sexual assault that are  
19                 reported to the counselor for inclusion in any report  
20                 on campus crime statistics, and shall not be consid-  
21                 ered part of a campus police or security department  
22                 for purposes of section 485(f).

23                 “(2) NO COVERAGE OF COUNSELORS AS RE-  
24                 SPONSIBLE EMPLOYEES UNDER TITLE IX.—A coun-  
25                 selor providing services pursuant to this section on

1       behalf of an institution of higher education shall not  
2       be considered a responsible employee of the institu-  
3       tion for purposes of title IX of the Education  
4       Amendments of 1972 (20 U.S.C. 1681 et seq.) or  
5       the regulations promulgated pursuant to such title.

6       “(f) NOTIFICATIONS TO STUDENTS.—Each institu-  
7       tion of higher education that is subject to this part shall  
8       make a good faith effort to notify its students of the avail-  
9       ability of the services of counselors pursuant to this sec-  
10      tion through the statement of policy described in section  
11      485(f)(8)(B)(vi) and any other methods as the institution  
12      considers appropriate, including disseminating informa-  
13      tion through the institution’s website, posting notices  
14      throughout the campus, and including information as part  
15      of programs to educate students on sexual assault preven-  
16      tion and awareness.

17      **“SEC. 164. FORM TO DISTRIBUTE TO VICTIMS OF SEXUAL**  
18    **ASSAULT.**

19      “(a) REQUIREMENT TO DEVELOP AND DISTRIBUTE  
20      FORM.—Each institution of higher education that is sub-  
21      ject to this part shall develop a one-page form containing  
22      information to provide guidance and assistance to students  
23      who may be victims of sexual assault, and shall make the  
24      form widely available to students.

1       “(b) CONTENTS OF FORM.—The form developed  
2 under this section shall contain such information as the  
3 institution considers appropriate, and may include the fol-  
4 lowing:

5           “(1) Information about the services of coun-  
6 selors which are available pursuant to section 163,  
7 including a statement that the counselor will provide  
8 the maximum degree of confidentiality permitted  
9 under law, and a brief description of the cir-  
10 cumstances under which the counselor may be re-  
11 quired to report information notwithstanding the vic-  
12 tim’s desire to keep the information confidential.

13           “(2) Information about other appropriate cam-  
14 pus resources and resources in the local community,  
15 including contact information.

16           “(3) Information about where to obtain medical  
17 treatment, and information about transportation  
18 services to such medical treatment facilities, if avail-  
19 able.

20           “(4) Information about the importance of pre-  
21 serving evidence after a sexual assault.

22           “(5) Information about how to file a report  
23 with local law enforcement agencies.

1           “(6) Information about the victim’s right to re-  
2           quest accommodations, and examples of accommoda-  
3           tions that may be provided.

4           “(7) Information about the victim’s right to re-  
5           quest that the institution begin an investigation of  
6           an allegation of sexual assault and initiate an insti-  
7           tutional disciplinary proceeding if the alleged perpe-  
8           trator of the assault is another student or a member  
9           of the faculty or staff of the institution.

10           “(8) A statement that an institutional discipli-  
11           nary proceeding is not a substitute for a criminal  
12           justice proceeding.

13           “(9) Information about how to report a sexual  
14           assault to the institution, including the designated  
15           official or office responsible for receiving these re-  
16           ports.

17           “(c) DEVELOPMENT OF MODEL FORMS.—The Sec-  
18           retary, in consultation with relevant stakeholders, shall de-  
19           velop model forms that an institution may use to meet  
20           the requirements of this section, and shall include in such  
21           model forms language which may accommodate a variety  
22           of State and local laws and institutional policies. Nothing  
23           in this subsection may be construed to require an institu-  
24           tion to use any of the model forms developed under this  
25           subsection.

1 **“SEC. 165. MEMORANDA OF UNDERSTANDING WITH LOCAL**  
2 **LAW ENFORCEMENT AGENCIES.**

3 “(a) FINDINGS; PURPOSE.—

4 “(1) FINDINGS.—Because sexual assault is a  
5 serious crime, coordination and cooperation between  
6 institutions of higher education and law enforcement  
7 agencies are critical in ensuring that reports of sex-  
8 ual assaults on campus are handled in an appro-  
9 priate and effective manner. A memorandum of un-  
10 derstanding entered into between an institution and  
11 the law enforcement agency with primary jurisdic-  
12 tion for responding to reports of sexual assault on  
13 the institution’s campus is a useful tool to promote  
14 this coordination and cooperation.

15 “(2) PURPOSE.—It is the purpose of this sec-  
16 tion to encourage each institution of higher edu-  
17 cation that is subject to this part to enter into a  
18 memorandum of understanding with the law enforce-  
19 ment agency with primary jurisdiction for respond-  
20 ing to reports of sexual assault on the institution’s  
21 campus so that reports of sexual assault on the in-  
22 stitution’s campus may be handled in an appropriate  
23 and effective manner.

24 “(b) CONTENTS OF MEMORANDUM.—An institution  
25 of higher education and a law enforcement agency enter-  
26 ing into a memorandum of understanding described in this



1 section are encouraged to include in the memorandum pro-  
2 visions addressing the following:

3 “(1) An outline of the protocols and a delineation of responsibilities for responding to a report of  
4 sexual assault occurring on campus.

5  
6 “(2) A clarification of each party’s responsibilities under existing Federal, State, and local law or  
7 policies.

8  
9 “(3) The need for the law enforcement agency  
10 to know about institutional policies and resources so  
11 that the agency can direct student-victims of sexual  
12 assault to such resources.

13 “(4) The need for the institution to know about  
14 resources available within the criminal justice system  
15 to assist survivors, including the presence of special  
16 prosecutor or police units specifically designated to  
17 handle sexual assault cases.

18 “(5) If the institution has a campus police or  
19 security department with law enforcement authority,  
20 the need to clarify the relationship and delineate the  
21 responsibilities between such department and the  
22 law enforcement agency with respect to handling in-  
23 cidents of sexual assaults occurring on campus.

24 “(c) ROLE OF SECRETARY.—The Secretary, in con-  
25 sultation with the Attorney General, shall develop best

1 practices for memoranda of understanding described in  
2 this section, and shall disseminate such best practices on  
3 a publicly accessible website of the Department of Edu-  
4 cation.

5 **“SEC. 166. DEFINITIONS.**

6 “In this part:

7 “(1) The term ‘sexual assault’ has the meaning  
8 given such term in section 485(f)(6)(A)(v).

9 “(2) The terms ‘dating violence’, ‘domestic vio-  
10 lence’, and ‘stalking’, have the meaning given such  
11 terms in section 485(f)(6)(A)(i).”.

12 **TITLE II—EXPANDING ACCESS**  
13 **TO IN-DEMAND APPRENTICE-**  
14 **SHIPS**

15 **SEC. 201. REPEAL.**

16 (a) REPEAL.—Title II (20 U.S.C. 1021 et seq.) is  
17 repealed.

18 (b) PART A TRANSITION.—Part A of title II (20  
19 U.S.C. 1022 et seq.), as in effect on the day before the  
20 date of the enactment of this Act, may be carried out  
21 using funds that have been appropriated for such part  
22 until June 30, 2018.

1 **SEC. 202. GRANTS FOR ACCESS TO HIGH-DEMAND CA-**  
2 **REERS.**

3 The Higher Education Act of 1965 (20 U.S.C. 1001  
4 et seq.) is amended by inserting after title I the following:

5 **“TITLE II—EXPANDING ACCESS**  
6 **TO IN-DEMAND APPRENTICE-**  
7 **SHIPS**

8 **“SEC. 201. APPRENTICESHIP GRANT PROGRAM.**

9 “(a) PURPOSE.—The purpose of this section is to ex-  
10 pand student access to, and participation in, new industry-  
11 led earn-and-learn programs leading to high-wage, high-  
12 skill, and high-demand careers.

13 “(b) AUTHORIZATION OF APPRENTICESHIP GRANT  
14 PROGRAM.—

15 “(1) IN GENERAL.—From the amounts author-  
16 ized under subsection (j), the Secretary shall award  
17 grants, on a competitive basis, to eligible partner-  
18 ships for the purpose described in subsection (a).

19 “(2) DURATION.—The Secretary shall award  
20 grants under this section for a period of—

21 “(A) not less than 1 year; and

22 “(B) not more than 4 years.

23 “(3) LIMITATIONS.—

24 “(A) AMOUNT.—A grant awarded under  
25 this section may not be in an amount greater  
26 than \$1,500,000.

1           “(B) NUMBER OF AWARDS.—An eligible  
2           partnership or member of such partnership may  
3           not be awarded more than one grant under this  
4           section.

5           “(C) ADMINISTRATION COSTS.—An eligible  
6           partnership awarded a grant under this section  
7           may not use more than 5 percent of the grant  
8           funds to pay administrative costs associated  
9           with activities funded by the grant.

10          “(c) MATCHING FUNDS.—To receive a grant under  
11          this section, an eligible partnership shall, through cash or  
12          in-kind contributions, provide matching funds from non-  
13          Federal sources in an amount equal to or greater than  
14          50 percent of the amount of such grant.

15          “(d) APPLICATIONS.—

16                 “(1) IN GENERAL.—To receive a grant under  
17                 this section, an eligible partnership shall submit to  
18                 the Secretary at such a time as the Secretary may  
19                 require, an application that—

20                         “(A) identifies and designates the business  
21                         or institution of higher education responsible  
22                         for the administration and supervision of the  
23                         earn-and-learn program for which such grant  
24                         funds would be used;

1           “(B) identifies the businesses and institu-  
2           tions of higher education that comprise the eli-  
3           gible partnership;

4           “(C) identifies the source and amount of  
5           the matching funds required under subsection  
6           (c);

7           “(D) identifies the number of students who  
8           will participate and complete the relevant earn-  
9           and-learn program within 1 year of the expira-  
10          tion of the grant;

11          “(E) identifies the amount of time, not to  
12          exceed 2 years, required for students to com-  
13          plete the program;

14          “(F) identifies the relevant recognized  
15          postsecondary credential to be awarded to stu-  
16          dents who complete the program;

17          “(G) identifies the anticipated earnings of  
18          students—

19                 “(i) 1 year after program completion;  
20                 and

21                 “(ii) 3 years after program comple-  
22                 tion;

23          “(H) describes the specific project for  
24          which the application is submitted, including a  
25          summary of the relevant classroom and paid

1 structured on-the-job training students will re-  
2 ceive;

3 “(I) describes how the eligible partnership  
4 will finance the program after the end of the  
5 grant period;

6 “(J) describes how the eligible partnership  
7 will support the collection of information and  
8 data for purposes of the program evaluation re-  
9 quired under subsection (h); and

10 “(K) describes the alignment of the pro-  
11 gram with State identified in-demand industry  
12 sectors.

13 “(2) APPLICATION REVIEW PROCESS.—

14 “(A) REVIEW PANEL.—Applications sub-  
15 mitted under paragraph (1) shall be read by a  
16 panel of readers composed of individuals se-  
17 lected by the Secretary. The Secretary shall as-  
18 sure that an individual assigned under this  
19 paragraph does not have a conflict of interest  
20 with respect to the applications reviewed by  
21 such individual.

22 “(B) COMPOSITION OF REVIEW PANEL.—  
23 The panel of reviewers selected by the Secretary  
24 under subparagraph (A) shall be comprised as  
25 follows:

1           “(i) A majority of the panel shall be  
2 individuals who are representative of busi-  
3 nesses, which may include owners, execu-  
4 tives with optimum hiring authority, or in-  
5 dividuals representing business organiza-  
6 tions or business trade associations.

7           “(ii) The remainder of the panel shall  
8 be equally divided between individuals who  
9 are—

10           “(I) representatives of institu-  
11 tions of higher education that offer  
12 programs of two years or less; and

13           “(II) representatives of State  
14 workforce development boards estab-  
15 lished under section 101 of the Work-  
16 force Innovation and Opportunity Act  
17 (29 U.S.C. 3111).

18           “(C) REVIEW OF APPLICATIONS.—The  
19 Secretary shall instruct the review panel se-  
20 lected by the Secretary under paragraph (2)(A)  
21 to evaluate applications using only the criteria  
22 specified in paragraph (1) and make rec-  
23 ommendations with respect to—

24           “(i) the quality of the applications;

1                   “(ii) whether a grant should be  
2                   awarded for a project under this title; and

3                   “(iii) the amount and duration of  
4                   such grant.

5                   “(D) NOTIFICATION.—Not later than June  
6                   30 of each year, the Secretary shall notify each  
7                   eligible partnership submitting an application  
8                   under this section of—

9                   “(i) the scores given the applicant by  
10                  the panel pursuant to this section;

11                  “(ii) the recommendations of the  
12                  panel with respect to such application; and

13                  “(iii) the reasons for the decision of  
14                  the Secretary in awarding or refusing to  
15                  award a grant under this section; and

16                  “(iv) modifications, if any, in the rec-  
17                  ommendations of the panel made to the  
18                  Secretary.

19                  “(e) AWARD BASIS.—The Secretary shall award  
20                  grants under this section on the following basis—

21                  “(1) the number of participants to be served by  
22                  the grant;

23                  “(2) the anticipated income of program partici-  
24                  pants in relation to the regional median income;



1           “(3) the alignment of the program with State-  
2 identified in-demand industry sectors; and

3           “(4) the recommendations of the readers under  
4 subsection (d)(2)(C).

5           “(f) USE OF FUNDS.—Grant funds provided under  
6 this section may be used for—

7           “(1) the purchase of appropriate equipment,  
8 technology, or instructional material, aligned with  
9 business and industry needs, including machinery,  
10 testing equipment, hardware and software;

11           “(2) student books, supplies, and equipment re-  
12 quired for enrollment;

13           “(3) the reimbursement of up to 50 percent of  
14 the wages of a student participating in an earn-and-  
15 learn program receiving a grant under this section;

16           “(4) the development of industry-specific pro-  
17 gramming;

18           “(5) supporting the transition of industry-based  
19 professionals from an industry setting to an aca-  
20 demic setting;

21           “(6) industry-recognized certification exams or  
22 other assessments leading to a recognized postsec-  
23 ondary credential associated with the earn-and-learn  
24 program; and

1           “(7) any fees associated with the certifications  
2           or assessments described in paragraph (6).

3           “(g) TECHNICAL ASSISTANCE.—The Secretary may  
4 provide technical assistance to eligible partnerships award-  
5 ed under this section throughout the grant period for pur-  
6 poses of grant management.

7           “(h) EVALUATION.—

8           “(1) IN GENERAL.—From the amounts made  
9 available under subsection (j), the Secretary, acting  
10 through the Director of the Institute for Education  
11 Sciences, shall provide for the independent evalua-  
12 tion of the grant program established under this sec-  
13 tion that includes the following:

14                   “(A) An assessment of the effectiveness of  
15 the grant program in expanding earn-and-learn  
16 program opportunities offered by employers in  
17 conjunction with institutions of higher edu-  
18 cation.

19                   “(B) The number of students who partici-  
20 pated in programs assisted under this section.

21                   “(C) The percentage of students partici-  
22 pating in programs assisted under this section  
23 who successfully completed the program in the  
24 time described in subsection (d)(1)(E).

1           “(D) The median earnings of program par-  
2           ticipants—

3                   “(i) 1 year after exiting the program;  
4                   and

5                   “(ii) 3 years after exiting the pro-  
6                   gram.

7           “(E) The percentage of students partici-  
8           pating in programs assisted under this section  
9           who successfully receive a recognized postsec-  
10          ondary credential.

11          “(F) The number of students served by  
12          programs receiving funding under this sec-  
13          tion—

14                   “(i) 2 years after the end of the grant  
15                   period;

16                   “(ii) 4 years after the end of the  
17                   grant period.

18          “(2) PROHIBITION.—Notwithstanding any other  
19          provision of law, the evaluation required by this sub-  
20          section shall not be subject to any review outside the  
21          Institute for Education Sciences before such reports  
22          are submitted to Congress and the Secretary.

23          “(3) PUBLICATION.—The evaluation required  
24          by this subsection shall be made publicly available on  
25          the website of the Department.

1 “(i) DEFINITIONS.—In this section:

2 “(1) EARN-AND-LEARN PROGRAM.—The term  
3 ‘earn-and-learn program’ means an education pro-  
4 gram, including an apprenticeship program, that  
5 provides students with structured, sustained, and  
6 paid on-the-job training and accompanying, for cred-  
7 it, classroom instruction that—

8 “(A) is for a period of between 3 months  
9 and 2 years; and

10 “(B) leads to, on completion of the pro-  
11 gram, a recognized postsecondary credential.

12 “(2) ELIGIBLE PARTNERSHIP.—The term ‘eligi-  
13 ble partnership’ shall mean a consortium that in-  
14 cludes—

15 “(A) 1 or more businesses; and

16 “(B) 1 or more institutions of higher edu-  
17 cation.

18 “(3) IN-DEMAND INDUSTRY SECTOR OR OCCU-  
19 PATION.—The term ‘in-demand industry sector or  
20 occupation’ has the meaning given the term in sec-  
21 tion 3 of the Workforce Innovation and Opportunity  
22 Act (29 U.S.C. 3102).

23 “(4) ON-THE-JOB TRAINING.—The term ‘on-  
24 the-job training’ has the meaning given the term in

1 section 3 of the Workforce Innovation and Oppor-  
2 tunity Act (29 U.S.C. 3102).

3 “(5) RECOGNIZED POSTSECONDARY CREDEN-  
4 TIAL.—The term ‘recognized postsecondary creden-  
5 tial’ has the meaning given the term in section 3 of  
6 the Workforce Innovation and Opportunity Act (29  
7 U.S.C. 3102).

8 “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this section  
10 \$183,204,000 for fiscal year 2019 and each of the 5 suc-  
11 ceeding fiscal years.”.

## 12 **TITLE III—INSTITUTIONAL AID**

### 13 **SEC. 301. STRENGTHENING INSTITUTIONS.**

14 Part A of title III (20 U.S.C. 1057 et seq.) is amend-  
15 ed—

16 (1) in the part heading for part A, by inserting  
17 “**MINORITY-SERVING**” after “**STRENGTHENING**”;

18 (2) in section 311—

19 (A) by striking subsection (b) and redesign-  
20 ating subsections (c) and (d) as subsections  
21 (b) and (c), respectively;

22 (B) in subsection (b) (as so redesign-  
23 nated)—

24 (i) by striking paragraph (6) and in-  
25 serting the following:

1           “(6) Tutoring, counseling, advising, and stu-  
2           dent service programs designed to improve academic  
3           success, including innovative and customized instruc-  
4           tional courses (which may include remedial edu-  
5           cation and English language instruction) designed to  
6           help retain students and move the students rapidly  
7           into core courses and through program completion.”;

8                       (ii) in paragraph (8), by striking “ac-  
9                       quisition of equipment for use in strength-  
10                      ening funds management” and inserting  
11                      “acquisition of technology, services, and  
12                      equipment for use in strengthening funds  
13                      and administrative management”;

14                     (iii) in paragraph (12), by striking  
15                     “Creating” and all that follows through  
16                     “technologies,” and inserting “Innovative  
17                     learning models and creating or improving  
18                     facilities for Internet or other innovative  
19                     technologies,”;

20                     (iv) by redesignating paragraph (13)  
21                     as paragraph (18); and

22                     (v) by inserting after paragraph (12)  
23                     the following:

24                     “(13) Establishing community outreach pro-  
25                     grams that will encourage elementary school and

1 secondary school students to develop the academic  
2 skills and the interest to pursue postsecondary edu-  
3 cation.

4 “(14) The development, coordination, imple-  
5 mentation, or improvement of career and technical  
6 education programs as defined in section 135 of the  
7 Carl D. Perkins Career and Technical Education  
8 Act of 2006 (20 U.S.C. 2355).

9 “(15) Alignment and integration of career and  
10 technical education programs with programs of  
11 study leading to a bachelor’s degree, graduate de-  
12 gree, or professional degree.

13 “(16) Developing or expanding access to dual  
14 or concurrent enrollment programs and early college  
15 high school programs.

16 “(17) Pay for success initiatives that improve  
17 time to completion and increase graduation rates.”;  
18 and

19 (C) in subsection (c) (as so redesignated),  
20 by adding at the end the following:

21 “(4) SCHOLARSHIP.—An institution that uses  
22 grant funds provided under this part to establish or  
23 increase an endowment fund may use the income  
24 from such endowment fund to provide scholarships  
25 to students for the purposes of attending such insti-

1       tution, subject to the limitation in section  
2       331(c)(3)(B)(i).”;

3           (3) in section 312—

4               (A) in subsection (a), by striking “trans-  
5       fers which the institution” and inserting “trans-  
6       fers that the institution”;

7               (B) in subsection (b)(1)—

8                   (i) by redesignating subparagraphs  
9       (E) and (F) as subparagraphs (F) and  
10       (E), respectively;

11                  (ii) in subparagraph (E) (as so redesi-  
12       gnated), by inserting “(as defined in sec-  
13       tion 103(20)(A))” after “State”; and

14                  (iii) in subparagraph (F) (as so redesi-  
15       gnated), by striking “and” at the end; and  
16       (C) in subsection (b)—

17                   (i) by striking the period at the end of  
18       paragraph (2) and inserting “; and”; and

19                   (ii) by inserting after paragraph (2)  
20       the following:

21               “(3) except as provided in section 392(b), an  
22       institution that has a completion rate of at least 25  
23       percent that is calculated by counting a student as  
24       completed if that student—



1           “(A) graduates within 150 percent of the  
2 normal time for completion; or

3           “(B) enrolled into another program at an  
4 institution for which the previous program pro-  
5 vided substantial preparation within 150 per-  
6 cent of the normal time for completion.”;

7 (4) in section 313—

8           (A) in subsection (a)—

9                 (i) by striking “for 5 years” and in-  
10 sserting “for a period of 5 years”; and

11                 (ii) by adding at the end the fol-  
12 lowing: “Any funds awarded under this  
13 section that are not expended or used for  
14 the purposes for which the funds were paid  
15 within 10 years following the date on  
16 which the grant was awarded, shall be re-  
17 paid to the Treasury.”; and

18           (B) by striking subsection (d);

19 (5) in section 316—

20           (A) in subsection (c)—

21                 (i) in paragraph (2)—

22                         (I) by striking subparagraph (A)  
23 and inserting the following:

1           “(A) the activities described in paragraphs  
2           (1) through (12) and (14) through (17) of sec-  
3           tion 311(b);”;  
4                    (II) by striking subparagraphs  
5                    (E) through (J);  
6                    (III) by redesignating subpara-  
7                    graphs (K) and (L) as subparagraphs  
8                    (E) and (F), respectively;  
9                    (IV) by striking subparagraph  
10                   (M); and  
11                   (V) by redesignating subpara-  
12                   graph (N) as subparagraph (G); and  
13                   (VI) in subparagraph (G) (as so  
14                   redesignated), by striking “(M)” and  
15                   inserting “(F)”;  
16                   (ii) by striking paragraph (3) and in-  
17                   serting the following:  
18                   “(3) ENDOWMENT FUND.—A Tribal College or  
19                   University seeking to establish or increase an endow-  
20                   ment fund shall abide by the requirements in section  
21                   311(c).”; and  
22                   (B) in subsection (d)—  
23                   (i) by striking paragraph (2) and in-  
24                   serting the following:

1           “(2) APPLICATION.—A Tribal College or Uni-  
2           versity desiring to receive assistance under this sec-  
3           tion shall submit an application to the Secretary  
4           pursuant to section 391.”; and

5                           (ii) in paragraph (4)—

6                                   (I) in subparagraph (A), by strik-  
7                                   ing “part A of”; and

8                                   (II) in subparagraph (B), by  
9                                   striking “313(d)” and inserting  
10                                  “312(b)(3)”;

11                   (6) in section 317—

12                           (A) in subsection (c)—

13                                   (i) by striking paragraph (2) and in-  
14                                   serting the following:

15                   “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—

16                   Such programs may include—

17                           “(A) the activities described in paragraphs  
18                           (1) through (17) of section 311(b); and

19                           “(B) other activities proposed in the appli-  
20                           cation submitted pursuant to subsection (d)  
21                           that—

22                                   “(i) contribute to carrying out the  
23                                   purpose of this section; and

24                                   “(ii) are approved by the Secretary as  
25                                   part of the review and approval of an ap-

1 plication submitted under subsection (d).”;

2 and

3 (ii) by adding at the end the fol-  
4 lowing:

5 “(3) ENDOWMENT FUND.—An Alaska Native-  
6 serving institution and Native Hawaiian-serving in-  
7 stitution seeking to establish or increase an endow-  
8 ment fund shall abide by the requirements in section  
9 311(c).”; and

10 (B) in subsection (d)—

11 (i) by striking paragraph (1) and re-  
12 designating paragraphs (2) and (3) as  
13 paragraphs (1) and (2), respectively;

14 (ii) in paragraph (1) (as so redesign-  
15 nated)—

16 (I) in the first sentence, by in-  
17 serting “pursuant to section 391”  
18 after “to the Secretary”; and

19 (II) by striking the remaining  
20 sentences; and

21 (iii) in paragraph (2) (as so redesign-  
22 nated)—

23 (I) in subparagraph (A), by strik-  
24 ing “this part or part B.” and insert-

1 ing “this part, part B, or title V.”;

2 and

3 (II) by striking subparagraph (B)

4 and redesignating subparagraph (C)

5 as subparagraph (B);

6 (7) in section 318—

7 (A) in subsection (b)—

8 (i) in paragraph (1)—

9 (I) in subparagraph (E), by  
10 striking “and” at the end;

11 (II) in subparagraph (F)(ii), by  
12 striking “part A of”;

13 (III) in subparagraph (F)(iii), by  
14 striking the period at the end and in-  
15 serting “; and”; and

16 (IV) by adding at the end the fol-  
17 lowing;

18 “(G) is an eligible institution under section  
19 312(b).”; and

20 (ii) by striking paragraph (7);

21 (B) in subsection (d)—

22 (i) in paragraph (2)—

23 (I) in subparagraph (A), by strik-  
24 ing “through (12)” and inserting

25 “through (17) of section 311(b)”;

1 (II) by striking subparagraph  
2 (D); and  
3 (III) by redesignating subpara-  
4 graph (E) as subparagraph (D); and  
5 (ii) by striking paragraph (3) and in-  
6 serting the following:

7 “(3) ENDOWMENT FUND.—A Predominantly  
8 Black Institution seeking to establish or increase an  
9 endowment fund shall abide by the requirements in  
10 section 311(c).”;

11 (C) in subsection (f), by striking all after  
12 “Secretary” the first place such term appears  
13 and inserting “pursuant to section 391.”;

14 (D) by striking subsections (g) and (h);

15 (E) by redesignating subsection (i) as sub-  
16 section (g); and

17 (F) in subsection (g) (as so redesignated),  
18 by striking “part A of”;

19 (8) in section 319—

20 (A) in subsection (c)—

21 (i) by striking paragraph (2) and in-  
22 serting the following:

23 “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—

24 Such programs may include—

1           “(A) the activities described in paragraphs  
2           (1) through (17) of section 311(b); and

3           “(B) other activities proposed in the appli-  
4           cation submitted pursuant to subsection (d)  
5           that—

6                   “(i) contribute to carrying out the  
7                   purpose of this section; and

8                   “(ii) are approved by the Secretary as  
9                   part of the review and approval of an ap-  
10                  plication submitted under subsection (d).”;

11                  and

12                   (ii) by adding at the end the fol-  
13                  lowing:

14                  “(3) ENDOWMENT FUND.—A Native American-  
15                  serving, nontribal institution seeking to establish or  
16                  increase an endowment fund shall abide by the re-  
17                  quirements in section 311(e).”; and

18                  (B) in subsection (d)—

19                   (i) by striking paragraph (1) and in-  
20                  serting the following:

21                  “(1) APPLICATION.—A Native American-serv-  
22                  ing, nontribal institution desiring to receive assist-  
23                  ance under this section shall submit an application  
24                  to the Secretary pursuant to section 391.”;

1 (ii) by striking paragraph (2) and re-  
2 designating paragraph (3) as paragraph  
3 (2); and

4 (iii) in paragraph (2) (as so redesign-  
5 nated)—

6 (I) in subparagraph (A), by strik-  
7 ing “part A of”;

8 (II) by striking subparagraph  
9 (B); and

10 (III) by redesignating subpara-  
11 graphs (C) and (D) as subparagraphs  
12 (B) and (C), respectively; and

13 (9) in section 320—

14 (A) in subsection (c)—

15 (i) by striking paragraph (2) and in-  
16 serting the following:

17 “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—

18 Such programs may include—

19 “(A) the activities described in paragraphs  
20 (1) through (17) of section 311(b);

21 “(B) academic instruction in disciplines in  
22 which Asian Americans and Native American  
23 Pacific Islanders are underrepresented;

24 “(C) conducting research and data collec-  
25 tion for Asian American and Native American



1 Pacific Islander populations and subpopula-  
2 tions;

3 “(D) establishing partnerships with com-  
4 munity-based organizations serving Asian  
5 Americans and Native American Pacific Island-  
6 ers; and

7 “(E) other activities proposed in the appli-  
8 cation submitted pursuant to subsection (d)  
9 that—

10 “(i) contribute to carrying out the  
11 purpose of this section; and

12 “(ii) are approved by the Secretary as  
13 part of the review and approval of an ap-  
14 plication submitted under subsection (d).”;  
15 and

16 (ii) by adding at the end the fol-  
17 lowing:

18 “(3) ENDOWMENT FUND.—An Asian American  
19 and Native American Pacific Islander-serving insti-  
20 tution seeking to establish or increase an endowment  
21 fund shall abide by the requirements in section  
22 311(c).”; and

23 (B) in subsection (d)—

24 (i) by striking paragraph (1) and in-  
25 serting the following:

1           “(1) APPLICATION.—Each Asian American and  
2           Native American Pacific Islander-serving institution  
3           desiring to receive assistance under this section shall  
4           submit an application to the Secretary pursuant to  
5           section 391.”;

6                       (ii) by striking paragraph (2) and re-  
7           designating paragraph (3) as paragraph  
8           (2); and

9                       (iii) in paragraph (2) (as so redesign-  
10           nated), by striking subparagraph (B) and  
11           redesignating subparagraph (C) as sub-  
12           paragraph (B).

13 **SEC. 302. STRENGTHENING HISTORICALLY BLACK COL-**  
14 **LEGES AND UNIVERSITIES.**

15           Part B of title III (20 U.S.C. 1060 et seq.) is amend-  
16 ed—

17                       (1) in section 323—

18                               (A) by striking subsection (a) and insert-  
19           ing the following :

20           “(a) AUTHORIZED ACTIVITIES.—From amounts  
21 available under section 399(a)(2) for any fiscal year, the  
22 Secretary shall make grants (under section 324) to insti-  
23 tutions which have applications approved by the Secretary  
24 (under section 325) for any of the following uses:

1           “(1) The activities described in paragraphs (1)  
2 through (17) of section 311(b).

3           “(2) Academic instruction in disciplines in  
4 which Black Americans are underrepresented.

5           “(3) Initiatives to improve the educational out-  
6 comes of African American males.

7           “(4) Establishing or enhancing a program of  
8 teacher education designed to qualify students to  
9 teach in a public elementary or secondary school in  
10 the State that shall include, as part of such pro-  
11 gram, preparation for teacher certification.

12           “(5) Acquisition of real property in connection  
13 with the construction, renovation, or addition to or  
14 improvement of campus facilities.

15           “(6) Services necessary for the implementation  
16 of projects or activities that are described in the  
17 grant application and that are approved, in advance,  
18 by the Secretary, except that not more than two per-  
19 cent of the grant amount may be used for this pur-  
20 pose.

21           “(7) Other activities proposed in the application  
22 submitted pursuant to section 325 that—

23                   “(A) contribute to carrying out the pur-  
24 poses of this part; and

1           “(B) are approved by the Secretary as part  
2           of the review and acceptance of such applica-  
3           tion.”; and

4           (B) by striking subsection (b) and insert-  
5           ing the following:

6           “(b) ENDOWMENT FUND.—An institution seeking to  
7           establish or increase an endowment shall abide by the re-  
8           quirements in section 311(c).”;

9           (2) in section 325(a), by striking “(C), (D), and  
10          (E)” and inserting “(C) through (F)”;

11          (3) in section 326—

12          (A) by striking subsection (b) and insert-  
13          ing the following:

14          “(b) DURATION.—The Secretary may award a grant  
15          to an eligible institution under this part for a period of  
16          5 years. Any funds awarded under this section that are  
17          not expended or used for the purposes for which the funds  
18          were paid within 10 years following the date on which the  
19          grant was awarded, shall be repaid to the Treasury.”;

20          (B) by striking subsection (c) and insert-  
21          ing the following:

22          “(c) AUTHORIZED ACTIVITIES.—A grant under this  
23          section may be used for—

1           “(1) the activities described in paragraphs (1)  
2 through (12), (14) through (15), and (17) of section  
3 311(b);

4           “(2) scholarships, fellowships, and other finan-  
5 cial assistance for needy graduate and professional  
6 students to permit the enrollment of the students in  
7 and completion of the doctoral degree in medicine,  
8 dentistry, pharmacy, veterinary medicine, law, and  
9 the doctorate degree in the physical or natural  
10 sciences, engineering, mathematics, or other sci-  
11 entific disciplines in which African Americans are  
12 underrepresented;

13           “(3) acquisition of real property that is adja-  
14 cent to the campus in connection with the construc-  
15 tion, renovation, or addition to or improvement of  
16 campus facilities;

17           “(4) services necessary for the implementation  
18 of projects or activities that are described in the  
19 grant application and that are approved, in advance,  
20 by the Secretary, except that not more than two per-  
21 cent of the grant amount may be used for this pur-  
22 pose; and

23           “(5) other activities proposed in the application  
24 submitted under subsection (d) that—

1           “(A) contribute to carrying out the pur-  
2           poses of this part; and

3           “(B) are approved by the Secretary as part  
4           of the review and acceptance of such applica-  
5           tion.”;

6           (C) in subsection (e)(1)—

7           (i) in subparagraph (W), by striking  
8           “and” at the end;

9           (ii) in subparagraph (X), by striking  
10          the period at the end and inserting “;  
11          and”;

12          (iii) by adding at the end the fol-  
13          lowing:

14          “(Y) University of the Virgin Islands  
15          School of Medicine.”;

16          (iv) in each of paragraphs (2) and (3)  
17          of subsection (f), by striking “(X)” and in-  
18          serting “(Y)”;

19          (v) in subsection (g), by striking  
20          “2008” each place such term appears and  
21          inserting “2018”; and

22          (4) in section 327—

23          (A) by striking the designation and head-  
24          ing for subsection (a); and

25          (B) by striking subsection (b).

1 **SEC. 303. HISTORICALLY BLACK COLLEGE AND UNIVER-**  
2 **SITY CAPITAL FINANCING.**

3 Part D of title III (20 U.S.C. 1066 et seq.) is amend-  
4 ed—

5 (1) in section 343—

6 (A) by striking “escrow account” each  
7 place it appears and inserting “bond insurance  
8 fund”; and

9 (B) in subsection (b)—

10 (i) in paragraph (1), by striking “an”  
11 and inserting “a”; and

12 (ii) in paragraph (8), in the matter  
13 preceding subparagraph (A), by striking  
14 “an” and inserting “a”;

15 (2) in section 345, by striking paragraph (9)  
16 and inserting the following:

17 “(9) may, directly or by grant or contract, pro-  
18 vide financial counseling and technical assistance to  
19 eligible institutions to prepare the institutions to  
20 qualify, apply for, and maintain a capital improve-  
21 ment loan, including a loan under this part; and”;  
22 and

23 (3) in section 347(c), by striking paragraph (2)  
24 and inserting the following:

25 “(2) REPORT.—On an annual basis, the Advi-  
26 sory Board shall prepare and submit to the author-

1       izing committees a report on the status of the his-  
2       torically Black colleges and universities described in  
3       paragraph (1)(A) and an overview of all loans in the  
4       capital financing program, including the most recent  
5       loans awarded in the fiscal year in which the report  
6       is submitted. The report shall include administrative  
7       and legislative recommendations, as needed, for ad-  
8       dressing the issues related to construction financing  
9       facing historically Black colleges and universities.”.

10 **SEC. 304. MINORITY SCIENCE AND ENGINEERING IMPROVE-**  
11 **MENT PROGRAM.**

12       Part E of title III (20 U.S.C. 1067 et seq.) is amend-  
13 ed—

14           (1) in section 353(a)—

15               (A) in paragraph (1), by striking “365(6)”  
16           and inserting “359(6)”;

17               (B) in paragraph (2), by striking “365(7)”  
18           and inserting “359(7)”;

19               (C) in paragraph (3), by striking “365(8)”  
20           and inserting “359(8)”;

21               (D) in paragraph (5), by striking “365(9)”  
22           and inserting “359(9)”;

23           (2) by striking subpart 2;



1           (3) by redesignating subpart 3 as subpart 2  
2           and redesignating sections 361 through 365 as sec-  
3           tions 355 through 359, respectively;

4           (4) in section 355 (as so redesignated), by  
5           striking paragraph (5);

6           (5) in section 356(a) (as so redesignated), by  
7           striking “determined under section 361)” and in-  
8           serting “determined under section 355)”;

9           (6) in section 359(2) (as so redesignated)—

10           (A) by inserting “American” after  
11           “Black”; and

12           (B) by striking “Hispanic (including)” and  
13           inserting “Hispanic American (including”.

14 **SEC. 305. STRENGTHENING HISTORICALLY BLACK COL-**  
15 **LEGES AND UNIVERSITIES AND OTHER MI-**  
16 **NORITY-SERVING INSTITUTIONS.**

17           Section 371 (20 U.S.C. 1067q) is amended—

18           (1) in subsection (b)(2)(D)(iii), by striking  
19           “section 311(c)” and inserting “section 311(b)”;  
20           and

21           (2) in subsection (c)(9)(F)(ii), by striking “part  
22           A of”.

23 **SEC. 306. GENERAL PROVISIONS.**

24           Part G of title III (20 U.S.C. 1068 et seq.) is amend-  
25           ed—

1 (1) in section 391(b)—

2 (A) in paragraph (1), by striking “institu-  
3 tional management” and all that follows  
4 through the semicolon at the end and inserting  
5 “institutional management, and use the grant  
6 to provide for, and lead to, institutional self-  
7 sustainability and growth (including measurable  
8 objectives for the institution and the Secretary  
9 to use in monitoring the effectiveness of activi-  
10 ties under this title);”;

11 (B) in paragraph (7)—

12 (i) by striking subparagraph (C) and  
13 redesignating subparagraphs (D) and (E)  
14 as subparagraphs (C) and (D), respec-  
15 tively; and

16 (ii) in subparagraph (D) (as so redес-  
17 igned), strike “and” at the end;

18 (C) by striking paragraph (8) and insert-  
19 ing the following:

20 “(8) set forth a 5-year plan for improving the  
21 assistance provided by the institution; and”; and

22 (D) by adding at the end the following:

23 “(9) submit such enrollment data as may be  
24 necessary to demonstrate that the institution is a  
25 minority-serving institution.”;

1 (2) in section 392—

2 (A) in subsection (b)—

3 (i) in the subsection heading, after  
4 “EXPENDITURES” insert “; COMPLETION  
5 RATES”;

6 (ii) in paragraph (1), insert “or  
7 312(b)(3)” after “312(b)(1)(B)”; and

8 (iii) in paragraph (2)—

9 (I) in the matter preceding sub-  
10 paragraph (A)—

11 (aa) by inserting “or  
12 312(b)(3)” after “312(b)(1)(B)”;  
13 and

14 (bb) by inserting “Amer-  
15 ican” after “Hispanic”; and

16 (II) in subparagraph (A), by in-  
17 serting “or section 312(b)(3)” after  
18 “312(b)(1)”; and

19 (B) by striking subsection (c) and insert-  
20 ing the following:

21 “(c) WAIVER AUTHORITY WITH RESPECT TO INSTI-  
22 TUTIONS LOCATED IN AN AREA AFFECTED BY A MAJOR  
23 DISASTER.—

24 “(1) WAIVER AUTHORITY.—Notwithstanding  
25 any other provision of law, unless enacted with spe-

1 cific reference to this section, in the case of a major  
2 disaster, the Secretary may waive for affected insti-  
3 tutions—

4 “(A) the eligibility data requirements set  
5 forth in section 391(d) and section 521(e);

6 “(B) the allotment requirements under sec-  
7 tion 324; and

8 “(C) the use of the funding formula devel-  
9 oped pursuant to section 326(f)(3);

10 “(2) DEFINITIONS.—In this subsection:

11 “(A) AFFECTED INSTITUTION.—The term  
12 ‘affected institution’ means an institution of  
13 higher education that—

14 “(i) is—

15 “(I) a part A institution (which  
16 term shall have the meaning given the  
17 term ‘eligible institution’ under sec-  
18 tion 312(b) or section 502(a)(6)); or

19 “(II) a part B institution, as  
20 such term is defined in section  
21 322(2), or as identified in section  
22 326(e);

23 “(ii) is located in an area affected by  
24 a major disaster; and

1 “(iii) is able to demonstrate that, as a  
2 result of the impact of a major disaster,  
3 the institution—

4 “(I) incurred physical damage;

5 “(II) has pursued collateral  
6 source compensation from insurance,  
7 the Federal Emergency Management  
8 Agency, and the Small Business Ad-  
9 ministration, as appropriate; and

10 “(III) was not able to fully re-  
11 open in existing facilities or to fully  
12 reopen to the pre-disaster enrollment  
13 levels.

14 “(B) MAJOR DISASTER.—The term ‘major  
15 disaster’ has the meaning given such term in  
16 section 102(2) of the Robert T. Stafford Dis-  
17 aster Relief and Emergency Assistance Act (42  
18 U.S.C. 5122(2)).”; and

19 (3) in section 399, by striking subsection (a)  
20 and inserting the following:

21 “(a) AUTHORIZATIONS.—

22 “(1) PART A.—(A) There are authorized to be  
23 appropriated to carry out section 316, \$27,599,000  
24 for each of fiscal years 2019 through 2024.

1           “(B) There are authorized to be appropriated  
2           to carry out section 317, \$13,802,000 for each of  
3           fiscal years 2019 through 2024.

4           “(C) There are authorized to be appropriated to  
5           carry out section 318, \$9,942,000 for each of fiscal  
6           years 2019 through 2024.

7           “(D) There are authorized to be appropriated  
8           to carry out section 319, \$3,348,000 for each of fis-  
9           cal years 2019 through 2024.

10          “(E) There are authorized to be appropriated  
11          to carry out section 320, \$3,348,000 for each of fis-  
12          cal years 2019 through 2024.

13          “(2) PART B.—(A) There are authorized to be  
14          appropriated to carry out part B (other than section  
15          326), \$244,694,000 for each of fiscal years 2019  
16          through 2024.

17          “(B) There are authorized to be appropriated  
18          to carry out section 326, \$63,281,000 for each of  
19          fiscal years 2019 through 2024.

20          “(3) PART D.—There are authorized to be ap-  
21          propriated to carry out part D, \$20,484,000 for  
22          each of fiscal years 2019 through 2024. Of the  
23          amount authorized, 1.63 percent shall be reserved  
24          for administrative expenses.

1           “(4) PART E.—There are authorized to be ap-  
2           propriated to carry out subpart 1 of part E,  
3           \$9,648,000 for each of fiscal years 2019 through  
4           2024.”.

## 5 **TITLE IV—STUDENT ASSISTANCE**

### 6 **PART A—GRANTS TO STUDENTS IN ATTENDANCE**

#### 7 **AT INSTITUTIONS OF HIGHER EDUCATION**

##### 8 **SEC. 401. FEDERAL PELL GRANTS.**

9           (a) REAUTHORIZATION.—Section 401(a) (20 U.S.C.  
10 1070a(a)) is amended—

11           (1) by striking “fiscal year 2017” and inserting  
12           “fiscal year 2024”; and

13           (2) by inserting “an eligible program at” after  
14           “attendance at”.

15           (b) FEDERAL PELL GRANT BONUS.—

16           (1) AMENDMENTS.—Section 401(b) (20 U.S.C.  
17 1070a(b)) is amended—

18           (A) in paragraph (7)(A)(iii)—

19           (i) by inserting “and paragraph (9)”  
20           after “this paragraph”; and

21           (ii) by inserting before the semicolon  
22           at the end the following: “and to provide  
23           the additional amount required by para-  
24           graph (9)”; and

25           (B) by adding at the end the following:

1 “(9) FEDERAL PELL GRANT BONUS.—

2 “(A) IN GENERAL.—Notwithstanding any  
3 other provision of this subsection and from the  
4 amounts made available pursuant to paragraph  
5 (7)(A)(iii) for the purposes of this paragraph,  
6 an eligible student who is receiving a Federal  
7 Pell Grant for an award year shall receive an  
8 amount in addition to such Federal Pell Grant  
9 for each payment period of such award year for  
10 which the student—

11 “(i) is receiving such Federal Pell  
12 Grant as long as the amount of such Fed-  
13 eral Pell Grant does not exceed the max-  
14 imum amount of a Federal Pell Grant  
15 award determined under paragraph (2)(A)  
16 for such award year; and

17 “(ii) is carrying a work load that—

18 “(I) is greater than the normal  
19 full-time work load for the course of  
20 study the student is pursuing, as de-  
21 termined by the institution of higher  
22 education; and

23 “(II) will lead to the completion  
24 of not less than 30 credit hours (or  
25 the equivalent coursework) upon the



1 completion of the final payment pe-  
2 riod for which the student is receiving  
3 the Federal Pell Grant described in  
4 clause (i).

5 “(B) AMOUNT OF BONUS.—The amount  
6 provided to an eligible student under subpara-  
7 graph (A) for an award year may not exceed  
8 \$300, which shall be equally divided among  
9 each payment period of such award year de-  
10 scribed in clauses (i) and (ii) of subparagraph  
11 (A).”.

12 (2) EFFECTIVE DATE.—The amendments made  
13 by paragraph (1) shall take effect with respect to  
14 award year 2018–2019 and each succeeding award  
15 year.

16 (c) PERIOD OF ELIGIBILITY FOR GRANTS.—Section  
17 401(c) (20 U.S.C. 1070a(c)) is amended by adding at the  
18 end the following:

19 “(6)(A) The Secretary shall issue to each stu-  
20 dent receiving a Federal Pell Grant, an annual sta-  
21 tus report which shall—

22 “(i) inform the student of the remaining  
23 period during which the student may receive  
24 Federal Pell Grants in accordance with para-  
25 graph (5), and provide access to a calculator to

1 assist the student in making such determina-  
2 tion;

3 “(ii) include an estimate of the Federal  
4 Pell Grant amounts which may be awarded for  
5 such remaining period based on the student’s  
6 award amount determined under subsection  
7 (b)(2)(A) for the most recent award year;

8 “(iii) explain how the estimate was cal-  
9 culated and any assumptions underlying the es-  
10 timate;

11 “(iv) explain that the estimate may be af-  
12 fected if there is a change—

13 “(I) in the student’s financial cir-  
14 cumstances; or

15 “(II) the availability of Federal fund-  
16 ing; and

17 “(v) describe how the remaining period  
18 during which the student may receive Federal  
19 Pell Grants will be affected by whether the stu-  
20 dent is enrolled as a full-time student.

21 “(B) Nothing in this paragraph shall be con-  
22 strued to prohibit an institution from offering addi-  
23 tional counseling to a student with respect to Fed-  
24 eral Pell Grants, but such counseling shall not delay

1 or impede disbursement of a Federal Pell Grant  
2 award to the student.”.

3 (d) DISTRIBUTION OF GRANTS TO STUDENTS.—Sec-  
4 tion 401(e) (20 U.S.C. 1070a(e)) is amended by striking  
5 the first sentence and inserting “Payments under this sec-  
6 tion shall be made in the same manner as disbursements  
7 under section 465(a).”.

8 (e) INSTITUTIONAL INELIGIBILITY BASED ON DE-  
9 FAULT RATES.—Section 401(j) of such Act (20 U.S.C.  
10 1070a(j)) is amended by adding at the end the following:

11 “(3) SUNSET.—The provisions of this sub-  
12 section shall not apply after the transition period de-  
13 scribed in section 481B(e)(3).”.

14 (f) PREVENTION OF FRAUD.—Section 401 (20  
15 U.S.C. 1070a) is amended by adding at the end the fol-  
16 lowing:

17 “(k) PREVENTION OF FRAUD.—

18 “(1) IN GENERAL.—No Federal Pell Grant  
19 shall be awarded under this subpart to any indi-  
20 vidual who, with respect to not less than any 3 pay-  
21 ment periods, for each such payment period—

22 “(A) received at least a portion of a Fed-  
23 eral Pell Grant award; and

1           “(B) did not complete any credit hours (or  
2           credit hour equivalencies) for which the indi-  
3           vidual was enrolled.

4           “(2) WAIVER.—The financial aid administrator  
5           at an institution may waive the requirement of para-  
6           graph (1), if the financial aid administrator—

7                   “(i) determines that the student was un-  
8                   able to complete the credit hours described in  
9                   paragraph (1)(B) due to circumstances beyond  
10                  the student’s control; and

11                   “(ii) makes and documents such a deter-  
12                  mination on an individual basis.

13           “(3) CIRCUMSTANCES DESCRIBED.—For pur-  
14           poses of paragraph (2), circumstances beyond the  
15           student’s control—

16                   “(A) may include the student withdrawing  
17                   from classes due to illness; and

18                   “(B) shall not include withdrawing to  
19                   avoid a particular grade.”.

20           (g) REPORT ON COSTS OF FEDERAL PELL GRANT  
21 PROGRAM.—Section 401 (20 U.S.C. 1070a) is further  
22 amended, as amended by subsections (a) through (f), by  
23 adding at the end the following:

24           “(1) REPORT ON COSTS OF FEDERAL PELL GRANT  
25 PROGRAM.—Not later than October 31 of each year, the

1 Secretary shall prepare and submit a report to the author-  
2 izing committees that includes the following information  
3 with respect to spending for the Federal Pell Grant pro-  
4 gram for the preceding fiscal year:

5           “(1) The total obligations and expenditures for  
6 the program for such fiscal year.

7           “(2) A comparison of the total obligations and  
8 expenditures for the program for such fiscal year—

9                   “(A) to the most recently available Con-  
10 gressional Budget Office baseline for the pro-  
11 gram; and

12                   “(B) in the case in which such fiscal year  
13 is fiscal year 2019, 2020, 2021, 2022, 2023, or  
14 2024, to the Congressional Budget Office cost  
15 estimate for the program included in the report  
16 of the Committee on Education and the Work-  
17 force of the House of Representatives accom-  
18 panying the PROSPER Act, as approved by the  
19 Committee.

20           “(3) The total obligations and expenditures for  
21 the maximum Federal Pell Grant for which a stu-  
22 dent is eligible, as specified in the last enacted ap-  
23 propriation Act applicable to such fiscal year.

24           “(4) A comparison of the total obligations and  
25 expenditures for the maximum Federal Pell Grant

1 for which a student is eligible, as specified in the  
2 last enacted appropriation Act applicable to such fis-  
3 cal year—

4 “(A) to the most recently available Con-  
5 gressional Budget Office baseline for such max-  
6 imum Federal Pell Grant; and

7 “(B) in the case in which such fiscal year  
8 is fiscal year 2019, 2020, 2021, 2022, 2023, or  
9 2024, to the Congressional Budget Office cost  
10 estimate for such maximum Federal Pell Grant  
11 included in the report of the Committee on  
12 Education and the Workforce of the House of  
13 Representatives accompanying the PROSPER  
14 Act, as approved by the Committee.

15 “(5) The total mandatory obligations and ex-  
16 penditures for the amount of the increase in such  
17 maximum Federal Pell Grant required by subsection  
18 (b)(7)(B) for such fiscal year.

19 “(6) A comparison of the total mandatory obli-  
20 gations and expenditures for the amount of the in-  
21 crease in such maximum Federal Pell Grant re-  
22 quired by subsection (b)(7)(B)—

23 “(A) to the most recently available Con-  
24 gressional Budget Office baseline for the in-  
25 crease; and

1           “(B) in the case in which such fiscal year  
2           is fiscal year 2019, 2020, 2021, 2022, 2023, or  
3           2024, to the Congressional Budget Office cost  
4           estimate for the increase included in the report  
5           of the Committee on Education and the Work-  
6           force of the House of Representatives accom-  
7           panying the PROSPER Act, as approved by the  
8           Committee.

9           “(7) The total mandatory obligations and ex-  
10          penditures for the Federal Pell Grant Bonus re-  
11          quired by subsection (b)(9) for such fiscal year.

12          “(8) A comparison of the total mandatory obli-  
13          gations and expenditures for the Federal Pell Grant  
14          Bonus required by subsection (b)(9) for such fiscal  
15          year—

16                 “(A) to the most recently available Con-  
17                 gressional Budget Office baseline for such  
18                 bonus; and

19                 “(B) in the case in which such fiscal year  
20                 is fiscal year 2019, 2020, 2021, 2022, 2023, or  
21                 2024, to the Congressional Budget Office cost  
22                 estimate for such bonus included in the report  
23                 of the Committee on Education and the Work-  
24                 force of the House of Representatives accom-

1           panying the PROSPER Act, as approved by the  
2           Committee.”.”.

3 **SEC. 402. FEDERAL TRIO PROGRAMS.**

4           (a) PROGRAM AUTHORITY; AUTHORIZATION OF AP-  
5 PROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is  
6 amended—

7           (1) in subsection (c)—

8           (A) by amending subparagraph (A) of  
9 paragraph (2) to read as follows:

10           “(A) ACCOUNTABILITY FOR OUTCOMES.—

11           In making grants under this chapter, the Sec-  
12 retary shall comply with the following require-  
13 ments:

14           “(i) The Secretary shall consider each  
15 applicant’s prior success in achieving high  
16 quality service delivery, as determined  
17 under subsection (f), under the particular  
18 program for which funds are sought. The  
19 level of consideration given the factor of  
20 prior success in achieving high quality  
21 service delivery shall not vary from the  
22 level of consideration given such factor  
23 during fiscal years 1994 through 1997, ex-  
24 cept that grants made under section 402H  
25 shall not be given such consideration.



1           “(ii) The Secretary shall not give  
2           points for prior success in achieving high  
3           quality service delivery to any current  
4           grantee that, during the then most recent  
5           period for which funds were provided, did  
6           not meet or exceed two or more objectives  
7           established in the eligible entity’s applica-  
8           tion based on the performance measures  
9           described in subsection (f).

10           “(iii) From the amounts awarded  
11           under subsection (g) for a program under  
12           this chapter (other than a program under  
13           section 402G and 402H) for any fiscal  
14           year in which the Secretary conducts a  
15           competition for the award of grants or con-  
16           tracts under such programs, the Secretary  
17           shall reserve not less than 10 percent of  
18           such available amount to award grants or  
19           contracts to applicants who have not pre-  
20           viously received a grant or contract under  
21           this chapter. If the Secretary determines  
22           that there are an insufficient number of  
23           qualified applicants to use the full amount  
24           reserved under the preceding sentence, the  
25           Secretary shall use the remainder of such

1 amount to award grants or contracts to  
2 applicants who have previously received a  
3 grant or contract under this chapter.”;

4 (B) in paragraph (3)—

5 (i) in subparagraph (A)—

6 (I) by striking “as provided in  
7 subparagraph (B)” and inserting “as  
8 provided in subparagraph (C)”;

9 (II) by striking “experience” and  
10 inserting “success in achieving high  
11 quality service delivery”;

12 (ii) by redesignating subparagraph  
13 (B) as subparagraph (C); and

14 (iii) by inserting after subparagraph  
15 (A) the following new subparagraph:

16 “(B) To ensure that congressional priorities in  
17 conducting competitions for grants and contracts  
18 under this chapter are implemented, the Secretary  
19 shall not impose additional criteria for the  
20 prioritization of applications for such grants or con-  
21 tracts (including additional competitive, absolute, or  
22 other criteria) beyond the criteria described in this  
23 chapter.”;

24 (C) in paragraph (6)—

1 (i) by striking the period at the end of  
2 the second sentence and inserting “, as  
3 long as the program is serving a different  
4 population or a different campus.”;

5 (ii) by striking “the programs author-  
6 ized by” and inserting “sections 402B,  
7 402C, 402D, and 402F of”;

8 (iii) by striking “The Secretary shall  
9 encourage” and inserting the following:  
10 “(A) The Secretary shall encourage”;

11 (iv) by striking “The Secretary shall  
12 permit” and inserting the following:  
13 “(B) The Secretary shall permit”;

14 (D) in paragraph (7), by striking “8  
15 months” each place it appears and inserting  
16 “90 days”;

17 (E) in paragraph (8)—

18 (i) in subparagraph (A)—

19 (I) in the matter preceding clause  
20 (i), by striking “Not later than 180  
21 days after the date of enactment of  
22 the Higher Education Opportunity  
23 Act,” and inserting “Not later than  
24 90 days before the commencement of

1 each competition for a grant under  
2 this chapter,”;

3 (II) in clause (iii), by striking  
4 “prior experience points for high qual-  
5 ity service delivery are awarded” and  
6 inserting “application scores are ad-  
7 justed for prior success in achieving  
8 high quality service delivery”; and

9 (III) in clause (v), by striking  
10 “prior experience points for” and in-  
11 sserting “the adjustment in scores for  
12 prior success in achieving”;

13 (ii) by striking subparagraph (B) and  
14 redesignating subparagraph (C) as sub-  
15 paragraph (B); and

16 (iii) in subparagraph (B), as so reded-  
17 igned—

18 (I) in clause (iii)—

19 (aa) in the matter preceding  
20 subclause (I), by striking “prior  
21 experience points for” and insert-  
22 ing “points for prior success in  
23 achieving”; and

24 (bb) in subclause (II), by  
25 striking “prior experience points”

1 and inserting “points for prior  
2 success in achieving high quality  
3 service delivery”; and

4 (II) in clause (vi), by inserting  
5 before the period at the end the fol-  
6 lowing: “from funds reserved under  
7 subsection (g)”; and

8 (F) by adding at the end the following:

9 “(9) MATCHING REQUIREMENT.—

10 “(A) IN GENERAL.—The Secretary shall  
11 not approve an application submitted under sec-  
12 tion 402B, 402C, 402D, 402E, or 402F unless  
13 such application—

14 “(i) provides that the eligible entity  
15 will provide, from State, local, institu-  
16 tional, or private funds, not less than 20  
17 percent of the cost of the program, which  
18 matching funds may be provided in cash or  
19 in kind and may be accrued over the full  
20 duration of the grant award period, except  
21 that the eligible entity shall make substan-  
22 tial progress towards meeting the matching  
23 requirement in each year of the grant  
24 award period;

1           “(ii) specifies the methods by which  
2           matching funds will be paid; and

3           “(iii) includes provisions designed to  
4           ensure that funds provided under this  
5           chapter shall supplement and not supplant  
6           funds expended for existing programs.

7           “(B) SPECIAL RULE.—Notwithstanding  
8           the matching requirement described in subpara-  
9           graph (A), the Secretary may by regulation  
10          modify the percentage requirement described in  
11          subparagraph (A). The Secretary may approve  
12          an eligible entity’s request for a reduced match  
13          percentage—

14           “(i) at the time of application if the  
15           eligible entity demonstrates significant eco-  
16           nomic hardship that precludes the eligible  
17           entity from meeting the matching require-  
18           ment; or

19           “(ii) in response to a petition by an  
20           eligible entity subsequent to a grant award  
21           under section 402B, 402C, 402D, 402E,  
22           or 402F if the eligible entity demonstrates  
23           that the matching funds described in its  
24           application are no longer available and the

1 eligible entity has exhausted all revenues  
2 for replacing such matching funds.”.

3 (2) in subsection (d)(3), by adding at the end  
4 the following new sentence: “In addition, the Sec-  
5 retary shall host at least one virtual, interactive edu-  
6 cation session using telecommunications technology  
7 to ensure that any interested applicants have access  
8 to technical assistance.”;

9 (3) in subsection (e)—

10 (A) in paragraph (1)—

11 (i) in subparagraph (C), by striking  
12 “or” at the end;

13 (ii) in subparagraph (D), by striking  
14 the period at the end and inserting “; or”;  
15 and

16 (iii) by adding at the end the fol-  
17 lowing new subparagraph:

18 “(E) documentation that the student has been  
19 determined to be eligible for a Federal Pell Grant  
20 under section 401.”; and

21 (B) in paragraph (2)—

22 (i) in subparagraph (C), by striking  
23 “or” at the end;

1 (ii) in subparagraph (D), by striking  
2 the period at the end and inserting “; or”;  
3 and

4 (iii) by adding at the end the fol-  
5 lowing new subparagraph:

6 “(E) documentation that the student has been  
7 determined to be eligible for a Federal Pell Grant  
8 under section 401.”;

9 (4) in subsection (f)—

10 (A) in the heading of paragraph (1), by  
11 striking “PRIOR EXPERIENCE” and inserting  
12 “ACCOUNTABILITY FOR OUTCOMES”;

13 (B) in paragraph (1) by striking “experi-  
14 ence of” and inserting “success in achieving”;

15 (C) in paragraph (3)—

16 (i) in subparagraph (A)—

17 (I) in clause (iv) by striking “rig-  
18 orous secondary school program of  
19 study that will make such students el-  
20 ible for programs such as the Aca-  
21 demic Competitiveness Grants Pro-  
22 gram” and inserting “secondary  
23 school program of study that will pre-  
24 pare such students to enter postsec-



1           ondary education without the need for  
2           remedial education”;

3                   (II) by redesignating clauses (v)  
4           and (vi) as clauses (vi) and (vii), re-  
5           spectively; and

6                   (III) by inserting after clause (iv)  
7           the following new clause:

8                   “(v) the completion of financial aid  
9           applications, including the Free Applica-  
10          tion for Federal Student Aid described in  
11          section 483(a) and college admission appli-  
12          cations;”;

13                   (ii) in subparagraph (B)—

14                   (I) by redesignating clauses (i),  
15           (ii), (iii), (iv), (v), (vi), (vii) as sub-  
16           clauses (I), (II), (III), (IV), (VII),  
17           (IX), and (X), respectively;

18                   (II) by inserting after subclause  
19           (IV), as so redesignated, the fol-  
20           lowing:

21                   “(V) the reentry into secondary  
22           school of such students;

23                   “(VI) the enrollment of such stu-  
24           dents into a general educational devel-

1                   opment (commonly known as a  
2                   ‘GED’) program;”.

3                   (III) in subclause (VII), as so re-  
4                   designated, by striking “rigorous sec-  
5                   ondary school program of study that  
6                   will make such students eligible for  
7                   programs such as the Academic Com-  
8                   petitiveness Grants Program” and in-  
9                   serting “secondary school program of  
10                  study that will prepare such students  
11                  to enter postsecondary education with-  
12                  out the need for remedial education”;

13                  (IV) by inserting after subclause  
14                  (VII), as so redesignated, the fol-  
15                  lowing new subclause:

16                  “(VIII) the completion of financial aid  
17                  applications, including the Free Applica-  
18                  tion for Federal Student Aid described in  
19                  section 483(a) and college admission appli-  
20                  cations;”;

21                  (V) by striking “(B) For pro-  
22                  grams authorized under section  
23                  402C,” and inserting “(B)(i) For pro-  
24                  grams authorized under section 402C,

1                   except in the case of projects that spe-  
2                   cifically target veterans,”; and

3                   (VI) by adding at the end the fol-  
4                   lowing new clauses:

5                   “(ii) For programs authorized under sec-  
6                   tion 402C that specifically target veterans, the  
7                   extent to which the eligible entity met or ex-  
8                   ceeded the entity’s objectives for such program  
9                   with respect to—

10                   “(I) the delivery of service to a total  
11                   number of students served by the program,  
12                   as agreed upon by the entity and the Sec-  
13                   retary for the period;

14                   “(II) such students’ academic per-  
15                   formance, as measured by standardized  
16                   tests;

17                   “(III) the retention and completion of  
18                   participants in the project;

19                   “(IV) the provision of assistance to  
20                   students served by the program in com-  
21                   pleting financial aid applications, including  
22                   the Free Application for Federal Student  
23                   Aid described in section 483(a) and college  
24                   admission applications;

1 “(V) the enrollment of such students  
2 in an institution of higher education; and

3 “(VI) to the extent practicable, the  
4 postsecondary education completion rate of  
5 such students.”;

6 (iii) in subparagraph (C)(ii)—

7 (I) in subclause (I), by striking  
8 “in which such students were en-  
9 rolled” and inserting “within six years  
10 of the initial enrollment of such stu-  
11 dents in the program”;

12 (II) in subclause (II);

13 (aa) in the matter preceding  
14 item (aa), by striking “offer a  
15 baccalaureate degree” and insert-  
16 ing “primarily offer bacca-  
17 laureate degrees”; and

18 (bb) in item (aa), by striking  
19 “students; and” and inserting  
20 “students within 4 years of the  
21 initial enrollment of such stu-  
22 dents in the program; or”;

23 (iv) in subparagraph (D)—

1 (I) in clause (iii), by striking “;  
2 and” and inserting “within two years  
3 of receiving a baccalaureate degree;”;

4 (II) in clause (iv), by striking  
5 “study and” and all that follows  
6 through the period and inserting  
7 “study; and”; and

8 (III) by adding at the end the  
9 following new clause:

10 “(v) the attainment of doctoral de-  
11 grees by former program participants with-  
12 in 10 years of receiving a baccalaureate de-  
13 gree.”; and

14 (v) in subparagraph (E)(ii), by insert-  
15 ing “, or re-enrollment,” after “enroll-  
16 ment”;

17 (5) in subsection (g)—

18 (A) in the first sentence, by striking  
19 “\$900,000,000 for fiscal year 2009 and such  
20 sums as may be necessary for” and inserting  
21 “\$900,000,000 for fiscal year 2019 and”;

22 (B) in the second sentence—

23 (i) by striking “no more than 1/2 of 1”  
24 and inserting “not more than 1”;

1 (ii) by striking “and to provide tech-  
2 nical” and inserting “to provide technical”;  
3 and

4 (iii) by inserting before the period at  
5 the end the following: “, and to support  
6 applications funded under the process out-  
7 lined in subsection (c)(8)(B)”;

8 (C) by striking the last sentence; and  
9 (6) in subsection (h)—

10 (A) by striking “(5) VETERAN ELIGI-  
11 BILITY.—No veteran” and inserting the fol-  
12 lowing:

13 “(i) VETERAN ELIGIBILITY.—(1) No Veteran”;

14 (B) in paragraph (6), by striking “of para-  
15 graph (5)” and inserting “of paragraph (1)”;

16 (C) by striking “(6) WAIVER.—The Sec-  
17 retary” and inserting the following:

18 “(2) The Secretary”.

19 (b) TALENT SEARCH.—Section 402B (20 U.S.C.  
20 1070a–12) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (2), by striking “and” at  
23 the end;

24 (B) by redesignating paragraph (3) as  
25 paragraph (4); and

1 (C) by inserting after paragraph (2) the  
2 following new paragraph:

3 “(3) to advise such youths on the postsecondary  
4 institution selection process, including consideration  
5 of the financial aid awards offered and the potential  
6 loan burden required; and”;

7 (2) in subsection (b), by striking paragraph (6)  
8 and inserting the following:

9 “(6) connections to education or counseling  
10 services designed to—

11 “(A) improve the financial literacy and  
12 economic literacy of students or the students’  
13 parents in order to aid them in making in-  
14 formed decisions about how to best finance  
15 their postsecondary education; and

16 “(B) assist students and families regarding  
17 career choice.”;

18 (3) in subsection (c)(2), by striking “career”  
19 and inserting “academic”; and

20 (4) in subsection (d)—

21 (A) by redesignating paragraphs (2), (3),  
22 and (4) as paragraphs (3), (4), and (5), respec-  
23 tively;

24 (B) by inserting after paragraph (1) the  
25 following new paragraph:

1           “(2) require an assurance that the remaining  
2 youths participating in the project proposed to be  
3 carried out in any application be low-income individ-  
4 uals, first generation college students, or students  
5 who have a high risk for academic failure;”;

6           (C) in paragraph (4), as so redesignated—

7           (i) by inserting “, section 402C,”  
8 after “under this section”; and

9           (ii) by striking “and” at the end;

10          (D) in paragraph (5), as so redesignated,  
11 by striking the period at the end and inserting  
12 “; and”; and

13          (E) by adding at the end the following:

14          “(6) require the grantee to maintain, to the ex-  
15 tent practicable, a record of any services participants  
16 receive during the project year from another pro-  
17 gram under this chapter or other federally funded  
18 programs serving similar populations to minimize  
19 the duplication of services.”.

20          (c) UPWARD BOUND.—Section 402C (20 U.S.C.  
21 1070a–13) is amended—

22          (1) in subsection (b)—

23                 (A) in paragraph (4), by adding “and” at  
24 the end; and



1 (B) by striking paragraphs (5) and (6) and  
2 inserting the following:

3 “(5) education or counseling services designed  
4 to—

5 “(A) improve the financial literacy and  
6 economic literacy of students or the students’  
7 parents in order to aid them in making in-  
8 formed decisions about how to best finance  
9 their postsecondary education; and

10 “(B) assist students and their families re-  
11 garding career choice.”;

12 (2) in subsection (d)—

13 (A) in paragraph (1), by striking “youth”  
14 and inserting “participants”;

15 (B) in paragraph (2), by striking “youth  
16 participating in the project” and inserting  
17 “project participants”; and

18 (C) in paragraph (5), by striking “youth  
19 participating in the project” and inserting  
20 “project participants”;

21 (3) in subsection (e)—

22 (A) in paragraph (4), by striking “and” at  
23 the end;

24 (B) by redesignating paragraph (5) as  
25 paragraph (6); and

1 (C) by inserting after paragraph (4) the  
2 following:

3 “(5) require an assurance that individuals par-  
4 ticipating in the project proposed in any application  
5 do not have access to services from another project  
6 funded under this section, section 402B, or section  
7 402F;”;

8 (D) in paragraph (6), as so redesignated,  
9 by striking the period at the end and inserting  
10 “; and”; and

11 (E) by adding at the end the following:

12 “(6) for purposes of minimizing the duplication  
13 of services, require that the grantee maintain, to the  
14 extent practicable, a record of any services received  
15 by participants during the program year from an-  
16 other program funded under this chapter, or any  
17 other Federally funded program that serves popu-  
18 lations similar to the populations served by pro-  
19 grams under this chapter.”.

20 (4) by striking subsection (g) and redesignating  
21 subsection (h) as subsection (g).

22 (d) STUDENT SUPPORT SERVICES.—Section 402D  
23 (20 U.S.C. 1070a–14) is amended—

- 1           (1) in subsection (a)(3), by inserting “low-in-  
2           come and first generation college students, includ-  
3           ing” after “success of”; and
- 4           (2) in subsection (b)(4)—
- 5                 (A) by striking “, including financial” and  
6                 inserting “, including—  
7                 “(A) financial”; and
- 8                 (B) by adding at the end the following:  
9                 “(B) basic personal income, household  
10                money management, and financial planning  
11                skills; and
- 12                “(C) basic economic decisionmaking  
13                skills;”; and
- 14            (C) in subsection (e)—
- 15                 (i) in paragraph (5), by striking  
16                 “and” at the end;
- 17                 (ii) by redesignating paragraph (6) as  
18                 paragraph (7);
- 19                 (iii) by inserting after paragraph (5)  
20                 the following:  
21                 “(6) require the grantee to maintain, to the ex-  
22                 tent practicable, a record of any services participants  
23                 receive during the project year from another pro-  
24                 gram under this chapter or other federally funded

1 programs serving similar populations to minimize  
2 the duplication of services; and”.

3 (e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM  
4 AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is  
5 amended—

6 (1) in subsection (b)(2), by striking “summer  
7 internships” and inserting “internships and faculty-  
8 led research experiences”; and

9 (2) in subsection (d)—

10 (A) in paragraph (3), by striking “and” at  
11 the end;

12 (B) in paragraph (4)—

13 (i) by striking “summer”;

14 (ii) by striking the period at the end  
15 and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(5) the grantee to maintain, to the extent  
18 practicable, a record of any services participants re-  
19 ceive during the project year from another program  
20 under this chapter or other federally funded pro-  
21 gram serving similar populations to minimize the du-  
22 plication of services.”; and

23 (3) in subsection (g), by striking “2009 through  
24 2014” and inserting “2019 through 2024”.

1 (f) EDUCATIONAL OPPORTUNITY CENTERS.—Section  
2 402F (20 U.S.C. 1070a–16) is amended—

3 (1) in subsection (a)—

4 (A) in paragraph (1), by inserting “or re-  
5 enter” after “pursue”; and

6 (B) in paragraph (3), by striking “of stu-  
7 dents” and inserting “of such persons”;

8 (2) in subsection (b)(5), by striking “stu-  
9 dents;” and inserting the following: “students, includ-  
10 ing—

11 “(A) financial planning for postsecondary  
12 education;

13 “(B) basic personal income, household  
14 money management, and financial planning  
15 skills; and

16 “(C) basic economic decisionmaking  
17 skills;”; and

18 (3) in subsection (c)—

19 (A) by redesignating paragraphs (2) and  
20 (3) as paragraphs (3) and (4), respectively; and

21 (B) by inserting after paragraph (1) the  
22 following new paragraph:

23 “(2) require an assurance that the remaining  
24 persons participating in the project proposed to be

1 carried out under any application be low-income in-  
2 dividuals or first generation college students;”;

3 (C) in paragraph (3), as so redesignated,  
4 by striking “and” at the end;

5 (D) in paragraph (4), as so redesignated,  
6 by striking the period at the end and inserting  
7 “; and”; and

8 (E) by adding at the end the following:

9 “(5) require the grantee to maintain, to the ex-  
10 tent practicable, a record of any services participants  
11 receive during the project year from another pro-  
12 gram under this chapter or other federally funded  
13 program serving similar populations to minimize the  
14 duplication of services.”.

15 (g) STAFF DEVELOPMENT ACTIVITIES.—Section  
16 402G(b) (20 U.S.C. 1070a–17(b)) is amended—

17 (1) in the matter preceding paragraph (1)—

18 (A) by inserting “webinars and online  
19 classes,” after “seminars, workshops,”; and

20 (B) by striking “directors” and inserting  
21 “staff”; and

22 (2) in paragraph (3), by inserting “and innova-  
23 tive” after “model”.

24 (h) REPORTS, EVALUATIONS, AND GRANTS FOR  
25 PROJECT IMPROVEMENT AND DISSEMINATION.—Sub-

1 section (b) of section 402H (20 U.S.C. 1070a–18) is  
2 amended to read as follows:

3 “(b) EVALUATIONS.—

4 “(1) IN GENERAL.—For the purpose of improv-  
5 ing the effectiveness of the programs assisted under  
6 this chapter, the Secretary shall make grants to or  
7 enter into contracts with one or more organizations  
8 to—

9 “(A) evaluate the effectiveness of the pro-  
10 grams assisted under this chapter; and

11 “(B) disseminate information on the im-  
12 pact of the programs in increasing the edu-  
13 cation level of participants, as well as other ap-  
14 propriate measures.

15 “(2) ISSUES TO BE EVALUATED.—The evalua-  
16 tions described in paragraph (1) shall measure the  
17 effectiveness of programs funded under this chapter  
18 in—

19 “(A) meeting or exceeding the stated ob-  
20 jectives regarding the outcome criteria under  
21 subsection (f) of section 402A;

22 “(B) enhancing the access of low-income  
23 individuals and first-generation college students  
24 to postsecondary education;

1           “(C) preparing individuals for postsec-  
2           ondary education;

3           “(D) comparing the level of education com-  
4           pleted by students who participate in the pro-  
5           grams funded under this chapter with the level  
6           of education completed by students of similar  
7           backgrounds who do not participate in such  
8           programs;

9           “(E) comparing the retention rates, drop-  
10          out rates, graduation rates, and college admis-  
11          sion and completion rates of students who par-  
12          ticipate in the programs funded under this  
13          chapter with the rates of students of similar  
14          backgrounds who do not participate in such  
15          programs; and

16          “(F) such other issues as the Secretary  
17          considers appropriate for inclusion in the eval-  
18          uation.

19          “(3) PROGRAM METHODS.—Such evaluations  
20          shall also investigate the effectiveness of alternative  
21          and innovative methods within programs funded  
22          under this chapter of increasing access to, and re-  
23          tention of, students in postsecondary education.

24          “(4) RESULTS.—The Secretary shall submit to  
25          the authorizing committees—



1           “(A) an interim report on the progress and  
2           preliminary results of the evaluation of each  
3           program funded under this chapter not later  
4           than 2 years following the date of enactment of  
5           the PROSPER Act; and

6           “(B) a final report not later than 3 years  
7           following the date of enactment of such Act.

8           “(5) PUBLIC AVAILABILITY.—All reports and  
9           underlying data gathered pursuant to this subsection  
10          shall be made available to the public upon request,  
11          in a timely manner following submission of the ap-  
12          plicable reports under this subsection, except that  
13          any personally identifiable information with respect  
14          to a student participating in a program or project  
15          assisted under this chapter shall not be disclosed or  
16          made available to the public.”.

17          (i) IMPACT GRANTS.—Part A of title IV (20 U.S.C.  
18          1070 et seq.) is amended by inserting after section 402H  
19          (20 U.S.C. 1070a–28) the following:

20          **“SEC. 402I. IMPACT GRANTS.**

21                 “(a) IN GENERAL.—From funds reserved under sub-  
22          section (e), the Secretary shall make grants to improve  
23          postsecondary access and completion rates for qualified in-  
24          dividuals from disadvantaged backgrounds. These grants  
25          shall be known as innovative measures promoting postsec-

1 onduary access and completion grants or ‘IMPACT Grants’  
2 and allow eligible entities to—

3 “(1) create, develop, implement, replicate, or  
4 take to scale evidence-based, field-initiated innova-  
5 tions, including through pay-for-success initiatives,  
6 to serve qualified individuals from disadvantaged  
7 backgrounds and improve student outcomes; and

8 “(2) rigorously evaluate such innovations, in ac-  
9 cordance with subsection (d).

10 “(b) DESCRIPTION OF GRANTS.—The grants de-  
11 scribed in subsection (a) shall include—

12 “(1) early-phase grants to fund the develop-  
13 ment, implementation, and feasibility testing of a  
14 program, which prior research suggests has a prom-  
15 ise, for the purpose of determining whether the pro-  
16 gram can successfully improve postsecondary access  
17 and completion rates;

18 “(2) mid-phase grants to fund implementation  
19 and a rigorous evaluation of a program that has  
20 been successfully implemented under an early-phase  
21 grant described in paragraph (1); and

22 “(3) expansion grants to fund implementation  
23 and a rigorous replication evaluation of a program  
24 that has been found to produce sizable, important

1 impacts under a mid-phase grant described in para-  
2 graph (2) for the purposes of—

3 “(A) determining whether such outcomes  
4 can be successfully reproduced and sustained  
5 over time; and

6 “(B) identifying the conditions in which  
7 the project is most effective.

8 “(c) REQUIREMENTS FOR APPROVAL OF APPLICA-  
9 TIONS.—To receive a grant under this section, an eligible  
10 entity shall submit an application to the Secretary at such  
11 time, and in such manner as the Secretary may require,  
12 which shall include—

13 “(1) an assurance that not less than two-thirds  
14 of the individuals who will participate in the pro-  
15 gram proposed to be carried out with the grant will  
16 be—

17 “(A) low-income individuals who are first  
18 generation college students; or

19 “(B) individuals with disabilities;

20 “(2) an assurance that any other individuals  
21 (not described in paragraph (1)) who will participate  
22 in such proposed program will be—

23 “(A) low-income individuals;

24 “(B) first generation college students; or

25 “(C) individuals with disabilities;

1           “(3) a detailed description of the proposed pro-  
2           gram, including how such program will directly ben-  
3           efit students;

4           “(4) the number of projected students to be  
5           served by the program;

6           “(5) how the program will be evaluated; and

7           “(6) an assurance that the individuals partici-  
8           pating in the project proposed are individuals who  
9           do not have access to services from another pro-  
10          grams funded under this section.

11          “(d) EVALUATION.—Each eligible entity receiving a  
12          grant under this section shall conduct an independent  
13          evaluation of the effectiveness of the program carried out  
14          with such grant and shall submit to the Secretary, on an  
15          annual basis, a report that includes—

16               “(1) a description of how funds received under  
17               this section were used;

18               “(2) the number of students served by the  
19               project carried out under this section; and

20               “(3) a quantitative analysis of the effectiveness  
21               of the project.

22          “(e) FUNDING.—From amounts appropriated under  
23          section 402A(g), the Secretary shall reserve not less than  
24          10 percent of such funds to carry out this section.”.

1 **SEC. 403. GAINING EARLY AWARENESS AND READINESS**  
2 **FOR UNDERGRADUATE PROGRAMS.**

3 (a) EARLY INTERVENTION AND COLLEGE AWARE-  
4 NESS PROGRAM.—Section 404A (20 U.S.C. 1070a–21) is  
5 amended—

6 (1) in subsection (a)(1), by striking “academic  
7 support” and inserting “academic support for col-  
8 lege readiness”;

9 (2) in subsection (b)—

10 (A) in paragraph (1), by inserting “new”  
11 before “awards”; and

12 (B) in paragraph (3)—

13 (i) by amending subparagraph (A) to  
14 read as follows:

15 “(A) give priority to eligible entities that  
16 have a prior, demonstrated commitment to  
17 early intervention leading to college access and  
18 readiness through collaboration and replication  
19 of successful strategies; and”;

20 (ii) in subparagraph (B), by striking  
21 “the Higher Education Opportunity Act”  
22 and inserting “the PROSPER Act”; and

23 (C) by adding at the end the following:

24 “(4) MULTIPLE AWARD PROHIBITION.—Eligible  
25 entities described in subsection (c)(1) that receive a  
26 grant under this chapter shall not be eligible to re-

1       ceive an additional grant under this chapter until  
2       after the date on which the initial grant period ex-  
3       pires.”.

4               (3) in subsection (c)(2)(B), by striking “institu-  
5       tions or agencies sponsoring programs authorized  
6       under subpart 4,”.

7       (b) APPLICATIONS.—Section 404C (20 U.S.C.  
8 1070a–23) is amended—

9               (1) in subsection (a)—

10                       (A) in paragraph (2)—

11                               (i) in the matter preceding subpara-  
12                               graph (A)—

13                                       (I) by striking “, contain or be  
14                                       accompanied by such information or  
15                                       assurances,”; and

16                                       (II) by striking “, at a min-  
17                                       imum”;

18                               (ii) by amending subparagraph (B) to  
19                               read as follows:

20                               “(B) describe, in the case of an eligible en-  
21                               tity described in section 404A(c)(2) that choos-  
22                               es to provide scholarships, or an eligible entity  
23                               described in section 404A(c)(1)—

24                                       “(i) the eligible entity’s plan to estab-  
25                                       lish or maintain a financial assistance pro-

1                   gram in accordance with the requirements  
2                   of section 404E, including any eligibility  
3                   criteria other than the criteria described in  
4                   section 404E(g), such as—

5                               “(I) demonstrating financial  
6                               need;

7                               “(II) meeting and maintaining  
8                               satisfactory academic progress; and

9                               “(III) other criteria aligned with  
10                              State and local goals to increase post-  
11                              secondary readiness, access, and com-  
12                              pletion; and

13                             “(ii) how the eligible entity will meet  
14                             the other requirements of section 404E;”;

15                             (iii) by striking subparagraph (H);  
16                             and

17                             (iv) by redesignating subparagraphs  
18                             (I) and (J) as subparagraphs (H) and (I),  
19                             respectively; and

20                             (2) in subsection (b), by striking paragraph (2)  
21                             and inserting the following:

22                             “(2) SPECIAL RULE.—Notwithstanding the  
23                             matching requirement described in paragraph  
24                             (1)(A), the Secretary may—

25                             “(A) at the time of application—

1           “(i) approve a Partnership applicant’s  
2           request for a waiver of up to 75 percent of  
3           the matching requirement for up to two  
4           years if the applicant demonstrates in its  
5           application a significant economic hardship  
6           that stems from a specific, exceptional, or  
7           uncontrollable event, such as a natural dis-  
8           aster, that has a devastating effect on the  
9           members of the Partnership and the com-  
10          munity in which the project would operate;

11          “(ii)(I) approve a Partnership appli-  
12          cant’s request to waive up to 50 percent of  
13          the matching requirement for up to two  
14          years if the applicant demonstrates in its  
15          application a pre-existing and an on-going  
16          significant economic hardship that pre-  
17          cludes the applicant from meeting its  
18          matching requirement; and

19          “(II) provide tentative approval  
20          of an applicant’s request for a waiver  
21          under subclause (I) for all remaining  
22          years of the project period;

23          “(iii) approve a Partnership appli-  
24          cant’s request in its application to match  
25          its contributions to its scholarship fund,



1 established under section 404E, on the  
2 basis of two non-Federal dollars for every  
3 one dollar of Federal funds provided under  
4 this chapter; or

5 “(iv) approve a request by a Partner-  
6 ship applicant that has three or fewer in-  
7 stitutions of higher education as members  
8 to waive up to 70 percent of the matching  
9 requirement if the Partnership applicant  
10 includes—

11 “(I) a fiscal agent that is eligible  
12 to receive funds under title V, or part  
13 B of title III, or section 316 or 317,  
14 or a local educational agency;

15 “(II) only participating schools  
16 with a 7th grade cohort in which at  
17 least 75 percent of the students are  
18 eligible for free or reduced-price lunch  
19 under the Richard B. Russell National  
20 School Lunch Act; and

21 “(III) only local educational  
22 agencies in which at least 50 percent  
23 of the students enrolled are eligible  
24 for free or reduced-price lunch under

1 the Richard B. Russell National  
2 School Lunch Act; and

3 “(B) after a grant is awarded, approve a  
4 Partnership grantee’s written request for a  
5 waiver of up to——

6 “(i) 50 percent of the matching re-  
7 quirement for up to two years if the grant-  
8 ee demonstrates that—

9 “(I) the matching contributions  
10 described for those two years in the  
11 grantee’s approved application are no  
12 longer available; and

13 “(II) the grantee has exhausted  
14 all funds and sources of potential con-  
15 tributions for replacing the matching  
16 funds; or

17 “(ii) 75 percent of the matching re-  
18 quirement for up to two years if the grant-  
19 ee demonstrates that matching contribu-  
20 tions from the original application are no  
21 longer available due to an uncontrollable  
22 event, such as a natural disaster, that has  
23 a devastating economic effect on members  
24 of the Partnership and the community in  
25 which the project would operate.

1           “(3) ADDITIONAL TERMS.—

2                   “(A) ON-GOING ECONOMIC HARDSHIP.—In  
3 determining whether a Partnership applicant is  
4 experiencing an on-going economic hardship  
5 that is significant enough to justify a waiver  
6 under subparagraphs (A)(i) and (A)(ii)(I) of  
7 paragraph (2), the Secretary may consider doc-  
8 umentation of the following:

9                   “(i) Severe distress in the local econ-  
10 omy of the community to be served by the  
11 grant (e.g., there are few employers in the  
12 local area, large employers have left the  
13 local area, or significant reductions in em-  
14 ployment in the local area).

15                   “(ii) Local unemployment rates that  
16 are higher than the national average.

17                   “(iii) Low or decreasing revenues for  
18 State and County governments in the area  
19 to be served by the grant.

20                   “(iv) Significant reductions in the  
21 budgets of institutions of higher education  
22 that are participating in the grant.

23                   “(v) Other data that reflect a signifi-  
24 cant economic hardship for the geo-  
25 graphical area served by the applicant.

1           “(B) EXHAUSTION OF FUNDS.—In deter-  
2           mining whether a Partnership grantee has ex-  
3           hausted all funds and sources of potential con-  
4           tributions for replacing matching funds under  
5           paragraph (2)(B), the secretary may consider  
6           the grantee’s documentation of key factors that  
7           have had a direct impact on the grantee such  
8           as the following:

9                   “(i) A reduction of revenues from  
10                  State government, County government, or  
11                  the local educational agency.

12                  “(ii) An increase in local unemploy-  
13                  ment rates.

14                  “(iii) Significant reductions in the op-  
15                  erating budgets of institutions of higher  
16                  education that are participating in the  
17                  grant.

18                  “(iv) A reduction of business activity  
19                  in the local area (e.g., large employers have  
20                  left the local area).

21                  “(v) Other data that reflect a signifi-  
22                  cant decrease in resources available to the  
23                  grantee in the local geographical area  
24                  served by the grantee.

1           “(C) RENEWAL OF WAIVER.—A Partner-  
2           ship applicant that receives a tentative approval  
3           of a waiver under subparagraph (A)(ii)(II) of  
4           paragraph (2) for more than two years under  
5           this paragraph must submit to the Secretary  
6           every two years by such time as the Secretary  
7           may direct documentation that demonstrates  
8           that—

9                   “(i) the significant economic hardship  
10                  upon which the waiver was granted still ex-  
11                  ists; and

12                   “(ii) the grantee tried diligently, but  
13                  unsuccessfully, to obtain contributions  
14                  needed to meet the matching requirement.

15           “(D) MULTIPLE WAIVERS.—If a grantee  
16           has received one or more waivers under para-  
17           graph (2), the grantee may request an addi-  
18           tional waiver of the matching requirement  
19           under this subsection not earlier than 60 days  
20           before the expiration of the grantee’s existing  
21           waiver.”.

22           (c) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–  
23   24) is amended—

24                   (1) in subsection (a)—

1 (A) in paragraph (1), by striking “finan-  
2 cial aid for” and inserting “financial aid, in-  
3 cluding loans, grants, scholarships, and institu-  
4 tional aid for”;

5 (B) in paragraph (2) by striking “rigorous  
6 and challenging curricula and coursework, in  
7 order to” and inserting “curricula and  
8 coursework designed to”;

9 (C) by redesignating paragraphs (3) and  
10 (4) as paragraphs (5) and (6), respectively;

11 (D) by inserting after paragraph (2) the  
12 following:

13 “(3) Providing information to students and  
14 families about the advantages of obtaining a postsec-  
15 ondary education.

16 “(4) Providing tutors and mentors, who may in-  
17 clude adults or former participants of a program  
18 under this chapter, for use by eligible students in  
19 need.”;

20 (E) in paragraph (5), as so redesignated,  
21 by striking “Improving” and inserting “Pro-  
22 viding supportive services to improve”; and  
23 (2) in subsection (b)—

24 (A) by striking paragraph (1); and

1 (B) by redesignating paragraphs (2)  
2 through (15) as paragraphs (1) through (14),  
3 respectively;

4 (C) in paragraph (3), as so redesignated,  
5 by striking “rigorous” each place it appears;

6 (D) in paragraph (9), as so redesignated—

7 (i) by redesignating subparagraphs  
8 (E) through (K) as subparagraphs (F)  
9 through (L), respectively;

10 (ii) by inserting after subparagraph  
11 (D) the following:

12 “(E) providing counseling or referral serv-  
13 ices to address the behavioral, social-emotional,  
14 and mental health needs of at-risk students;”;

15 (iii) in subparagraph (I), as so redesi-  
16 gnated, by striking “skills assessments”  
17 and inserting “skills, cognitive, non-cog-  
18 nitive, and credit-by-examination assess-  
19 ments”;

20 (iv) in subparagraph (K), as so redesi-  
21 gnated, by striking “and” at the end;

22 (v) in subparagraph (L), as so redesi-  
23 gnated, by striking the period at the end  
24 and inserting “; and”; and

1 (vi) by adding at the end the fol-  
2 lowing:

3 “(M) capacity building activities that cre-  
4 ate college-going cultures in participating  
5 schools and local education agencies.”; and

6 (E) by adding at the end the following:

7 “(15) Creating or expanding drop-out recovery  
8 programs that allow individuals who drop out of  
9 school to complete a regular secondary school di-  
10 ploma and begin college-level work.”;

11 (F) in subsection (c)—

12 (i) in paragraph (3), by inserting  
13 “and technical assistance” after “adminis-  
14 trative support”; and

15 (ii) by striking paragraph (9); and

16 (3) in subsection (e), by striking “institutions  
17 and agencies sponsoring programs authorized under  
18 subpart 4,”.

19 (d) SCHOLARSHIP REQUIREMENTS.—Section 404E  
20 (20 U.S.C. 1070a–25) is amended—

21 (1) in subsection (a)(1), by inserting “described  
22 in section 404C(a)(2)(B)(i)” after “financial assist-  
23 ance program”; and

24 (2) in subsection (e)(1), by striking “an  
25 amount” and all that follows through the period at



1 the end and inserting the following: “an estimated  
2 amount that is based on the requirements of the fi-  
3 nancial assistance program of the eligible entity de-  
4 scribed in section 404C(a)(2)(B)(i).”

5 (e) EVALUATION AND REPORT.—Section 404G(b)  
6 (20 U.S.C. 1070a–27(b)) is amended—

7 (1) in paragraph (1), by striking “and” at the  
8 end;

9 (2) in paragraph (2), by striking the period at  
10 the end and inserting “; and”

11 (3) by adding after paragraph (2) the following:

12 “(3) include the following metrics:

13 “(A) the number of students completing  
14 the Free Application for Federal Student Aid;

15 “(B) the enrollment of participating stu-  
16 dents in curricula and coursework designed to  
17 reduce the need for remedial coursework at the  
18 postsecondary level;

19 “(C) if applicable, the number of students  
20 receiving a scholarship;

21 “(B) the graduation rate of participating  
22 students from high school;

23 “(C) the enrollment of participating stu-  
24 dents into postsecondary education; and

1                   “(D) such other information as the Sec-  
2                   retary may require.”.

3           (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
4 404H (20 U.S.C. 1070a–28) is amended by striking  
5 “\$400,000,000 for fiscal year 2009 and such sums as may  
6 be necessary for each of the five succeeding fiscal years”  
7 and inserting “\$339,754,000 for fiscal year 2019 and  
8 each of the five succeeding fiscal years”.

9 **SEC. 404. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAM-**  
10 **ILIES ARE ENGAGED IN MIGRANT AND SEA-**  
11 **SONAL FARMWORK.**

12           Section 418A(i) (20 U.S.C. 1070d—2(i)) is amended  
13 by striking “\$75,000,000” and all that follows through  
14 the period at the end and inserting “\$44,623,000 for each  
15 of fiscal years 2019 through 2024.”.

16 **SEC. 405. CHILD CARE ACCESS MEANS PARENTS IN**  
17 **SCHOOL.**

18           Section 419N (20 U.S.C. 1070e) is amended—

19                   (1) in the heading of paragraph (6) of sub-  
20                   section (b), by striking “CONSTRUCTION” and in-  
21                   serting “RULE OF CONSTRUCTION”; and

22                   (2) in subsection (c)—

23                           (A) in paragraph (4), by striking “as-  
24                           sisted” and inserting “funded”;

25                           (B) in paragraph (5)—

1 (i) by striking “resources, including  
2 technical expertise” and inserting “re-  
3 sources, including non-Federal resources,  
4 technical expertise,”;

5 (ii) by striking “the use of the” and  
6 inserting “these”; and

7 (C) in paragraph (9)—

8 (i) by inserting “provisional status,”  
9 after “approval,”; and

10 (ii) by striking “; and” and inserting  
11 “prior to serving children and families;  
12 and”;

13 (3) in subsection (d)—

14 (A) in paragraph (1)—

15 (i) by striking “local” and inserting  
16 “non-Federal, local,”; and

17 (ii) by striking “and” at the end;

18 (B) in paragraph (2), by striking the pe-  
19 riod at the end and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(3) coordinate with other community programs  
22 where appropriate to improve the quality and limit  
23 cost of the campus-based program.”;

24 (4) by amending subsection (e) to read as fol-  
25 lows:

1           “(e) REPORTING REQUIREMENTS; CONTINUING ELI-  
2 GIBILITY.—

3           “(1) REPORTING REQUIREMENTS.—

4                   “(A) REPORTS.—Each institution of high-  
5 er education receiving a grant under this sec-  
6 tion shall report to the Secretary annually. The  
7 Secretary shall annually publish such reports on  
8 a publicly accessible website of the Department  
9 of Education.

10                   “(B) CONTENTS.—Each report shall in-  
11 clude—

12                           “(i) data on the population served  
13 under this section, including the total num-  
14 ber of children and families served;

15                           “(ii) information on sources of cam-  
16 pus and community resources and the  
17 amount of non-Federal funding used to  
18 help low-income students access child care  
19 services on campus;

20                           “(iii) documentation that the program  
21 meets applicable licensing, certification, ap-  
22 proval, or registration requirements; and

23                           “(iv) a description of how funding was  
24 used to pursue the goals of this section de-

1           terminated by the institution under sub-  
2           section (e).

3           “(2) CONTINUING ELIGIBILITY.—The Secretary  
4           shall make continuation awards under this section to  
5           an institution of higher education only if the Sec-  
6           retary determines, on the basis of the reports sub-  
7           mitted under paragraph (1) and the application  
8           from the institution, that the institution is—

9                   “(A) using funds only for authorized pur-  
10                   poses;

11                   “(B) providing low-income students at the  
12                   institution with priority access to affordable,  
13                   quality child care services as provided under  
14                   this section; and

15                   “(C) documenting a continued need for  
16                   Federal funding under this section, while dem-  
17                   onstrating how non-federal sources will be lever-  
18                   aged to support a continuation award.”; and

19           (5) in subsection (g), by striking “such sums as  
20           may be necessary for fiscal year 2009 and each of  
21           the five succeeding fiscal years” and inserting  
22           “\$15,134,000 for each of fiscal years 2019 through  
23           2024”.

1 **SEC. 406. REPEALS.**

2 (a) ACADEMIC COMPETITIVENESS GRANTS.—Section  
3 401A (20 U.S.C. 1070a–1) is repealed.

4 (b) FEDERAL SUPPLEMENTAL EDUCATIONAL OP-  
5 PORTUNITY GRANTS.—

6 (1) REPEAL.—Subpart 3 of part A of title IV  
7 (20 U.S.C. 1070b et seq.) is repealed.

8 (2) EFFECTIVE DATE.—The repeal made by  
9 paragraph (1) shall take effect on June 30, 2018.

10 (c) LEVERAGING EDUCATIONAL ASSISTANCE PART-  
11 NERSHIP PROGRAM.—Subpart 4 of part A of title IV (20  
12 U.S.C. 1070c et seq.) is repealed.

13 (d) ROBERT C. BYRD HONORS SCHOLARSHIP PRO-  
14 GRAM.—Subpart 6 of part A of title IV (20 U.S.C. 1070d–  
15 31 et seq.) is repealed.

16 **SEC. 407. SUNSET OF TEACH GRANTS.**

17 Subpart 9 of part A of title IV (20 U.S.C. 1070g)  
18 is amended—

19 (1) in section 420L(1) (20 U.S.C. 1070g(1), by  
20 striking “section 102” and inserting “section 102  
21 (as in effect on the day before the date of enactment  
22 of the PROSPER Act)”;

23 (2) in section 420N (20 U.S.C. 1070g–2)—

24 (A) by amending subparagraph (B) of sub-  
25 section (b)(1) to read as follows:

26 “(B) teach—

1           “(i) in a public or other nonprofit pri-  
2           vate elementary school or secondary school,  
3           which, for the purpose of this paragraph  
4           and for that year—

5                       “(I) has been determined by the  
6           Secretary (pursuant to regulations of  
7           the Secretary and after consultation  
8           with the State educational agency of  
9           the State in which the school is lo-  
10          cated) to be a school in which the  
11          number of children meeting a measure  
12          of poverty under section 1113(a)(5) of  
13          the Elementary and Secondary Edu-  
14          cation Act of 1965 (20 U.S.C.  
15          6313(a)(5)), exceeds 30 percent of the  
16          total number of children enrolled in  
17          such school; and

18                      “(II) is in the school district of a  
19          local educational agency which is eligi-  
20          ble in such year for assistance pursu-  
21          ant to part A of title I of the Elemen-  
22          tary and Secondary Education Act of  
23          1965 (20 U.S.C. 6311 et seq.); or

24                      “(ii) in one or more public, or non-  
25          profit private, elementary schools or sec-

1           ondary schools or locations operated by an  
2           educational service agency that have been  
3           determined by the Secretary (pursuant to  
4           regulations of the Secretary and after con-  
5           sultation with the State educational agency  
6           of the State in which the educational serv-  
7           ice agency operates) to be a school or loca-  
8           tion at which the number of children  
9           taught who meet a measure of poverty  
10          under section 1113(a)(5) of the Elemen-  
11          tary and Secondary Education Act of 1965  
12          (20 U.S.C. 6313(a)(5)), exceeds 30 per-  
13          cent of the total number of children taught  
14          at such school or location;” and

15               (B) in subsection (c), by inserting “(as in  
16               effect on the day before the date of the enact-  
17               ment of the PROSPER Act)” after “part D of  
18               title IV”;

19               (3) in section 420M(a) (20 U.S.C. 1070g–1),  
20          by adding at the end the following:

21               “(3) TERMINATION.—

22                       “(A) TERMINATION OF PROGRAM AUTHOR-  
23                       ITY.—No new grants may be made under this  
24                       subpart after June 30, 2018.



1 “(B) LIMITATION ON FUNDS.—No funds  
2 are authorized to be appropriated, and no funds  
3 may be obligated or expended under this Act or  
4 any other Act, to make a grant under this sub-  
5 part for which the first disbursement would be  
6 made after June 30, 2018.”; and

7 (4) in section 420O (20 U.S.C. 1070g–3)—

8 (A) by striking “2008” and inserting  
9 “2008, and ending on June 30, 2018”; and

10 (B) by adding at the end the following:  
11 “No funds shall be available to the Secretary to  
12 carry out this subpart after June 30, 2018.”.

13 **PART B—FEDERAL FAMILY EDUCATION LOAN**  
14 **PROGRAM**

15 **SEC. 421. FEDERAL DIRECT CONSOLIDATION LOANS.**

16 Section 428C (20 U.S.C. 1078–3) is amended—

17 (1) in subsection (a)(4)(B), by inserting before  
18 the semicolon at the end “, as in effect on the day  
19 before the date of enactment of the PROSPER Act  
20 and pursuant to section 461(a) of such Act”; and

21 (2) in subsection (b)(1)(F)(ii)—

22 (A) in the matter preceding subclause (I),  
23 by inserting “, as in effect on the day before  
24 the date of enactment of the PROSPER Act

1 and pursuant to section 461(a) of such Act”  
2 after “part E”;

3 (B) in subclause (I), in the matter pre-  
4 ceding item (aa), by inserting “, as so in ef-  
5 fect,” after “part E”;

6 (C) in subclause (I)(bb), by inserting “, as  
7 so in effect” after “section 464(c)(1)(A)”;

8 (D) in subclause (II), by inserting “, as so  
9 in effect” after “section 465(a)”;

10 (E) in subclause (III)—

11 (i) by inserting “, as so in effect”  
12 after “section 465”; and

13 (ii) by inserting “, as so in effect”  
14 after “465(a)”.

15 **SEC. 422. LOAN REHABILITATION.**

16 Section 428F(a)(5) (20 U.S.C. 1078–6) is amended  
17 by striking “one time” and inserting “two times”.

18 **SEC. 423. LOAN FORGIVENESS FOR TEACHERS.**

19 Section 428J(b)(1)(A) (20 U.S.C. 1087–10(b)(1)(A))  
20 is amended by striking “that qualifies under section  
21 465(a)(2)(A) for loan cancellation for Perkins loan recipi-  
22 ents who teach in such schools or locations” and inserting  
23 “described in section 420N(b)(1)(B)”.

1 **SEC. 424. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**  
2 **NATIONAL NEED.**

3 Section 428K (20 U.S.C. 1078–11) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (4)(B), by striking “that  
6 qualifies under section 465(a)(2)(A) for loan  
7 cancellation for Perkins loan recipients who  
8 teach in such a school” and inserting “de-  
9 scribed in section 420N(b)(1)(B)”;

10 (B) in paragraph (5)(B)(ii), by striking  
11 “that qualifies under section 465(a)(2)(A) for  
12 loan cancellation for Perkins loan recipients  
13 who teach in such a school” and inserting “de-  
14 scribed in section 420N(b)(1)(B)”;

15 (C) in paragraph (7)(A), by striking “that  
16 qualifies under section 465(a)(2)(A) for loan  
17 cancellation for Perkins loan recipients who  
18 teach in such a school” and inserting “de-  
19 scribed in section 420N(b)(1)(B)”;

20 (D) in paragraph (8), by striking “that  
21 qualifies under section 465(a)(2)(A) for loan  
22 cancellation for Perkins loan recipients who  
23 teach in such a school” and inserting “de-  
24 scribed in section 420N(b)(1)(B)” ; and

25 (E) in paragraph (16), by striking “that  
26 qualify under section 465(a)(2)(A) for loan can-

1           cellation for Perkins loan recipients who teach  
2           in such a school” and inserting “described in  
3           section 420N(b)(1)(B)”;

4           (2) in subsection (g)(6)(B), by striking “that  
5           qualifies under section 465(a)(2)(A) for loan can-  
6           cellation for Perkins loan recipients who teach in  
7           such a school” and inserting “described in section  
8           420N(b)(1)(B)”.

9   **SEC. 425. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE**

10                           **ATTORNEYS.**

11           Section 428L(b)(2)(A) (20 U.S.C. 1087–  
12 12(b)(2)(A)) is amended—

13           (1) in clause (i), by inserting before the semi-  
14           colon at the end “, as in effect on the day before the  
15           date of enactment of the PROSPER Act and pursu-  
16           ant to section 461(a) of such Act”; and

17           (2) in clause (ii)(III), by inserting “, as in ef-  
18           fect on the day before the date of enactment of the  
19           PROSPER Act and pursuant to section 461(a) of  
20           such Act” after “part E”;

21   **SEC. 426. SUNSET OF COHORT DEFAULT RATE AND OTHER**

22                           **CONFORMING CHANGES.**

23           (a) **REQUIREMENTS FOR THE SECRETARY.**—Section  
24 430(e) (20 U.S.C. 1080(e)) is amended by adding at the  
25 end the following:

1           “(4) SUNSET.—The Secretary shall not be sub-  
2           ject to the requirements of this subsection after the  
3           transition period described in section 481B(e)(3).”.

4           (b) ELIGIBLE INSTITUTION DEFINED.—Section 435  
5 (20 U.S.C. 1085) is amended—

6           (1) in subsection (a)—

7                   (A) in paragraph (1), by striking “section  
8                   102” and inserting “section 101 and 102”; and

9                   (B) by adding at the end the following:

10           “(9) SUNSET.—No institution shall be subject to  
11           paragraph (2) after the transition period described in sec-  
12           tion 481B(e)(3).”;

13           (2) in subsection (m), by adding at the end the  
14           following:

15           “(5) TRANSITION PERIOD; SUNSET.—

16                   “(A) TRANSITION PERIOD.—During the  
17                   transition period, the cohort default rate for an  
18                   institution shall be calculated in the manner de-  
19                   scribed in section 481B(e)(1).

20                   “(B) SUNSET.—The Secretary shall not be  
21                   subject, and no institution shall be subject, to  
22                   the requirements of this subsection after the  
23                   transition period.

1           “(C) DEFINITION.—In this paragraph, the  
2           term ‘transition period’ has the meaning given  
3           the term in section 481B(e)(3).”; and  
4           (5) in subsection (o)(1), by inserting “, as in ef-  
5           fect on the day before the date of enactment of the  
6           PROSPER Act and pursuant to section 461(a) of  
7           such Act” after “part E”.

8   **SEC. 427. CLOSED SCHOOL AND OTHER DISCHARGES.**

9           Section 437(c) (20 U.S.C. 1087) is amended—

10           (1) in paragraph (1), by inserting “and the bor-  
11           rower meets the applicable requirements of para-  
12           graphs (6) through (8),” after “such student’s lend-  
13           er,”;

14           (6) in paragraph (4), by inserting before the pe-  
15           riod at the end “, as in effect on the day before the  
16           date of enactment of the PROSPER Act and pursu-  
17           ant to section 461(a) of such Act”; and

18           (3) by adding at the end the following:

19           “(6) BORROWER QUALIFICATIONS FOR A  
20           CLOSED SCHOOL DISCHARGE.—

21           “(A) IN GENERAL.—In order to qualify for  
22           the discharge of a loan under this subsection  
23           due to the closure of the institution in which  
24           the borrower was enrolled, a borrower shall sub-

1           mit to the Secretary a written request and  
2           sworn statement—

3                   “(i) that contains true factual asser-  
4                   tions;

5                   “(ii) that is made by the borrower  
6                   under penalty of perjury, and that may or  
7                   may not be notarized;

8                   “(iii) under which the borrower (or  
9                   the student on whose behalf a parent bor-  
10                  rowed) states—

11                   “(I) that the borrower or the stu-  
12                  dent—

13                   “(aa) received, on or after  
14                   January 1, 1986, the proceeds of  
15                   a loan made, insured, or guaran-  
16                   teed under this title to attend a  
17                   program of study at an institu-  
18                   tion of higher education;

19                   “(bb)(AA) did not complete  
20                   the program of study because the  
21                   institution closed while the stu-  
22                   dent was enrolled; or

23                   “(BB) the student withdrew  
24                   from the institution not more  
25                   than 120 days before the institu-

1                   tion closed, or in the case of ex-  
2                   ceptional circumstances described  
3                   in subparagraph (B), not more  
4                   than the period by which such  
5                   120-day period is extended under  
6                   such subparagraph; and

7                   “(cc) attempted but was un-  
8                   able to complete the program of  
9                   study through a teach-out at an-  
10                  other institution or by transfer-  
11                  ring academic credits or hours  
12                  earned at the closed institution to  
13                  another institution;

14                  “(II) whether the borrower (or  
15                  the student) has made a claim with  
16                  respect to the institutions’s closing  
17                  with any third party, such as the  
18                  holder of a performance bond or a tui-  
19                  tion recovery program, and, if so, the  
20                  amount of any payment received by  
21                  the borrower (or the student) or cred-  
22                  ited to the borrower’s loan obligation;  
23                  and

24                  “(III) that the borrower (or the  
25                  student)—



1                   “(aa) agrees to provide to  
2                   the Secretary or the holder of the  
3                   loan upon request other docu-  
4                   mentation reasonably available to  
5                   the borrower that demonstrates  
6                   that the borrower meets the  
7                   qualifications for discharge under  
8                   this subsection; and

9                   “(bb) agrees to cooperate  
10                  with the Secretary in enforce-  
11                  ment actions in accordance with  
12                  subparagraph (C) and to transfer  
13                  any right to recovery against a  
14                  third party to the Secretary in  
15                  accordance with subparagraph  
16                  (D).

17                  “(B) EXCEPTIONAL CIRCUMSTANCES.—

18                  “(i) IN GENERAL.—The Secretary  
19                  may extend the 120-day period described  
20                  in subparagraph (A)(iii)(I)(bb)(BB) if the  
21                  Secretary determines that exceptional cir-  
22                  cumstances related to an institution’s clos-  
23                  ing justify an extension.

24                  “(ii) DEFINITION.—For purposes of  
25                  this subsection, the term ‘exceptional cir-

1 cumstances’, when used with respect to an  
2 institution that closed, includes the loss of  
3 accreditation of institution, the  
4 institutions’s discontinuation of the major-  
5 ity of its academic programs, action by the  
6 State to revoke the institution’s license to  
7 operate or award academic credentials in  
8 the State, or a finding by a State or Fed-  
9 eral Government agency that the institu-  
10 tion violated State or Federal law.

11 “(C) COOPERATION BY BORROWER IN EN-  
12 FORCEMENT ACTIONS.—

13 “(i) IN GENERAL.—In order to obtain  
14 a discharge described in subparagraph (A),  
15 a borrower shall cooperate with the Sec-  
16 retary in any judicial or administrative  
17 proceeding brought by the Secretary to re-  
18 cover amounts discharged or to take other  
19 enforcement action with respect to the con-  
20 duct on which the discharge was based. At  
21 the request of the Secretary and upon the  
22 Secretary’s tendering to the borrower the  
23 fees and costs that are customarily pro-  
24 vided in litigation to reimburse witnesses,  
25 the borrower shall—

1                   “(I) provide testimony regarding  
2                   any representation made by the bor-  
3                   rower to support a request for dis-  
4                   charge;

5                   “(II) produce any documents rea-  
6                   sonably available to the borrower with  
7                   respect to those representations; and

8                   “(III) if required by the Sec-  
9                   retary, provide a sworn statement re-  
10                  garding those documents and rep-  
11                  resentations.

12                  “(ii) DENIAL OF REQUEST FOR DIS-  
13                  CHARGE.—The Secretary shall deny the re-  
14                  quest for such a discharge or revoke the  
15                  discharge of a borrower who—

16                  “(I) fails to provide the testi-  
17                  mony, documents, or a sworn state-  
18                  ment required under clause (i); or

19                  “(II) provides testimony, docu-  
20                  ments, or a sworn statement that does  
21                  not support the material representa-  
22                  tions made by the borrower to obtain  
23                  the discharge.

1           “(D) TRANSFER TO THE SECRETARY OF  
2 BORROWER’S RIGHT OF RECOVERY AGAINST  
3 THIRD PARTIES.—

4           “(i) IN GENERAL.—Upon receiving a  
5 discharge described in subparagraph (A) of  
6 a loan, the borrower shall be deemed to  
7 have assigned to and relinquished in favor  
8 of the Secretary any right to a loan refund  
9 for such loan (up to the amount dis-  
10 charged) that the borrower (or student)  
11 may have by contract or applicable law  
12 with respect to the loan or the enrollment  
13 agreement for the program for which the  
14 loan was received, against the institution,  
15 its principals, its affiliates and their suc-  
16 cessors, its sureties, and any private fund,  
17 including the portion of a public fund that  
18 represents funds received from a private  
19 party.

20           “(ii) APPLICATION.—The provisions  
21 of this subsection apply notwithstanding  
22 any provision of State law that would oth-  
23 erwise restrict transfer of such rights by  
24 the borrower (or student), limit, or prevent  
25 a transferee from exercising such rights, or

1 establish procedures or a scheme of dis-  
2 tribution that would prejudice the Sec-  
3 retary's ability to recover on such rights.

4 “(iii) RULE OF CONSTRUCTION.—  
5 Nothing in this subsection shall limit or  
6 foreclose the borrower's (or student's)  
7 right to pursue legal and equitable relief  
8 regarding disputes arising from matters  
9 unrelated to the discharged loan.

10 “(E) DISCHARGE PROCEDURES.—

11 “(i) IN GENERAL.—After confirming  
12 the date of an institution's closure, the  
13 Secretary shall identify any borrower (or  
14 student on whose behalf a parent bor-  
15 rowed) who appears to have been enrolled  
16 at the institution on the closure date of the  
17 institution or to have withdrawn not more  
18 than 120 days prior to the closure date (or  
19 in the case of exceptional circumstances  
20 described in subparagraph (B), not more  
21 than the period by which such 120-day pe-  
22 riod is extended under such subparagraph.  
23 In the case of a loan made, insured, or  
24 guaranteed under this part, a guaranty  
25 agency shall notify the Secretary imme-

1 diately whenever it becomes aware of reli-  
2 able information indicating an institution  
3 may have closed.

4 “(ii) BORROWER ADDRESS.—

5 “(I) KNOWN.—If the borrower’s  
6 current address is known, the Sec-  
7 retary shall mail the borrower a dis-  
8 charge application and an explanation  
9 of the qualifications and procedures  
10 for obtaining a discharge. The Sec-  
11 retary or the guaranty agency shall  
12 promptly suspend any efforts to col-  
13 lect from the borrower on any affected  
14 loan. The Secretary may continue to  
15 receive borrower payments of the loan  
16 for which the discharge application  
17 has been filed.

18 “(II) UNKNOWN.—If the bor-  
19 rower’s current address is unknown,  
20 the Secretary shall attempt to locate  
21 the borrower and determine the bor-  
22 rower’s potential eligibility for a dis-  
23 charge described in subparagraph (A)  
24 by consulting with representatives of  
25 the closed institution, the institution’s

1                   licensing agency, the institution’s ac-  
2                   crediting agency, and other appro-  
3                   priate parties. If the Secretary learns  
4                   the new address of a borrower, the  
5                   Secretary shall mail to the borrower a  
6                   discharge application and explanation,  
7                   and shall suspend collection on the  
8                   loan, as described in subclause (I).

9                   “(iii) SWORN STATEMENT.—If a bor-  
10                  rower fails to submit the written request  
11                  and sworn statement described subpara-  
12                  graph (A) not later than 60 days after  
13                  date on which the Secretary mails the dis-  
14                  charge application under clause (ii), the  
15                  Secretary—

16                         “(I) shall resume collection on  
17                         the loan and grant forbearance of  
18                         principal and interest for the period in  
19                         which collection activity was sus-  
20                         pended; and

21                         “(II) may capitalize any interest  
22                         accrued and not paid during such pe-  
23                         riod.

24                         “(iv) NOTIFICATION.—

1                   “(I) QUALIFICATIONS MET.—If  
2                   the Secretary determines that a bor-  
3                   rower who requests a discharge de-  
4                   scribed in subparagraph (A) meets the  
5                   qualifications for such a discharge,  
6                   the Secretary shall—

7                               “(aa) notify the borrower in  
8                               writing of that determination;  
9                               and

10                              “(bb) not regard a borrower  
11                              who has defaulted on a loan that  
12                              has been so discharged as in de-  
13                              fault on the loan after such dis-  
14                              charge, and such a borrower shall  
15                              be eligible to receive assistance  
16                              under this title.

17                   “(II) QUALIFICATIONS NOT  
18                   MET.—If the Secretary determines  
19                   that a borrower who requests a dis-  
20                   charge described in subparagraph (A)  
21                   does not meet the qualifications for  
22                   such a discharge, the Secretary or  
23                   guaranty agency shall resume collec-  
24                   tion on the loan and notify the bor-



1                   rower in writing of that determination  
2                   and the reasons for the determination.

3                   “(7) BORROWER QUALIFICATIONS FOR A FALSE  
4                   CERTIFICATION DISCHARGE.—

5                   “(A) APPLICATION.—

6                   “(i) IN GENERAL.—In order to qualify  
7                   for false certification discharge under this  
8                   subsection, the borrower shall submit to  
9                   the Secretary, on a form approved by the  
10                  Secretary, an application for discharge  
11                  that—

12                  “(I) does not need not be nota-  
13                  rized, but shall be made by the bor-  
14                  rower under penalty of perjury; and

15                  “(II) demonstrates to the satis-  
16                  faction of the Secretary that the re-  
17                  quirements in subparagraphs (B)  
18                  through (G) have been met.

19                  “(ii) NOTIFICATION.—If the Secretary  
20                  determines the application does not meet  
21                  the requirements of clause (i), the Sec-  
22                  retary shall notify the applicant and ex-  
23                  plain why the application does not meet  
24                  the requirements.

1           “(B) HIGH SCHOOL DIPLOMA OR EQUIVA-  
2           LENT.—In the case of a borrower requesting a  
3           false certification discharge based on not having  
4           had a high school diploma and not having met  
5           the alternative to graduation from high school  
6           eligibility requirements under section 484(d)  
7           applicable at the time the loan was originated,  
8           and the institution or a third party to which the  
9           institution referred the borrower falsified the  
10          student’s high school diploma, the borrower  
11          shall state in the application that the borrower  
12          (or the student on whose behalf a parent bor-  
13          rowed)—

14                 “(i) reported not having a valid high  
15                 school diploma or its equivalent at the time  
16                 the loan was certified; and

17                 “(ii) did not satisfy the alternative to  
18                 graduation from high school statutory or  
19                 regulatory eligibility requirements identi-  
20                 fied on the application form and applicable  
21                 at the time the institution certified the  
22                 loan.

23           “(C) DISQUALIFYING CONDITION.—In the  
24           case of a borrower requesting a false certifi-  
25           cation discharge based on a condition that

1 would disqualify the borrower from employment  
2 in the occupation that the program for which  
3 the borrower received the loan was intended,  
4 the borrower shall state in the application that  
5 the borrower (or student on whose behalf the  
6 parent borrowed) did not meet State require-  
7 ments for employment (in the student's State of  
8 residence) in the occupation that the program  
9 for which the borrower received the loan was in-  
10 tended because of a physical or mental condi-  
11 tion, age, criminal record, or other reason ac-  
12 cepted by the Secretary.

13 “(D) UNAUTHORIZED LOAN.—In the case  
14 of a borrower requesting a discharge under this  
15 subsection because the institution signed the  
16 borrower's name on the loan application or  
17 promissory note without the borrower's author-  
18 ization, the borrower shall—

19 “(i) state that the borrower did not  
20 sign the document in question or authorize  
21 the institution to do so; and

22 “(ii) provide 5 different specimens of  
23 the borrower's signature, 2 of which must  
24 be within one year before or after the date  
25 of the contested signature.

1           “(E) UNAUTHORIZED PAYMENT.—In the  
2 case of a borrower requesting a false certifi-  
3 cation discharge because the institution, with-  
4 out the borrower’s authorization, endorsed the  
5 borrower’s loan check or signed the borrower’s  
6 authorization for electronic funds transfer, the  
7 borrower shall—

8           “(i) state that the borrower did not  
9 endorse the loan check or sign the author-  
10 ization for electronic funds transfer or au-  
11 thorize the institution to do so;

12           “(ii) provide 5 different specimens of  
13 the borrower’s signature, 2 of which must  
14 be within one year before or after the date  
15 of the contested signature; and

16           “(iii) state that the proceeds of the  
17 contested disbursement were not delivered  
18 to the borrower or applied to charges owed  
19 by the borrower to the institution.

20           “(F) IDENTITY THEFT.—

21           “(i) IN GENERAL.—In the case of an  
22 individual whose eligibility to borrow was  
23 falsely certified because the individual was  
24 a victim of the crime of identity theft and

1 is requesting a discharge, the individual  
2 shall—

3 “(I) certify that the individual  
4 did not sign the promissory note, or  
5 that any other means of identification  
6 used to obtain the loan was used with-  
7 out the authorization of the individual  
8 claiming relief;

9 “(II) certify that the individual  
10 did not receive or benefit from the  
11 proceeds of the loan with knowledge  
12 that the loan had been made without  
13 the authorization of the individual;

14 “(III) provide a copy of a local,  
15 State, or Federal court verdict or  
16 judgment that conclusively determines  
17 that the individual who is named as  
18 the borrower of the loan was the vic-  
19 tim of a crime of identity theft; and

20 “(IV) if the judicial determina-  
21 tion of the crime does not expressly  
22 state that the loan was obtained as a  
23 result of the crime of identity theft,  
24 provide—

1                   “(aa) authentic specimens of  
2                   the signature of the individual, as  
3                   described in subparagraph  
4                   (D)(ii), or of other means of  
5                   identification of the individual, as  
6                   applicable, corresponding to the  
7                   means of identification falsely  
8                   used to obtain the loan; and

9                   “(bb) statement of facts  
10                  that demonstrate, to the satisfac-  
11                  tion of the Secretary, that eligi-  
12                  bility for the loan in question was  
13                  falsely certified as a result of the  
14                  crime of identity theft committed  
15                  against that individual.

16                  “(ii) DEFINITIONS.—For purposes of  
17                  this subparagraph:

18                  “(I) IDENTITY THEFT.—The  
19                  term ‘identity theft’ means the unau-  
20                  thorized use of the identifying infor-  
21                  mation of another individual that is  
22                  punishable under section 1028,  
23                  1028A, 1029, or 1030 of title 18,  
24                  United States Code, or substantially  
25                  comparable State or local law.

1                   “(II) IDENTIFYING INFORMA-  
2                   TION.—The term ‘identifying informa-  
3                   tion’ includes—

4                   “(aa) name, Social Security  
5                   number, date of birth, official  
6                   State or government issued driv-  
7                   er’s license or identification num-  
8                   ber, alien registration number,  
9                   government passport number,  
10                  and employer or taxpayer identi-  
11                  fication number;

12                  “(bb) unique biometric data,  
13                  such as fingerprints, voiceprint,  
14                  retina or iris image, or unique  
15                  physical representation;

16                  “(cc) unique electronic iden-  
17                  tification number, address, or  
18                  routing code; or

19                  “(dd) telecommunication  
20                  identifying information or access  
21                  device (as defined in 18 U.S.C.  
22                  1029(e)) borrower qualifications  
23                  for a false certification discharge

24                  “(G) CLAIM TO THIRD PARTY.—The bor-  
25                  rower shall state whether the borrower has

1           made a claim with respect to the institutions’s  
2           false certification or unauthorized payment with  
3           any third party, such as the holder of a per-  
4           formance bond or a tuition recovery program,  
5           and, if so, the amount of any payment received  
6           by the borrower or credited to the borrower’s  
7           loan obligation.

8           “(H) COOPERATION WITH THE SEC-  
9           RETARY.—The borrower shall state that the  
10          borrower—

11                 “(i) agrees to provide to the Secretary  
12                 upon request other documentation reason-  
13                 ably available to the borrower that dem-  
14                 onstrates that the borrower meets the  
15                 qualifications for discharge under this sub-  
16                 section; and

17                 “(ii) agrees to cooperate with the Sec-  
18                 retary in enforcement actions and to trans-  
19                 fer any right to recovery against a third  
20                 party to the Secretary.

21           “(8) BORROWER QUALIFICATIONS FOR AN UN-  
22           PAID REFUND DISCHARGE.—To receive an unpaid  
23           refund discharge of a portion of a loan under this  
24           subsection, a borrower shall submit to the holder or  
25           guaranty agency a written application—



1           “(A) that requests the information re-  
2           quired to calculate the amount of the discharge;

3           “(B) that the borrower signs for the pur-  
4           pose of swearing to the accuracy of the infor-  
5           mation;

6           “(C) that is made by the borrower under  
7           penalty of perjury, and that may or may not be  
8           notarized;

9           “(D) under which the borrower states—

10           “(i) that the borrower—

11           “(I) received, on or after January  
12           1, 1986, the proceeds of a loan, in  
13           whole or in part, made, insured, or  
14           guaranteed under this title to attend  
15           an institution of higher education;

16           “(II) did not attend, withdrew, or  
17           was terminated from the institution  
18           within a timeframe that entitled the  
19           borrower to a refund; and

20           “(III) did not receive the benefit  
21           of a refund to which the borrower was  
22           entitled either from the institution or  
23           from a third party, such as the holder  
24           of a performance bond or a tuition re-  
25           covery program;

1                   “(ii) whether the borrower has any  
2                   other application for discharge pending for  
3                   this loan; and

4                   “(iii) that the borrower—

5                                 “(I) agrees to provide to the Sec-  
6                                 retary upon request other documenta-  
7                                 tion reasonably available to the bor-  
8                                 rower that demonstrates that the bor-  
9                                 rower meets the qualifications for dis-  
10                                charge under this subsection; and

11                               “(II) agrees to cooperate with the  
12                               Secretary in enforcement actions and  
13                               to transfer any right to recovery  
14                               against a third party to the Sec-  
15                               retary.”.

16                   **PART C—FEDERAL WORK-STUDY PROGRAMS**

17                   **SECTION 441. PURPOSE; AUTHORIZATION OF APPROPRIA-**  
18                                 **TIONS.**

19                   Section 441 (20 U.S.C. 1087–51) is amended—

20                               (1) in subsection (a)—

21   (A) by striking “part-time” and inserting  
22   “paid”;

23   (B) by striking “, graduate, or profes-  
24   sional”; and

1 (C) by striking “community service” and  
2 inserting “work-based learning”;

3 (2) in subsection (b), by striking “part, such  
4 sums as may be necessary for fiscal year 2009 and  
5 each of the five succeeding fiscal years.” and insert-  
6 ing “part, \$1,722,858,000 for fiscal year 2019 and  
7 each of the 5 succeeding fiscal years.”; and

8 (3) by amending subsection (c) to read as fol-  
9 lows:

10 “(c) **WORK-BASED LEARNING.**—For purposes of this  
11 part, the term ‘work-based learning’ means paid inter-  
12 actions with industry or community professionals in real  
13 workplace settings that foster in-depth, first-hand engage-  
14 ment with the tasks required of a given career field, that  
15 are aligned to a student’s field of study.”.

16 **SEC. 442. ALLOCATION FORMULA.**

17 Section 442 (20 U.S.C. 1087–52) is amended to read  
18 as follows:

19 **“SEC. 442. ALLOCATION OF FUNDS.**

20 “(a) **RESERVATIONS.**—

21 “(1) **RESERVATION FOR IMPROVED INSTITU-**  
22 **TIONS.**—

23 “(A) **AMOUNT OF RESERVATION FOR IM-**  
24 **PROVED INSTITUTIONS.**—For a fiscal year in  
25 which the amount appropriated under section

1           441(b) exceeds \$700,000,000, the Secretary  
2 shall—

3                   “(i) reserve the lesser of—

4                           “(I) an amount equal to 20 per-  
5 cent of the amount by which the  
6 amount appropriated under section  
7 441(b) exceeds \$700,000,000; or

8                           “(II) \$150,000,000; and

9                   “(ii) allocate the amount reserved  
10 under clause (i) to each improved institu-  
11 tion in an amount—

12                           “(I) that bears the same propor-  
13 tion to the amount reserved under  
14 clause (i) as the total amount of all  
15 Federal Pell Grant funds awarded at  
16 the improved institution for the sec-  
17 ond preceding fiscal year bears to the  
18 total amount of Federal Pell Grant  
19 funds awarded at improved institu-  
20 tions participating under this part for  
21 the second preceding fiscal year; and

22                           “(II) is not—

23                                   “(aa) less than \$10,000; or

24                                   “(bb)           greater           than  
25 \$1,500,000.

1           “(B) IMPROVED INSTITUTION DE-  
2           SCRIBED.—For purposes of this paragraph, an  
3           improved institution is an institution that, on  
4           the date the Secretary makes an allocation  
5           under subparagraph (A)(ii) is, with respect to—

6                   “(i) the completion rate or graduation  
7                   rate of Federal Pell Grant recipients at the  
8                   institution, in the top 10 percent of—

9                           “(I) if the institution is an insti-  
10                           tution described in any of clauses (iv)  
11                           through (ix) of section 132(d)(1)(B),  
12                           all such institutions participating  
13                           under this part for the preceding fis-  
14                           cal year; or

15                           “(II) if the institution is an insti-  
16                           tution described in any of clauses (i)  
17                           through (iii) of section 132(d)(1)(B),  
18                           all such institutions participating  
19                           under this part for the preceding fis-  
20                           cal year; or

21                           “(ii) the improvement of the comple-  
22                           tion rate or graduation rate between the  
23                           preceding fiscal year and such date, in the  
24                           top 10 percent of the institutions described  
25                           in clause (i).

1           “(C) COMPLETION RATE OR GRADUATION  
2           RATE.—For purposes of determining the com-  
3           pletion rate or graduation rate under this sec-  
4           tion, a Federal Pell Grant recipient shall be  
5           counted as a completor or graduate if, within  
6           the normal time for completion of or graduation  
7           from the program, the student has completed or  
8           graduated from the program, or enrolled in any  
9           program of an institution participating in any  
10          program under this title for which the prior  
11          program provides substantial preparation.

12          “(D) REALLOCATION OF RETURNED  
13          AMOUNT.—If an institution returns to the Sec-  
14          retary any portion of the sums allocated to such  
15          institution under this paragraph for any fiscal  
16          year, the Secretary shall reallocate such excess to  
17          improved institutions on the same basis as  
18          under subparagraph (A)(ii)(I).

19          “(2) RESERVATION FOR WORK COLLEGES.—  
20          From the amounts appropriated under section  
21          441(b), the Secretary shall reserve to carry out sec-  
22          tion 448 such amounts as may be necessary for fis-  
23          cal year 2019 and each of the 5 succeeding fiscal  
24          years.

1       “(b) ALLOCATION FORMULA FOR FISCAL YEARS  
2 2019 THROUGH 2023.—

3           “(1) IN GENERAL.—From the amount appro-  
4 priated under section 441(b) for a fiscal year and re-  
5 maining after the Secretary reserves funds under  
6 subsection (a), the Secretary shall allocate to each  
7 institution—

8           “(A) for fiscal year 2019, an amount equal  
9 to the greater of—

10           “(i) 90 percent of the amount the in-  
11 stitution received under this subsection  
12 and subsection (a) for fiscal year 2018, as  
13 such subsections were in effect with re-  
14 spect to such fiscal year (in this subpara-  
15 graph referred to as the ‘2018 amount for  
16 the institution’); or

17           “(ii) the fair share amount for the in-  
18 stitution determined under subsection (d);

19           “(B) for fiscal year 2020, an amount equal  
20 to the greater of—

21           “(i) 80 percent of the 2018 amount  
22 for the institution; or

23           “(ii) the fair share amount for the in-  
24 stitution determined under subsection (d);

1           “(C) for fiscal year 2021, an amount equal  
2 to the greater of—

3           “(i) 60 percent of the 2018 amount  
4 for the institution; or

5           “(ii) the fair share amount for the in-  
6 stitution determined under subsection (d);

7           “(D) for fiscal year 2022, an amount equal  
8 to the greater of—

9           “(i) 40 percent of the 2018 amount  
10 for the institution; or

11           “(ii) the fair share amount for the in-  
12 stitution determined under subsection (d);

13 and

14           “(E) for fiscal year 2023, an amount equal  
15 to the greater of—

16           “(i) 20 percent of the 2018 amount  
17 for the institution; or

18           “(ii) the fair share amount for the in-  
19 stitution determined under subsection (d).

20           “(2) RATABLE REDUCTION.—

21           “(A) IN GENERAL.—If the amount appro-  
22 priated under section 441(b) for a fiscal year  
23 and remaining after the Secretary reserves  
24 funds under subsection (a) is less than the  
25 amount required to be allocated to the institu-



1           tions under this subsection, then the amount of  
2           the allocation to each institution shall be rat-  
3           ably reduced.

4           “(B) ADDITIONAL APPROPRIATIONS.—If  
5           the amounts allocated to each institution are  
6           ratably reduced under subparagraph (A) for a  
7           fiscal year and additional amounts are appro-  
8           priated for such fiscal year, the amount allo-  
9           cated to each institution from the additional  
10          amounts shall be increased on the same basis as  
11          the amounts under subparagraph (A) were re-  
12          duced (until each institution receives the  
13          amount required to be allocated under this sub-  
14          section).

15          “(c) ALLOCATION FORMULA FOR FISCAL YEAR 2024  
16          AND EACH SUCCEEDING FISCAL YEAR.—From the  
17          amount appropriated under section 441(b) for fiscal year  
18          2024 and each succeeding fiscal year and remaining after  
19          the Secretary reserves funds under subsection (a), the Sec-  
20          retary shall allocate to each institution the fair share  
21          amount for the institution determined under subsection  
22          (d).

23          “(d) DETERMINATION OF FAIR SHARE AMOUNT.—

1           “(1) IN GENERAL.—The fair share amount for  
2           an institution for a fiscal year shall be equal to the  
3           sum of the following:

4                   “(A) An amount equal to 50 percent of the  
5                   amount that bears the same proportion to the  
6                   available appropriated amount for such fiscal  
7                   year as the total amount of Federal Pell Grant  
8                   funds disbursed at the institution for the pre-  
9                   ceding fiscal year bears to the total amount of  
10                  Federal Pell Grant funds awarded at all institu-  
11                  tions participating under this part for the pre-  
12                  ceding fiscal year.

13                  “(B) An amount equal to 50 percent of the  
14                  amount that bears the same proportion to the  
15                  available appropriated amount for such fiscal  
16                  year as the total amount of the undergraduate  
17                  student need at the institution for the preceding  
18                  fiscal year bears to the total amount of under-  
19                  graduate student need at all institutions partici-  
20                  pating under this part for the preceding fiscal  
21                  year.

22           “(2) DEFINITIONS.—In this subsection:

23                   “(A)           AVAILABLE           APPROPRIATED  
24                   AMOUNT.—The term ‘available appropriated  
25                   amount’ means—

1 “(i) the amount appropriated under  
2 section 441(b) for a fiscal year, minus

3 “(ii) the amounts reserved under sub-  
4 section (a) for such fiscal year.

5 “(B) AVERAGE COST OF ATTENDANCE.—

6 The term ‘average cost of attendance’ means,  
7 with respect to an institution, the average of  
8 the attendance costs for a fiscal year for stu-  
9 dents which shall include—

10 “(i) tuition and fees, computed on the  
11 basis of information reported by the insti-  
12 tution to the Secretary, which shall in-  
13 clude—

14 “(I) total revenue received by the  
15 institution from undergraduate tuition  
16 and fees for the second year preceding  
17 the year for which it is applying for  
18 an allocation; and

19 “(II) the institution’s enrollment  
20 for such second preceding year;

21 “(ii) standard living expenses equal to  
22 150 percent of the difference between the  
23 income protection allowance for a family of  
24 5 with 1 in college and the income protec-  
25 tion allowance for a family of 6 with 1 in

1 college for a single independent student;

2 and

3 “(iii) books and supplies, in an

4 amount not exceeding \$800.

5 “(C) UNDERGRADUATE STUDENT NEED.—

6 The term ‘undergraduate student need’ means,

7 with respect to an undergraduate student for a

8 fiscal year, the lesser of the following:

9 “(i) The total of the amount equal to

10 (except the amount computed by this

11 clause shall not be less than zero)—

12 “(I) the average cost of attend-

13 ance for the fiscal year, minus

14 “(II) the total amount of each

15 such undergraduate student’s ex-

16 pected family contribution (computed

17 in accordance with part F of this

18 title) for the preceding fiscal year.

19 “(ii) \$12,500.

20 “(e) RETURN OF SURPLUS ALLOCATED FUNDS.—

21 “(1) AMOUNT RETURNED.—If an institution re-

22 turns more than 10 percent of its allocation under

23 subsection (d), the institution’s allocation for the

24 next fiscal year shall be reduced by the amount re-

25 turned.

1           “(2) WAIVER.—The Secretary may waive this  
2 paragraph for a specific institution if the Secretary  
3 finds that enforcing this paragraph would be con-  
4 trary to the interest of the program.

5           “(f) FILING DEADLINES.—The Secretary shall, from  
6 time to time, set dates before which institutions must file  
7 applications for allocations under this part.”.

8 **SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.**

9           Section 443 (20 U.S.C. 1087–53) is amended—

10           (1) in subsection (b)—

11                   (A) in paragraph (1), in the matter pre-  
12 ceding subparagraph (A), by striking “part-  
13 time”;

14                   (B) in paragraph (2), by striking “except  
15 that—” and all that follows through “an insti-  
16 tution may use a portion” and inserting “except  
17 that an institution may use a portion”;

18                   (C) in paragraph (3), by inserting “under-  
19 graduate” after “only”;

20                   (D) in paragraph (4), by striking “300”  
21 and inserting “500”;

22                   (E) in paragraph (5)—

23                           (i) by striking “shall not exceed 75  
24 percent” and inserting “shall not exceed  
25 75 percent in the first year after the date

1 of the enactment of PROSPER Act, 65  
2 percent in the first succeeding fiscal year,  
3 60 percent in the second succeeding fiscal  
4 year, 55 percent in the third succeeding  
5 fiscal year, and 50 percent each succeeding  
6 fiscal year”;

7 (ii) by striking subparagraph (A);

8 (iii) in subparagraph (B)—

9 (I) by striking “75” and insert-  
10 ing “50”; and

11 (II) by striking the semicolon  
12 and inserting “; and”;

13 (iv) by redesignating subparagraph  
14 (B) as subparagraph (A); and

15 (v) by adding at the end the following:

16 “(B) the Federal share may equal 100 per-  
17 cent with respect to funds received under sec-  
18 tion 442(a)(1)(A);”;

19 (F) in paragraph (8)—

20 (i) in subparagraph (A)(i), by striking  
21 “vocational” and inserting “career”; and

22 (ii) in subparagraph (B), by striking  
23 “community service” and inserting “work-  
24 based learning”;

1 (G) in paragraph (10), by striking “; and”  
2 and inserting a semicolon;

3 (H) in paragraph (11), by striking the pe-  
4 riod at the end and inserting a semicolon; and

5 (I) by adding at the end the following:

6 “(12) provide assurances that the institution  
7 will collect data from students and employers such  
8 that the employment made available from funds  
9 under this part will, to the maximum extent prac-  
10 ticable, complement and reinforce the educational  
11 goals or career goals of each student receiving as-  
12 sistance under this part; and

13 “(13) provide assurances that if the institution  
14 receives funds under section 442(a)(1)(A), such in-  
15 stitution shall—

16 “(A) use such funds to compensate stu-  
17 dents participating in the work-study program;  
18 and

19 “(B) prioritize the awarding of such funds  
20 to students—

21 “(i) who demonstrate exceptional  
22 need; or

23 “(ii) who are employed in work-based  
24 learning opportunities through the work-  
25 study program.”;

1 (2) in subsection (c)—

2 (A) in paragraph (1)—

3 (i) by striking “program of part-time  
4 employment” and inserting the following:

5 “program—

6 “(A) of employment”; and

7 (ii) by inserting “or” after “sub-  
8 section (b)(3);”; and

9 (iii) by adding at the end the fol-  
10 lowing:

11 “(B) of full-time employment of its cooper-  
12 ative education students in work for a private  
13 for-profit organization under an arrangement  
14 between the institution and such organization  
15 that complies with the requirements of subpara-  
16 graphs (A) through (D) of subsection (b)(1) of  
17 this section and subsection (b)(4) of this sec-  
18 tion;”;

19 (B) by striking paragraph (2);

20 (C) in paragraph (4), by inserting “and  
21 complement and reinforce the educational goals  
22 or career goals of each student receiving assist-  
23 ance under this part” after “relevant”; and



1 (D) by redesignating paragraphs (3), (4),  
2 and (5) as paragraphs (2), (3), and (4), respec-  
3 tively; and

4 (3) in subsection (d)—

5 (A) in paragraph (1)—

6 (i) by striking “In any academic year  
7 to which subsection (b)(2)(A) applies, an  
8 institution shall ensure that” and inserting  
9 “An institution may use the” ; and

10 (ii) by striking “are used”; and

11 (B) in paragraph (3), by striking “may ex-  
12 ceed 75 percent” and inserting “shall not ex-  
13 ceed 50 percent”.

14 **SEC. 444. FLEXIBLE USE OF FUNDS.**

15 Section 445(a) (20 U.S.C. 1087–55(a)) is amended—

16 (1) in paragraph (2), by striking “in the same  
17 State” and inserting “described under section  
18 442(a)(1)(B)”; and

19 (2) by adding at the end the following new  
20 paragraph:

21 “(3) In addition to the carry-over sums authorized  
22 under paragraph (1) of this section, an institution may  
23 permit a student who completed the previous award period  
24 to continue to earn unearned portions of the student’s  
25 work-study award from that previous year if—

1           “(A) any reduction in the student’s need upon  
2           which the award was based is accounted for in the  
3           remaining portion; and

4           “(B) the student is currently employed in a  
5           work-based learning position.”.

6   **SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.**

7           Section 446 (20 U.S.C. 1087–56) is amended—

8           (1) in subsection (a)—

9           (A) in paragraph (1)—

10           (i) by striking “10 percent or  
11           \$75,000” and inserting “20 percent or  
12           \$150,000”; and

13           (ii) by striking “, including commu-  
14           nity service jobs,”; and

15           (B) in paragraph (2), by striking “voca-  
16           tional” and inserting “career”; and

17           (2) in subsection (b)—

18           (A) by striking paragraph (2);

19           (B) by redesignating paragraphs (3)  
20           through (6) as paragraphs (4) through (7), re-  
21           spectively; and

22           (C) by inserting before paragraph (4) the  
23           following:

24           “(2) provide satisfactory assurance that the in-  
25           stitution will prioritize placing students with the low-

1 est expected family contribution and Federal work-  
2 study recipients in jobs located and developed under  
3 this section;

4 “(3) provide a satisfactory assurance that the  
5 institution will locate and develop work-based learn-  
6 ing opportunities through the job location develop-  
7 ment programs;”; and

8 (D) in paragraph (7), by striking the pe-  
9 riod and inserting “, including—

10 “(A) the number of students employed in  
11 work-based learning opportunities through such  
12 program;

13 “(B) the number of students dem-  
14 onstrating exceptional need and employed in a  
15 work-study program through such program; and

16 “(C) the number of students dem-  
17 onstrating exceptional need and employed in  
18 work-based learning opportunities through such  
19 program.”.

20 **SEC. 446. COMMUNITY SERVICE.**

21 Section 447 (20 U.S.C. 1087–57) is repealed.

22 **SEC. 447. WORK COLLEGES.**

23 Section 448 (20 U.S.C. 1087–58) is amended—

24 (1) in subsection (b)—

25 (A) in paragraph (1)—

1 (i) by striking “and part E”; and

2 (ii) by striking “appropriated” and in-  
3 serting “allocated”;

4 (B) in paragraph (2), by striking “appro-  
5 priated pursuant to” and inserting “allocated  
6 under”; and

7 (2) in subsection (c), by striking “authorized  
8 by” and inserting “allocated under”;

9 (3) in subsection (e)(1)—

10 (A) in subparagraph (C), by striking “;  
11 and” and inserting a semicolon; and

12 (B) by adding at the end the following:

13 “(E) has administered Federal work-study  
14 for at least 2 years; and”; and

15 (4) by amending subsection (f) to read as fol-  
16 lows:

17 “(f) ALLOCATION OF RESERVED FUNDS.—

18 “(1) IN GENERAL.—Subject to paragraph (2),  
19 from the amount reserved under section 442(a)(2)  
20 for a fiscal year to carry out this section, the Sec-  
21 retary shall allocate to each work college that sub-  
22 mits an application under subsection (c) an amount  
23 equal to the amount that bears the same proportion  
24 to the amount appropriated for such fiscal year as  
25 the number of students eligible for employment

1 under a work-study program under this part who  
2 are enrolled at the work college bears to the total  
3 number of students eligible for employment under a  
4 work-study program under this part who are en-  
5 rolled at all work colleges.

6 “(2) REALLOTMENT OF UNMATCHED FUNDS.—  
7 If a work college is unable to match funds received  
8 under paragraph (1) in accordance with subsection  
9 (d), any unmatched funds shall be returned to the  
10 Secretary and the Secretary shall reallocate such funds  
11 on the same basis as funds are allocated under para-  
12 graph (1).”.

13 **PART D—FEDERAL DIRECT STUDENT LOAN**  
14 **PROGRAM**

15 **SEC. 451. TERMINATION OF FEDERAL DIRECT LOAN PRO-**  
16 **GRAM UNDER PART D AND OTHER CON-**  
17 **FORMING AMENDMENTS.**

18 (a) APPROPRIATIONS.—Section 451 (20 U.S.C.  
19 1087a) is amended—

20 (1) in subsection (a), by adding at the end the  
21 following: “No sums may be expended after Sep-  
22 tember 30, 2024, with respect to loans under this  
23 part for which the first disbursement is after such  
24 date.”; and

25 (2) by adding at the end, the following:

1           “(c) TERMINATION OF AUTHORITY TO MAKE NEW  
2 LOANS.—Notwithstanding subsection (a) or any other  
3 provision of law—

4           “(1) no new loans may be made under this part  
5 after September 30, 2024; and

6           “(2) no funds are authorized to be appro-  
7 priated, or may be expended, under this Act, or any  
8 other Act to make loans under this part for which  
9 the first disbursement is after September 30, 2024,  
10 except as expressly authorized by an Act of Congress en-  
11 acted after the date of enactment of the PROSPER Act.

12           “(d) STUDENT ELIGIBILITY BEGINNING WITH  
13 AWARD YEAR 2019.—

14           “(1) NEW BORROWERS.—No loan may be made  
15 under this part to a new borrower for which the first  
16 disbursement is after June 30, 2019.

17           “(2) BORROWERS WITH OUTSTANDING BAL-  
18 ANCES.—Subject to paragraph (3), with respect to a  
19 borrower who, as of July 1, 2019, has an out-  
20 standing balance of principal or interest owing on a  
21 loan made under this part, such borrower may—

22           “(A) in the case of such a loan made to  
23 the borrower for enrollment in a program of un-  
24 dergraduate education, borrow loans made  
25 under this part for any program of under-

1 graduate education through the close of Sep-  
2 tember 30, 2024;

3 “(B) in the case of such a loan made to  
4 the borrower for enrollment in a program of  
5 graduate or professional education, borrow  
6 loans made under this part for any program of  
7 graduate or professional education through the  
8 close of September 30, 2024; and

9 “(C) in the case of such a loan made to  
10 the borrower on behalf of a dependent student  
11 for the student’s enrollment in a program of  
12 undergraduate education, borrow loans made  
13 under this part on behalf of such student  
14 through the close of September 30, 2024.

15 “(3) LOSS OF ELIGIBILITY.—A borrower de-  
16 scribed in paragraph (2) who borrows a loan made  
17 under part E for which the first disbursement is  
18 made on or after July 1, 2019, shall lose the bor-  
19 rower’s eligibility to borrow loans made under this  
20 part in accordance with paragraph (2).”.

21 (b) PERKINS LOAN CONFORMING AMENDMENT.—  
22 Section 453(c)(2)(A) (20 U.S.C. 1087c(c)(2)(A)) is  
23 amended by inserting “, as in effect on the day before  
24 the date of enactment of the PROSPER Act and pursuant  
25 to subsection 461(a),” after “part E”;

1 (c) APPLICABLE INTEREST RATES AND OTHER  
2 TERMS AND CONDITIONS.—Section 455 (20 U.S.C.  
3 1087e) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by inserting “, and  
6 first disbursed before October 1, 2024,” after  
7 “under this part”;

8 (B) in paragraph (2), by inserting “, and  
9 first disbursed before October 1, 2024,” after  
10 “under this part”;

11 (2) in subsection (b)(8)—

12 (A) in the section heading, by inserting  
13 “AND BEFORE OCTOBER 1, 2024” after “2013”;

14 (B) in subparagraph (A), by inserting  
15 “and before October 1, 2024,” after “July 1,  
16 2013,”;

17 (C) in subparagraph (B), by inserting  
18 “and before October 1, 2024,” after “July 1,  
19 2013,”;

20 (D) in subparagraph (C), by inserting  
21 “and before October 1, 2024,” after “July 1,  
22 2013,”; and

23 (E) in subparagraph (D), by inserting  
24 “and before October 1, 2024,” after “July 1,  
25 2013,”;



1           (3) in subsection (c)(2)(E), by inserting “, and  
2 before October 1, 2024” after “July 1, 2010”;

3           (4) in subsection (e)(7), in the matter preceding  
4 subparagraph (A), by inserting “, as in effect on the  
5 day before the date of enactment of the PROSPER  
6 Act and pursuant to subsection 461(a)” after “part  
7 E”; and

8           (5) in subsection (g)—

9           (A) by inserting “, and first disbursed be-  
10 fore October 1, 2024,” after “under this part”;  
11 and

12           (B) by adding at the end the following:  
13 “The authority to make consolidation loans  
14 under this subsection expires at the close of  
15 September 30, 2024. No loan may be made  
16 under this subsection for which the disburse-  
17 ment is on or after October 1, 2024.”; and

18           (6) in subsection (o)—

19           (A) in paragraph (1), by inserting “, and  
20 before October 1, 2024,” after “October 1,  
21 2008”; and

22           (B) in paragraph (2)—

23           (i) by inserting “and before October  
24 1, 2024,” after “October 1, 2008,”; and

1 (ii) by inserting “, and before October  
2 1, 2024” after “October 1, 2008”.

3 **SEC. 452. BORROWER DEFENSES.**

4 Section 455(h) (20 U.S.C. 1087e(h)) is amended to  
5 read as follows:

6 “(h) BORROWER DEFENSES.—

7 “(1) IN GENERAL.—In any proceeding to collect  
8 on a loan made under this part to a borrower, the  
9 Secretary shall abide by the following:

10 “(A) In no event may the borrower recover  
11 any amount previously collected or be freed of  
12 amounts owed to the Secretary without submit-  
13 ting an individually-filed application for ap-  
14 proval.

15 “(B) In no event may the borrower recover  
16 amounts previously collected by the Secretary,  
17 in any action arising from or relating to a loan  
18 made under this part, in an amount in excess  
19 of the amount that has been paid by the bor-  
20 rower on such loan.

21 “(C) In no event may the borrower recover  
22 amounts previously collected by the Secretary  
23 later than 3 years after the misconduct or  
24 breach of contract on behalf of the institution

1 takes place that gives rise to the borrower to  
2 assert a defense to repayment of the loan.

3 “(D) In no event may anyone other than  
4 an administrative law judge or its equivalent  
5 preside over hearings of any kind related to ap-  
6 plications submitted under this subsection.

7 “(E) In no event may the Secretary ap-  
8 prove or disapprove the borrower’s application  
9 under this subsection without allowing for the  
10 equal consideration of evidence and arguments  
11 presented by a representative on behalf of the  
12 student or students and a representative on be-  
13 half of the institution, if either such party  
14 makes a request.

15 “(F) In no event may the Secretary with-  
16 hold from an institution any materials, facts, or  
17 evidence used when processing an application  
18 submitted by the borrower.

19 “(G) In no event may the borrower of a  
20 loan made, insured or guaranteed under this  
21 title (other than a loan made under this part or  
22 a Federal ONE Loan) submit an application  
23 under this subsection without consolidating the  
24 loans of the borrower into a Federal ONE Con-  
25 solidation Loan.

1           “(2) BORROWER APPLICATION REQUIRE-  
2           MENTS.—

3           “(A) IN GENERAL.—An application sub-  
4           mitted by a borrower under this subsection to  
5           the Secretary shall—

6                   “(i) certify the borrower’s receipt of  
7                   loan proceeds, in whole or in part, to at-  
8                   tend the named institution of higher edu-  
9                   cation;

10                   “(ii) provide evidence described in  
11                   subparagraph (B) that supports a bor-  
12                   rower defense to repayment of the loan;  
13                   and

14                   “(iii) indicate whether the borrower  
15                   has made a claim with respect to the infor-  
16                   mation underlying the borrower defense  
17                   with any third party and, if so, the amount  
18                   of any payment received by the borrower  
19                   or credited to the borrower’s loan obliga-  
20                   tion.

21           “(B) EVIDENCE.—The borrower has a bor-  
22           rower defense if—

23                   “(i) the borrower, whether as an indi-  
24                   vidual or as a member of a class, or a gov-  
25                   ernmental agency, has obtained against the

1 institution of higher education a non-  
2 default, favorable contested judgment  
3 based on State or Federal law in a court  
4 or administrative tribunal of competent ju-  
5 risdiction;

6 “(ii) the institution of higher edu-  
7 cation for which the borrower received the  
8 loan made under this part failed to per-  
9 form its obligations under the terms of a  
10 contract with the student; or

11 “(iii) the institution of higher edu-  
12 cation described in clause (ii) or any of its  
13 representatives engaged directly in mar-  
14 keting, recruitment or admissions activi-  
15 ties, or any other institution of higher edu-  
16 cation, organization, or person with whom  
17 such institution has an agreement to pro-  
18 vide educational programs, or to provide  
19 marketing, advertising, recruiting, or ad-  
20 missions services, made a substantial mis-  
21 representation within the meaning of sec-  
22 tion 487(e)(3)(B)(i)(II) that the borrower  
23 reasonably relied on when the borrower de-  
24 cided to attend, or to continue attending,  
25 such institution.

1           “(3) SECRETARIAL NOTIFICATION REQUIRE-  
2           MENTS.—

3           “(A) RECEIPT OF APPLICATION.—Upon  
4           receipt of a borrower’s application, the Sec-  
5           retary—

6                   “(i) if the borrower is not in default  
7                   on the loan for which a borrower defense  
8                   has been asserted, shall grant a forbear-  
9                   ance and notify the borrower of the option  
10                  to decline the forbearance and to continue  
11                  making payments on the loan;

12                  “(ii) if the borrower is in default on  
13                  the loan for which a borrower defense has  
14                  been asserted—

15                   “(I) shall suspend collection ac-  
16                   tivity on the loan until the Secretary  
17                   issues a decision on the borrower’s  
18                   claim;

19                   “(II) shall notify the borrower of  
20                   the suspension of collection activity  
21                   and explain that collection activity will  
22                   resume if the Secretary determines  
23                   that the borrower does not qualify for  
24                   a full discharge; and

1                   “(III) shall notify the borrower  
2                   of the option to continue making pay-  
3                   ments under a rehabilitation agree-  
4                   ment or other repayment agreement  
5                   on the defaulted loan; and

6                   “(iii) shall to the extent possible, no-  
7                   tify the institutions against which the ap-  
8                   plication is filed, which notification shall  
9                   include—

10                   “(I) the reasons that the applica-  
11                   tion has been filed; and

12                   “(II) the amount of relief re-  
13                   quested.

14                   “(B) APPROVED APPLICATION.—If a bor-  
15                   rower’s application is approved in full or in  
16                   part, the Secretary shall—

17                   “(i) notify the borrower and the insti-  
18                   tution in writing of that determination and  
19                   of the relief provided; and

20                   “(ii) inform the institution of the op-  
21                   portunity to request a one-time reconsider-  
22                   ation of the claim in the application if new  
23                   evidence that was not previously provided  
24                   can be identified.

1                   “(D) APPLICATION NOT APPROVED.—If a  
2 borrower’s application is not approved in full or  
3 in part, the Secretary—

4                   “(i) shall notify the borrower and the  
5 institution of the reasons for the denial,  
6 the evidence that was relied upon, any por-  
7 tion of the loan that is due and payable to  
8 the Secretary, whether the Secretary will  
9 reimburse any amounts previously col-  
10 lected, and inform the borrower that the  
11 loan will return to its status prior to the  
12 borrower’s submission of the application;  
13 and

14                   “(ii) shall inform the borrower of the  
15 opportunity to request a one-time reconsid-  
16 eration of the claim in the application if  
17 new evidence that was not previously pro-  
18 vided can be identified.

19                   “(E) CONSOLIDATION.—During a pro-  
20 ceeding for an individual borrower, the Sec-  
21 retary may consolidate individually-filed appli-  
22 cations that have common facts and claims and  
23 resolve the borrowers’ borrower defense claims  
24 for faster processing.



1           “(F) NEW EVIDENCE DEFINED.—For pur-  
2           poses of this paragraph, the term ‘new evidence’  
3           means relevant evidence that the borrower or  
4           the institution did not previously provide and  
5           that was not identified in the final decision as  
6           evidence that was relied upon for the final deci-  
7           sion. If accepted for reconsideration by the Sec-  
8           retary, the Secretary shall follow the procedure  
9           under this paragraph.

10           “(4) CALCULATION OF RELIEF.—The Secretary  
11           shall determine the appropriate method for calcu-  
12           lating the amount of relief to be awarded to a bor-  
13           rower as a result of a proceeding described in this  
14           subsection based on the materials, facts, and evi-  
15           dence presented during the proceeding.

16           “(5) FURTHER RELIEF.—The Secretary may  
17           afford the borrower such further relief as the Sec-  
18           retary determines is appropriate under the cir-  
19           cumstances, but which shall not exceed the fol-  
20           lowing:

21           “(A) Reimbursing the borrower for  
22           amounts paid toward the loan voluntarily or  
23           through enforced collection.

1           “(B) Restoring eligibility for assistance  
2 under this title after determining that the bor-  
3 rower is not in default on the loan.

4           “(C) Updating reports to consumer report-  
5 ing agencies to which the Secretary previously  
6 made adverse credit reports with regard to a  
7 loan made under this part.

8           “(6) RECOVERY.—

9           “(A) IN GENERAL.—The Secretary may  
10 initiate an appropriate proceeding to require the  
11 institution of higher education whose act or  
12 omission resulted in the borrower’s successful  
13 defense against repayment of a loan made  
14 under this part to pay to the Secretary the  
15 amount of the loan to which the defense applies  
16 not later than 3 years from the end of the last  
17 award year in which the student attended the  
18 institution.

19           “(B) NOTICE.—The Secretary may initiate  
20 a proceeding to collect at any time if the insti-  
21 tution received notice of the claim before the  
22 end of the later of the periods described in sub-  
23 paragraph (A). For purposes of this subpara-  
24 graph, notice includes receipt of—

1                   “(i) actual notice from the borrower,  
2                   from a representative of the borrower, or  
3                   from the Department;

4                   “(ii) a class action complaint assert-  
5                   ing relief for a class that may include the  
6                   borrower; or

7                   “(iii) written notice, including a civil  
8                   investigative demand or other written de-  
9                   mand for information, from a Federal or  
10                  State agency that has power to initiate an  
11                  investigation into conduct of the institution  
12                  of higher education relating to specific pro-  
13                  grams, periods, or practices that may have  
14                  affected the borrower.”.

15 **SEC. 453. ADMINISTRATIVE EXPENSES.**

16                  Section 458(a) (20 U.S.C. 1087h)—

17                   (1) in paragraph (3)—

18                   (A) by striking “2007” each place it ap-  
19                   pears and inserting “2019”;

20                   (B) by striking “2014” each place it ap-  
21                   pears and inserting “2024”; and

22                   (C) by striking “part and part B, including  
23                   the costs of the direct student loan programs  
24                   under this part” and inserting “title”;

25                   (2) in paragraph (6)—

1 (A) in subparagraph (B), by striking  
2 “2010” and inserting “2019”; and  
3 (B) in subparagraph (C), by striking  
4 “training” and inserting “education”;  
5 (3) by striking paragraph (7); and  
6 (4) by redesignating paragraph (8) as para-  
7 graph (7).

8 **SEC. 454. LOAN CANCELLATION FOR TEACHERS.**

9 Section 460(b)(1)(A) (20 U.S.C. 1087j(b)(1)(A)) is  
10 amended by striking “that qualifies under section  
11 465(a)(2)(A) for loan cancellation for Perkins loan recipi-  
12 ents who teach in such schools or locations” and inserting  
13 “described in section 420N(b)(1)(B)”.

14 **PART E—FEDERAL ONE LOANS**

15 **SEC. 461. WIND-DOWN OF FEDERAL PERKINS LOAN PRO-**  
16 **GRAM.**

17 (a) IN GENERAL.—Except as otherwise provided in  
18 this section and notwithstanding section 462, the provi-  
19 sions of part E of title IV of the Higher Education Act  
20 of 1965 (20 U.S.C. 1087aa et seq.), as in effect on the  
21 day before the date of enactment of this Act, are deemed  
22 to be incorporated in this subsection as though set forth  
23 fully in this subsection, and shall have the same force and  
24 effect as on such day.

25 (b) CLOSE-OUT AUDITS.—

1           (1) IN GENERAL.—In the case of an institution  
2 of higher education that desires to have a final audit  
3 of its participation under the program under part E  
4 of title IV of the Higher Education Act of 1965 (20  
5 U.S.C. 1087aa et seq.), as in effect pursuant to sub-  
6 section (a), at the same time as its annual financial  
7 and compliance audit under section 487(c) of such  
8 Act (20 U.S.C. 1094(c)), such institution shall sub-  
9 mit to the Secretary a request, in writing, for such  
10 an arrangement not later than 60 days after the in-  
11 stitution terminates its participation under such pro-  
12 gram.

13           (2) TERMINATION OF PARTICIPATION.—For  
14 purposes of this subsection, an institution shall be  
15 considered to have terminated its participation under  
16 the program described in paragraph (1), if the insti-  
17 tution—

18           (A)(i) has made a determination not to  
19 service and collect student loans made available  
20 from funds under part E of title IV of the  
21 Higher Education Act of 1965 (20 U.S.C.  
22 1087aa et seq.), as in effect pursuant to sub-  
23 section (a); or

24           (ii) has completed the servicing and collec-  
25 tion of such student loans; and

1           (B) has completed the asset distribution  
2           required under section 466(b) of the Higher  
3           Education Act of 1965 (20 U.S.C. 1087ff(b)),  
4           as in effect pursuant to subsection (a).

5           (c) COLLECTION OF INTEREST ON CERTAIN STU-  
6   DENT LOANS.—In the case of an institution of higher edu-  
7   cation that, on or after October 1, 2006, loaned an  
8   amount to its student loan fund established under part  
9   E of title IV of the Higher Education Act of 1965 (20  
10   U.S.C. 1087aa et seq.), as in effect pursuant to subsection  
11   (a), for the purpose of making student loans from such  
12   fund, and that, before the date of enactment of this Act,  
13   has repaid to itself the amount loaned to such student loan  
14   fund, the institution shall collect any interest earned on  
15   such student loans.

16          (d) ASSIGNMENT OF LOANS TO SECRETARY.—Not-  
17   withstanding the requirements of section 463(a)(5) of the  
18   Higher Education Act of 1965 (20 U.S.C. 1087cc(a)(5)),  
19   as in effect pursuant to subsection (a), if an institution  
20   of higher education determines not to service and collect  
21   student loans made available from funds under part E of  
22   such Act (20 U.S.C. 1087aa et seq.), as so in effect—

23           (1) the institution shall assign, during the re-  
24   payment period, any notes or evidence of obligations

1 of student loans made from such funds to the Sec-  
2 retary; and

3 (2) the Secretary shall deposit any sums col-  
4 lected on such notes or obligations (less an amount  
5 not to exceed 30 percent of any such sums collected  
6 to cover that Secretary's collection costs) into the  
7 Treasury of the United States.

8 (e) **CLOSED SCHOOL DISCHARGE.**—The amendments  
9 made by section 427 to section 437(c) of the Higher Edu-  
10 cation Act of 1965 (20 U.S.C. 1087), relating to closed  
11 school discharge, shall apply with respect to any loans dis-  
12 charged on or after the date of enactment of this Act  
13 under section 464(g) of such Act (20 U.S.C. 10877dd(g)),  
14 as in effect pursuant to subsection (a)).

15 **SEC. 462. FEDERAL ONE LOAN PROGRAM.**

16 Part E of title IV (20 U.S.C. 1087aa et seq.) is  
17 amended to read as follows:

18 **“SEC. 461. PROGRAM AUTHORITY.**

19 “(a) **IN GENERAL.**—There are hereby made available,  
20 in accordance with the provisions of this part, such sums  
21 as may be necessary to make loans to all eligible students  
22 (and the eligible parents of such students) in attendance  
23 at participating institutions of higher education selected  
24 by the Secretary to enable such students to pursue their  
25 courses of study at such institutions during the period be-

1 ginning July 1, 2019. Loans made under this part shall  
2 be made by participating institutions that have agree-  
3 ments with the Secretary to originate loans.

4 “(b) DESIGNATION.—The program established under  
5 this part shall be referred to as the ‘Federal ONE Loan  
6 Program’.

7 “(c) ONE LOANS.—Except as otherwise specified in  
8 this part, loans made to borrowers under this part shall  
9 be known as ‘Federal ONE Loans’.

10 **“SEC. 462. FUNDS FOR THE ORIGINATION OF ONE LOANS.**

11 “(a) IN GENERAL.—The Secretary shall provide, on  
12 the basis of eligibility of students at each participating in-  
13 stitution, and parents of such students, for such loans,  
14 funds for student and Parent Loans under this part di-  
15 rectly to an institution of higher education that has an  
16 agreement with the Secretary under section 464(a) to par-  
17 ticipate in the Federal ONE Loan Program under this  
18 part and that also has an agreement with the Secretary  
19 under section 464(b) to originate loans under this part.

20 “(b) PARALLEL TERMS.—Subsections (b), (c), and  
21 (d) of section 452 shall apply to the loan program under  
22 this part in the same manner that such subsections apply  
23 to the loan program under part D.



1 **“SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPA-**  
2 **TION AND ORIGINATION.**

3 “(a) GENERAL AUTHORITY.—The Secretary shall  
4 enter into agreements pursuant to section 464(a) with in-  
5 stitutions of higher education to participate in the Federal  
6 ONE Loan Program under this part, and agreements pur-  
7 suant to section 464(b) with institutions of higher edu-  
8 cation, to originate loans in such program, for academic  
9 years beginning on or after July 1, 2019. Such agreements  
10 for the academic year 2019–2020 shall, to the extent fea-  
11 sible, be entered into not later than January 1, 2019.

12 “(b) SELECTION CRITERIA AND PROCEDURE.—The  
13 application and selection procedure for an institution of  
14 higher education desiring to participate in the loan pro-  
15 gram under this part shall be the application and selection  
16 procedure described in section 453(b) for an institution  
17 of higher education desiring to participate in the loan pro-  
18 gram under part D.

19 “(c) ELIGIBLE INSTITUTIONS.—The Secretary may  
20 not select an institution of higher education for participa-  
21 tion under this part unless such institution is an eligible  
22 institution under section 487(a).

23 **“SEC. 464. AGREEMENTS WITH INSTITUTIONS.**

24 “(a) PARTICIPATION AGREEMENTS.—An agreement  
25 with any institution of higher education for participation

1 in the Federal ONE Loan Program under this part  
2 shall—

3 “(1) provide for the establishment and mainte-  
4 nance of a direct student loan program at the insti-  
5 tution under which the institution will—

6 “(A) identify eligible students who seek  
7 student financial assistance at such institution  
8 in accordance with section 484;

9 “(B) provide a statement that certifies the  
10 eligibility of any student to receive a loan under  
11 this part that is not in excess of the annual or  
12 aggregate limit applicable to such loan, except  
13 that the institution may, in exceptional cir-  
14 cumstances identified by the Secretary pursuant  
15 to section 454(a)(1)(C), refuse to certify a  
16 statement that permits a student to receive a  
17 loan under this part, if the reason for such ac-  
18 tion is documented and provided in written  
19 form to such student;

20 “(C) set forth a schedule for disbursement  
21 of the proceeds of the loan in installments, con-  
22 sistent with the requirements of section 465(a);  
23 and

24 “(D) provide timely and accurate informa-  
25 tion, concerning the status of student borrowers

1 (and students on whose behalf parents borrow  
2 under this part) while such students are in at-  
3 tendance at the institution and concerning any  
4 new information of which the institution be-  
5 comes aware for such students (or their par-  
6 ents) after such borrowers leave the institution,  
7 to the Secretary for the servicing and collecting  
8 of loans made under this part;

9 “(2) provide assurances that the institution will  
10 comply with requirements established by the Sec-  
11 retary relating to student loan information with re-  
12 spect to loans made under this part;

13 “(3) provide that the institution accepts respon-  
14 sibility and financial liability stemming from its fail-  
15 ure to perform its functions pursuant to the agree-  
16 ment;

17 “(4) provide for the implementation of a quality  
18 assurance system, as established by the Secretary  
19 and developed in consultation with institutions of  
20 higher education, to ensure that the institution is  
21 complying with program requirements and meeting  
22 program objectives; and

23 “(5) provide that the institution will not charge  
24 any fees of any kind, however described, to student  
25 or parent borrowers for origination activities or the

1 provision of any information necessary for a student  
2 or parent to receive a loan under this part, or any  
3 benefits associated with such loan.

4 “(b) ORIGINATION.—An agreement with any institu-  
5 tion of higher education for the origination of loans under  
6 this part shall—

7 “(1) supplement the agreement entered into in  
8 accordance with subsection (a);

9 “(2) include provisions established by the Sec-  
10 retary that are similar to the participation agree-  
11 ment provisions described in paragraphs (2), (3),  
12 (4), and (5) of subsection (a), as modified to relate  
13 to the origination of loans by the institution;

14 “(3) provide that the institution will originate  
15 loans to eligible students and parents in accordance  
16 with this part; and

17 “(4) provide that the note or evidence of obliga-  
18 tion on the loan shall be the property of the Sec-  
19 retary.

20 “(c) WITHDRAWAL PROCEDURES.—

21 “(1) IN GENERAL.—An institution of higher  
22 education participating in the Federal ONE Loan  
23 Program under this part may withdraw from the  
24 program by providing written notice to the Secretary

1 of the intent to withdraw not less than 60 days be-  
2 fore the intended date of withdrawal.

3 “(2) DATE OF WITHDRAWAL.—Except in cases  
4 in which the Secretary and an institution of higher  
5 education agree to an earlier date, the date of with-  
6 drawal from the Federal ONE Loan Program under  
7 this part of an institution of higher education shall  
8 be the later of—

9 “(A) 60 days after the institution submits  
10 the notice required under paragraph (1); or

11 “(B) a date designated by the institution.

12 **“SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIM-  
13 ITS, INTEREST RATES, AND LOAN FEES.**

14 “(a) REQUIREMENTS FOR DISBURSEMENT OF STU-  
15 DENT LOANS.—

16 “(1) MULTIPLE DISBURSEMENT REQUIRED.—

17 “(A) REQUIRED DISBURSEMENTS.—The  
18 proceeds of any loan made under this part that  
19 is made for any period of enrollment shall be  
20 disbursed as follows:

21 “(i) The disbursement of the first in-  
22 stallment of proceeds shall, with respect to  
23 any student other than a student described  
24 in subparagraph (B)(i), be made not more  
25 than 30 days prior to the beginning of the

1 period of enrollment, and not later than 30  
2 days after the beginning of such period of  
3 enrollment.

4 “(ii) The disbursement of an install-  
5 ment of proceeds shall be made in substan-  
6 tially equal monthly or weekly installments  
7 over the period of enrollment for which the  
8 loan was made, except that installments  
9 may be unequal as necessary to permit the  
10 institution to adjust for unequal costs  
11 (which may include upfront costs such as  
12 tuition and fees) incurred or estimated fi-  
13 nancial assistance received by the student.

14 “(B) FIRST YEAR STUDENTS.—

15 “(i) IN GENERAL.—The first install-  
16 ment of the proceeds of any loan made  
17 under this part that is made to a student  
18 borrower who is entering the first year of  
19 a program of undergraduate education,  
20 and who has not previously obtained a loan  
21 under this part, shall not (regardless of the  
22 amount of such loan or the duration of the  
23 period of enrollment) be presented by the  
24 institution of higher education to the stu-  
25 dent for endorsement until 30 days after

1 the borrower begins a course of study, but  
2 may be delivered to the eligible institution  
3 prior to the end of that 30-day period.

4 “(ii) EXEMPTION.—An institution of  
5 higher education in which each educational  
6 program has a loan repayment rate (as de-  
7 termined under section 481B(c)) for the  
8 most recent fiscal year for which data are  
9 available that is greater than 60 percent  
10 shall be exempt from the requirements of  
11 clause (i).

12 “(2) WITHDRAWING OF SUCCEEDING DIS-  
13 BURSEMENTS.—

14 “(A) WITHDRAWING STUDENTS.—In the  
15 case in which the Secretary is informed by the  
16 borrower or the institution that the borrower  
17 has ceased to be enrolled before the disburse-  
18 ment of the second or any succeeding install-  
19 ment, the Secretary shall withhold such dis-  
20 bursement. Any disbursement which is so with-  
21 held shall be credited to the borrower’s loan and  
22 treated as a prepayment on the principal of the  
23 loan.

24 “(B) STUDENTS RECEIVING OVER-  
25 AWARDS.—If the sum of a disbursement for any

1 borrower and the other financial aid obtained  
2 by borrower exceeds the amount of assistance  
3 for which the borrower is eligible under this  
4 title, the institution the borrower, or dependent  
5 student, in the case of a parent borrower, is at-  
6 tending shall withhold and return to the Sec-  
7 retary the portion (or all) of such installment  
8 that exceeds such eligible amount, except that  
9 overawards permitted pursuant to section  
10 443(b)(4) shall not be construed to be over-  
11 awards for purposes of this subparagraph. Any  
12 portion (or all) of a disbursement installment  
13 which is so returned shall be credited to the  
14 borrower's loan and treated as a prepayment on  
15 the principal of the loan.

16 “(3) EXCLUSION OF CONSOLIDATION AND FOR-  
17 EIGN STUDY LOANS.—The provisions of this sub-  
18 section shall not apply in the case of a Federal ONE  
19 Consolidation Loan, or a loan made to a student to  
20 cover the cost of attendance in a program of study  
21 abroad approved by the home eligible institution if  
22 each of the educational programs of such home eligi-  
23 ble institution has a loan repayment rate (as cal-  
24 culated under section 481B(c)) for the most recent



1 fiscal year for which data are available of greater  
2 than 70 percent.

3 “(4) BEGINNING OF PERIOD OF ENROLL-  
4 MENT.—For purposes of this subsection, a period of  
5 enrollment begins on the first day that classes begin  
6 for the applicable period of enrollment.

7 “(b) AMOUNT OF LOAN.—

8 “(1) IN GENERAL.—The determination of the  
9 amount of a loan disbursed by an eligible institution  
10 under this section shall be the lesser of—

11 “(A) an amount that is equal to the esti-  
12 mated loan amount, as determined by the insti-  
13 tution by calculating—

14 “(i) the estimated cost of attendance  
15 at the institution; minus

16 “(ii)(I) any estimated financial assist-  
17 ance reasonably available to such student,  
18 including assistance that the student will  
19 receive from a Federal grant, including a  
20 Federal Pell Grant, a State grant, an insti-  
21 tutional grant, or a scholarship or grant  
22 from another source, that is known to the  
23 institution at the time the student’s deter-  
24 mination of need is made; and

1                   “(II) in the case of a loan to a  
2                   parent, the amount of a loan awarded  
3                   under this part to the parent’s child;  
4                   or

5                   “(B) the maximum Federal loan amount  
6                   for which such borrower is eligible in accord-  
7                   ance with paragraph (2).

8                   “(2) LOAN LIMITS.—

9                   “(A) ANNUAL LIMITS.—Except as provided  
10                  under subparagraph (B), (C), or (D), the  
11                  amount of loans made under this part that an  
12                  eligible student or parent borrower may borrow  
13                  for an academic year shall be as follows:

14                  “(i) UNDERGRADUATE STUDENTS.—  
15                  With respect to enrollment in a program of  
16                  undergraduate education at an eligible in-  
17                  stitution—

18                  “(I) in the case of a dependent  
19                  student—

20                  “(aa) who has not success-  
21                  fully completed the first year of a  
22                  program of undergraduate edu-  
23                  cation, \$7,500;

24                  “(bb) who has successfully  
25                  completed such first year but has

1 not successfully completed the re-  
2 mainder of a program of under-  
3 graduate education, \$8,500; and

4 “(cc) who has successfully  
5 completed the first and second  
6 years of a program of under-  
7 graduate education but has not  
8 successfully completed the re-  
9 mainder of such program,  
10 \$9,500;

11 “(II) in the case of an inde-  
12 pendent student, or a dependent stu-  
13 dent whose parents are unable to bor-  
14 row a loan under this part on behalf  
15 of such student—

16 “(aa) who has not success-  
17 fully completed the first year of a  
18 program of undergraduate edu-  
19 cation, \$11,500;

20 “(bb) who has successfully  
21 completed such first year but has  
22 not successfully completed the re-  
23 mainder of a program of under-  
24 graduate education, \$12,500; and

1                   “(cc) who has successfully  
2                   completed the first and second  
3                   years of a program of under-  
4                   graduate education but has not  
5                   successfully completed the re-  
6                   mainder of such program,  
7                   \$14,500; and

8                   “(III) in the case of a student  
9                   who is enrolled in a program of un-  
10                  dergraduate education that is less  
11                  than one academic year, the maximum  
12                  annual loan amount that such student  
13                  may receive may not exceed the  
14                  amount that bears the same ratio to  
15                  the amount specified in subclause (I)  
16                  or (II), as applicable, as the length of  
17                  such program measured in semester,  
18                  trimester, quarter, or clock hours  
19                  bears to one academic year.

20                  “(ii) GRADUATE OR PROFESSIONAL  
21                  STUDENTS.—In the case of a graduate or  
22                  professional student for enrollment in a  
23                  program of graduate or professional edu-  
24                  cation at an eligible institution, \$28,500.

1                   “(iii) PARENT BORROWERS.—In the  
2                   case of a parent borrowing a loan under  
3                   this part on behalf of a dependent student  
4                   for the student’s enrollment in a program  
5                   of undergraduate education at an eligible  
6                   institution, \$12,500 per each such student.

7                   “(iv) COURSEWORK FOR UNDER-  
8                   GRADUATE ENROLLMENT.—With respect  
9                   to enrollment in coursework specified in  
10                  section 484(b)(3)(B) necessary for enroll-  
11                  ment in an undergraduate degree or cer-  
12                  tificate program—

13                  “(I) in the case of a dependent  
14                  student, \$2,625;

15                  “(II) in the case of a parent bor-  
16                  rowing a loan under this part on be-  
17                  half of a dependent student for the  
18                  student’s enrollment in such  
19                  coursework, \$6,000; and

20                  “(III) in the case an independent  
21                  student, or a dependent student whose  
22                  parents are unable to borrow a loan  
23                  under this part on behalf of such stu-  
24                  dent, \$8,625.

1                   “(v) COURSEWORK FOR GRADUATE OR  
2                   PROFESSIONAL ENROLLMENT OR TEACHER  
3                   EMPLOYMENT.—With respect to the enroll-  
4                   ment of a student who has obtained a bac-  
5                   calaureate degree in coursework specified  
6                   in section 484(b)(3)(B) necessary for en-  
7                   rollment in a graduate or professional de-  
8                   gree or certificate program, or coursework  
9                   specified in section 484(b)(4)(B) necessary  
10                  for a professional credential or certification  
11                  from a State required for employment as a  
12                  teacher in an elementary or secondary  
13                  school, in the case of a student (without  
14                  regard to whether the student is a depend-  
15                  ent student or dependent student),  
16                  \$12,500.

17                  “(B) AGGREGATE LIMITS.—Except as pro-  
18                  vided under subparagraph (C), (D), or (E), the  
19                  maximum aggregate amount of loans under this  
20                  part and parts B and D that an eligible student  
21                  or parent borrower may borrow shall be—

22                         “(i) for enrollment in a program of  
23                         undergraduate education at an eligible in-  
24                         stitution, including for enrollment in

1 coursework described in clause (iv) or (v)  
2 of subparagraph (A)—

3 “(I) in the case of a dependent  
4 student, \$39,000;

5 “(II) in the case of an inde-  
6 pendent student, or an dependent stu-  
7 dent whose parents are unable to re-  
8 ceive a loan under this part on behalf  
9 of such student, \$60,250; and

10 “(III) in the case of a parent  
11 borrowing a loan under this part on  
12 behalf of a dependent student for the  
13 student’s enrollment in such a pro-  
14 gram, \$56,250 per each such student.

15 “(ii) in the case of a graduate or pro-  
16 fessional student for enrollment in a pro-  
17 gram of graduate or professional education  
18 at an eligible institution, \$150,000.

19 “(C) APPLICATION OF LIMITS TO BOR-  
20 ROWERS WITH PART B OR D LOANS.—

21 “(i) GRADUATE OR PROFESSIONAL  
22 STUDENTS.—In the case of a graduate or  
23 professional student who is not described  
24 in subparagraph (E) and who has received  
25 loans made under part B or D for enroll-

1                   ment in a graduate or professional pro-  
2                   gram at an eligible institution, the total  
3                   amount of which equal or exceed \$28,500  
4                   as of the time of disbursement, the student  
5                   may continue to borrow the amount of  
6                   loans under this part necessary to complete  
7                   such program without regard to the aggre-  
8                   gate limit under subparagraph (B)(ii), ex-  
9                   cept that the—

10                               “(I) amount of such loans shall  
11                               not exceed the annual limits under  
12                               subparagraph (A)(ii) for any academic  
13                               year beginning after June 30, 2019;  
14                               and

15                               “(II) authority to borrow loans in  
16                               accordance with this subclause shall  
17                               terminate at the end of the academic  
18                               year ending before September 30,  
19                               2024.

20                               “(ii) PARENT BORROWERS.—In the  
21                               case of a parent borrower who has received  
22                               loans made under part B or D on behalf  
23                               of a dependent student for the student’s  
24                               enrollment in a program of undergraduate  
25                               education at an eligible institution, the



1 total amount of which equal or exceed  
2 \$12,500 for such student as of the time of  
3 disbursement, the parent borrower may  
4 continue to borrow the amount of loans  
5 under this part necessary for such student  
6 to complete such program without regard  
7 to the aggregate limit under subparagraph  
8 (B)(i)(III), except that the—

9 “(I) amount of such loans shall  
10 not exceed the annual limits under  
11 subparagraph (A)(iii) for any aca-  
12 demic year beginning after June 30,  
13 2019; and

14 “(II) the authority to borrow  
15 loans in accordance with this sub-  
16 clause shall terminate at the end of  
17 the academic year ending before Sep-  
18 tember 30, 2024.

19 “(D) INSTITUTIONAL DETERMINED LIM-  
20 ITS.—

21 “(i) IN GENERAL.—Notwithstanding  
22 any other provision of this subsection, an  
23 eligible institution (at the discretion of a  
24 financial aid administrator at the institu-  
25 tion) may prorate or limit the amount of

1 a loan any student enrolled in a program  
2 of study at that institution may borrow  
3 under this part for an academic year—

4 “(I) if the institution, using the  
5 most recently available data from the  
6 Bureau of Labor Statistics for the av-  
7 erage starting salary in the region in  
8 which the institution is located for  
9 typical occupations pursued by grad-  
10 uates of such program, can reasonably  
11 demonstrate that student debt levels  
12 are or would be excessive for such  
13 program;

14 “(II) in a case in which the stu-  
15 dent is enrolled on a less than full-  
16 time basis or the student is enrolled  
17 for less than the period of enrollment  
18 to which the annual loan limit applies  
19 under this subsection, based on the  
20 student’s enrollment status;

21 “(III) based on the credential  
22 level (such as a degree, certificate, or  
23 other recognized educational creden-  
24 tial) that the student would attain  
25 upon completion of such program; or

1                   “(IV) based on the year of the  
2                   program for which the student is  
3                   seeking such loan.

4                   “(ii) APPLICATION TO ALL STU-  
5                   DENTS.—Any proration or limiting of loan  
6                   amounts under clause (i) shall be applied  
7                   in the same manner to all students en-  
8                   rolled in the institution or program of  
9                   study.

10                  “(iii) INCREASES FOR INDIVIDUAL  
11                  STUDENTS.—Upon the request of a stu-  
12                  dent whose loan amount for an academic  
13                  year has been prorated or limited under  
14                  clause (i), an eligible institution (at the  
15                  discretion of the financial aid adminis-  
16                  trator at the institution) may increase such  
17                  loan amount to an amount not exceeding  
18                  the annual loan amount applicable to such  
19                  student under this subparagraph for such  
20                  academic year if such student dem-  
21                  onstrates special circumstances or excep-  
22                  tional need.

23                  “(E) INCREASES FOR CERTAIN GRADUATE  
24                  OR PROFESSIONAL STUDENTS.—

1                   “(i)            ADDITIONAL            ANNUAL  
2                   AMOUNTS.—Subject to clause (iii) of this  
3                   subparagraph, in addition to the loan  
4                   amount for an academic year described in  
5                   subparagraph (A)(ii)—

6                   “(I) a graduate or professional  
7                   student who is enrolled in a program  
8                   of study to become a doctor of  
9                   allopathic medicine, doctor of osteo-  
10                  pathic medicine, doctor of dentistry,  
11                  doctor of veterinary medicine, doctor  
12                  of optometry, doctor of podiatric med-  
13                  icine, doctor of naturopathic medicine,  
14                  or doctor of naturopathy may borrow  
15                  an additional—

16                  “(aa) in the case of a pro-  
17                  gram with a 9-month academic  
18                  year, \$20,000 for an academic  
19                  year; or

20                  “(bb) in the case of a pro-  
21                  gram with a 12-month academic  
22                  year, \$26,667 for an academic  
23                  year; and

24                  “(II) a graduate or professional  
25                  student who is enrolled in a program

1 of study to become a doctor of phar-  
2 macy, doctor of chiropractic medicine,  
3 or a physician’s assistant, or receive a  
4 graduate degree in public health, doc-  
5 toral degree in clinical psychology, or  
6 a masters or doctoral degree in health  
7 administration may borrow an addi-  
8 tional—

9 “(aa) in the case of a pro-  
10 gram with a 9-month academic  
11 year, \$12,500 for an academic  
12 year; or

13 “(bb) in the case of a pro-  
14 gram with a 12-month academic  
15 year, \$16,667 for an academic  
16 year.

17 “(ii) AGGREGATE LIMIT.—Subject to  
18 clause (iii) of this subparagraph, the max-  
19 imum aggregate amount of loans under  
20 this part and parts B and D that a stu-  
21 dent described in clause (i) may borrow  
22 shall be \$235,500.

23 “(iii) LIMITATION.—In the case of a  
24 graduate or professional student described  
25 in clause (i) of this subparagraph who has

1 received loans made under part B or D for  
2 enrollment in a graduate or professional  
3 program at an eligible institution, the total  
4 amount of which equal or exceed \$34,000  
5 as of the time of disbursement, the student  
6 may continue to borrow the amount of  
7 loans under this part necessary to complete  
8 such program without regard to the aggre-  
9 gate limit under clause (ii) of this subpara-  
10 graph, except that the—

11 “(I) amount of such loans shall  
12 not exceed the annual limits under  
13 clause (i) of this subparagraph for  
14 any academic year beginning after  
15 June 30, 2019; and

16 “(II) authority to borrow loans in  
17 accordance with this subclause shall  
18 terminate at the end of the academic  
19 year ending before September 30,  
20 2024.

21 “(c) INTEREST RATE PROVISIONS FOR FEDERAL  
22 ONE LOANS.—

23 “(1) UNDERGRADUATE ONE LOANS.—For Fed-  
24 eral ONE Loans issued to undergraduate students,  
25 the applicable rate of interest shall, for loans dis-

1       bursed during any 12-month period beginning on  
2       July 1 and ending on June 30, be determined on the  
3       preceding June 1 and be equal to the lesser of—

4               “(A) a rate equal to the high yield of the  
5               10-year Treasury note auctioned at the final  
6               auction held prior to such June 1 plus 2.05 per-  
7               cent; or

8               “(B) 8.25 percent.

9               “(2) GRADUATE AND PROFESSIONAL ONE  
10       LOANS.—For Federal ONE Loans issued to grad-  
11       uate or professional students, the applicable rate of  
12       interest shall, for loans disbursed during any 12-  
13       month period beginning on July 1 and ending on  
14       June 30, be determined on the preceding June 1  
15       and be equal to the lesser of—

16               “(A) a rate equal to the high yield of the  
17               10-year Treasury note auctioned at the final  
18               auction held prior to such June 1 plus 3.6 per-  
19               cent; or

20               “(B) 9.5 percent.

21               “(3) PARENT ONE LOANS.—For Federal ONE  
22       Parent Loans, the applicable rate of interest shall,  
23       for loans disbursed during any 12-month period be-  
24       ginning on July 1 and ending on June 30, be deter-

1       mined on the preceding June 1 and be equal to the  
2       lesser of—

3               “(A) a rate equal to the high yield of the  
4               10-year Treasury note auctioned at the final  
5               auction held prior to such June 1 plus 4.6 per-  
6               cent; or

7               “(B) 10.5 percent.

8               “(4) CONSOLIDATION LOANS.—Any Federal  
9       ONE Consolidation Loan for which the application  
10      is received on or after July 1, 2019, shall bear inter-  
11      est at an annual rate on the unpaid principal bal-  
12      ance of the loan that is equal to the weighted aver-  
13      age of the interest rates on the loans consolidated,  
14      rounded to the nearest higher one-eighth of one per-  
15      cent.

16              “(5) PUBLICATION.—The Secretary shall deter-  
17      mine the applicable rates of interest under this sub-  
18      section after consultation with the Secretary of the  
19      Treasury and shall publish such rate in the Federal  
20      Register as soon as practicable after the date of de-  
21      termination.

22              “(6) RATE.—The applicable rate of interest de-  
23      termined under this subsection for a loan under this  
24      part shall be fixed for the period of the loan.



1           “(d) PROHIBITION ON CERTAIN REPAYMENT INCEN-  
2 TIVES.—Notwithstanding any other provision of this part,  
3 the Secretary is prohibited from authorizing or providing  
4 any repayment incentive or subsidy not otherwise author-  
5 ized under this part to encourage on-time repayment of  
6 a loan under this part, including any reduction in the in-  
7 terest paid by a borrower of such a loan, except that the  
8 Secretary may provide for an interest rate reduction of  
9 not more than 0.25 percentage points for a borrower who  
10 agrees to have payments on such a loan automatically deb-  
11 ited from a bank account.

12           “(e) LOAN FEE.—The Secretary shall not charge the  
13 borrower of a loan made under this part an origination  
14 fee.

15           “(f) ARMED FORCES STUDENT LOAN INTEREST  
16 PAYMENT PROGRAM.—

17           “(1) AUTHORITY.—Using funds received by  
18 transfer to the Secretary under section 2174 of title  
19 10, United States Code, for the payment of interest  
20 on a loan made under this part to a member of the  
21 Armed Forces, the Secretary shall pay the interest  
22 on the loan as due for a period not in excess of 36  
23 consecutive months. The Secretary may not pay in-  
24 terest on such a loan out of any funds other than  
25 funds that have been so transferred.

1           “(2) DEFERMENT.—During the period in which  
2           the Secretary is making payments on a loan under  
3           paragraph (1), the Secretary shall grant the bor-  
4           rower administrative deferment, in the form of a  
5           temporary cessation of all payments on the loan  
6           other than the payments of interest on the loan that  
7           are made under that paragraph.

8           “(g) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY  
9           SERVICE MEMBERS.—

10           “(1) IN GENERAL .—Notwithstanding any other  
11           provision of this part and in accordance with para-  
12           graphs (2) and (4), interest shall not accrue for an  
13           eligible military borrower on a loan made under this  
14           part.

15           “(2) CONSOLIDATION LOANS.—In the case of  
16           any consolidation loan made under this part, interest  
17           shall not accrue pursuant to this subsection only on  
18           such portion of such loan as was used to repay a  
19           loan made under this part or a loan made under  
20           part D for which the first disbursement was made  
21           on or after October 1, 2008, and before July 1,  
22           2019.

23           “(3) ELIGIBLE MILITARY BORROWER.—In this  
24           subsection, the term ‘eligible military borrower’  
25           means an individual who—

1           “(A)(i) is serving on active duty during a  
2 war or other military operation or national  
3 emergency; or

4           “(ii) is performing qualifying National  
5 Guard duty during a war or other military op-  
6 eration or national emergency; and

7           “(B) is serving in an area of hostilities in  
8 which service qualifies for special pay under  
9 section 310 of title 37, United States Code.

10          “(4) LIMITATION.—An individual who qualifies  
11 as an eligible military borrower under this sub-  
12 section may receive the benefit of this subsection for  
13 not more than 60 months.

14 **“SEC. 466. REPAYMENT.**

15          “(a) REPAYMENT PERIOD; COMMENCEMENT OF RE-  
16 PAYMENT.—

17           “(1) REPAYMENT PERIOD.—

18           “(A) IN GENERAL.—In the case of a Fed-  
19 eral ONE Loan—

20           “(i) subject to clause (ii), the repay-  
21 ment period shall—

22           “(I) exclude any period of au-  
23 thorized deferment under section  
24 469A; and

1                   “(II) begin the day after 6  
2                   months after the date the student  
3                   ceases to carry at least one-half the  
4                   normal full-time academic workload  
5                   (as determined by the institution);  
6                   and

7                   “(ii) interest shall begin to accrue or  
8                   be paid by the borrower on the day the  
9                   loan is disbursed.

10                  “(B) CONSOLIDATION AND PARENT  
11                  LOANS.—In the case of a Federal ONE Consoli-  
12                  dation Loan or a Federal ONE Parent Loan,  
13                  the repayment period shall—

14                         “(i) exclude any period of authorized  
15                         deferment; and

16                         “(ii) begin—

17                                 “(I) on the day the loan is dis-  
18                                 bursed; or

19                                 “(II) if the loan is disbursed in  
20                                 multiple installments, on the day of  
21                                 the last such disbursement.

22                  “(C) ACTIVE DUTY EXCLUSION.—There  
23                  shall be excluded from the 6-month period that  
24                  begins on the date on which a student ceases to  
25                  carry at least one-half the normal full-time aca-

1           demic workload as described in subparagraph  
2           (A) any period not to exceed 3 years during  
3           which a borrower who is a member of a reserve  
4           component of the Armed Forces named in sec-  
5           tion 10101 of title 10, United States Code, is  
6           called or ordered to active duty for a period of  
7           more than 30 days (as defined in section  
8           101(d)(2) of such title). Such period of exclu-  
9           sion shall include the period necessary to re-  
10          sume enrollment at the borrower's next avail-  
11          able regular enrollment period.

12          “(2) PAYMENT OF PRINCIPAL AND INTEREST.—

13                 “(A) COMMENCEMENT OF REPAYMENT.—

14                 Repayment of principal on loans made under  
15                 this part shall begin at the beginning of the re-  
16                 payment period described in paragraph (1).

17                 “(B) CAPITALIZATION OF INTEREST.—

18                         “(i) IN GENERAL.—Interest on loans  
19                         made under this part for which payments  
20                         of principal are not required during the 6-  
21                         month period described in paragraph  
22                         (1)(A)(i)(II) or for which payments are de-  
23                         ferred under section 469A shall—

24                                 “(I) be paid monthly or quar-  
25                                 terly; or

1                   “(II) be added to the principal  
2                   amount of the loan only—

3                   “(aa) when the loan enters  
4                   repayment;

5                   “(bb) at the expiration of a  
6                   the 6-month period described in  
7                   paragraph (1)(A)(i)(II);

8                   “(cc) at the expiration of a  
9                   period of deferment, unless other-  
10                  wise exempted; or

11                  “(dd) when the borrower de-  
12                  faults.

13                  “(ii) MAXIMUM AGGREGATE LIMIT.—  
14                  Interest capitalized shall not be deemed to  
15                  exceed the amount equal to the maximum  
16                  aggregate limit of the loan under section  
17                  465(b).

18                  “(C) NOTICE.—Not less than 60 days, and  
19                  again not less than 30 days, prior to the antici-  
20                  pated commencement of the repayment period  
21                  for a Federal ONE Loan, the Secretary shall  
22                  provide notice to the borrower—

23                  “(i) that interest will accrue before re-  
24                  payment begins;

1                   “(ii) that interest will be added to the  
2                   principal amount of the loan in the cases  
3                   described in subparagraph (B)(i)(II); and

4                   “(iii) of the borrower’s option to begin  
5                   loan repayment prior to such repayment  
6                   period.

7                   “(b) REPAYMENT AMOUNT.—

8                   “(1) IN GENERAL.—The total of the payments  
9                   by a borrower, except as otherwise provided by an  
10                  income-based repayment plan under subsection (d),  
11                  during any year of any repayment period with re-  
12                  spect to the aggregate amount of all loans made  
13                  under this part to the borrower shall not (unless the  
14                  borrower and the Secretary otherwise agree), be less  
15                  than \$600 or the balance of all such loans (together  
16                  with interest thereon), whichever amount is less (but  
17                  in no instance less than the amount of interest due  
18                  and payable, notwithstanding any repayment plan  
19                  described in subsection (c)).

20                  “(2) AMORTIZATION.—

21                  “(A) INTEREST RATE.—The amount of the  
22                  periodic payment and the repayment schedule  
23                  for a loan made under this part shall be estab-  
24                  lished by assuming an interest rate equal to the

1 applicable rate of interest at the time of the  
2 first disbursement of the loan.

3 “(B) ADJUSTMENT TO REPAYMENT  
4 AMOUNT.—The note or other written evidence  
5 of a loan under this part shall require that the  
6 amount of the periodic payment will be adjusted  
7 annually in order to reflect adjustments in—

8 “(i) interest rates occurring as a con-  
9 sequence of variable rate loans under parts  
10 B or D paid in conjunction with Federal  
11 ONE Loans under subsection (d)(1)(B)(i);  
12 or

13 “(ii) principal occurring as a con-  
14 sequence of interest capitalization under  
15 subsection (a)(2)(B).

16 “(c) REPAYMENT PLANS.—

17 “(1) DESIGN AND SELECTION.—Not more than  
18 6 months prior to the date on which a borrower’s  
19 first payment on a loan made under this part is due,  
20 the Secretary shall offer the borrower two plans for  
21 repayment of such loan, including principal and in-  
22 terest on the loan. The borrower shall be entitled to  
23 accelerate, without penalty, repayment on the bor-  
24 rower’s loans under this part. The borrower may  
25 choose—



1           “(A) a standard repayment plan with a  
2           fixed monthly repayment amount paid over a  
3           fixed period of time, not to exceed 10 years; or

4           “(B) an income-based repayment plan  
5           under subsection (d).

6           “(2) SELECTION BY SECRETARY.—If a bor-  
7           rower of a loan made under this part does not select  
8           a repayment plan described in paragraph (1), the  
9           Secretary shall provide the borrower with the repay-  
10          ment plan described in paragraph (1)(A).

11          “(3) CHANGES IN SELECTIONS.—

12           “(A) IN GENERAL.—Subject to subpara-  
13           graph (B), the borrower of a loan made under  
14           this part may change the borrower’s selection of  
15           a repayment plan under paragraph (1), or the  
16           Secretary’s selection of a plan for the borrower  
17           under paragraph (2), as the case may be, under  
18           such terms and conditions as may be estab-  
19           lished by the Secretary, except that the Sec-  
20           retary may not establish any terms or condi-  
21           tions with respect to whether a borrower may  
22           change the borrower’s repayment plan. Nothing  
23           in this subsection shall prohibit the Secretary  
24           from encouraging struggling borrowers from en-

1           rolling in the income-driven repayment plan de-  
2           scribed in section 466(d).

3           “(B) SAME REPAYMENT PLAN RE-  
4           QUIRED.—All loans made under this part to a  
5           borrower shall be repaid under the same repay-  
6           ment plan under paragraph (1), except that the  
7           borrower may repay a Federal ONE Parent  
8           Loan or an Excepted Federal ONE Consolida-  
9           tion Loan (as defined in subsection (d)(5)) sep-  
10          arately from other loans made under this part  
11          to the borrower.

12          “(4) REPAYMENT AFTER DEFAULT.—The Sec-  
13          retary may require any borrower who has defaulted  
14          on a loan made under this part to—

15                 “(A) pay all reasonable collection costs as-  
16                 sociated with such loan; and

17                 “(B) repay the loan pursuant to the in-  
18                 come-based repayment plan under subsection  
19                 (d).

20          “(5) REPAYMENT PERIOD.—For purposes of  
21          calculating the repayment period under this sub-  
22          section, such period shall commence at the time the  
23          first payment of principal is due from the borrower.

24          “(6) INSTALLMENTS.— Repayment of loans  
25          under this part shall be in installments in accord-

1       ance with the repayment plan selected under para-  
2       graph (1) and commencing at the beginning of the  
3       repayment period determined under paragraph (5).

4       “(d) INCOME-BASED REPAYMENT PROGRAM.—

5               “(1) IN GENERAL.—Notwithstanding any other  
6       provision of this Act, the Secretary shall carry out  
7       a program under which—

8                       “(A) a borrower of any loan made under  
9       this part (other than a Federal ONE Parent  
10      Loan or an Excepted Federal ONE Consolida-  
11      tion Loan) may elect to have the borrower’s ag-  
12      gregate monthly payment for all such loans—

13                               “(i) not to exceed the result obtained  
14                               by dividing by 12, 15 percent of the result  
15                               obtained by calculating, on at least an an-  
16                               nual basis, the amount by which—

17                                       “(I) the adjusted gross income of  
18                                       the borrower or, if the borrower is  
19                                       married and files a Federal income  
20                                       tax return jointly with or separately  
21                                       from the borrower’s spouse, the ad-  
22                                       justed gross income of the borrower  
23                                       and the borrower’s spouse; exceeds

24   “(II) 150 percent of the poverty  
25   line applicable to the borrower’s fam-

1                   ily size as determined under section  
2                   673(2) of the Community Services  
3                   Block Grant Act (42 U.S.C. 9902(2));  
4                   and

5                   “(ii) not to be less than \$25;

6                   “(B) the Secretary adjusts the calculated  
7                   monthly payment under subparagraph (A), if—

8                   “(i) in addition to the loans described  
9                   in subparagraph (A), the borrower has an  
10                  outstanding loan made under part B or D  
11                  (other than an excepted parent loan or an  
12                  excepted consolidation loan, as such terms  
13                  are defined in section 493C(a)), by deter-  
14                  mining the borrower’s adjusted monthly  
15                  payment by multiplying—

16                  “(I) the calculated monthly pay-  
17                  ment, by

18                  “(II) the percentage of the total  
19                  outstanding principal amount of the  
20                  borrower’s loans described in the mat-  
21                  ter preceding subclause (I), which are  
22                  described in subparagraph (A);

23                  “(ii) the borrower and borrower’s  
24                  spouse have loans described in subpara-  
25                  graph (A) and outstanding loans under

1 part B or D (other than an excepted par-  
2 ent loan or an excepted consolidation loan,  
3 as such terms are defined in section  
4 493C(a)) and have filed a joint or separate  
5 Federal income tax return, in which case  
6 the Secretary determines—

7 “(I) each borrower’s percentage  
8 of the couple’s total outstanding  
9 amount of principal on such loans;

10 “(II) the adjusted monthly pay-  
11 ment for each borrower by multiplying  
12 the borrower’s calculated monthly  
13 payment by the percentage deter-  
14 mined under subclause (I) applicable  
15 to the borrower; and

16 “(III) if the borrower’s loans are  
17 held by multiple holders, the bor-  
18 rower’s adjusted monthly payment for  
19 loans described in subparagraph (A)  
20 by multiplying the adjusted monthly  
21 payment determined under subclause  
22 (II) by the percentage of the total  
23 outstanding principal amount of the  
24 borrower’s loans described in the mat-

1                   ter preceding subclause (I), which are  
2                   described in subparagraph (A);

3                   “(C) the holder of such a loan shall apply  
4                   the borrower’s monthly payment under this sub-  
5                   section first toward interest due on the loan,  
6                   next toward any fees due on the loan, and then  
7                   toward the principal of the loan;

8                   “(D) any principal due and not paid under  
9                   subparagraph (C) shall be deferred;

10                  “(E) any interest due and not paid under  
11                  subparagraph (C) shall be capitalized, at the  
12                  time the borrower—

13                         “(i) ends the election to make income-  
14                         based repayment under this subsection; or

15                         “(ii) begins making payments of not  
16                         less than the amount specified in subpara-  
17                         graph (G)(i);

18                  “(F) the amount of time the borrower  
19                  makes monthly payments under subparagraph  
20                  (A) may exceed 10 years;

21                  “(G) if the borrower no longer wishes to  
22                  continue the election under this subsection,  
23                  then—

24                         “(i) the maximum monthly payment  
25                         required to be paid for all loans made to

1 the borrower under this part (other than a  
2 Federal ONE Parent Loan or an Excepted  
3 Federal ONE Consolidation Loan) shall  
4 not exceed the monthly amount calculated  
5 under subsection (c)(1)(A), based on a 10-  
6 year repayment period, when the borrower  
7 first made the election described in this  
8 subsection; and

9 “(ii) the amount of time the borrower  
10 is permitted to repay such loans may ex-  
11 ceed 10 years;

12 “(H) the Secretary shall cancel any out-  
13 standing balance (other than an amount equal  
14 to the interest accrued during any period of in-  
15 school deferment under subparagraph (A), (B),  
16 or (F) of section 469A(b)(1)) due on all loans  
17 made under this part (other than a Federal  
18 ONE Parent Loan or an Excepted Federal  
19 ONE Consolidation Loan) to a borrower—

20 “(i) who, at any time, elected to par-  
21 ticipate in income-based repayment under  
22 subparagraph (A);

23 “(ii) whose final monthly payment for  
24 such loans prior to the loan cancellation

1 under this subparagraph was made under  
2 such income-based repayment; and

3 “(iii) who has repaid, pursuant to in-  
4 come-based repayment under subparagraph  
5 (A), a standard repayment plan under sub-  
6 section (c)(1)(A), or a combination—

7 “(I) an amount of principal and  
8 interest on such loans that is equal to  
9 the total amount of principal and in-  
10 terest that the borrower would have  
11 repaid under a standard repayment  
12 plan under subsection (c)(1)(A), based  
13 on a 10-year repayment period, when  
14 the borrower entered repayment on  
15 such loans; and

16 “(II) the amount of interest that  
17 accrues during a period of deferment  
18 described in section 469A prior to the  
19 completion of the repayment period  
20 described in subclause (I) on the por-  
21 tion of such loans remaining to be re-  
22 paid in accordance with such sub-  
23 clause; and

24 “(I) a borrower who is repaying a loan  
25 made under this part pursuant to income-based



1           repayment under subparagraph (A) may elect,  
2           at any time during the 10-year period beginning  
3           on the date the borrower entered repayment on  
4           the loan, to terminate repayment pursuant to  
5           such income-based repayment and repay such  
6           loan under the standard repayment plan.

7           “(2) ELIGIBILITY DETERMINATIONS.—

8                   “(A) IN GENERAL.—The Secretary shall  
9           establish procedures for annual verification of a  
10          borrower’s annual income and the annual  
11          amount due on the total amount of loans made  
12          under this part (other than a Federal ONE  
13          Parent Loan or an Excepted Federal ONE  
14          Consolidation Loan), and such other procedures  
15          as are necessary to implement effectively in-  
16          come-based repayment under this subsection,  
17          including the procedures established with re-  
18          spect to section 493C.

19                   “(B) INCOME INFORMATION.—The Sec-  
20          retary may obtain such information as is rea-  
21          sonably necessary regarding the income of a  
22          borrower (and the borrower’s spouse, if applica-  
23          ble) of a loan made under this part that is, or  
24          may be, repaid pursuant to income-based repay-  
25          ment under this subsection, for the purpose of

1 determining the annual repayment obligation of  
2 the borrower. The Secretary shall establish pro-  
3 cedures for determining the borrower's repay-  
4 ment obligation on that loan for such year, and  
5 such other procedures as are necessary to im-  
6 plement effectively the income-based repayment  
7 under this subsection.

8 “(C) BORROWER REQUIREMENTS.—A bor-  
9 rower who chooses to repay a loan made under  
10 this part pursuant to income-based repayment  
11 under this subsection, and—

12 “(i) for whom adjusted gross income  
13 is available and reasonably reflects the bor-  
14 rower's current income, shall, to the max-  
15 imum extent practicable, provide to the  
16 Secretary the Federal tax information of  
17 the borrower; and

18 “(ii) for whom adjusted gross income  
19 is unavailable or does not reasonably re-  
20 flect the borrower's current income, shall  
21 provide to the Secretary other documenta-  
22 tion of income satisfactory to the Sec-  
23 retary, which documentation the Secretary  
24 may use to determine an appropriate re-  
25 payment schedule.

1           “(3) NOTIFICATION TO BORROWERS.—The Sec-  
2           retary shall establish procedures under which a bor-  
3           rower of a loan made under this part who chooses  
4           to repay such loan pursuant to income-based repay-  
5           ment under this subsection is notified of the terms  
6           and conditions of such plan, including notification  
7           that if a borrower considers that special cir-  
8           cumstances, such as a loss of employment by the  
9           borrower or the borrower’s spouse, warrant an ad-  
10          justment in the borrower’s loan repayment as deter-  
11          mined using the borrower’s Federal tax return infor-  
12          mation, or the alternative documentation described  
13          in paragraph (2)(C), the borrower may contact the  
14          Secretary, who shall determine whether such adjust-  
15          ment is appropriate, in accordance with criteria es-  
16          tablished by the Secretary.

17           “(4) REDUCED PAYMENT PERIODS.—

18           “(A) IN GENERAL.—The Secretary shall  
19           authorize borrowers meeting the criteria under  
20           subparagraph (B) to make monthly payments  
21           of \$5 for a period not in excess of 3 years, ex-  
22           cept that—

23                   “(i) for purposes of subparagraph  
24                   (B)(i), the Secretary may authorize re-  
25                   duced payments in 6-month increments,

1 beginning on the date the borrower pro-  
2 vides to the Secretary the evidence de-  
3 scribed in subclause (I) or (II) of subpara-  
4 graph (B)(i); and

5 “(ii) for purposes of subparagraph  
6 (B)(ii), the Secretary may authorize re-  
7 duced payments in 3-month increments,  
8 beginning on the date the borrower pro-  
9 vides to the Secretary the evidence de-  
10 scribed in subparagraph (B)(ii)(I).

11 “(B) ELIGIBILITY DETERMINATIONS.—The  
12 Secretary shall authorize borrowers to make re-  
13 duced payments under this paragraph in the  
14 following circumstances:

15 “(i) In a case of borrower who is seek-  
16 ing and unable to find full-time employ-  
17 ment, as demonstrated by providing to the  
18 Secretary—

19 “(I) evidence of the borrower’s  
20 eligibility for unemployment benefits  
21 to the Secretary; or

22 “(II) a written certification or an  
23 equivalent that—

24 “(aa) the borrower has reg-  
25 istered with a public or private

1 employment agency that is avail-  
2 able to the borrower within a 50-  
3 mile radius of the borrower's  
4 home address; and

5 “(bb) in the case of a bor-  
6 rower that has been granted a re-  
7 quest under this subparagraph,  
8 the borrower has made at least  
9 six diligent attempts during the  
10 preceding six-month period to se-  
11 cure full-time employment.

12 “(ii) The Secretary determines that,  
13 due to high medical expenses, the \$25  
14 monthly payment the borrower would oth-  
15 erwise make would be an extreme economic  
16 hardship to the borrower, if—

17 “(I) the borrower documents the  
18 reason why the \$25 minimum pay-  
19 ment is an extreme economic hard-  
20 ship; and

21 “(II) the borrower recertifies the  
22 reason for the \$5 minimum payment  
23 on a three-month basis.

24 “(C) DEFINITION.—For purpose of this  
25 section, the term ‘full-time employment’ means

1 employment that will provide not less than 30  
2 hours of work a week and is expected to con-  
3 tinue for a period of not less than 3 months.

4 “(5) DEFINITIONS.—In this subsection:

5 “(A) ADJUSTED GROSS INCOME.—The  
6 term ‘adjusted gross income’ has the meaning  
7 given the term in section 62 of the Internal  
8 Revenue Code of 1986.

9 “(B) EXCEPTED FEDERAL ONE CONSOLI-  
10 DATION LOAN.—The term ‘Excepted Federal  
11 ONE Consolidation Loan’ means a Federal  
12 ONE Consolidation Loan if the proceeds of  
13 such loan were used to discharge the liability  
14 on—

15 “(i) a Federal ONE Parent Loan;

16 “(ii) a Federal Direct PLUS Loan, or  
17 a loan under section 428B, that is made,  
18 insured, or guaranteed on behalf of a de-  
19 pendent student;

20 “(iii) an excepted consolidation loan  
21 (defined in section 493C); or

22 “(iv) a Federal ONE Consolidation  
23 loan that was used to discharge the liabil-  
24 ity on a loan described in clause (i), (ii),  
25 or (iii).

1       “(e) RULES OF CONSTRUCTION.—Nothing in this  
2 section shall be construed to authorize, with respect to  
3 loans made under this part—

4               “(1) eligibility for a repayment plan that is not  
5 described in subsection (c)(1) or section 468(c); or

6               “(2) the Secretary to—

7                       “(A) carry out a repayment plan, which is  
8 not described in subsection (c)(1) or section  
9 468(c); or

10                      “(B) modify a repayment plan that is de-  
11 scribed in subsection (c)(1) or section 468(c) in  
12 a manner that results in any net cost to the  
13 Federal Government, as determined jointly by  
14 the Secretary, the Secretary of the Treasury,  
15 and the Director of the Office of Management  
16 and Budget.

17 **“SEC. 467. FEDERAL ONE PARENT LOANS.**

18       “(a) AUTHORITY TO BORROW.—

19               “(1) AUTHORITY AND ELIGIBILITY.—The par-  
20 ent of a dependent student shall be eligible to bor-  
21 row funds under this section in amounts specified in  
22 subsection (b), if—

23                      “(A) the parent is borrowing to pay for the  
24 educational costs of a dependent student who

1           meets the requirements for an eligible student  
2           under section 484(a);

3           “(B) the parent meets the applicable re-  
4           quirements concerning defaults and overpay-  
5           ments that apply to a student borrower;

6           “(C) the parent complies with the require-  
7           ments for submission of a statement of edu-  
8           cational purpose that apply to a student bor-  
9           rower under section 484(a)(4)(A) (other than  
10          the completion of a statement of selective serv-  
11          ice registration status);

12          “(D) the parent meets the requirements  
13          that apply to a student under section 437(a);

14          “(E) the parent—

15                  “(i) does not have an adverse credit  
16                  history; or

17                  “(ii) has an adverse credit history, but  
18                  has—

19                          “(I) obtained an endorser who  
20                          does not have an adverse credit his-  
21                          tory or documented to the satisfaction  
22                          of the Secretary that extenuating cir-  
23                          cumstances exist in accordance with  
24                          paragraph (4)(D); and



1                   “(II) completed Federal ONE  
2                   Parent Loan counseling offered by the  
3                   Secretary; and

4                   “(F) in the case of a parent who has been  
5                   convicted of, or has pled nolo contendere or  
6                   guilty to, a crime involving fraud in obtaining  
7                   funds under this title, such parent has com-  
8                   pleted the repayment of such funds to the Sec-  
9                   retary, or to the holder in the case of a loan  
10                  under this title obtained by fraud.

11                  “(2) TERMS, CONDITIONS, AND BENEFITS.—  
12                  Except as provided in subsections (c), (d), and (e),  
13                  loans made under this section shall have the same  
14                  terms, conditions, and benefits as all other loans  
15                  made under this part.

16                  “(3) PARENT BORROWERS.—

17                  “(A) DEFINITION.—For purposes of this  
18                  section, the term ‘parent’ includes a student’s  
19                  biological or adoptive mother or father or the  
20                  student’s stepparent, if the biological parent or  
21                  adoptive mother or father has remarried at the  
22                  time of filing the common financial reporting  
23                  form under section 483(a), and that spouse’s  
24                  income and assets would have been taken into

1 account when calculating the student's expected  
2 family contribution.

3 “(B) CLARIFICATION.—Whenever nec-  
4 essary to carry out the provisions of this sec-  
5 tion, the terms ‘student’ and ‘borrower’ as used  
6 in this part shall include a parent borrower  
7 under this section.

8 “(4) ADVERSE CREDIT HISTORY DEFINITIONS  
9 AND ADJUSTMENTS.—

10 “(A) DEFINITIONS.—For purposes of this  
11 section:

12 “(i) IN GENERAL.—The term ‘adverse  
13 credit history’, when used with respect to  
14 a borrower, means that the borrower—

15 “(I) has one or more debts with  
16 a total combined outstanding balance  
17 equal to or greater than \$2,085, as  
18 may be adjusted by the Secretary in  
19 accordance with subparagraph (B),  
20 that—

21 “(aa) are 90 or more days  
22 delinquent as of the date of the  
23 credit report; or

24 “(bb) have been placed in  
25 collection or charged off during

1 the two years preceding the date  
2 of the credit report; or

3 “(II) has been the subject of a  
4 default determination, bankruptcy dis-  
5 charge, foreclosure, repossession, tax  
6 lien, wage garnishment, or write-off of  
7 a debt under this title during the 5  
8 years preceding the date of the credit  
9 report.

10 “(ii) CHARGED OFF.—The term  
11 ‘charged off’ means a debt that a creditor  
12 has written off as a loss, but that is still  
13 subject to collection action.

14 “(iii) IN COLLECTION.— The term ‘in  
15 collection’ means a debt that has been  
16 placed with a collection agency by a cred-  
17 itor or that is subject to more intensive ef-  
18 forts by a creditor to recover amounts  
19 owed from a borrower who has not re-  
20 sponded satisfactorily to the demands rou-  
21 tinely made as part of the creditor’s billing  
22 procedures.

23 “(B) ADJUSTMENTS.—

24 “(i) IN GENERAL.—In a case of a bor-  
25 rower with a debt amount described in

1           subparagraph (A)(i), the Secretary shall  
2           increase such debt amount, or its inflation-  
3           adjusted equivalent, if the Secretary deter-  
4           mines that an inflation adjustment to such  
5           debt amount would result in an increase of  
6           \$100 or more to such debt amount.

7           “(ii) INFLATION ADJUSTMENT.—In  
8           making the inflation adjustment under  
9           clause (i), the Secretary shall—

10                   “(I) use the annual average per-  
11                   cent change of the All Items Con-  
12                   sumer Price Index for All Urban Con-  
13                   sumers, before seasonal adjustment,  
14                   as the measurement of inflation; and

15                   “(II) if the adjustment calculated  
16                   under subclause (I) is equal to or  
17                   greater than \$100—

18                           “(aa) add the adjustment to  
19                           the debt amount, or its inflation-  
20                           adjusted equivalent; and

21                           “(bb) round up to the near-  
22                           est \$5.

23           “(iii) PUBLICATION.—The Secretary  
24           shall publish a notice in the Federal Reg-  
25           ister announcing any increase to the

1 threshold amount specified in subpara-  
2 graph (A)(i)(I).

3 “(C) TREATMENT OF ABSENCE OF CREDIT  
4 HISTORY.—For purposes of this section, the  
5 Secretary shall not consider the absence of a  
6 credit history as an adverse credit history and  
7 shall not deny a Federal ONE Parent loan on  
8 that basis.

9 “(D) EXTENUATING CIRCUMSTANCES.—  
10 For purposes of this section, the Secretary may  
11 determine that extenuating circumstances exist  
12 based on documentation that may include—

13 “(i) an updated credit report for the  
14 parent; or

15 “(ii) a statement from the creditor  
16 that the parent has repaid or made satis-  
17 factory arrangements to repay a debt that  
18 was considered in determining that the  
19 parent has an adverse credit history

20 “(b) LIMITATION BASED ON NEED.—Any loan under  
21 this section may be counted as part of the expected family  
22 contribution in the determination of need under this title,  
23 but no loan may be made to any parent under this section  
24 for any academic year in excess of the lesser of—

1           “(1) the student’s estimated cost of attendance  
2           minus the student’s estimated financial assistance  
3           (as calculated under section 465(b)(1)(A)); or

4           “(2) the established annual loan limits for such  
5           loan under section 465(b).

6           “(c) PARENT LOAN DISBURSEMENT.—All loans  
7           made under this section shall be disbursed in accordance  
8           with the requirements of section 465(a) and shall be dis-  
9           bursed by—

10           “(1) an electronic transfer of funds from the  
11           lender to the eligible institution; or

12           “(2) a check copayable to the eligible institution  
13           and the parent borrower.

14           “(d) PAYMENT OF PRINCIPAL AND INTEREST.—

15           “(1) COMMENCEMENT OF REPAYMENT.—Re-  
16           payment of principal on loans made under this sec-  
17           tion shall commence not later than 60 days after the  
18           date such loan is disbursed by the Secretary, subject  
19           to deferral—

20           “(A) during any period during which the  
21           parent borrower meets the conditions required  
22           for a deferral under section 469A; and

23           “(B) upon the request of the parent bor-  
24           rower, during the 6-month period beginning, if  
25           the parent borrower is also a student, the day

1           after the date such parent borrower ceases to  
2           carry at least one-half such a workload.

3           “(2) MAXIMUM REPAYMENT PERIOD.—The  
4           maximum repayment period for a loan made under  
5           this section shall be a 10-year period beginning on  
6           the commencement of such period described in para-  
7           graph (1).

8           “(3) CAPITALIZATION OF INTEREST.—Interest  
9           on loans made under this section for which pay-  
10          ments of principal are deferred pursuant to para-  
11          graph (1) shall, if agreed upon by the borrower and  
12          the Secretary—

13                 “(A) be paid monthly or quarterly; or

14                 “(B) be added to the principal amount of  
15          the loan not more frequently than quarterly by  
16          the Secretary.

17          “(4) APPLICABLE RATES OF INTEREST.—Inter-  
18          est on loans made pursuant to this section shall be  
19          at the applicable rate of interest provided in section  
20          465(c)(3) for loans made under this section.

21          “(5) AMORTIZATION.—Section 466(b)(2) shall  
22          apply to each loan made under this section.

23          “(e) VERIFICATION OF IMMIGRATION STATUS AND  
24          SOCIAL SECURITY NUMBER.—A parent who wishes to

1 borrow funds under this section shall be subject to  
2 verification of the parent's—

3 “(1) immigration status in the same manner as  
4 immigration status is verified for students under  
5 section 484(g); and

6 “(2) social security number in the same manner  
7 as social security numbers are verified for students  
8 under section 484(p).

9 “(f) DESIGNATION.—For purposes of this Act, loans  
10 described in this section shall be known as ‘Federal ONE  
11 Parent Loans’.

12 **“SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.**

13 “(a) TERMS AND CONDITIONS.—In making consoli-  
14 dation loans under this section, the Secretary shall—

15 “(1) not make such a loan to an eligible bor-  
16 rower, unless the Secretary has determined, in ac-  
17 cordance with reasonable and prudent business prac-  
18 tices, for each loan being consolidated, that the  
19 loan—

20 “(A) is a legal, valid, and binding obliga-  
21 tion of the borrower; and

22 “(B) was made and serviced in compliance  
23 with applicable laws and regulations;

24 “(2) ensure that each consolidation loan made  
25 under this section will bear interest, and be subject



1 to repayment, in accordance with subsection (c), ex-  
2 cept as otherwise provided under subsections (f) and  
3 (g) of section 465;

4 “(3) ensure that each consolidation loan will be  
5 made, notwithstanding any other provision of this  
6 part limiting the annual or aggregate principal  
7 amount for all loans made to a borrower, in an  
8 amount which is equal to the sum of the unpaid  
9 principal and accrued unpaid interest and late  
10 charges of all eligible student loans received by the  
11 eligible borrower which are selected by the borrower  
12 for consolidation;

13 “(4) ensure that the proceeds of each consolida-  
14 tion loan will be paid by the Secretary to the holder  
15 or holders of the loans so selected to discharge the  
16 liability on such loans;

17 “(5) disclose to a prospective borrower, in sim-  
18 ple and understandable terms, at the time the Sec-  
19 retary provides an application for a consolidation  
20 loan—

21 “(A) with respect to a loan made, insured,  
22 or guaranteed under this part, part B, or part  
23 D, that if a borrower includes such a loan in  
24 the consolidation loan—

1                   “(i) that the consolidation would re-  
2                   sult in a loss of loan benefits; and

3                   “(ii) which specific loan benefits the  
4                   borrower would lose, including the loss of  
5                   eligibility for loan forgiveness (including  
6                   loss of eligibility for interest rate forgive-  
7                   ness), cancellation, deferment, forbearance,  
8                   interest-free periods, or loan repayment  
9                   programs that would have been available  
10                  for such a loan; and

11                  “(B) with respect to Federal Perkins  
12                  Loans under this part (as this part was in ef-  
13                  fect on the day before the date of enactment of  
14                  the PROSPER Act)—

15                  “(i) that if a borrower includes such a  
16                  Federal Perkins Loan in the consolidation  
17                  loan, the borrower will lose all interest-free  
18                  periods that would have been available for  
19                  the Federal Perkins Loan, such as—

20                  “(I) the periods during which no  
21                  interest accrues on such loan while  
22                  the borrower is enrolled in an institu-  
23                  tion of higher education at least half-  
24                  time;

1                   “(II) the grace period under sec-  
2                   tion 464(c)(1)(A) (as such section was  
3                   in effect on the day before the date of  
4                   enactment of the PROSPER Act);  
5                   and

6                   “(III) the periods during which  
7                   the borrower’s student loan repay-  
8                   ments are deferred under section  
9                   464(c)(2) (as such section was in ef-  
10                  fect on the day before the date of en-  
11                  actment of the PROSPER Act); and

12                  “(ii) that if a borrower includes such  
13                  a Federal Perkins Loan in the consolida-  
14                  tion loan, the borrower will no longer be el-  
15                  igible for cancellation of part or all of the  
16                  Federal Perkins Loan under section 465(a)  
17                  (as such section was in effect on the day  
18                  before the date of enactment of the PROS-  
19                  PER Act); and

20                  “(iii) the occupations listed in section  
21                  465 that qualify for Federal Perkins Loan  
22                  cancellation under section 465(a) (as such  
23                  section was in effect on the day before the  
24                  date of enactment of the PROSPER Act);

1           “(C) the repayment plans that are avail-  
2           able to the borrower under section (c);

3           “(D) the options of the borrower to prepay  
4           the consolidation loan, to pay such loan on a  
5           shorter schedule, and to change repayment  
6           plans;

7           “(E) the consequences of default on the  
8           consolidation loan; and

9           “(F) that by applying for a consolidation  
10          loan, the borrower is not obligated to agree to  
11          take the consolidation loan; and

12          “(6) not make such a loan to an eligible bor-  
13          rower, unless—

14                 “(A) the borrower has agreed to notify the  
15                 Secretary promptly concerning any change of  
16                 address; and

17                 “(B) the loan is evidenced by a note or  
18                 other written agreement which—

19                         “(i) is made without security and  
20                         without endorsement, except that if—

21                                 “(I) the borrower is a minor and  
22                                 such note or other written agreement  
23                                 executed by him or her would not,  
24                                 under applicable law, create a binding

1 obligation, endorsement may be re-  
2 quired; or

3 “(II) the borrower desires to in-  
4 clude in the consolidation loan, a Fed-  
5 eral ONE Parent Loan, or a loan  
6 under section 428B, or a Federal Di-  
7 rect PLUS loan, made on behalf of a  
8 dependent student, endorsement shall  
9 be required;

10 “(ii) provides for the payment of in-  
11 terest and the repayment of principal as  
12 described in paragraph (2);

13 “(iii) provides that during any period  
14 for which the borrower would be eligible  
15 for a deferral under section 469A, which  
16 period shall not be included in determining  
17 the repayment schedule pursuant to sub-  
18 section (c)—

19 “(I) periodic installments of prin-  
20 cipal need not be paid, but interest  
21 shall accrue and be paid by the bor-  
22 rower or be capitalized; and

23 “(II) except as otherwise pro-  
24 vided under subsections (f) and (g) of  
25 section 465, the Secretary shall not

1 pay interest on any portion of the  
2 consolidation loan, without regard to  
3 whether the portion repays Federal  
4 Stafford Loans for which the student  
5 borrower received an interest subsidy  
6 under section 428 or Federal Direct  
7 Stafford Loans for which the bor-  
8 rower received an interest subsidy  
9 under section 455;

10 “(iv) entitles the borrower to accel-  
11 erate without penalty repayment of the  
12 whole or any part of the loan; and

13 “(v) contains a notice of the system of  
14 disclosure concerning such loan to con-  
15 sumer reporting agencies under section  
16 430A, and provides that the Secretary on  
17 request of the borrower will provide infor-  
18 mation on the repayment status of the  
19 note to such consumer reporting agencies.

20 “(b) NONDISCRIMINATION IN LOAN CONSOLIDA-  
21 TION.—The Secretary shall not discriminate against any  
22 borrower seeking a loan under this section—

23 “(1) based on the number or type of eligible  
24 student loans the borrower seeks to consolidate;

1           “(2) based on the type or category of institu-  
2           tion of higher education that the borrower attended;

3           “(3) based on the interest rate to be charged to  
4           the borrower with respect to the consolidation loan;

5           or

6           “(4) with respect to the types of repayment  
7           schedules offered to such borrower.

8           “(c) PAYMENT OF PRINCIPAL AND INTEREST.—

9           “(1) REPAYMENT SCHEDULES.—

10           “(A) ESTABLISHMENT.—

11           “(i) IN GENERAL.—Notwithstanding  
12           any other provision of this part, the Sec-  
13           retary shall—

14           “(I) establish repayment terms  
15           as will promote the objectives of this  
16           section; and

17           “(II) provide a borrower with the  
18           option of the standard-repayment plan  
19           or income-based repayment plan  
20           under section 466(d) in lieu of such  
21           repayment terms.

22           “(ii) SCHEDULE TERMS.—The repay-  
23           ment terms established under clause (i)(I)  
24           shall require that if the sum of the consoli-  
25           dation loan and the amount outstanding on

1 other eligible student loans to the indi-  
2 vidual—

3 “(I) is less than \$7,500, then  
4 such consolidation loan shall be repaid  
5 in not more than 10 years;

6 “(II) is equal to or greater than  
7 \$7,500 but less than \$10,000, then  
8 such consolidation loan shall be repaid  
9 in not more than 12 years;

10 “(III) is equal to or greater than  
11 \$10,000 but less than \$20,000, then  
12 such consolidation loan shall be repaid  
13 in not more than 15 years;

14 “(IV) is equal to or greater than  
15 \$20,000 but less than \$40,000, then  
16 such consolidation loan shall be repaid  
17 in not more than 20 years;

18 “(V) is equal to or greater than  
19 \$40,000 but less than \$60,000, then  
20 such consolidation loan shall be repaid  
21 in not more than 25 years; or

22 “(VI) is equal to or greater than  
23 \$60,000, then such consolidation loan  
24 shall be repaid in not more than 30  
25 years.



1           “(B) LIMITATION.—The amount out-  
2           standing on other eligible student loans which  
3           may be counted for the purpose of subpara-  
4           graph (A) may not exceed the amount of the  
5           consolidation loan.

6           “(2) ADDITIONAL REPAYMENT REQUIRE-  
7           MENTS.—Notwithstanding paragraph (1)—

8           “(A) except in the case of an income-based  
9           repayment schedule under section 466(d), a re-  
10          payment schedule established with respect to a  
11          consolidation loan shall require that the min-  
12          imum installment payment be an amount equal  
13          to not less than the accrued unpaid interest;  
14          and

15          “(B) an income-based repayment schedule  
16          under section 466(d) shall not be available to a  
17          consolidation loan borrower who—

18                  “(i) used the proceeds of a Federal  
19                  ONE Consolidation loan to discharge the  
20                  liability—

21                  “(I) on a loan under section  
22                  428B made on behalf of a dependent  
23                  student;

1                   “(II) a Federal Direct PLUS  
2                   loan made on behalf of a dependent  
3                   student;

4                   “(III) a Federal ONE Parent  
5                   loan; or

6                   “(IV) an excepted consolidation  
7                   loan (defined in section 493C); or

8                   “(ii) used the proceeds of a subse-  
9                   quent Federal ONE Consolidation loan to  
10                  discharge the liability on a Federal ONE  
11                  Consolidation loan described in clause (i).

12                  “(3) COMMENCEMENT OF REPAYMENT.—Re-  
13                  payment of a consolidation loan shall commence  
14                  within 60 days after all holders have, pursuant to  
15                  subsection (a)(4), discharged the liability of the bor-  
16                  rower on the loans selected for consolidation.

17                  “(4) INTEREST RATE.—A consolidation loan  
18                  made under this section shall bear interest at an an-  
19                  nual rate described in section 465(c)(4).

20                  “(d) INSURANCE RULE.—Any insurance premium  
21                  paid by the borrower under subpart I of part A of title  
22                  VII of the Public Health Service Act with respect to a  
23                  loan made under that subpart and consolidated under this  
24                  section shall be retained by the student loan insurance ac-

1 count established under section 710 of the Public Health  
2 Service Act.

3 “(e) DEFINITIONS.—For the purpose of this section:

4 “(1) ELIGIBLE BORROWER.—

5 “(A) IN GENERAL.—The term ‘eligible bor-  
6 rower’ means a borrower who—

7 “(i) is not subject to a judgment se-  
8 cured through litigation with respect to a  
9 loan under this title or to an order for  
10 wage garnishment under section 488A; and

11 “(ii) at the time of application for a  
12 consolidation loan—

13 “(I) is in repayment status as de-  
14 termined under section 466(a)(1);

15 “(II) is in a grace period pre-  
16 ceding repayment; or

17 “(III) is a defaulted borrower  
18 who has made arrangements to repay  
19 the obligation on the defaulted loans  
20 satisfactory to the holders of the de-  
21 faulted loans.

22 “(B) TERMINATION OF STATUS AS AN ELI-  
23 GIBLE BORROWER.—An individual’s status as  
24 an eligible borrower under this section termi-

1           nates upon receipt of a consolidation loan under  
2           this section, except that—

3                   “(i) an individual who receives eligible  
4                   student loans after the date of receipt of  
5                   the consolidation loan may receive a subse-  
6                   quent consolidation loan;

7                   “(ii) loans received prior to the date  
8                   of the consolidation loan may be added  
9                   during the 180-day period following the  
10                  making of the consolidation loan;

11                  “(iii) loans received following the  
12                  making of the consolidation loan may be  
13                  added during the 180-day period following  
14                  the making of the consolidation loan;

15                  “(iv) loans received prior to the date  
16                  of the first consolidation loan may be  
17                  added to a subsequent consolidation loan;  
18                  and

19                  “(v) an individual may obtain a subse-  
20                  quent consolidation loan for the purpose—

21                          “(I) of income-based repayment  
22                          under section 466(d) only if the loan  
23                          has been submitted for default aver-  
24                          sion or if the loan is already in de-  
25                          fault;

1 “(II) of using the no accrual of  
2 interest for active duty service mem-  
3 bers benefit offered under section  
4 465(g); of

5 “(III) of submitting an applica-  
6 tion under section 469B(d) for a bor-  
7 rower defense to repayment of a loan  
8 made, insured, or guaranteed under  
9 this title.

10 “(2) ELIGIBLE STUDENT LOANS.—For the pur-  
11 pose of paragraph (1), the term ‘eligible student  
12 loans’ means loans—

13 “(A) made, insured, or guaranteed under  
14 part B, and first disbursed before July 1, 2010,  
15 including loans on which the borrower has de-  
16 faulted (but has made arrangements to repay  
17 the obligation on the defaulted loans satisfac-  
18 tory to the Secretary or guaranty agency,  
19 whichever insured the loans);

20 “(B) made under part D of this title, and  
21 first disbursed before July 1, 2019;

22 “(C) made under this part before Sep-  
23 tember 30, 2017;

24 “(D) made under this part on or after the  
25 date of enactment of the PROSPER Act;

1                   “(E) made under subpart II of part A of  
2                   title VII of the Public Health Service Act; or

3                   “(F) made under part E of title VIII of  
4                   the Public Health Service Act.

5           “(f) DESIGNATION.—For purposes of this Act, loans  
6 described in this section shall be known as ‘Federal ONE  
7 Consolidation Loans’.

8 **“SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.**

9           “(a) IN GENERAL.—A borrower who has 1 or more  
10 loans in 2 or more of the categories described in subsection  
11 (b), and who has not yet entered repayment on 1 or more  
12 of those loans in any of the categories, may consolidate  
13 all of the loans of the borrower that are described in sub-  
14 section (b) into a Federal ONE Consolidation Loan during  
15 the period described in subsection (c).

16           “(b) CATEGORIES OF LOANS THAT MAY BE CON-  
17 SOLIDATED.—The categories of loans that may be consoli-  
18 dated under this section are—

19                   “(1) loans made under this part before October  
20                   1, 2017 and on or after July 1, 2019;

21                   “(2) loans purchased by the Secretary pursuant  
22                   to section 459A;

23                   “(3) loans made under part B that are held by  
24                   an eligible lender, as such term is defined in section  
25                   435(d); and

1           “(4) loans made under part D.

2           “(c) TIME PERIOD IN WHICH LOANS MAY BE CON-  
3 SOLIDATED.—The Secretary may make a Federal ONE  
4 Consolidation Loan under this section to a borrower whose  
5 application for such Federal ONE Consolidation Loan is  
6 received on or after July 1, 2019, and before July 1, 2024.

7           “(d) TERMS OF LOANS.—A Federal ONE Consolida-  
8 tion Loan made under this subsection shall have the same  
9 terms and conditions as a Federal ONE Consolidation  
10 Loan made under section 468, except that in determining  
11 the applicable rate of interest on the Federal ONE Con-  
12 solidation Loan made under this section, section 465(c)(4)  
13 shall be applied without rounding the weighted average of  
14 the interest rate on the loans consolidated to the nearest  
15 higher one-eighth of one percent as in such section.

16 **“SEC. 470. DEFERMENT.**

17           “(a) EFFECT ON PRINCIPAL AND INTEREST.—A bor-  
18 rower of a loan made under this part who meets the re-  
19 quirements described in subsection (b) shall be eligible for  
20 a deferment during which installments of principal need  
21 not be paid and, unless otherwise provided in this sub-  
22 section, interest shall accrue and be capitalized or paid  
23 by the borrower.

24           “(b) ELIGIBILITY.—A borrower of a loan made under  
25 this part shall be eligible for a deferment—

1           “(1) during any period during which the bor-  
2       rower—

3           “(A) is carrying at least one-half the nor-  
4       mal full-time work load for the course of study  
5       that the borrower is pursuing, as determined by  
6       the eligible institution the borrower is attend-  
7       ing;

8           “(B) is pursuing a course of study pursu-  
9       ant to—

10           “(i) an eligible graduate fellowship  
11       program in accordance with subsection (g);

12       or

13           “(ii) an eligible rehabilitation training  
14       program for individuals with disabilities in  
15       accordance with subsection (i);

16           “(C) is serving on active duty during a war  
17       or other military operation or national emer-  
18       gency, and for the 180-day period following the  
19       demobilization date for such service;

20           “(D) is performing qualifying National  
21       Guard duty during a war or other military op-  
22       eration or national emergency, and for the 180-  
23       day period following the demobilization date for  
24       such service;



1           “(E) is a member of the National Guard  
2           who is not eligible for a post-active duty  
3           deferment under section 493D and is engaged  
4           in active State duty for a period of more than  
5           30 consecutive days beginning—

6                   “(i) the day after 6 months after the  
7                   date the student ceases to carry at least  
8                   one-half the normal full-time academic  
9                   workload (as determined by the institu-  
10                  tion); or

11                   “(ii) the day after the borrower ceases  
12                   enrollment on at least a half-time basis, for  
13                   a loan in repayment;

14           “(F) is serving in a medical or dental in-  
15           ternship or residency program, the successful  
16           completion of which is required to begin profes-  
17           sional practice or service, or is serving in a  
18           medical or dental internship or residency pro-  
19           gram leading to a degree or certificate awarded  
20           by an institution of higher education, a hos-  
21           pital, or a health care facility that offers post-  
22           graduate training; or

23           “(G) is eligible for interest payments to be  
24           made on a loan made under this part for serv-  
25           ice in the Armed Forces under section 2174 of

1 title 10, United States Code, and pursuant to  
2 that eligibility, the interest is being paid on  
3 such loan under section 465(f);

4 “(2) during a period sufficient to enable the  
5 borrower to resume honoring the agreement to repay  
6 the outstanding balance of principal and interest on  
7 the loan after default, if—

8 “(A) the borrower signs a new agreement  
9 to repay such outstanding balance;

10 “(B) the deferment period is limited to  
11 120 days; and

12 “(C) such deferment is not granted for  
13 consecutive periods;

14 “(3) during a period of administrative  
15 deferment described in subsection (j); or

16 “(4) in the case of a borrower of a Federal  
17 ONE Parent Loan or an Excepted Federal ONE  
18 Consolidation Loan, during a period described in  
19 subsection (k).

20 “(c) LENGTH OF DEFERMENT.—A deferment grant-  
21 ed by the Secretary—

22 “(1) under subparagraph (F) or (G) of sub-  
23 section (b)(1) shall be renewable at 12 month inter-  
24 vals;

1           “(2) under subparagraph (F) of subsection  
2           (b)(1) shall equal the length of time remaining in  
3           the borrower’s medical or dental internship or resi-  
4           dency program; and

5           “(3) under subparagraph (G) of subsection  
6           (b)(1) shall not exceed 3 years.

7           “(d) REQUEST AND DOCUMENTATION.—The Sec-  
8           retary shall determine the eligibility of a borrower for a  
9           deferment under paragraphs (1), (2), or (4) of subsection  
10          (b), or in the case of a loan for which an endorser is re-  
11          quired, an endorser’s eligibility for a deferment under  
12          paragraph (2) or (4) or eligibility to request a deferment  
13          under paragraph (1), based on—

14           “(1) the receipt of a request for a deferment  
15           from the borrower or the endorser, and documenta-  
16           tion of the borrower’s or endorser’s eligibility for the  
17           deferment or eligibility to request the deferment;

18           “(2) receipt of a completed loan application  
19           that documents the borrower’s eligibility for a  
20           deferment;

21           “(3) receipt of a student status information  
22           documenting that the borrower is enrolled on at  
23           least a half-time basis; or

24           “(4) the Secretary’s confirmation of the bor-  
25           rower’s half-time enrollment status, if the confirma-

1       tion is requested by the institution of higher edu-  
2       cation.

3       “(e) NOTIFICATION.—The Secretary shall—

4             “(1) notify a borrower of a loan made under  
5       this part—

6             “(A) the granting of a deferment under  
7       this subsection on such loan; and

8             “(B) the option of the borrower to con-  
9       tinue making payments on the outstanding bal-  
10       ance of principal and interest on such loan in  
11       accordance with subsection (f);

12            “(2) at the time the Secretary grants a  
13       deferment to a borrower of a loan made under this  
14       part, and not less frequently than once every 180  
15       days during the period of such deferment, provide  
16       information to the borrower to assist the borrower in  
17       understanding—

18            “(A) the effect of granting a deferment on  
19       the total amount to be paid under the income-  
20       based repayment plan under 466(d);

21            “(B) the fact that interest will accrue on  
22       the loan for the period of deferment, other than  
23       for a deferment granted under subsection  
24       (b)(1)(G);

1           “(C) the amount of unpaid principal and  
2           the amount of interest that has accrued since  
3           the last statement of such amounts provided to  
4           the borrower;

5           “(D) the amount of interest that will be  
6           capitalized, and the date on which capitalization  
7           will occur;

8           “(E) the effect of the capitalization of in-  
9           terest on the borrower’s loan principal and on  
10          the total amount of interest to be paid on the  
11          loan;

12          “(F) the option of the borrower to pay the  
13          interest that has accrued before the interest is  
14          capitalized; and

15          “(G) the borrower’s option to discontinue  
16          the deferment at any time.

17          “(f) FORM OF DEFERMENT.—The form of a  
18          deferment granted under this subsection on a loan made  
19          under this part shall be temporary cessation of all pay-  
20          ments on such loan, except that—

21                 “(1) in the case of a deferment granted under  
22                 subsection (b)(1)(G), payments of interest on the  
23                 loan will be made by the Secretary under section  
24                 465(f) during such period of deferment; and

1           “(2) a borrower may make payments on the  
2           outstanding balance of principal and interest on  
3           such loan during any period of deferment granted  
4           under this subsection.

5           “(g) GRADUATE FELLOWSHIP DEFERMENT.—

6           “(1) IN GENERAL.—A borrower of a loan under  
7           this part is eligible for a deferment under subsection  
8           (b)(1)(B)(i) during any period for which an author-  
9           ized official of the borrower’s graduate fellowship  
10          program certifies that the borrower meets the re-  
11          quirements of paragraph (2) and is pursuing a  
12          course of study pursuant to an eligible graduate fel-  
13          lowship program.

14          “(2) BORROWER REQUIREMENTS.—A borrower  
15          meets the requirements of this subparagraph if the  
16          borrower—

17                 “(A) holds at least a baccalaureate degree  
18                 conferred by an institution of higher education;

19                 “(B) has been accepted or recommended  
20                 by an institution of higher education for accept-  
21                 ance on a full-time basis into an eligible grad-  
22                 uate fellowship program; and

23                 “(C) is not serving in a medical internship  
24                 or residency program, except for a residency  
25                 program in dentistry.

1       “(h) TREATMENT OF STUDY OUTSIDE THE UNITED  
2 STATES.—

3           “(1) IN GENERAL.—The Secretary shall treat,  
4 in the same manner as required under section  
5 428(b)(4), any course of study at a foreign univer-  
6 sity that is accepted for the completion of a recog-  
7 nized international fellowship program by the admin-  
8 istrator of such a program as an eligible graduate  
9 fellowship program.

10          “(2) REQUESTS FOR DEFERMENT.—Requests  
11 for deferment of repayment of loans under this sub-  
12 section by students engaged in graduate or post-  
13 graduate fellowship-supported study (such as pursu-  
14 ant to a Fulbright grant) outside the United States  
15 shall be approved until completion of the period of  
16 the fellowship, in the same manner as required  
17 under section 428(b)(4).

18          “(i) REHABILITATION TRAINING PROGRAM  
19 DEFERMENT.—A borrower of a loan under this part is  
20 eligible for a deferment under subsection (b)(1)(B)(ii) dur-  
21 ing any period for which an authorized official of the bor-  
22 rower’s rehabilitation training program certifies that the  
23 borrower is pursuing an eligible rehabilitation training  
24 program for individuals with disabilities.

1           “(j) ADMINISTRATIVE DEFERMENTS.—The Secretary  
2 may grant a deferment to a borrower or, in the case of  
3 a loan for which an endorser is required, an endorser,  
4 without requiring a request and documentation from the  
5 borrower or the endorser under subsection (d) for—

6           “(1) a period during which the borrower was  
7 delinquent at the time a deferment is granted, in-  
8 cluding a period for which scheduled payments of  
9 principal and interest were overdue at the time such  
10 deferment is granted;

11           “(2) a period during which the borrower or the  
12 endorser was granted a deferment under this sub-  
13 section but for which the Secretary determines the  
14 borrower or the endorser should not have qualified;

15           “(3) a period necessary for the Secretary to de-  
16 termine the borrower’s eligibility for the cancellation  
17 of the obligation of the borrower to repay the loan  
18 under section 437;

19           “(4) a period during which the Secretary has  
20 authorized deferment due to a national military mo-  
21 bilization or other local or national emergency; or

22           “(5) a period not to exceed 60 days, during  
23 which interest shall accrue but not be capitalized, if  
24 the Secretary reasonably determines that a suspen-  
25 sion of collection activity is warranted to enable the



1 Secretary to process supporting documentation relat-  
2 ing to a borrower's request—

3 “(A) for a deferment under this sub-  
4 section;

5 “(B) for a change in repayment plan under  
6 section 466(c); or

7 “(C) to consolidate loans under section  
8 468.

9 “(k) DEFERMENTS FOR PARENT OR EXCEPTED CON-  
10 SOLIDATION LOANS.—

11 “(1) IN GENERAL.—A qualified borrower shall  
12 be eligible for deferments under paragraphs (3)  
13 through (5).

14 “(2) QUALIFIED BORROWER DEFINED.—In this  
15 subsection, the term ‘qualified borrower’ means—

16 “(A) a borrower of a Federal ONE Parent  
17 Loan or an Excepted Federal ONE Consolida-  
18 tion Loan; or

19 “(B) in the case of such a loan for which  
20 an endorser is required, the endorser of such  
21 loan.

22 “(3) ECONOMIC HARDSHIP DEFERMENT.—

23 “(A) IN GENERAL.—A qualified borrower  
24 shall be eligible for a deferment during periods,  
25 not to exceed 3 years in total, during which the

1 qualified borrower experiences an economic  
2 hardship described in subparagraph (B).

3 “(B) ECONOMIC HARDSHIP.—An economic  
4 hardship described in this clause is a period  
5 during which the qualified borrower—

6 “(i) is receiving payment under a  
7 means-tested benefit program;

8 “(ii) is employed full-time and the  
9 monthly gross income of the qualified bor-  
10 rower does not exceed the greater of—

11 “(I) the minimum wage rate de-  
12 scribed in section 6 of the Fair Labor  
13 Standards Act of 1938 (29 U.S.C.  
14 206); or

15 “(II) an amount equal to 150  
16 percent of the poverty line; or

17 “(iii) demonstrates that the sum of  
18 the qualified borrower’s monthly payments  
19 on the qualified borrower’s Federal ONE  
20 Parent Loan or Excepted Federal ONE  
21 Consolidation Loan is not less than 20 per-  
22 cent of the qualified borrower’s monthly  
23 gross income.

24 “(C) ELIGIBILITY.—To be eligible to re-  
25 ceive a deferment under this subparagraph, a

1 qualified borrower shall submit to the Sec-  
2 retary—

3 “(i) for the first period of deferment  
4 under this subparagraph, evidence showing  
5 the monthly gross income of the qualified  
6 borrower; and

7 “(ii) for a subsequent period of  
8 deferment that begins less than one year  
9 after the end of a period of deferment  
10 granted under this subparagraph—

11 “(I) evidence showing the month-  
12 ly gross income of the qualified bor-  
13 rower; or

14 “(II) the qualified borrower’s  
15 most recently filed Federal income tax  
16 return, if such a return was filed in  
17 either of the two tax years preceding  
18 the year in which the qualified bor-  
19 rower requests the subsequent period  
20 of deferment.

21 “(4) UNEMPLOYMENT DEFERMENT.—

22 “(A) IN GENERAL.—A qualified borrower  
23 shall be eligible for a deferment for periods dur-  
24 ing which the qualified borrower is seeking, and  
25 is unable to find, full-time employment.

1 “(B) ELIGIBILITY.—

2 “(i) IN GENERAL.—To be eligible to  
3 receive an deferment under this subpara-  
4 graph, a qualified borrower shall submit to  
5 the Secretary—

6 “(I) evidence of the qualified bor-  
7 rower’s eligibility for unemployment  
8 benefits; or

9 “(II) written confirmation, or an  
10 equivalent as approved by the Sec-  
11 retary, that—

12 “(aa) the qualified borrower  
13 has registered with a public or  
14 private employment agency, if  
15 one is available to the borrower  
16 within 50 miles of the qualified  
17 borrower’s address; and

18 “(bb) for requests submitted  
19 after the initial request, the  
20 qualified borrower has made at  
21 least six diligent attempts during  
22 the preceding six-month period to  
23 secure full-time employment.

24 “(ii) ACCEPTANCE OF EMPLOY-  
25 MENT.—A qualified borrower shall not be

1 eligible for a deferment under this sub-  
2 paragraph if the qualified borrower refuses  
3 to seek or accept employment in types of  
4 positions or at salary levels or responsi-  
5 bility levels for which the qualified bor-  
6 rower feels overqualified based on the  
7 qualified borrower's education or previous  
8 experience.

9 “(C) TERMS OF DEFERMENT.—The fol-  
10 lowing terms shall apply to a deferment under  
11 this subparagraph:

12 “(i) INITIAL PERIOD.—The first  
13 deferment granted to a qualified borrower  
14 under this subparagraph may be for a pe-  
15 riod of unemployment beginning not more  
16 than 6 months before the date on which  
17 the Secretary receives the qualified bor-  
18 rower's request for deferment and may be  
19 granted for a period of up to 6 months  
20 after that date.

21 “(ii) RENEWALS.—Deferments under  
22 this subparagraph shall be renewable at 6-  
23 month intervals beginning after the expira-  
24 tion of the first period of deferment under  
25 clause (i). To be eligible to renew a

1           deferment under this subparagraph, a  
2           qualified borrower shall submit to the Sec-  
3           retary the information described in sub-  
4           paragraph (B)(i).

5                   “(iii) AGGREGATE LIMIT.—The period  
6           of all deferments granted to a borrower  
7           under this subparagraph may not exceed 3  
8           years in aggregate.

9           “(5) HEALTH DEFERMENT.—

10                   “(A) IN GENERAL.—A qualified borrower  
11           shall be eligible for a deferment during periods  
12           in which the qualified borrower is unable to  
13           make scheduled loan payments due to high  
14           medical expenses, as determined by the Sec-  
15           retary.

16                   “(B) ELIGIBILITY.—To be eligible to re-  
17           ceive a deferment under this subparagraph, a  
18           qualified borrower shall—

19                           “(i) submit to the Secretary docu-  
20                           mentation demonstrating that making  
21                           scheduled loan payments would be an ex-  
22                           treme economic hardship to the borrower  
23                           due to high medical expenses, as deter-  
24                           mined by the Secretary; and

1                   “(ii) resubmit such documentation to  
2                   the Secretary not less frequently than once  
3                   every 3 months.

4           “(1) PROHIBITIONS.—

5                   “(1) PROHIBITION ON FEES.—No administra-  
6                   tive fee or other fee may be charged to the borrower  
7                   in connection with the granting of a deferment  
8                   under this subsection.

9                   “(2) PROHIBITION ON ADVERSE CREDIT RE-  
10                  PORTING.—No adverse information relating to a bor-  
11                  rower may be reported to a consumer reporting  
12                  agency solely because of the granting of a deferment  
13                  under this subsection.

14                  “(3) LIMITATION ON AUTHORITY.—The Sec-  
15                  retary shall not, through regulation or otherwise, au-  
16                  thorize additional deferment options or periods of  
17                  deferment other than the deferment options and pe-  
18                  riods of deferment authorized under this subsection.

19                  “(m) TREATMENT OF ENDORSERS.—With respect to  
20                  any Federal ONE Parent Loan or Federal ONE Consoli-  
21                  dation Loan for which an endorser is required—

22                                  “(1) paragraphs (2) through (4) of subsection  
23                                  (b) shall be applied—

24    “(A) by substituting ‘An endorser’ for ‘A  
25    borrower’;

1           “(B) by substituting ‘the endorser’ for ‘the  
2           borrower’; and

3           “(C) by substituting ‘an endorser’ for ‘a  
4           borrower’; and

5           “(2) in the case in which the borrower of such  
6           a loan is eligible for a deferment described in sub-  
7           paragraph (C), (D), (E), (F), or (G) of subsection  
8           (b)(1), but is not making payments on the loan, the  
9           endorser of the loan may request a deferment under  
10          such subparagraph for the loan.

11          “(n) DEFINITIONS.—In this section:

12           “(1) ELIGIBLE GRADUATE FELLOWSHIP PRO-  
13          GRAM.—The term ‘eligible graduate fellowship pro-  
14          gram’, when used with respect to a course of study  
15          pursued by the borrower of a loan under this part,  
16          means a fellowship program that—

17           “(A) provides sufficient financial support  
18           to graduate fellows to allow for full-time study  
19           for at least six months;

20           “(B) requires a written statement from  
21           each applicant explaining the applicant’s objec-  
22           tives before the award of that financial support;

23           “(C) requires a graduate fellow to submit  
24           periodic reports, projects, or evidence of the fel-  
25           low’s progress; and



1           “(D) in the case of a course of study at an  
2           institution of higher education outside the  
3           United States described in section 102, accepts  
4           the course of study for completion of the fellow-  
5           ship program.

6           “(2) ELIGIBLE REHABILITATION TRAINING  
7           PROGRAM FOR INDIVIDUALS WITH DISABILITIES.—  
8           The term ‘eligible rehabilitation training program  
9           for individuals with disabilities’, when used with re-  
10          spect a course of study pursued by the borrower of  
11          a loan under this part, means a program that—

12                 “(A) is necessary to assist an individual  
13                 with a disability in preparing for, securing, re-  
14                 taining, or regaining employment;

15                 “(B) is licensed, approved, certified, or  
16                 otherwise recognized as providing rehabilitation  
17                 training to disabled individuals by—

18                         “(i) a State agency with responsibility  
19                         for vocational rehabilitation programs,  
20                         drug abuse treatment programs, mental  
21                         health services programs, or alcohol abuse  
22                         treatment programs; or

23                         “(ii) the Secretary of the Department  
24                         of Veterans Affairs; and

1           “(C) provides or will provide the borrower  
2           with rehabilitation services under a written plan  
3           that—

4                   “(i) is individualized to meet the bor-  
5                   rower’s needs;

6                   “(ii) specifies the date on which the  
7                   services to the borrower are expected to  
8                   end; and

9                   “(iii) requires a commitment of time  
10                  and effort from the borrower that prevents  
11                  the borrower from being employed at least  
12                  30 hours per week, either because of the  
13                  number of hours that must be devoted to  
14                  rehabilitation or because of the nature of  
15                  the rehabilitation.

16               “(3) EXCEPTED FEDERAL ONE CONSOLIDATION  
17               LOAN.—The ‘Excepted Federal ONE Consolidation  
18               Loan’ have the meaning given the term in section  
19               466(d)(5).

20               “(4) FAMILY SIZE.—The term ‘family size’  
21               means the number that is determined by counting—

22                   “(A) the borrower;

23                   “(B) the borrower’s spouse;

24                   “(C) the borrower’s children, including un-  
25                  born children who are expected to be born dur-

1           ing the period covered by the deferment, if the  
2           children receive more than half their support  
3           from the borrower; and

4           “(D) another individual if, at the time the  
5           borrower requests a deferment under this sec-  
6           tion, the individual—

7           “(i) lives with the borrower;

8           “(ii) receives more than half of the in-  
9           dividual’s support (which may include  
10          money, gifts, loans, housing, food, clothes,  
11          car, medical and dental care, and payment  
12          of college costs) from the borrower; and

13          “(iii) is expected to receive such sup-  
14          port from the borrower during the relevant  
15          period of deferment.

16          “(5) FULL-TIME.—The term ‘full-time’, when  
17          used with respect to employment, means employment  
18          for not less than 30 hours per week that is expected  
19          to continue for not less than three months.

20          “(6) MEANS-TESTED BENEFIT PROGRAM.—The  
21          term ‘means-tested benefit program’ means—

22          “(A) a State public assistance program  
23          under which eligibility for the program’s bene-  
24          fits, or the amount of such benefits, are deter-

1           mined on the basis of income or resources of  
2           the individual or family seeking the benefit; or

3           “(B) a mandatory spending program of the  
4           Federal Government, other than a program  
5           under this title, under which eligibility for the  
6           program’s benefits, or the amount of such bene-  
7           fits, are determined on the basis of income or  
8           resources of the individual or family seeking the  
9           benefit, and may include such programs as

10                   “(i) the supplemental security income  
11                   program under title XVI of the Social Se-  
12                   curity Act (42 U.S.C. 1381 et seq.);

13                   “(ii) the supplemental nutrition assist-  
14                   ance program under the Food and Nutri-  
15                   tion Act of 2008 (7 U.S.C. 2011 et seq.);

16                   “(iii) the free and reduced price  
17                   school lunch program established under the  
18                   Richard B. Russell National School Lunch  
19                   Act (42 U.S.C. 1751 et seq.);

20                   “(iv) the program of block grants for  
21                   States for temporary assistance for needy  
22                   families established under part A of title  
23                   IV of the Social Security Act (42 U.S.C.  
24                   601 et seq.);

1                   “(v) the special supplemental nutri-  
2                   tion program for women, infants, and chil-  
3                   dren established by section 17 of the Child  
4                   Nutrition Act of 1966 (42 U.S.C. 1786);  
5                   and

6                   “(vi) other programs identified by the  
7                   Secretary.

8                   “(7) MONTHLY GROSS INCOME.—The term  
9                   ‘monthly gross income’, when used with respect to a  
10                  borrower, means—

11                  “(A) the gross amount of income received  
12                  by the borrower from employment and other  
13                  sources for the most recent month; or

14                  “(B) one-twelfth of the borrower’s adjusted  
15                  gross income, as recorded on the borrower’s  
16                  most recently filed Federal income tax return.

17 **“SEC. 471. ADDITIONAL TERMS.**

18                  “(a) APPLICABLE PART B PROVISIONS.—

19                  “(1) DISCLOSURES.—Except as otherwise pro-  
20                  vided in this part, each institution of higher edu-  
21                  cation with which the Secretary has an agreement  
22                  under section 464(a), and each contractor with  
23                  which the Secretary has a contract under section  
24                  493E, shall, with respect to loans under this part  
25                  comply with each of the requirements under section

1 433 that apply to the institutions of higher edu-  
2 cation and contractors described in section 455(p)  
3 with respect to loans made under part D.

4 “(2) OTHER PROVISIONS.—Except as otherwise  
5 provided in this part, the following provisions shall  
6 apply with respect to loans made under this part in  
7 the same manner that such provisions apply with re-  
8 spect to loans made under part D:

9 “(A) Section 427(a)(2).

10 “(B) Section 428(d).

11 “(C) Section 428F

12 “(D) Section 430A.

13 “(E) Paragraphs (1), (2), (4), and (6) of  
14 section 432(a).

15 “(F) Section 432(i).

16 “(G) Section 432(l).

17 “(H) Section 432(m), except that an insti-  
18 tution of higher education shall have a separate  
19 master promissory note under paragraph (1)(D)  
20 of such section for loans made under this part.

21 “(I) Subsections (a), (c), and (d) of section  
22 437.

23 “(3) APPLICATION OF PROVISIONS.—Any provi-  
24 sion listed under paragraph (1) or (2) that applies  
25 to—

1           “(A) Federal Direct PLUS Loans made on  
2           behalf of dependent students shall apply to  
3           Federal ONE Parent Loans;

4           “(B) Federal Direct PLUS Loans made to  
5           students shall apply to Federal ONE Loans for  
6           graduate or professional students;

7           “(C) Federal Direct Unsubsidized Stafford  
8           loans shall apply to Federal ONE Loans for  
9           any student borrower;

10          “(D) Federal Direct Consolidation Loans  
11          shall apply to Federal ONE Consolidation  
12          Loans; and

13          “(E) forbearance shall apply to deferment  
14          under section 469A.

15          “(b) ELIGIBLE STUDENT.—A loan under this part  
16          may only be made to a student who—

17                 “(1) is an eligible student under section 484;

18                 “(2) has agreed to notify promptly the Sec-  
19                 retary and the applicable contractors with which the  
20                 Secretary has a contract under section 493E con-  
21                 cerning—

22                         “(A) any change of permanent address,  
23                         telephone number, or email address;

24                         “(B) when the student ceases to be en-  
25                         rolled on at least a half-time basis; and

1           “(C) any other change in status, when  
2           such change in status affects the student’s eligi-  
3           bility for the loan; and

4           “(3) is carrying at least one-half the normal  
5           full-time academic workload for the course of study  
6           the student is pursuing (as determined by the insti-  
7           tution).

8           “(c) LOAN APPLICATION AND PROMISSORY NOTE.—  
9           The common financial reporting form required in section  
10          483(a)(1) shall constitute the application for loans made  
11          under this part. The Secretary shall develop, print, and  
12          distribute to participating institutions a standard promis-  
13          sory note and loan disclosure form.

14          “(d) BORROWER DEFENSES.—A borrower of a loan  
15          under this part may assert a defense to repayment to such  
16          loan under the provisions of section 455(h) that apply to  
17          a borrower of a loan made under part D asserting, on or  
18          after the date of enactment of the PROSPER Act, a de-  
19          fense to repayment to such loan made under part D.

20          “(e) IDENTITY FRAUD PROTECTION.—The Secretary  
21          shall ensure that monthly Federal ONE Loan statements  
22          and other publications of the Department do not contain  
23          more than four digits of the Social Security number of  
24          any individual.



1       “(f) **AUTHORITY TO SELL LOANS.**—The Secretary,  
2 in consultation with the Secretary of the Treasury, is au-  
3 thorized to sell loans made under this part on such terms  
4 determined to be in the best interest of the United States,  
5 except that any such sale shall not result in any cost to  
6 the Federal Government.”.

7                                   **PART F—NEED ANALYSIS**

8   **SEC. 471. COST OF ATTENDANCE.**

9       Section 472 (20 U.S.C. 1087ll) is amended—

10                   (1) by striking paragraph (10); and

11                   (2) by redesignating paragraphs (11), (12), and  
12                   (13) as paragraphs (10), (11), and (12), respec-  
13                   tively.

14   **SEC. 472. SIMPLIFIED NEEDS TEST.**

15       Section 479(b)(1) (20 U.S.C. 1087ss) is amended by  
16 striking “\$50,000” both places it appears and inserting  
17 “\$100,000”.

18   **SEC. 473. DISCRETION OF STUDENT FINANCIAL AID ADMIN-**

19                                   **ISTRATORS.**

20       Section 479A (20 U.S.C. 1087tt) is amended—

21                   (1) in subsection (a), by striking “financial as-  
22                   sistance under section 428H or a Federal Direct  
23                   Unsubsidized Stafford Loan” and inserting “a Fed-  
24                   eral Direct Unsubsidized Stafford Loan or a Federal  
25                   ONE Loan”;

1           (2) in subsection (c), by striking “part B or D”  
2           and inserting “part D or E”; and

3           (3) by adding at the end the following:

4           “(d) **ADJUSTMENT BASED ON DELIVERY OF IN-**  
5 **STRUCTION.**—A student’s eligibility to receive grants,  
6 loans, or work assistance under this title shall be reduced  
7 if a financial aid officer determines, in accordance with  
8 the discretionary authority provided under this section,  
9 that the model or method used to deliver instruction to  
10 the student results in a substantially reduced cost of at-  
11 tendance to the student.”.

12 **SEC. 474. DEFINITIONS OF TOTAL INCOME AND ASSETS.**

13           Section 480 (20 U.S.C. 1087vv) is amended—

14           (1) in subsection (a)(1), by striking subpara-  
15           graph (B) and inserting the following:

16                   “(B) Notwithstanding section 478(a), the  
17                   Secretary shall provide for the use of data from  
18                   the second preceding tax year to carry out the  
19                   simplification of applications (including sim-  
20                   plification for a subset of applications) used for  
21                   the estimation and determination of financial  
22                   aid eligibility. Such simplification shall include  
23                   the sharing of data between the Internal Rev-  
24                   enue Service and the Department, pursuant to  
25                   the consent of the taxpayer.”; and

1 (2) in subsection (f)—

2 (A) in paragraph (2)—

3 (i) in subparagraph (B), by striking  
4 “or” at the end;

5 (ii) in subparagraph (C), by striking  
6 the period at the end and inserting “; or”;  
7 and

8 (iii) by adding at the end the fol-  
9 lowing:

10 “(D) a qualified tuition program (as de-  
11 fined in section 529(b)(1)(A) of the Internal  
12 Revenue Code of 1986).”; and

13 (B) in paragraph (5)(A)(i), by striking  
14 “qualified tuition program (as defined in sec-  
15 tion 529(b)(1)(A) of the Internal Revenue Code  
16 of 1986) or other”.

17 **PART G—GENERAL PROVISIONS RELATING TO**  
18 **STUDENT ASSISTANCE**

19 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**  
20 **PROGRAM.**

21 Section 481 (20 U.S.C. 1088) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (2)(A)—

1 (i) by striking “For the” and insert-  
2 ing the following: “Except as provided in  
3 paragraph (3), for the”; and

4 (ii) in clause (i), by striking “require  
5 a minimum of 30 weeks” and inserting the  
6 following: “require—

7 “(I) a minimum of 30 weeks”;

8 (iii) in clause (ii), by striking “re-  
9 quire”;

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

12 (v) by redesignating clause (iii) as  
13 clause (ii); and

14 (B) by adding at the end the following:

15 “(3)(A) For the purpose of a competency-based  
16 education program the term ‘academic year’ shall be  
17 the published measured period established by the in-  
18 stitution of higher education that is necessary for a  
19 student with a normal full-time workload for the  
20 course of study the student is pursuing (as meas-  
21 ured using the value of competencies or sets of com-  
22 petencies required by such institution and approved  
23 by such institution’s accrediting agency or associa-  
24 tion) to earn—

25 “(i) one-quarter of a bachelor’s degree;

1           “(ii) one-half of an associate’s degree; or

2           “(iii) with respect to a non-degree or graduate  
3 program, the equivalent of a period described in  
4 clause (i) or (ii).

5           “(B)(i) A competency-based education pro-  
6 gram that is not a term-based program may be  
7 treated as a term-based program for purposes  
8 of establishing payment periods for disburse-  
9 ment of loans and grants under this title if—

10           “(I) the institution of higher edu-  
11 cation that offers such program charges a  
12 flat subscription fee for access to instruc-  
13 tion during a period determined by the in-  
14 stitution; and

15           “(II) the institution is able to deter-  
16 mine the competencies a student is ex-  
17 pected to demonstrate for such subscrip-  
18 tion period.

19           “(ii) Clause (i) shall apply even in a case  
20 in which instruction or other work with respect  
21 to a competency that is expected to be attrib-  
22 utable to a subscription period begins prior to  
23 such subscription period.

24           “(iii) In a case in which a competency-  
25 based education program offered by an institu-

1           tion of higher education is treated as a term-  
2           based program under clause (i), the institution  
3           shall review the academic progress of each stu-  
4           dent enrolled in such program in accordance  
5           with section 484(c), except that such review  
6           shall occur at the end of each payment period.”;

7           (2) by amending subsection (b) to read as fol-  
8           lows:

9           “(b) ELIGIBLE PROGRAM.—(1) For purposes of this  
10          title, the term ‘eligible program’ means—

11           “(A) a program of at least 300 clock hours of  
12          instruction, 8 semester hours, or 12 quarter hours,  
13          offered during a minimum of 10 weeks; or

14           “(B) a competency-based program that—

15           “(i) has been evaluated and approved by  
16          an accrediting agency or association that—

17           “(I) is recognized by the Secretary  
18          under subpart 2 of part H; and

19           “(II) has evaluation of competency-  
20          based education programs within the scope  
21          of its recognition in accordance with sec-  
22          tion 496(a)(4)(C); or

23           “(ii) as of the day before the date of enact-  
24          ment of the PROSPER Act, met the require-  
25          ments of a direct assessment program under

1 section 481(b)(4) (as such section was in effect  
2 on the day before such date of enactment).

3 “(2) An eligible program described in paragraph (1)  
4 may be offered in whole or in part through telecommuni-  
5 cations.

6 “(3) For purposes of this title, the term ‘eligible pro-  
7 gram’ does not include a program that loses its eligibility  
8 under section 481B(a).

9 “(4)(A) If an eligible institution enters into a written  
10 arrangement with an institution or organization that is  
11 not an eligible institution under which such ineligible insti-  
12 tution or organization provides the educational program  
13 (in whole or in part) of students enrolled in the eligible  
14 institution, the educational program provided by such in-  
15 eligible institution shall be considered to be an eligible pro-  
16 gram if—

17 “(i) the ineligible institution or organiza-  
18 tion has not—

19 “(I) had its eligibility to participate in  
20 the programs under this title terminated  
21 by the Secretary;

22 “(II) voluntarily withdrawn from par-  
23 ticipation in the programs under this title  
24 under a proceeding initiated by the Sec-  
25 retary, accrediting agency or association,

1 guarantor, or the licensing agency for the  
2 State in which the institution is located,  
3 including a termination, show-cause, or  
4 suspension;

5 “(III) had its certification under sub-  
6 part 3 of part H to participate in the pro-  
7 grams under this title revoked by the Sec-  
8 retary;

9 “(IV) had its application for recertifi-  
10 cation under subpart 3 of part H to par-  
11 ticipate in the programs under this title  
12 denied by the Secretary; or

13 “(V) had its application for certifi-  
14 cation under subpart 3 of part H to par-  
15 ticipate in the programs under this title  
16 denied by the Secretary;

17 “(ii) the educational program offered by  
18 the institution that grants the degree or certifi-  
19 cate otherwise satisfies the requirements of  
20 paragraph (1); and

21 “(iii)(I) the ineligible institution or organi-  
22 zation provides 25 percent or less of the edu-  
23 cational program; or



1           “(II)(aa) the ineligible institution or orga-  
2           nization provides more than 25 percent of the  
3           educational program; and

4           “(bb) the eligible institution’s accrediting  
5           agency or association has determined that the  
6           eligible institution’s arrangement meets the  
7           agency’s standards for the contracting out of  
8           educational services in accordance with section  
9           496(c)(5)(B)(iv).

10          “(B) For purposes of subparagraph (A), the term ‘el-  
11          igible institution’ means an institution described in section  
12          487(a).”; and

13          (3) in subsection (c)(2), by striking “part B  
14          of”.

15       **SEC. 482. PROGRAMMATIC LOAN REPAYMENT RATES.**

16          Part G of title IV (20 U.S.C. 1088 et seq. is amend-  
17          ed, as amended by section 481, is further amended by in-  
18          serting after section 481A (20 U.S.C. 1088a) the fol-  
19          lowing:

20       **“SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.**

21          “(a) INELIGIBILITY OF AN EDUCATIONAL PROGRAM  
22          BASED ON LOW REPAYMENT RATES.—

23               “(1) IN GENERAL.—With respect to fiscal year  
24               2016 and each succeeding fiscal year, an educational  
25               program at an institution of higher education whose

1 loan repayment rate is less than 45 percent for each  
2 of the 3 most recent fiscal years for which data are  
3 available shall not be considered an eligible program  
4 for the fiscal year in which the determination is  
5 made and for the 2 succeeding fiscal years, unless,  
6 not later than 30 days after receiving notification  
7 from the Secretary of the loss of eligibility under  
8 this paragraph, the institution appeals the loss of  
9 such program's eligibility to the Secretary.

10 “(2) APPEAL.—The Secretary shall issue a de-  
11 cision on any such appeal within 45 days after its  
12 submission. Such decision may permit a program to  
13 be considered an eligible program, if—

14 “(A) the institution demonstrates to the  
15 satisfaction of the Secretary that—

16 “(i) the Secretary's calculation of  
17 such program's loan repayment rate is not  
18 accurate; and

19 “(ii) recalculation would increase such  
20 program's loan repayment rate for any of  
21 the 3 fiscal years equal to or greater than  
22 45 percent; or

23 “(B) the program is not subject to para-  
24 graph (1) by reason of paragraph (3).

25 “(3) PARTICIPATION RATE INDEX.—

1           “(A) IN GENERAL.—An institution that  
2 demonstrates to the Secretary that a program’s  
3 participation rate index is equal to or less than  
4 0.11 for any of the 3 most recent fiscal years  
5 for which data is available shall not be subject  
6 to paragraph (1).

7           “(B) INDEX CALCULATION.—The partici-  
8 pation rate index for a program shall be deter-  
9 mined by multiplying—

10                   “(i) the amount of the difference be-  
11 tween—

12                           “(I) 1.0; and

13                           “(II) the quotient that results by  
14 dividing—

15                                   “(aa) the program’s loan re-  
16 payment rate for a fiscal year, or  
17 the weighted average loan repay-  
18 ment rate for a fiscal year, by

19                                   “(bb) 100; and

20                   “(ii) the quotient that results by di-  
21 viding—

22                           “(I) the percentage of the pro-  
23 gram’s regular students, enrolled on  
24 at least a half-time basis, who re-  
25 ceived a covered loan for a 12-month

1 period ending during the 6 months  
2 immediately preceding the fiscal year  
3 for which the program's loan repay-  
4 ment rate or the weighted average  
5 loan repayment rate is determined, by  
6 “(II) 100.

7 “(C) DATA.—An institution shall provide  
8 the Secretary with sufficient data to determine  
9 the program's participation rate index not later  
10 than 30 days after receiving an initial notifica-  
11 tion of the program's draft loan repayment rate  
12 under subsection (d)(4)(C).

13 “(D) NOTIFICATION.—Prior to publication  
14 of a final loan repayment rate under subsection  
15 (d)(4)(A) for a program at an institution that  
16 provides the data described in subparagraph  
17 (C), the Secretary shall notify the institution of  
18 the institution's compliance or noncompliance  
19 with subparagraph (A).

20 “(b) REPAYMENT IMPROVEMENT AND ASSESSMENT  
21 OF ELIGIBILITY BASED ON LOW LOAN REPAYMENT  
22 RATES.—

23 “(1) FIRST YEAR.—

24 “(A) IN GENERAL.—An institution with a  
25 program whose loan repayment rate is less than

1           45 percent for any fiscal year shall establish a  
2           repayment improvement task force to prepare a  
3           plan to—

4                   “(i) identify the factors causing such  
5                   program’s loan repayment rate to fall  
6                   below such percent;

7                   “(ii) establish measurable objectives  
8                   and the steps to be taken to improve the  
9                   program’s loan repayment rate; and

10                   “(iii) specify actions that the institu-  
11                   tion can take to improve student loan re-  
12                   payment, including appropriate counseling  
13                   regarding loan repayment options.

14                   “(B) TECHNICAL ASSISTANCE.—Each in-  
15                   stitution subject to this paragraph shall submit  
16                   the plan under subparagraph (A) to the Sec-  
17                   retary, who shall review the plan and offer tech-  
18                   nical assistance to the institution to promote  
19                   improved student loan repayment.

20                   “(2) SECOND CONSECUTIVE YEAR.—

21                   “(A) IN GENERAL.—An institution with a  
22                   program whose loan repayment rate is less than  
23                   45 percent for two consecutive fiscal years,  
24                   shall—

1           “(i) require the institution’s repay-  
2           ment improvement task force established  
3           under paragraph (1) to review and revise  
4           the plan required under such paragraph;  
5           and

6           “(ii) submit such revised plan to the  
7           Secretary.

8           “(B) REVIEW BY THE SECRETARY.—The  
9           Secretary—

10           “(i) shall review each revised plan  
11           submitted in accordance with this para-  
12           graph; and

13           “(ii) may direct that such plan be  
14           amended to include actions, with measur-  
15           able objectives, that the Secretary deter-  
16           mines, based on available data and anal-  
17           yses of student loan repayment and non-re-  
18           payment, will promote student loan repay-  
19           ment.

20           “(c) PROGRAMMATIC LOAN REPAYMENT RATE DE-  
21           FINED.—

22           “(1) IN GENERAL.—Except as provided in sub-  
23           section (d), for purposes of this section, the term  
24           ‘loan repayment rate’ means, when used with respect  
25           to an educational program at an institution—

1           “(A) with respect to any fiscal year in  
2           which 30 or more current and former students  
3           in such program enter repayment on a covered  
4           loan received for attendance in such program,  
5           the percentage of such current and former stu-  
6           dents—

7                   “(i) who enter repayment in such fis-  
8                   cal year on a covered loan received for at-  
9                   tendance in such program; and

10                   “(ii) who are in a positive repayment  
11                   status on each such covered loan at the  
12                   end of the second fiscal year following the  
13                   fiscal year in which such students entered  
14                   repayment on such loan; and

15           “(B) with respect to any fiscal year in  
16           which fewer than 30 of the current and former  
17           students in such program enter repayment on a  
18           covered loan received for attendance in such  
19           program, the percentage of such current and  
20           former students—

21                   “(i) who, in any of the three most re-  
22                   cent fiscal years, entered repayment on a  
23                   covered loan received for attendance in  
24                   such program; and

1                   “(ii) who are in a positive repayment  
2                   status on each such covered loan at the  
3                   end of the second fiscal year following the  
4                   fiscal year in which such students entered  
5                   repayment on such loan.

6                   “(2) GUARANTY AGENCY REQUIREMENTS.—The  
7                   Secretary shall require that each guaranty agency  
8                   that has insured loans for current or former stu-  
9                   dents of the institution afford such institution a rea-  
10                  sonable opportunity (as specified by the Secretary)  
11                  to review and correct errors in the information re-  
12                  quired to be provided to the Secretary by the guar-  
13                  anty agency for the purposes of calculating a loan  
14                  repayment rate for programs at such institution,  
15                  prior to the calculation of such rate.

16                  “(3) POSITIVE REPAYMENT STATUS.—For pur-  
17                  poses of this section, the term ‘positive repayment  
18                  status’, when used with respect to a borrower of a  
19                  covered loan, means—

20                         “(A) the borrower has entered repayment  
21                         on such loan, and such loan is less than 90  
22                         days delinquent;

23                         “(B) the loan is paid in full (but not  
24                         through consolidation); or



1           “(C) with respect to a covered loan that is  
2           a Federal ONE Loan, the loan is in a  
3           deferment described in 469A(b)(1), and with  
4           respect to a covered loan made, insured, or  
5           guaranteed under part B or made under part  
6           D, the loan is in a deferment or forbearance  
7           that is comparable to a deferment described in  
8           469A(b)(1).

9           “(4) COVERED LOAN.—For purposes of this  
10          section—

11           “(A) the term ‘covered loan’ means—

12           “(i) a loan made, insured, or guaran-  
13           teed under section 428 or 428H;

14           “(ii) a Federal Direct Stafford Loan;

15           “(iii) a Federal Direct Unsubsidized  
16           Stafford Loan;

17           “(iv) a Federal Direct PLUS Loan  
18           issued to a graduate or professional stu-  
19           dent;

20           “(v) a Federal ONE Loan; or

21           “(vi) the portion of a loan made under  
22           section 428C, a Federal Direct Consolida-  
23           tion Loan, or a Federal ONE Consolida-  
24           tion Loan that is used to repay any loan  
25           described in clauses (i) through (v); and

1           “(B) the term ‘covered loan’ does not in-  
2           clude a loan described in subparagraph (A) that  
3           has been discharged under section 437(a).

4           “(d) SPECIAL RULES.—

5           “(1) IN GENERAL.—In the case of a student  
6           who has attended and borrowed at more than one  
7           institution of higher education or for more than one  
8           educational program at an institution, the student  
9           (and such student’s subsequent positive repayment  
10          status on a covered loan, if applicable)) shall be at-  
11          tributed to each institution of higher education and  
12          educational program for attendance at which the  
13          student received a loan that entered repayment for  
14          the fiscal year for which the loan repayment rate is  
15          being calculated.

16          “(2) DELINQUENT.—A loan on which a pay-  
17          ment is made by an institution of higher education,  
18          such institutions’s owner, agent, contractor, em-  
19          ployee, or any other entity or individual affiliated  
20          with such institution, in order to prevent the bor-  
21          rower from being more than 90 days delinquent on  
22          the loan, shall be considered more than 90 days de-  
23          linquent for purposes of this subsection.

24          “(3) REGULATIONS TO PREVENT EVASIONS.—

25          The Secretary shall prescribe regulations designed to

1 prevent an institution of higher education from evad-  
2 ing the application of a loan repayment rate deter-  
3 mination under this section to an educational pro-  
4 gram at such institution through—

5 “(A) the use of such measures as branch-  
6 ing, consolidation, change of ownership or con-  
7 trol, or any similar device; or

8 “(B) creating a new educational program  
9 that is substantially similar to a program deter-  
10 mined to be ineligible under subsection (a).

11 “(4) COLLECTION AND REPORTING OF LOAN  
12 REPAYMENT RATES.—

13 “(A) IN GENERAL.—The Secretary shall  
14 publish not less often than once every fiscal  
15 year a report showing final loan repayment  
16 data for each program at each institution of  
17 higher education for which a loan repayment  
18 rate is calculated under this section.

19 “(B) PUBLICATION.—The Secretary shall  
20 publish the report described in subparagraph  
21 (A) by September 30 of each year.

22 “(C) DRAFTS.—

23 “(i) IN GENERAL.—The Secretary  
24 shall provide institutions with draft loan  
25 repayment rates for each educational pro-

1           gram at the institution at least 6 months  
2           prior to the release of the final rates under  
3           subparagraph (A).

4           “(ii) CHALLENGE OF DRAFT RATES.—  
5           An institution may challenge a program’s  
6           draft loan repayment rate provided under  
7           clause (i) for any fiscal year by dem-  
8           onstrating to the satisfaction of the Sec-  
9           retary that such draft loan repayment rate  
10          is not accurate.

11         “(e) TRANSITION PERIOD.—

12           “(1) DURING THE TRANSITION PERIOD.—Dur-  
13          ing the transition period, the cohort default rate for  
14          each institution of higher education shall be cal-  
15          culated under section 435(m)(1) for each fiscal year  
16          for which such rate has not yet been calculated and  
17          any requirements with respect to such rates shall  
18          continue to apply, except that the loans with respect  
19          to which such cohort default rate shall be calculated  
20          shall be the covered loans defined in subsection  
21          (c)(4).

22           “(2) AFTER THE TRANSITION PERIOD.—After  
23          the transition period, no new cohort default rates  
24          shall be calculated for an institution of higher edu-

1 cation and any requirements with respect to such  
2 rates shall cease to apply.

3 “(3) DEFINITIONS.—For purposes of this sub-  
4 section—

5 “(A) the term ‘cohort default rate’ has the  
6 meaning given the term in section 435(m); and

7 “(B) the term ‘transition period’ means  
8 the period—

9 “(i) beginning on the date of enact-  
10 ment of the PROSPER Act; and

11 “(ii) ending on the date on which the  
12 Secretary has published under subsection  
13 (d)(4)(A) the final loan repayment rate for  
14 each program at each institution of higher  
15 education with respect to each of fiscal  
16 years 2016, 2017, and 2018.”.

17 **SEC. 483. MASTER CALENDAR.**

18 Section 482 (20 U.S.C. 1089) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1)—

21 (i) in subparagraph (A), by striking  
22 “February 1” and inserting “January 15”;

23 (ii) in subparagraph (B), by striking  
24 “March 1” and inserting “February 1”;

1 (iii) in subparagraph (C), by striking  
2 “June 1” and inserting “May 1”;

3 (iv) in subparagraph (D), by striking  
4 “August 15” and inserting “July 15”;

5 (v) by striking subparagraph (E), and  
6 redesignating subparagraphs (F) and (G)  
7 as subparagraphs (E) and (F), respec-  
8 tively; and

9 (vi) in subparagraph (E), as so redес-  
10 igned, by striking “October 1” and in-  
11 serring “September 1”; and

12 (vii) in subparagraph (F), as so redес-  
13 igned, by striking “November 1” and in-  
14 serring “October 1”;

15 (B) in paragraph (2)—

16 (i) in subparagraph (F), by striking  
17 “and final Pell Grant payment schedule”;

18 (ii) in subparagraph (J), by striking  
19 “June 1” and inserting “May 1”;

20 (iii) by redesignating subparagraphs  
21 (C) through (J) as subparagraphs (D)  
22 through (K), respectively; and

23 (iv) by inserting after subparagraph  
24 (B) the following:

1 “(C) by November 1: final Pell Grant pay-  
2 ment schedule;” and

3 (2) in subsection (b)—

4 (A) by striking “413D(d), 442(d), or  
5 462(i)” and inserting “442(d)”; and

6 (B) by striking “the programs under sub-  
7 part 3 of part A, part C, and part E, respec-  
8 tively” and inserting “part C”.

9 **SEC. 484. FAFSA SIMPLIFICATION.**

10 (a) IN GENERAL.—Section 483 (20 U.S.C. 1090) is  
11 amended—

12 (1) in subsection (a)(3), by adding at the end  
13 the following:

14 “(I) FORMAT.—Not later than 1 year after  
15 the date of the enactment of the PROSPER  
16 Act, the Secretary shall make the electronic  
17 version of the forms under this paragraph avail-  
18 able through a technology tool optimized for use  
19 on mobile devices. Such technology tool shall, at  
20 minimum, enable applicants to—

21 “(i) save data; and

22 “(ii) submit the FAFSA of such appli-  
23 cant to the Secretary through such tool.

24 “(J) CONSUMER TESTING.—In developing  
25 and maintaining the electronic version of the

1 forms under this paragraph and the technology  
2 tool for mobile devices under subparagraph (I),  
3 the Secretary shall conduct consumer testing  
4 with appropriate persons to ensure the forms  
5 and technology tool are designed to be easily  
6 usable and understandable by students and  
7 families. Such consumer testing shall include—

8 “(i) current and prospective college  
9 students, family members of such students,  
10 and other individuals with expertise in stu-  
11 dent financial assistance application proc-  
12 esses;

13 “(ii) dependent students and inde-  
14 pendent students who meet the require-  
15 ments under subsection (b) or (c) of sec-  
16 tion 479; and

17 “(iii) dependent students and inde-  
18 pendent students who do not meet the re-  
19 quirements under subsection (b) or (c) of  
20 section 479.”; and

21 (2) by amending subsection (f) to read as fol-  
22 lows:

23 “(f) USE OF INTERNAL REVENUE SERVICE DATA  
24 RETRIEVAL TOOL TO POPULATE FAFSA.—



1           “(1) SIMPLIFICATION EFFORTS.—The Sec-  
2       retary shall—

3           “(A) make every effort to allow applicants  
4       to utilize the current data retrieval tool to  
5       transfer, through a rigorous authentication  
6       process, data available from the Internal Rev-  
7       enue Service to reduce the amount of original  
8       data entry by applicants and strengthen the re-  
9       liability of data used to calculate expected fam-  
10      ily contributions, including through the use of  
11      technology to—

12           “(i) allow an applicant to automati-  
13      cally populate the electronic version of the  
14      forms under this paragraph with data  
15      available from the Internal Revenue Serv-  
16      ice; and

17           “(ii) direct an applicant to appro-  
18      priate questions on such forms based on  
19      the applicant’s answers to previous ques-  
20      tions; and

21           “(B) allow single taxpayers, married tax-  
22      payers filing jointly, and married taxpayers fil-  
23      ing separately to utilize the current data re-  
24      trieval tool to its full capacity.

1           “(2) USE OF TAX RETURN IN APPLICATION  
2           PROCESS.—The Secretary shall continue to examine  
3           whether data provided by the Internal Revenue Serv-  
4           ice can be used to generate an expected family con-  
5           tribution without additional action on the part of the  
6           student and taxpayer.

7           “(3) REPORTS ON FAFSA SIMPLIFICATION EF-  
8           FORTS.—Not less than once every other year, the  
9           Secretary shall report to the authorizing committees  
10          on—

11                   “(A) the progress of the simplification ef-  
12                   forts under this subsection; and

13                   “(B) the security of the data retrieval  
14                   tool.”.

15          (b) TECHNICAL AMENDMENT.—Section 483(a)(9)(C)  
16          (20 U.S.C. 1090(a)(9)(C)) is amended by inserting “, in-  
17          cluding through the tool described in section 485E(c)” be-  
18          fore the semicolon.

19          **SEC. 485. STUDENT ELIGIBILITY.**

20          Section 484 (20 U.S.C. 1091) is amended—

21                  (1) in subsection (a)—

22                          (A) in paragraph (1), by striking “a de-  
23                          gree, certificate, or other program (including a  
24                          program of study abroad approved for credit by  
25                          the eligible institution at which such student is

1 enrolled) leading to a” and inserting “an eligi-  
2 ble program (including a program of study  
3 abroad approved for credit by the eligible insti-  
4 tution at which such student is enrolled) lead-  
5 ing to a degree, certificate, or other”; and

6 (B) in paragraph (3), by inserting “ as in  
7 effect on the day before the date of enactment  
8 of the PROSPER Act and pursuant to section  
9 461(a) of such Act,” after “part E,”;

10 (2) in subsection (b)—

11 (A) in paragraph (3)(B), by striking “part  
12 B or D” and inserting “part B, D, or E”; and

13 (B) by adding at the end the following:

14 “(6) For purposes of competency-based education, in  
15 order to be eligible to receive any loan under this title for  
16 an award year, a student may be enrolled in coursework  
17 attributable only to 2 academic years within the award  
18 year.”;

19 (3) in subsection (c)—

20 (A) in paragraph (1)—

21 (i) in subparagraph (A)—

22 (I) by inserting “least as fre-  
23 quently as” before “the end of each”;

24 and

1 (II) by striking “, and” at the  
2 end and inserting a semicolon;

3 (ii) in subparagraph (B)—

4 (I) by striking “the student has a  
5 cumulative” and inserting the fol-  
6 lowing: “the student has—

7 “(i) a cumulative”;

8 (II) by striking “the second” and  
9 inserting “each”;

10 (III) by striking the period at the  
11 end and inserting “; or” ; and

12 (IV) by adding at the end the fol-  
13 lowing:

14 “(ii) for the purposes of competency-  
15 based programs, a non-grade equivalent  
16 demonstration of academic standing con-  
17 sistent with the requirements for gradua-  
18 tion, as determined by the institution, at  
19 the end of each such academic year; and”;  
20 and

21 (iii) by adding at the end the fol-  
22 lowing:

23 “(C) the student maintains a pace in his or her  
24 educational program that—

1           “(i) ensures that the student completes the  
2           program within the maximum timeframe; and

3           “(ii) is measured by a method determined  
4           by the institution which may be based on credit  
5           hours, clock hours, or competencies com-  
6           pleted.”;

7           (B) in paragraph (2), by striking “grading  
8           period” and inserting “evaluation period”; and

9           (C) by adding at the end the following:

10          “(4) For purposes of this subsection, the term ‘max-  
11          imum timeframe’ means—

12           “(A) with respect to an undergraduate program  
13           measured in credit hours, a period that is no longer  
14           than 150 percent of the published length of the edu-  
15           cational program, as measured in credit hours;

16           “(B) with respect to an undergraduate program  
17           measured in competencies, a period that is no longer  
18           than 150 percent of the published length of the edu-  
19           cational program, as measured in competencies;

20           “(C) with respect to an undergraduate program  
21           measured in clock hours, a period that is no longer  
22           than 150 percent of the published length of the edu-  
23           cational program, as measured by the cumulative  
24           number of clock hours the student is required to  
25           complete and expressed in calendar time; and

1           “(D) with respect to a graduate program, a pe-  
2           riod defined by the institution that is based on the  
3           length of the educational program.”;

4           (4) by amending subsection (d) to read as fol-  
5           lows:

6           “(d) **ADDITIONAL STUDENT ELIGIBILITY.**—

7           “(1) **ABILITY TO BENEFIT STUDENTS.**—In  
8           order for a student who does not have a certificate  
9           of graduation from a school providing secondary  
10          education, or the recognized equivalent of such cer-  
11          tificate, to be eligible for any assistance under sub-  
12          part 1 of part A and parts C, D, and E of this title,  
13          the student shall be determined by the institution of  
14          higher education as having the ability to benefit  
15          from the education offered by the institution of high-  
16          er education upon satisfactory completion of 6 credit  
17          hours or the equivalent coursework that are applica-  
18          ble toward a degree or certificate offered by the in-  
19          stitution of higher education.

20          “(2) **HOMESCHOOL STUDENTS.**—A student who  
21          has completed a secondary school education in a  
22          home school setting that is treated as a home school  
23          or private school under State law shall be eligible for  
24          assistance under subpart 1 of part A and parts C,  
25          D, and E of this title.

1           “(3) SECONDARY EDUCATION PROVIDED BY  
2           NONPROFIT CORPORATIONS.—A student who has  
3           completed a secondary education provided by a  
4           school operating as a nonprofit corporation that of-  
5           fers a program of study determined acceptable for  
6           admission at an institution of higher education shall  
7           be eligible for assistance under subpart 1 of part A  
8           and parts C, D, and E of this title”.

9           (5) in subsection (f)(1), by striking “or part E”  
10          both places it appears and inserting the following: “,  
11          part E (as in effect on the day before the date of  
12          enactment of the PROSPER Act and pursuant to  
13          section 461(a) of such Act), or part E (as in effect  
14          on or after the date of enactment of the PROSPER  
15          Act)”;

16          (6) by striking subsection (l);

17          (7) in subsection (n)—

18                 (A) by striking “(n) DATA BASE MATCH-  
19                 ING.—To enforce”; and inserting the following:

20                 “(n) SELECTIVE SERVICE REGISTRATION.—

21                 “(1) DATA BASE MATCHING.—To enforce”; and

22                 (B) by adding at the end the following:

23                 “(2) EFFECT OF FAILURE TO REGISTER FOR  
24                 SELECTIVE SERVICE.—A person who is 26 years of  
25                 age or older shall not be ineligible for assistance or

1 a benefit provided under this title by reason of fail-  
2 ure to present himself for, and submit to, registra-  
3 tion under section 3 of the Military Selective Service  
4 Act (50 U.S.C. 3802).”; and

5 (8) by redesignating subsections (m) through  
6 (t) as subsections (l) through (s).

7 **SEC. 486. STATUTE OF LIMITATIONS.**

8 Section 484A (20 U.S.C. 1088) is amended—

9 (1) in subsection (a)(2)(C)—

10 (A) by striking “or section 463(a)” and in-  
11 serting “, section 463(a) (as in effect on the  
12 day before the date of enactment of the PROS-  
13 PER Act and pursuant to section 461(a) of  
14 such Act), or section 463 (as in effect on or  
15 after the date of enactment of the PROSPER  
16 Act)”; and

17 (B) by striking “or E” and inserting “, E  
18 (as in effect on the day before the date of en-  
19 actment of the PROSPER Act and pursuant to  
20 section 461(a) of such Act), or E (as in effect  
21 on or after the date of enactment of the PROS-  
22 PER Act)”; and

23 (2) in subsection (b)—

24 (A) by striking “and” at the end of para-  
25 graph (2);



1 (B) in paragraph (3)—

2 (i) by inserting “(as in effect on the  
3 day before the date of enactment of the  
4 PROSPER Act and pursuant to section  
5 461(a) of such Act)” after “part E”;

6 (ii) by inserting “(as so in effect)”  
7 after “section 463(a)”; and

8 (iii) by adding “and” at the end; and

9 (C) by adding at the end the following:

10 “(4) in collecting any obligation arising from a  
11 loan made under part E (as in effect on or after the  
12 date of enactment of the PROSPER Act), an insti-  
13 tution of higher education that has an agreement  
14 with the Secretary pursuant to section 463(a) (as so  
15 in effect) shall not be subject to a defense raised by  
16 any borrower based on a claim of infancy.”.

17 **SEC. 487. INSTITUTIONAL REFUNDS.**

18 Section 484B (20 U.S.C. 1091b) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1)—

21 (i) by striking “If a recipient” and in-  
22 serting the following:

23 “(A) CONSEQUENCE OF WITHDRAWAL.—If  
24 a recipient”; and

1 (ii) by adding at the end the fol-  
2 lowing:

3 “(B) SPECIAL RULE.—For purposes of  
4 subparagraph (A), a student—

5 “(i) who is enrolled in a program of-  
6 fered in modules is not considered with-  
7 drawn if the change in the student’s at-  
8 tendance constitutes a change in enroll-  
9 ment status within the payment period  
10 rather than a discontinuance of attendance  
11 within the payment period; and

12 “(ii) is considered withdrawn if the  
13 student follows the institution’s official  
14 withdrawal procedures or leaves without  
15 notifying the institution and has not re-  
16 turned before the end of the payment pe-  
17 riod.”;

18 (B) in paragraph (3)—

19 (i) in subparagraph (B), by striking  
20 clauses (i) and (ii) and inserting the fol-  
21 lowing:

22 “(i) 0 percent, if the day the student  
23 withdrew occurs when the student has  
24 completed (as determined in accordance

1 with subsection (d)) 0 to 24 percent of the  
2 payment period or period of enrollment;

3 “(ii) 25 percent, if the day the stu-  
4 dent withdrew occurs when the student has  
5 completed (as determined in accordance  
6 with subsection (d)) 25 to 49 percent of  
7 the payment period or period of enroll-  
8 ment;

9 “(iii) 50 percent, if the day the stu-  
10 dent withdrew occurs when the student has  
11 completed (as determined in accordance  
12 with subsection (d)) 50 to 74 percent of  
13 the payment period or period of enroll-  
14 ment; or

15 “(iv) 75 percent, if the day the stu-  
16 dent withdrew occurs when the student has  
17 completed (as determined in accordance  
18 with subsection (d)) 75 to 99 percent of  
19 the payment period or period of enroll-  
20 ment.”.

21 (ii) in subparagraph (C)(i), by strik-  
22 ing “subparts 1 and 3 of part A” and in-  
23 serting “subpart 1 of part A”; and  
24 (C) in paragraph (4)—

1 (i) in subparagraph (A), by striking  
2 “Secretary), the institution of higher edu-  
3 cation shall contact the borrower” and in-  
4 serting “Secretary), the institution of high-  
5 er education shall have discretion to deter-  
6 mine whether all or a portion of the late or  
7 post-withdrawal disbursement should be  
8 made, under a publicized institutional pol-  
9 icy. If the institution of higher education  
10 determines that a disbursement should be  
11 made, the institution shall contact the bor-  
12 rower”; and

13 (ii) in subparagraph (B) by striking  
14 “institution or the student, or both, as  
15 may be required under paragraphs (1) and  
16 (2) of subsection (b), to the programs  
17 under this title in the order specified in”  
18 and inserting “institution, as may be re-  
19 quired under paragraph (1) of subsection  
20 (b), to the programs under this title in ac-  
21 cordance with”;

22 (2) by amending subsection (b) to read as fol-  
23 lows:

24 “(b) RETURN OF TITLE IV PROGRAM FUNDS.—

1           “(1) RESPONSIBILITY OF THE INSTITUTION.—

2           The institution shall return not later than 60 days  
3           from the determination of withdrawal, in accordance  
4           with paragraph (3), the amount of grant and loan  
5           assistance awarded under this title that has not been  
6           earned by the student, as calculated under sub-  
7           section (a)(3)(C).

8           “(2) RESPONSIBILITY OF THE STUDENT.—

9           “(A) IN GENERAL.—The student is not re-  
10          sponsible to return assistance that has not been  
11          earned, except that the institution may require  
12          the student to pay to the institution up to 10  
13          percent of the amount owed by the institution  
14          in paragraph (1).

15          “(B) RULE OF CONSTRUCTION.—Nothing  
16          in this section shall be construed to prevent an  
17          institution from enforcing the published institu-  
18          tional refund policies of such institution.

19          “(3) ORDER OF RETURN OF TITLE IV FUNDS.—

20          “(A) IN GENERAL.—Excess funds returned  
21          by the institution in accordance with paragraph  
22          (1) shall be credited to awards under subpart 1  
23          of part A for the payment period or period of  
24          enrollment for which a return of funds is re-  
25          quired.

1           “(B) REMAINING EXCESSES.—If excess  
2 funds remain after repaying all outstanding  
3 grant amounts, the remaining excess shall be  
4 credited in the following order:

5           “(i) To outstanding balances on loans  
6 made under this title to the student or on  
7 behalf of the student for the payment pe-  
8 riod or period of enrollment for which a re-  
9 turn of funds is required.

10           “(ii) To other assistance awarded  
11 under this title for which a return of funds  
12 is required.”;

13           (3) by amending subsection (c) to read as fol-  
14 lows:

15           “(c) WITHDRAWAL DATE.—

16           “(1) IN GENERAL.—In this section, the term  
17 ‘day the student withdrew’—

18           “(A) for institutions not required to take  
19 attendance, is the date as determined by the in-  
20 stitution that—

21           “(i) the student began the withdrawal  
22 process prescribed and publicized by the  
23 institution, or a later date if the student  
24 continued attendance despite beginning the

1 withdrawal process, but did not then com-  
2 plete the payment period; or

3 “(ii) in the case of a student who does  
4 not begin the withdrawal process, the date  
5 that is the mid-point of the payment period  
6 for which assistance under this title was  
7 disbursed or another date documented by  
8 the institution; or

9 “(B) for institutions required to take at-  
10 tendance, is determined by the institution from  
11 such attendance records.

12 “(2) SPECIAL RULE.—Notwithstanding para-  
13 graph (1), if the institution determines that a stu-  
14 dent did not begin the withdrawal process, due to ill-  
15 ness, accident, grievous personal loss, or other such  
16 circumstances beyond the student’s control, the in-  
17 stitution may determine the appropriate withdrawal  
18 date under its own defined policies.

19 “(3) ATTENDANCE.—An institution is required  
20 to take attendance if an institution’s accrediting  
21 agency or State licensing agency has a requirement  
22 that the institution take attendance for all students  
23 in an academic program throughout the entire pay-  
24 ment period.”; and

25 (4) by striking subsections (d) and (e).

1 **SEC. 488. INFORMATION DISSEMINATED TO PROSPECTIVE**  
2 **AND ENROLLED STUDENTS.**

3 (a) USE OF WEBSITE TO DISSEMINATE INFORMA-  
4 TION.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is  
5 amended in the matter preceding subparagraph (A) by  
6 striking the second and third sentences and inserting the  
7 following: “The information required by this section shall  
8 be produced and be made readily available to enrolled and  
9 prospective students on the institution’s website (or in  
10 other formats upon request).”.

11 (b) INFORMATION ON PROHIBITING COPYRIGHT IN-  
12 FRINGEMENT.—Section 485(a)(1)(P) (20 U.S.C.  
13 1092(a)(1)(P)) is amended by striking “, including—”  
14 and all that follows and inserting a period.

15 (c) ELIMINATION OF CERTAIN REPORTING REQUIRE-  
16 MENTS.—

17 (1) IN GENERAL.—Section 485(a)(1) (20  
18 U.S.C. 1092(a)(1)) is amended—

19 (A) by striking subparagraph (L);

20 (B) by redesignating subparagraphs (M)  
21 through (P) as subparagraphs (L) through (O);  
22 and

23 (C) by striking subparagraphs (Q) through  
24 (V) and inserting the following:

25 “(P) the fire safety report prepared by the  
26 institution pursuant to subsection (i); and



1           “(Q) the link to the institution’s informa-  
2           tion on the College Dashboard website operated  
3           under section 132.”.

4           (2) CONFORMING AMENDMENTS.—Section  
5           485(a) (20 U.S.C. 1092(a)) is amended by striking  
6           paragraphs (3) through (7).

7           (d) EXIT COUNSELING.—Section 485(b) (20 U.S.C.  
8           1092(b)) is amended—

9           (1) in paragraph (1)(A)—

10           (A) in the matter preceding clause (i)—

11           (i) by striking “through financial aid  
12           offices or otherwise” and inserting  
13           “through the use of an interactive pro-  
14           gram, during an exit counseling session  
15           that is in-person or online, or through the  
16           use of the online counseling tool described  
17           in subsection (n)(1)(A)”;

18           (ii) by inserting “, as in effect on the  
19           day before the date of enactment of the  
20           PROSPER Act and pursuant to section  
21           461(a) of such Act or made under part E  
22           (other than Federal ONE Parent Loans),  
23           as in effect on or after the date of enact-  
24           ment of the PROSPER Act” after “part  
25           E”;

1 (B) by redesignating clauses (i) through  
2 (ix) as clauses (iv) through (xii), respectively;

3 (C) by inserting before clause (iv), as so  
4 redesignated, the following:

5 “(i) a summary of the outstanding  
6 balance of principal and interest due on  
7 the loans made to the borrower under this  
8 title;

9 “(ii) an explanation of the grace pe-  
10 riod preceding repayment and the expected  
11 date that the borrower will enter repay-  
12 ment;

13 “(iii) an explanation of cases of inter-  
14 est capitalization and that the borrower  
15 has the option to pay any interest that has  
16 accrued while the borrower was in school  
17 or that may accrue during the grace period  
18 preceding repayment or during an author-  
19 ized period of deferment or forbearance,  
20 prior to the capitalization of the interest;”;

21 (D) in clause (iv), as so redesignated—

22 (i) by striking “sample information  
23 showing the average” and inserting “infor-  
24 mation, based on the borrower’s out-

1 standing balance described in clause (i),  
2 showing the borrower's"; and

3 (ii) by striking "of each plan" and in-  
4 sserting "of at least the standard repay-  
5 ment plan and the income-based repay-  
6 ment plan under section 466(d)";

7 (E) in clause (ix), as so redesignated—

8 (i) by inserting "decreased credit  
9 score," after "credit reports,"; and

10 (ii) by inserting "potential reduced  
11 ability to rent or purchase a home or car,  
12 potential difficulty in securing employ-  
13 ment," after "Federal law,";

14 (F) in clause (x), as so redesignated, by  
15 striking "consolidation loan under section 428C  
16 or a";

17 (G) in clauses (xi) and (xii), as so redesign-  
18 ated, by striking "and" at the end; and

19 (H) by adding at the end the following:

20 "(xiii) for each of the borrower's loans  
21 made under this title for which the borrower is  
22 receiving counseling under this subsection, the  
23 contact information for the servicer of the loan  
24 and a link to the Website of such servicer; and

1           “(xiv) an explanation that an individual  
2           has a right to annually request a disclosure of  
3           information collected by a consumer reporting  
4           agency pursuant to section 612(a) of the Fair  
5           Credit Reporting Act (15 U.S.C. 1681j(a)).”;

6           (2) in paragraph (1)(B)—

7           (A) by inserting “online or” before “in  
8           writing”; and

9           (B) by adding before the period at the end  
10          the following: “, except that in the case of an  
11          institution using the online counseling tool de-  
12          scribed in subsection (n)(1)(A), the Secretary  
13          shall attempt to provide such information to the  
14          student in the manner described in subsection  
15          (n)(3)(C)”;

16          (3) in paragraph (2)(C), by inserting “, such as  
17          the online counseling tool described in subsection  
18          (n)(1)(A),” after “electronic means”.

19          (e) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS  
20          OF ASSISTANCE PROGRAMS.—The third sentence of sec-  
21          tion 485(d)(1) (20 U.S.C. 1092(d)(1)) is amended by  
22          striking “part D” and inserting “part D or E”.

23          (f) AMENDMENTS TO CLERY ACT.—

24                  (1) PREVENTING INTERFERENCE WITH CRIMI-  
25          NAL JUSTICE PROCEEDINGS; TIMELY WARNINGS;

1           CONSISTENCY OF INSTITUTIONAL CRIME REPORT-  
2           ING.—Section 485(f) (20 U.S.C. 1092(f)) is amend-  
3           ed—

4                       (A) by striking paragraph (3) and insert-  
5           ing the following:

6           “(3) Each institution participating in any pro-  
7           gram under this title, other than a foreign institu-  
8           tion of higher education, shall make timely reports  
9           to the campus community on crimes described in  
10          paragraph (1)(F) that have been reported to campus  
11          security officials and pose a serious and continuing  
12          threat to other students and employees’ safety. Such  
13          reports shall withhold the names of victims as con-  
14          fidential and shall be provided in a timely manner,  
15          except that an institution may delay issuing a report  
16          if the issuance would compromise ongoing law en-  
17          forcement efforts, such as efforts to apprehend a  
18          suspect. The report shall also include information  
19          designed to assist students and employees in staying  
20          safe and avoiding similar occurrences to the extent  
21          such information is available and appropriate to in-  
22          clude. In assessing institutional compliance with this  
23          section, the Secretary shall defer to the institution’s  
24          determination of whether a particular crime poses a  
25          serious and continuing threat to the campus commu-

1 nity, and the timeliness of such warning, provided  
2 that, in making its decision, the institution acted  
3 reasonably and based on the considered professional  
4 judgement of campus security officials, based on the  
5 facts and circumstances known at the time.”.

6 (B) by redesignating paragraph (18) as  
7 paragraph (20); and

8 (C) by inserting after paragraph (17) the  
9 following:

10 “(18) Nothing in this subsection may be construed  
11 to prohibit an institution of higher education from delay-  
12 ing the initiation of, or suspending, an investigation or in-  
13 stitutional disciplinary proceeding involving an allegation  
14 of sexual assault in response to a request from a law en-  
15 forcement agency or a prosecutor to delay the initiation  
16 of, or suspend, the investigation or proceeding, and any  
17 delay or suspension of such an investigation or proceeding  
18 in response to such a request may not serve as the grounds  
19 for any sanction or audit finding against the institution  
20 or for the suspension or termination of the institution’s  
21 participation in any program under this title.

22 “(19)(A) Reporting carried out under this subsection  
23 shall be conducted in a manner to ensure maximum con-  
24 sistency with the Uniform Crime Reporting Program of  
25 the Department of Justice.

1           “(B) The Secretary shall require institutions of high-  
2 er education to report crime statistics under this section  
3 using definitions of such crimes, when available, from the  
4 Uniform Crime Reporting Program of the Department of  
5 Justice.

6           “(C) The Secretary shall maintain a publicly avail-  
7 able and updated list of all applicable definitions from the  
8 Uniform Crime Reporting Program of the Department of  
9 Justice.

10          “(D) With respect to a report under this subsection,  
11 in the case of a crime for which no Uniform Crime Report-  
12 ing Program of the Department of Justice definition ex-  
13 ists, the Secretary shall require that institutions of higher  
14 education report such crime according to a definition pro-  
15 vided by the Secretary.

16          “(E) An institution of higher education that reports  
17 a crime described in subparagraph (D) shall not be subject  
18 to any penalty or fine for reporting inaccuracies or omis-  
19 sions if the institution of higher education can dem-  
20 onstrate that it made a reasonable and good faith effort  
21 to report crimes consistent with the definition provided by  
22 the Secretary.

23          “(F) With respect to a report under this subsection,  
24 the Secretary shall require institutions of higher education  
25 to follow the Hierarchy Rule for reporting crimes under

1 the Uniform Crime Reporting Program of the Department  
2 of Justice, so as to minimize duplicate reporting and en-  
3 sure greater consistency with national crime reporting sys-  
4 tems.”.

5 (2) DUE PROCESS REQUIREMENTS FOR INSTI-  
6 TUTIONAL DISCIPLINARY PROCEEDINGS.—Section  
7 485(f)(8)(B)(iv)(I) (20 U.S.C. 1092(f)(8)(B)(iv)(I))  
8 is amended to read as follows:

9 “(I) the investigation of the allegation  
10 and any institutional disciplinary pro-  
11 ceeding in response to the allegation shall  
12 be prompt, impartial, and fair to both the  
13 accuser and the accused by, at a min-  
14 imum—

15 “(aa) providing all parties to the  
16 proceeding with adequate written no-  
17 tice of the allegation not later than 2  
18 weeks prior to the start of any formal  
19 hearing or similar adjudicatory pro-  
20 ceeding, and including in such notice  
21 a description of all rights and respon-  
22 sibilities under the proceeding, a  
23 statement of all relevant details of the  
24 allegation, and a specific statement of  
25 the sanctions which may be imposed;



1                   “(bb) providing each person  
2                   against whom the allegation is made  
3                   with a meaningful opportunity to  
4                   admit or contest the allegation;

5                   “(cc) ensuring that all parties to  
6                   the proceeding have access to all ma-  
7                   terial evidence not later than one week  
8                   prior to the start of any formal hear-  
9                   ing or similar adjudicatory pro-  
10                  ceeding;

11                  “(dd) ensuring that the pro-  
12                  ceeding is carried out free from con-  
13                  flicts of interest by ensuring that  
14                  there is no commingling of adminis-  
15                  trative or adjudicative roles; and

16                  “(ee) ensuring that the investiga-  
17                  tion and proceeding shall be con-  
18                  ducted by officials who receive annual  
19                  education on issues related to domes-  
20                  tic violence, dating violence, sexual as-  
21                  sault, and stalking, and on how to  
22                  conduct an investigation and an insti-  
23                  tutional disciplinary proceeding that  
24                  protects the safety of victims, ensures  
25                  fairness for both the accuser and the

1                   accused, and promotes account-  
2                   ability;”.

3                   (3) ESTABLISHMENT OF STANDARD OF EVI-  
4                   DENCE FOR INSTITUTIONAL DISCIPLINARY PRO-  
5                   CEEDINGS.—

6                   (A) INCLUSION IN STATEMENT OF POL-  
7                   ICY.—Section 485(f)(8)(B) (20 U.S.C.  
8                   1092(f)(8)(B)) is amended by adding at the  
9                   end the following new clause:

10                   “(viii) The establishment of a standard of  
11                   evidence that will be used in institutional dis-  
12                   ciplinary proceedings involving allegations of  
13                   sexual assault, which may be based on such  
14                   standards and criteria as the institution con-  
15                   siders appropriate (including the institution’s  
16                   culture, history, and mission, the values re-  
17                   flected in its student code of conduct, and the  
18                   purpose of the institutional disciplinary pro-  
19                   ceedings) so long as the standard is not arbi-  
20                   trary or capricious and is applied consistently  
21                   throughout all such proceedings.”.

22                   (B) CONFORMING AMENDMENTS.—Section  
23                   485(f)(8)(B)(iv) (20 U.S.C. 1092(f)(8)(B)(iv))  
24                   is amended—

1 (i) by striking “and” at the end of  
2 subclause (II);

3 (ii) by striking the period at the end  
4 of subclause (III) and inserting “; and”;  
5 and

6 (iii) by adding at the end the fol-  
7 lowing new subclause:

8 “(IV) in the case of a proceeding in-  
9 volving an allegation of sexual assault,  
10 such proceedings shall be conducted in ac-  
11 cordance with the standard of evidence es-  
12 tablished by the institution under clause  
13 (viii), together with a clear statement de-  
14 scribing such standard of evidence.”.

15 (4) EDUCATION MODULES FOR OFFICIALS CON-  
16 DUCTING INVESTIGATIONS AND INSTITUTIONAL DIS-  
17 CIPLINARY PROCEEDINGS.—Section 485(f)(8) (20  
18 U.S.C. 1092(f)(8)) is amended by adding at the end  
19 the following new subparagraph:

20 “(D) In consultation with experts from institu-  
21 tions of higher education, law enforcement agencies,  
22 advocates for sexual assault victims, experts in due  
23 process, and other appropriate persons, the Sec-  
24 retary shall create and regularly update modules  
25 which an institution of higher education may use to

1 provide the annual education described in subpara-  
2 graph (B)(iv)(I)(ee) for officials conducting inves-  
3 tigations and institutional disciplinary proceedings  
4 involving allegations described in such subparagraph.  
5 If the institution uses such modules to provide the  
6 education described in such subparagraph, the insti-  
7 tution shall be considered to meet any requirement  
8 under such subparagraph or any other Federal law  
9 regarding the education provided to officials con-  
10 ducting such investigations and proceedings.”.

11 (g) MODIFICATION OF CERTAIN REPORTING RE-  
12 QUIREMENTS.—

13 (1) FIRE SAFETY.—Section 485(i) (20 U.S.C.  
14 1092(i)) is amended to read as follows:

15 “(i) FIRE SAFETY REPORTS.—

16 “(1) ANNUAL REPORT.—Each eligible institu-  
17 tion participating in any program under this title  
18 that maintains on-campus student housing facilities  
19 shall, on an annual basis, publish a fire safety re-  
20 port, which shall contain information with respect to  
21 the campus fire safety practices and standards of  
22 that institution, statistics on any fire related inci-  
23 dents or injuries, and any preventative measures or  
24 technologies.

1           “(2) RULES OF CONSTRUCTION.—Nothing in  
2 this subsection shall be construed to—

3           “(A) authorize the Secretary to require  
4 particular policies, procedures, programs, or  
5 practices by institutions of higher education  
6 with respect to fire safety;

7           “(B) affect section 444 of the General  
8 Education Provisions Act (commonly known as  
9 the ‘Family Education Rights and Privacy Act  
10 of 1974’) or the regulations issued under sec-  
11 tion 264 of the Health Insurance Portability  
12 and Accountability Act of 1996 (42 U.S.C.  
13 1320d-2 note);

14           “(C) create a cause of action against any  
15 institution of higher education or any employee  
16 of such an institution for any civil liability; or

17           “(D) establish any standard of care.

18           “(3) EVIDENCE.—Notwithstanding any other  
19 provision of law, evidence regarding compliance or  
20 noncompliance with this subsection shall not be ad-  
21 missible as evidence in any proceeding of any court,  
22 agency, board, or other entity, except with respect to  
23 an action to enforce this subsection.”.

24           (2) MISSING PERSONS PROCEDURES.—

1 (A) IN GENERAL.—Section 485(j)(1) (20  
2 U.S.C. 1092(j)(1)) is amended to read as fol-  
3 lows:

4 “(1) IN GENERAL.—Each institution of higher  
5 education that provides on-campus housing and par-  
6 ticipates in any program under this title shall estab-  
7 lish a missing student policy for students who reside  
8 in on-campus housing that, at a minimum, informs  
9 each residing student that the institution will notify  
10 such student’s designated emergency contact and the  
11 appropriate law enforcement agency not later than  
12 24 hours after the time that the student is deter-  
13 mined missing, and in the case of a student who is  
14 under 18 years of age, the institution will notify a  
15 custodial parent or guardian.”.

16 (B) RULE OF CONSTRUCTION.—Section  
17 485(j)(2) (20 U.S.C. 1092(j)(2)) is amended—

18 (i) by striking “or” at the end of sub-  
19 paragraph (A);

20 (ii) by striking the period at the end  
21 of subparagraph (B) and inserting “; or”;  
22 and

23 (iii) by adding at the end the fol-  
24 lowing new subparagraph:

1           “(C) to require an institution of higher  
2           education to maintain separate missing student  
3           emergency contact information, so long as the  
4           institution otherwise has an emergency contact  
5           for students residing on campus.”.

6           (h) ANNUAL COUNSELING.—Section 485(l) (20  
7 U.S.C. 1092(l)) is amended to read as follows:

8           “(l) ANNUAL FINANCIAL AID COUNSELING.—

9           “(1) ANNUAL DISCLOSURE REQUIRED.—

10           “(A) IN GENERAL.—Each eligible institu-  
11           tion shall ensure that each individual enrolled  
12           at such institution who receives a Federal Pell  
13           Grant or a loan made under this title (other  
14           than a Federal Direct Consolidation Loan or  
15           Federal ONE Consolidation Loan) receives  
16           comprehensive information on the terms and  
17           conditions of such Federal Pell Grant or loan  
18           and the responsibilities the individual has with  
19           respect to such Federal Pell Grant or loan.  
20           Such information shall be provided, for each  
21           award year for which the individual receives  
22           such Federal Pell Grant or loan, in a simple  
23           and understandable manner—

24           “(i) during a counseling session con-  
25           ducted in person;

1                   “(ii) online, with the individual ac-  
2                   knowledging receipt of the information; or

3                   “(iii) through the use of the online  
4                   counseling tool described in subsection  
5                   (n)(1)(B).

6                   “(B) USE OF INTERACTIVE PROGRAMS.—

7                   In the case of institutions not using the online  
8                   counseling tool described in subsection  
9                   (n)(1)(B), the Secretary shall require such in-  
10                  stitutions to carry out the requirements of sub-  
11                  paragraph (A)—

12                  “(i) through the use of interactive  
13                  programs;

14                  “(ii) during an annual counseling ses-  
15                  sion that is in-person or online that tests  
16                  the individual’s understanding of the terms  
17                  and conditions of the Federal Pell Grant  
18                  or loan awarded to the student; and

19                  “(iii) using simple and understandable  
20                  language and clear formatting.

21                  “(2) ALL INDIVIDUALS.—The information to be  
22                  provided under paragraph (1) to each individual re-  
23                  ceiving counseling under this subsection shall include  
24                  the following:



1           “(A) An explanation of how the student  
2           may budget for typical educational expenses  
3           and a sample budget based on the cost of at-  
4           tendance for the institution.

5           “(B) An explanation that an individual has  
6           a right to annually request a disclosure of infor-  
7           mation collected by a consumer reporting agen-  
8           cy pursuant to section 612(a) of the Fair Credit  
9           Reporting Act (15 U.S.C. 1681j(a)).

10          “(C) Based on the most recent data avail-  
11          able from the American Community Survey  
12          available from the Department of Commerce,  
13          the estimated average income and percentage of  
14          employment in the State of domicile of the bor-  
15          rower for persons with—

16                 “(i) a high school diploma or equiva-  
17                 lent;

18                 “(ii) some post-secondary education  
19                 without completion of a degree or certifi-  
20                 cate;

21                 “(iii) an associate’s degree;

22                 “(iv) a bachelor’s degree; and

23                 “(v) a graduate or professional de-  
24                 gree.

1           “(D) An introduction to the financial man-  
2           agement resources provided by the Financial  
3           Literacy and Education Commission.

4           “(3) STUDENTS RECEIVING FEDERAL PELL  
5           GRANTS.—The information to be provided under  
6           paragraph (1) to each student receiving a Federal  
7           Pell Grant shall include the following:

8           “(A) An explanation of the terms and con-  
9           ditions of the Federal Pell Grant.

10          “(B) An explanation of approved edu-  
11          cational expenses for which the student may use  
12          the Federal Pell Grant.

13          “(C) An explanation of why the student  
14          may have to repay the Federal Pell Grant.

15          “(D) An explanation of the maximum  
16          number of semesters or equivalent for which the  
17          student may be eligible to receive a Federal Pell  
18          Grant, and a statement of the amount of time  
19          remaining for which the student may be eligible  
20          to receive a Federal Pell Grant.

21          “(E) An explanation that if the student  
22          transfers to another institution not all of the  
23          student’s courses may be acceptable to apply to-  
24          ward meeting specific degree or program re-  
25          quirements at such institution, but the amount

1 of time remaining for which a student may be  
2 eligible to receive a Federal Pell Grant, as pro-  
3 vided under subparagraph (D), will not change.

4 “(F) An explanation of how the student  
5 may seek additional financial assistance from  
6 the institution’s financial aid office due to a  
7 change in the student’s financial circumstances,  
8 and the contact information for such office.

9 “(4) BORROWERS RECEIVING LOANS MADE  
10 THIS TITLE (OTHER THAN FEDERAL DIRECT PLUS  
11 LOANS MADE ON BEHALF OF DEPENDENT STU-  
12 DENTS OR FEDERAL ONE PARENT LOANS).—The in-  
13 formation to be provided under paragraph (1) to a  
14 borrower of a loan made under this title (other than  
15 other than a Federal Direct PLUS Loan made on  
16 behalf of a dependent student or a Federal ONE  
17 Parent Loan) shall include the following:

18 “(A) To the extent practicable, the effect  
19 of accepting the loan to be disbursed on the eli-  
20 gibility of the borrower for other forms of stu-  
21 dent financial assistance.

22 “(B) An explanation of the use of the mas-  
23 ter promissory note.

1           “(C) An explanation that the borrower is  
2 not required to accept the full amount of the  
3 loan offered to the borrower.

4           “(D) An explanation that the borrower  
5 should consider accepting any grant, scholar-  
6 ship, or State or Federal work-study jobs for  
7 which the borrower is eligible prior to accepting  
8 Federal student loans.

9           “(E) An explanation of treatment of loans  
10 made under this title and private education  
11 loans in bankruptcy, and an explanation that if  
12 a borrower decides to take out a private edu-  
13 cation loan—

14           “(i) the borrower has the ability to se-  
15 lect a private educational lender of the bor-  
16 rower’s choice;

17           “(ii) the proposed private education  
18 loan may impact the borrower’s potential  
19 eligibility for other financial assistance, in-  
20 cluding Federal financial assistance under  
21 this title; and

22           “(iii) the borrower has a right—

23           “(I) to accept the terms of the  
24 private education loan within 30 cal-  
25 endar days following the date on

1                   which the application for such loan is  
2                   approved and the borrower receives  
3                   the required disclosure documents,  
4                   pursuant to section 128(e)(6) of the  
5                   Truth in Lending Act; and

6                                 “(II) to cancel such loan within 3  
7                   business days of the date on which the  
8                   loan is consummated, pursuant to sec-  
9                   tion 128(e)(7) of such Act.

10                               “(F) An explanation of the approved edu-  
11                   cational expenses for which the borrower may  
12                   use a loan made under this title.

13                               “(G) Information on the annual and aggre-  
14                   gate loan limits for a loan made under this  
15                   title.

16                               “(H) Information on interest, including the  
17                   annual percentage rate of such loan, as cal-  
18                   culated using the standard 10-year repayment  
19                   term, and how interest accrues and is capital-  
20                   ized during periods when the interest is not  
21                   paid by the borrower.

22                               “(I) The option of the borrower to pay the  
23                   interest while the borrower is in school.

24                               “(J) The definition of half-time enrollment  
25                   at the institution, during regular terms and

1 summer school, if applicable, and the con-  
2 sequences of not maintaining at least half-time  
3 enrollment.

4 “(K) An explanation of the importance of  
5 contacting the appropriate offices at the institu-  
6 tion of higher education if the borrower with-  
7 draws prior to completing the borrower’s pro-  
8 gram of study so that the institution can pro-  
9 vide exit counseling, including information re-  
10 garding the borrower’s repayment options and  
11 loan consolidation.

12 “(L) For a first-time borrower or a bor-  
13 rower of a loan under this title who owes no  
14 principal or interest on such loan—

15 “(i) a statement of the anticipated  
16 balance on the loan for which the borrower  
17 is receiving counseling under this sub-  
18 section;

19 “(ii) based on such anticipated bal-  
20 ance, the anticipated monthly payment  
21 amount under, at minimum—

22 “(I) the standard repayment  
23 plan; and

24 “(II) an income-based repayment  
25 plan under section 466(d) or 493C, as

1                   determined using available percentile  
2                   data from the Bureau of Labor Sta-  
3                   tistics of the starting salary for the  
4                   occupation in which the borrower has  
5                   an interest in or intends to be em-  
6                   ployed; and

7                   “(iii) an estimate of the projected  
8                   monthly payment amount under each re-  
9                   payment plan described in clause (ii),  
10                  based on the average cumulative indebted-  
11                  ness at graduation for borrowers of loans  
12                  made under this title who are in the same  
13                  program of study as the borrower.

14                  “(M) For a borrower with an outstanding  
15                  balance of principal or interest due on a loan  
16                  made under this title—

17                         “(i) a current statement of the  
18                         amount of such outstanding balance and  
19                         interest accrued;

20                         “(ii) based on such outstanding bal-  
21                         ance, the anticipated monthly payment  
22                         amount under the standard repayment  
23                         plan, and the income-based repayment plan  
24                         under section 466(d) or 493C, as deter-  
25                         mined using available percentile data from

1 the Bureau of Labor Statistics of the  
2 starting salary for the occupation the bor-  
3 rower intends to be employed; and

4 “(iii) an estimate of the projected  
5 monthly payment amount under each re-  
6 payment plan described in clause (ii),  
7 based on—

8 “(I) the outstanding balance de-  
9 scribed in clause (i);

10 “(II) the anticipated outstanding  
11 balance on the loan for which the stu-  
12 dent is receiving counseling under this  
13 subsection; and

14 “(III) a projection for any other  
15 loans made under this title that the  
16 borrower is reasonably expected to ac-  
17 cept during the borrower’s program of  
18 study based on at least the expected  
19 increase in the cost of attendance of  
20 such program.

21 “(N) The obligation of the borrower to  
22 repay the full amount of the loan, regardless of  
23 whether the borrower completes or does not  
24 complete the program in which the borrower is



1 enrolled within the regular time for program  
2 completion.

3 “(O) The likely consequences of default on  
4 the loan, including adverse credit reports, delin-  
5 quent debt collection procedures under Federal  
6 law, and litigation, and a notice of the institu-  
7 tion’s most recent loan repayment rate (as de-  
8 fined in section 481B) for the educational pro-  
9 gram in which the borrower is enrolled, an ex-  
10 planation of the loan repayment rate, and the  
11 most recent national average loan repayment  
12 rate for an educational program.

13 “(P) Information on the National Student  
14 Loan Data System and how the borrower can  
15 access the borrower’s records.

16 “(Q) The contact information for the insti-  
17 tution’s financial aid office or other appropriate  
18 office at the institution the borrower may con-  
19 tact if the borrower has any questions about the  
20 borrower’s rights and responsibilities or the  
21 terms and conditions of the loan.

22 “(5) BORROWERS RECEIVING FEDERAL DIRECT  
23 PLUS LOANS FOR DEPENDENT STUDENTS OR FED-  
24 ERAL ONE PARENT LOANS.—The information to be  
25 provided under paragraph (1) to a borrower of a

1 Federal Direct PLUS Loan for a dependent student  
2 or a Federal ONE Parent Loan shall include the fol-  
3 lowing:

4 “(A) The information described in sub-  
5 paragraphs (A) through (C) and (N) through  
6 (Q) of paragraph (4).

7 “(B) An explanation of the treatment of  
8 the loan and private education loans in bank-  
9 ruptcy.

10 “(C) Information on the annual and aggre-  
11 gate loan limits.

12 “(D) Information on the annual percent-  
13 age rate of the loan.

14 “(E) The option of the borrower to pay the  
15 interest on the loan while the loan is in  
16 deferment.

17 “(F) For a first-time borrower of a loan or  
18 a borrower of a loan under this title who owes  
19 no principal or interest on such loan—

20 “(i) a statement of the anticipated  
21 balance on the loan for which the borrower  
22 is receiving counseling under this sub-  
23 section;

24 “(ii) based on such anticipated bal-  
25 ance, the anticipated monthly payment

1 amount under the standard repayment  
2 plan; and

3 “(iii) an estimate of the projected  
4 monthly payment amount under the stand-  
5 ard repayment plan, based on the average  
6 cumulative indebtedness of other borrowers  
7 of loans made under this title on behalf of  
8 dependent students who are in the same  
9 program of study as the student on whose  
10 behalf the borrower borrowed the loan.

11 “(G) For a borrower with an outstanding  
12 balance of principal or interest due on such  
13 loan—

14 “(i) a statement of the amount of  
15 such outstanding balance;

16 “(ii) based on such outstanding bal-  
17 ance, the anticipated monthly payment  
18 amount under the standard repayment  
19 plan; and

20 “(iii) an estimate of the projected  
21 monthly payment amount under the stand-  
22 ard repayment plan, based on—

23 “(I) the outstanding balance de-  
24 scribed in clause (i);

1                   “(II) the anticipated outstanding  
2                   balance on the loan for which the bor-  
3                   rower is receiving counseling under  
4                   this subsection; and

5                   “(III) a projection for any other  
6                   Federal Direct PLUS Loan made on  
7                   behalf of the dependent student or  
8                   Federal ONE Parent Loan that the  
9                   borrower is reasonably expected to ac-  
10                  cept during the program of study of  
11                  such student based on at least the ex-  
12                  pected increase in the cost of attend-  
13                  ance of such program.

14                  “(H) Debt management strategies that are  
15                  designed to facilitate the repayment of such in-  
16                  debtedness.

17                  “(I) An explanation that the borrower has  
18                  the options to prepay each loan, pay each loan  
19                  on a shorter schedule, and change repayment  
20                  plans.

21                  “(J) For each Federal Direct PLUS Loan  
22                  and each Federal ONE Parent Loan for which  
23                  the borrower is receiving counseling under this  
24                  subsection, the contact information for the loan

1           servicer of the loan and a link to such servicer’s  
2           Website.

3           “(6) ANNUAL LOAN ACCEPTANCE.—Prior to  
4           making the first disbursement of a loan made under  
5           this title (other than a Federal Direct Consolidation  
6           Loan or Federal ONE Consolidation Loan) to a bor-  
7           rower for an award year, an eligible institution,  
8           shall, as part of carrying out the counseling require-  
9           ments of this subsection for the loan, ensure that  
10          after receiving the applicable counseling under para-  
11          graphs (2), (4), and (5) for the loan the borrower  
12          accepts the loan for such award year by—

13                   “(A) signing the master promissory note  
14                   for the loan;

15                   “(B) signing and returning to the institu-  
16                   tion a separate written statement that affirma-  
17                   tively states that the borrower accepts the loan;  
18                   or

19                   “(C) electronically signing an electronic  
20                   version of the statement described in subpara-  
21                   graph (B).”.

22          (i) ONLINE COUNSELING TOOLS.—Section 485 (20  
23          U.S.C. 1092) is further amended by adding at the end  
24          the following:

25                   “(n) ONLINE COUNSELING TOOLS.—

1           “(1) IN GENERAL.—Beginning not later than 1  
2           year after the date of enactment of the PROSPER  
3           Act, the Secretary shall maintain—

4                   “(A) an online counseling tool that pro-  
5                   vides the exit counseling required under sub-  
6                   section (b) and meets the applicable require-  
7                   ments of this subsection; and

8                   “(B) an online counseling tool that pro-  
9                   vides the annual counseling required under sub-  
10                  section (l) and meets the applicable require-  
11                  ments of this subsection.

12           “(2) REQUIREMENTS OF TOOLS.—In maintain-  
13           ing the online counseling tools described in para-  
14           graph (1), the Secretary shall ensure that each such  
15           tool is—

16                   “(A) consumer tested to ensure that the  
17                   tool is effective in helping individuals under-  
18                   stand their rights and obligations with respect  
19                   to borrowing a loan made this title or receiving  
20                   a Federal Pell Grant;

21                   “(B) understandable to students receiving  
22                   Federal Pell Grants and borrowers of loans  
23                   made this title; and

24                   “(C) freely available to all eligible institu-  
25                   tions.

1           “(3) RECORD OF COUNSELING COMPLETION.—

2           The Secretary shall—

3                   “(A) use each online counseling tool de-  
4                   scribed in paragraph (1) to keep a record of  
5                   which individuals have received counseling using  
6                   the tool, and notify the applicable institutions  
7                   of the individual’s completion of such coun-  
8                   seling;

9                   “(B) in the case of a borrower who re-  
10                  ceives annual counseling for a loan made under  
11                  this title using the tool described in paragraph  
12                  (1)(B), notify the borrower by when the bor-  
13                  rower should accept, in a manner described in  
14                  subsection (l)(6), the loan for which the bor-  
15                  rower has received such counseling; and

16                  “(C) in the case of a borrower described in  
17                  subsection (b)(1)(B) at an institution that uses  
18                  the online counseling tool described in para-  
19                  graph (1)(A) of this subsection, the Secretary  
20                  shall attempt to provide the information de-  
21                  scribed in subsection (b)(1)(A) to the borrower  
22                  through such tool.”.

1 **SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGI-**  
2 **BILITY.**

3 Section 485E (21 U.S.C. 20 U.S.C. 1092f) is amend-  
4 ed—

5 (1) in subsection (b)—

6 (A) in paragraph (2)—

7 (i) by striking “junior year” and in-  
8 serting “sophomore year”;

9 (ii) by striking “The Secretary shall  
10 ensure that” and inserting “The Secretary  
11 shall—

12 “(A) ensure that”; and

13 (iii) by adding at the end the fol-  
14 lowing:

15 “(B) create an online platform for States,  
16 institutions of higher education, other organiza-  
17 tions involved in college access and student fi-  
18 nancial aid, secondary schools, and programs  
19 under this title that serve secondary school stu-  
20 dents to share best practices on disseminating  
21 information under this section.”.

22 (B) in paragraph (4)—

23 (i) in the first sentence—

24 (I) by striking “Not later than  
25 two years after the date of enactment



1 of the Higher Education Opportunity  
2 Act, the” and inserting “The”; and  
3 (II) by inserting “continue to”  
4 before “implement”; and  
5 (ii) in the second sentence, by striking  
6 “the Internet” and inserting “the Internet,  
7 including through social media”; and  
8 (2) by adding at the end the following:

9 “ (c) ONLINE ESTIMATOR TOOL.—

10 “(1) IN GENERAL.—Not later than 1 year after  
11 the date of enactment of the PROSPER Act, the  
12 Secretary, in consultation with States, institutions of  
13 higher education, and other individuals with experi-  
14 ence or expertise in student financial assistance ap-  
15 plication processes, shall develop an early estimator  
16 tool to be available online and through a mobile ap-  
17 plication, which—

18 “(A) allows an individual to—

19 “(i) enter basic financial and other  
20 relevant information; and

21 “(ii) on the basis of such information,  
22 receive non-binding estimates of potential  
23 Federal grant, loan, or work study assist-  
24 ance under this title for which a student

1           may be eligible upon completion of an ap-  
2           plication form under section 483(a);

3           “(B) with respect to each institution of  
4           higher education that participates in a program  
5           under this title selected by an individual for  
6           purposes of the estimator tool, provides the in-  
7           dividual with the net price (as defined in section  
8           132) for the income category described in para-  
9           graph (2) that is determined on the basis of the  
10          information under subparagraph (A)(i) of this  
11          paragraph entered by the individual; and

12          “(C) includes a clear and conspicuous dis-  
13          claimer that the amounts calculated using the  
14          estimator tool are estimates based on limited fi-  
15          nancial information, and that—

16                 “(i) each such estimate—

17                         “(I) in the case of an estimate  
18                         under subparagraph (A), is only an  
19                         estimate and does not represent a  
20                         final determination, or actual award,  
21                         of financial assistance under this title;

22                         “(II) in the case of an estimate  
23                         under subparagraph (B), is only an  
24                         estimate and not a guarantee of the

1 actual amount that a student may be  
2 charged;

3 “(III) shall not be binding on the  
4 Secretary or an institution of higher  
5 education; and

6 “(IV) may change; and

7 “(ii) a student must complete an ap-  
8 plication form under section 483(a) in  
9 order to be eligible for, and receive, an ac-  
10 tual financial aid award that includes Fed-  
11 eral grant, loan, or work study assistance  
12 under this title.

13 “(2) INCOME CATEGORIES.—The income cat-  
14 egories for purposes of paragraph (1)(B) are as fol-  
15 lows:

16 “(A) \$0 to \$30,000.

17 “(B) \$30,001 to \$48,000.

18 “(C) \$48,001 to \$75,000.

19 “(D) \$75,001 to \$110,000.

20 “(E) \$110,001 to \$150,000.

21 “(F) Over \$150,000.

22 “(3) CONSUMER TESTING.—In developing and  
23 maintaining the estimator tool described in para-  
24 graph (1), the Secretary shall conduct consumer  
25 testing with appropriate persons, including current

1 and prospective college students, family members of  
2 such students, and other individuals with expertise  
3 in student financial assistance application processes  
4 and college access, to ensure that such tool is easily  
5 understandable by students and families and effective  
6 in communicating early aid eligibility.

7 “(4) DATA STORAGE PROHIBITED.—In carrying  
8 out this subsection, the Secretary shall not keep,  
9 store, or warehouse any data inputted by individuals  
10 accessing the tool described in paragraph (1).

11 “(d) PELL TABLE.—

12 “(1) IN GENERAL.—The Secretary shall develop,  
13 and annually update at the beginning of each  
14 award year, the following electronic tables to be utilized  
15 in carrying out this section and containing the  
16 information described in paragraph (2) of this subsection:  
17 section:

18 “(A) An electronic table for dependent students.  
19

20 “(B) An electronic table for independent  
21 students with dependents other than a spouse.

22 “(C) An electronic table for independent  
23 students without dependents other than a  
24 spouse.

1           “(2) INFORMATION.—Each electronic table  
2           under paragraph (1), with respect to the category of  
3           students to which the table applies for the most re-  
4           cently completed award year for which information  
5           is available, and disaggregated in accordance with  
6           paragraph (3), shall contain the following informa-  
7           tion:

8                   “(A) The percentage of undergraduate stu-  
9                   dents attending an institution of higher edu-  
10                  cation on a full-time, full-academic year basis  
11                  who file the financial aid form prescribed under  
12                  section 483 for the award year and received, for  
13                  their first academic year during such award  
14                  year (and not for any additional payment peri-  
15                  ods after such first academic year), the fol-  
16                  lowing:

17                           “(i) A Federal Pell Grant equal to the  
18                           maximum amount of a Federal Pell Grant  
19                           award determined under section 401(b)(2)  
20                           for such award year.

21                           “(ii) A Federal Pell Grant in an  
22                           amount that is—

23                                   “(I) less than the maximum  
24                                   amount described in clause (i); and

1                   “(II) not less than  $\frac{3}{4}$  of such  
2                   maximum amount for such award  
3                   year.

4                   “(iii) A Federal Pell Grant in an  
5                   amount that is—

6                   “(I) less than  $\frac{3}{4}$  of such max-  
7                   imum amount; and

8                   “(II) not less than  $\frac{1}{2}$  of such  
9                   maximum amount for such award  
10                  year.

11                  “(iv) A Federal Pell Grant in an  
12                  amount that is—

13                  “(I) less than  $\frac{1}{2}$  of such max-  
14                  imum amount; and

15                  “(II) not less than the minimum  
16                  Federal Pell Grant amount deter-  
17                  mined under section 401(b)(4) for  
18                  such award year.

19                  “(B) The dollar amounts equal to—

20                  “(i) the maximum amount of a Fed-  
21                  eral Pell Grant award determined under  
22                  section 401(b)(2) for an award year;

23                  “(ii)  $\frac{3}{4}$  of such maximum amount;

24                  “(iii)  $\frac{1}{2}$  of such maximum amount;

25                  and

1                   “(iv) the minimum Federal Pell Grant  
2                   amount determined under section  
3                   401(b)(4) for such award year.

4                   “(C) A clear and conspicuous notice that—

5                   “(i) the Federal Pell Grant amounts  
6                   listed in subparagraph (B) are for a pre-  
7                   vious award year, and such amounts and  
8                   the requirements for awarding such  
9                   amounts may be different for succeeding  
10                  award years; and

11                  “(ii) the Federal Pell Grant amount  
12                  for which a student may be eligible will be  
13                  determined based on a number of factors,  
14                  including enrollment status, once the stu-  
15                  dent completes an application form under  
16                  section 483(a).

17                  “(D) A link to the early estimator tool de-  
18                  scribed in subsection (c) of this section, which  
19                  includes an explanation that an individual may  
20                  estimate a student’s potential Federal aid eligi-  
21                  bility under this title by accessing the estimator  
22                  on the individual’s mobile phone or online.

23                  “(3) INCOME CATEGORIES.—The information  
24                  provided under paragraph (2)(A) shall be  
25                  disaggregated by the following income categories:

1 “(A) Less than \$5,000.

2 “(B) \$5,000 to \$9,999.

3 “(C) \$10,000 to \$19,999.

4 “(D) \$20,000 to \$29,999.

5 “(E) \$30,000 to \$39,999.

6 “(F) \$40,000 to \$49,999.

7 “(G) \$50,000 to \$59,999.

8 “(H) Greater than \$59,999.

9 “(e) LIMITATION.—The Secretary may not require a  
10 State to participate in the activities or disseminate the  
11 materials described in this section.”.

12 **SEC. 490. DISTANCE EDUCATION DEMONSTRATION PRO-**  
13 **GRAMS.**

14 Section 486 (20 U.S.C. 1093(b)) is repealed.

15 **SEC. 491. CONTENTS OF PROGRAM PARTICIPATION AGREE-**  
16 **MENTS.**

17 (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-  
18 tion 487(a) (20 U.S.C. 1094(a)) is amended in the matter  
19 before paragraph (1) by striking “, except with respect  
20 to a program under subpart 4 of part A”.

21 (b) PERKINS CONFORMING CHANGES.—Section  
22 487(a)(5) (20 U.S.C. 1094(a)(5)) is amended by striking  
23 “and, in the case of an institution participating in a pro-  
24 gram under part B or part E, to holders of loans made  
25 to the institution’s students under such parts”.



1 (c) CERTIFICATIONS TO LENDERS.—Section 487(a)  
2 (20 U.S.C. 1094(a)) is amended by striking paragraph  
3 (6).

4 (d) STATE GRANT ASSISTANCE.—Section 487(a)(9)  
5 (20 U.S.C. 1094(a)(9)) is amended by striking “in a pro-  
6 gram under part B or D” and inserting “in a loan pro-  
7 gram under this title”.

8 (e) DRUG ABUSE PREVENTION PROGRAMS.—Section  
9 487(a) (20 U.S.C. 1094(a)) is amended by striking para-  
10 graph (10).

11 (f) REPAYMENT SUCCESS PLAN.—Section  
12 487(a)(14) (20 U.S.C. 1094(a)(14)) is amended—

13 (1) by striking “under part B or D” both  
14 places it appears and inserting “a loan program  
15 under this title”;

16 (2) by striking “Default Management Plan”  
17 both places it appears and inserting “Repayment  
18 Success Plan”; and

19 (3) in subparagraph (C), by striking “a cohort  
20 default rate in excess of 10 percent” both places it  
21 appears and inserting “any program with a loan re-  
22 payment rate less than 65 percent”.

23 (g) COMMISSIONS TO THIRD-PARTY ENTITIES.—Sec-  
24 tion 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended—

1           (1) by striking “The institution” and inserting  
2           “(A) Except as provided in subparagraph (B), the  
3           institution”; and

4           (2) by adding at the end the following new sub-  
5           paragraph:

6           “(B) An institution described in section 101  
7           may provide payment, based on—

8                   “(i) the amount of tuition generated by the  
9                   institution from student enrollment, to a third-  
10                  party entity that provides a set of services to  
11                  the institution that includes student recruit-  
12                  ment services, regardless of whether the third-  
13                  party entity is affiliated with an institution that  
14                  provides educational services other than the in-  
15                  stitution providing such payment, if—

16                           “(I) the third-party entity is not affili-  
17                           ated with the institution providing such  
18                           payment;

19                           “(II) the third-party entity does not  
20                           make compensation payments to its em-  
21                           ployees that would be prohibited under  
22                           subparagraph (A) if such payments were  
23                           made by the institution;

24                           “(III) the set of services provided to  
25                           the institution by the third-party entity in-

1           clude services in addition to student re-  
2           cruitment services, and the institution does  
3           not pay the third-party entity solely or sep-  
4           arately for student recruitment services  
5           provided by the third-party entity; and

6                   “(IV) any student recruitment infor-  
7           mation available to the third-party entity,  
8           including personally identifiable informa-  
9           tion, will not be used by, shared with, or  
10          sold to any other person or entity, includ-  
11          ing any institution that is affiliated with  
12          the third-party entity, unless written con-  
13          sent is provided by the student; and

14                   “(ii) students successfully completing their  
15          educational programs, to persons who were en-  
16          gaged in recruiting such students, but solely to  
17          the extent that such payments—

18                   “(I) are obligated to be paid, and are  
19          actually paid, only after each student upon  
20          whom such payments are based has suc-  
21          cessfully completed his or her educational  
22          program; and

23                   “(II) are paid only to employees of  
24          the institution or its parent company, and  
25          not to any other person or outside entity.”.

1 (h) CLARIFICATION OF PROOF OF AUTHORITY TO  
2 OPERATE WITHIN A STATE.—Section 487(a)(21) (20  
3 U.S.C. 1094(a)(21)) is amended by striking “within a  
4 State” and inserting “within a State in which it maintains  
5 a physical location”.

6 (i) DISTRIBUTION OF VOTER REGISTRATION  
7 FORMS.—Section 487(a)(23) (20 U.S.C. 1094(a)(23)) is  
8 amended to read as follows:

9 “(23) The institution, if located in a State to  
10 which section 4(b) of the National Voter Registra-  
11 tion Act of 1993 (42 U.S.C. 1973gg–2(b)) does not  
12 apply, will make a good faith effort to distribute, in-  
13 cluding through electronic transmission, voter reg-  
14 istration forms to students enrolled and physically in  
15 attendance at the institution.”.

16 (j) PROHIBITING COPYRIGHT INFRINGEMENT.—Sec-  
17 tion 487(a)(29) (20 U.S.C. 1094(a)(29)) is amended to  
18 read as follows:

19 “(29) The institution will have a policy prohib-  
20 iting copyright infringement.”.

21 (k) MODIFICATIONS TO PREFERRED LENDER LIST  
22 REQUIREMENTS.—Section 487(h)(1) (20 U.S.C.  
23 1094(h)(1)) is amended—

24 (1) in subparagraph (A)—

1 (A) in clause (i), by inserting “and” after  
2 the semicolon;

3 (B) by striking clause (ii); and

4 (C) by redesignating clause (iii) as clause  
5 (ii);

6 (2) in subparagraph (D), by inserting “and”  
7 after the semicolon;

8 (3) in subparagraph (E), by striking “; and”  
9 and inserting a period; and

10 (4) by striking subparagraph (C) and (F) and  
11 redesignating subparagraphs (D) and (E) as sub-  
12 paragraphs (C) and (D), respectively.

13 (l) ELIMINATION OF NON-TITLE IV REVENUE RE-  
14 QUIREMENT.—Section 487 (20 U.S.C. 1094), is further  
15 amended—

16 (1) in subsection (a), by striking paragraph  
17 (24);

18 (2) by striking subsection (d); and

19 (3) by redesignating subsections (e) through (j)  
20 as subsections (d) through (i), respectively.

21 (m) CONFORMING AMENDMENTS.—The Higher Edu-  
22 cation Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

23 (1) in section 487(a) (20 U.S.C. 1094(a)), as  
24 amended by this section—

1 (A) by redesignating paragraphs (7)  
2 through (9), as paragraphs (6) through (8), re-  
3 spectively;

4 (B) by redesignating paragraphs (11)  
5 through (23) as paragraphs (9) through (21),  
6 respectively; and

7 (C) by redesignating paragraphs (25)  
8 through (29) as paragraphs (22) through (26),  
9 respectively;

10 (2) in section 487(c)(1)(A)(iii) (20 U.S.C.  
11 1094(c)(1)(A)(iii)), by striking “section  
12 102(a)(1)(C)” and inserting “section 102(a)(1)”;  
13 and

14 (3) in section 487(h)(4) (20 U.S.C.  
15 1094(h)(4)), as redesignated by subsection (l)(3), by  
16 striking “section 102” and inserting “section 101 or  
17 102”.

18 **SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.**

19 Section 487A (20 U.S.C. 1094a) is amended—

20 (1) in subsection (a)—

21 (A) in paragraph (1), by striking “The  
22 Secretary is authorized to” and inserting “The  
23 Secretary shall”; and

1 (B) in paragraph (5), by inserting “at  
2 least once every two years” before the period at  
3 the end; and

4 (2) in subsection (b)—

5 (A) in paragraph (2)—

6 (i) in the paragraph heading, by in-  
7 serting “ANNUAL” before “REPORT”; and

8 (ii) by striking the first sentence and  
9 inserting “The Secretary shall review the  
10 experience, and rigorously evaluate the ac-  
11 tivities, of all institutions participating as  
12 experimental sites and shall, on an annual  
13 basis, submit a report based on the review  
14 and evaluation findings to the authorizing  
15 committees.”;

16 (B) in paragraph (3), by amending sub-  
17 paragraph (A) to read as follows:

18 “(A) IN GENERAL.—

19 “(i) EXPERIMENTAL SITES.—The Sec-  
20 retary is authorized periodically to select a  
21 limited number of institutions for vol-  
22 untary participation as experimental sites  
23 to provide recommendations to the Sec-  
24 retary and to the Congress on the impact

1 and effectiveness of proposed regulations  
2 or new management initiatives.

3 “(ii) CONGRESSIONAL NOTICE AND  
4 COMMENTS REQUIRED.—

5 “(I) NOTICE.—Prior to announce-  
6 ing a new experimental site and invit-  
7 ing institutions to participate, the  
8 Secretary shall provide to the author-  
9 izing committees a notice that shall  
10 include—

11 “(aa) a description of the  
12 proposed experiment and ration-  
13 ale for the proposed experiment;  
14 and

15 “(bb) a list of the institu-  
16 tional requirements the Secretary  
17 expects to waive and the legal au-  
18 thority for such waivers.

19 “(II) CONGRESSIONAL COM-  
20 MENTS.—The Secretary shall not pro-  
21 ceed with announcing a new experi-  
22 mental site and inviting institutions to  
23 participate until 10 days after the  
24 Secretary—



1                   “(aa) receives and addresses  
2 all comments from the author-  
3 izing committees; and

4                   “(bb) responds to such com-  
5 mittees in writing with an expla-  
6 nation of how such comments  
7 have been addressed.

8                   “(iii) PROHIBITION.—The Secretary is  
9 not authorized to carry out clause (i) in  
10 any year in which an annual report de-  
11 scribed in paragraph (2) relating to the  
12 previous year is not submitted to the au-  
13 thorizing committees.”;

14                   (C) in paragraph (4)(A), by striking “bien-  
15 nial” and inserting “annual”; and

16                   (D) by striking paragraph (1) and redesignig-  
17 nating paragraphs (2) through (4) as para-  
18 graphs (1) through (3), respectively.

19 **SEC. 493. TRANSFER OF ALLOTMENTS.**

20 Section 488 (20 U.S.C. 1095) is amended—

21                   (1) by inserting “, as in effect on the day before  
22 the date of enactment of the PROSPER Act,” after  
23 “section 462”; and

1           (2) by inserting “, as in effect on the day before  
2           the date of enactment of the PROSPER Act,” after  
3           “462”.

4 **SEC. 494. ADMINISTRATIVE EXPENSES.**

5           Section 489(a) (20 U.S.C. 1096(a)) is amended—

6           (1) in the second sentence—

7                 (A) by striking “subpart 3 of part A or  
8                 part C,” and inserting “part C” ; and

9                 (B) by striking “or under part E of this  
10                title”; and

11           (2) in the third sentence—

12                 (A) by striking “its grants to students  
13                 under subpart 3 of part A,”; and

14                 (B) by striking “, and the principal  
15                 amount of loans made during such fiscal year  
16                 from its student loan fund established under  
17                 part E, excluding the principal amount of any  
18                 such loans which the institution has referred  
19                 under section 463(a)(4)(B)”.

20 **SEC. 494A. REPEAL OF ADVISORY COMMITTEE.**

21           Section 491 (20 U.S.C. 1098) is repealed.

22 **SEC. 494B. REGIONAL MEETINGS AND NEGOTIATED RULE-**  
23 **MAKING.**

24           Section 492 (20 U.S.C. 1098a) is amended—

1           (1) by redesignating subsections (c) and (d) as  
2           subsections (f) and (g), respectively; and

3           (2) by striking subsections (a) and (b) and in-  
4           serting the following:

5           “(a) IN GENERAL.—The Secretary may, in accord-  
6           ance with this section, issue such regulations as are rea-  
7           sonably necessary to ensure compliance with this title.

8           “(b) PUBLIC INVOLVEMENT.—The Secretary shall  
9           obtain public involvement in the development of proposed  
10          regulations for this title. Before carrying out a negotiated  
11          rulemaking process as described in subsection (d) or pub-  
12          lishing in the Federal Register proposed regulations to  
13          carry out this title, the Secretary shall obtain advice and  
14          recommendations from individuals, and representatives of  
15          groups, involved in student financial assistance programs  
16          under this title, such as students, institutions of higher  
17          education, financial aid administrators, accrediting agen-  
18          cies or associations, State student grant agencies, guar-  
19          anty agencies, lenders, secondary markets, loan servicers,  
20          guaranty agency servicers, and collection agencies.

21          “(c) MEETINGS AND ELECTRONIC EXCHANGE.—

22                 “(1) IN GENERAL.—The Secretary shall provide  
23                 for a comprehensive discussion and exchange of in-  
24                 formation concerning the implementation of this title  
25                 through such mechanisms as regional meetings and

1 electronic exchanges of information. Such regional  
2 meetings and electronic exchanges of information  
3 shall be public and notice of such meetings and ex-  
4 changes shall be provided to—

5 “(A) the authorizing committees at least  
6 10 days prior to the notice to interested stake-  
7 holders and the public described in subpara-  
8 graph (B); and

9 “(B) interested stakeholders and the public  
10 at least 30 days prior to such meetings and ex-  
11 changes.

12 “(2) CONSIDERATION.—The Secretary shall  
13 take into account the information received through  
14 such mechanisms in the development of proposed  
15 regulations and shall publish a summary of such in-  
16 formation in the Federal Register prior to beginning  
17 the negotiated rulemaking process described in sub-  
18 section (d).

19 “(d) NEGOTIATED RULEMAKING PROCESS.—

20 “(1) NEGOTIATED RULEMAKING REQUIRED.—  
21 All regulations pertaining to this title that are pro-  
22 mulgated after the date of the enactment of this  
23 paragraph shall be subject to the negotiated rule-  
24 making process described in this subsection (includ-

1       ing the selection of the issues to be negotiated), un-  
2       less the Secretary—

3               “(A) determines that applying such a re-  
4               quirement with respect to given regulations is  
5               impracticable, unnecessary, or contrary to the  
6               public interest (within the meaning of section  
7               553(b)(3)(B) of title 5, United States Code);

8               “(B) publishes the basis for such deter-  
9               mination in the Federal Register at the same  
10              time as the proposed regulations in question are  
11              first published; and

12              “(C) includes the basis for such determina-  
13              tion in the congressional notice under sub-  
14              section (e)(1).

15              “(2) CONGRESSIONAL NOTICE AND COMMENTS  
16              REQUIRED.—

17              “(A) NOTICE.—The Secretary shall pro-  
18              vide to the Committee on Education and the  
19              Workforce of the House of Representatives and  
20              the Committee on Health, Education, Labor,  
21              and Pensions of the Senate notice of the intent  
22              establish a negotiated rulemaking committee  
23              that shall include—

24                      “(i) the need to issue regulations;

1 “(ii) the statutory and legal authority  
2 of the Secretary to regulate the issue;

3 “(iii) the summary of public com-  
4 ments described in paragraph (2) of sub-  
5 section (c);

6 “(iv) the anticipated burden, including  
7 the time, cost, and paperwork burden, the  
8 regulations will have on institutions of  
9 higher education and other entities that  
10 may be impacted by the regulations; and

11 “(v) any regulations that will be re-  
12 pealed when the new regulations are  
13 issued.

14 “(B) CONGRESSIONAL COMMENTS.—The  
15 Secretary shall not proceed with the negotiated  
16 rulemaking process—

17 “(i) until 10 days after the Sec-  
18 retary—

19 “(I) receives and addresses all  
20 comments from the authorizing com-  
21 mittees; and

22 “(II) responds to the authorizing  
23 committees in writing with an expla-  
24 nation of how such comments have  
25 been addressed; or

1                   “(ii) until 60 days after providing the  
2                   notice required under subparagraph (A) if  
3                   the Secretary has not received comments  
4                   under clause (i).

5                   “(3) PROCESS.—After obtaining advice and rec-  
6                   ommendations under subsections (b) and (c), and  
7                   before publishing proposed regulations, the Secretary  
8                   shall—

9                   “(A) establish a negotiated rulemaking  
10                  process;

11                  “(B) select individuals to participate in  
12                  such process—

13                         “(i) from among individuals or groups  
14                         that provided advice and recommendations  
15                         under subsections (b) and (c), including—

16                                 “(I) representatives of such  
17                                 groups from Washington, D.C.; and

18                                 “(II) other industry participants;

19                                 and

20                         “(ii) with demonstrated expertise or  
21                         experience in the relevant subjects under  
22                         negotiation, reflecting the diversity in the  
23                         industry, representing both large and small  
24                         participants, as well as individuals serving  
25                         local areas and national markets;

1           “(C) prepare a draft of proposed policy op-  
2           tions, which shall take into account comments  
3           received from both the public and the author-  
4           izing committees, that shall be provided to the  
5           individuals selected by the Secretary under sub-  
6           paragraph (B) and such authorizing committees  
7           not less than 15 days before the first meeting  
8           under such process; and

9           “(D) ensure that the negotiation process is  
10          conducted in a timely manner in order that the  
11          final regulations may be issued by the Secretary  
12          within the 360-day period described in section  
13          437(e) of the General Education Provisions Act  
14          (20 U.S.C. 1232(e)).

15          “(4) AGREEMENTS AND RECORDS.—

16                 “(A) AGREEMENTS.—All published pro-  
17                 posed regulations developed through the nego-  
18                 tiation process under this subsection shall con-  
19                 form to all agreements resulting from such  
20                 process unless the Secretary reopens the nego-  
21                 tiated rulemaking process.

22                 “(B) RECORDS.—The Secretary shall en-  
23                 sure that a clear and reliable record is main-  
24                 tained of agreements reached during a negotia-  
25                 tion process under this subsection.



1           “(e) PROPOSED RULEMAKING.—If the Secretary de-  
2 termines pursuant to subsection (d)(1) that a negotiated  
3 rulemaking process is impracticable, unnecessary, or con-  
4 trary to the public interest (within the meaning of section  
5 553(b)(3)(B) of title 5, United States Code), or the indi-  
6 viduals selected to participate in the process under sub-  
7 section (d)(3)(B) fail to reach unanimous agreement on  
8 an issue being negotiated, the Secretary may propose reg-  
9 ulations subject to subsection (f).

10           “(f) REQUIREMENTS FOR PROPOSED REGULA-  
11 TIONS.—Regulations proposed pursuant to subsection (e)  
12 shall meet the following procedural requirements:

13           “(1) CONGRESSIONAL NOTICE.—Regardless of  
14 whether congressional notice was submitted under  
15 subsection (d)(2), the Secretary shall provide to the  
16 Committee on Education and the Workforce of the  
17 House of Representatives and the Committee on  
18 Health, Education, Labor, and Pensions of the Sen-  
19 ate notice that shall include—

20                   “(A) a copy of the proposed regulations;

21                   “(B) the need to issue regulations;

22                   “(C) the statutory and legal authority of  
23 the Secretary to regulate the issue;

24                   “(D) the anticipated burden, including the  
25 time, cost, and paperwork burden, the regula-

1           tions will have on institutions of higher edu-  
2           cation and other entities that may be impacted  
3           by the regulations; and

4                   “(E) any regulations that will be repealed  
5           when the new regulations are issued.

6           “(2) CONGRESSIONAL COMMENTS.—The Sec-  
7           retary may not proceed with the rulemaking proc-  
8           ess—

9                   “(A) until 10 days after the Secretary—

10                           “(i) receives and addresses all com-  
11                           ments from the authorizing committees;  
12                           and

13                                   “(ii) responds to the authorizing com-  
14                                   mittees in writing with an explanation of  
15                                   how such comments have been addressed;  
16                                   or

17                           “(B) until 60 days after providing the no-  
18                           tice required under paragraph (1) if the Sec-  
19                           retary has not received comments under sub-  
20                           paragraph (A).

21           “(3) COMMENT AND REVIEW PERIOD.—The  
22           comment and review period for the proposed regula-  
23           tion shall be 90 days unless an emergency requires  
24           a shorter period, in which case such period shall be  
25           not less than 45 days and the Secretary shall—

1           “(A) designate the proposed regulation as  
2           an emergency, with an explanation of the emer-  
3           gency, in the notice to the Congress under  
4           paragraph (1);

5           “(B) publish the length of the comment  
6           and review period in such notice and in the  
7           Federal Register; and

8           “(C) conduct immediately thereafter re-  
9           gional meetings to review such proposed regula-  
10          tion before issuing any final regulation.

11          “(4) INDEPENDENT ASSESSMENT.—No regula-  
12          tion shall be made final after the comment and re-  
13          view period until the Secretary has published in the  
14          Federal Register an independent assessment (which  
15          shall include a representative sampling of institu-  
16          tions of higher education based on sector, enroll-  
17          ment, urban, suburban, or rural character, and  
18          other factors impacted by the regulation) of—

19                 “(A) the burden, including the time, cost,  
20                 and paperwork burden, the final regulation will  
21                 impose on institutions and other entities that  
22                 may be impacted by the regulation;

23                 “(B) an explanation of how the entities de-  
24                 scribed in subparagraph (A) may cover the cost

1 of the burden assessed under such subpara-  
2 graph; and

3 “(C) the regulation, including a thorough  
4 assessment, based on the comments received  
5 during the comment and review period under  
6 paragraph (3), of whether the rule is finan-  
7 cially, operationally, and educationally viable at  
8 the institutional level.”.

9 **SEC. 494C. DEFERRAL OF LOAN REPAYMENT FOLLOWING**  
10 **ACTIVE DUTY.**

11 Section 493D(a) (20 U.S.C. 1098f) is amended, by  
12 striking “or section 464(c)(2)(A)(iii)” and inserting “,  
13 section 464(c)(2)(A)(iii) (as in effect on the day before  
14 the date of enactment of the PROSPER Act and pursuant  
15 to section 461(a)), or section 469A(a)(2)(A)(iii)”.

16 **SEC. 494D. CONTRACTS; MATCHING PROGRAM.**

17 (a) **CONTRACTS FOR SUPPLIES AND SERVICES.—**

18 (1) **IN GENERAL.—**Part G of title IV (20  
19 U.S.C. 1088 et seq.), as amended by this part, is  
20 further amended by adding at the end the following:

21 **“SEC. 493E. CONTRACTS.**

22 **“(a) CONTRACTS FOR SUPPLIES AND SERVICES.—**

23 **“(1) IN GENERAL.—**The Secretary shall, to the  
24 extent practicable, award contracts for origination,  
25 servicing, and collection described in subsection (b).

1 In awarding such contracts, the Secretary shall en-  
2 sure that such services and supplies are provided at  
3 competitive prices.

4 “(2) ENTITIES.—The entities with which the  
5 Secretary may enter into contracts shall include en-  
6 tities qualified to provide such services and supplies  
7 and will comply with the procedures applicable to  
8 the award of such contracts. In the case of awarding  
9 contracts for the origination, servicing, and collec-  
10 tion of loans under parts D and E, the Secretary  
11 shall enter into contracts with entities that have ex-  
12 tensive and relevant experience and demonstrated ef-  
13 fectiveness. The entities with which the Secretary  
14 may enter into such contracts may include, where  
15 practicable, agencies with agreements with the Sec-  
16 retary under sections 428(b) and (c), if such agen-  
17 cies meet the qualifications as determined by the  
18 Secretary under this subsection and if those agencies  
19 have such experience and demonstrated effective-  
20 ness. In awarding contracts to such State agencies,  
21 the Secretary shall, to the extent practicable and  
22 consistent with the purposes of parts D and E, give  
23 consideration to State agencies with a history of  
24 high quality performance to perform services for in-  
25 stitutions of higher education within their State.

1 “(3) ALLOCATIONS.—

2 “(A) IN GENERAL.—Except as provided in  
3 subparagraph (B), the Secretary shall allocate  
4 new borrower loan accounts to entities awarded  
5 a contract under this section on the basis of—

6 “(i) the performance of each such en-  
7 tity compared to other such entities per-  
8 forming similar work using common per-  
9 formance metrics, as determined by the  
10 Secretary; and

11 “(ii) the capacity of each such entity  
12 compared to other such entities performing  
13 similar work to service new and existing  
14 borrower loan accounts.

15 “(B) FEDERAL ONE CONSOLIDATION  
16 LOANS.—Any borrower who receives a Federal  
17 ONE Consolidation Loan may select the entity  
18 awarded a contract under this section to service  
19 such loan.

20 “(4) RULE OF CONSTRUCTION.—Nothing in  
21 this section shall be construed as a limitation of the  
22 authority of any State agency to enter into an agree-  
23 ment for the purposes of this section as a member  
24 of a consortium of State agencies.

1           “(b) CONTRACTS FOR ORIGINATION, SERVICING, AND  
2 DATA SYSTEMS.—The Secretary may enter into contracts  
3 for—

4           “(1) the servicing and collection of loans made  
5 or purchased under part D or E;

6           “(2) the establishment and operation of 1 or  
7 more data systems for the maintenance of records  
8 on all loans made or purchased under part D or E;  
9 and

10           “(3) such other aspects of the direct student  
11 loan program under part D or E necessary to ensure  
12 the successful operation of the program.

13           “(c) COMMON PERFORMANCE MANUAL.—

14           “(1) CONSULTATION.—Not later than 180 days  
15 after the date of enactment of the PROSPER Act  
16 and biannually thereafter, the Secretary shall con-  
17 sult (in writing and in person) with entities awarded  
18 contracts for loan servicing under section 456 (as in  
19 effect on the day before the date of enactment of the  
20 PROSPER Act) and this section, to the extent prac-  
21 ticable, to develop and update as necessary, a guid-  
22 ance manual for entities awarded contracts for loan  
23 servicing under this section that provides such enti-  
24 ties with best practices to ensure borrowers receive  
25 adequate and consistent service from such entities.

1           “(2) PROVISION OF MANUAL.—The Secretary  
2 shall provide the most recent guidance manual devel-  
3 oped and updated under paragraph (1) to each enti-  
4 ty awarded a contract for loan serving under this  
5 section.

6           “(3) ANNUAL REPORT.—The Secretary shall  
7 provide to the authorizing committees a report, on  
8 a annual basis, detailing the consultation required  
9 under paragraph (1).

10          “(d) FEDERAL PREEMPTION.—

11           “(1) DISCLOSURE AND COMMUNICATIONS.—An  
12 entity awarded a contract under this section for the  
13 origination, servicing, and collection of loans made  
14 under this title shall not be subject to any law or  
15 other requirement of any State or political subdivi-  
16 sion of a State with respect to—

17                   “(A) disclosure requirements; or

18                   “(B) requirements or restrictions on the  
19 time, quantity, or frequency of communications  
20 with borrowers, endorsers, or references with  
21 respect to such loans.

22           “(2) SERVICING AND COLLECTION.—The re-  
23 quirements of this section with respect to the serving  
24 or collection of loans shall preempt any law or other  
25 requirement of a State or political subdivision of a



1 State to the extent that such law or other require-  
2 ment would, in the absence of this subsection, apply  
3 to a loan servicer, or the servicing or collection, of  
4 a loan made under this title.

5 “(3) LIMITATION.—This subsection shall not  
6 have any legal effect on any other preemption provi-  
7 sion under Federal law with respect to this title.”.

8 (2) CONFORMING AMENDMENT.—Section 456  
9 (20 U.S.C. 1087f) is repealed.

10 (b) MATCHING PROGRAM.—Part G of section IV (20  
11 U.S.C. 1088 et seq.), as amended by subsection (a), is  
12 further amended by adding at the end the following:

13 **“SEC. 493F. MATCHING PROGRAM.**

14 “(a) IN GENERAL.—The Secretary of Education and  
15 the Secretary of Veterans Affairs shall carry out a com-  
16 puter matching program under which the Secretary of  
17 Education identifies, on at least a quarterly basis, bor-  
18 rowers—

19 “(1) who have been assigned a disability rating  
20 of 100 percent (or a combination of ratings equaling  
21 100 percent or more) by the Secretary of Veterans  
22 Affairs for a service-connected disability (as defined  
23 in section 101 of title 38, United States Code); or

24 “(2) who have been determined by the Sec-  
25 retary of Veterans Affairs to be unemployable due to

1 a service-connected condition, as described in section  
2 437(a)(2).

3 “(b) BORROWER NOTIFICATION.—With respect to  
4 each borrower who is identified under subsection (a), the  
5 Secretary shall, as soon as practicable after such identi-  
6 fication—

7 “(1) notify the borrower of the borrower’s eligi-  
8 bility for loan discharge under section 437(a); and

9 “(2) provide the borrower with simple instruc-  
10 tions on how to apply for such loan discharge, in-  
11 cluding an explanation that the borrower shall not  
12 be required to provide any documentation of the bor-  
13 rower’s disability rating to receive such discharge.

14 “(c) DATA COLLECTION AND REPORT TO CON-  
15 GRESS.—

16 “(1) IN GENERAL.—The Secretary shall annu-  
17 ally collect and submit to the Committees on Edu-  
18 cation and the Workforce and Veterans’ Affairs of  
19 the House of Representatives and the Committees  
20 on Health, Education, Labor, and Pensions and Vet-  
21 erans Affairs of the Senate, data about borrowers  
22 applying for and receiving loan discharges under sec-  
23 tion 437(a), which shall be disaggregated in the  
24 manner described in paragraph (2) and include the  
25 following:

1           “(A) The number of applications received  
2           under section 437(a).

3           “(B) The number of such applications that  
4           were approved.

5           “(C) The number of loan discharges that  
6           were completed under section 437(a).

7           “(2) DISAGGREGATION.—The data collected  
8           under paragraph (1) shall be disaggregated—

9           “(A) by borrowers who applied under this  
10          section for loan discharges under section  
11          437(a);

12          “(B) by borrowers who received loan dis-  
13          charges as a result of applying for such dis-  
14          charges under this section;

15          “(C) by borrowers who applied for loan  
16          discharges under section 437(a)(2); and

17          “(D) by borrowers who received loan dis-  
18          charges as a result of applying for such dis-  
19          charges under section 437(a)(2).

20          “(d) NOTIFICATION TO BORROWERS.—The Secretary  
21          shall notify each borrower whose liability on a loan has  
22          been discharged under section 437(a) that the liability on  
23          the loan has been so discharged.”.

1                   **PART H—PROGRAM INTEGRITY**

2   **SEC. 495. REPEAL OF AND PROHIBITION ON STATE AU-**  
3                   **THORIZATION REGULATIONS.**

4           (a) **REGULATIONS REPEALED.**—The following regu-  
5 lations relating to State authorization (including any sup-  
6 plements or revisions to such regulations) are repealed and  
7 shall have no force or effect:

8                   (1) The final regulations published by the De-  
9           partment of Education in the Federal Register on  
10           October 29, 2010 (75 Fed. Reg. 66832 et seq.).

11                   (2) The final regulations published by the De-  
12           partment of Education in the Federal Register on  
13           December 19, 2016 (81 Fed. Reg. 92232 et seq.).

14           (b) **PROHIBITION ON STATE AUTHORIZATION REGU-**  
15 **LATIONS.**—Section 495 (20 U.S.C. 1099a) is amended by  
16 striking subsection (b) and inserting the following:

17           “(b) **INSTITUTIONAL RESPONSIBILITY.**—Each insti-  
18 tution of higher education shall provide evidence to the  
19 Secretary that the institution has authority to operate  
20 within each State in which it maintains a physical location  
21 at the time the institution is certified under subpart 3.

22           “(c) **TREATMENT OF RELIGIOUS INSTITUTIONS.**—An  
23 institution shall be treated as legally authorized to operate  
24 educational programs beyond secondary education in a  
25 State under section 101(a)(2) if the institution is—

1           “(1) recognized as a religious institution by the  
2           State; and

3           “(2) because of the institution’s status as a reli-  
4           gious institution, the institution is exempt from any  
5           provision of State law that requires institutions to be  
6           authorized by the State to operate educational pro-  
7           grams beyond secondary education.

8           “(d) PROHIBITION ON STATE AUTHORIZATION REG-  
9           ULATIONS.—The Secretary shall not promulgate or en-  
10          force any regulation or rule not in effect on the date of  
11          enactment of the PROSPER Act for any purpose under  
12          this Act with respect to the State authorization for institu-  
13          tions of higher education to operate within a State.”.

14       **SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR AS-**  
15                               **SOCIATION.**

16          Section 496 (20 U.S.C. 1099b) is amended—

17               (1) by striking “section 102” each place it ap-  
18               pears and inserting “section 101”;

19               (2) in subsection (a)—

20                       (A) in paragraph (2), by amending sub-  
21                       paragraph (A) to read as follows:

22                               “(A) for the purpose of participation in  
23                       programs under this Act or other programs ad-  
24                       ministered by the Department of Education or  
25                       other Federal agencies, has a voluntary mem-

1           bership of institutions of higher education or  
2           other entities and has as a principal purpose  
3           the accrediting of institutions of higher edu-  
4           cation or programs;”;

5                   (B) in paragraph (3)—

6                           (i) in subparagraph (A)—

7                                   (I) by striking “subparagraph  
8                                   (A)(i)” and inserting “subparagraph  
9                                   (A) or (C)”;

10                                  (II) by striking “separate” and  
11                                  inserting “separately incorporated”;  
12                                  and

13                                   (III) by adding “or” at the end;

14                                  (ii) by striking “or” at the end of sub-  
15                                  paragraph (B); and

16                                   (iii) by striking subparagraph (C);

17                   (C) in paragraph (4)—

18                           (i) in subparagraph (A)—

19                                   (I) by inserting “as defined by  
20                                   the institution” after “religious mis-  
21                                   sions”;

22                                   (II) by striking “, including dis-  
23                                   tance education or correspondence  
24                                   courses or programs,”; and

1 (III) by striking “and” at the  
2 end;

3 (ii) by striking subparagraph (B) and  
4 inserting the following:

5 “(B) such agency or association dem-  
6 onstrates the ability to review, evaluate, and as-  
7 sess the quality of any instruction delivery  
8 model or method such agency or association has  
9 or seeks to include within its scope of recogni-  
10 tion, without giving preference to or differen-  
11 tially treating a particular instruction delivery  
12 model or method offered by an institution of  
13 higher education or program; and

14 “(C) if such agency or association has or  
15 seeks to include within its scope of recognition  
16 the evaluation of the quality of competency-  
17 based education programs, such agency or asso-  
18 ciation shall, in addition to meeting the other  
19 requirements of this subpart, demonstrate to  
20 the Secretary that, with respect to competency-  
21 based education programs—

22 “(i) the agency or association’s stand-  
23 ards include a process for determining  
24 whether an institution or program requires

1 the demonstration of competencies that  
2 are—

3 “(I) capable of being validly and  
4 reliably assessed; and

5 “(II) appropriate in scope and  
6 rigor for the award of the relevant  
7 certificate, degree, or other recognized  
8 educational credential; and

9 “(ii) the agency or association re-  
10 quires that an institution or program dem-  
11 onstrate that it—

12 “(I) has identified competencies  
13 that meet the requirements of sub-  
14 clauses (I) and (II) of clause (i);

15 “(II) requires students to dem-  
16 onstrate mastery of each relevant  
17 competency in order to earn the cer-  
18 tificate, degree, or credential;

19 “(III) has the administrative ca-  
20 pacity and expertise that will ensure  
21 the validity and reliability of assess-  
22 ments of competencies and that the  
23 institution follows good practices in  
24 assessment and measurement;



1                   “(IV) provides sufficient faculty  
2                   instruction, educational content, ac-  
3                   tivities, and resources to enable stu-  
4                   dents to learn or develop what is re-  
5                   quired to demonstrate or attain mas-  
6                   tery of competencies and that such re-  
7                   quirements are consistent with the  
8                   claims that the institution makes for  
9                   the qualifications of graduates; and

10                   “(V) has defined an academic  
11                   year in accordance with section  
12                   481(a)(3);”;

13                   (D) by amending paragraph (5) to read as  
14                   follows:

15                   “(5) the standards for accreditation of the  
16                   agency or association assess the institution’s success  
17                   with respect to student learning and educational out-  
18                   comes in relation to the institution’s mission, which  
19                   may include different standards for different institu-  
20                   tions or programs, except that the standards shall  
21                   include consideration of student learning and edu-  
22                   cational outcomes in relation to expected measures  
23                   of student learning and educational outcomes, which  
24                   at the agency’s or association’s discretion are estab-  
25                   lished—

1 “(A) by the agency or association; or

2 “(B) by the institution or program, at the  
3 institution or program level, as the case may be,  
4 if the institution or program—

5 “(i) defines expected student learning  
6 goals and educational outcomes;

7 “(ii) measures and evaluates student  
8 learning, educational outcomes, and, if ap-  
9 propriate, other outcomes of the students  
10 who complete their program of study;

11 “(iii) uses information about student  
12 learning, educational outcomes, and, if ap-  
13 propriate, other outcomes, to improve the  
14 institution or program; and

15 “(iv) makes such information avail-  
16 able to appropriate constituencies;”;

17 (E) in paragraph (8), by striking “, upon  
18 request,”;

19 (3) in subsection (b)—

20 (A) in the subsection heading, by striking  
21 “SEPARATE” and inserting “SEPARATELY IN-  
22 CORPORATED”;

23 (B) in the matter preceding paragraph (1),  
24 by striking “separate” and inserting “sepa-  
25 rately incorporated”;

1 (C) in paragraph (2), by inserting “who  
2 shall represent business” after “one such public  
3 member”; and

4 (D) in paragraph (4), by inserting before  
5 the period at the end “and is maintained sepa-  
6 rately from any such entity or organization”;

7 (4) in subsection (c)—

8 (A) in paragraph (1)—

9 (i) by inserting “(which may vary  
10 based on institutional risk consistent with  
11 policies promulgated by the agency or asso-  
12 ciation to determine such risk and interval  
13 frequency as allowed under subsection  
14 (p))” after “intervals”; and

15 (ii) by striking “distance education”  
16 and inserting “competency-based edu-  
17 cation”;

18 (B) by striking paragraph (5) and redesign-  
19 ating paragraphs (2), (3), and (4) as para-  
20 graphs (3), (4), and (5), respectively;

21 (C) by inserting after paragraph (1), the  
22 following:

23 “(2) develops a mechanism to identify institu-  
24 tions or programs accredited by the agency or asso-  
25 ciation that may be experiencing difficulties accom-

1 plishing their missions with respect to the student  
2 learning and educational outcome goals established  
3 under subsection (a)(5) and—

4 “(A) as appropriate, uses information such  
5 as student loan default or repayment rates, re-  
6 tention or graduation rates, evidence of student  
7 learning, financial data, and other indicators to  
8 identify such institutions;

9 “(B) not less than annually, evaluates the  
10 extent to which those identified institutions or  
11 programs continue to be in compliance with the  
12 agency or association’s standards; and

13 “(C) as appropriate, requires the institu-  
14 tion or program to address deficiencies and en-  
15 sure that any plan to address and remedy defi-  
16 ciencies is successfully implemented.”;

17 (D) in paragraph (4)(A), as so redesign-  
18 dated, by striking “487(f)” and inserting  
19 “487(e)”;

20 (E) by amending paragraph (5), as so re-  
21 designated, to read as follows:

22 “(5) establishes and applies or maintains poli-  
23 cies which ensure that any substantive change to the  
24 educational mission, program, or programs of an in-  
25 stitution after the agency or association has granted

1 the institution accreditation or preaccreditation sta-  
2 tus does not adversely affect the capacity of the in-  
3 stitution to continue to meet the agency’s or associa-  
4 tion’s standards for such accreditation or  
5 preaccreditation status, which shall include policies  
6 that—

7 “(A) require the institution to obtain the  
8 agency’s or association’s approval of the sub-  
9 stantive change before the agency or association  
10 includes the change in the scope of the institu-  
11 tion’s accreditation or preaccreditation status;  
12 and

13 “(B) define substantive change to include,  
14 at a minimum—

15 “(i) any change in the established  
16 mission or objectives of the institution;

17 “(ii) any change in the legal status,  
18 form of control, or ownership of the insti-  
19 tution;

20 “(iii) the addition of courses, pro-  
21 grams of instruction, training, or study, or  
22 credentials or degrees that represent a sig-  
23 nificant departure from the courses, pro-  
24 grams, or credentials or degrees that were

1 offered at time the agency or association  
2 last evaluated the institution; or

3 “(iv) the entering into a contract  
4 under which an institution or organization  
5 not certified to participate programs under  
6 title IV provides a portion of an accredited  
7 institution’s educational program that is  
8 greater than 25 percent;”;

9 (F) in paragraph (7)—

10 (i) in the matter preceding subpara-  
11 graph (A), by inserting “, on the agency’s  
12 or association’s website,” after “public”;

13 (ii) in subparagraph (C), by inserting  
14 before the semicolon at the end the fol-  
15 lowing: “, and a summary of why such ac-  
16 tion was taken or such placement was  
17 made”;

18 (G) in paragraph (8), by striking “and” at  
19 the end;

20 (H) in paragraph (9), by striking the pe-  
21 riod at the end and inserting a semicolon;

22 (I) by adding at the end the following:

23 “(10) makes publicly available, on the agency  
24 or association’s website, a list of the institutions of  
25 higher education accredited by such agency or asso-

1           ciation, which includes, with respect to each institu-  
2           tion on the list—

3                   “(A) the year accreditation was granted;

4                   “(B) the most recent date of a comprehen-  
5           sive evaluation of the institution under para-  
6           graph (1); and

7                   “(C) the anticipated date of the next such  
8           evaluation; and

9                   “(11) confirms, as a part of the agency’s or as-  
10          sociation’s review for accreditation or reaccredita-  
11          tion, that the institution’s website includes consumer  
12          information described section paragraphs (1) and  
13          (2) of section 132(d).”;

14                   (5) in subsection (e)—

15                   (A) by striking “The Secretary” and in-  
16           serting the following:

17                   “(1) IN GENERAL.—Subject to paragraph (2),  
18          the Secretary”;

19                   (B) by adding at the end the following:

20                   “(2) EXCEPTION.—Paragraph (1) shall not  
21           apply in the case of an institution described in sub-  
22           section (j).”.

23                   (6) by striking subsection (h) and inserting the  
24           following:

1           “(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-  
2 TION.—

3           “(1) IN GENERAL.—The Secretary shall not  
4 recognize the accreditation of any otherwise eligible  
5 institution of higher education if the institution is in  
6 the process of changing its accrediting agency or as-  
7 sociation and is subject to one or more of the fol-  
8 lowing actions, unless the eligible institution submits  
9 to the Secretary materials demonstrating a reason-  
10 able cause for changing the accrediting agency or as-  
11 sociation:

12           “(A) A pending or final action brought by  
13 a State agency to suspend, revoke, withdraw, or  
14 terminate the institution’s legal authority to  
15 provide postsecondary education in the State.

16           “(B) A decision by a recognized accred-  
17 iting agency or association to deny accreditation  
18 or preaccreditation to the institution.

19           “(C) A pending or final action brought by  
20 a recognized accrediting agency or association  
21 to suspend, revoke, withdraw, or terminate the  
22 institution’s accreditation or preaccreditation.

23           “(D) Probation or an equivalent status im-  
24 posed on the institution by a recognized accred-  
25 iting agency or association.



1           “(2) RULE OF CONSTRUCTION.—Nothing in  
2 this subsection shall be construed to restrict the  
3 ability of an institution of higher education not sub-  
4 ject to an action described in paragraph (1) and oth-  
5 erwise in good standing to change accrediting agen-  
6 cies or associations without the approval of the Sec-  
7 retary as long as the institution notifies the Sec-  
8 retary of the change.”;

9           (7) by striking subsection (k) and inserting the  
10 following:

11       “(k) RELIGIOUS INSTITUTION RULE.—

12           “(1) IN GENERAL.—Notwithstanding subsection  
13 (j), the Secretary shall allow an institution that has  
14 had its accreditation withdrawn, revoked, or other-  
15 wise terminated, or has voluntarily withdrawn from  
16 an accreditation agency, to remain certified as an in-  
17 stitution of higher education under section 101 and  
18 subpart 3 of this part for a period sufficient to allow  
19 such institution to obtain alternative accreditation, if  
20 the Secretary determines that the withdrawal, rev-  
21 ocation, or termination—

22           “(A) is related to the religious mission or  
23 affiliation of the institution; and

24           “(B) is not related to the accreditation cri-  
25 teria provided for in this section.

1           “(2) REQUIREMENTS.—For purposes of this  
2 section the following shall apply:

3           “(A) The religious mission of an institu-  
4 tion may be reflected in the institution’s reli-  
5 gious tenets, beliefs, or teachings, and any poli-  
6 cies or decisions related to such tenets, beliefs,  
7 or teachings (including any policies or decisions  
8 concerning housing, employment, student ad-  
9 mission, continuing enrollment, graduation, cur-  
10 riculum, or self-governance.

11           “(B) An agency or association’s standard  
12 fails to respect an institution’s religious mission  
13 when the institution determines that the stand-  
14 ard induces, pressures, or coerces the institu-  
15 tion to act contrary to, or to refrain from acting  
16 in support of, any aspect of its religious mis-  
17 sion.”;

18           (8) in subsection (n)(3), by striking “distance  
19 education courses or programs” each place it ap-  
20 pears and inserting “competency-based education  
21 programs” ;

22           (9) in subsection (o), by inserting before the pe-  
23 riod at the end the following: “, or with respect to  
24 the policies and procedures of an accreditation agen-  
25 cy or association described in paragraph (2) or (5)

1 of subsection (c) or how the agency or association  
2 carries out such policies and procedures”;

3 (10) by striking subsections (p) and (q); and

4 (11) by adding at the end the following:

5 “(p) RISK-BASED OR DIFFERENTIATED REVIEW  
6 PROCESSES OR PROCEDURES.—

7 “(1) IN GENERAL.—Notwithstanding any other  
8 provision of law (including subsection (a)(4)(A)), an  
9 accrediting agency or association may establish, with  
10 the involvement of its membership, risk-based or dif-  
11 ferentiated review processes or procedures for as-  
12 sessing compliance with the accrediting agency or  
13 association’s standards, including policies related to  
14 substantive change and award of accreditation  
15 statuses, for institutions of higher education or pro-  
16 grams that have demonstrated exceptional past per-  
17 formance with respect to meeting the accrediting  
18 agency or association’s standards.

19 “(2) PROHIBITION.—Risk-based or differen-  
20 tiated review processes or procedures shall not dis-  
21 criminate against, or otherwise preclude, institutions  
22 of higher education based on institutional sector or  
23 category, including an institution of higher edu-  
24 cation’s tax status.

1           “(3) RULE OF CONSTRUCTION.—Nothing in  
2 this subsection shall be construed to permit the Sec-  
3 retary to establish any criterion that specifies, de-  
4 fines, or prescribes an accrediting agency or associa-  
5 tion’s risk-based or differentiated review process or  
6 procedure.

7           “(q) WAIVER.—The Secretary shall establish a proc-  
8 ess through which an agency or association may seek to  
9 have a requirement of this subpart waived, if such agency  
10 or association—

11           “(1) demonstrates that such waiver is necessary  
12 to enable an institution of higher education or pro-  
13 gram accredited by the agency or association to im-  
14 plement innovative practices intended to—

15           “(A) reduce administrative burdens to the  
16 institution or program without creating costs  
17 for the taxpayer; or

18           “(B) improve the delivery of services to  
19 students, improve instruction or learning out-  
20 comes, or otherwise benefit students; and

21           “(2) describes the terms and conditions that  
22 will be placed upon the program or institution to en-  
23 sure academic integrity and quality.”.

1 **SEC. 497. ELIGIBILITY AND CERTIFICATION PROCEDURES.**

2 (a) ELIGIBILITY AND CERTIFICATION PROCE-  
3 DURES.—Section 498 (20 U.S.C. 1099c) is amended—

4 (1) in subsection (a)—

5 (A) by striking “For purposes of” and in-  
6 serting the following:

7 “(1) IN GENERAL.—For purposes of”;

8 (B) by inserting “, subject to paragraph  
9 (2),” after “determine”; and

10 (C) by adding at the end the following:

11 “(2) SPECIAL RULE.—The determination of  
12 whether an institution of higher education is legally  
13 authorized to operate in a State under section  
14 101(a)(2) shall be based solely on that State’s  
15 laws.”;

16 (2) in subsection (b)(5), by striking “B or D”  
17 and inserting “E”;

18 (3) in subsection (c)—

19 (A) by redesignating paragraphs (4), (5),  
20 and (6) as paragraphs (6), (7), and (8), respec-  
21 tively;

22 (B) by striking the subsection designation  
23 and all that follows through the end of para-  
24 graph (3) and inserting the following:

25 “(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1)

26 The Secretary shall determine whether an institution has

1 the financial responsibility required by this title in accord-  
2 ance with paragraph (2).

3 “(2) An institution shall be determined to be finan-  
4 cially responsible by the Secretary, as required by this  
5 title, if the institution is able to provide the services de-  
6 scribed in its official publications and statements, is able  
7 to provide the administrative resources necessary to com-  
8 ply with the requirements of this title, and meets one of  
9 the following conditions:

10 “(A) Such institution has its liabilities backed  
11 by the full faith and credit of a State, or its equiva-  
12 lent.

13 “(B) Such institution has a bond credit quality  
14 rating of investment grade or higher from a recog-  
15 nized credit rating agency.

16 “(C) Such institution has expendable net assets  
17 equal to not less than one-half of the annual poten-  
18 tial liabilities of such institution to the Secretary for  
19 funds under this title, including loan obligations dis-  
20 charged pursuant to section 437, and to students for  
21 refunds of institutional charges, including funds  
22 under this title, as calculated by an independent cer-  
23 tified public accountant in accordance with generally  
24 accepted auditing standards.

1           “(D) Such institution establishes, with the sup-  
2           port of a financial statement audited by an inde-  
3           pendent certified public accountant in accordance  
4           with generally accepted auditing standards, that the  
5           institution has sufficient resources to ensure against  
6           the precipitous closure of the institution, including  
7           the ability to meet all of its financial obligations (in-  
8           cluding refunds of institutional charges and repay-  
9           ments to the Secretary for liabilities and debts in-  
10          curred in programs administered by the Secretary).

11          “(E) Such institution has met criteria, pre-  
12          scribed by the Secretary by regulation in accordance  
13          with paragraph (3), that—

14                 “(i) establish ratios that demonstrate fi-  
15                 nancial responsibility in accordance with gen-  
16                 erally accepted auditing standards as described  
17                 in paragraph (7);

18                 “(ii) incorporate the procedures described  
19                 in paragraph (4);

20                 “(iii) establish consequences for failure to  
21                 meet the criteria described in paragraph (5);  
22                 and

23                 “(iv) take into account any differences in  
24                 generally accepted accounting principles, and  
25                 the financial statements required thereunder,

1           that are applicable to for-profit, public, and  
2           nonprofit institutions.

3           “(3) The criteria prescribed pursuant to paragraph  
4 (2)(E) shall provide that the Secretary shall—

5           “(A) not later than 6 months after an institu-  
6           tion that is subject to the requirements of paragraph  
7           (2)(E) has submitted its annual financial statement,  
8           provide to such institution a notification of its pre-  
9           liminary score under such paragraph;

10           “(B) provide to each such institution a descrip-  
11           tion of the method used, and complete copies of all  
12           the calculations performed, to determine the institu-  
13           tion’s score, if such institution makes a request for  
14           such information within 45 days after receiving the  
15           notice under subparagraph (A);

16           “(C) within 60 days of receipt by an institution  
17           of the information described in subparagraph (B)—

18           “(i) allow the institution to correct or cure  
19           an administrative, accounting, or recordkeeping  
20           error if the error is not part of a pattern of er-  
21           rors and there is no evidence of fraud or mis-  
22           conduct related to the error;

23           “(ii) if the institution demonstrates that  
24           the Secretary has made errors in its determina-  
25           tion of the initial score or has used non-stand-



1           ard accounting practices in reaching its deter-  
2           mination, notify the institution that its com-  
3           posite score has been corrected; and

4                   “(iii) take into consideration any subse-  
5           quent change in the institution’s overall fiscal  
6           health that would raise the institution’s score;

7                   “(D) maintain and preserve at all times the  
8           confidentiality of any review until such score is de-  
9           termined to be final; and

10                   “(E) make a determination regarding whether  
11           the institution has met the standards of financial re-  
12           sponsibility based on an audited and certified finan-  
13           cial statement of the institution as described in  
14           paragraph (7).

15           “(4) If the Secretary determines, after conducting an  
16           initial review, that the institution has not met at least one  
17           of the conditions described in subparagraphs (A) through  
18           (E) of paragraph (2) but has otherwise met the require-  
19           ments of such paragraph—

20                   “(A) the Secretary shall request information re-  
21           lating to such conditions for any affiliated or parent  
22           organization, company, or foundation owning or  
23           owned by the institution; and

24                   “(B) if such additional information dem-  
25           onstrates that an affiliated or parent organization,

1        company, or foundation owning or owned by the in-  
2        stitution meets at least one of the conditions de-  
3        scribe in subparagraphs (A) through (E) of para-  
4        graph (2), the institution shall be determined to be  
5        financially responsible as required by this title.

6        “(5) The Secretary shall establish policies and proce-  
7        dures to address an institution’s failure to meet the cri-  
8        teria of paragraph (2) which shall include policies and pro-  
9        cedures that—

10            “(A) require an institution that fails to meet  
11            the criteria for three consecutive years to provide to  
12            the Secretary a financial plan;

13            “(B) provide for additional oversight and cash  
14            monitoring restrictions, as appropriate;

15            “(C) allow an institution to submit to the Sec-  
16            retary third-party financial guarantees that the Sec-  
17            retary determines are reasonable, such as perform-  
18            ance bonds or letters of credit payable to the Sec-  
19            retary, except that an institution may not be re-  
20            quired to obtain a letter of credit in order to be  
21            deemed financially responsible unless—

22            “(i) the institution has been deemed not to  
23            be a going concern, as determined by an inde-  
24            pendent certified public accountant in accord-

1           ance with generally accepted auditing stand-  
2           ards;

3           “(ii) the institution is determined by the  
4           Secretary to be at risk of precipitous closure  
5           when the full financial resources of the institu-  
6           tion, including the value of the institution’s ex-  
7           pendable endowment, are considered; or

8           “(iii) the institution is determined by the  
9           Secretary to be at risk of not meeting all of its  
10          financial obligations, including refunds of insti-  
11          tutional charges and repayments to the Sec-  
12          retary for liabilities and debts incurred in pro-  
13          grams administered by the Secretary; and

14          “(D) provide for the removal of all require-  
15          ments related to the institution’s failure to meet the  
16          criteria once the criteria are met.”; and

17                 (C) in paragraph (7), as so redesignated,  
18                 by striking “paragraphs (2) and (3)(C)” and  
19                 inserting “paragraph (2)”;  
20                 (4) in subsection (g)(3)—

21                 (A) by striking “section 102(a)(1)(C)” and  
22                 inserting “section 102(a)(1)”;

23                 (B) by striking “part B” and inserting  
24                 “part D or E”;

1           (5) in subsection (h)(2), by striking “18” and  
2           inserting “36”;

3           (6) in subsection (i)(1), by striking “section  
4           102 (other than the requirements in subsections  
5           (b)(5) and (c)(3))” and inserting “sections 101  
6           (other than the requirements in subsections  
7           (b)(1)(A) and (b)(2)) and 102”;

8           (7) in subsection (j)(1), by striking “meet the  
9           requirements of sections 102(b)(1)(E) and  
10           102(c)(1)(C)” and inserting “meet the requirements  
11           to be considered an institution of higher education  
12           under sections 101(b)(1)(A) and 101(b)(2)”;

13           (8) in subsection (k)—

14           (A) in paragraph (1), by striking “487(f)”  
15           and inserting “487(e)”; and

16           (B) in paragraph (2)(A), by striking “meet  
17           the requirements of sections 102(b)(1)(E) and  
18           102(c)(1)(C)” and inserting “meet the require-  
19           ments to be considered an institution of higher  
20           education under sections 101(b)(1)(A) and  
21           101(b)(2)”.

22           (b) PROGRAM REVIEW AND DATA.—Section 498A  
23           (20 U.S.C. 1099c–1) is amended—

24           (1) in subsection (a)(2)—

1 (A) by striking “part B of” both places it  
2 appears;

3 (B) in subparagraph (A), by inserting be-  
4 fore the semicolon at the end the following: “,  
5 or after the transition period described in sec-  
6 tion 481B(e)(3), institutions in which 25 per-  
7 cent or more of the educational programs have  
8 a loan repayment rate (defined in section  
9 481B(e)) for the most recent fiscal year of less  
10 than 50 percent”;

11 (C) in subparagraph (B), by inserting be-  
12 fore the semicolon at the end the following: “,  
13 except that this subparagraph shall not apply  
14 after the transition period described in section  
15 481B(e)(3)”;

16 (D) in subparagraph (C)—

17 (i) by inserting “Federal ONE Loan  
18 volume,” after “Stafford/Ford Loan vol-  
19 ume”;

20 (ii) by inserting “Federal ONE Loan  
21 program,” after “Stafford/Ford Loan pro-  
22 gram”;

23 (2) in subsection (b)—

1 (A) by redesignating paragraphs (3)  
2 through (8) as paragraphs (4) through (9), re-  
3 spectively;

4 (B) by inserting after paragraph (2) the  
5 following new paragraph:

6 “(3) as practicable, provide a written expla-  
7 nation to the institution of higher education detail-  
8 ing the Secretary’s reasons for initiating the pro-  
9 gram review which, if applicable, shall include ref-  
10 erences to specific criteria under subsection (a)(2);”  
11 and

12 (C) in paragraph (9), as so redesignated—

13 (i) by striking “paragraphs (6) and  
14 (7)” and inserting “paragraphs (7) and  
15 (8)”; and

16 (ii) by striking “paragraph (5)” and  
17 inserting “paragraph (6)”; and

18 (3) by adding at the end the following new sub-  
19 section:

20 “(f) TIME LIMIT ON PROGRAM REVIEW ACTIVI-  
21 TIES.—In conducting, responding to, and concluding pro-  
22 gram review activities, the Secretary shall—

23 “(1) provide to the institution the initial report  
24 finding not later than 90 days after concluding an  
25 initial site visit;

1           “(2) upon each receipt of an institution’s re-  
2           sponse during a program review inquiry, respond in  
3           a substantive manner within 90 days;

4           “(3) upon each receipt of an institution’s writ-  
5           ten response to a draft final program review report,  
6           provide the final program review report and accom-  
7           panying enforcement actions, if any, within 90 days;  
8           and

9           “(4) conclude the entire program review process  
10          not later than 2 years after the initiation of a pro-  
11          gram review, unless the Secretary determines that  
12          such a review is sufficiently complex and cannot rea-  
13          sonably be concluded before the expiration of such 2-  
14          year period, in which case the Secretary shall  
15          promptly notify the institution of the reasons for  
16          such delay and provide an anticipated date for con-  
17          clusion of the review.”.

18          (c) REVIEW OF REGULATIONS.—Section 498B(b) (20  
19 U.S.C. 1099c–2(b)) is amended by striking “section  
20 102(a)(1)(C)” and inserting “102(a)(1)”.

## 21                   **TITLE V—DEVELOPING** 22                   **INSTITUTIONS**

### 23          **SEC. 501. HISPANIC-SERVING INSTITUTIONS.**

24          Part A of title V (20 U.S.C. 1101 et seq.) is amend-  
25          ed—

1 (1) in section 502(a)—

2 (A) in paragraph (1), by striking “institu-  
3 tion for instruction” and inserting “institution  
4 of higher education for instruction”;

5 (B) in paragraph (2)(A)—

6 (i) by redesignating clauses (v) and  
7 (vi) as clauses (vi) and (v), respectively;

8 (ii) in clause (v) (as so redesignated),  
9 by inserting “(as defined in section  
10 103(20)(A))” after “State”; and

11 (iii) in clause (vi) (as so redesign-  
12 ated), by striking “and” at the end; and

13 (C) in paragraph (2)—

14 (i) by striking the period at the end of  
15 subparagraph (B) and inserting “; and”;  
16 and

17 (ii) by adding at the end the fol-  
18 lowing:

19 “(C) except as provided in section 522(b),  
20 an institution that has a completion rate of at  
21 least 25 percent that is calculated by—

22 “(i) counting a student as completed  
23 if that student graduated within 150 per-  
24 cent of the normal time for completion; or



1                   “(ii) counting a student as completed  
2                   if that student enrolled into another pro-  
3                   gram at an institution for which the pre-  
4                   vious program provided substantial prepa-  
5                   ration within 150 percent of normal time  
6                   for completion.”;

7                   (2) in section 503—

8                   (A) in subsection (b)—

9                   (i) in paragraph (5), by striking  
10                  “counseling, and” and inserting “coun-  
11                  seling, advising, and’ ”

12                  (ii) in paragraph (7), by striking  
13                  “funds management” and inserting “funds  
14                  and administrative management”;

15                  (iii) in paragraph (11), by striking  
16                  “Creating” and all that follows through  
17                  “technologies,” and inserting “Innovative  
18                  learning models and creating or improving  
19                  facilities for Internet or other innovative  
20                  technologies,”; and

21                  (iv) by redesignating paragraph (16)  
22                  as paragraph (20) and inserting after  
23                  paragraph (15) the following:

24                  “(16) The development, coordination, imple-  
25                  mentation, or improvement of career and technical

1 education programs (as defined in section 135 of the  
2 Carl D. Perkins Career and Technical Education  
3 Act of 2006 (20 U.S.C. 2355)).

4 “(17) Alignment and integration of career and  
5 technical education programs with programs of  
6 study leading to a bachelor’s degree, graduate de-  
7 gree, or professional degree.

8 “(18) Developing or expanding access to dual  
9 or concurrent enrollment programs and early college  
10 high school programs.

11 “(19) Pay for success initiatives that improve  
12 time to completion and increase graduation rates.”;  
13 and

14 (B) in subsection (c), by adding at the end  
15 the following:

16 “(4) SCHOLARSHIP.—An institution that uses  
17 grant funds provided under this part to establish or  
18 increase an endowment fund may use the income  
19 from such endowment fund to provide scholarships  
20 to students for the purposes of attending such insti-  
21 tution, subject to the limitation in section  
22 331(c)(3)(B)(i).”;

23 (3) in section 504, by striking subsection (a)  
24 and inserting the following:

1           “(a) AWARD PERIOD.—The Secretary may award a  
2 grant to a Hispanic-serving institution under this part for  
3 a period of 5 years. Any funds awarded under this part  
4 that are not expended or used, before the date that is 10  
5 years after the date on which the grant was awarded, for  
6 the purposes for which the funds were paid shall be repaid  
7 to the Treasury.”; and

8           (4) in section 505, by striking “this title” each  
9 place such term appears and inserting “this part”.

10 **SEC. 502. PROMOTING POSTBACCALAUREATE OPPORTUNI-**  
11 **TIES FOR HISPANIC AMERICANS.**

12           Part B of title V (20 U.S.C. 1102 et seq.) is amend-  
13 ed—

14           (1) in section 513—

15           (A) by striking paragraph (1) and insert-  
16 ing the following:

17           “(1) The activities described in (1) through (4),  
18 (11), and (19) of section 503(b).”;

19           (B) by striking paragraphs (2) and (3);  
20 and

21           (C) by redesignating paragraphs (4)  
22 through (8) as paragraphs (2) through (6), re-  
23 spectively; and

24           (D) in paragraph (4) (as so redesignated),  
25 by striking “Creating” and all that follows

1 through “technologies,” and inserting “Innova-  
2 tive learning models and creating or improving  
3 facilities for Internet or other innovative tech-  
4 nologies,”; and

5 (2) in section 514—

6 (A) by striking subsection (b) and insert-  
7 ing the following:

8 “(b) DURATION.—The Secretary may award a grant  
9 to a Hispanic-serving institution under this part for a pe-  
10 riod of 5 years. Any funds awarded under this part that  
11 are not expended or used for the purposes for which the  
12 funds were paid within 10 years following the date on  
13 which the grant was awarded shall be repaid to the Treas-  
14 ury.”; and

15 (B) by adding at the end the following:

16 “(d) SPECIAL RULE.—No Hispanic-serving institu-  
17 tion that is eligible for and receives funds under this part  
18 may receive funds under part A or B of title III during  
19 the period for which funds under this part are awarded.”.

20 **SEC. 503. GENERAL PROVISIONS.**

21 Part C of title V (20 U.S.C. 1103 et seq.) is amend-  
22 ed—

23 (1) in section 521(e)(7)—

24 (A) by striking subparagraph (C);

1 (B) by redesignating subparagraphs (D)  
2 and (E) as subparagraphs (C) and (D), respec-  
3 tively; and

4 (C) in subparagraph (D), as so redesign-  
5 ated, by striking “subparagraph (D)” and in-  
6 serting “subparagraph (C)”;

7 (2) in section 522(b)—

8 (A) in the subsection heading, by inserting  
9 “; COMPLETION RATES” after “EXPENDI-  
10 TURES”;

11 (B) in paragraph (1), by inserting “or  
12 502(a)(2)(C)” after “502(a)(2)(A)(ii)”;

13 (C) in paragraph (2)—

14 (i) in the paragraph heading, by in-  
15 serting “AND COMPLETION RATES” after  
16 “EXPENDITURES”;

17 (ii) in the matter preceding subpara-  
18 graph (A), by inserting “or 502(a)(2)(C)”  
19 after “502(a)(2)(A)(ii)”;

20 (iii) in subparagraph (A), by inserting  
21 “or section 502(a)(2)(C)” after  
22 “502(a)(2)(A)”;

23 (3) in section 524(c), by striking “section 505”  
24 and inserting “section 504”;

25 (4) in section 528—

1 (A) in subsection (a), by striking “parts A  
2 and C” and all that follows through the period  
3 at the end and inserting “parts A and C,  
4 \$107,795,000 for each of fiscal years 2019  
5 through 2024.”; and

6 (B) in subsection (b), by striking “part B”  
7 and all that follows through the period at the  
8 end and inserting “part B, \$9,671,000 for each  
9 of fiscal years 2019 through 2024.”.

10 **TITLE VI—INTERNATIONAL**  
11 **EDUCATION PROGRAMS**

12 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**  
13 **IES.**

14 (a) GRADUATE AND UNDERGRADUATE LANGUAGE  
15 AND AREA CENTERS AND PROGRAMS.—Section 602 (20  
16 U.S.C. 1122) is amended—

17 (1) in subsection (a)(4)(F), by inserting “(C),”  
18 after “(B),”; and

19 (2) in subsection (e)—

20 (A) by redesignating paragraphs (1) and  
21 (2) as subparagraphs (A) and (B), respectively,  
22 and realigning such subparagraphs so as to be  
23 indented 4 ems from the left margin;

24 (B) by striking “(e) APPLICATION.—Each  
25 institution” and inserting the following:

1 “(e) APPLICATION.—

2 “(1) SUBMISSION; CONTENTS.—Each institu-  
3 tion”; and

4 (C) by adding at the end the following new  
5 paragraph:

6 “(2) APPROVAL.—The Secretary may approve  
7 an application for a grant if an institution, in its ap-  
8 plication, provides adequate assurances that it will  
9 comply with paragraph (1)(A). The Secretary shall  
10 use the requirement of paragraph (1)(A) as part of  
11 the application evaluation, review, and approval  
12 process when determining grant recipients for initial  
13 funding and continuation awards.”.

14 (b) DISCONTINUATION OF CERTAIN PROGRAMS.—  
15 Part A of title VI (20 U.S.C. 1121 et seq.) is amended—

16 (1) by striking section 604;

17 (2) by striking section 606;

18 (3) by striking section 609; and

19 (4) by striking section 610.

20 (c) CONFORMING AMENDMENT.—Part A of title VI  
21 (20 U.S.C. 1121 et seq.) is further amended by redesign-  
22 ating sections 605, 607, and 608 as sections 604, 605,  
23 and 606, respectively.

1 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**  
2 **GRAMS.**

3 (a) CENTERS FOR INTERNATIONAL BUSINESS EDU-  
4 CATION.—Section 612 (20 U.S.C. 1130–1) is amended—

5 (1) in subsection (f)(3), by inserting “and a  
6 wide range of views” after “diverse perspectives”;  
7 and

8 (2) by adding at the end the following new sub-  
9 section:

10 “(g) APPROVAL.—The Secretary may approve an ap-  
11 plication for a grant if an institution, in its application,  
12 provides adequate assurances that it will comply with sub-  
13 section (f)(3). The Secretary shall use the requirement of  
14 subsection (f)(3) as part of the application evaluation, re-  
15 view, and approval process when determining grant recipi-  
16 ents for initial funding and continuation awards.”.

17 (b) DISCONTINUATION OF CERTAIN PROGRAMS.—  
18 Part B of title VI (20 U.S.C. 1130 et seq.) is amended  
19 by striking sections 613 and 614.

20 **SEC. 603. REPEAL OF ASSISTANCE PROGRAM FOR INSTI-**  
21 **TUTE FOR INTERNATIONAL PUBLIC POLICY.**

22 Part C of title VI (20 U.S.C. 1131 et seq.) is re-  
23 pealed.

24 **SEC. 604. GENERAL PROVISIONS.**

25 (a) DEFINITIONS.—Section 631(a) (20 U.S.C.  
26 1132(a)) is amended—



1 (1) by striking paragraphs (5) and (9);

2 (2) in paragraph (8), by inserting “and” after  
3 the semicolon at the end; and

4 (3) by redesignating paragraphs (6), (7), (8),  
5 and (10) as paragraphs (5), (6), (7), and (8), re-  
6 spectively.

7 (b) SPECIAL RULE.—Section 632(2) (20 U.S.C.  
8 1132–1(2)) is amended by inserting “substantial” before  
9 “need”.

10 (c) REPORTS.—Section 636 (20 U.S.C. 1132–5) is  
11 amended—

12 (1) by inserting “(a) BIENNIAL REPORT ON  
13 AREAS OF NATIONAL NEED.—” before “The Sec-  
14 retary”; and

15 (2) by adding at the end the following new sub-  
16 section:

17 “(b) ANNUAL REPORT ON COMPLIANCE WITH DI-  
18 VERSE PERSPECTIVES AND A WIDE RANGE OF VIEWS RE-  
19 QUIREMENT.—Not later than 180 days after the date of  
20 the enactment of this subsection, and annually thereafter,  
21 the Secretary shall submit to the authorizing committees  
22 a report that identifies the efforts taken to ensure recipi-  
23 ents’ compliance with the requirements under this title re-  
24 lating to the ‘diverse perspectives and a wide range of  
25 views’ requirement, including any technical assistance the

1 Department has provided, any regulatory guidance the  
2 Department has issued, and any monitoring the Depart-  
3 ment has conducted. Such report shall be made available  
4 to the public.”.

5 (d) REPEAL OF SCIENCE AND TECHNOLOGY AD-  
6 VANCED FOREIGN LANGUAGE EDUCATION GRANT PRO-  
7 GRAM.—Section 637 (20 U.S.C. 1132–6) is repealed.

8 (e) REPORTING BY INSTITUTIONS.—Section 638(b)  
9 (20 U.S.C. 1132–7(b)) is amended to read as follows:

10 “(b) DATA REQUIRED.—

11 “(1) IN GENERAL.—Except as provided in para-  
12 graph (5), the Secretary shall require an institution  
13 of higher education referred to in subsection (a) to  
14 file a disclosure report under paragraph (2) with the  
15 Secretary on January 31 or July 31, whichever is  
16 sooner, with respect to the date on which such insti-  
17 tution received a contribution—

18 “(A) less than 7 months from such date;

19 and

20 “(B) greater than 30 days from such date.

21 “(2) CONTENTS OF REPORT.—Each report to  
22 the Secretary required by this section shall contain  
23 the following information with respect to the institu-  
24 tion of higher education filing the report:

1           “(A) For gifts received from, or contracts  
2 entered into with a foreign source other than a  
3 foreign government, the following information:

4           “(i) The aggregate dollar amount of  
5 such gifts and contracts attributable to  
6 each country, including the fair market  
7 value of the services of staff members,  
8 textbooks, and other in-kind gifts.

9           “(ii) The legal name of the entity pro-  
10 viding any such gift or contract.

11           “(iii) The country to which the gift is  
12 attributable.

13           “(B) For gifts received from, or contracts  
14 entered into with, a foreign government, the ag-  
15 gregate dollar amount of such gifts and con-  
16 tracts received from each foreign government  
17 and the legal name of the entity providing any  
18 such gift or contract.

19           “(C) In the case of an institution of higher  
20 education that is owned or controlled by a for-  
21 eign source—

22           “(i) the identity of the foreign source;

23           “(ii) the date on which the foreign  
24 source assumed ownership or control of the  
25 institution; and

1                   “(iii) any changes in program or  
2                   structure resulting from the change in  
3                   ownership or control.

4                   “(3) ADDITIONAL DISCLOSURES FOR RE-  
5                   STRICTED AND CONDITIONAL GIFTS.—Notwith-  
6                   standing paragraph (1), when an institution of high-  
7                   er education receives a restricted or conditional gift  
8                   or contract from a foreign source, the institution  
9                   shall disclose the following:

10                   “(A) In the case of gifts received from, or  
11                   contracts entered into with, a foreign source  
12                   other than a foreign government, the amount,  
13                   the date, and a description of such conditions  
14                   or restrictions.

15                   “(B) The country to which the gift is at-  
16                   tributable.

17                   “(C) In the case of gifts received from, or  
18                   contracts entered into with, a foreign govern-  
19                   ment, the amount, the date, a description of  
20                   such conditions or restrictions, and the name of  
21                   the foreign government.

22                   “(4) ATTRIBUTION OF GIFTS.—For purposes of  
23                   this subsection, the country to which a gift is attrib-  
24                   utable is—

25                   “(A) the country of citizenship; or

1           “(B) if the information described in sub-  
2 paragraph (A) is not known—

3                   “(i) the principal residence for a for-  
4 eign source who is a natural person; or

5                   “(ii) the principal place of business  
6 and country of incorporation for a foreign  
7 source that is a legal entity.

8           “(5) RELATION TO OTHER REPORTING RE-  
9 QUIREMENTS.—

10                   “(A) STATE REQUIREMENTS.—If an insti-  
11 tution described under subsection (a) is located  
12 within a State that has enacted requirements  
13 for public disclosure of gifts from, or contracts  
14 with, a foreign source that are substantially  
15 similar to the requirements of this section, as  
16 determined by the Secretary, a copy of the dis-  
17 closure report filed with the State may be filed  
18 with the Secretary in lieu of a report required  
19 under paragraph (1).

20                   “(B) ASSURANCES.—With respect to an  
21 institution that submits a copy of a disclosure  
22 report pursuant to subparagraph (A), the State  
23 in which such institution is located shall provide  
24 to the Secretary such assurances as the Sec-  
25 retary may require to establish that the institu-

1           tion has met the requirements for public disclo-  
2           sure under the laws of such State.

3           “(C) USE OF OTHER FEDERAL RE-  
4           PORTS.—If an institution receives a gift from,  
5           or enters into a contract with, a foreign source,  
6           where any other Federal law or regulation re-  
7           quires a report containing requirements sub-  
8           stantially similar to the requirements under this  
9           section, as determined by the Secretary, a copy  
10          of the report may be filed with the Secretary in  
11          lieu of a report required under subsection (b).

12          “(6) PUBLIC INSPECTION.—A disclosure report  
13          required by this section shall be—

14                 “(A) available as public records open to in-  
15                 spection and copying during business hours;

16                 “(B) available electronically; and

17                 “(C) made available under subparagraphs  
18                 (A) and (B) not later than 30 days after the  
19                 Secretary receives such report.

20          “(7) ENFORCEMENT.—

21                 “(A) COMPEL COMPLIANCE.—Whenever it  
22                 appears that an institution has failed to comply  
23                 with the requirements of this section, including  
24                 any rule or regulation promulgated under this  
25                 section, a civil action may be brought by the At-

1           torney General, at the request of the Secretary,  
2           in an appropriate district court of the United  
3           States, or the appropriate United States court  
4           of any territory or other place subject to the ju-  
5           risdiction of the United States, to request such  
6           court to compel compliance with the require-  
7           ments of this section.

8           “(B) COSTS.—For knowing or willful fail-  
9           ure to comply with the requirements of this sec-  
10          tion, including any rule or regulation promul-  
11          gated thereunder, an institution shall pay to the  
12          Treasury of the United States the full costs to  
13          the United States of obtaining compliance, in-  
14          cluding all associated costs of investigation and  
15          enforcement.

16          “(8) DEFINITIONS.—In this section:

17                 “(A) CONTRACT.—The term ‘contract’  
18                 means any agreement for the acquisition by  
19                 purchase, lease, gift, or barter of property or  
20                 services by the foreign source, for the direct  
21                 benefit or use of either of the parties.

22                 “(B) FOREIGN SOURCE.—The term ‘for-  
23                 eign source’ means—

24                         “(i) a foreign government, including  
25                         an agency of a foreign government;

1                   “(ii) a legal entity, governmental or  
2                   otherwise, created solely under the laws of  
3                   a foreign state or states;

4                   “(iii) an individual who is not a cit-  
5                   izen or a national of the United States or  
6                   a trust territory or protectorate thereof;  
7                   and

8                   “(iv) an agent, including a subsidiary  
9                   or affiliate of a foreign legal entity, acting  
10                  on behalf of a foreign source.

11                  “(C) GIFT.—The term ‘gift’ means any  
12                  gift of money, property, human resources, or  
13                  payment of any staff.

14                  “(D) RESTRICTED OR CONDITIONAL.—The  
15                  term ‘restricted or conditional’, with respect to  
16                  an endowment, gift, grant, contract, award,  
17                  present, or property of any kind means includ-  
18                  ing as a condition on such endowment, gift,  
19                  grant, contract, award, present, or property  
20                  provisions regarding—

21                  “(i) the employment, assignment, or  
22                  termination of faculty;

23                  “(ii) the establishment of depart-  
24                  ments, centers, research or lecture pro-



1                   grams, institutes, instructional programs,  
2                   or new faculty positions;

3                   “(iii) the selection or admission of  
4                   students; or

5                   “(iv) the award of grants, loans,  
6                   scholarships, fellowships, or other forms of  
7                   financial aid restricted to students of a  
8                   specified country, religion, sex, ethnic ori-  
9                   gin, or political opinion.”.

10           (f) REDESIGNATIONS.—Part D of title VI (20 U.S.C.  
11 1132 et seq.) is amended—

12                   (1) by redesignating such part as part C; and

13                   (2) by redesignating sections 631, 632, 633,  
14           634, 635, 636, and 638 as sections 621, 622, 623,  
15           624, 625, 626, and 627, respectively.

16           (g) CONTINUATION AWARDS.—Part C of title VI (20  
17 U.S.C. 1131 et seq.), as so redesignated by subsection  
18 (f)(1) of this section, is amended by adding at the end  
19 the following new sections:

20   **“SEC. 628. CONTINUATION AWARDS.**

21           “The Secretary shall make continuation awards  
22 under this title for the second and succeeding years of a  
23 grant only after determining that the recipient is making  
24 satisfactory progress in carrying out the grant.

1 **“SEC. 629. AUTHORIZATION OF APPROPRIATIONS.**

2 “There is authorized to be appropriated to carry out  
3 this title \$61,525,000 for each of fiscal years 2019  
4 through 2024.”.

5 **TITLE VII—GRADUATE AND**  
6 **POSTSECONDARY IMPROVE-**  
7 **MENT PROGRAMS**

8 **SEC. 701. GRADUATE EDUCATION PROGRAMS.**

9 (a) REPEAL OF JACOB K. JAVITS FELLOWSHIP PRO-  
10 GRAM.—Subpart 1 of part A of title VII (20 U.S.C. 1134  
11 et seq.) is repealed.

12 (b) REPEAL OF THURGOOD MARSHALL LEGAL EDU-  
13 CATIONAL OPPORTUNITY PROGRAM.—Subpart 3 of part  
14 A of title VII (20 U.S.C. 1136) is repealed.

15 (c) AUTHORIZATION OF APPROPRIATIONS FOR GRAD-  
16 UATE ASSISTANCE IN AREAS OF NATIONAL NEED.—Sec-  
17 tion 716 (20 U.S.C. 1135e) is amended striking  
18 “\$35,000,000” and all that follows through the period at  
19 the end and inserting “\$28,047,000 for each of fiscal  
20 years 2019 through 2024.”.

21 (d) REDESIGNATIONS.—Part A of title VII (20  
22 U.S.C. 1134 et seq.) is amended—

23 (1) by redesignating subparts 2, 4, and 5 as  
24 subparts 1, 2, and 3 respectively;

25 (2) by redesignating sections 711 through 716  
26 as sections 701 through 706, respectively;

1           (3) by redesignating sections 723 through 725  
2           as sections 711 through 713, respectively; and

3           (4) by redesignating section 731 as section 721.

4           (e) AMENDMENT OF CROSS REFERENCES.—Part A  
5 of title VII (20 U.S.C. 1134 et seq.) is amended—

6           (1) in section 703(b)(8), as so redesignated, by  
7           striking “section 715” and inserting “section 705”;

8           (2) in section 704(e), as so redesignated—

9                 (A) by striking “section 715(a)” and in-  
10                serting “section 705(a)”; and

11               (B) by striking “section 713(b)(2)” and in-  
12                serting “section 703(b)(2)”;

13           (3) in section 711(e), as so redesignated, by  
14           striking “724” and inserting “712”;

15           (4) in section 712(e), as so redesignated, by  
16           striking “723” and inserting “711”;

17           (5) in section 713, as so redesignated—

18                 (A) in subsection (a), by striking “section  
19                723” and all that follows through the period at  
20                the end and inserting “section 711, \$7,500,000  
21                for fiscal year 2019 and each of the five suc-  
22                ceeding fiscal years.”; and

23                 (B) in subsection (b), by striking “section  
24                724” and inserting “section 712”; and

25           (6) in section 721, as so redesignated—

1 (A) in the section heading, by striking  
2 “**THROUGH 4**” and inserting “**AND 2**”;

3 (B) by striking “subparts 1 through 4”  
4 each place such term appears and inserting  
5 “subparts 1 and 2”;

6 (c) in subsection (c)—

7 (I) by striking “section 703(b) or  
8 715(a)” and inserting “section 705(a)”;  
9 and

10 (ii) by striking “subparts 1 or 2, re-  
11 spectively,” and inserting “subpart 1”; and

12 (D) in subsection (d), by striking “subpart  
13 1, 2, 3, or 4” and inserting “subpart 1 or 2”.

14 **SEC. 702. REPEAL OF FUND FOR THE IMPROVEMENT OF**  
15 **POSTSECONDARY EDUCATION.**

16 Part B of title VII (20 U.S.C. 1138 et seq.) is re-  
17 pealed.

18 **SEC. 703. PROGRAMS FOR STUDENTS WITH DISABILITIES.**

19 (a) REDESIGNATIONS.—

20 (1) SUBPART.—Part D of title VII (20 U.S.C.  
21 1140 et seq.) is amended by striking subparts 1 and  
22 3 and redesignating subparts 2 and 4 as subparts 1  
23 and 2, respectively.

1           (2) PART.—Part D of title VII (20 U.S.C.  
2           1140 et seq.), as amended by paragraph (1), is re-  
3           designated as part B of such Act.

4           (b) MODEL TRANSITION PROGRAMS; COORDINATING  
5           CENTER.—

6           (1) PURPOSE.—Section 766 (20 U.S.C. 1140f)  
7           is redesignated as section 731 of such Act.

8           (2) MODEL COMPREHENSIVE TRANSITION AND  
9           POSTSECONDARY PROGRAMS.—Section 767 (20  
10          U.S.C. 1140g) is amended—

11           (A) by redesignating such section as sec-  
12          tion 732 of such Act;

13           (B) in subsection (a)(1)—

14           (i) by striking “section 769(a)” and  
15          inserting “section 735(a)”; and

16           (ii) by striking “institutions of higher  
17          education (or consortia of institutions of  
18          higher education), to enable the institu-  
19          tions or consortia” and inserting “eligible  
20          applicants, to enable the eligible appli-  
21          cants”;

22           (C) by striking subsection (b) and insert-  
23          ing the following:

24          “(b) APPLICATION.—An eligible applicant desiring a  
25          grant under this section shall submit to the Secretary, at

1 such time and in such manner as the Secretary may re-  
2 quire, an application that—

3 “(1) describes how the model program to be op-  
4 erated by the eligible applicant with grant funds re-  
5 ceived under this section will meet the requirements  
6 of subsection (d);

7 “(2) describes how the model program proposed  
8 to be operated is based on the demonstrated needs  
9 of students with intellectual disabilities served by the  
10 eligible applicant and potential employers;

11 “(3) describes how the model program proposed  
12 to be operated will coordinate with other Federal,  
13 State, and local programs serving students with in-  
14 tellectual disabilities, including programs funded  
15 under the Rehabilitation Act of 1973 (29 U.S.C.  
16 701 et seq.);

17 “(4) describes how the model program will be  
18 sustained once the grant received under this section  
19 ends;

20 “(5) if applicable, describes how the eligible ap-  
21 plicant will meet the preferences described in sub-  
22 section (c)(3); and

23 “(6) demonstrates the ability of the eligible ap-  
24 plicant to meet the requirement under subsection  
25 (e).”.

- 1 (D) in subsection (c)(3)—
- 2 (i) in subparagraph (B), by striking
- 3 “institution of higher education” and in-
- 4 serting “eligible applicant”; and
- 5 (ii) in subparagraph (C), by striking
- 6 “students attending the institution of high-
- 7 er education” and inserting “the eligible
- 8 applicant’s students”;
- 9 (E) in subsection (d)—
- 10 (i) in the matter preceding paragraph
- 11 (1), by striking “An institution of higher
- 12 education (or consortium)” and inserting
- 13 “An eligible applicant”;
- 14 (ii) in paragraph (2), by striking “in-
- 15 stitution of higher education’s” and insert-
- 16 ing “eligible applicant’s”;
- 17 (iii) in paragraph (3)(D), by striking
- 18 “that lead to gainful employment”;
- 19 (iv) in paragraph (5), by striking
- 20 “section 777(b)” and inserting “section
- 21 734”;
- 22 (v) in paragraph (6), by inserting
- 23 “and” after the semicolon at the end;
- 24 (vi) by striking paragraph (7); and

1 (vii) by redesignating paragraph (8)  
2 as paragraph (7);

3 (F) in subsection (e), by striking “An in-  
4 stitution of higher education (or consortium)”  
5 and inserting “An eligible applicant”;

6 (G) in subsection (f), by striking “Not  
7 later than five years after the date of the first  
8 grant awarded under this section” and inserting  
9 “Not less often than once every 5 years”; and

10 (H) by adding at the end the following new  
11 subsection:

12 “(g) DEFINITION.—For purposes of this subpart, the  
13 term ‘eligible applicant’ means an institution of higher  
14 education or a consortium of institutions of higher edu-  
15 cation.”.

16 (3) REDESIGNATIONS.—Sections 768 and 769  
17 (20 U.S.C. 1140i) are redesignated as sections 733  
18 and 735, respectively.

19 (4) COORDINATING CENTER.—Subpart 1 of  
20 part D of title VII, as so redesignated by subsection  
21 (a)(1), is amended by inserting after section 733 (as  
22 so redesignated by paragraph (3)) the following new  
23 section:



1 **“SEC. 734. COORDINATING CENTER.**

2 “(a) PURPOSE.—It is the purpose of this section to  
3 provide technical assistance and information on best and  
4 promising practices to eligible applicants awarded grants  
5 under section 732.

6 “(b) COORDINATING CENTER.—

7 “(1) DEFINITION OF ELIGIBLE ENTITY.—In  
8 this section, the term ‘eligible entity’ means an enti-  
9 ty, or a partnership of entities, that has dem-  
10 onstrated expertise in the fields of—

11 “(A) higher education;

12 “(B) the education of students with intel-  
13 lectual disabilities;

14 “(C) the development of comprehensive  
15 transition and postsecondary programs for stu-  
16 dents with intellectual disabilities; and

17 “(D) evaluation and technical assistance.

18 “(2) IN GENERAL.—From amounts appro-  
19 priated under section 735, the Secretary shall enter  
20 into a cooperative agreement, on a competitive basis,  
21 with an eligible entity for the purpose of establishing  
22 a coordinating center for institutions of higher edu-  
23 cation that offer inclusive comprehensive transition  
24 and postsecondary programs for students with intel-  
25 lectual disabilities, including eligible applicants re-  
26 ceiving grants under section 732, to provide—

1           “(A) recommendations related to the devel-  
2           opment of standards for such programs;

3           “(B) technical assistance for such pro-  
4           grams; and

5           “(C) evaluations for such programs.

6           “(3) ADMINISTRATION.—The program under  
7           this section shall be administered by the office in the  
8           Department that administers other postsecondary  
9           education programs.

10          “(4) DURATION.—A cooperative agreement en-  
11          tered into pursuant to this section shall have a term  
12          of 5 years.

13          “(5) REQUIREMENTS OF COOPERATIVE AGREE-  
14          MENT.—The cooperative agreement entered into  
15          pursuant to this section shall provide that the eligi-  
16          ble entity entering into such agreement shall estab-  
17          lish and maintain a coordinating center that shall—

18               “(A) serve as the technical assistance enti-  
19               ty for all comprehensive transition and postsec-  
20               ondary programs for students with intellectual  
21               disabilities;

22               “(B) provide technical assistance regarding  
23               the development, evaluation, and continuous im-  
24               provement of such programs;

1           “(C) develop an evaluation protocol for  
2 such programs that includes qualitative and  
3 quantitative methodologies for measuring stu-  
4 dent outcomes and program strengths in the  
5 areas of academic enrichment, socialization,  
6 independent living, and competitive or sup-  
7 ported employment;

8           “(D) assist recipients of grants under sec-  
9 tion 732 in efforts to award a meaningful cre-  
10 dential to students with intellectual disabilities  
11 upon the completion of such programs, which  
12 credential shall take into consideration unique  
13 State factors;

14           “(E) develop recommendations for the nec-  
15 essary components of such programs, such as—

16                   “(i) academic, vocational, social, and  
17 independent living skills;

18                   “(ii) evaluation of student progress;

19                   “(iii) program administration and  
20 evaluation;

21                   “(iv) student eligibility; and

22                   “(v) issues regarding the equivalency  
23 of a student’s participation in such pro-  
24 grams to semester, trimester, quarter,

1 credit, or clock hours at an institution of  
2 higher education, as the case may be;

3 “(F) analyze possible funding sources for  
4 such programs and provide recommendations to  
5 such programs regarding potential funding  
6 sources;

7 “(G) develop model memoranda of agree-  
8 ment for use between or among institutions of  
9 higher education and State and local agencies  
10 providing funding for such programs;

11 “(H) develop mechanisms for regular com-  
12 munication, outreach, and dissemination of in-  
13 formation about comprehensive transition and  
14 postsecondary programs for students with intel-  
15 lectual disabilities under section 732 between or  
16 among such programs and to families and pro-  
17 spective students;

18 “(I) host a meeting of all recipients of  
19 grants under section 732 not less often than  
20 once every 3 years; and

21 “(J) convene a workgroup to develop and  
22 recommend model criteria, standards, and com-  
23 ponents of such programs as described in sub-  
24 paragraph (E) that are appropriate for the de-

1           velopment of accreditation standards, which  
2           workgroup shall include—

3                   “(i) an expert in higher education;

4                   “(ii) an expert in special education;

5                   “(iii) a representative of a disability  
6           organization that represents students with  
7           intellectual disabilities;

8                   “(iv) a representative from the Na-  
9           tional Advisory Committee on Institutional  
10          Quality and Integrity; and

11                   “(v) a representative of a regional or  
12          national accreditation agency or associa-  
13          tion.

14           “(6) REPORT.—Not less often than once every  
15          5 years, the coordinating center shall report to the  
16          Secretary, the authorizing committees, and the Na-  
17          tional Advisory Committee on Institutional Quality  
18          and Integrity on the recommendations of the  
19          workgroup described in paragraph (5)(J).”.

20           (5) AUTHORIZATION OF APPROPRIATIONS.—  
21          Section 735, as so redesignated by paragraph (3), is  
22          amended—

23                   (A) in subsection (a), by striking “such  
24          sums as may be necessary for fiscal year 2009”

1 and inserting “\$11,800,000 for fiscal year  
2 2019”; and

3 (B) by striking subsection (b) and insert-  
4 ing the following:

5 “(b) RESERVATION OF FUNDS.—For any fiscal year  
6 for which appropriations are made for this subpart, the  
7 Secretary—

8 “(1) shall reserve funds to enter into a coopera-  
9 tive agreement to establish the coordinating center  
10 under section 734, in an amount that is equal to—

11 “(A) not less than \$240,000 for any year  
12 in which the amount appropriated to carry out  
13 this subpart is \$8,000,000 or less; or

14 “(B) equal to 3 percent of the amount ap-  
15 propriated to carry out this subpart for any  
16 year in which such amount appropriated is  
17 greater than \$8,000,000; and

18 “(2) may reserve funds to award the grant,  
19 contract, or cooperative agreement described in sec-  
20 tion 737.”.

21 (c) NATIONAL TECHNICAL ASSISTANCE CENTER.—

22 (1) SUBPART HEADING.—The subpart heading  
23 for subpart 2 of part D of title VII (20 U.S.C.  
24 1140p et seq.), as so redesignated by subsection

1 (a)(1), is amended by striking “; **Coordinating**  
2 **Center**”.

3 (2) PURPOSE.—Section 776 (20 U.S.C. 1140p)  
4 is amended—

5 (A) by redesignating such section as sec-  
6 tion 736 of such Act; and

7 (B) by striking “grants, contracts, or coop-  
8 erative agreements under subpart 1, 2, or 3”  
9 and inserting “grants or a cooperative agree-  
10 ment under subpart 1”.

11 (3) NATIONAL TECHNICAL ASSISTANCE.—Sec-  
12 tion 777 (20 U.S.C. 1140q) is amended—

13 (A) by redesignating such section as sec-  
14 tion 737 of such Act;

15 (B) in the section heading, by striking “;  
16 **COORDINATING CENTER**”;

17 (C) in subsection (a)(1), by striking “ap-  
18 propriated under section 778” and inserting  
19 “reserved under section 735(b)(2)”;

20 (D) by amending subsection (a)(3)(D) to  
21 read as follows:

22 “(D) the subject supported by the grants  
23 or cooperative agreement authorized in subpart  
24 1.”;

1 (E) in subsection (a)(4)(A)(ii), by striking  
2 “subparts 2, 4, and 5” and inserting “subparts  
3 2 and 5”; and

4 (F) in subsection (a)(4)(B), by striking  
5 “grants, contracts, or cooperative agreements  
6 authorized under subparts 1, 2, and 3” each  
7 place it appears and inserting “grants and co-  
8 operative agreement authorized under subpart  
9 1”.

10 (4) AUTHORIZATION OF APPROPRIATIONS.—

11 Section 778 (20 U.S.C. 1140r) is repealed.

12 **SEC. 704. REPEAL OF COLLEGE ACCESS CHALLENGE**  
13 **GRANT PROGRAM.**

14 Part E of title VII (20 U.S.C. 1141) is repealed.

15 **TITLE VIII—OTHER REPEALS**

16 **SEC. 801. REPEAL OF ADDITIONAL PROGRAMS.**

17 (a) HIGHER EDUCATION ACT OF 1965.—Title VIII  
18 of the Higher Education Act of 1965 (20 U.S.C. 1161a  
19 et seq.) is repealed.

20 (b) HIGHER EDUCATION OPPORTUNITY ACT.—The  
21 Higher Education Opportunity Act (Public Law 110–315;  
22 122 Stat. 3078 et seq.) is amended by repealing sections  
23 802 and 803.

24 (c) HIGHER EDUCATION AMENDMENTS OF 1998.—  
25 The Higher Education Amendments of 1998 (Public Law



1 105–244; 112 Stat. 1581 et seq.) is amended by repealing  
2 sections 821 and 841.

3 (d) HIGHER EDUCATION AMENDMENTS OF 1992.—  
4 The Higher Education Amendments of 1992 (Public Law  
5 102–325; 106 Stat. 448 et seq.) is amended by repealing  
6 section 1543.

7 (e) UNITED STATES INSTITUTE OF PEACE ACT.—  
8 The United States Institute of Peace Act (22 U.S.C. 4601  
9 et seq.) is repealed.

## 10 **TITLE IX—AMENDMENTS TO** 11 **OTHER LAWS**

### 12 **PART A—EDUCATION OF THE DEAF ACT OF 1986**

#### 13 **SEC. 901. EDUCATION OF THE DEAF ACT OF 1986.**

14 (a) BOARD OF TRUSTEES.—Section 103(a)(1) of the  
15 Education of the Deaf Act of 1986 (20 U.S.C. 4303(a)(1))  
16 is amended—

17 (1) in the matter preceding subparagraph (A),  
18 by striking “twenty-one” and inserting “twenty-  
19 three”;

20 (2) in subparagraph (A)—

21 (A) by striking “three public” and insert-  
22 ing “four public”;

23 (B) by striking “one shall” and all that  
24 follows through “, and” and inserting “two  
25 shall be United States Senators, of whom one

1 shall be appointed by the Majority Leader of  
2 the Senate and one shall be appointed by the  
3 Minority Leader of the Senate, and”; and

4 (C) by striking “appointed by the Speaker  
5 of the House of Representatives” and inserting  
6 “, of whom one shall be appointed by the  
7 Speaker of the House of Representatives and  
8 one shall be appointed by the Minority Leader  
9 of the House of Representatives”; and

10 (3) in subparagraph (B), by striking “eighteen”  
11 and inserting “nineteen”.

12 (b) LAURENT CLERC NATIONAL DEAF EDUCATION  
13 CENTER.—Section 104(b)(5) of the Education of the Deaf  
14 Act of 1986 (20 U.S.C. 4304(b)(5)) is amended to read  
15 as follows:

16 “(5) The University, for purposes of the ele-  
17 mentary and secondary education programs carried  
18 out by the Clerc Center, shall—

19 “(A)(i)(I) provide an assurance to the Sec-  
20 retary that it has adopted and is implementing  
21 challenging State academic standards that meet  
22 the requirements of section 1111(b)(1) of the  
23 Elementary and Secondary Education Act of  
24 1965 (20 U.S.C. 6311(b)(1));

1           “(II) demonstrate to the Secretary that the  
2           University is implementing a set of high-quality  
3           student academic assessments in mathematics,  
4           reading or language arts, and science, and any  
5           other subjects chosen by the University, that  
6           meet the requirements of section 1111(b)(2) of  
7           such Act (20 U.S.C. 6311(b)(2)); and

8           “(III) demonstrate to the Secretary that  
9           the University is implementing an account-  
10          ability system consistent with section 1111(c) of  
11          such Act (20 U.S.C. 6311(c)); or

12          “(ii)(I) select the challenging State aca-  
13          demic standards and State academic assess-  
14          ments of a State, adopted and implemented, as  
15          appropriate, pursuant to paragraphs (1) and  
16          (2) of section 1111(b) of such Act (20 U.S.C.  
17          6311(b)); and

18          “(II) adopt the accountability system, con-  
19          sistent with section 1111(c) of such Act (20  
20          U.S.C. 6311(c)), of such State; and

21          “(B) publicly report, except in a case in  
22          which such reporting would not yield statis-  
23          tically reliable information or would reveal per-  
24          sonally identifiable information about an indi-  
25          vidual student—

1                   “(i) the results of the academic as-  
2                   sessments implemented under subpara-  
3                   graph (A); and

4                   “(ii) the results of the annual evalua-  
5                   tion of the programs at the Clerc Center,  
6                   as determined using the accountability sys-  
7                   tem adopted under subparagraph (A).”.

8           (c) REPEAL OF CULTURAL EXPERIENCES GRANTS  
9 PROGRAM.—Part C of title I of the Education of the Deaf  
10 Act of 1986 (20 U.S.C. 4341) is repealed.

11          (d) REPEAL OF AUTHORIZATION OF APPROPRIA-  
12 TIONS FOR MONITORING AND EVALUATION.—Subsection  
13 (c) of section 205 of the Education of the Deaf Act of  
14 1986 (20 U.S.C. 4355(c)) is repealed.

15          (e) FEDERAL ENDOWMENT FUNDS.—Section 207 of  
16 the Education of the Deaf Act of 1986 (20 U.S.C. 4357)  
17 is amended—

18               (1) in the heading of subsection (b), by striking  
19               “FEDERAL PAYMENTS” and inserting “PAYMENTS”;

20               (2) in subsection (b), by striking paragraphs  
21               (1) and (2) and inserting the following:

22               “(1) From amounts provided by the Secretary  
23               from funds appropriated under subsections (a) and  
24               (b) of section 212, respectively, the University and  
25               NTID may make payments, in accordance with this

1 section, to the Federal endowment fund of the insti-  
2 tution involved.

3 “(2) Subject to paragraph (3), in any fiscal  
4 year, the total amount of payments made under  
5 paragraph (1) to the Federal endowment fund may  
6 not exceed the total amount contributed to the fund  
7 from non-Federal sources during such fiscal year.

8 “(3) For purposes of paragraph (2), the trans-  
9 fer of funds by an institution involved to the Federal  
10 endowment fund from another endowment fund of  
11 such institution shall not be considered a contribu-  
12 tion from a non-Federal source.”;

13 (3) in subsection (e), by striking “Federal pay-  
14 ment” and inserting “payment under subsection  
15 (b)”;

16 (4) in subsection (f), in the matter preceding  
17 paragraph (1), by striking “Federal payments” and  
18 inserting “payments”;

19 (5) in subsection (g)(1), by striking “Federal  
20 payments to such fund” and inserting “payments  
21 made under subsection (b)”;

22 (6) by repealing subsection (h); and

23 (7) by redesignating subsection (i) as subsection  
24 (h).

1 (f) REPEAL OF NATIONAL STUDY.—Section 211 of  
2 the Education of the Deaf Act of 1986 (20 U.S.C. 4360)  
3 is repealed.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 212 of the Education of the Deaf Act of 1986 (20 U.S.C.  
6 4360a) is amended—

7 (1) in subsection (a), by striking “such sums as  
8 may be necessary for each of the fiscal years 2009  
9 through 2014” and inserting “\$121,275,000 for  
10 each of the fiscal years 2019 through 2024”; and

11 (2) in subsection (b), by striking “such sums as  
12 may be necessary for each of the fiscal years 2009  
13 through 2014” and inserting “\$70,016,000 for each  
14 of the fiscal years 2019 through 2024”.

15 (h) TECHNICAL AMENDMENTS.—The Education of  
16 the Deaf Act of 1986 is further amended—

17 (1) in section 112(b)(3) (20 U.S.C.  
18 4332(b)(3)), by striking “Education and Labor” and  
19 inserting “Education and the Workforce”;

20 (2) in section 203 (20 U.S.C. 4353)—

21 (A) in the heading of subsection (a), by  
22 striking “GENERAL ACCOUNTING” and insert-  
23 ing “GOVERNMENT ACCOUNTABILITY”;

1 (B) in subsection (a), by striking “General  
2 Accounting” and inserting “Government Ac-  
3 countability”;

4 (C) in subsection (b)(3), by striking “Edu-  
5 cation and Labor” and inserting “Education  
6 and the Workforce”; and

7 (D) in subsection (c)(2)(A), by striking  
8 “Education and Labor” and inserting “Edu-  
9 cation and the Workforce”;

10 (3) in section 204 (20 U.S.C. 4354), by striking  
11 “Education and Labor” and inserting “Education  
12 and the Workforce”;

13 (4) in section 208(a) (20 U.S.C. 4359(a)), by  
14 striking “Education and Labor” and inserting  
15 “Education and the Workforce”; and

16 (5) in section 210(b) (20 U.S.C. 4359b(b)), by  
17 striking “Education and Labor” and inserting  
18 “Education and the Workforce”.

1 **PART B—TRIBALLY CONTROLLED COLLEGES**  
2 **AND UNIVERSITIES ASSISTANCE ACT OF 1978;**  
3 **DINE’ COLLEGE ACT**

4 **SEC. 911. TRIBALLY CONTROLLED COLLEGES AND UNIVER-**  
5 **SITIES ASSISTANCE ACT OF 1978.**

6 (a) DEFINITIONS.—Section 2 of the Tribally Con-  
7 trolled Colleges and Universities Assistance Act of 1978  
8 (25 U.S.C. 1801) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (7), by adding “and” at  
11 the end;

12 (B) in paragraph (8), by striking “; and”  
13 and inserting a period; and

14 (C) by striking paragraph (9); and

15 (2) in subsection (b)—

16 (A) by amending paragraph (1) to read as  
17 follows:

18 “(1) Such number shall be calculated based on  
19 the number of Indian students who are enrolled—

20 “(A) at the conclusion of the third week of  
21 each academic term; or

22 “(B) on the fifth day of a shortened pro-  
23 gram beginning after the conclusion of the third  
24 full week of an academic term.”;



1 (B) in paragraph (3), by striking “for pur-  
2 poses of obtaining” and inserting “solely for the  
3 purpose of obtaining”; and

4 (C) by inserting after paragraph (5), the  
5 following:

6 “(6) Enrollment data from the prior-prior aca-  
7 demic year shall be used.”.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—The  
9 Tribally Controlled Colleges and Universities Assistance  
10 Act of 1978 (25 U.S.C. 1801 et seq.) is amended by in-  
11 serting after section 2 (25 U.S.C. 1801), the following:

12 **“SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

13 “(a) TITLES I AND IV.—There are authorized to be  
14 appropriated \$57,412,000 for each of fiscal years 2019  
15 through 2024 to carry out titles I and IV.

16 “(b) TITLE V.—There are authorized to be appro-  
17 priated \$7,414,000 for each of fiscal years 2019 through  
18 2024 to carry out title V.”.

19 (c) REPEAL OF PLANNING GRANTS.—Section 104 of  
20 the Tribally Controlled Colleges and Universities Assist-  
21 ance Act of 1978 (25 U.S.C. 1804a) is repealed.

22 (d) GRANTS TO TRIBALLY CONTROLLED COLLEGES  
23 AND UNIVERSITIES.—Section 107 of the Tribally Con-  
24 trolled Colleges and Universities Assistance Act of 1978  
25 (25 U.S.C. 1807) is amended—

1 (1) by striking subsection (c); and

2 (2) by redesignating subsection (d) as sub-  
3 section (c).

4 (e) AMOUNT OF GRANTS.—Section 108(b)(1) of the  
5 Tribally Controlled Colleges and Universities Assistance  
6 Act of 1978 (25 U.S.C. 1808(b)(1)) is amended—

7 (1) by striking “of the funds available for allot-  
8 ment by October 15 or no later than 14 days after  
9 appropriations become available” and inserting “ of  
10 the amounts appropriated for any fiscal year on or  
11 before July 1 of that fiscal year”; and

12 (2) by striking “January 1” and inserting  
13 “September 30”;

14 (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
15 110(a) of the Tribally Controlled Colleges and Universities  
16 Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

17 (1) in paragraph (1)—

18 (A) by striking “\$3,200,000 for fiscal year  
19 2009 and”;

20 (B) by striking “for each of the five suc-  
21 ceeding fiscal years”; and

22 (C) by inserting “from the amount made  
23 available under section 3(a) for each fiscal  
24 year” after “necessary”;

1           (2) in paragraph (2), by striking “for fiscal  
2           year 2009” and all that follows through the period  
3           at the end and inserting “from the amount made  
4           available under section 3(a) for each fiscal year.”;

5           (3) in paragraph (3), by striking “fiscal year  
6           2009” and all that follows through the period at the  
7           end and inserting “from the amount made available  
8           under section 3(a) for each fiscal year.”; and

9           (4) in paragraph (4), by striking “2009” and  
10          inserting “2019”.

11          (g) RULES AND REGULATIONS.—The Tribally Con-  
12          trolled Colleges and Universities Assistance Act of 1978  
13          (25 U.S.C. 1801 et seq.) is amended by striking section  
14          115 (25 U.S.C. 1815).

15          (h) REPEAL OF ENDOWMENT PROGRAM.—

16                 (1) REPEAL.—Title III of the Tribally Con-  
17          trolled Colleges and Universities Assistance Act of  
18          1978 (25 U.S.C. 1831 et seq.) is repealed.

19                 (2) TRANSITION.—

20                         (A) IN GENERAL.—Subject to subpara-  
21          graph (B), title III of the Tribally Controlled  
22          Colleges and Universities Assistance Act of  
23          1978 (25 U.S.C. 1831 et seq.), as such title  
24          was in effect on the day before the date of the  
25          enactment of this Act, shall apply with respect

1 to any endowment fund established or funded  
2 under such title before such date of enactment,  
3 except that the Secretary of the Interior may  
4 not make any grants or Federal capital con-  
5 tributions under such title after such date.

6 (B) TERMINATION.—Subparagraph (A)  
7 shall terminate on the date that is 20 years  
8 after the date of the enactment of this Act. On  
9 or after such date, a tribally controlled college  
10 or university may use the corpus (including the  
11 Federal and institutional capital contribution)  
12 of any endowment fund described in such sub-  
13 paragraph to pay any expenses relating to the  
14 operation or academic programs of such college  
15 or university.

16 (i) TRIBAL ECONOMIC DEVELOPMENT; AUTHORIZA-  
17 TION OF APPROPRIATIONS.—Section 403 of the Tribally  
18 Controlled Colleges and Universities Assistance Act of  
19 1978 (25 U.S.C. 1852) is amended by striking “for fiscal  
20 year 2009” and all that follows through the period at the  
21 end and inserting “from the amount made available under  
22 section 3(a) for each fiscal year.”.

23 (j) TRIBALLY CONTROLLED POSTSECONDARY CA-  
24 REER AND TECHNICAL INSTITUTIONS.—Section 504 of  
25 the Tribally Controlled Colleges and Universities Assist-

1 ance Act of 1978 (25 U.S.C. 1864) is amended by striking  
2 “for fiscal year 2009” and all that follows through the  
3 period at the end and inserting “from the amount made  
4 available under section 3(b) for each fiscal year.”

5 (k) CLERICAL AMENDMENTS.—The Tribally Con-  
6 trolled Colleges and Universities Assistance Act of 1978  
7 (25 U.S.C. 1801 et seq.), as amended by subsections (a)  
8 through (j), is further amended—

9 (1) by striking “Bureau of Indian Affairs” each  
10 place it appears and inserting “Bureau of Indian  
11 Education”;

12 (2) by striking “Navajo Community College  
13 Act” each place it appears and inserting “Dine’ Col-  
14 lege Act”;

15 (3) by striking “colleges or universities” each  
16 place it appears, including in headings, and inserting  
17 “colleges and universities” and conforming the font  
18 and typeface accordingly; and

19 (4) in section 109 (25 U.S.C. 1809), by redес-  
20 ignating the second subsection (c) as subsection (d).

21 **SEC. 912. DINE’ COLLEGE ACT.**

22 (a) SHORT TITLE.—The first section of Public Law  
23 92–189 is amended by striking “this Act may be cited as  
24 the ‘Navajo Community College Act’ ” and inserting “this  
25 Act may be cited as the ‘Dine’ College Act’ ”.

1           (b) REFERENCES.—Any reference to the Navajo  
2 Community College Act in any law (other than this Act),  
3 regulation, map, document, record, or other paper of the  
4 United States shall be deemed to be a reference to the  
5 Dine’ College Act.

6           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
7 5 of Public Law 92–189 is amended—

8                   (1) in subsection (a)(1), by striking “for fiscal  
9 years 2009 through 2014” and inserting “from the  
10 amount made available under subsection (b)(1) for  
11 each fiscal year”; and

12                   (2) in subsection (b)(1), by striking “such sums  
13 as are necessary for fiscal years 2009 through  
14 2014” and inserting “\$13,600,000 for each of fiscal  
15 years 2019 through 2024”.