

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4508
OFFERED BY MR. GUTHRIE OF KENTUCKY**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Promoting Real Opportunity, Success, and Prosperity
4 through Education Reform Act” or the “PROSPER Act”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 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.
- Sec. 118. Single-sex social student organizations.

PART C—COST OF HIGHER EDUCATION

- Sec. 121. College Dashboard website.

- Sec. 122. Net price calculators.
- Sec. 123. Text book information.
- Sec. 124. Review of current data collection and feasibility study of improved data collection.

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.
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PART F—NEED ANALYSIS

- Sec. 471. Cost of attendance.
- Sec. 472. Simplified needs test.
- Sec. 473. Discretion of student financial aid administrators.
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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.
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- Sec. 494E. Contracts; matching program.

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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.
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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.).

1 **SEC. 3. GENERAL EFFECTIVE DATE.**

2 Except as otherwise provided in this Act or the
3 amendments made by this Act, this Act and the amend-
4 ments made by this Act shall take effect on the date of
5 enactment of this Act.

6 **TITLE I—GENERAL PROVISIONS**

7 **PART A—DEFINITIONS**

8 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**
9 **CATION.**

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

13 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-**
14 **CATION.**

15 “(a) INSTITUTION OF HIGHER EDUCATION.—For
16 purposes of this Act, the term ‘institution of higher edu-
17 cation’ means an educational institution in any State
18 that—

19 “(1) admits as regular students only persons
20 who—

21 “(A) have a certificate of graduation from
22 a school providing secondary education, or the
23 recognized equivalent of such a certificate, or
24 who meet the requirements of section 484(d);

1 “(B) are beyond the age of compulsory
2 school attendance in the State in which the in-
3 stitution is located; or

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

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

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

11 “(B) if not so accredited, is an institution that
12 has been granted preaccreditation status by such an
13 agency or association that has been recognized by
14 the Secretary for the granting of preaccreditation
15 status, and the Secretary has determined that there
16 is satisfactory assurance that the institution will
17 meet the accreditation standards of such an agency
18 or association within a reasonable time; and

19 “(4) provides—

20 “(A) an educational program for which the
21 institution awards a bachelor’s degree, graduate
22 degree, or professional degree;

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

1 “(C) a non-degree program leading to a
2 recognized educational credential that meets the
3 definition of an eligible program under section
4 481(b).

5 “(b) ADDITIONAL LIMITATIONS.—

6 “(1) PROPRIETARY INSTITUTIONS OF HIGHER
7 EDUCATION.—

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

12 “(B) INSTITUTIONAL INELIGIBILITY FOR
13 MINORITY SERVING INSTITUTION PROGRAMS.—
14 A proprietary institution shall not be considered
15 an institution of higher education for the pur-
16 poses of any program under title III or V.

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

23 “(3) LIMITATIONS BASED ON MANAGEMENT.—
24 An institution shall not be considered an institution
25 of higher education if—

1 “(A) the institution, or an affiliate of the
2 institution that has the power, by contract or
3 ownership interest, to direct or cause the direc-
4 tion of the management or policies of the insti-
5 tution, has filed for bankruptcy; or

6 “(B) the institution, the institution’s
7 owner, or the institution’s chief executive officer
8 has been convicted of, or has pled nolo
9 contendere or guilty to, a crime involving the
10 acquisition, use, or expenditure of Federal
11 funds, or has been judicially determined to have
12 committed a crime involving the acquisition,
13 use, or expenditure involving Federal funds.

14 “(4) LIMITATION ON COURSE OF STUDY OR EN-
15 ROLLMENT.—An institution shall not be considered
16 an institution of higher education if such institu-
17 tion—

18 “(A) offers more than 50 percent of such
19 institution’s courses by correspondence edu-
20 cation, unless the institution is an institution
21 that meets the definition in section 3(3)(C) of
22 the Carl D. Perkins Career and Technical Edu-
23 cation Act of 2006;

24 “(B) enrolls 50 percent or more of the in-
25 stitution’s students in correspondence education

1 courses, unless the institution is an institution
2 that meets the definition in section 3(3)(C) of
3 such Act;

4 “(C) has a student enrollment in which
5 more than 25 percent of the students are incar-
6 cerated, except that the Secretary may waive
7 the limitation contained in this subparagraph
8 for an institution that provides a 2- or 4-year
9 program of instruction (or both) for which the
10 institution awards an associate’s degree or a
11 postsecondary certificate, or a bachelor’s de-
12 gree, respectively; or

13 “(D) has a student enrollment in which
14 more than 50 percent of the students either do
15 not have a secondary school diploma or its rec-
16 ognized equivalent, or do not meet the require-
17 ments of section 484(d), and does not provide
18 a 2- or 4-year program of instruction (or both)
19 for which the institution awards an associate’s
20 degree or a bachelor’s degree, respectively, ex-
21 cept that the Secretary may waive the limita-
22 tion contained in this subparagraph if an insti-
23 tution demonstrates to the satisfaction of the
24 Secretary that the institution exceeds such limi-
25 tation because the institution serves, through

1 contracts with Federal, State, or local govern-
2 ment agencies, significant numbers of students
3 who do not have a secondary school diploma or
4 its recognized equivalent or do not meet the re-
5 quirements of section 484(d).

6 “(c) LIST OF ACCREDITING AGENCIES.—For pur-
7 poses of this section, the Secretary shall publish a list of
8 nationally recognized accrediting agencies or associations
9 that the Secretary determines, pursuant to subpart 2 of
10 part H of title IV, to be reliable authority as to the quality
11 of the education offered.

12 “(d) CERTIFICATION.—The Secretary shall certify,
13 for the purposes of participation in title IV, an institu-
14 tion’s qualification as an institution of higher education
15 in accordance with the requirements of subpart 3 of part
16 H of title IV.

17 “(e) LOSS OF ELIGIBILITY.—An institution of higher
18 education shall not be considered to meet the definition
19 of an institution of higher education for the purposes of
20 participation in title IV if such institution is removed from
21 eligibility for funds under title IV as a result of an action
22 pursuant to part H of title IV.

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

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

4 “(2) limit, impede, or preclude a State’s ability
5 to collaborate or participate in a reciprocity agree-
6 ment to permit an institution within such State to
7 meet any other State’s authorization requirements
8 for out-of-state institutions.”.

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

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

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

14 “(a) INSTITUTIONS OUTSIDE THE UNITED
15 STATES.—

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

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

6 “(A) is legally authorized to provide an
7 educational program beyond secondary edu-
8 cation by the education ministry (or comparable
9 agency) of the country in which the institution
10 is located;

11 “(B) is not located in a State;

12 “(C) except as provided with respect to
13 clinical training offered by the institution under
14 600.55(h)(1), section 600.56(b), or section
15 600.57(a)(2) of title 34, Code of Federal Regu-
16 lations (as in effect pursuant to subsection
17 (b))—

18 “(i) does not offer any portion of an
19 educational program in the United States
20 to students who are citizens of the United
21 States;

22 “(ii) has no written arrangements
23 with an institution or organization located
24 in the United States under which students
25 enrolling at the foreign institution would

1 take courses from an institution located in
2 the United States; and

3 “(iii) does not allow students to enroll
4 in any course offered by the foreign insti-
5 tution in the United States, including re-
6 search, work, internship, externship, or
7 special studies within the United States,
8 except that independent research done by
9 an individual student in the United States
10 for not more than one academic year is
11 permitted, if the research is conducted dur-
12 ing the dissertation phase of a doctoral
13 program under the guidance of faculty and
14 the research is performed at a facility in
15 the United States;

16 “(D) awards degrees, certificates, or other
17 recognized educational credentials in accordance
18 with section 600.54(e) of title 34, Code of Fed-
19 eral Regulations (as in effect pursuant to sub-
20 section (b)) that are officially recognized by the
21 country in which the institution is located; and

22 “(E) meets the applicable requirements of
23 subsection (b).

24 “(3) INSTITUTIONS WITH LOCATIONS IN AND OUT-
25 SIDE THE UNITED STATES.—In a case of an institution

1 of higher education consisting of two or more locations
2 offering all or part of an educational program that are
3 directly or indirectly under common ownership and that
4 enrolls students both within a State and outside the
5 United States, and the number of students who would be
6 eligible to receive funds under title IV attending locations
7 of such institution outside the United States, is at least
8 twice the number of students enrolled within a State—

9 “(A) the locations outside the United States shall
10 apply to participate as one or more foreign institutions
11 and shall meet the requirements of paragraph (1) of this
12 definition, and the other requirements of this part; and

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

15 “(b) TREATMENT OF CERTAIN REGULATIONS.—

16 “(1) FORCE AND EFFECT.—

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

1 “(B) APPLICABLE PROVISIONS.—The pro-
2 visions of title 34, Code of Federal Regulations,
3 referred to in this subparagraph are the fol-
4 lowing:

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

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

9 “(iii) Subject to paragraph (2)(C),
10 section 600.54.

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

16 “(v) Section 600.56.

17 “(vi) Subject to paragraph (2)(F),
18 section 600.57.

19 “(vii) Subject to subparagraphs (G)
20 and (H) of paragraph (2), section
21 668.23(h), except that clause (iii) of para-
22 graph (1) of such section shall have no
23 force or effect.

24 “(viii) Section 668.5.

1 “(C) APPLICATION TO FEDERAL ONE
2 LOANS.—With respect to the provisions of title
3 34, Code of Federal Regulations, referred to
4 subparagraph (B), as modified by paragraph
5 (2) any reference to a loan made under part D
6 of title IV shall also be treated as a reference
7 to a loan made under part E of title IV.

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

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

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

16 “(B) Notwithstanding section 600.52 of
17 title 34, Code of Federal Regulations (as in ef-
18 fect pursuant to paragraph (1)), in this Act, the
19 term ‘foreign institution’ means an institution
20 described in subsection (a).

21 “(C) Notwithstanding section 600.54(e) of
22 title 34, Code of Federal Regulations (as in ef-
23 fect pursuant to paragraph (1)), to be eligible
24 to participate in programs under title IV, for-
25 eign institution may not enter into a written ar-

1 rangement under which an institution or orga-
2 nizations that is not eligible to participate in
3 programs under title IV provides more than 25
4 percent of the program of study for one or more
5 of the eligible foreign institution’s programs.

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

1 years, at least 70 percent of the individuals who
2 were students or graduates of the graduate
3 medical school outside the United States or
4 Canada (who receive or have received title IV
5 funds in order to attend that school) taking the
6 United States Medical Licensing Examination
7 exams in the year preceding the year for which
8 any of the school's students seeks a loan under
9 title IV shall have received an aggregate pass-
10 ing score on the exam as a whole.

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

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

1 “(G) Notwithstanding section
2 668.23(h)(1)(ii), of title 34, Code of Federal
3 Regulations (as in effect pursuant to paragraph
4 (1)), a foreign institution that received
5 \$500,000 or more in funds under title IV dur-
6 ing its most recently completed fiscal year shall
7 submit, in English, for each most recently com-
8 pleted fiscal year in which it received such
9 funds, audited financial statements prepared in
10 accordance with generally accepted accounting
11 principles of the institution’s home country pro-
12 vided that such accounting principles are com-
13 parable to the International Financial Report-
14 ing Standards.

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

1 Regulations (as in effect pursuant to paragraph
2 (1)).

3 “(c) SPECIAL RULES.—

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

1 “(A) the institution demonstrates to the
2 satisfaction of the Secretary that the test pas-
3 sage rates on which the Secretary has relied are
4 not accurate, and that the recalculation of such
5 rates would result in rates that exceed the re-
6 quired minimum for any of these two calendar
7 years; or

8 “(B) there are, in the judgement of the
9 Secretary, mitigating circumstances that would
10 make the application of this paragraph inequi-
11 table.

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

21 “(3) TREATMENT OF CLINICAL TRAINING PRO-
22 GRAMS.—

23 “(A) IN GENERAL.—Clinical training pro-
24 grams operated by a foreign graduate medical
25 school with an accredited hospital or clinic in

1 the United States or at an institution in Can-
2 ada accredited by the Liaison Committee on
3 Medical Education shall be deemed to be ap-
4 proved and shall not require the prior approval
5 of the Secretary.

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

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

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

6 **SEC. 103. ADDITIONAL DEFINITIONS.**

7 (a) DIPLOMA MILL.—Section 103(5)(B) (20 U.S.C.
8 1003(5)(B)) is amended by striking “section 102” and in-
9 serting “section 101 or 102”.

10 (b) CORRESPONDENCE EDUCATION.—Section 103(7)
11 (20 U.S.C. 1003(7)) is amended to read as follows:

12 “(7) CORRESPONDENCE EDUCATION.—The
13 term ‘correspondence education’ means education
14 that is provided by an institution of higher education
15 under which—

16 “(A) the institution provides instructional
17 materials (including examinations on the mate-
18 rials) by mail or electronic transmission to stu-
19 dents who are separated from the instructor;
20 and

21 “(B) interaction between the institution
22 and the student is limited and the academic in-
23 struction by faculty is not regular and sub-
24 stantive, as assessed by the institution’s accred-
25 iting agency or association under section 496.”.

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

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

7 “(A) that serves children of a range of
8 ages from birth through age five that addresses
9 the children’s cognitive (including language,
10 early literacy, and early mathematics), social,
11 emotional, and physical development; and

12 “(B) that is—

13 “(i) a Head Start program or an
14 Early Head Start program carried out
15 under the Head Start Act (42 U.S.C. 9831
16 et seq.), including a migrant or seasonal
17 Head Start program, an Indian Head
18 Start program, or a Head Start program
19 or an Early Head Start program that also
20 receives State funding;

21 “(ii) a State licensed or regulated
22 child care program;

23 “(iii) a State-funded prekindergarten
24 or child care program;

1 “(iv) a program authorized under sec-
2 tion 619 of the Individuals with Disabil-
3 ities Education Act or part C of such Act;
4 or

5 “(v) a program operated by a local
6 educational agency.”.

7 (d) NONPROFIT.—Section 103(13) (20 U.S.C.
8 1003(13)) is amended to read as follows:

9 “(13) NONPROFIT.—

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

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

20 “(i) an institution that is owned and
21 operated only by one or more nonprofit
22 corporations or associations; and

23 “(ii)(I) if a recognized tax authority
24 of the institution’s home country is recog-
25 nized by the Secretary for purposes of

1 making determinations of an institution’s
2 nonprofit status for purposes of title IV,
3 the institution is determined by that tax
4 authority to be a nonprofit educational in-
5 stitution; or

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

14 (e) COMPETENCY-BASED EDUCATION; COMPETENCY-
15 BASED EDUCATION PROGRAM.—Section 103 (20 U.S.C.
16 1003) is amended by adding at the end the following:

17 “(25) COMPETENCY-BASED EDUCATION; COM-
18 PETENCY-BASED EDUCATION PROGRAM.—

19 “(A) COMPETENCY-BASED EDUCATION.—
20 Except as otherwise provided, the term ‘com-
21 petency-based education’ means education
22 that—

23 “(i) measures academic progress and
24 attainment—

1 “(I) by direct assessment of a
2 student’s level of mastery of com-
3 petencies;

4 “(II) by expressing a student’s
5 level of mastery of competencies in
6 terms of equivalent credit or clock
7 hours; or

8 “(III) by a combination of the
9 methods described in subclauses (I) or
10 (II) and credit or clock hours; and

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

21 “(B) COMPETENCY-BASED EDUCATION
22 PROGRAM.—Except as otherwise provided, the
23 term ‘competency-based education program’
24 means a postsecondary program offered by an
25 institution of higher education that—

1 “(i) provides competency-based edu-
2 cation, which upon a student’s demonstra-
3 tion or mastery of a set of competencies
4 identified and required by the institution,
5 leads to or results in the award of a certifi-
6 cate, degree, or other recognized edu-
7 cational credential;

8 “(ii) has a method to differentiate be-
9 tween knowledge that a student acquired
10 prior to enrollment in the competency-
11 based education program and knowledge
12 that the student acquired as a result of en-
13 rollment in such program; and

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

1 “(C) COMPETENCY DEFINED.—In this
2 paragraph, the term ‘competency’ means the
3 knowledge, skill, or characteristic demonstrated
4 by a student in a subject area.”.

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

8 “(26) PAY FOR SUCCESS INITIATIVE.—The
9 term ‘pay for success initiative’ has the meaning
10 given the term in section 8101 of the Elementary
11 and Secondary Education Act of 1965 (20 U.S.C.
12 7801).”.

13 (g) EVIDENCE-BASED.—Section 103 (20 U.S.C.
14 1003) is amended by adding at the end the following:

15 “(27) EVIDENCE-BASED.—The term ‘evidence-
16 based’ has the meaning given the term in section
17 8101(21)(A) of the Elementary and Secondary Edu-
18 cation Act of 1965 (20 U.S.C. 7801(21)(A)), except
19 that such term shall also apply to institutions of
20 higher education.”.

21 **SEC. 104. REGULATORY RELIEF.**

22 (a) REGULATIONS REPEALED.—

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

1 (A) DEFINITION OF CREDIT HOUR.—The
2 definition of the term “credit hour” in section
3 600.2 of title 34, Code of Federal Regulations,
4 as added by the final regulations published by
5 the Department of Education in the Federal
6 Register on October 29, 2010 (75 Fed. Reg.
7 66946).

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

15 (C) BORROWER DEFENSE.—Sections
16 668.41, 668.90, 668.93, 668.171, 668.175,
17 674.33, 682.211, 682.402(d), 682.405,
18 682.410, 685.200, 685.205, 685.206,
19 685.212(k), 685.214, 685.215, 685.222, appen-
20 dix A to subpart B of part 685, 685.300,
21 685.308, of title 34, Code of Federal Regula-
22 tions, as added or amended by the final regula-
23 tions published by the Department of Edu-
24 cation in the Federal Register on November 1,
25 2016 (81 Fed. Reg. 75926 et seq.).

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

3 (A) by subparagraph (A) or subparagraph
4 (B) of paragraph (1) amended regulations that
5 were in effect on June 30, 2011, the provisions
6 of the regulations that were in effect on June
7 30, 2011, and were so amended are restored
8 and revived as if the regulations repealed by
9 such subparagraph had not taken effect; and

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

17 (b) CERTAIN REGULATIONS AND OTHER ACTIONS
18 PROHIBITED.—

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

1 (2) CREDIT HOUR.—The Secretary of Edu-
2 cation shall not, on or after the date of enactment
3 of this Act, promulgate or enforce any regulation or
4 rule with respect to the definition of the term “cred-
5 it hour” for any purpose under the Higher Edu-
6 cation Act of 1965 (20 U.S.C. 1001 et seq.).

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

15 **PART B—ADDITIONAL GENERAL PROVISIONS**

16 **SEC. 111. FREE SPEECH PROTECTIONS.**

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

18 (1) in subsection (a)—

19 (A) by redesignating paragraph (2) as
20 paragraph (4); and

21 (B) by inserting after paragraph (1) the
22 following:

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

24 “(A) every individual should be free to pro-
25 fess, and to maintain, the opinion of such indi-

1 vidual in matters of religion, and that pro-
2 fessing or maintaining such opinion should in
3 no way diminish, enlarge, or affect the civil lib-
4 erties or rights of such individual on the cam-
5 pus of an institution of higher education; and

6 “(B) no public institution of higher edu-
7 cation directly or indirectly receiving financial
8 assistance under this Act should limit religious
9 expression, free expression, or any other rights
10 provided under the First Amendment.

11 “(3) It is the sense of Congress that—

12 “(A) free speech zones and restrictive
13 speech codes are inherently at odds with the
14 freedom of speech guaranteed by the First
15 Amendment of the Constitution; and

16 “(B) no public institution of higher edu-
17 cation directly or indirectly receiving financial
18 assistance under this Act should restrict the
19 speech of such institution’s students through
20 such zones or codes.”;

21 (2) by redesignating subsections (b) and (c) as
22 subsections (c) and (d), respectively;

23 (3) by inserting after subsection (a), the fol-
24 lowing:

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

10 (4) in subsection (d), as redesignated by para-
11 graph (2)—

12 (A) in paragraph (2), by inserting “(in-
13 cluding such joining, assembling, and residing
14 for religious purposes)” after “Constitution”;
15 and

16 (B) in paragraph (3), by inserting “(in-
17 cluding speech relating to religion)” after “Con-
18 stitution”.

19 **SEC. 112. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
20 **TIONAL QUALITY AND INTEGRITY.**

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

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

24 (2) in subsection (b)—

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

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

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

11 (3) in subsection (c)—

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

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

16 (C) by striking paragraphs (4) through
17 (6);

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

21 (5) in subsection (f), by striking “September
22 30, 2017” and inserting “September 30, 2024”.

1 **SEC. 113. REPEAL OF CERTAIN REPORTING REQUIRE-**
2 **MENTS.**

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

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

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

8 (b) CONFORMING AMENDMENTS.—

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

10 (2) sections 120, 121, 122, and 123 are redesi-
11 gnated as sections 118, 119, 120, and 121, respec-
12 tively; and

13 (3) section 485(f)(1)(H) (20 U.S.C.
14 1092(f)(1)(H)) is amended by striking “section
15 120” and inserting “section 118”.

16 **SEC. 114. PROGRAMS ON DRUG AND ALCOHOL ABUSE PRE-**
17 **VENTION.**

18 Section 118 (as so redesignated) is amended to read
19 as follows:

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

21 “(a) REQUIRED PROGRAMS.—Each institution of
22 higher education participating in any program under this
23 Act shall adopt and implement a program to prevent the
24 use of illicit drugs and the abuse of alcohol by students
25 and employees that, at a minimum, includes the annual
26 distribution to each student and employee of—

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

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

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

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

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

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

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

1 of the religious beliefs, practices, speech, leadership and
2 membership standards, or standards of conduct of the reli-
3 gious student organization.”.

4 **SEC. 116. SECRETARIAL PROHIBITIONS.**

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

8 **“SEC. 123. SECRETARIAL PROHIBITIONS.**

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

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

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

1 **SEC. 117. ENSURING EQUAL TREATMENT BY GOVERN-**
2 **MENTAL ENTITIES.**

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

6 **“SEC. 124. ENSURING EQUAL TREATMENT BY GOVERN-**
7 **MENTAL ENTITIES.**

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

12 “(1)(A) is being taken by a government entity
13 that—

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

16 “(ii) receives Federal funds; or

17 “(B) would affect commerce with foreign na-
18 tions, among the several States, or with Indian
19 Tribes; and

20 “(2) has the effect of prohibiting or penalizing
21 the institution for acts or omissions by the institu-
22 tion that are in furtherance of its religious mission
23 or are related to the religious affiliation of the insti-
24 tution.

25 “(b) ASSERTION BY INSTITUTION.—An actual or
26 threatened violation of subsection (a) may be asserted by

1 an institution of higher education that receives funding
2 under title IV as a claim or defense in a proceeding before
3 any court. The court shall grant any appropriate equitable
4 relief, including injunctive or declaratory relief.

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

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

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

12 “(3) section 2 of the Elementary and Secondary
13 Education Amendments Act of 1969 (42 U.S.C.
14 2000d–6)

15 “(d) DEFINITIONS.—In this section:

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

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

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

24 “(C) the withholding or threat of with-
25 holding of any licenses, permits, certifications,

1 accreditations, contracts, cooperative agree-
2 ments, grants, guarantees, tax-exempt status,
3 or exemptions; or

4 “(D) any other penalty or denial, or threat
5 of such other penalty or denial, of an otherwise
6 available benefit.

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

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

11 “(B) a State or political subdivision of a
12 State, or any agency or instrumentality thereof;
13 and

14 “(C) any interstate or other inter-govern-
15 mental entity.

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

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

1 ernance, or student admission, continuing enroll-
2 ment, or graduation).”.

3 **SEC. 118. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.**

4 Part B of title I (20 U.S.C. 1011 et seq.) (as amend-
5 ed by sections 111 through 117 of this part) is further
6 amended by adding at the end the following:

7 **“SEC. 125. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.**

8 “(a) NON-RETALIATION AGAINST SINGLE-SEX STU-
9 DENT ORGANIZATIONS.—An institution of higher edu-
10 cation that has a policy allowing for the official recognition
11 of a single-sex social student organization may not—

12 “(1) require or coerce such a recognized organi-
13 zation to admit as a member an individual who does
14 not meet the organization’s criteria for single-sex
15 status;

16 “(2) require or coerce such a recognized organi-
17 zation to permit an individual described in para-
18 graph (1) to participate in the activities of the orga-
19 nization;

20 “(3) take any adverse action against a student
21 on the basis of the student’s membership in such
22 recognized organization; or

23 “(4) impose any requirement or restriction, in-
24 cluding on timing for accepting new members or
25 membership recruitment, on such a recognized orga-

1 nization (or its current or prospective members)
2 based on the organization’s single-sex status or its
3 criteria for defining its single-sex status.

4 “(b) CONSTRUCTION.—Nothing in this Act shall be
5 construed—

6 “(1) to create any enforceable right—

7 “(A) by a local, college, or university stu-
8 dent organization against a national student or-
9 ganization; or

10 “(B) by a national student organization
11 against any local, college, or university student
12 organization;

13 “(2) to require an institution of higher edu-
14 cation to have a policy allowing for the official rec-
15 ognition of a single-sex social student organization;
16 or

17 “(3) to prohibit an institution of higher edu-
18 cation from taking an adverse action against a mem-
19 ber of a single-sex social student organization for
20 reasons other than on the basis of such student’s
21 membership in such organization, such as academic
22 or non-academic misconduct.

23 “(c) ADVERSE ACTION.—For the purposes of this
24 section, the term ‘adverse action’ includes the following:

1 “(1) Expulsion, suspension, probation, censure,
2 condemnation, reprimand, or any other disciplinary,
3 coercive, or adverse action taken by an institution of
4 higher education or administrative unit of such an
5 institution.

6 “(2) An oral or written warning made by an of-
7 ficial of an institution of higher education acting in
8 the official’s official capacity.

9 “(3) Denying participation in any education
10 program or activity.

11 “(4) Withholding, in whole or in part, any fi-
12 nancial assistance (including scholarships and on-
13 campus employment), or denying the opportunity to
14 apply for financial assistance, a scholarship, or on-
15 campus employment.

16 “(5) Denying or restricting access to on-campus
17 housing.

18 “(6) Denying any certification or letter of rec-
19 ommendation that may be required by a student’s
20 current or future employer, a government agency, a
21 licensing board, or an educational institution or
22 scholarship program to which the student seeks to
23 apply.

24 “(7) Denying participation in any sports team,
25 club, or other student organization, or denying any

1 leadership position in any sports team, club, or other
2 student organization.”.

3 **PART C—COST OF HIGHER EDUCATION**

4 **SEC. 121. COLLEGE DASHBOARD WEBSITE.**

5 (a) ESTABLISHMENT.—Section 132 (20 U.S.C.
6 1015a) is amended—

7 (1) in subsection (a)—

8 (A) by striking paragraph (1) and insert-
9 ing the following new paragraph:

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

13 (B) in paragraph (2), by striking “first-
14 time,”;

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

18 (D) in paragraph (4), by striking “first-
19 time,”;

20 (2) in subsection (b)—

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

23 (B) in paragraph (2), by striking “first-
24 time,”;

1 (3) by striking subsections (e) through (g), (j),
2 and (l);

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

5 (5) by striking subsection (d) (as so redesign-
6 ated) and inserting the following new subsection:

7 “(d) CONSUMER INFORMATION.—

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

18 “(A) A link to the website of the institu-
19 tion.

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

22 “(i) A four-year public institution of
23 higher education.

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

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

3 “(iv) A two-year public institution of
4 higher education.

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

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

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

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

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

15 “(C) The number of students enrolled at
16 the institution—

17 “(i) as undergraduate students, if ap-
18 plicable; and

19 “(ii) as graduate students, if applica-
20 ble.

21 “(D) The student-faculty ratio.

22 “(E) The percentage of degree-seeking or
23 certificate-seeking undergraduate students en-
24 rolled at the institution who obtain a degree or
25 certificate within—

1 “(i) 100 percent of the normal time
2 for completion of, or graduation from, the
3 program in which the student is enrolled;

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

7 “(iii) 200 percent of the normal time
8 for completion of, or graduation from, the
9 program in which the student is enrolled;
10 and

11 “(iv) 300 percent of the normal time
12 for completion of, or graduation from, the
13 program in which the student is enrolled,
14 for institutions at which the highest degree
15 offered is predominantly an associate’s de-
16 gree.

17 “(F)(i) The average net price per year for
18 undergraduate students enrolled at the institu-
19 tion who received Federal student financial aid
20 under title IV based on dependency status and
21 an income category selected by the user of the
22 College Dashboard website from a list con-
23 taining the following income categories:

24 “(I) \$0 to \$30,000.

25 “(II) \$30,001 to \$48,000.

1 “(III) \$48,001 to \$75,000.

2 “(IV) \$75,001 to \$110,000.

3 “(V) \$110, 001 to \$150,000.

4 “(VI) Over \$150,000.

5 “(ii) A link to the net price calculator for
6 such institution.

7 “(G) The percentage of undergraduate and
8 graduate students who obtained a certificate or
9 degree from the institution who borrowed Fed-
10 eral student loans—

11 “(i) set forth separately for each edu-
12 cational program offered by the institution;
13 and

14 “(ii) made available in a format that
15 allows a user of the College Dashboard
16 website to view such percentage by select-
17 ing from a list of such educational pro-
18 grams.

19 “(H) The average Federal student loan
20 debt incurred by a student who obtained a cer-
21 tificate or degree in an educational program
22 from the institution and who borrowed Federal
23 student loans in the course of obtaining such
24 certificate or degree—

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

4 “(ii) made available in a format that
5 allows a user of the College Dashboard
6 website to view such student loan debt in-
7 formation by selecting from a list of such
8 educational programs.

9 “(I) The median earnings of students who
10 obtained a certificate or degree in an edu-
11 cational program from the institution and who
12 received Federal student financial aid under
13 title IV in the course of obtaining such certifi-
14 cate or degree—

15 “(i) in the fifth and tenth years fol-
16 lowing the year in which the students ob-
17 tained such certificate or degree;

18 “(ii) set forth separately by edu-
19 cational program; and

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

1 “(J) A link to the webpage of the institu-
2 tion containing campus safety data with respect
3 to such institution.

4 “(2) ADDITIONAL INFORMATION.—The Sec-
5 retary shall publish on websites that are linked to
6 through the College Dashboard website, for the most
7 recent academic year for which satisfactory data is
8 available, the following information with respect to
9 each institution of higher education that participates
10 in a program under title IV:

11 “(A) ENROLLMENT.—The following enroll-
12 ment information:

13 “(i) The percentages of male and fe-
14 male undergraduate students enrolled at
15 the institution.

16 “(ii) The percentages of under-
17 graduate students enrolled at the institu-
18 tion—

19 “(I) full-time; and

20 “(II) less than full-time.

21 “(iii) In the case of an institution
22 other than an institution that provides all
23 courses and programs through online edu-
24 cation, of the undergraduate students en-
25 rolled at the institution—

1 “(I) the percentage of such stu-
2 dents who are residents of the State
3 in which the institution is located;

4 “(II) the percentage of such stu-
5 dents who are not residents of such
6 State; and

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

9 “(iv) The percentages of under-
10 graduate students enrolled at the institu-
11 tion, disaggregated by—

12 “(I) race and ethnic background;

13 “(II) classification as a student
14 with a disability;

15 “(III) recipients of a Federal Pell
16 Grant;

17 “(IV) recipients of assistance
18 under a tuition assistance program
19 conducted by the Department of De-
20 fense under section 1784a or 2007 of
21 title 10, United States Code, or other
22 authorities available to the Depart-
23 ment of Defense or veterans’ edu-
24 cation benefits (as defined in section
25 480); and

1 “(V) recipients of a Federal stu-
2 dent loan.

3 “(B) COMPLETION.—The information re-
4 quired under paragraph (1)(E), disaggregated
5 by—

6 “(i) recipients of a Federal Pell
7 Grant;

8 “(ii) race and ethnic background;

9 “(iii) classification as a student with a
10 disability;

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

19 “(v) recipients of a Federal student
20 loan.

21 “(C) COSTS.—The following cost informa-
22 tion:

23 “(i) The cost of attendance for full-
24 time undergraduate students enrolled in
25 the institution who live on campus.

1 “(ii) The cost of attendance for full-
2 time undergraduate students enrolled in
3 the institution who live off campus.

4 “(iii) The cost of tuition and fees for
5 full-time undergraduate students enrolled
6 in the institution.

7 “(iv) The cost of tuition and fees per
8 credit hour or credit hour equivalency for
9 undergraduate students enrolled in the in-
10 stitution less than full time.

11 “(v) In the case of a public institution
12 of higher education (other than an institu-
13 tion described in clause (vi)) and notwith-
14 standing subsection (b)(1), the costs de-
15 scribed in clauses (i) and (ii) for—

16 “(I) full-time students enrolled in
17 the institution who are residents of
18 the State in which the institution is
19 located; and

20 “(II) full-time students enrolled
21 in the institution who are not resi-
22 dents of such State.

23 “(vi) In the case of a public institu-
24 tion of higher education that offers dif-
25 ferent tuition rates for students who are

1 residents of a geographic subdivision small-
2 er than a State and students not located in
3 such geographic subdivision and notwith-
4 standing subsection (b)(1), the costs de-
5 scribed in clauses (i) and (ii) for—

6 “(I) full-time students enrolled at
7 the institution who are residents of
8 such geographic subdivision;

9 “(II) full-time students enrolled
10 at the institution who are residents of
11 the State in which the institution is
12 located but not residents of such geo-
13 graphic subdivision; and

14 “(III) full-time students enrolled
15 at the institution who are not resi-
16 dents of such State.

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

19 “(i) The average annual grant amount
20 (including Federal, State, and institutional
21 aid) awarded to an undergraduate student
22 enrolled at the institution who receives
23 grant aid, and the percentage of under-
24 graduate students receiving such aid.

1 “(ii) The percentage of undergraduate
2 students enrolled at the institution receiv-
3 ing Federal, State, and institutional
4 grants, student loans, and any other type
5 of student financial assistance known by
6 the institution, provided publicly or
7 through the institution, such as Federal
8 work-study funds.

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

12 “(3) OTHER DATA MATTERS.—

13 “(A) COMPLETION DATA.—The Commis-
14 sioner of Education Statistics shall ensure that
15 the information required under paragraph
16 (1)(E) includes information with respect to all
17 students at an institution, in a manner that ac-
18 curately reflects the actual length of the pro-
19 gram, including students other than first-time,
20 full-time students and students who transfer to
21 another institution, in a manner that the Com-
22 missioner considers appropriate.

23 “(B) ADJUSTMENT OF INCOME CAT-
24 EGORIES.—The Secretary may annually adjust
25 the range of each of the income categories de-

1 scribed in paragraph (1)(F) to account for a
2 change in the Consumer Price Index for All
3 Urban Consumers as determined by the Bureau
4 of Labor Statistics if the Secretary determines
5 an adjustment is necessary.

6 “(4) INSTITUTIONAL COMPARISON.—The Sec-
7 retary shall include on the College Dashboard
8 website a method for users to easily compare the in-
9 formation required under paragraphs (1) and (2) be-
10 tween institutions.

11 “(5) UPDATES.—

12 “(A) DATA.—The Secretary shall update
13 the College Dashboard website not less than an-
14 nually.

15 “(B) TECHNOLOGY AND FORMAT.—The
16 Secretary shall regularly assess the format and
17 technology of the College Dashboard website
18 and make any changes or updates that the Sec-
19 retary considers appropriate.

20 “(6) CONSUMER TESTING.—

21 “(A) IN GENERAL.—In developing and
22 maintaining the College Dashboard website, the
23 Secretary, in consultation with appropriate de-
24 partments and agencies of the Federal Govern-
25 ment, shall conduct consumer testing with ap-

1 appropriate persons, including current and pro-
2 spective college students, family members of
3 such students, institutions of higher education,
4 and experts, to ensure that the College Dash-
5 board website is usable and easily understand-
6 able and provides useful and relevant informa-
7 tion to students and families.

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

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

1 “(8) INTERAGENCY COORDINATION.—The Sec-
2 retary, in consultation with each appropriate head of
3 a department or agency of the Federal Government,
4 shall ensure to the greatest extent practicable that
5 any information related to higher education that is
6 published by such department or agency is con-
7 sistent with the information published on the College
8 Dashboard website.

9 “(9) DATA COLLECTION.—The Commissioner
10 for Education Statistics shall continue to update and
11 improve the Integrated Postsecondary Education
12 Data System, including by reducing institutional re-
13 porting burden and improving the timeliness of the
14 data collected.

15 “(10) DATA PRIVACY.—The Secretary shall en-
16 sure any information made available under this sec-
17 tion is made available in accordance with section
18 444 of the General Education Provisions Act (com-
19 monly known as the ‘Family Educational Rights and
20 Privacy Act of 1974’).”.

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

1 (c) REFERENCES.—Any reference in any law (other
2 than this Act), regulation, document, record, or other
3 paper of the United States to the College Navigator
4 website shall be considered to be a reference to the College
5 Dashboard website.

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

11 (e) COLLEGE NAVIGATOR WEBSITE MAINTENANCE.—The Secretary shall maintain the College Navi-
12 gator website required under section 132 (20 U.S.C.
13 1015a), as in effect the day before the date of the enact-
14 ment of this Act, in the manner required under the Higher
15 Education Act of 1965, as in effect on such day, until
16 the College Dashboard website referred to in subsection
17 (d) is complete and publicly available on the Internet.

19 **SEC. 122. NET PRICE CALCULATORS.**

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

23 (1) by redesignating paragraph (4) as para-
24 graph (6); and

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

3 “(4) MINIMUM REQUIREMENTS FOR NET PRICE
4 CALCULATORS.—Not later than 1 year after the date
5 of the enactment of the PROSPER Act, a net price
6 calculator for an institution of higher education shall
7 meet the following requirements:

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

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

16 “(ii) match in size and font to the
17 other prominent links on the webpage
18 where the link for the calculator is dis-
19 played.

20 “(B) The webpage displaying the results
21 for the calculator shall specify at least the fol-
22 lowing information:

23 “(i) The net price (as calculated
24 under subsection (a)(3)) for such institu-

1 tion, which shall be the most visually
2 prominent figure on the results screen.

3 “(ii) Cost of attendance, including—

4 “(I) tuition and fees;

5 “(II) average annual cost of
6 room and board for the institution for
7 a full-time undergraduate student en-
8 rolled in the institution;

9 “(III) average annual cost of
10 books and supplies for a full-time un-
11 dergraduate student enrolled in the
12 institution; and

13 “(IV) estimated cost of other ex-
14 penses (including personal expenses
15 and transportation) for a full-time un-
16 dergraduate student enrolled in the
17 institution.

18 “(iii) Estimated total need-based
19 grant aid and merit-based grant aid from
20 Federal, State, and institutional sources
21 that may be available to a full-time under-
22 graduate student.

23 “(iv) Percentage of the full-time un-
24 dergraduate students enrolled in the insti-

1 tution that received any type of grant aid
2 described in clause (iii).

3 “(v) The disclaimer described in para-
4 graph (6).

5 “(vi) In the case of a calculator
6 that—

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

17 “(II) does not include questions
18 to estimate eligibility for the benefits
19 described in subclause (I), the results
20 screen indicates that certain students
21 (or prospective students) may qualify
22 for such benefits and includes a link
23 to information about such benefits.

24 “(C) The institution shall populate the cal-
25 culator with data from an academic year that

1 is not more than 2 academic years prior to the
2 most recent academic year.

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

7 “(A) clearly indicate which questions are
8 required to be completed for an estimate of the
9 net price from the calculator;

10 “(B) in the case of a calculator that re-
11 quests contact information from users, clearly
12 mark such requests as optional and provide for
13 an estimate of the net price from the calculator
14 without requiring users to enter such informa-
15 tion; and

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

19 **SEC. 123. TEXT BOOK INFORMATION.**

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

1 **SEC. 124. REVIEW OF CURRENT DATA COLLECTION AND**
2 **FEASIBILITY STUDY OF IMPROVED DATA**
3 **COLLECTION.**

4 Part C of title I (20 U.S.C. 1015 et seq.) is amended
5 by adding at the end the following:

6 **“SEC. 138. REVIEW OF CURRENT DATA COLLECTION AND**
7 **FEASIBILITY STUDY OF IMPROVED DATA**
8 **COLLECTION.**

9 “(a) IN GENERAL.—Not later than 2 years after the
10 date of the enactment of the PROSPER Act, the Sec-
11 retary shall, in order to help improve the information
12 available to students and families and to eliminate signifi-
13 cant and burdensome data collection requirements placed
14 on institutions under this Act—

15 “(1) complete a review of all data reporting re-
16 quirements on institutions under this Act;

17 “(2) determine which requirements are duplica-
18 tive or no longer necessary to provide meaningful in-
19 formation for compliance, accountability, or trans-
20 parency in decision making; and

21 “(3) examine the best way to collect data that
22 includes all students from institutions that will—

23 “(A) eliminate or reduce the burden and
24 duplication of data reporting; and

25 “(B) capture the data necessary to ensure
26 compliance, accountability, and transparency in

1 decision making which shall include, at a min-
2 imum—

3 “(i) enrollment;

4 “(ii) retention;

5 “(iii) transfer;

6 “(iv) completion; and

7 “(v) post-collegiate earnings; and

8 “(4) implement the changes necessary to im-
9 prove the data reporting process for institutions, and
10 submit a report to the authorizing committees on
11 any legislative changes necessary to make such im-
12 provements.

13 “(b) CONSULTATION.—In conducting the review
14 under subsection (a)(1), the Secretary shall consult with—

15 “(1) all applicable offices within the Depart-
16 ment to ensure the review captures all data report-
17 ing requirements under this Act; and

18 “(2) relevant stakeholders, including students,
19 parents, institutions of higher education, and privacy
20 experts.

21 “(c) DATA COLLECTION AND REPORTING.—In exam-
22 ining the best way to collect data under subsection (a)(3),
23 the Secretary shall explore the feasibility of working with
24 the National Student Clearinghouse to establish a third-
25 party method to collect and produce institution and pro-

1 gram-level analysis of the data determined necessary to
2 report, and how such data reported to the clearinghouse
3 could be secured, while considering the following:

4 “(1) Whether data reported to the clearing-
5 house can accurately reflect institutional and pro-
6 gram-level enrollment, retention, transfer, and com-
7 pletion rates.

8 “(2) How much duplication of reporting can be
9 eliminated and if such reporting can replace the re-
10 porting to the Integrated Postsecondary Education
11 Data System (IPEDS), including whether the data
12 quality will be maintained or improved from the cur-
13 rent data provided to the Department through
14 IPEDS.

15 “(3) Whether such reporting to the clearing-
16 house can protect the confidentiality of the reported
17 data, while providing more accurate institutional
18 performance measures.

19 “(4) Whether such reporting can be made com-
20 patible with systems that include post-graduation
21 outcomes including employment and earnings data.

22 “(5) Whether the use of the clearinghouse for
23 such data reporting will change the current inter-
24 action between institutions and the clearinghouse.

1 “(6) Whether the clearinghouse can meet the
2 requirements of such reporting without transferring
3 any disaggregated data that would be personally
4 identifiable to the Department of Education.

5 “(7) Whether the clearinghouse can ensure the
6 Department of Education would never have access to
7 any health data, student discipline records or data,
8 elementary and secondary education data, or infor-
9 mation relating to citizenship or national origin sta-
10 tus, course grades, individual postsecondary entrance
11 examination results, political affiliation, or religion,
12 as a result of producing information for program
13 level analysis of the data received from institutions
14 of higher education.

15 “(8) Whether the clearinghouse can provide the
16 analysis under this subsection without maintaining
17 or transferring, publishing, or submitting any data
18 containing the information described in paragraph
19 (7) to any entity, including any Federal or State
20 agency.

21 “(d) INTERIM REPORT.—Not later than 1 year after
22 the date of the enactment of the PROSPER Act, the Sec-
23 retary shall submit to the authorizing committees a report
24 on the Secretary’s progress in carrying out this section.

1 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to authorize the development of
3 a nationwide database of personally identifiable informa-
4 tion on individuals involved in studies or other collections
5 of data under this Act.”.

6 **PART D—ADMINISTRATIVE PROVISIONS FOR**
7 **DELIVERY OF STUDENT FINANCIAL ASSISTANCE**
8 **SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE**
9 **DELIVERY OF FEDERAL STUDENT FINANCIAL**
10 **ASSISTANCE.**

11 Section 141 (20 U.S.C. 1018) is amended—

12 (1) in subsection (a)(2)—

13 (A) by redesignating subparagraphs (F)
14 and (G) as subparagraphs (H) and (I), respec-
15 tively; and

16 (B) by inserting after subparagraph (E)
17 the following:

18 “(F) to maximize transparency in the op-
19 eration of Federal student financial assistance
20 programs;

21 “(G) to maximize stakeholder engagement
22 in the operation of and accountability for such
23 programs;”;

24 (2) in subsection (b)—

25 (A) in paragraph (1)(C)—

1 (i) in clause (i), by striking “and” at
2 the end;

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

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iii) acquiring senior managers and
8 other personnel with demonstrated man-
9 agement ability and expertise in consumer
10 lending.”;

11 (B) in paragraph (2) by adding at the end
12 the following:

13 “(C) Collecting input from stakeholders on
14 the operation of all Federal student assistance
15 programs and accountability practices relating
16 to such programs, and ensuring that such input
17 informs operation of the PBO and is provided
18 to the Secretary to inform policy creation re-
19 lated to Federal student financial assistance
20 programs.”; and

21 (C) in paragraph (6)—

22 (i) in subparagraph (A), by striking
23 “The Secretary” and inserting “Not less
24 frequently than once annually, the Sec-
25 retary”;

1 (ii) by redesignating subparagraph
2 (B) as subparagraph (C); and

3 (iii) by inserting after subparagraph
4 (A) the following: :

5 “(B) REPORT.—On an annual basis, after
6 carrying out the consultation required under
7 subparagraph (A), the Secretary and the Chief
8 Operating Officer shall jointly submit to the au-
9 thorizing committees a report that includes—

10 “(i) a summary of the consultation;
11 and

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

14 (3) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (A)—

17 (I) by striking “Each year,” and
18 inserting “Not less frequently than
19 once every three years”; and

20 (II) by striking “succeeding 5”
21 and inserting “succeeding 3”;

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

24 “(B) CONSULTATION.—

1 “(i) PLAN DEVELOPMENT.—Begin-
2 ning not later than 12 months before
3 issuing each 3-year performance plan
4 under subparagraph (A), the Secretary and
5 the Chief Operating Officer shall consult
6 with students, institutions of higher edu-
7 cation, Congress, lenders, and other inter-
8 ested parties regarding the development of
9 the plan. In carrying out such consulta-
10 tion, the Secretary shall seek public com-
11 ment consistent with the requirements of
12 subchapter II of chapter 5 of title 5,
13 United States Code (commonly known as
14 the ‘Administrative Procedure Act’).

15 “(ii) REVISION.—Not later than 90
16 days before implementing any revision to
17 the performance plan described in subpara-
18 graph (A), the Secretary shall consult with
19 students, institutions of higher education,
20 Congress, lenders, and other interested
21 parties regarding such revision.”;

22 (iii) in subparagraph (C)—

23 (I) in the matter preceding clause
24 (i), by inserting “and target dates
25 upon which such action steps will be

1 taken and such goals will be achieved”
2 after “achieve such goals”;

3 (II) by redesignating clause (v)
4 as clause (vi);

5 (III) by inserting after clause (iv)
6 the following:

7 “(v) ENSURING TRANSPARENCY.—
8 Maximizing the transparency in the oper-
9 ations of the PBO, including complying
10 with the data reporting requirements
11 under section 144.”;

12 (B) in paragraph (2)—

13 (i) by striking “5-year” and inserting
14 “3-year”;

15 (ii) in subparagraph (C), by inserting
16 “, including an explanation of the specific
17 steps the Secretary and the Chief Oper-
18 ating Officer will take to address any such
19 goals that were not achieved” before the
20 period;

21 (iii) in subparagraph (D), by inserting
22 “, in the aggregate and per individual” be-
23 fore the period;

1 (iv) in subparagraph (E), by striking
2 “Recommendations” and inserting “Spe-
3 cific recommendations”;

4 (v) by redesignating subparagraph (F)
5 as subparagraph (G); and

6 (vi) by inserting after subparagraph
7 (E), the following:

8 “(F) A description of the performance
9 evaluation system developed under subsection
10 (d)(6).”.

11 (C) in paragraph (3)—

12 (i) in the matter preceding subpara-
13 graph (A), by striking “establish appro-
14 priate means to”;

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

17 (iii) in subparagraph (B), by striking
18 the period at the end and inserting “and
19 the PBO; and”;

20 (iv) by adding at the end the fol-
21 lowing:

22 “(C) through a nationally-representative
23 survey, that at a minimum shall evaluate the
24 degree of satisfaction with the delivery system
25 and the PBO.”;

1 (4) in subsection (d)—

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

5 (B) in paragraph (4)—

6 (i) in subparagraph (A)—

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

9 (II) by inserting “and metrics
10 used to measure progress toward such
11 goals” before the period;

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

14 “(B) TRANSMITTAL AND PUBLIC AVAIL-
15 ABILITY.—The Secretary shall—

16 “(i) transmit to the authorizing com-
17 mittees the final version of, and any subse-
18 quent revisions to, the agreement entered
19 into under subparagraph (A); and

20 “(ii) before the expiration of the pe-
21 riod of 5 business days beginning after the
22 date on which the agreement is trans-
23 mitted under clause (i), make such agree-
24 ment publicly available on a publicly acces-

1 sible website of the Department of Edu-
2 cation.”.

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

5 “(C) LOSS OF ELIGIBILITY.—If the agree-
6 ment under subparagraph (A) is not made pub-
7 licly available before the expiration of the period
8 described in subparagraph (B)(ii), the Chief
9 Operating Officer shall not be eligible for re-
10 appointment under paragraph (2).”; and

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

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

16 “(i) For a period covered by a per-
17 formance agreement entered into under
18 paragraph (4) before the date of the enact-
19 ment of the PROSPER Act, an amount
20 that does not exceed 50 percent of the an-
21 nual rate basic pay of the Chief Operating
22 Officer, based upon the Secretary’s evalua-
23 tion of the Chief Operating Officer’s per-
24 formance in relation to the goals set forth
25 in the performance agreement.

1 “(ii) For a period covered by a per-
2 formance agreement entered into under
3 paragraph (4) on or after the date of the
4 enactment of the PROSPER Act, an
5 amount that does not exceed 40 percent of
6 the annual rate basic pay of the Chief Op-
7 erating Officer, based upon the Secretary’s
8 evaluation of the Chief Operating Officer’s
9 performance in relation to the goals set
10 forth in the performance agreement.”.

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

12 “(6) PERFORMANCE EVALUATION SYSTEM.—
13 The Secretary shall develop a system to evaluate the
14 performance of the Chief Operating Officer and any
15 senior managers appointed by such Officer under
16 subsection (e). Such system shall—

17 “(A) take into account the extent to which
18 each individual attains the specific, measurable
19 organizational and individual goals set forth in
20 the performance agreement described in para-
21 graph (4)(A) and subsection (e)(2) (as the case
22 may be); and

23 “(B) evaluate each individual using a rat-
24 ing system that accounts for the full spectrum
25 of performance levels, from the failure of an in-

1 dividual to meet the goals described in clause
2 (i) to an individual’s success in meeting or ex-
3 ceeding such goals.”;

4 (5) in subsection (e)—

5 (A) in paragraph (2), by striking “organi-
6 zation and individual goals” and inserting “spe-
7 cific, measurable organization and individual
8 goals and the metrics used to measure progress
9 toward such goals”;

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

12 “(B) BONUS.—In addition, a senior man-
13 ager may receive a bonus in the following
14 amounts:

15 “(i) For a period covered by a per-
16 formance agreement entered into under
17 paragraph (2) before the date of the enact-
18 ment of the PROSPER Act, an amount
19 such that the manager’s total annual com-
20 pensation does not exceed 125 percent of
21 the maximum rate of basic pay for the
22 Senior Executive Service, including any ap-
23 plicable locality-based comparability pay-
24 ment, based upon the Chief Operating Of-
25 ficer’s evaluation of the manager’s per-

1 performance in relation to the goals set forth
2 in the performance agreement.

3 “(ii) For a period covered by a per-
4 formance agreement entered into under
5 paragraph (2) on or after the date of the
6 enactment of the PROSPER Act, an
7 amount such that the manager’s total an-
8 nual compensation does not exceed 120
9 percent of the maximum rate of basic pay
10 for the Senior Executive Service, including
11 any applicable locality-based comparability
12 payment, based upon the Chief Operating
13 Officer’s evaluation of the manager’s per-
14 formance in relation to the goals set forth
15 in the performance agreement.”.

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

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

20 “(f) ADVISORY BOARD.—

21 “(1) ESTABLISHMENT AND PURPOSE.—Not
22 later than one year after the date of the enactment
23 of the PROSPER Act, the Secretary shall establish
24 an Advisory Board (referred to in this subsection as
25 the ‘Board’) for the PBO. The purpose of such

1 Board shall be to conduct oversight over the PBO
2 and the Chief Operating Officer and senior man-
3 agers described under subsection (e) to ensure that
4 the PBO is meeting the purposes described in this
5 section and the goals in the performance plan de-
6 scribed under such section.

7 “(2) MEMBERSHIP.—

8 “(A) BOARD MEMBERS.—The Board shall
9 consist of 7 members, one of whom shall be the
10 Secretary.

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

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

16 “(i) shall—

17 “(I) serve as a member of the
18 Board;

19 “(II) be a voting member of the
20 Board; and

21 “(III) be eligible to be elected by
22 the Board to serve as chairman or
23 vice chairman of the Board; and

24 “(ii) shall not be subject to the terms
25 or compensation requirements described in

1 this paragraph that are applicable to the
2 other members of the Board.

3 “(D) ADDITIONAL BOARD MEMBERS.—
4 Each member of the Board (excluding the Sec-
5 retary) shall be appointed by the Secretary.

6 “(E) TERMS.—

7 “(i) IN GENERAL.—Each Board mem-
8 ber, except for the Secretary and the
9 Board members described in clause (ii)(II),
10 shall serve 5-year terms.

11 “(ii) INITIAL MEMBERS.—

12 “(I) FIRST 3 MEMBERS.—The
13 first 3 members confirmed to serve on
14 the Board after the date of enactment
15 of the PROSPER Act shall serve for
16 5-year terms.

17 “(II) OTHER MEMBERS.—The
18 fourth, fifth, and sixth members con-
19 firmed to serve on the Board after
20 such date of enactment shall serve for
21 3-year terms.

22 “(iii) REAPPOINTMENT.—The Sec-
23 retary may reappoint a Board member for
24 one additional 5-year term.

25 “(iv) VACANCIES.—

1 “(I) IN GENERAL.—Not later
2 than 30 days after a vacancy of the
3 Board occurs, the Secretary shall pub-
4 lish a Federal Register notice solie-
5 iting nominations for the position.

6 “(II) FILLING VACANCY.—Not
7 later than 90 days after such vacancy
8 occurs, such vacancy shall be filled in
9 the same manner as the original ap-
10 pointment was made, except that—

11 “(aa) the appointment shall
12 be for the remainder of the
13 uncompleted term; and

14 “(bb) such member may be
15 reappointed under clause (iii).

16 “(F) MEMBERSHIP QUALIFICATIONS AND
17 PROHIBITIONS.—

18 “(i) QUALIFICATIONS.—The members
19 of the board, other than the Secretary,
20 shall be appointed without regard to polit-
21 ical affiliation and solely on the basis of
22 their professional experience and expertise
23 in—

24 “(I) the management of large
25 and financially significant organiza-

1 tions, including banks and commercial
2 lending companies; or

3 “(II) Federal student financial
4 assistance programs.

5 “(ii) CONFLICTS OF INTEREST AMONG
6 BOARD MEMBERS.—Before appointing
7 members of the Board, the Secretary shall
8 establish rules and procedures to address
9 any potential conflict of interest between a
10 member of the Board and responsibilities
11 of the Board, including prohibiting mem-
12 bership for individuals with a pecuniary in-
13 terest in the activities of the PBO.

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

16 “(H) EXPENSES OF BOARD MEMBERS.—
17 Each member of the Board shall receive travel
18 expenses and other permissible expenses, in-
19 cluding per diem in lieu of subsistence, in ac-
20 cordance with applicable provisions under title
21 5, United States Code.

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

1 “(A) Conducting general oversight over the
2 functioning and operation of the PBO, includ-
3 ing—

4 “(i) ensuring that the reporting and
5 planning requirements of this section are
6 fulfilled by the PBO; and

7 “(ii) ensuring that the Chief Oper-
8 ating Officer acquires senior managers
9 with demonstrated management ability and
10 expertise in consumer lending (as described
11 in subsection (b)(1)(C)(iii)).

12 “(B) Approving the appointment or re-
13 appointment of a Chief Operating Officer, ex-
14 cept that the board shall have no authority to
15 approve or disapprove the reappointment of the
16 Chief Operating Officer who holds such position
17 on the date of enactment of the PROSPER
18 Act.

19 “(C) Making recommendations with re-
20 spect to the suitability of any bonuses proposed
21 to be provided to the Chief Operating Officer or
22 senior managers described under subsections
23 (d) and (e), to ensure that a bonus is not
24 awarded to the Officer or a senior manager in
25 a case in which such Officer or manager has

1 failed to meet goals set for them under the rel-
2 evant performance plan under subsections
3 (d)(4) and (e)(2), respectively.

4 “(D) Approving any performance plan es-
5 tablished for the PBO.

6 “(4) BOARD OPERATIONS.—

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

10 “(B) POWERS OF CHAIRPERSON.—Except
11 as otherwise provided by a majority vote of the
12 Board, the powers of the chairperson shall in-
13 clude—

14 “(i) establishing committees;

15 “(ii) setting meeting places and times;

16 “(iii) establishing meeting agendas;

17 and

18 “(iv) developing rules for the conduct
19 of business.

20 “(C) QUORUM.—Four members of the
21 Board shall constitute a quorum. A majority of
22 members present and voting shall be required
23 for the Board to take action.

24 “(D) ADMINISTRATION.—The Federal Ad-
25 visory Committee Act shall not apply with re-

1 spect to the Board, other than sections 10, 11
2 and 12 of such Act.

3 “(5) ANNUAL REPORT.—

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

8 “(B) CONTENTS.—Each report under
9 clause (i) shall include—

10 “(i) a description of the oversight
11 work of the Board and the results of such
12 work;

13 “(ii) a description of statutory re-
14 quirements of this section and section 144
15 where the PBO is not in compliance;

16 “(iii) recommendations on the ap-
17 pointment or reappointment of a Chief Op-
18 erating Officer;

19 “(iv) recommendations regarding
20 bonus payments for the Chief Operating
21 Officer and senior managers; and

22 “(v) recommendations for the author-
23 izing Committees and the Appropriations
24 Committees on—

1 “(I) any statutory changes need-
2 ed that would enhance the ability of
3 the PBO to meet the purposes of this
4 section; and

5 “(II) any recommendations for
6 the Secretary or the Chief Operating
7 Officer that will improve the oper-
8 ations of the PBO.

9 “(vi) ISSUANCE AND PUBLIC RE-
10 LEASE.—Each report under clause (i) shall
11 be posted on the publicly accessible website
12 of the Department of Education.

13 “(vii) PBO RECOMMENDATIONS.—Not
14 later than 180 days after the submission of
15 each report under clause (i), the Chief Op-
16 erating Officer shall respond to each rec-
17 ommendation individually, which shall in-
18 clude a description of such actions that the
19 Officer is undertaking to address such rec-
20 ommendation.

21 “(C) STAFF.—

22 “(i) IN GENERAL.—The Secretary
23 may appoint to the Board not more than
24 7 employees to assist in carrying out the
25 duties of the Board under this section.

1 “(ii) TECHNICAL EMPLOYEES.—Such
2 appointments may include, for terms not
3 to exceed 3 years and without regard to
4 the provisions of title 5, United States
5 Code, governing appointments in the com-
6 petitive service, not more than 3 technical
7 employees who may be paid without regard
8 to the provisions of chapter 51 and sub-
9 chapter III of chapter 53 of such title re-
10 lating to classification and General Sched-
11 ule pay rates, but no individual so ap-
12 pointed shall be paid in excess of the rate
13 authorized for GS-18 of the General
14 Schedule.

15 “(iii) DETAILEES.—The Secretary
16 may detail, on a reimbursable basis, any of
17 the personnel of the Department for the
18 purposes described in clause (i). Such em-
19 ployees shall serve without additional pay,
20 allowances, or benefits.

21 “(iv) STATUTORY CONSTRUCTION.—
22 Nothing in this subparagraph shall be con-
23 strued to provide for an increase in the
24 total number of permanent full-time equiv-
25 alent positions in the Department or any

1 other department or agency of the Federal
2 Government.

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

8 **SEC. 132. ADMINISTRATIVE DATA TRANSPARENCY.**

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

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

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

17 “(b) DISCLOSURES.—

18 “(1) IN GENERAL.—The Secretary and the
19 Chief Operating Officer shall publish on a publicly
20 accessible website of the Department of Education
21 the following aggregate statistics with respect to the
22 performance of student loans under title IV:

23 “(A) The number of borrowers who paid
24 off the total outstanding balance of principal
25 and interest on their loans before the end of the

1 10-year or consolidated loan repayment sched-
2 ule.

3 “(B) The number of loans under each type
4 of deferment and forbearance.

5 “(C) The average length of time a loan
6 stays in default.

7 “(D) The percentage of loans in default
8 among borrowers who completed the program of
9 study for which the loans were made.

10 “(E) The number of borrowers enrolled in
11 an income-based repayment plan who make
12 monthly payments of \$0 and the average stu-
13 dent loan debt of such borrowers.

14 “(F) The number of students whose loan
15 balances are growing because such students are
16 not paying the full amount of interest accruing
17 on the loans.

18 “(G) The number of borrowers entering in-
19 come-based repayment plans to get out of de-
20 fault.

21 “(H) The number of borrowers in income-
22 based repayment plans who have outstanding
23 student loans from graduate school, and the av-
24 erage balance of such loans.

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

3 “(i) the number of applications sub-
4 mitted and processed;

5 “(ii) the number of borrowers granted
6 loan forgiveness;

7 “(iii) the amount of loan debt for-
8 given; and

9 “(iv) the number of borrowers granted
10 loan forgiveness, and the amount of the
11 loan debt forgiven, disaggregated by each
12 category of employer that employs individ-
13 uals in public service jobs (as defined in
14 section 455(m)(3)(B), including—

15 “(I) the Federal Government, or
16 a State or local government;

17 “(II) an organization that is de-
18 scribed in section 501(c)(3) of the In-
19 ternal Revenue Code of 1986 and ex-
20 empt from taxation under section
21 501(a) of such Code; and

22 “(III) a non-profit organization
23 not described in subclause (II).

24 “(J) Any other aggregate statistics the
25 Secretary and the Chief Operating Officer de-

1 termine to be necessary to adequately inform
2 the public of the performance of the student
3 loan programs under title IV.

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

7 “(A) by the number or amount for most
8 recent quarter;

9 “(B) by the total number or amount as of
10 the date of publication;

11 “(C) by repayment plan;

12 “(D) by borrowers seeking loan forgiveness
13 for loans made for an undergraduate course of
14 study; and

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

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

20 “(c) INFORMATION COLLECTION.—

21 “(1) IN GENERAL.—The Secretary and the
22 Chief Operating Officer shall collect information on
23 the performance of student loans under title IV over
24 time, including—

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

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

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

8 “(D) the progress of borrowers in making
9 monthly payments on loans after defaulting on
10 the loans; and

11 “(E) such other information as the Sec-
12 retary and the Chief Operating Officer deter-
13 mine to be appropriate.

14 “(2) AVAILABILITY.—

15 “(A) IN GENERAL.—The information col-
16 lected under paragraph (1) shall be made avail-
17 able biannually to organizations and researchers
18 that—

19 “(i) submit to the Secretary and the
20 Chief Operating officer a request for such
21 information; and

22 “(ii) enter into an agreement with the
23 National Center for Education Statistics
24 under which the organization or researcher
25 (as the case may be) agrees to use the in-

1 formation in accordance with the privacy
2 laws described in subparagraph (B).

3 “(B) PRIVACY PROTECTIONS.—The privacy
4 laws described in this subparagraph are the fol-
5 lowing:

6 “(i) Section 183 of the Education
7 Sciences Reform Act of 2002 (20 U.S.C.
8 9573).

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

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

15 “(iv) Subtitle A of title V of the E-
16 Government Act of 2002 (44 U.S.C. 3501
17 note).

18 “(C) FORMAT.—The information described
19 in subparagraph (A) shall be made available in
20 the format of a data file that contains an statis-
21 tically accurate, representative sample of all
22 borrowers of loans under title IV.

23 “(d) DATA SHARING.—The Secretary and the Chief
24 Operating Officer may enter into cooperative data sharing
25 agreements with other Federal or State agencies to ensure

1 the accuracy of information collected and published under
2 this section.

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

7 **PART E—LENDER AND INSTITUTION REQUIRE-**
8 **MENTS RELATING TO EDUCATION LOANS**

9 **SEC. 141. MODIFICATION OF PREFERRED LENDER AR-**
10 **RANGEMENTS.**

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

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

14 (A) in paragraph (2), by striking “section
15 102” and inserting “section 101 or 102”;

16 (B) in paragraph (3)—

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

19 (ii) by redesignating subparagraph
20 (C) as subparagraph (D); and

21 (iii) by inserting after subparagraph
22 (B), the following:

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

1 (C) in paragraph (6)(A)—

2 (i) by striking “and” at the end of
3 clause (ii);

4 (ii) by redesignating clause (iii) as
5 clause (iv); and

6 (iii) by inserting after clause (ii), the
7 following:

8 “(iii) in the case of a loan issued or
9 provided to a student under part E of title
10 IV on or after the date of enactment of the
11 PROSPER Act;”;

12 (D) in paragraph (8)(B)(ii)—

13 (i) by striking “or” at the end of
14 clause (i);

15 (ii) by redesignating clause (ii) as
16 clause (iii); and

17 (iii) by inserting after clause (i), the
18 following:

19 “(ii) arrangements or agreements with
20 respect to loans under part E of title IV;
21 or”;

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

23 (A) in subsection (a)(1)—

24 (i) in subparagraph (B), by amending
25 clause (i) to read as follows:

1 “(i) make available to the prospective
2 borrower on a website or with informa-
3 tional material, the information the Board
4 of Governors of the Federal Reserve Sys-
5 tem requires the lender to provide to the
6 covered institution under section
7 128(e)(11) of the Truth in Lending Act
8 (15 U.S.C. 1638(e)(11)) for such loan;”;
9 and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(D) SPECIAL RULE.—Notwithstanding
13 any other provision of law, a covered institu-
14 tion, or an institution-affiliated organization of
15 such covered institution, shall not be required
16 to provide any information regarding private
17 education loans to prospective borrowers except
18 for the information described in subparagraph
19 (B).”; and

20 (B) in subsection (b)(1)(A)(i), by striking
21 “part B or D” and inserting “part B, D, or
22 E”;

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

24 (A) in subsection (a)—

25 (i) in paragraph (1)(B)—

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

3 (II) in clause (ii), by striking “;
4 and” at the end and inserting a pe-
5 riod; and

6 (III) by striking clause (iii); and
7 (ii) in paragraph (2), by amending
8 subparagraph (C) to read as follows:

9 “(C) update such model disclosure form
10 not later than 180 after the date of enactment
11 of the PROSPER Act, and periodically there-
12 after, as necessary.”; and

13 (B) by amending subsection (c) to read as
14 follows:

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

17 “(1) CODE OF CONDUCT.—Each covered insti-
18 tution, and each institution-affiliated organization of
19 such covered institution, that has a preferred lender
20 arrangement, shall comply with the code of conduct
21 requirements of subparagraphs (A) through (C) of
22 section 487(a)(22).

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

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

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

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

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

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

18 (B) by striking “William D. Ford Direct
19 Loan Program” each place it appears and in-
20 serting “William D. Ford Direct Loan Program
21 or the Federal ONE Loan Program”

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

24 (D) in subsection (a)—

1 (i) by striking “the development” and
2 inserting “the first update”;

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

5 (iii) by striking “Federal Direct Staf-
6 ford Loans, Federal Direct Unsubsidized
7 Stafford Loans, and Federal Direct
8 PLUS” and inserting “undergraduate,
9 graduate, and parent”.

10 (b) LIMITATION.—The Secretary of Education shall
11 not impose, administer, or enforce any requirements on
12 a covered institution or an institution-affiliated organiza-
13 tion of a covered institution relating to preferred lender
14 lists or arrangements unless explicitly authorized by sec-
15 tions 152(a)(1)(B), 153(c), or 487(h)(1) of the Higher
16 Education Act of 1965 (20 U.S.C. 1019a(a)(1)(B),
17 1019b(c), or 1094(h), respectively) as amended by this
18 Act.

19 **PART F—ADDRESSING SEXUAL ASSAULT**

20 **SEC. 151. ADDRESSING SEXUAL ASSAULT.**

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

1 **“PART F—ADDRESSING SEXUAL ASSAULT**

2 **“SEC. 161. APPLICATION.**

3 “The requirements of this part shall apply to any in-
4 stitution of higher education receiving Federal financial
5 assistance under this Act, including financial assistance
6 provided to students under title IV, other than—

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

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

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

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

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

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

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

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

6 “(4) Questions to test the students’ knowledge
7 and understanding of institutional policies regarding
8 sexual assault and available campus support services
9 for victims of sexual assault.

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

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

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

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

22 “(2) ENCOURAGING USE OF BEST PRACTICES
23 AND APPROPRIATE LANGUAGE.—The institution is
24 encouraged to administer the surveys under this sec-
25 tion in accordance with best practices derived from

1 peer-reviewed research, and to use language that is
2 sensitive to potential respondents who may have
3 been victims of sexual assault.

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

7 “(d) ROLE OF SECRETARY.—

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

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

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

1 “(B) may not use the results of the sur-
2 veys to make comparisons between institutions
3 of higher education.

4 “(e) FREQUENCY.—An institution of higher edu-
5 cation that is subject to this part shall conduct a survey
6 under this section not less frequently than once every 3
7 academic years.

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

9 “(a) REQUIRING INSTITUTIONS TO MAKE COUN-
10 SELOR AVAILABLE.—

11 “(1) IN GENERAL.—Each institution of higher
12 education that is subject to this part shall retain the
13 services of qualified sexual assault survivors’ coun-
14 selors to counsel and support students who are vic-
15 tims of sexual assault.

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

23 “(3) NUMBER.—The institution shall retain
24 such number of counselors under this section as the
25 institution considers appropriate based on a reason-

1 able determination of the anticipated demand for
2 such counselors’ services, so long as the institution
3 retains the services of at least one such counselor at
4 all times.

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

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

14 “(1) inform the victim of sexual assault of op-
15 tions available to victims, including the procedures
16 the victim may follow to report the assault to the in-
17 stitution or to a law enforcement agency; and

18 “(2) inform the victim of interim measures that
19 may be taken pending the resolution of institutional
20 disciplinary proceedings or the conclusion of criminal
21 justice proceedings.

22 “(d) CONFIDENTIALITY.—

23 “(1) MAINTAINING CONFIDENTIALITY OF IN-
24 FORMATION.—In providing services pursuant to this
25 section, a counselor shall—

1 “(A) maintain confidentiality with respect
2 to any information provided by a victim of sex-
3 ual assault to the greatest extent permitted
4 under applicable law; and

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

11 “(2) MAINTAINING PRIVACY OF RECORDS.—A
12 counselor providing services pursuant to this section
13 shall be considered a recognized professional for pur-
14 poses of section 444(a)(4)(B)(iv) of the General
15 Education Provisions Act (commonly known as the
16 ‘Family Educational Rights and Privacy Act of
17 1974’) (20 U.S.C. 1232g(a)(4)(B)(iv)).

18 “(e) LIMITATIONS.—

19 “(1) NO REPORTING OF INCIDENTS UNDER
20 CLERY ACT OR OTHER AUTHORITY.—A counselor
21 providing services pursuant to this section is not re-
22 quired to report incidents of sexual assault that are
23 reported to the counselor for inclusion in any report
24 on campus crime statistics, and shall not be consid-

1 ered part of a campus police or security department
2 for purposes of section 485(f).

3 “(2) NO COVERAGE OF COUNSELORS AS RE-
4 SPONSIBLE EMPLOYEES UNDER TITLE IX.—A coun-
5 selor providing services pursuant to this section on
6 behalf of an institution of higher education shall not
7 be considered a responsible employee of the institu-
8 tion for purposes of title IX of the Education
9 Amendments of 1972 (20 U.S.C. 1681 et seq.) or
10 the regulations promulgated pursuant to such title.

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

22 **“SEC. 164. FORM TO DISTRIBUTE TO VICTIMS OF SEXUAL**
23 **ASSAULT.**

24 “(a) REQUIREMENT TO DEVELOP AND DISTRIBUTE
25 FORM.—Each institution of higher education that is sub-

1 ject to this part shall develop a one-page form containing
2 information to provide guidance and assistance to students
3 who may be victims of sexual assault, and shall make the
4 form widely available to students.

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

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

17 “(2) Information about other appropriate cam-
18 pus resources and resources in the local community,
19 including contact information.

20 “(3) Information about where to obtain medical
21 treatment, and information about transportation
22 services to such medical treatment facilities, if avail-
23 able.

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

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

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

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

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

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

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

1 tion to use any of the model forms developed under this
2 subsection.

3 **“SEC. 165. MEMORANDA OF UNDERSTANDING WITH LOCAL**
4 **LAW ENFORCEMENT AGENCIES.**

5 “(a) FINDINGS; PURPOSE.—

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

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

1 “(b) CONTENTS OF MEMORANDUM.—An institution
2 of higher education and a law enforcement agency enter-
3 ing into a memorandum of understanding described in this
4 section are encouraged to include in the memorandum pro-
5 visions addressing the following:

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

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

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

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

19 “(5) If the institution has a campus police or
20 security department with law enforcement authority,
21 the need to clarify the relationship and delineate the
22 responsibilities between such department and the
23
24

1 law enforcement agency with respect to handling in-
2 cidents of sexual assaults occurring on campus.

3 “(c) **ROLE OF SECRETARY.**—The Secretary, in con-
4 sultation with the Attorney General, shall develop best
5 practices for memoranda of understanding described in
6 this section, and shall disseminate such best practices on
7 a publicly accessible website of the Department of Edu-
8 cation.

9 **“SEC. 166. DEFINITIONS.**

10 “In this part:

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

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

16 **TITLE II—EXPANDING ACCESS**
17 **TO IN-DEMAND APPRENTICE-**
18 **SHIPS**

19 **SEC. 201. REPEAL.**

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

22 (b) **PART A TRANSITION.**—Part A of title II (20
23 U.S.C. 1022 et seq.), as in effect on the day before the
24 date of the enactment of this Act, may be carried out

1 using funds that have been appropriated for such part
2 until September 30, 2018.

3 **SEC. 202. GRANTS FOR ACCESS TO HIGH-DEMAND CA-**
4 **REERS.**

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

7 **“TITLE II—EXPANDING ACCESS**
8 **TO IN-DEMAND APPRENTICE-**
9 **SHIPS**

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

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

15 “(b) AUTHORIZATION OF APPRENTICESHIP GRANT
16 PROGRAM.—

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

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

23 “(A) not less than 1 year; and

24 “(B) not more than 4 years.

25 “(3) LIMITATIONS.—

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

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

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

13 “(c) MATCHING FUNDS.—To receive a grant under
14 this section, an eligible partnership shall, through cash or
15 in-kind contributions, provide matching funds from non-
16 Federal sources in an amount equal to or greater than
17 50 percent of the amount of such grant.

18 “(d) APPLICATIONS.—

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

23 “(A) identifies and designates the business
24 or institution of higher education responsible
25 for the administration and supervision of the

1 earn-and-learn program for which such grant
2 funds would be used;

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

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

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

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

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

19 “(G) identifies the anticipated earnings of
20 students—

21 “(i) 1 year after program completion;

22 and

23 “(ii) 3 years after program comple-
24 tion;

1 “(H) describes the specific project for
2 which the application is submitted, including a
3 summary of the relevant classroom and paid
4 structured on-the-job training students will re-
5 ceive;

6 “(I) describes how the eligible partnership
7 will finance the program after the end of the
8 grant period;

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

13 “(K) describes the alignment of the pro-
14 gram with State identified in-demand industry
15 sectors.

16 “(2) APPLICATION REVIEW PROCESS.—

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

1 “(B) COMPOSITION OF REVIEW PANEL.—

2 The panel of reviewers selected by the Secretary
3 under subparagraph (A) shall be comprised as
4 follows:

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

11 “(ii) The remainder of the panel shall
12 be equally divided between individuals who
13 are—

14 “(I) representatives of institu-
15 tions of higher education that offer
16 programs of two years or less; and

17 “(II) representatives of State
18 workforce development boards estab-
19 lished under section 101 of the Work-
20 force Innovation and Opportunity Act
21 (29 U.S.C. 3111).

22 “(C) REVIEW OF APPLICATIONS.—The
23 Secretary shall instruct the review panel se-
24 lected by the Secretary under paragraph (2)(A)
25 to evaluate applications using only the criteria

1 specified in paragraph (1) and make rec-
2 ommendations with respect to—

3 “(i) the quality of the applications;

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

6 “(iii) the amount and duration of
7 such grant.

8 “(D) NOTIFICATION.—Not later than June
9 30 of each year, the Secretary shall notify each
10 eligible partnership submitting an application
11 under this section of—

12 “(i) the scores given the applicant by
13 the panel pursuant to this section;

14 “(ii) the recommendations of the
15 panel with respect to such application; and

16 “(iii) the reasons for the decision of
17 the Secretary in awarding or refusing to
18 award a grant under this section; and

19 “(iv) modifications, if any, in the rec-
20 ommendations of the panel made to the
21 Secretary.

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

24 “(1) the number of participants to be served by
25 the grant;

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

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

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

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

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

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

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

18 “(4) the development of industry-specific pro-
19 gramming;

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

23 “(6) industry-recognized certification exams or
24 other assessments leading to a recognized postsec-

1 ondary credential associated with the earn-and-learn
2 program; and

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

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

9 “(h) EVALUATION.—

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

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

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

23 “(C) The percentage of students partici-
24 pating in programs assisted under this section

1 who successfully completed the program in the
2 time described in subsection (d)(1)(E).

3 “(D) The median earnings of program par-
4 ticipants—

5 “(i) 1 year after exiting the program;

6 and

7 “(ii) 3 years after exiting the pro-
8 gram.

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

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

16 “(i) 2 years after the end of the grant
17 period;

18 “(ii) 4 years after the end of the
19 grant period.

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

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

4 “(i) DEFINITIONS.—In this section:

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

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

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

15 “(2) ELIGIBLE PARTNERSHIP.—The term ‘eligi-
16 ble partnership’ shall mean a consortium that in-
17 cludes—

18 “(A) 1 or more businesses; and

19 “(B) 1 or more institutions of higher edu-
20 cation.

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

1 “(4) ON-THE-JOB TRAINING.—The term ‘on-
2 the-job training’ has the meaning given the term in
3 section 3 of the Workforce Innovation and Oppor-
4 tunity Act (29 U.S.C. 3102).

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

10 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to carry out this section
12 \$183,204,000 for fiscal year 2019 and each of the 5 suc-
13 ceeding fiscal years.”.

14 **TITLE III—INSTITUTIONAL AID**

15 **SEC. 301. STRENGTHENING INSTITUTIONS.**

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

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

20 (2) in section 311—

21 (A) by striking subsection (b) and redesign-
22 nating subsections (c) and (d) as subsections
23 (b) and (e), respectively;

24 (B) in subsection (b) (as so redesign-
25 nated)—

1 (i) by striking paragraph (6) and in-
2 serting the following:

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

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

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

22 (iv) by redesignating paragraph (13)
23 as paragraph (18); and

24 (v) by inserting after paragraph (12)
25 the following:

1 “(13) Establishing community outreach pro-
2 grams that will encourage elementary school and
3 secondary school students to develop the academic
4 skills and the interest to pursue postsecondary edu-
5 cation.

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

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

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

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

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

23 “(4) SCHOLARSHIP.—An institution that uses
24 grant funds provided under this part to establish or
25 increase an endowment fund may use the income

1 from such endowment fund to provide scholarships
2 to students for the purposes of attending such insti-
3 tution, subject to the limitation in section
4 331(c)(3)(B)(i).”;

5 (3) in section 312—

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

9 (B) in subsection (b)(1)—

10 (i) by redesignating subparagraphs
11 (E) and (F) as subparagraphs (F) and
12 (E), respectively;

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

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

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

21 (ii) by inserting after paragraph (2)
22 the following:

23 “(3) except as provided in section 392(b), an
24 institution that has a completion rate of at least 25

1 percent that is calculated by counting a student as
2 completed if that student—

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

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

9 (4) in section 313—

10 (A) in subsection (a)—

11 (i) by striking “for 5 years” and in-
12 serting “for a period of 5 years”; and

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

20 (B) by striking subsection (d);

21 (5) in section 316—

22 (A) in subsection (c)—

23 (i) in paragraph (2)—

24 (I) by striking subparagraph (A)
25 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) in subsection (b)—

7 (i) in paragraph (1), by striking “an
8 escrow account” and inserting “a bond in-
9 surance fund”; and

10 (ii) in paragraph (8)—

11 (I) in the matter preceding sub-
12 paragraph (A), by striking “establish
13 an escrow account” and inserting
14 “subject to subsection (f), establish a
15 bond insurance fund”; and

16 (II) in subparagraph (A), by
17 striking “the escrow account” and in-
18 sserting “the bond insurance fund”;
19 and

20 (iii) in paragraph (9)—

21 (I) by striking “the escrow ac-
22 count” and inserting “the bond insur-
23 ance fund or the escrow account de-
24 scribed in subsection (f)(1)(B)” and

1 (II) by striking “such escrow ac-
2 count” and inserting “such bond in-
3 surance fund or escrow account”;

4 (iv) in subsection (c)—

5 (I) in paragraph (2), by striking
6 “the escrow account described in sub-
7 section (b)(8)” and inserting “the
8 bond insurance fund described in sub-
9 section (b)(8) and the escrow account
10 described in subsection (f)(1)(B)”;

11 (II) in paragraph (4), by striking
12 “and the escrow account” and insert-
13 ing “, the bond insurance fund, and
14 the escrow account described in sub-
15 section (f)(1)(B)”;

16 (III) in paragraph (5)(B), by
17 striking “and the escrow account”
18 and inserting “, the bond insurance
19 fund, and the escrow account de-
20 scribed in subsection (f)(1)(B)”;

21 (v) by adding at the end the following:

22 “(f) APPLICABILITY OF BOND INSURANCE FUND
23 AND ESCROW ACCOUNT AND SPECIAL RULES.—

1 “(1) APPLICABILITY OF BOND INSURANCE
2 FUND AND ESCROW ACCOUNT.—Except as provided
3 in paragraph (2)—

4 “(A) the bond insurance fund established
5 under subsection (b)(8) on the date of enact-
6 ment of the PROSPER Act shall be made
7 available with respect to loans made under this
8 part on or after such date; and

9 “(B) the escrow account established under
10 subsection (b)(8) before the date of enactment
11 of the PROSPER Act and as in effect on the
12 day before such date of enactment shall be
13 made available with respect to loans made
14 under this part before the date of enactment of
15 the PROSPER Act.

16 “(2) SPECIAL RULES.—Notwithstanding para-
17 graph (1)—

18 “(A) in a case in which the amount in the
19 bond insurance fund described in paragraph
20 (1)(A) is insufficient to make payments of prin-
21 cipal and interest on bonds under subsection
22 (b)(8)(B)(i) in the event of delinquency in loan
23 repayment on loans made under this part on or
24 after the date of enactment of the PROSPER
25 Act, amounts in the escrow fund described in

1 paragraph (1)(B) shall be made available to the
2 Secretary to make such payments;

3 “(B) in a case in which the amount in the
4 escrow account described in paragraph (1)(B) is
5 insufficient to make payments of principal and
6 interest on bonds under subsection (b)(8)(B)(i)
7 in the event of delinquency in loan repayment
8 on loans made under this part before the date
9 of enactment of the PROSPER Act, amounts in
10 the bond insurance fund described in paragraph
11 (1)(A) shall be made available to the Secretary
12 to make such payments; and

13 “(C) in a case in which an institution is re-
14 quired to return an amount equal to any re-
15 maining portion of such institution’s 5 percent
16 deposit of loan proceeds under subsection
17 (b)(8)(B)(ii), the institution shall return to the
18 escrow account and the bond insurance fund an
19 amount that is proportionate to the amount
20 that was withdrawn from the escrow account
21 and the bond insurance fund, respectively, by
22 such institution.”;

23 (2) in section 345, by striking paragraph (9)
24 and inserting the following:

1 “(9) may, directly or by grant or contract, pro-
2 vide financial counseling and technical assistance to
3 eligible institutions to prepare the institutions to
4 qualify, apply for, and maintain a capital improve-
5 ment loan, including a loan under this part; and”;
6 and

7 (3) in section 347(c), by striking paragraph (2)
8 and inserting the following:

9 “(2) REPORT.—On an annual basis, the Advi-
10 sory Board shall prepare and submit to the author-
11 izing committees a report on the status of the his-
12 torically Black colleges and universities described in
13 paragraph (1)(A) and an overview of all loans in the
14 capital financing program, including the most recent
15 loans awarded in the fiscal year in which the report
16 is submitted. The report shall include administrative
17 and legislative recommendations, as needed, for ad-
18 dressing the issues related to construction financing
19 facing historically Black colleges and universities.”.

20 **SEC. 304. MINORITY SCIENCE AND ENGINEERING IMPROVE-**
21 **MENT PROGRAM.**

22 Part E of title III (20 U.S.C. 1067 et seq.) is amend-
23 ed—

24 (1) in section 353(a)—

1 (A) in paragraph (1), by striking “365(6)”
2 and inserting “359(6)”;

3 (B) in paragraph (2), by striking “365(7)”
4 and inserting “359(7)”;

5 (C) in paragraph (3), by striking “365(8)”
6 and inserting “359(8)”;

7 (D) in paragraph (5), by striking “365(9)”
8 and inserting “359(9)”;

9 (2) by striking subpart 2;

10 (3) by redesignating subpart 3 as subpart 2
11 and redesignating sections 361 through 365 as sec-
12 tions 355 through 359, respectively;

13 (4) in section 355 (as so redesignated), by
14 striking paragraph (5);

15 (5) in section 356(a) (as so redesignated), by
16 striking “determined under section 361)” and in-
17 serting “determined under section 355)”;

18 (6) in section 359(2) (as so redesignated)—

19 (A) by inserting “American” after
20 “Black”; and

21 (B) by striking “Hispanic (including)” and
22 inserting “Hispanic American (including”.

1 **SEC. 305. STRENGTHENING HISTORICALLY BLACK COL-**
2 **LEGES AND UNIVERSITIES AND OTHER MI-**
3 **NORITY-SERVING INSTITUTIONS.**

4 Section 371 (20 U.S.C. 1067q) is amended—

5 (1) in subsection (b)(2)(D)(iii), by striking
6 “section 311(c)” and inserting “section 311(b)”;
7 and

8 (2) in subsection (c)(9)(F)(ii), by striking “part
9 A of”.

10 **SEC. 306. GENERAL PROVISIONS.**

11 Part G of title III (20 U.S.C. 1068 et seq.) is amend-
12 ed—

13 (1) in section 391(b)—

14 (A) in paragraph (1), by striking “institu-
15 tional management” and all that follows
16 through the semicolon at the end and inserting
17 “institutional management, and use the grant
18 to provide for, and lead to, institutional self-
19 sustainability and growth (including measurable
20 objectives for the institution and the Secretary
21 to use in monitoring the effectiveness of activi-
22 ties under this title);”;

23 (B) in paragraph (7)—

24 (i) by striking subparagraph (C) and
25 redesignating subparagraphs (D) and (E)

1 as subparagraphs (C) and (D), respec-
2 tively; and

3 (ii) in subparagraph (D) (as so redes-
4 ignated), strike “and” at the end;

5 (C) by striking paragraph (8) and insert-
6 ing the following:

7 “(8) set forth a 5-year plan for improving the
8 assistance provided by the institution; and”;

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

10 “(9) submit such enrollment data as may be
11 necessary to demonstrate that the institution is a
12 minority-serving institution.”;

13 (2) in section 392—

14 (A) in subsection (b)—

15 (i) in the subsection heading, after
16 “EXPENDITURES” insert “; COMPLETION
17 RATES”;

18 (ii) in paragraph (1), insert “or
19 312(b)(3)” after “312(b)(1)(B)”;

20 (iii) in paragraph (2)—

21 (I) in the matter preceding sub-
22 paragraph (A)—

23 (aa) by inserting “or
24 312(b)(3)” after “312(b)(1)(B)”;

25 and

1 (bb) by inserting “Amer-
2 ican” after “Hispanic”; and

3 (II) in subparagraph (A), by in-
4 serting “or section 312(b)(3)” after
5 “312(b)(1)”; and

6 (B) by striking subsection (c) and insert-
7 ing the following:

8 “(c) WAIVER AUTHORITY WITH RESPECT TO INSTI-
9 TUTIONS LOCATED IN AN AREA AFFECTED BY A MAJOR
10 DISASTER.—

11 “(1) WAIVER AUTHORITY.—Notwithstanding
12 any other provision of law, unless enacted with spe-
13 cific reference to this section, in the case of a major
14 disaster, the Secretary may waive for affected insti-
15 tutions—

16 “(A) the eligibility data requirements set
17 forth in section 391(d) and section 521(e);

18 “(B) the allotment requirements under sec-
19 tion 324; and

20 “(C) the use of the funding formula devel-
21 oped pursuant to section 326(f)(3);

22 “(2) DEFINITIONS.—In this subsection:

23 “(A) AFFECTED INSTITUTION.—The term
24 ‘affected institution’ means an institution of
25 higher education that—

1 “(i) is—

2 “(I) a part A institution (which
3 term shall have the meaning given the
4 term ‘eligible institution’ under sec-
5 tion 312(b) or section 502(a)(6)); or

6 “(II) a part B institution, as
7 such term is defined in section
8 322(2), or as identified in section
9 326(e);

10 “(ii) is located in an area affected by
11 a major disaster; and

12 “(iii) is able to demonstrate that, as a
13 result of the impact of a major disaster,
14 the institution—

15 “(I) incurred physical damage;

16 “(II) has pursued collateral
17 source compensation from insurance,
18 the Federal Emergency Management
19 Agency, and the Small Business Ad-
20 ministration, as appropriate; and

21 “(III) was not able to fully re-
22 open in existing facilities or to fully
23 reopen to the pre-disaster enrollment
24 levels.

1 “(B) MAJOR DISASTER.—The term ‘major
2 disaster’ has the meaning given such term in
3 section 102(2) of the Robert T. Stafford Dis-
4 aster Relief and Emergency Assistance Act (42
5 U.S.C. 5122(2)).”; and

6 (3) in section 399, by striking subsection (a)
7 and inserting the following:

8 “(a) AUTHORIZATIONS.—

9 “(1) PART A.—(A) There are authorized to be
10 appropriated to carry out section 316, \$27,599,000
11 for each of fiscal years 2019 through 2024.

12 “(B) There are authorized to be appropriated
13 to carry out section 317, \$13,802,000 for each of
14 fiscal years 2019 through 2024.

15 “(C) There are authorized to be appropriated to
16 carry out section 318, \$9,942,000 for each of fiscal
17 years 2019 through 2024.

18 “(D) There are authorized to be appropriated
19 to carry out section 319, \$3,348,000 for each of fis-
20 cal years 2019 through 2024.

21 “(E) There are authorized to be appropriated
22 to carry out section 320, \$3,348,000 for each of fis-
23 cal years 2019 through 2024.

24 “(2) PART B.—(A) There are authorized to be
25 appropriated to carry out part B (other than section

1 326), \$244,694,000 for each of fiscal years 2019
2 through 2024.

3 “(B) There are authorized to be appropriated
4 to carry out section 326, \$63,281,000 for each of
5 fiscal years 2019 through 2024.

6 “(3) PART D.—There are authorized to be ap-
7 propriated to carry out part D, \$20,484,000 for
8 each of fiscal years 2019 through 2024. Of the
9 amount authorized, 1.63 percent shall be reserved
10 for administrative expenses.

11 “(4) PART E.—There are authorized to be ap-
12 propriated to carry out subpart 1 of part E,
13 \$9,648,000 for each of fiscal years 2019 through
14 2024.”.

15 **TITLE IV—STUDENT ASSISTANCE**

16 **PART A—GRANTS TO STUDENTS IN ATTENDANCE**

17 **AT INSTITUTIONS OF HIGHER EDUCATION**

18 **SEC. 401. FEDERAL PELL GRANTS.**

19 (a) REAUTHORIZATION.—Section 401(a) (20 U.S.C.
20 1070a(a)) is amended—

21 (1) by striking “fiscal year 2017” and inserting
22 “fiscal year 2024”; and

23 (2) by inserting “an eligible program at” after
24 “attendance at”.

25 (b) FEDERAL PELL GRANT BONUS.—

1 (1) AMENDMENTS.—Section 401(b) (20 U.S.C.
2 1070a(b)) is amended—

3 (A) in paragraph (7)(A)(iii)—

4 (i) by inserting “and paragraph (9)”
5 after “this paragraph”; and

6 (ii) by inserting before the semicolon
7 at the end the following: “and to provide
8 the additional amount required by para-
9 graph (9)”; and

10 (B) by adding at the end the following:

11 “(9) FEDERAL PELL GRANT BONUS.—

12 “(A) IN GENERAL.—Notwithstanding any
13 other provision of this subsection and from the
14 amounts made available pursuant to paragraph
15 (7)(A)(iii) for the purposes of this paragraph,
16 an eligible student who is receiving a Federal
17 Pell Grant for an award year shall receive an
18 amount in addition to such Federal Pell Grant
19 for each payment period of such award year for
20 which the student—

21 “(i) is receiving such Federal Pell
22 Grant as long as the amount of such Fed-
23 eral Pell Grant does not exceed the max-
24 imum amount of a Federal Pell Grant

1 award determined under paragraph (2)(A)
2 for such award year; and

3 “(ii) is carrying a work load that—

4 “(I) is greater than the normal
5 full-time work load for the course of
6 study the student is pursuing, as de-
7 termined by the institution of higher
8 education; and

9 “(II) will lead to the completion
10 of not less than 30 credit hours (or
11 the equivalent coursework) upon the
12 completion of the final payment pe-
13 riod for which the student is receiving
14 the Federal Pell Grant described in
15 clause (i).

16 “(B) AMOUNT OF BONUS.—The amount
17 provided to an eligible student under subpara-
18 graph (A) for an award year may not exceed
19 \$300, which shall be equally divided among
20 each payment period of such award year de-
21 scribed in clauses (i) and (ii) of subparagraph
22 (A).”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by paragraph (1) shall take effect with respect to

1 award year 2018–2019 and each succeeding award
2 year.

3 (c) PERIOD OF ELIGIBILITY FOR GRANTS.—Section
4 401(c) (20 U.S.C. 1070a(c)) is amended by adding at the
5 end the following:

6 “(6)(A) The Secretary shall issue to each stu-
7 dent receiving a Federal Pell Grant, an annual sta-
8 tus report which shall—

9 “(i) inform the student of the remaining
10 period during which the student may receive
11 Federal Pell Grants in accordance with para-
12 graph (5), and provide access to a calculator to
13 assist the student in making such determina-
14 tion;

15 “(ii) include an estimate of the Federal
16 Pell Grant amounts which may be awarded for
17 such remaining period based on the student’s
18 award amount determined under subsection
19 (b)(2)(A) for the most recent award year;

20 “(iii) explain how the estimate was cal-
21 culated and any assumptions underlying the es-
22 timate;

23 “(iv) explain that the estimate may be af-
24 fected if there is a change—

1 “(I) in the student’s financial cir-
2 cumstances; or

3 “(II) the availability of Federal fund-
4 ing; and

5 “(v) describe how the remaining period
6 during which the student may receive Federal
7 Pell Grants will be affected by whether the stu-
8 dent is enrolled as a full-time student.

9 “(B) Nothing in this paragraph shall be con-
10 strued to prohibit an institution from offering addi-
11 tional counseling to a student with respect to Fed-
12 eral Pell Grants, but such counseling shall not delay
13 or impede disbursement of a Federal Pell Grant
14 award to the student.”.

15 (d) DISTRIBUTION OF GRANTS TO STUDENTS.—Sec-
16 tion 401(e) (20 U.S.C. 1070a(e)) is amended by striking
17 the first sentence and inserting “Payments under this sec-
18 tion shall be made in the same manner as disbursements
19 under section 465(a).”.

20 (e) INSTITUTIONAL INELIGIBILITY BASED ON DE-
21 FAULT RATES.—Section 401(j) of such Act (20 U.S.C.
22 1070a(j)) is amended by adding at the end the following:

23 “(3) SUNSET.—The provisions of this sub-
24 section shall not apply after the transition period de-
25 scribed in section 481B(e)(3).”.

1 (f) PREVENTION OF FRAUD.—Section 401 (20
2 U.S.C. 1070a) is amended by adding at the end the fol-
3 lowing:

4 “(k) PREVENTION OF FRAUD.—

5 “(1) PROHIBITION OF AWARDS.—

6 “(A) IN GENERAL.—No Federal Pell
7 Grant shall be awarded under this subpart to
8 any student who—

9 “(i) received a Federal Pell Grant for
10 3 award years; and

11 “(ii) for each such award year, was
12 enrolled in an institution of higher edu-
13 cation and did not earn any academic cred-
14 it for which the Federal Pell Grant was
15 provided.

16 “(B) WAIVER.—The student financial aid
17 administrator at an institution of higher edu-
18 cation may waive the requirement of subpara-
19 graph (A) for a student, if the financial aid ad-
20 ministrator—

21 “(i) determines that the student was
22 unable to earn any academic credit as de-
23 scribed in subparagraph (A)(ii) due to cir-
24 cumstances beyond the student’s control;
25 and

1 “(ii) makes and documents such a de-
2 termination on an individual student basis.

3 “(C) DEFINITION OF CIRCUMSTANCES BE-
4 YOND A STUDENT’S CONTROL.—For purposes
5 of this paragraph, the term ‘circumstances be-
6 yond the student’s control’, when used with re-
7 spect to an individual student—

8 “(i) may include the student with-
9 drawing from an institution of higher edu-
10 cation due to illness; and

11 “(ii) shall not include the student
12 withdrawing from an institution of higher
13 education to avoid a particular grade.

14 “(2) SECRETARIAL DISCRETION TO STOP
15 AWARDS.—With respect to a student who receives a
16 disbursement of a Federal Pell Grant for a payment
17 period of an award year and whom the Secretary de-
18 termines has had an unusual enrollment history, the
19 Secretary may prevent such student from receiving
20 any additional disbursements of such Federal Pell
21 Grant for such award year until the student finan-
22 cial aid administrator at the student’s institution of
23 higher education determines that the student’s en-
24 rollment history should not be considered an unusual
25 enrollment history.”.

1 (g) REPORT ON COSTS OF FEDERAL PELL GRANT
2 PROGRAM.—Section 401 (20 U.S.C. 1070a) is further
3 amended, as amended by subsections (a) through (f), by
4 adding at the end the following:

5 “(1) REPORT ON COSTS OF FEDERAL PELL GRANT
6 PROGRAM.—Not later than October 31 of each year, the
7 Secretary shall prepare and submit a report to the author-
8 izing committees that includes the following information
9 with respect to spending for the Federal Pell Grant pro-
10 gram for the preceding fiscal year:

11 “(1) The total obligations and expenditures for
12 the program for such fiscal year.

13 “(2) A comparison of the total obligations and
14 expenditures for the program for such fiscal year—

15 “(A) to the most recently available Con-
16 gressional Budget Office baseline for the pro-
17 gram; and

18 “(B) in the case in which such fiscal year
19 is fiscal year 2019, 2020, 2021, 2022, 2023, or
20 2024, to the Congressional Budget Office cost
21 estimate for the program included in the report
22 of the Committee on Education and the Work-
23 force of the House of Representatives accom-
24 panying the PROSPER Act, as approved by the
25 Committee.

1 “(3) The total obligations and expenditures for
2 the maximum Federal Pell Grant for which a stu-
3 dent is eligible, as specified in the last enacted ap-
4 propriation Act applicable to such fiscal year.

5 “(4) A comparison of the total obligations and
6 expenditures for the maximum Federal Pell Grant
7 for which a student is eligible, as specified in the
8 last enacted appropriation Act applicable to such fis-
9 cal year—

10 “(A) to the most recently available Con-
11 gressional Budget Office baseline for such max-
12 imum Federal Pell Grant; and

13 “(B) in the case in which such fiscal year
14 is fiscal year 2019, 2020, 2021, 2022, 2023, or
15 2024, to the Congressional Budget Office cost
16 estimate for such maximum Federal Pell Grant
17 included in the report of the Committee on
18 Education and the Workforce of the House of
19 Representatives accompanying the PROSPER
20 Act, as approved by the Committee.

21 “(5) The total mandatory obligations and ex-
22 penditures for the amount of the increase in such
23 maximum Federal Pell Grant required by subsection
24 (b)(7)(B) for such fiscal year.

1 “(6) A comparison of the total mandatory obli-
2 gations and expenditures for the amount of the in-
3 crease in such maximum Federal Pell Grant re-
4 quired by subsection (b)(7)(B)—

5 “(A) to the most recently available Con-
6 gressional Budget Office baseline for the in-
7 crease; and

8 “(B) in the case in which such fiscal year
9 is fiscal year 2019, 2020, 2021, 2022, 2023, or
10 2024, to the Congressional Budget Office cost
11 estimate for the increase included in the report
12 of the Committee on Education and the Work-
13 force of the House of Representatives accom-
14 panying the PROSPER Act, as approved by the
15 Committee.

16 “(7) The total mandatory obligations and ex-
17 penditures for the Federal Pell Grant Bonus re-
18 quired by subsection (b)(9) for such fiscal year.

19 “(8) A comparison of the total mandatory obli-
20 gations and expenditures for the Federal Pell Grant
21 Bonus required by subsection (b)(9) for such fiscal
22 year—

23 “(A) to the most recently available Con-
24 gressional Budget Office baseline for such
25 bonus; 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 such bonus 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 **SEC. 402. FEDERAL TRIO PROGRAMS.**

10 (a) PROGRAM AUTHORITY; AUTHORIZATION OF AP-
11 PROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is
12 amended—

13 (1) in subsection (c)—

14 (A) by amending subparagraph (A) of
15 paragraph (2) to read as follows:

16 “(A) ACCOUNTABILITY FOR OUTCOMES.—

17 In making grants under this chapter, the Sec-
18 retary shall comply with the following require-
19 ments:

20 “(i) The Secretary shall consider each
21 applicant’s prior success in achieving high
22 quality service delivery, as determined
23 under subsection (f), under the particular
24 program for which funds are sought. The
25 level of consideration given the factor of

1 prior success in achieving high quality
2 service delivery shall not vary from the
3 level of consideration given such factor
4 during fiscal years 1994 through 1997, ex-
5 cept that grants made under section 402H
6 shall not be given such consideration.

7 “(ii) The Secretary shall not give
8 points for prior success in achieving high
9 quality service delivery to any current
10 grantee that, during the then most recent
11 period for which funds were provided, did
12 not meet or exceed two or more objectives
13 established in the eligible entity’s applica-
14 tion based on the performance measures
15 described in subsection (f).

16 “(iii) From the amounts awarded
17 under subsection (g) for a program under
18 this chapter (other than a program under
19 section 402G and 402H) for any fiscal
20 year in which the Secretary conducts a
21 competition for the award of grants or con-
22 tracts under such programs, the Secretary
23 shall reserve not less than 10 percent of
24 such available amount to award grants or
25 contracts to applicants who have not pre-

1 viously received a grant or contract under
2 this chapter. If the Secretary determines
3 that there are an insufficient number of
4 qualified applicants to use the full amount
5 reserved under the preceding sentence, the
6 Secretary shall use the remainder of such
7 amount to award grants or contracts to
8 applicants who have previously received a
9 grant or contract under this chapter.”;

10 (B) in paragraph (3)—

11 (i) in subparagraph (A)—

12 (I) by striking “as provided in
13 subparagraph (B)” and inserting “as
14 provided in subparagraph (C)”;

15 (II) by striking “experience” and
16 inserting “success in achieving high
17 quality service delivery”;

18 (ii) by redesignating subparagraph
19 (B) as subparagraph (C); and

20 (iii) by inserting after subparagraph
21 (A) the following new subparagraph:

22 “(B) To ensure that congressional priorities in
23 conducting competitions for grants and contracts
24 under this chapter are implemented, the Secretary
25 shall not impose additional criteria for the

1 prioritization of applications for such grants or con-
2 tracts (including additional competitive, absolute, or
3 other criteria) beyond the criteria described in this
4 chapter.”;

5 (C) in paragraph (6)—

6 (i) by striking the period at the end of
7 the second sentence and inserting “, as
8 long as the program is serving a different
9 population or a different campus.”;

10 (ii) by striking “the programs author-
11 ized by” and inserting “sections 402B,
12 402C, 402D, and 402F of”;

13 (iii) by striking “The Secretary shall
14 encourage” and inserting the following:

15 “(A) The Secretary shall encourage”;

16 (iv) by striking “The Secretary shall
17 permit” and inserting the following:

18 “(B) The Secretary shall permit”;

19 (D) in paragraph (7), by striking “8
20 months” each place it appears and inserting
21 “90 days”;

22 (E) in paragraph (8)—

23 (i) in subparagraph (A)—

24 (I) in the matter preceding clause

25 (i), by striking “Not later than 180

1 days after the date of enactment of
2 the Higher Education Opportunity
3 Act,” and inserting “Not later than
4 90 days before the commencement of
5 each competition for a grant under
6 this chapter,”;

7 (II) in clause (iii), by striking
8 “prior experience points for high qual-
9 ity service delivery are awarded” and
10 inserting “application scores are ad-
11 justed for prior success in achieving
12 high quality service delivery”; and

13 (III) in clause (v), by striking
14 “prior experience points for” and in-
15 serting “the adjustment in scores for
16 prior success in achieving”;

17 (ii) by striking subparagraph (B) and
18 redesignating subparagraph (C) as sub-
19 paragraph (B); and

20 (iii) in subparagraph (B), as so redес-
21 igned—

22 (I) in clause (iii)—

23 (aa) in the matter preceding
24 subclause (I), by striking “prior
25 experience points for” and insert-

1 ing “points for prior success in
2 achieving”; and

3 (bb) in subclause (II), by
4 striking “prior experience points”
5 and inserting “points for prior
6 success in achieving high quality
7 service delivery”; and

8 (II) in clause (vi), by inserting
9 before the period at the end the fol-
10 lowing: “from funds reserved under
11 subsection (g)”; and

12 (F) by adding at the end the following:

13 “(9) MATCHING REQUIREMENT.—

14 “(A) IN GENERAL.—The Secretary shall
15 not approve an application submitted under sec-
16 tion 402B, 402C, 402D, 402E, or 402F unless
17 such application—

18 “(i) provides that the eligible entity
19 will provide, from State, local, institu-
20 tional, or private funds, not less than 20
21 percent of the cost of the program, which
22 matching funds may be provided in cash or
23 in kind and may be accrued over the full
24 duration of the grant award period, except
25 that the eligible entity shall make substan-

1 tial progress towards meeting the matching
2 requirement in each year of the grant
3 award period;

4 “(ii) specifies the methods by which
5 matching funds will be paid; and

6 “(iii) includes provisions designed to
7 ensure that funds provided under this
8 chapter shall supplement and not supplant
9 funds expended for existing programs.

10 “(B) SPECIAL RULE.—Notwithstanding
11 the matching requirement described in subpara-
12 graph (A), the Secretary may by regulation
13 modify the percentage requirement described in
14 subparagraph (A). The Secretary may approve
15 an eligible entity’s request for a reduced match
16 percentage—

17 “(i) at the time of application if the
18 eligible entity demonstrates significant eco-
19 nomic hardship that precludes the eligible
20 entity from meeting the matching require-
21 ment; or

22 “(ii) in response to a petition by an
23 eligible entity subsequent to a grant award
24 under section 402B, 402C, 402D, 402E,
25 or 402F if the eligible entity demonstrates

1 that the matching funds described in its
2 application are no longer available and the
3 eligible entity has exhausted all revenues
4 for replacing such matching funds.”.

5 (2) in subsection (d)(3), by adding at the end
6 the following new sentence: “In addition, the Sec-
7 retary shall host at least one virtual, interactive edu-
8 cation session using telecommunications technology
9 to ensure that any interested applicants have access
10 to technical assistance.”;

11 (3) in subsection (e)—

12 (A) in paragraph (1)—

13 (i) in subparagraph (C), by striking
14 “or” at the end;

15 (ii) in subparagraph (D), by striking
16 the period at the end and inserting “; or”;
17 and

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

20 “(E) documentation that the student has been
21 determined to be eligible for a Federal Pell Grant
22 under section 401.”; and

23 (B) in paragraph (2)—

24 (i) in subparagraph (C), by striking
25 “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), (VI),
17 (VIII), and (IX), respectively;

18 (II) by inserting after subclause
19 (IV), as so redesignated, the fol-
20 lowing:

21 “(V) the enrollment of such stu-
22 dents into a general educational devel-
23 opment (commonly known as a
24 ‘GED’) program;”.

1 (III) in subclause (VI), as so re-
2 designated, by striking “rigorous sec-
3 ondary school program of study that
4 will make such students eligible for
5 programs such as the Academic Com-
6 petitiveness Grants Program” and in-
7 sserting “secondary school program of
8 study that will prepare such students
9 to enter postsecondary education with-
10 out the need for remedial education”;

11 (IV) by inserting after subclause
12 (VI), as so redesignated, the following
13 new subclause:

14 “(VII) the completion of financial aid
15 applications, including the Free Applica-
16 tion for Federal Student Aid described in
17 section 483(a) and college admission appli-
18 cations;”;

19 (V) by striking “(B) For pro-
20 grams authorized under section
21 402C,” and inserting “(B)(i) For pro-
22 grams authorized under section 402C,
23 except in the case of projects that spe-
24 cifically target veterans;” and

1 (VI) by adding at the end the fol-
2 lowing new clauses:

3 “(ii) For programs authorized under sec-
4 tion 402C that specifically target veterans, the
5 extent to which the eligible entity met or ex-
6 ceeded the entity’s objectives for such program
7 with respect to—

8 “(I) the delivery of service to a total
9 number of students served by the program,
10 as agreed upon by the entity and the Sec-
11 retary for the period;

12 “(II) such students’ academic per-
13 formance, as measured by standardized
14 tests;

15 “(III) the retention and completion of
16 participants in the project;

17 “(IV) the provision of assistance to
18 students served by the program in com-
19 pleting financial aid applications, including
20 the Free Application for Federal Student
21 Aid described in section 483(a) and college
22 admission applications;

23 “(V) the enrollment of such students
24 in an institution of higher education; and

1 “(VI) to the extent practicable, the
2 postsecondary education completion rate of
3 such students.”;

4 (iii) in subparagraph (C)(ii)—

5 (I) in subclause (I), by striking
6 “in which such students were en-
7 rolled” and inserting “within six years
8 of the initial enrollment of such stu-
9 dents in the program”;

10 (II) in subclause (II);

11 (aa) in the matter preceding
12 item (aa), by striking “offer a
13 baccalaureate degree” and insert-
14 ing “primarily offer baccala-
15 laureate degrees”; and

16 (bb) in item (aa), by striking
17 “students; and” and inserting
18 “students within 4 years of the
19 initial enrollment of such stu-
20 dents in the program; or”;

21 (iv) in subparagraph (D)—

22 (I) in clause (iii), by striking “;
23 and” and inserting “within two years
24 of receiving a baccalaureate degree;”;

1 (II) in clause (iv), by striking
2 “study and” and all that follows
3 through the period and inserting
4 “study; and”; and

5 (III) by adding at the end the
6 following new clause:

7 “(v) the attainment of doctoral de-
8 grees by former program participants with-
9 in 10 years of receiving a baccalaureate de-
10 gree.”; and

11 (v) in subparagraph (E)(ii), by insert-
12 ing “, or re-enrollment,” after “enroll-
13 ment”;

14 (5) in subsection (g)—

15 (A) in the first sentence, by striking
16 “\$900,000,000 for fiscal year 2009 and such
17 sums as may be necessary for” and inserting
18 “\$900,000,000 for fiscal year 2019 and”;

19 (B) in the second sentence—

20 (i) by striking “no more than 1/2 of 1”
21 and inserting “not more than 1”;

22 (ii) by striking “and to provide tech-
23 nical” and inserting “to provide technical”;

24 and

- 1 (iii) by inserting before the period at
2 the end the following: “, and to support
3 applications funded under the process out-
4 lined in subsection (c)(8)(B)”;
- 5 (C) by striking the last sentence; and
6 (6) in subsection (h)—
- 7 (A) by striking “(5) VETERAN ELIGI-
8 BILITY.—No veteran” and inserting the fol-
9 lowing:
- 10 “(i) VETERAN ELIGIBILITY.—(1) No Veteran”;
- 11 (B) in paragraph (6), by striking “of para-
12 graph (5)” and inserting “of paragraph (1)”;
- 13 (C) by striking “(6) WAIVER.—The Sec-
14 retary” and inserting the following:
- 15 “(2) The Secretary”.
- 16 (b) TALENT SEARCH.—Section 402B (20 U.S.C.
17 1070a–12) is amended—
- 18 (1) in subsection (a)—
- 19 (A) in paragraph (2), by striking “and” at
20 the end;
- 21 (B) by redesignating paragraph (3) as
22 paragraph (4); and
- 23 (C) by inserting after paragraph (2) the
24 following new paragraph:

1 “(3) to advise such youths on the postsecondary
2 institution selection process, including consideration
3 of the financial aid awards offered and the potential
4 loan burden required; and”;

5 (2) in subsection (b)—

6 (A) in paragraph (1), by inserting “and,
7 where necessary, remedial education services”
8 after “academic tutoring services”; and

9 (B) by striking paragraph (6) and insert-
10 ing the following:

11 “(6) connections to education or counseling
12 services designed to—

13 “(A) improve the financial literacy and
14 economic literacy of students or the students’
15 parents in order to aid them in making in-
16 formed decisions about how to best finance
17 their postsecondary education; and

18 “(B) assist students and families regarding
19 career choice.”;

20 (3) in subsection (c)(2), by striking “career”
21 and inserting “academic”; and

22 (4) in subsection (d)—

23 (A) by redesignating paragraphs (2), (3),
24 and (4) as paragraphs (3), (4), and (5), respec-
25 tively;

1 (B) by inserting after paragraph (1) the
2 following new paragraph:

3 “(2) require an assurance that the remaining
4 youths participating in the project proposed to be
5 carried out in any application be low-income individ-
6 uals, first generation college students, or students
7 who have a high risk for academic failure;”;

8 (C) in paragraph (4), as so redesignated—

9 (i) by inserting “, section 402C,”
10 after “under this section”; and

11 (ii) by striking “and” at the end;

12 (D) in paragraph (5), as so redesignated,
13 by striking the period at the end and inserting
14 “; and”; and

15 (E) by adding at the end the following:

16 “(6) require the grantee to maintain, to the ex-
17 tent practicable, a record of any services participants
18 receive during the project year from another pro-
19 gram under this chapter or other federally funded
20 programs serving similar populations to minimize
21 the duplication of services.”.

22 (c) UPWARD BOUND.—Section 402C (20 U.S.C.
23 1070a–13) is amended—

24 (1) in subsection (b)—

1 (A) by striking paragraph (1) and insert-
2 ing:

3 “(1) academic tutoring, which may include in-
4 struction in reading, writing, study skills, mathe-
5 matics, science, and other subjects and, where nec-
6 essary, remedial education services, to enable stu-
7 dents to complete secondary or postsecondary
8 courses;”.

9 (B) in paragraph (4), by adding “and” at
10 the end; and

11 (C) by striking paragraphs (5) and (6) and
12 inserting the following:

13 “(5) education or counseling services designed
14 to—

15 “(A) improve the financial literacy and
16 economic literacy of students or the students’
17 parents in order to aid them in making in-
18 formed decisions about how to best finance
19 their postsecondary education; and

20 “(B) assist students and their families re-
21 garding career choice.”;

22 (2) in subsection (d)—

23 (A) in paragraph (1), by striking “youth”
24 and inserting “participants”;

1 (B) in paragraph (2), by striking “youth
2 participating in the project” and inserting
3 “project participants”; and

4 (C) in paragraph (5), by striking “youth
5 participating in the project” and inserting
6 “project participants”;

7 (3) in subsection (e)—

8 (A) in paragraph (4), by striking “and” at
9 the end;

10 (B) by redesignating paragraph (5) as
11 paragraph (6); and

12 (C) by inserting after paragraph (4) the
13 following:

14 “(5) require an assurance that individuals par-
15 ticipating in the project proposed in any application
16 do not have access to services from another project
17 funded under this section, section 402B, or section
18 402F;”;

19 (D) in paragraph (6), as so redesignated,
20 by striking the period at the end and inserting
21 “; and”; and

22 (E) by adding at the end the following:

23 “(6) for purposes of minimizing the duplication
24 of services, require that the grantee maintain, to the
25 extent practicable, a record of any services received

1 by participants during the program year from an-
2 other program funded under this chapter, or any
3 other Federally funded program that serves popu-
4 lations similar to the populations served by pro-
5 grams under this chapter.”.

6 (4) by striking subsection (g) and redesignating
7 subsection (h) as subsection (g).

8 (d) STUDENT SUPPORT SERVICES.—Section 402D
9 (20 U.S.C. 1070a–14) is amended—

10 (1) in subsection (a)(3), by inserting “low-in-
11 come and first generation college students, includ-
12 ing” after “success of”; and

13 (2) in subsection (b)(4)—

14 (A) by striking “, including financial” and
15 inserting “, including—

16 “(A) financial”; and

17 (B) by adding at the end the following:

18 “(B) basic personal income, household
19 money management, and financial planning
20 skills; and

21 “(C) basic economic decisionmaking
22 skills;”; and

23 (C) in subsection (e)—

24 (i) in paragraph (5), by striking
25 “and” at the end;

1 (ii) by redesignating paragraph (6) as
2 paragraph (7);

3 (iii) by inserting after paragraph (5)
4 the following:

5 “(6) require the grantee to maintain, to the ex-
6 tent practicable, a record of any services participants
7 receive during the project year from another pro-
8 gram under this chapter or other federally funded
9 programs serving similar populations to minimize
10 the duplication of services; and”.

11 (e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM
12 AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is
13 amended—

14 (1) in subsection (b)(2), by striking “summer
15 internships” and inserting “internships and faculty-
16 led research experiences”; and

17 (2) in subsection (d)—

18 (A) in paragraph (3), by striking “and” at
19 the end;

20 (B) in paragraph (4)—

21 (i) by striking “summer”;

22 (ii) by striking the period at the end
23 and inserting “; and”; and

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

1 “(5) the grantee to maintain, to the extent
2 practicable, a record of any services participants re-
3 ceive during the project year from another program
4 under this chapter or other federally funded pro-
5 gram serving similar populations to minimize the du-
6 plication of services.”; and

7 (3) in subsection (g), by striking “2009 through
8 2014” and inserting “2019 through 2024”.

9 (f) EDUCATIONAL OPPORTUNITY CENTERS.—Section
10 402F (20 U.S.C. 1070a–16) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1), by inserting “or re-
13 enter” after “pursue”; and

14 (B) in paragraph (3), by striking “of stu-
15 dents” and inserting “of such persons”;

16 (2) in subsection (b)(5), by striking “stu-
17 dents;”and inserting the following: “students, includ-
18 ing—

19 “(A) financial planning for postsecondary
20 education;

21 “(B) basic personal income, household
22 money management, and financial planning
23 skills; and

24 “(C) basic economic decisionmaking
25 skills;”; and

1 (3) in subsection (c)—

2 (A) by redesignating paragraphs (2) and
3 (3) as paragraphs (3) and (4), respectively; and

4 (B) by inserting after paragraph (1) the
5 following new paragraph:

6 “(2) require an assurance that the remaining
7 persons participating in the project proposed to be
8 carried out under any application be low-income in-
9 dividuals or first generation college students;”;

10 (C) in paragraph (3), as so redesignated,
11 by striking “and” at the end;

12 (D) in paragraph (4), as so redesignated,
13 by striking the period at the end and inserting
14 “; and”; and

15 (E) by adding at the end the following:

16 “(5) require the grantee to maintain, to the ex-
17 tent practicable, a record of any services participants
18 receive during the project year from another pro-
19 gram under this chapter or other federally funded
20 program serving similar populations to minimize the
21 duplication of services.”.

22 (g) STAFF DEVELOPMENT ACTIVITIES.—Section
23 402G(b) (20 U.S.C. 1070a–17(b)) is amended—

24 (1) in the matter preceding paragraph (1)—

1 (A) by inserting “webinars and online
2 classes,” after “seminars, workshops,”; and

3 (B) by striking “directors” and inserting
4 “staff”; and

5 (2) in paragraph (3), by inserting “and innova-
6 tive” after “model”.

7 (h) REPORTS, EVALUATIONS, AND GRANTS FOR
8 PROJECT IMPROVEMENT AND DISSEMINATION.—Sub-
9 section (b) of section 402H (20 U.S.C. 1070a–18) is
10 amended to read as follows:

11 “(b) EVALUATIONS.—

12 “(1) IN GENERAL.—For the purpose of improv-
13 ing the effectiveness of the programs assisted under
14 this chapter, the Secretary shall make grants to or
15 enter into contracts with one or more organizations
16 to—

17 “(A) evaluate the effectiveness of the pro-
18 grams assisted under this chapter; and

19 “(B) disseminate information on the im-
20 pact of the programs in increasing the edu-
21 cation level of participants, as well as other ap-
22 propriate measures.

23 “(2) ISSUES TO BE EVALUATED.—The evalua-
24 tions described in paragraph (1) shall measure the

1 effectiveness of programs funded under this chapter
2 in—

3 “(A) meeting or exceeding the stated ob-
4 jectives regarding the outcome criteria under
5 subsection (f) of section 402A;

6 “(B) enhancing the access of low-income
7 individuals and first-generation college students
8 to postsecondary education;

9 “(C) preparing individuals for postsec-
10 ondary education;

11 “(D) comparing the level of education com-
12 pleted by students who participate in the pro-
13 grams funded under this chapter with the level
14 of education completed by students of similar
15 backgrounds who do not participate in such
16 programs;

17 “(E) comparing the retention rates, drop-
18 out rates, graduation rates, and college admis-
19 sion and completion rates of students who par-
20 ticipate in the programs funded under this
21 chapter with the rates of students of similar
22 backgrounds who do not participate in such
23 programs; and

1 “(F) such other issues as the Secretary
2 considers appropriate for inclusion in the eval-
3 uation.

4 “(3) PROGRAM METHODS.—Such evaluations
5 shall also investigate the effectiveness of alternative
6 and innovative methods within programs funded
7 under this chapter of increasing access to, and re-
8 tention of, students in postsecondary education.

9 “(4) RESULTS.—The Secretary shall submit to
10 the authorizing committees—

11 “(A) an interim report on the progress and
12 preliminary results of the evaluation of each
13 program funded under this chapter not later
14 than 2 years following the date of enactment of
15 the PROSPER Act; and

16 “(B) a final report not later than 3 years
17 following the date of enactment of such Act.

18 “(5) PUBLIC AVAILABILITY.—All reports and
19 underlying data gathered pursuant to this subsection
20 shall be made available to the public upon request,
21 in a timely manner following submission of the ap-
22 plicable reports under this subsection, except that
23 any personally identifiable information with respect
24 to a student participating in a program or project

1 assisted under this chapter shall not be disclosed or
2 made available to the public.”.

3 (i) **IMPACT GRANTS.**—Part A of title IV (20 U.S.C.
4 1070 et seq.) is amended by inserting after section 402H
5 (20 U.S.C. 1070a–28) the following:

6 **“SEC. 402I. IMPACT GRANTS.**

7 “(a) **IN GENERAL.**—From funds reserved under sub-
8 section (e), the Secretary shall make grants to improve
9 postsecondary access and completion rates for qualified in-
10 dividuals from disadvantaged backgrounds. These grants
11 shall be known as innovative measures promoting postsec-
12 ondary access and completion grants or ‘IMPACT Grants’
13 and allow eligible entities to—

14 “(1) create, develop, implement, replicate, or
15 take to scale evidence-based, field-initiated innova-
16 tions, including through pay-for-success initiatives,
17 to serve qualified individuals from disadvantaged
18 backgrounds and improve student outcomes; and

19 “(2) rigorously evaluate such innovations, in ac-
20 cordance with subsection (d).

21 “(b) **DESCRIPTION OF GRANTS.**—The grants de-
22 scribed in subsection (a) shall include—

23 “(1) early-phase grants to fund the develop-
24 ment, implementation, and feasibility testing of a
25 program, which prior research suggests has a prom-

1 ise, for the purpose of determining whether the pro-
2 gram can successfully improve postsecondary access
3 and completion rates;

4 “(2) mid-phase grants to fund implementation
5 and a rigorous evaluation of a program that has
6 been successfully implemented under an early-phase
7 grant described in paragraph (1); and

8 “(3) expansion grants to fund implementation
9 and a rigorous replication evaluation of a program
10 that has been found to produce sizable, important
11 impacts under a mid-phase grant described in para-
12 graph (2) for the purposes of—

13 “(A) determining whether such outcomes
14 can be successfully reproduced and sustained
15 over time; and

16 “(B) identifying the conditions in which
17 the project is most effective.

18 “(c) REQUIREMENTS FOR APPROVAL OF APPLICA-
19 TIONS.—To receive a grant under this section, an eligible
20 entity shall submit an application to the Secretary at such
21 time, and in such manner as the Secretary may require,
22 which shall include—

23 “(1) an assurance that not less than two-thirds
24 of the individuals who will participate in the pro-

1 gram proposed to be carried out with the grant will
2 be—

3 “(A) low-income individuals who are first
4 generation college students; or

5 “(B) individuals with disabilities;

6 “(2) an assurance that any other individuals
7 (not described in paragraph (1)) who will participate
8 in such proposed program will be—

9 “(A) low-income individuals;

10 “(B) first generation college students; or

11 “(C) individuals with disabilities;

12 “(3) a detailed description of the proposed pro-
13 gram, including how such program will directly ben-
14 efit students;

15 “(4) the number of projected students to be
16 served by the program;

17 “(5) how the program will be evaluated; and

18 “(6) an assurance that the individuals partici-
19 pating in the project proposed are individuals who
20 do not have access to services from another pro-
21 grams funded under this section.

22 “(d) EVALUATION.—Each eligible entity receiving a
23 grant under this section shall conduct an independent
24 evaluation of the effectiveness of the program carried out

1 with such grant and shall submit to the Secretary, on an
2 annual basis, a report that includes—

3 “(1) a description of how funds received under
4 this section were used;

5 “(2) the number of students served by the
6 project carried out under this section; and

7 “(3) a quantitative analysis of the effectiveness
8 of the project.

9 “(e) FUNDING.—From amounts appropriated under
10 section 402A(g), the Secretary shall reserve not less than
11 10 percent of such funds to carry out this section.”.

12 **SEC. 403. GAINING EARLY AWARENESS AND READINESS**
13 **FOR UNDERGRADUATE PROGRAMS.**

14 (a) EARLY INTERVENTION AND COLLEGE AWARE-
15 NESS PROGRAM.—Section 404A (20 U.S.C. 1070a–21) is
16 amended—

17 (1) in subsection (a)(1), by striking “academic
18 support” and inserting “academic support for col-
19 lege readiness”;

20 (2) in subsection (b)—

21 (A) in paragraph (1), by inserting “new”
22 before “awards”; and

23 (B) in paragraph (3)—

24 (i) by amending subparagraph (A) to
25 read as follows:

1 “(A) give priority to eligible entities that
2 have a prior, demonstrated commitment to
3 early intervention leading to college access and
4 readiness through collaboration and replication
5 of successful strategies; and”;

6 (ii) in subparagraph (B), by striking
7 “the Higher Education Opportunity Act”
8 and inserting “the PROSPER Act”; and
9 (C) by adding at the end the following:

10 “(4) MULTIPLE AWARD PROHIBITION.—Eligible
11 entities described in subsection (c)(1) that receive a
12 grant under this chapter shall not be eligible to re-
13 ceive an additional grant under this chapter until
14 after the date on which the initial grant period ex-
15 pires.”.

16 (3) in subsection (c)(2)(B), by striking “institu-
17 tions or agencies sponsoring programs authorized
18 under subpart 4,”.

19 (b) APPLICATIONS.—Section 404C (20 U.S.C.
20 1070a–23) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (2)—

23 (i) in the matter preceding subpara-
24 graph (A)—

1 (I) by striking “, contain or be
2 accompanied by such information or
3 assurances,”; and

4 (II) by striking “, at a min-
5 imum”;

6 (ii) by amending subparagraph (B) to
7 read as follows:

8 “(B) describe, in the case of an eligible en-
9 tity described in section 404A(c)(2) that choos-
10 es to provide scholarships, or an eligible entity
11 described in section 404A(c)(1)—

12 “(i) the eligible entity’s plan to estab-
13 lish or maintain a financial assistance pro-
14 gram in accordance with the requirements
15 of section 404E, including any eligibility
16 criteria other than the criteria described in
17 section 404E(g), such as—

18 “(I) demonstrating financial
19 need;

20 “(II) meeting and maintaining
21 satisfactory academic progress; and

22 “(III) other criteria aligned with
23 State and local goals to increase post-
24 secondary readiness, access, and com-
25 pletion; and

1 “(ii) how the eligible entity will meet
2 the other requirements of section 404E;”;
3 (iii) by striking subparagraph (H);
4 and
5 (iv) by redesignating subparagraphs
6 (I) and (J) as subparagraphs (H) and (I),
7 respectively; and

8 (2) in subsection (b), by striking paragraph (2)
9 and inserting the following:

10 “(2) SPECIAL RULE.—Notwithstanding the
11 matching requirement described in paragraph
12 (1)(A), the Secretary may—

13 “(A) at the time of application—

14 “(i) approve a Partnership applicant’s
15 request for a waiver of up to 75 percent of
16 the matching requirement for up to two
17 years if the applicant demonstrates in its
18 application a significant economic hardship
19 that stems from a specific, exceptional, or
20 uncontrollable event, such as a natural dis-
21 aster, that has a devastating effect on the
22 members of the Partnership and the com-
23 munity in which the project would operate;

24 “(ii)(I) approve a Partnership appli-
25 cant’s request to waive up to 50 percent of

1 the matching requirement for up to two
2 years if the applicant demonstrates in its
3 application a pre-existing and an on-going
4 significant economic hardship that pre-
5 cludes the applicant from meeting its
6 matching requirement; and

7 “(II) provide tentative approval
8 of an applicant’s request for a waiver
9 under subclause (I) for all remaining
10 years of the project period;

11 “(iii) approve a Partnership appli-
12 cant’s request in its application to match
13 its contributions to its scholarship fund,
14 established under section 404E, on the
15 basis of two non-Federal dollars for every
16 one dollar of Federal funds provided under
17 this chapter; or

18 “(iv) approve a request by a Partner-
19 ship applicant that has three or fewer in-
20 stitutions of higher education as members
21 to waive up to 70 percent of the matching
22 requirement if the Partnership applicant
23 includes—

24 “(I) a fiscal agent that is eligible
25 to receive funds under title V, or part

1 B of title III, or section 316 or 317,
2 or a local educational agency;

3 “(II) only participating schools
4 with a 7th grade cohort in which at
5 least 75 percent of the students are
6 eligible for free or reduced-price lunch
7 under the Richard B. Russell National
8 School Lunch Act; and

9 “(III) only local educational
10 agencies in which at least 50 percent
11 of the students enrolled are eligible
12 for free or reduced-price lunch under
13 the Richard B. Russell National
14 School Lunch Act; and

15 “(B) after a grant is awarded, approve a
16 Partnership grantee’s written request for a
17 waiver of up to—

18 “(i) 50 percent of the matching re-
19 quirement for up to two years if the grant-
20 ee demonstrates that—

21 “(I) the matching contributions
22 described for those two years in the
23 grantee’s approved application are no
24 longer available; and

1 “(II) the grantee has exhausted
2 all funds and sources of potential con-
3 tributions for replacing the matching
4 funds; or

5 “(ii) 75 percent of the matching re-
6 quirement for up to two years if the grant-
7 ee demonstrates that matching contribu-
8 tions from the original application are no
9 longer available due to an uncontrollable
10 event, such as a natural disaster, that has
11 a devastating economic effect on members
12 of the Partnership and the community in
13 which the project would operate.

14 “(3) ADDITIONAL TERMS.—

15 “(A) ON-GOING ECONOMIC HARDSHIP.—In
16 determining whether a Partnership applicant is
17 experiencing an on-going economic hardship
18 that is significant enough to justify a waiver
19 under subparagraphs (A)(i) and (A)(ii)(I) of
20 paragraph (2), the Secretary may consider doc-
21 umentation of the following:

22 “(i) Severe distress in the local econ-
23 omy of the community to be served by the
24 grant (e.g., there are few employers in the
25 local area, large employers have left the

1 local area, or significant reductions in em-
2 ployment in the local area).

3 “(ii) Local unemployment rates that
4 are higher than the national average.

5 “(iii) Low or decreasing revenues for
6 State and County governments in the area
7 to be served by the grant.

8 “(iv) Significant reductions in the
9 budgets of institutions of higher education
10 that are participating in the grant.

11 “(v) Other data that reflect a signifi-
12 cant economic hardship for the geo-
13 graphical area served by the applicant.

14 “(B) EXHAUSTION OF FUNDS.—In deter-
15 mining whether a Partnership grantee has ex-
16 hausted all funds and sources of potential con-
17 tributions for replacing matching funds under
18 paragraph (2)(B), the secretary may consider
19 the grantee’s documentation of key factors that
20 have had a direct impact on the grantee such
21 as the following:

22 “(i) A reduction of revenues from
23 State government, County government, or
24 the local educational agency.

1 “(ii) An increase in local unemploy-
2 ment rates.

3 “(iii) Significant reductions in the op-
4 erating budgets of institutions of higher
5 education that are participating in the
6 grant.

7 “(iv) A reduction of business activity
8 in the local area (e.g., large employers have
9 left the local area).

10 “(v) Other data that reflect a signifi-
11 cant decrease in resources available to the
12 grantee in the local geographical area
13 served by the grantee.

14 “(C) RENEWAL OF WAIVER.—A Partner-
15 ship applicant that receives a tentative approval
16 of a waiver under subparagraph (A)(ii)(II) of
17 paragraph (2) for more than two years under
18 this paragraph must submit to the Secretary
19 every two years by such time as the Secretary
20 may direct documentation that demonstrates
21 that—

22 “(i) the significant economic hardship
23 upon which the waiver was granted still ex-
24 ists; and

1 “(ii) the grantee tried diligently, but
2 unsuccessfully, to obtain contributions
3 needed to meet the matching requirement.

4 “(D) MULTIPLE WAIVERS.—If a grantee
5 has received one or more waivers under para-
6 graph (2), the grantee may request an addi-
7 tional waiver of the matching requirement
8 under this subsection not earlier than 60 days
9 before the expiration of the grantee’s existing
10 waiver.”.

11 (c) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–
12 24) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (1), by striking “finan-
15 cial aid for” and inserting “financial aid, in-
16 cluding loans, grants, scholarships, and institu-
17 tional aid for”;

18 (B) in paragraph (2) by striking “rigorous
19 and challenging curricula and coursework, in
20 order to” and inserting “curricula and
21 coursework designed to”;

22 (C) by redesignating paragraphs (3) and
23 (4) as paragraphs (5) and (6), respectively;

24 (D) by inserting after paragraph (2) the
25 following:

1 “(3) Providing information to students and
2 families about the advantages of obtaining a postsec-
3 ondary education.

4 “(4) Providing tutors and mentors, who may in-
5 clude adults or former participants of a program
6 under this chapter, for use by eligible students in
7 need.”;

8 (E) in paragraph (5), as so redesignated,
9 by striking “Improving” and inserting “Pro-
10 viding supportive services to improve”; and

11 (2) in subsection (b)—

12 (A) by striking paragraph (1); and

13 (B) by redesignating paragraphs (2)
14 through (15) as paragraphs (1) through (14),
15 respectively;

16 (C) in paragraph (3), as so redesignated,
17 by striking “rigorous” each place it appears;

18 (D) in paragraph (9), as so redesignated—

19 (i) by redesignating subparagraphs

20 (E) through (K) as subparagraphs (F)
21 through (L), respectively;

22 (ii) by inserting after subparagraph

23 (D) the following:

1 “(E) providing counseling or referral serv-
2 ices to address the behavioral, social-emotional,
3 and mental health needs of at-risk students;”;

4 (iii) in subparagraph (I), as so redes-
5 ignated, by striking “skills assessments”
6 and inserting “skills, cognitive, non-cog-
7 nitive, and credit-by-examination assess-
8 ments”;

9 (iv) in subparagraph (K), as so redes-
10 ignated, by striking “and” at the end;

11 (v) in subparagraph (L), as so redes-
12 ignated, by striking the period at the end
13 and inserting “; and”; and

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

16 “(M) capacity building activities that cre-
17 ate college-going cultures in participating
18 schools and local education agencies.”; and

19 (E) by adding at the end the following:

20 “(15) Creating or expanding drop-out recovery
21 programs that allow individuals who drop out of
22 school to complete a regular secondary school di-
23 ploma and begin college-level work.”;

24 (F) in subsection (c)—

1 (i) in paragraph (3), by inserting
2 “and technical assistance” after “adminis-
3 trative support”; and

4 (ii) by striking paragraph (9); and
5 (3) in subsection (e), by striking “institutions
6 and agencies sponsoring programs authorized under
7 subpart 4,”.

8 (d) SCHOLARSHIP REQUIREMENTS.—Section 404E
9 (20 U.S.C. 1070a–25) is amended—

10 (1) in subsection (a)(1), by inserting “described
11 in section 404C(a)(2)(B)(i)” after “financial assist-
12 ance program”; and

13 (2) in subsection (e)(1), by striking “an
14 amount” and all that follows through the period at
15 the end and inserting the following: “an estimated
16 amount that is based on the requirements of the fi-
17 nancial assistance program of the eligible entity de-
18 scribed in section 404C(a)(2)(B)(i).”

19 (e) EVALUATION AND REPORT.—Section 404G(b)
20 (20 U.S.C. 1070a–27(b)) is amended—

21 (1) in paragraph (1), by striking “and” at the
22 end;

23 (2) in paragraph (2), by striking the period at
24 the end and inserting “; and”

25 (3) by adding after paragraph (2) the following:

1 “(3) include the following metrics:

2 “(A) the number of students completing
3 the Free Application for Federal Student Aid;

4 “(B) the enrollment of participating stu-
5 dents in curricula and coursework designed to
6 reduce the need for remedial coursework at the
7 postsecondary level;

8 “(C) if applicable, the number of students
9 receiving a scholarship;

10 “(D) the graduation rate of participating
11 students from high school;

12 “(E) the enrollment of participating stu-
13 dents into postsecondary education; and

14 “(F) such other information as the Sec-
15 retary may require.”.

16 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
17 404H (20 U.S.C. 1070a–28) is amended by striking
18 “\$400,000,000 for fiscal year 2009 and such sums as may
19 be necessary for each of the five succeeding fiscal years”
20 and inserting “\$339,754,000 for fiscal year 2019 and
21 each of the five succeeding fiscal years”.

1 **SEC. 404. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAM-**
2 **ILIES ARE ENGAGED IN MIGRANT AND SEA-**
3 **SONAL FARMWORK.**

4 Section 418A(i) (20 U.S.C. 1070d—2(i)) is amended
5 by striking “\$75,000,000” and all that follows through
6 the period at the end and inserting “\$44,623,000 for each
7 of fiscal years 2019 through 2024.”.

8 **SEC. 405. CHILD CARE ACCESS MEANS PARENTS IN**
9 **SCHOOL.**

10 Section 419N (20 U.S.C. 1070e) is amended—

11 (1) in the heading of paragraph (6) of sub-
12 section (b), by striking “CONSTRUCTION” and in-
13 serting “RULE OF CONSTRUCTION”; and

14 (2) in subsection (c)—

15 (A) in paragraph (4), by striking “as-
16 sisted” and inserting “funded”;

17 (B) in paragraph (5)—

18 (i) by striking “resources, including
19 technical expertise” and inserting “re-
20 sources, including non-Federal resources,
21 technical expertise,”;

22 (ii) by striking “the use of the” and
23 inserting “these”; and

24 (C) in paragraph (9)—

25 (i) by inserting “provisional status,”
26 after “approval,”; and

1 (ii) by striking “; and” and inserting
2 “prior to serving children and families;
3 and”;

4 (3) in subsection (d)—

5 (A) in paragraph (1)—

6 (i) by striking “local” and inserting
7 “non-Federal, local,”; and

8 (ii) by striking “and” at the end;

9 (B) in paragraph (2), by striking the pe-
10 riod at the end and inserting “; and”; and

11 (C) by adding at the end the following:

12 “(3) coordinate with other community programs
13 where appropriate to improve the quality and limit
14 cost of the campus-based program.”;

15 (4) by amending subsection (e) to read as fol-
16 lows:

17 “(e) REPORTING REQUIREMENTS; CONTINUING ELI-
18 GIBILITY.—

19 “(1) REPORTING REQUIREMENTS.—

20 “(A) REPORTS.—Each institution of high-
21 er education receiving a grant under this sec-
22 tion shall report to the Secretary annually. The
23 Secretary shall annually publish such reports on
24 a publicly accessible website of the Department
25 of Education.

1 “(B) CONTENTS.—Each report shall in-
2 clude—

3 “(i) data on the population served
4 under this section, including the total num-
5 ber of children and families served;

6 “(ii) information on sources of cam-
7 pus and community resources and the
8 amount of non-Federal funding used to
9 help low-income students access child care
10 services on campus;

11 “(iii) documentation that the program
12 meets applicable licensing, certification, ap-
13 proval, or registration requirements; and

14 “(iv) a description of how funding was
15 used to pursue the goals of this section de-
16 termined by the institution under sub-
17 section (c).

18 “(2) CONTINUING ELIGIBILITY.—The Secretary
19 shall make continuation awards under this section to
20 an institution of higher education only if the Sec-
21 retary determines, on the basis of the reports sub-
22 mitted under paragraph (1) and the application
23 from the institution, that the institution is—

24 “(A) using funds only for authorized pur-
25 poses;

1 “(B) providing low-income students at the
2 institution with priority access to affordable,
3 quality child care services as provided under
4 this section; and

5 “(C) documenting a continued need for
6 Federal funding under this section, while dem-
7 onstrating how non-federal sources will be lever-
8 aged to support a continuation award.”; and

9 (5) in subsection (g), by striking “such sums as
10 may be necessary for fiscal year 2009 and each of
11 the five succeeding fiscal years” and inserting
12 “\$15,134,000 for each of fiscal years 2019 through
13 2024”.

14 **SEC. 406. REPEALS.**

15 (a) **ACADEMIC COMPETITIVENESS GRANTS.**—Section
16 401A (20 U.S.C. 1070a–1) is repealed.

17 (b) **FEDERAL SUPPLEMENTAL EDUCATIONAL OP-
18 PORTUNITY GRANTS.**—

19 (1) **REPEAL.**—Subpart 3 of part A of title IV
20 (20 U.S.C. 1070b et seq.) is repealed.

21 (2) **EFFECTIVE DATE.**—The repeal made by
22 paragraph (1) shall take effect on June 30, 2018.

23 (3) **APPROPRIATIONS.**—Notwithstanding para-
24 graphs (1) and (2), sums appropriated under section
25 413A for fiscal year 2018 shall be available for pay-

1 ments to institutions of higher education under such
2 section (as in effect on June 29, 2018) until the end
3 of fiscal year 2019.

4 (c) LEVERAGING EDUCATIONAL ASSISTANCE PART-
5 NERSHIP PROGRAM.—Subpart 4 of part A of title IV (20
6 U.S.C. 1070c et seq.) is repealed.

7 (d) ROBERT C. BYRD HONORS SCHOLARSHIP PRO-
8 GRAM.—Subpart 6 of part A of title IV (20 U.S.C. 1070d–
9 31 et seq.) is repealed.

10 **SEC. 407. SUNSET OF TEACH GRANTS.**

11 Subpart 9 of part A of title IV (20 U.S.C. 1070g)
12 is amended—

13 (1) in section 420L(1) (20 U.S.C. 1070g(1), by
14 striking “section 102” and inserting “section 102
15 (as in effect on the day before the date of enactment
16 of the PROSPER Act)”;

17 (2) in section 420N (20 U.S.C. 1070g–2)—

18 (A) by amending subparagraph (B) of sub-
19 section (b)(1) to read as follows:

20 “(B) teach—

21 “(i) in a public or other nonprofit pri-
22 vate elementary school or secondary school,
23 which, for the purpose of this paragraph
24 and for that year—

1 “(I) has been determined by the
2 Secretary (pursuant to regulations of
3 the Secretary and after consultation
4 with the State educational agency of
5 the State in which the school is lo-
6 cated) to be a school in which the
7 number of children meeting a measure
8 of poverty under section 1113(a)(5) of
9 the Elementary and Secondary Edu-
10 cation Act of 1965 (20 U.S.C.
11 6313(a)(5)), exceeds 30 percent of the
12 total number of children enrolled in
13 such school; and

14 “(II) is in the school district of a
15 local educational agency which is eligi-
16 ble in such year for assistance pursu-
17 ant to part A of title I of the Elemen-
18 tary and Secondary Education Act of
19 1965 (20 U.S.C. 6311 et seq.); or

20 “(ii) in one or more public, or non-
21 profit private, elementary schools or sec-
22 ondary schools or locations operated by an
23 educational service agency that have been
24 determined by the Secretary (pursuant to
25 regulations of the Secretary and after con-

1 sultation with the State educational agency
2 of the State in which the educational serv-
3 ice agency operates) to be a school or loca-
4 tion at which the number of children
5 taught who meet a measure of poverty
6 under section 1113(a)(5) of the Elemen-
7 tary and Secondary Education Act of 1965
8 (20 U.S.C. 6313(a)(5)), exceeds 30 per-
9 cent of the total number of children taught
10 at such school or location;” and

11 (B) in subsection (c), by inserting “(as in
12 effect on the day before the date of the enact-
13 ment of the PROSPER Act)” after “part D of
14 title IV”;

15 (3) in section 420M(a) (20 U.S.C. 1070g–1),
16 by adding at the end the following:

17 “(3) TERMINATION.—

18 “(A) TERMINATION OF PROGRAM AUTHOR-
19 ITY.—Except as provided in paragraph (4), no
20 new grants may be made under this subpart
21 after June 30, 2018.

22 “(B) LIMITATION ON FUNDS.—

23 “(i) IN GENERAL.—No funds are au-
24 thorized to be appropriated, and no funds
25 may be obligated or expended under this

1 Act or any other Act, to make a grant to
2 a new recipient under this subpart.

3 “(ii) NEW RECIPIENT DEFINED.—For
4 purposes of this subparagraph, the term
5 ‘new recipient’ means a teacher candidate
6 who has not received a grant under this
7 subpart for which the first disbursement
8 was on or before June 30, 2018.

9 “(4) STUDENT ELIGIBILITY BEGINNING WITH
10 AWARD YEAR 2018.—With respect to a recipient of a
11 grant under this subpart for which the first dis-
12 bursement was made on or before June 30, 2018,
13 such recipient may receive additional grants under
14 this subpart until the earlier of—

15 “(A) the date on which the recipient com-
16 pletes the course of study for which the recipi-
17 ent received the grant for which the first dis-
18 bursement was made on or before June 30,
19 2018; or

20 “(B) the date on which the recipient re-
21 ceives the total amount that the recipient may
22 receive under this subpart in accordance with
23 subsection (d).”; and

24 (4) in section 4200 (20 U.S.C. 1070g–3)—

1 (A) by striking “2008” and inserting
2 “2008, and ending on June 30, 2018”; and

3 (B) by adding at the end the following:
4 “Except as provided in section 420M(a)(4), no
5 funds shall be available to the Secretary to
6 carry out this subpart after June 30, 2018.”.

7 **PART B—FEDERAL FAMILY EDUCATION LOAN**
8 **PROGRAM**

9 **SEC. 421. FEDERAL DIRECT CONSOLIDATION LOANS.**

10 Section 428C (20 U.S.C. 1078–3) is amended—

11 (1) in subsection (a)(4)(B), by inserting before
12 the semicolon at the end “, as in effect on the day
13 before the date of enactment of the PROSPER Act
14 and pursuant to section 461(a) of such Act”; and

15 (2) in subsection (b)(1)(F)(ii)—

16 (A) in the matter preceding subclause (I),
17 by inserting “, as in effect on the day before
18 the date of enactment of the PROSPER Act
19 and pursuant to section 461(a) of such Act”
20 after “part E”;

21 (B) in subclause (I), in the matter pre-
22 ceding item (aa), by inserting “, as so in ef-
23 fect,” after “part E”;

24 (C) in subclause (I)(bb), by inserting “, as
25 so in effect” after “section 464(c)(1)(A)”;

1 (D) in subclause (II), by inserting “, as so
2 in effect” after “section 465(a)”; and

3 (E) in subclause (III)—

4 (i) by inserting “, as so in effect”
5 after “section 465”; and

6 (ii) by inserting “, as so in effect”
7 after “465(a)”.

8 **SEC. 422. LOAN REHABILITATION.**

9 Section 428F(a)(5) (20 U.S.C. 1078–6) is amended
10 by striking “one time” and inserting “two times”.

11 **SEC. 423. LOAN FORGIVENESS FOR TEACHERS.**

12 Section 428J(b)(1)(A) (20 U.S.C. 1078–10(b)(1)(A))
13 is amended by striking “that qualifies under section
14 465(a)(2)(A) for loan cancellation for Perkins loan recipi-
15 ents who teach in such schools or locations” and inserting
16 “described in section 420N(b)(1)(B)”.

17 **SEC. 424. LOAN FORGIVENESS FOR SERVICE IN AREAS OF
18 NATIONAL NEED.**

19 Section 428K (20 U.S.C. 1078–11) is amended—

20 (1) in subsection (b)—

21 (A) in paragraph (4)(B), by striking “that
22 qualifies under section 465(a)(2)(A) for loan
23 cancellation for Perkins loan recipients who
24 teach in such a school” and inserting “de-
25 scribed in section 420N(b)(1)(B)”;

1 (B) in paragraph (5)(B)(ii), by striking
2 “that qualifies under section 465(a)(2)(A) for
3 loan cancellation for Perkins loan recipients
4 who teach in such a school” and inserting “de-
5 scribed in section 420N(b)(1)(B)”;

6 (C) in paragraph (7)(A), by striking “that
7 qualifies under section 465(a)(2)(A) for loan
8 cancellation for Perkins loan recipients who
9 teach in such a school” and inserting “de-
10 scribed in section 420N(b)(1)(B)”;

11 (D) in paragraph (8), by striking “that
12 qualifies under section 465(a)(2)(A) for loan
13 cancellation for Perkins loan recipients who
14 teach in such a school” and inserting “de-
15 scribed in section 420N(b)(1)(B)” ; and

16 (E) in paragraph (16), by striking “that
17 qualify under section 465(a)(2)(A) for loan can-
18 cellation for Perkins loan recipients who teach
19 in such a school” and inserting “described in
20 section 420N(b)(1)(B)” ; and

21 (2) in subsection (g)(6)(B), by striking “that
22 qualifies under section 465(a)(2)(A) for loan can-
23 cellation for Perkins loan recipients who teach in
24 such a school” and inserting “described in section
25 420N(b)(1)(B)”.

1 **SEC. 425. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE**

2 **ATTORNEYS.**

3 Section 428L(b)(2)(A) (20 U.S.C. 1078–
4 12(b)(2)(A)) is amended—

5 (1) in clause (i), by inserting before the semi-
6 colon at the end “, as in effect on the day before the
7 date of enactment of the PROSPER Act and pursu-
8 ant to section 461(a) of such Act”; and

9 (2) in clause (ii)(III), by inserting “, as in ef-
10 fect on the day before the date of enactment of the
11 PROSPER Act and pursuant to section 461(a) of
12 such Act” after “part E”;

13 **SEC. 426. SUNSET OF COHORT DEFAULT RATE AND OTHER**

14 **CONFORMING CHANGES.**

15 (a) **REQUIREMENTS FOR THE SECRETARY.**—Section
16 430(e) (20 U.S.C. 1080(e)) is amended by adding at the
17 end the following:

18 “(4) **SUNSET.**—The Secretary shall not be sub-
19 ject to the requirements of this subsection after the
20 transition period described in section 481B(e)(3).”.

21 (b) **ELIGIBLE INSTITUTION DEFINED.**—Section 435
22 (20 U.S.C. 1085) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1), by striking “section
25 102” and inserting “section 101 and 102”; and

26 (B) by adding at the end the following:

1 “(9) SUNSET.—No institution shall be subject to
2 paragraph (2) after the transition period described in sec-
3 tion 481B(e)(3).”;

4 (2) in subsection (m), by adding at the end the
5 following:

6 “(5) TRANSITION PERIOD; SUNSET.—

7 “(A) TRANSITION PERIOD.—During the
8 transition period, the cohort default rate for an
9 institution shall be calculated in the manner de-
10 scribed in section 481B(e)(1).

11 “(B) SUNSET.—The Secretary shall not be
12 subject, and no institution shall be subject, to
13 the requirements of this subsection after the
14 transition period.

15 “(C) DEFINITION.—In this paragraph, the
16 term ‘transition period’ has the meaning given
17 the term in section 481B(e)(3).”; and

18 (3) in subsection (o)(1), by inserting “, as in ef-
19 fect on the day before the date of enactment of the
20 PROSPER Act and pursuant to section 461(a) of
21 such Act” after “part E”.

22 **SEC. 427. CLOSED SCHOOL AND OTHER DISCHARGES.**

23 Section 437(c) (20 U.S.C. 1087) is amended—

24 (1) in paragraph (1), by inserting “and the bor-
25 rower meets the applicable requirements of para-

1 graphs (6) through (8),” after “such student’s lend-
2 er,”;

3 (2) in paragraph (4), by inserting before the pe-
4 riod at the end “, as in effect on the day before the
5 date of enactment of the PROSPER Act and pursu-
6 ant to section 461(a) of such Act”; and

7 (3) by adding at the end the following:

8 “(6) BORROWER QUALIFICATIONS FOR A
9 CLOSED SCHOOL DISCHARGE.—

10 “(A) IN GENERAL.—In order to qualify for
11 the discharge of a loan under this subsection
12 due to the closure of the institution in which
13 the borrower was enrolled, a borrower shall sub-
14 mit to the Secretary a written request and
15 sworn statement—

16 “(i) that contains true factual asser-
17 tions;

18 “(ii) that is made by the borrower
19 under penalty of perjury, and that may or
20 may not be notarized;

21 “(iii) under which the borrower (or
22 the student on whose behalf a parent bor-
23 rowed) states—

24 “(I) that the borrower or the stu-
25 dent—

1 “(aa) received, on or after
2 January 1, 1986, the proceeds of
3 a loan made, insured, or guaran-
4 teed under this title to attend a
5 program of study at an institu-
6 tion of higher education;

7 “(bb)(AA) did not complete
8 the program of study because the
9 institution closed while the stu-
10 dent was enrolled; or

11 “(BB) the student withdrew
12 from the institution not more
13 than 120 days before the institu-
14 tion closed, or in the case of ex-
15 ceptional circumstances described
16 in subparagraph (B), not more
17 than the period by which such
18 120-day period is extended under
19 such subparagraph; and

20 “(cc) attempted but was un-
21 able to complete the program of
22 study through a teach-out at an-
23 other institution or by transfer-
24 ring academic credits or hours

1 earned at the closed institution to
2 another institution;

3 “(II) whether the borrower (or
4 the student) has made a claim with
5 respect to the institutions’s closing
6 with any third party, such as the
7 holder of a performance bond or a tui-
8 tion recovery program, and, if so, the
9 amount of any payment received by
10 the borrower (or the student) or cred-
11 ited to the borrower’s loan obligation;
12 and

13 “(III) that the borrower (or the
14 student)—

15 “(aa) agrees to provide to
16 the Secretary or the holder of the
17 loan upon request other docu-
18 mentation reasonably available to
19 the borrower that demonstrates
20 that the borrower meets the
21 qualifications for discharge under
22 this subsection; and

23 “(bb) agrees to cooperate
24 with the Secretary in enforce-
25 ment actions in accordance with

1 subparagraph (C) and to transfer
2 any right to recovery against a
3 third party to the Secretary in
4 accordance with subparagraph
5 (D).

6 “(B) EXCEPTIONAL CIRCUMSTANCES.—

7 “(i) IN GENERAL.—The Secretary
8 may extend the 120-day period described
9 in subparagraph (A)(iii)(I)(bb)(BB) if the
10 Secretary determines that exceptional cir-
11 cumstances related to an institution’s clos-
12 ing justify an extension.

13 “(ii) DEFINITION.—For purposes of
14 this subsection, the term ‘exceptional cir-
15 cumstances’, when used with respect to an
16 institution that closed, includes the loss of
17 accreditation of institution, the
18 institutions’s discontinuation of the major-
19 ity of its academic programs, action by the
20 State to revoke the institution’s license to
21 operate or award academic credentials in
22 the State, or a finding by a State or Fed-
23 eral Government agency that the institu-
24 tion violated State or Federal law.

1 “(C) COOPERATION BY BORROWER IN EN-
2 FORCEMENT ACTIONS.—

3 “(i) IN GENERAL.—In order to obtain
4 a discharge described in subparagraph (A),
5 a borrower shall cooperate with the Sec-
6 retary in any judicial or administrative
7 proceeding brought by the Secretary to re-
8 cover amounts discharged or to take other
9 enforcement action with respect to the con-
10 duct on which the discharge was based. At
11 the request of the Secretary and upon the
12 Secretary’s tendering to the borrower the
13 fees and costs that are customarily pro-
14 vided in litigation to reimburse witnesses,
15 the borrower shall—

16 “(I) provide testimony regarding
17 any representation made by the bor-
18 rower to support a request for dis-
19 charge;

20 “(II) produce any documents rea-
21 sonably available to the borrower with
22 respect to those representations; and

23 “(III) if required by the Sec-
24 retary, provide a sworn statement re-

1 garding those documents and rep-
2 resentations.

3 “(ii) DENIAL OF REQUEST FOR DIS-
4 CHARGE.—The Secretary shall deny the re-
5 quest for such a discharge or revoke the
6 discharge of a borrower who—

7 “(I) fails to provide the testi-
8 mony, documents, or a sworn state-
9 ment required under clause (i); or

10 “(II) provides testimony, docu-
11 ments, or a sworn statement that does
12 not support the material representa-
13 tions made by the borrower to obtain
14 the discharge.

15 “(D) TRANSFER TO THE SECRETARY OF
16 BORROWER’S RIGHT OF RECOVERY AGAINST
17 THIRD PARTIES.—

18 “(i) IN GENERAL.—Upon receiving a
19 discharge described in subparagraph (A) of
20 a loan, the borrower shall be deemed to
21 have assigned to and relinquished in favor
22 of the Secretary any right to a loan refund
23 for such loan (up to the amount dis-
24 charged) that the borrower (or student)
25 may have by contract or applicable law

1 with respect to the loan or the enrollment
2 agreement for the program for which the
3 loan was received, against the institution,
4 its principals, its affiliates and their suc-
5 cessors, its sureties, and any private fund,
6 including the portion of a public fund that
7 represents funds received from a private
8 party.

9 “(ii) APPLICATION.—The provisions
10 of this subsection apply notwithstanding
11 any provision of State law that would oth-
12 erwise restrict transfer of such rights by
13 the borrower (or student), limit, or prevent
14 a transferee from exercising such rights, or
15 establish procedures or a scheme of dis-
16 tribution that would prejudice the Sec-
17 retary’s ability to recover on such rights.

18 “(iii) RULE OF CONSTRUCTION.—
19 Nothing in this subsection shall limit or
20 foreclose the borrower’s (or student’s)
21 right to pursue legal and equitable relief
22 regarding disputes arising from matters
23 unrelated to the discharged loan.

24 “(E) DISCHARGE PROCEDURES.—

1 “(i) IN GENERAL.—After confirming
2 the date of an institution’s closure, the
3 Secretary shall identify any borrower (or
4 student on whose behalf a parent bor-
5 rowed) who appears to have been enrolled
6 at the institution on the closure date of the
7 institution or to have withdrawn not more
8 than 120 days prior to the closure date (or
9 in the case of exceptional circumstances
10 described in subparagraph (B), not more
11 than the period by which such 120-day pe-
12 riod is extended under such subparagraph.
13 In the case of a loan made, insured, or
14 guaranteed under this part, a guaranty
15 agency shall notify the Secretary imme-
16 diately whenever it becomes aware of reli-
17 able information indicating an institution
18 may have closed.

19 “(ii) BORROWER ADDRESS.—

20 “(I) KNOWN.—If the borrower’s
21 current address is known, the Sec-
22 retary shall mail the borrower a dis-
23 charge application and an explanation
24 of the qualifications and procedures
25 for obtaining a discharge. The Sec-

1 retary or the guaranty agency shall
2 promptly suspend any efforts to col-
3 lect from the borrower on any affected
4 loan. The Secretary may continue to
5 receive borrower payments of the loan
6 for which the discharge application
7 has been filed.

8 “(II) UNKNOWN.—If the bor-
9 rower’s current address is unknown,
10 the Secretary shall attempt to locate
11 the borrower and determine the bor-
12 rower’s potential eligibility for a dis-
13 charge described in subparagraph (A)
14 by consulting with representatives of
15 the closed institution, the institution’s
16 licensing agency, the institution’s ac-
17 crediting agency, and other appro-
18 priate parties. If the Secretary learns
19 the new address of a borrower, the
20 Secretary shall mail to the borrower a
21 discharge application and explanation,
22 and shall suspend collection on the
23 loan, as described in subclause (I).

24 “(iii) SWORN STATEMENT.—If a bor-
25 rower fails to submit the written request

1 and sworn statement described subpara-
2 graph (A) not later than 60 days after
3 date on which the Secretary mails the dis-
4 charge application under clause (ii), the
5 Secretary—

6 “(I) shall resume collection on
7 the loan and grant forbearance of
8 principal and interest for the period in
9 which collection activity was sus-
10 pended; and

11 “(II) may capitalize any interest
12 accrued and not paid during such pe-
13 riod.

14 “(iv) NOTIFICATION.—

15 “(I) QUALIFICATIONS MET.—If
16 the Secretary determines that a bor-
17 rower who requests a discharge de-
18 scribed in subparagraph (A) meets the
19 qualifications for such a discharge,
20 the Secretary shall—

21 “(aa) notify the borrower in
22 writing of that determination;
23 and

24 “(bb) not regard a borrower
25 who has defaulted on a loan that

1 has been so discharged as in de-
2 fault on the loan after such dis-
3 charge, and such a borrower shall
4 be eligible to receive assistance
5 under this title.

6 “(II) QUALIFICATIONS NOT
7 MET.—If the Secretary determines
8 that a borrower who requests a dis-
9 charge described in subparagraph (A)
10 does not meet the qualifications for
11 such a discharge, the Secretary or
12 guaranty agency shall resume collec-
13 tion on the loan and notify the bor-
14 rower in writing of that determination
15 and the reasons for the determination.

16 “(7) BORROWER QUALIFICATIONS FOR A FALSE
17 CERTIFICATION DISCHARGE.—

18 “(A) APPLICATION.—

19 “(i) IN GENERAL.—In order to qualify
20 for false certification discharge under this
21 subsection, the borrower shall submit to
22 the Secretary, on a form approved by the
23 Secretary, an application for discharge
24 that—

1 “(I) does not need not be nota-
2 rized, but shall be made by the bor-
3 rower under penalty of perjury; and

4 “(II) demonstrates to the satis-
5 faction of the Secretary that the re-
6 quirements in subparagraphs (B)
7 through (G) have been met.

8 “(ii) NOTIFICATION.—If the Secretary
9 determines the application does not meet
10 the requirements of clause (i), the Sec-
11 retary shall notify the applicant and ex-
12 plain why the application does not meet
13 the requirements.

14 “(B) HIGH SCHOOL DIPLOMA OR EQUIVA-
15 LENT.—In the case of a borrower requesting a
16 false certification discharge based on not having
17 had a high school diploma and not having met
18 the alternative to graduation from high school
19 eligibility requirements under section 484(d)
20 applicable at the time the loan was originated,
21 and the institution or a third party to which the
22 institution referred the borrower falsified the
23 student’s high school diploma, the borrower
24 shall state in the application that the borrower

1 (or the student on whose behalf a parent bor-
2 rowed)—

3 “(i) reported not having a valid high
4 school diploma or its equivalent at the time
5 the loan was certified; and

6 “(ii) did not satisfy the alternative to
7 graduation from high school statutory or
8 regulatory eligibility requirements identi-
9 fied on the application form and applicable
10 at the time the institution certified the
11 loan.

12 “(C) DISQUALIFYING CONDITION.—In the
13 case of a borrower requesting a false certifi-
14 cation discharge based on a condition that
15 would disqualify the borrower from employment
16 in the occupation that the program for which
17 the borrower received the loan was intended,
18 the borrower shall state in the application that
19 the borrower (or student on whose behalf the
20 parent borrowed) did not meet State require-
21 ments for employment (in the student’s State of
22 residence) in the occupation that the program
23 for which the borrower received the loan was in-
24 tended because of a physical or mental condi-

1 tion, age, criminal record, or other reason ac-
2 cepted by the Secretary.

3 “(D) UNAUTHORIZED LOAN.—In the case
4 of a borrower requesting a discharge under this
5 subsection because the institution signed the
6 borrower’s name on the loan application or
7 promissory note without the borrower’s author-
8 ization, the borrower shall—

9 “(i) state that the borrower did not
10 sign the document in question or authorize
11 the institution to do so; and

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.

16 “(E) UNAUTHORIZED PAYMENT.—In the
17 case of a borrower requesting a false certifi-
18 cation discharge because the institution, with-
19 out the borrower’s authorization, endorsed the
20 borrower’s loan check or signed the borrower’s
21 authorization for electronic funds transfer, the
22 borrower shall—

23 “(i) state that the borrower did not
24 endorse the loan check or sign the author-

1 ization for electronic funds transfer or au-
2 thorize the institution to do so;

3 “(ii) provide 5 different specimens of
4 the borrower’s signature, 2 of which must
5 be within one year before or after the date
6 of the contested signature; and

7 “(iii) state that the proceeds of the
8 contested disbursement were not delivered
9 to the borrower or applied to charges owed
10 by the borrower to the institution.

11 “(F) IDENTITY THEFT.—

12 “(i) IN GENERAL.—In the case of an
13 individual whose eligibility to borrow was
14 falsely certified because the individual was
15 a victim of the crime of identity theft and
16 is requesting a discharge, the individual
17 shall—

18 “(I) certify that the individual
19 did not sign the promissory note, or
20 that any other means of identification
21 used to obtain the loan was used with-
22 out the authorization of the individual
23 claiming relief;

24 “(II) certify that the individual
25 did not receive or benefit from the

1 proceeds of the loan with knowledge
2 that the loan had been made without
3 the authorization of the individual;

4 “(III) provide a copy of a local,
5 State, or Federal court verdict or
6 judgment that conclusively determines
7 that the individual who is named as
8 the borrower of the loan was the vic-
9 tim of a crime of identity theft; and

10 “(IV) if the judicial determina-
11 tion of the crime does not expressly
12 state that the loan was obtained as a
13 result of the crime of identity theft,
14 provide—

15 “(aa) authentic specimens of
16 the signature of the individual, as
17 described in subparagraph
18 (D)(ii), or of other means of
19 identification of the individual, as
20 applicable, corresponding to the
21 means of identification falsely
22 used to obtain the loan; and

23 “(bb) statement of facts
24 that demonstrate, to the satisfac-
25 tion of the Secretary, that eligi-

1 bility for the loan in question was
2 falsely certified as a result of the
3 crime of identity theft committed
4 against that individual.

5 “(ii) DEFINITIONS.—For purposes of
6 this subparagraph:

7 “(I) IDENTITY THEFT.—The
8 term ‘identity theft’ means the unau-
9 thorized use of the identifying infor-
10 mation of another individual that is
11 punishable under section 1028,
12 1028A, 1029, or 1030 of title 18,
13 United States Code, or substantially
14 comparable State or local law.

15 “(II) IDENTIFYING INFORMA-
16 TION.—The term ‘identifying informa-
17 tion’ includes—

18 “(aa) name, Social Security
19 number, date of birth, official
20 State or government issued driv-
21 er’s license or identification num-
22 ber, alien registration number,
23 government passport number,
24 and employer or taxpayer identi-
25 fication number;

1 “(bb) unique biometric data,
2 such as fingerprints, voiceprint,
3 retina or iris image, or unique
4 physical representation;

5 “(cc) unique electronic iden-
6 tification number, address, or
7 routing code; or

8 “(dd) telecommunication
9 identifying information or access
10 device (as defined in 18 U.S.C.
11 1029(e)) borrower qualifications
12 for a false certification discharge

13 “(G) CLAIM TO THIRD PARTY.—The bor-
14 rower shall state whether the borrower has
15 made a claim with respect to the institutions’s
16 false certification or unauthorized payment with
17 any third party, such as the holder of a per-
18 formance bond or a tuition recovery program,
19 and, if so, the amount of any payment received
20 by the borrower or credited to the borrower’s
21 loan obligation.

22 “(H) COOPERATION WITH THE SEC-
23 RETARY.—The borrower shall state that the
24 borrower—

1 “(i) agrees to provide to the Secretary
2 upon request other documentation reason-
3 ably available to the borrower that dem-
4 onstrates that the borrower meets the
5 qualifications for discharge under this sub-
6 section; and

7 “(ii) agrees to cooperate with the Sec-
8 retary in enforcement actions and to trans-
9 fer any right to recovery against a third
10 party to the Secretary.

11 “(8) BORROWER QUALIFICATIONS FOR AN UN-
12 PAID REFUND DISCHARGE.—To receive an unpaid
13 refund discharge of a portion of a loan under this
14 subsection, a borrower shall submit to the holder or
15 guaranty agency a written application—

16 “(A) that requests the information re-
17 quired to calculate the amount of the discharge;

18 “(B) that the borrower signs for the pur-
19 pose of swearing to the accuracy of the infor-
20 mation;

21 “(C) that is made by the borrower under
22 penalty of perjury, and that may or may not be
23 notarized;

24 “(D) under which the borrower states—

25 “(i) that the borrower—

1 “(I) received, on or after January
2 1, 1986, the proceeds of a loan, in
3 whole or in part, made, insured, or
4 guaranteed under this title to attend
5 an institution of higher education;

6 “(II) did not attend, withdrew, or
7 was terminated from the institution
8 within a timeframe that entitled the
9 borrower to a refund; and

10 “(III) did not receive the benefit
11 of a refund to which the borrower was
12 entitled either from the institution or
13 from a third party, such as the holder
14 of a performance bond or a tuition re-
15 covery program;

16 “(ii) whether the borrower has any
17 other application for discharge pending for
18 this loan; and

19 “(iii) that the borrower—

20 “(I) agrees to provide to the Sec-
21 retary upon request other documenta-
22 tion reasonably available to the bor-
23 rower that demonstrates that the bor-
24 rower meets the qualifications for dis-
25 charge under this subsection; and

1 “(II) agrees to cooperate with the
2 Secretary in enforcement actions and
3 to transfer any right to recovery
4 against a third party to the Sec-
5 retary.”.

6 **PART C—FEDERAL WORK-STUDY PROGRAMS**

7 **SECTION 441. PURPOSE; AUTHORIZATION OF APPROPRIA-**
8 **TIONS.**

9 Section 441 (20 U.S.C. 1087–51) is amended—

10 (1) in subsection (a)—

11 (A) by striking “part-time” and inserting
12 “paid”;

13 (B) by striking “, graduate, or profes-
14 sional”; and

15 (C) by striking “community service” and
16 inserting “work-based learning”;

17 (2) in subsection (b), by striking “part, such
18 sums as may be necessary for fiscal year 2009 and
19 each of the five succeeding fiscal years.” and insert-
20 ing “part, \$1,722,858,000 for fiscal year 2019 and
21 each of the 5 succeeding fiscal years.”; and

22 (3) by amending subsection (c) to read as fol-
23 lows:

24 “(c) **WORK-BASED LEARNING.**—For purposes of this
25 part, the term ‘work-based learning’ means paid inter-

1 actions with industry or community professionals in real
2 workplace settings that foster in-depth, first-hand engage-
3 ment with the tasks required of a given career field, that
4 are aligned to a student’s field of study.”.

5 **SEC. 442. ALLOCATION FORMULA.**

6 Section 442 (20 U.S.C. 1087–52) is amended to read
7 as follows:

8 **“SEC. 442. ALLOCATION OF FUNDS.**

9 “(a) RESERVATIONS.—

10 “(1) RESERVATION FOR IMPROVED INSTITU-
11 TIONS.—

12 “(A) AMOUNT OF RESERVATION FOR IM-
13 PROVED INSTITUTIONS.—For a fiscal year in
14 which the amount appropriated under section
15 441(b) exceeds \$700,000,000, the Secretary
16 shall—

17 “(i) reserve the lesser of—

18 “(I) an amount equal to 20 per-
19 cent of the amount by which the
20 amount appropriated under section
21 441(b) exceeds \$700,000,000; or

22 “(II) \$150,000,000; and

23 “(ii) allocate the amount reserved
24 under clause (i) to each improved institu-
25 tion in an amount—

1 “(I) that bears the same propor-
2 tion to the amount reserved under
3 clause (i) as the total amount of all
4 Federal Pell Grant funds awarded at
5 the improved institution for the sec-
6 ond preceding fiscal year bears to the
7 total amount of Federal Pell Grant
8 funds awarded at improved institu-
9 tions participating under this part for
10 the second preceding fiscal year; and

11 “(II) is not—

12 “(aa) less than \$10,000; or

13 “(bb) greater than
14 \$1,500,000.

15 “(B) IMPROVED INSTITUTION DE-
16 SCRIBED.—For purposes of this paragraph, an
17 improved institution is an institution that, on
18 the date the Secretary makes an allocation
19 under subparagraph (A)(ii) is, with respect to—

20 “(i) the completion rate or graduation
21 rate of Federal Pell Grant recipients at the
22 institution, in the top 10 percent of—

23 “(I) if the institution is an insti-
24 tution described in any of clauses (iv)
25 through (ix) of section 132(d)(1)(B),

1 all such institutions participating
2 under this part for the preceding fis-
3 cal year; or

4 “(II) if the institution is an insti-
5 tution described in any of clauses (i)
6 through (iii) of section 132(d)(1)(B),
7 all such institutions participating
8 under this part for the preceding fis-
9 cal year; or

10 “(ii) the improvement of the comple-
11 tion rate or graduation rate between the
12 preceding fiscal year and such date, in the
13 top 10 percent of the institutions described
14 in clause (i).

15 “(C) COMPLETION RATE OR GRADUATION
16 RATE.—For purposes of determining the com-
17 pletion rate or graduation rate under this sec-
18 tion, a Federal Pell Grant recipient shall be
19 counted as a completor or graduate if, within
20 the normal time for completion of or graduation
21 from the program, the student has completed or
22 graduated from the program, or enrolled in any
23 program of an institution participating in any
24 program under this title for which the prior
25 program provides substantial preparation.

1 “(D) REALLOCATION OF RETURNED
2 AMOUNT.—If an institution returns to the Sec-
3 retary any portion of the sums allocated to such
4 institution under this paragraph for any fiscal
5 year, the Secretary shall reallocate such excess to
6 improved institutions on the same basis as
7 under subparagraph (A)(ii)(I).

8 “(2) RESERVATION FOR WORK COLLEGES.—
9 From the amounts appropriated under section
10 441(b), the Secretary shall reserve to carry out sec-
11 tion 448 such amounts as may be necessary for fis-
12 cal year 2019 and each of the 5 succeeding fiscal
13 years.

14 “(b) ALLOCATION FORMULA FOR FISCAL YEARS
15 2019 THROUGH 2023.—

16 “(1) IN GENERAL.—From the amount appro-
17 priated under section 441(b) for a fiscal year and re-
18 maining after the Secretary reserves funds under
19 subsection (a), the Secretary shall allocate to each
20 institution—

21 “(A) for fiscal year 2019, an amount equal
22 to the greater of—

23 “(i) 90 percent of the amount the in-
24 stitution received under this subsection
25 and subsection (a) for fiscal year 2018, as

1 such subsections were in effect with re-
2 spect to such fiscal year (in this subpara-
3 graph referred to as the ‘2018 amount for
4 the institution’); or

5 “(ii) the fair share amount for the in-
6 stitution determined under subsection (d);

7 “(B) for fiscal year 2020, an amount equal
8 to the greater of—

9 “(i) 80 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 “(C) for fiscal year 2021, an amount equal
14 to the greater of—

15 “(i) 60 percent of the 2018 amount
16 for the institution; or

17 “(ii) the fair share amount for the in-
18 stitution determined under subsection (d);

19 “(D) for fiscal year 2022, an amount equal
20 to the greater of—

21 “(i) 40 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);

25 and

1 “(E) for fiscal year 2023, an amount equal
2 to the greater of—

3 “(i) 20 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 “(2) RATABLE REDUCTION.—

8 “(A) IN GENERAL.—If the amount appro-
9 priated under section 441(b) for a fiscal year
10 and remaining after the Secretary reserves
11 funds under subsection (a) is less than the
12 amount required to be allocated to the institu-
13 tions under this subsection, then the amount of
14 the allocation to each institution shall be rat-
15 ably reduced.

16 “(B) ADDITIONAL APPROPRIATIONS.—If
17 the amounts allocated to each institution are
18 ratably reduced under subparagraph (A) for a
19 fiscal year and additional amounts are appro-
20 priated for such fiscal year, the amount allo-
21 cated to each institution from the additional
22 amounts shall be increased on the same basis as
23 the amounts under subparagraph (A) were re-
24 duced (until each institution receives the

1 amount required to be allocated under this sub-
2 section).

3 “(c) ALLOCATION FORMULA FOR FISCAL YEAR 2024
4 AND EACH SUCCEEDING FISCAL YEAR.—From the
5 amount appropriated under section 441(b) for fiscal year
6 2024 and each succeeding fiscal year and remaining after
7 the Secretary reserves funds under subsection (a), the Sec-
8 retary shall allocate to each institution the fair share
9 amount for the institution determined under subsection
10 (d).

11 “(d) DETERMINATION OF FAIR SHARE AMOUNT.—

12 “(1) IN GENERAL.—The fair share amount for
13 an institution for a fiscal year shall be equal to the
14 sum of the following:

15 “(A) An amount equal to 50 percent of the
16 amount that bears the same proportion to the
17 available appropriated amount for such fiscal
18 year as the total amount of Federal Pell Grant
19 funds disbursed at the institution for the pre-
20 ceeding fiscal year bears to the total amount of
21 Federal Pell Grant funds awarded at all institu-
22 tions participating under this part for the pre-
23 ceeding fiscal year.

24 “(B) An amount equal to 50 percent of the
25 amount that bears the same proportion to the

1 available appropriated amount for such fiscal
2 year as the total amount of the undergraduate
3 student need at the institution for the preceding
4 fiscal year bears to the total amount of under-
5 graduate student need at all institutions partici-
6 pating under this part for the preceding fiscal
7 year.

8 “(2) DEFINITIONS.—In this subsection:

9 “(A) AVAILABLE APPROPRIATED
10 AMOUNT.—The term ‘available appropriated
11 amount’ means—

12 “(i) the amount appropriated under
13 section 441(b) for a fiscal year, minus

14 “(ii) the amounts reserved under sub-
15 section (a) for such fiscal year.

16 “(B) AVERAGE COST OF ATTENDANCE.—
17 The term ‘average cost of attendance’ means,
18 with respect to an institution, the average of
19 the attendance costs for a fiscal year for stu-
20 dents which shall include—

21 “(i) tuition and fees, computed on the
22 basis of information reported by the insti-
23 tution to the Secretary, which shall in-
24 clude—

1 “(I) total revenue received by the
2 institution from undergraduate tuition
3 and fees for the second year preceding
4 the year for which it is applying for
5 an allocation; and

6 “(II) the institution’s enrollment
7 for such second preceding year;

8 “(ii) standard living expenses equal to
9 150 percent of the difference between the
10 income protection allowance for a family of
11 5 with 1 in college and the income protec-
12 tion allowance for a family of 6 with 1 in
13 college for a single independent student;
14 and

15 “(iii) books and supplies, in an
16 amount not exceeding \$800.

17 “(C) UNDERGRADUATE STUDENT NEED.—
18 The term ‘undergraduate student need’ means,
19 with respect to an undergraduate student for a
20 fiscal year, the lesser of the following:

21 “(i) The total of the amount equal to
22 (except the amount computed by this
23 clause shall not be less than zero)—

24 “(I) the average cost of attend-
25 ance for the fiscal year, minus

1 “(II) the total amount of each
2 such undergraduate student’s ex-
3 pected family contribution (computed
4 in accordance with part F of this
5 title) for the preceding fiscal year.

6 “(ii) \$12,500.

7 “(e) RETURN OF SURPLUS ALLOCATED FUNDS.—

8 “(1) AMOUNT RETURNED.—If an institution re-
9 turns more than 10 percent of its allocation under
10 subsection (d), the institution’s allocation for the
11 next fiscal year shall be reduced by the amount re-
12 turned.

13 “(2) WAIVER.—The Secretary may waive this
14 paragraph for a specific institution if the Secretary
15 finds that enforcing this paragraph would be con-
16 trary to the interest of the program.

17 “(f) FILING DEADLINES.—The Secretary shall, from
18 time to time, set dates before which institutions must file
19 applications for allocations under this part.”.

20 **SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.**

21 Section 443 (20 U.S.C. 1087–53) is amended—

22 (1) in subsection (b)—

23 (A) in paragraph (1), in the matter pre-
24 ceding subparagraph (A), by striking “part-
25 time”;

1 (B) in paragraph (2), by striking “except
2 that—” and all that follows through “an insti-
3 tution may use a portion” and inserting “except
4 that an institution may use a portion”;

5 (C) in paragraph (3), by inserting “under-
6 graduate” after “only”;

7 (D) in paragraph (4), by striking “300”
8 and inserting “500”;

9 (E) in paragraph (5)—

10 (i) by striking “shall not exceed 75
11 percent” and inserting “shall not exceed
12 75 percent in the first year after the date
13 of the enactment of PROSPER Act, 65
14 percent in the first succeeding fiscal year,
15 60 percent in the second succeeding fiscal
16 year, 55 percent in the third succeeding
17 fiscal year, and 50 percent each succeeding
18 fiscal year”;

19 (ii) by striking subparagraph (A);

20 (iii) in subparagraph (B)—

21 (I) by striking “75” and insert-
22 ing “50”; and

23 (II) by striking the semicolon
24 and inserting “; and”;

1 (iv) by redesignating subparagraph

2 (B) as subparagraph (A); and

3 (v) by adding at the end the following:

4 “(B) the Federal share may equal 100 per-
5 cent with respect to funds received under sec-
6 tion 442(a)(1)(A);”;

7 (F) in paragraph (8)—

8 (i) in subparagraph (A)(i), by striking
9 “vocational” and inserting “career”; and

10 (ii) in subparagraph (B), by striking
11 “community service” and inserting “work-
12 based learning”;

13 (G) in paragraph (10), by striking “; and”
14 and inserting a semicolon;

15 (H) in paragraph (11), by striking the pe-
16 riod at the end and inserting a semicolon; and

17 (I) by adding at the end the following:

18 “(12) provide assurances that the institution
19 will collect data from students and employers such
20 that the employment made available from funds
21 under this part will, to the maximum extent prac-
22 ticable, complement and reinforce the educational
23 goals or career goals of each student receiving as-
24 sistance under this part; and

1 “(13) provide assurances that if the institution
2 receives funds under section 442(a)(1)(A), such in-
3 stitution shall—

4 “(A) use such funds to compensate stu-
5 dents participating in the work-study program;
6 and

7 “(B) prioritize the awarding of such funds
8 to students—

9 “(i) who demonstrate exceptional
10 need; or

11 “(ii) who are employed in work-based
12 learning opportunities through the work-
13 study program.”;

14 (2) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) by striking “program of part-time
17 employment” and inserting the following:

18 “program—

19 “(A) of employment”; and

20 (ii) by inserting “or” after “sub-
21 section (b)(3);”; and

22 (iii) by adding at the end the fol-
23 lowing:

24 “(B) of full-time employment of its cooper-
25 ative education students in work for a private

1 for-profit organization under an arrangement
2 between the institution and such organization
3 that complies with the requirements of subpara-
4 graphs (A) through (D) of subsection (b)(1) of
5 this section and subsection (b)(4) of this sec-
6 tion;”;

7 (B) by striking paragraph (2);

8 (C) in paragraph (4), by inserting “and
9 complement and reinforce the educational goals
10 or career goals of each student receiving assist-
11 ance under this part” after “relevant”; and

12 (D) by redesignating paragraphs (3), (4),
13 and (5) as paragraphs (2), (3), and (4), respec-
14 tively; and

15 (3) in subsection (d)—

16 (A) in paragraph (1)—

17 (i) by striking “In any academic year
18 to which subsection (b)(2)(A) applies, an
19 institution shall ensure that” and inserting
20 “An institution may use the” ; and

21 (ii) by striking “are used”; and

22 (B) in paragraph (3), by striking “may ex-
23 ceed 75 percent” and inserting “shall not ex-
24 ceed 50 percent”.

1 **SEC. 444. FLEXIBLE USE OF FUNDS.**

2 Section 445(a) (20 U.S.C. 1087–55(a)) is amended—

3 (1) in paragraph (2), by striking “in the same
4 State” and inserting “described under section
5 442(a)(1)(B)”; and

6 (2) by adding at the end the following new
7 paragraph:

8 “(3) In addition to the carry-over sums authorized
9 under paragraph (1) of this section, an institution may
10 permit a student who completed the previous award period
11 to continue to earn unearned portions of the student’s
12 work-study award from that previous year if—

13 “(A) any reduction in the student’s need upon
14 which the award was based is accounted for in the
15 remaining portion; and

16 “(B) the student is currently employed in a
17 work-based learning position.”.

18 **SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.**

19 Section 446 (20 U.S.C. 1087–56) is amended—

20 (1) in subsection (a)—

21 (A) in paragraph (1)—

22 (i) by striking “10 percent or
23 \$75,000” and inserting “20 percent or
24 \$150,000”; and

25 (ii) by striking “, including commu-
26 nity service jobs,”; and

1 (B) in paragraph (2), by striking “voca-
2 tional” and inserting “career”; and
3 (2) in subsection (b)—

4 (A) by striking paragraph (2);

5 (B) by redesignating paragraphs (3)
6 through (6) as paragraphs (4) through (7), re-
7 spectively; and

8 (C) by inserting before paragraph (4) the
9 following:

10 “(2) provide satisfactory assurance that the in-
11 stitution will prioritize placing students with the low-
12 est expected family contribution and Federal work-
13 study recipients in jobs located and developed under
14 this section;

15 “(3) provide a satisfactory assurance that the
16 institution will locate and develop work-based learn-
17 ing opportunities through the job location develop-
18 ment programs;”; and

19 (D) in paragraph (7), by striking the pe-
20 riod and inserting “, including—

21 “(A) the number of students employed in
22 work-based learning opportunities through such
23 program;

1 “(B) the number of students dem-
2 onstrating exceptional need and employed in a
3 work-study program through such program; and

4 “(C) the number of students dem-
5 onstrating exceptional need and employed in
6 work-based learning opportunities through such
7 program.”.

8 **SEC. 446. COMMUNITY SERVICE.**

9 Section 447 (20 U.S.C. 1087–57) is repealed.

10 **SEC. 447. WORK COLLEGES.**

11 Section 448 (20 U.S.C. 1087–58) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (1)—

14 (i) by striking “and part E”; and

15 (ii) by striking “appropriated” and in-
16 serting “allocated”;

17 (B) in paragraph (2), by striking “appro-
18 priated pursuant to” and inserting “allocated
19 under”; and

20 (2) in subsection (c), by striking “authorized
21 by” and inserting “allocated under”;

22 (3) in subsection (e)(1)—

23 (A) in subparagraph (C), by striking “;
24 and” and inserting a semicolon; and

25 (B) by adding at the end the following:

1 “(E) has administered Federal work-study
2 for at least 2 years; and”;

3 (4) by amending subsection (f) to read as fol-
4 lows:

5 “(f) ALLOCATION OF RESERVED FUNDS.—

6 “(1) IN GENERAL.—Subject to paragraph (2),
7 from the amount reserved under section 442(a)(2)
8 for a fiscal year to carry out this section, the Sec-
9 retary shall allocate to each work college that sub-
10 mits an application under subsection (c) an amount
11 equal to the amount that bears the same proportion
12 to the amount appropriated for such fiscal year as
13 the number of students eligible for employment
14 under a work-study program under this part who
15 are enrolled at the work college bears to the total
16 number of students eligible for employment under a
17 work-study program under this part who are en-
18 rolled at all work colleges.

19 “(2) REALLOTMENT OF UNMATCHED FUNDS.—

20 If a work college is unable to match funds received
21 under paragraph (1) in accordance with subsection
22 (d), any unmatched funds shall be returned to the
23 Secretary and the Secretary shall reallocate such funds
24 on the same basis as funds are allocated under para-
25 graph (1).”.

1 **PART D—FEDERAL DIRECT STUDENT LOAN**
2 **PROGRAM**

3 **SEC. 451. TERMINATION OF FEDERAL DIRECT LOAN PRO-**
4 **GRAM UNDER PART D AND OTHER CON-**
5 **FORMING AMENDMENTS.**

6 (a) APPROPRIATIONS.—Section 451 (20 U.S.C.
7 1087a) is amended—

8 (1) in subsection (a), by adding at the end the
9 following: “No sums may be expended after Sep-
10 tember 30, 2024, with respect to loans under this
11 part for which the first disbursement is after such
12 date.”; and

13 (2) by adding at the end, the following:

14 “(c) **TERMINATION OF AUTHORITY TO MAKE NEW**
15 **LOANS.**—Notwithstanding subsection (a) or any other
16 provision of law—

17 “(1) no new loans may be made under this part
18 after September 30, 2024; and

19 “(2) no funds are authorized to be appro-
20 priated, or may be expended, under this Act, or any
21 other Act to make loans under this part for which
22 the first disbursement is after September 30, 2024,
23 except as expressly authorized by an Act of Congress en-
24 acted after the date of enactment of the PROSPER Act.

25 “(d) **STUDENT ELIGIBILITY BEGINNING WITH**
26 **AWARD YEAR 2019.**—

1 “(1) NEW BORROWERS.—No loan may be made
2 under this part to a new borrower for which the first
3 disbursement is after June 30, 2019.

4 “(2) BORROWERS WITH OUTSTANDING BAL-
5 ANCES.—Subject to paragraph (3), with respect to a
6 borrower who, as of July 1, 2019, has an out-
7 standing balance of principal or interest owing on a
8 loan made under this part, such borrower may—

9 “(A) in the case of such a loan made to
10 the borrower for enrollment in a program of un-
11 dergraduate education, borrow loans made
12 under this part for any program of under-
13 graduate education through the close of Sep-
14 tember 30, 2024;

15 “(B) in the case of such a loan made to
16 the borrower for enrollment in a program of
17 graduate or professional education, borrow
18 loans made under this part for any program of
19 graduate or professional education through the
20 close of September 30, 2024; and

21 “(C) in the case of such a loan made to
22 the borrower on behalf of a dependent student
23 for the student’s enrollment in a program of
24 undergraduate education, borrow loans made

1 under this part on behalf of such student
2 through the close of September 30, 2024.

3 “(3) LOSS OF ELIGIBILITY.—A borrower de-
4 scribed in paragraph (2) who borrows a loan made
5 under part E for which the first disbursement is
6 made on or after July 1, 2019, shall lose the bor-
7 rower’s eligibility to borrow loans made under this
8 part in accordance with paragraph (2).”.

9 (b) PERKINS LOAN CONFORMING AMENDMENT.—
10 Section 453(c)(2)(A) (20 U.S.C. 1087c(c)(2)(A)) is
11 amended by inserting “, as in effect on the day before
12 the date of enactment of the PROSPER Act and pursuant
13 to subsection 461(a),” after “part E”;

14 (c) APPLICABLE INTEREST RATES AND OTHER
15 TERMS AND CONDITIONS.—Section 455 (20 U.S.C.
16 1087e) is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (1), by inserting “, and
19 first disbursed before October 1, 2024,” after
20 “under this part”;

21 (B) in paragraph (2), by inserting “, and
22 first disbursed before October 1, 2024,” after
23 “under this part”;

24 (2) in subsection (b)(8)—

1 (A) in the section heading, by inserting
2 “AND BEFORE OCTOBER 1, 2024” after “2013”;

3 (B) in subparagraph (A), by inserting
4 “and before October 1, 2024,” after “July 1,
5 2013,”;

6 (C) in subparagraph (B), by inserting
7 “and before October 1, 2024,” after “July 1,
8 2013,”;

9 (D) in subparagraph (C), by inserting
10 “and before October 1, 2024,” after “July 1,
11 2013,”; and

12 (E) in subparagraph (D), by inserting
13 “and before October 1, 2024,” after “July 1,
14 2013,”;

15 (3) in subsection (e)(2)(E), by inserting “, and
16 before October 1, 2024” after “July 1, 2010”;

17 (4) in subsection (e)(7), in the matter preceding
18 subparagraph (A), by inserting “, as in effect on the
19 day before the date of enactment of the PROSPER
20 Act and pursuant to subsection 461(a)” after “part
21 E”; and

22 (5) in subsection (g)—

23 (A) by inserting “, and first disbursed be-
24 fore October 1, 2024,” after “under this part”;
25 and

1 (B) by adding at the end the following:

2 “The authority to make consolidation loans
3 under this subsection expires at the close of
4 September 30, 2024. No loan may be made
5 under this subsection for which the disburse-
6 ment is on or after October 1, 2024.”; and

7 (6) in subsection (o)—

8 (A) in paragraph (1), by inserting “, and
9 before October 1, 2024,” after “October 1,
10 2008”; and

11 (B) in paragraph (2)—

12 (i) by inserting “and before October
13 1, 2024,” after “October 1, 2008,”; and

14 (ii) by inserting “, and before October
15 1, 2024” after “October 1, 2008”.

16 **SEC. 452. BORROWER DEFENSES.**

17 Section 455(h) (20 U.S.C. 1087e(h)) is amended to
18 read as follows:

19 “(h) BORROWER DEFENSES.—

20 “(1) IN GENERAL.—In any proceeding to collect
21 on a loan made under this part on or after July 1,
22 2018 to a borrower, the Secretary shall abide by the
23 following:

24 “(A) In no event may the borrower recover
25 any amount previously collected or be freed of

1 amounts owed to the Secretary without submit-
2 ting an individually-filed application for ap-
3 proval.

4 “(B) In no event may the borrower recover
5 amounts previously collected by the Secretary,
6 in any action arising from or relating to a loan
7 made under this part, in an amount in excess
8 of the amount that has been paid by the bor-
9 rower on such loan.

10 “(C) In no event may the borrower recover
11 amounts previously collected by the Secretary
12 later than 3 years after the misconduct or
13 breach of contract on behalf of the institution
14 takes place that gives rise to the borrower to
15 assert a defense to repayment of the loan.

16 “(D) In no event may anyone other than
17 an administrative law judge or its equivalent
18 preside over hearings of any kind related to ap-
19 plications submitted under this subsection.

20 “(E) In no event may the Secretary ap-
21 prove or disapprove the borrower’s application
22 under this subsection without allowing for the
23 equal consideration of evidence and arguments
24 presented by a representative on behalf of the
25 student or students and a representative on be-

1 half of the institution, if either such party
2 makes a request.

3 “(F) In no event may the Secretary with-
4 hold from an institution any materials, facts, or
5 evidence used when processing an application
6 submitted by the borrower.

7 “(G) In no event may the borrower of a
8 loan made, insured or guaranteed under this
9 title (other than a loan made under this part or
10 a Federal ONE Loan) submit an application
11 under this subsection without consolidating the
12 loans of the borrower into a Federal ONE Con-
13 solidation Loan.

14 “(2) BORROWER APPLICATION REQUIRE-
15 MENTS.—

16 “(A) IN GENERAL.—An application sub-
17 mitted by a borrower under this subsection to
18 the Secretary shall—

19 “(i) certify the borrower’s receipt of
20 loan proceeds, in whole or in part, to at-
21 tend the named institution of higher edu-
22 cation;

23 “(ii) provide evidence described in
24 subparagraph (B) that supports a bor-

1 rower defense to repayment of the loan;
2 and

3 “(iii) indicate whether the borrower
4 has made a claim with respect to the infor-
5 mation underlying the borrower defense
6 with any third party and, if so, the amount
7 of any payment received by the borrower
8 or credited to the borrower’s loan obliga-
9 tion.

10 “(B) EVIDENCE.—The borrower has a bor-
11 rower defense if—

12 “(i) the borrower, whether as an indi-
13 vidual or as a member of a class, or a gov-
14 ernmental agency, has obtained against the
15 institution of higher education a non-
16 default, favorable contested judgment
17 based on State or Federal law in a court
18 or administrative tribunal of competent ju-
19 risdiction;

20 “(ii) the institution of higher edu-
21 cation for which the borrower received the
22 loan made under this part failed to per-
23 form its obligations under the terms of a
24 contract with the student; or

1 “(iii) the institution of higher edu-
2 cation described in clause (ii) or any of its
3 representatives engaged directly in mar-
4 keting, recruitment or admissions activi-
5 ties, or any other institution of higher edu-
6 cation, organization, or person with whom
7 such institution has an agreement to pro-
8 vide educational programs, or to provide
9 marketing, advertising, recruiting, or ad-
10 missions services, made a substantial mis-
11 representation within the meaning of sec-
12 tion 487(c)(3)(B)(i)(II) that the borrower
13 reasonably relied on when the borrower de-
14 cided to attend, or to continue attending,
15 such institution.

16 “(3) SECRETARIAL NOTIFICATION REQUIRE-
17 MENTS.—

18 “(A) RECEIPT OF APPLICATION.—Upon
19 receipt of a borrower’s application, the Sec-
20 retary—

21 “(i) if the borrower is not in default
22 on the loan for which a borrower defense
23 has been asserted, shall grant a forbear-
24 ance and notify the borrower of the option

1 to decline the forbearance and to continue
2 making payments on the loan;

3 “(ii) if the borrower is in default on
4 the loan for which a borrower defense has
5 been asserted—

6 “(I) shall suspend collection ac-
7 tivity on the loan until the Secretary
8 issues a decision on the borrower’s
9 claim;

10 “(II) shall notify the borrower of
11 the suspension of collection activity
12 and explain that collection activity will
13 resume if the Secretary determines
14 that the borrower does not qualify for
15 a full discharge; and

16 “(III) shall notify the borrower
17 of the option to continue making pay-
18 ments under a rehabilitation agree-
19 ment or other repayment agreement
20 on the defaulted loan; and

21 “(iii) shall to the extent possible, no-
22 tify the institutions against which the ap-
23 plication is filed, which notification shall
24 include—

1 “(I) the reasons that the applica-
2 tion has been filed; and

3 “(II) the amount of relief re-
4 quested.

5 “(B) APPROVED APPLICATION.—If a bor-
6 rower’s application is approved in full or in
7 part, the Secretary shall—

8 “(i) notify the borrower and the insti-
9 tution in writing of that determination and
10 of the relief provided; and

11 “(ii) inform the institution of the op-
12 portunity to request a one-time reconsider-
13 ation of the claim in the application if new
14 evidence that was not previously provided
15 can be identified.

16 “(C) APPLICATION NOT APPROVED.—If a
17 borrower’s application is not approved in full or
18 in part, the Secretary—

19 “(i) shall notify the borrower and the
20 institution of the reasons for the denial,
21 the evidence that was relied upon, any por-
22 tion of the loan that is due and payable to
23 the Secretary, whether the Secretary will
24 reimburse any amounts previously col-
25 lected, and inform the borrower that the

1 loan will return to its status prior to the
2 borrower's submission of the application;
3 and

4 “(ii) shall inform the borrower of the
5 opportunity to request a one-time reconsid-
6 eration of the claim in the application if
7 new evidence that was not previously pro-
8 vided can be identified.

9 “(D) CONSOLIDATION.—During a pro-
10 ceeding for an individual borrower, the Sec-
11 retary may consolidate individually-filed appli-
12 cations that have common facts and claims and
13 resolve the borrowers' borrower defense claims
14 for faster processing.

15 “(E) NEW EVIDENCE DEFINED.—For pur-
16 poses of this paragraph, the term ‘new evidence’
17 means relevant evidence that the borrower or
18 the institution did not previously provide and
19 that was not identified in the final decision as
20 evidence that was relied upon for the final deci-
21 sion. If accepted for reconsideration by the Sec-
22 retary, the Secretary shall follow the procedure
23 under this paragraph.

24 “(4) CALCULATION OF RELIEF.—The Secretary
25 shall determine the appropriate method for calcu-

1 lating the amount of relief to be awarded to a bor-
2 rower as a result of a proceeding described in this
3 subsection based on the materials, facts, and evi-
4 dence presented during the proceeding.

5 “(5) FURTHER RELIEF.—The Secretary may
6 afford the borrower such further relief as the Sec-
7 retary determines is appropriate under the cir-
8 cumstances, but which shall not exceed the fol-
9 lowing:

10 “(A) Reimbursing the borrower for
11 amounts paid toward the loan voluntarily or
12 through enforced collection.

13 “(B) Restoring eligibility for assistance
14 under this title after determining that the bor-
15 rower is not in default on the loan.

16 “(C) Updating reports to consumer report-
17 ing agencies to which the Secretary previously
18 made adverse credit reports with regard to a
19 loan made under this part after July 1, 2018.

20 “(6) RECOVERY.—

21 “(A) IN GENERAL.—The Secretary may
22 initiate an appropriate proceeding to require the
23 institution of higher education whose act or
24 omission resulted in the borrower’s successful
25 defense against repayment of a loan made

1 under this part to pay to the Secretary the
2 amount of the loan to which the defense applies
3 not later than 3 years from the end of the last
4 award year in which the student attended the
5 institution.

6 “(B) NOTICE.—The Secretary may initiate
7 a proceeding to collect at any time if the insti-
8 tution received notice of the claim before the
9 end of the later of the periods described in sub-
10 paragraph (A). For purposes of this subpara-
11 graph, notice includes receipt of—

12 “(i) actual notice from the borrower,
13 from a representative of the borrower, or
14 from the Department;

15 “(ii) a class action complaint assert-
16 ing relief for a class that may include the
17 borrower; or

18 “(iii) written notice, including a civil
19 investigative demand or other written de-
20 mand for information, from a Federal or
21 State agency that has power to initiate an
22 investigation into conduct of the institution
23 of higher education relating to specific pro-
24 grams, periods, or practices that may have
25 affected the borrower.”.

1 **SEC. 453. ADMINISTRATIVE EXPENSES.**

2 Section 458(a) (20 U.S.C. 1087h)—

3 (1) in paragraph (3)—

4 (A) by striking “2007” each place it ap-
5 pears and inserting “2019”;

6 (B) by striking “2014” each place it ap-
7 pears and inserting “2024”; and

8 (C) by striking “part and part B, including
9 the costs of the direct student loan programs
10 under this part” and inserting “title”;

11 (2) in paragraph (4), by striking “2017” and
12 inserting “2024”;

13 (3) in paragraph (6)—

14 (A) in subparagraph (B), by striking
15 “2010” and inserting “2019”; and

16 (B) in subparagraph (C), by striking
17 “training” and inserting “education”;

18 (4) by striking paragraph (7); and

19 (5) by redesignating paragraph (8) as para-
20 graph (7).

21 **SEC. 454. LOAN CANCELLATION FOR TEACHERS.**

22 Section 460(b)(1)(A) (20 U.S.C. 1087j(b)(1)(A)) is
23 amended by striking “that qualifies under section
24 465(a)(2)(A) for loan cancellation for Perkins loan recipi-
25 ents who teach in such schools or locations” and inserting
26 “described in section 420N(b)(1)(B)”.

1 **PART E—FEDERAL ONE LOANS**

2 **SEC. 461. WIND-DOWN OF FEDERAL PERKINS LOAN PRO-**
3 **GRAM.**

4 (a) IN GENERAL.—Except as otherwise provided in
5 this section and notwithstanding section 462, the provi-
6 sions of part E of title IV of the Higher Education Act
7 of 1965 (20 U.S.C. 1087aa et seq.), as in effect on the
8 day before the date of enactment of this Act, are deemed
9 to be incorporated in this subsection as though set forth
10 fully in this subsection, and shall have the same force and
11 effect as on such day.

12 (b) CLOSE-OUT AUDITS.—

13 (1) IN GENERAL.—In the case of an institution
14 of higher education that desires to have a final audit
15 of its participation under the program under part E
16 of title IV of the Higher Education Act of 1965 (20
17 U.S.C. 1087aa et seq.), as in effect pursuant to sub-
18 section (a), at the same time as its annual financial
19 and compliance audit under section 487(c) of such
20 Act (20 U.S.C. 1094(c)), such institution shall sub-
21 mit to the Secretary a request, in writing, for such
22 an arrangement not later than 60 days after the in-
23 stitution terminates its participation under such pro-
24 gram.

25 (2) TERMINATION OF PARTICIPATION.—For
26 purposes of this subsection, an institution shall be

1 considered to have terminated its participation under
2 the program described in paragraph (1), if the insti-
3 tution—

4 (A)(i) has made a determination not to
5 service and collect student loans made available
6 from funds under part E of title IV of the
7 Higher Education Act of 1965 (20 U.S.C.
8 1087aa et seq.), as in effect pursuant to sub-
9 section (a); or

10 (ii) has completed the servicing and collec-
11 tion of such student loans; and

12 (B) has completed the asset distribution
13 required under section 466(b) of the Higher
14 Education Act of 1965 (20 U.S.C. 1087ff(b)),
15 as in effect pursuant to subsection (a).

16 (c) COLLECTION OF INTEREST ON CERTAIN STU-
17 DENT LOANS.—In the case of an institution of higher edu-
18 cation that, on or after October 1, 2006, loaned an
19 amount to its student loan fund established under part
20 E of title IV of the Higher Education Act of 1965 (20
21 U.S.C. 1087aa et seq.), as in effect pursuant to subsection
22 (a), for the purpose of making student loans from such
23 fund, and that, before the date of enactment of this Act,
24 has repaid to itself the amount loaned to such student loan

1 fund, the institution shall collect any interest earned on
2 such student loans.

3 (d) ASSIGNMENT OF LOANS TO SECRETARY.—Not-
4 withstanding the requirements of section 463(a)(5) of the
5 Higher Education Act of 1965 (20 U.S.C. 1087cc(a)(5)),
6 as in effect pursuant to subsection (a), if an institution
7 of higher education determines not to service and collect
8 student loans made available from funds under part E of
9 such Act (20 U.S.C. 1087aa et seq.), as so in effect—

10 (1) the institution shall assign, during the re-
11 payment period, any notes or evidence of obligations
12 of student loans made from such funds to the Sec-
13 retary; and

14 (2) the Secretary shall deposit any sums col-
15 lected on such notes or obligations (less an amount
16 not to exceed 30 percent of any such sums collected
17 to cover that Secretary's collection costs) into the
18 Treasury of the United States.

19 (e) CLOSED SCHOOL DISCHARGE.—The amendments
20 made by section 427 to section 437(c) of the Higher Edu-
21 cation Act of 1965 (20 U.S.C. 1087), relating to closed
22 school discharge, shall apply with respect to any loans dis-
23 charged on or after the date of enactment of this Act
24 under section 464(g) of such Act (20 U.S.C. 10877dd(g)),
25 as in effect pursuant to subsection (a)).

1 **SEC. 462. FEDERAL ONE LOAN PROGRAM.**

2 Part E of title IV (20 U.S.C. 1087aa et seq.) is
3 amended to read as follows:

4 **“SEC. 461. PROGRAM AUTHORITY.**

5 “(a) IN GENERAL.—There are hereby made available,
6 in accordance with the provisions of this part, such sums
7 as may be necessary to make loans to all eligible students
8 (and the eligible parents of such students) in attendance
9 at participating institutions of higher education selected
10 by the Secretary to enable such students to pursue their
11 courses of study at such institutions during the period be-
12 ginning July 1, 2019. Loans made under this part shall
13 be made by participating institutions that have agree-
14 ments with the Secretary to originate loans.

15 “(b) DESIGNATION.—The program established under
16 this part shall be referred to as the ‘Federal ONE Loan
17 Program’.

18 “(c) ONE LOANS.—Except as otherwise specified in
19 this part, loans made to borrowers under this part shall
20 be known as ‘Federal ONE Loans’.

21 **“SEC. 462. FUNDS FOR THE ORIGINATION OF ONE LOANS.**

22 “(a) IN GENERAL.—The Secretary shall provide, on
23 the basis of eligibility of students at each participating in-
24 stitution, and parents of such students, for such loans,
25 funds for student and Parent Loans under this part di-
26 rectly to an institution of higher education that has an

1 agreement with the Secretary under section 464(a) to par-
2 ticipate in the Federal ONE Loan Program under this
3 part and that also has an agreement with the Secretary
4 under section 464(b) to originate loans under this part.

5 “(b) PARALLEL TERMS.—Subsections (b), (c), and
6 (d) of section 452 shall apply to the loan program under
7 this part in the same manner that such subsections apply
8 to the loan program under part D.

9 **“SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPA-**
10 **TION AND ORIGINATION.**

11 “(a) GENERAL AUTHORITY.—The Secretary shall
12 enter into agreements pursuant to section 464(a) with in-
13 stitutions of higher education to participate in the Federal
14 ONE Loan Program under this part, and agreements pur-
15 suant to section 464(b) with institutions of higher edu-
16 cation, to originate loans in such program, for academic
17 years beginning on or after July 1, 2019. Such agreements
18 for the academic year 2019–2020 shall, to the extent fea-
19 sible, be entered into not later than January 1, 2019.

20 “(b) SELECTION CRITERIA AND PROCEDURE.—The
21 application and selection procedure for an institution of
22 higher education desiring to participate in the loan pro-
23 gram under this part shall be the application and selection
24 procedure described in section 453(b) for an institution

1 of higher education desiring to participate in the loan pro-
2 gram under part D.

3 “(c) ELIGIBLE INSTITUTIONS.—The Secretary may
4 not select an institution of higher education for participa-
5 tion under this part unless such institution is an eligible
6 institution under section 487(a).

7 **“SEC. 464. AGREEMENTS WITH INSTITUTIONS.**

8 “(a) PARTICIPATION AGREEMENTS.—An agreement
9 with any institution of higher education for participation
10 in the Federal ONE Loan Program under this part
11 shall—

12 “(1) provide for the establishment and mainte-
13 nance of a direct student loan program at the insti-
14 tution under which the institution will—

15 “(A) identify eligible students who seek
16 student financial assistance at such institution
17 in accordance with section 484;

18 “(B) provide a statement that certifies the
19 eligibility of any student to receive a loan under
20 this part that is not in excess of the annual or
21 aggregate limit applicable to such loan, except
22 that the institution may, in exceptional cir-
23 cumstances identified by the Secretary pursuant
24 to section 454(a)(1)(C), refuse to certify a
25 statement that permits a student to receive a

1 loan under this part, if the reason for such ac-
2 tion is documented and provided in written
3 form to such student;

4 “(C) set forth a schedule for disbursement
5 of the proceeds of the loan in installments, con-
6 sistent with the requirements of section 465(a);
7 and

8 “(D) provide timely and accurate informa-
9 tion, concerning the status of student borrowers
10 (and students on whose behalf parents borrow
11 under this part) while such students are in at-
12 tendance at the institution and concerning any
13 new information of which the institution be-
14 comes aware for such students (or their par-
15 ents) after such borrowers leave the institution,
16 to the Secretary for the servicing and collecting
17 of loans made under this part;

18 “(2) provide assurances that the institution will
19 comply with requirements established by the Sec-
20 retary relating to student loan information with re-
21 spect to loans made under this part;

22 “(3) provide that the institution accepts respon-
23 sibility and financial liability stemming from its fail-
24 ure to perform its functions pursuant to the agree-
25 ment;

1 “(4) provide for the implementation of a quality
2 assurance system, as established by the Secretary
3 and developed in consultation with institutions of
4 higher education, to ensure that the institution is
5 complying with program requirements and meeting
6 program objectives; and

7 “(5) provide that the institution will not charge
8 any fees of any kind, however described, to student
9 or parent borrowers for origination activities or the
10 provision of any information necessary for a student
11 or parent to receive a loan under this part, or any
12 benefits associated with such loan.

13 “(b) ORIGINATION.—An agreement with any institu-
14 tion of higher education for the origination of loans under
15 this part shall—

16 “(1) supplement the agreement entered into in
17 accordance with subsection (a);

18 “(2) include provisions established by the Sec-
19 retary that are similar to the participation agree-
20 ment provisions described in paragraphs (2), (3),
21 (4), and (5) of subsection (a), as modified to relate
22 to the origination of loans by the institution;

23 “(3) provide that the institution will originate
24 loans to eligible students and parents in accordance
25 with this part; and

1 “(4) provide that the note or evidence of obliga-
2 tion on the loan shall be the property of the Sec-
3 retary.

4 “(c) WITHDRAWAL PROCEDURES.—

5 “(1) IN GENERAL.—An institution of higher
6 education participating in the Federal ONE Loan
7 Program under this part may withdraw from the
8 program by providing written notice to the Secretary
9 of the intent to withdraw not less than 60 days be-
10 fore the intended date of withdrawal.

11 “(2) DATE OF WITHDRAWAL.—Except in cases
12 in which the Secretary and an institution of higher
13 education agree to an earlier date, the date of with-
14 drawal from the Federal ONE Loan Program under
15 this part of an institution of higher education shall
16 be the later of—

17 “(A) 60 days after the institution submits
18 the notice required under paragraph (1); or

19 “(B) a date designated by the institution.

20 **“SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIM-**
21 **ITS, INTEREST RATES, AND LOAN FEES.**

22 “(a) REQUIREMENTS FOR DISBURSEMENT OF STU-
23 DENT LOANS.—

24 “(1) MULTIPLE DISBURSEMENT REQUIRED.—

1 “(A) REQUIRED DISBURSEMENTS.—The
2 proceeds of any loan made under this part that
3 is made for any period of enrollment shall be
4 disbursed as follows:

5 “(i) The disbursement of the first in-
6 stallment of proceeds shall, with respect to
7 any student other than a student described
8 in subparagraph (B)(i), be made not more
9 than 30 days prior to the beginning of the
10 period of enrollment, and not later than 30
11 days after the beginning of such period of
12 enrollment.

13 “(ii) The disbursement of an install-
14 ment of proceeds shall be made in substan-
15 tially equal monthly or weekly installments
16 over the period of enrollment for which the
17 loan was made, except that installments
18 may be unequal as necessary to permit the
19 institution to adjust for unequal costs
20 (which may include upfront costs such as
21 tuition and fees) incurred or estimated fi-
22 nancial assistance received by the student.

23 “(B) DISBURSEMENT OF CREDIT BAL-
24 ANCES.—

1 “(i) TYPE OF DISBURSEMENT.—The
2 credit balances of any loan made under
3 this part that is made for any period of en-
4 rollment shall be disbursed by—

5 “(I) an electronic transfer of
6 funds to the borrower’s financial ac-
7 count;

8 “(II) a check for the amount
9 payable to, and requiring the endorse-
10 ment of, the borrower;

11 “(III) an access device in accord-
12 ance with clause (ii); or

13 “(IV) a cash payment for which
14 the institution obtains a receipt signed
15 by the borrower.

16 “(ii) USAGE OF ACCESS DEVICE.—An
17 institution may enter into an agreement
18 with a third-party servicer for the delivery
19 of funds awarded under this part in which
20 the third-party servicer provides the bor-
21 rower with an unvalidated access device for
22 accessing credit balances of any loan if—

23 “(I) the agreement provides that
24 the access device must bear a promi-
25 nent disclosure informing the bor-

1 rower that the borrower is not re-
2 quired to use such access device and
3 open such an account in order to ac-
4 cess the student’s funds under this
5 part;

6 “(II) the agreement provides that
7 the consent of the borrower is ob-
8 tained before the access device is vali-
9 dated to enable the student to access
10 the account;

11 “(III) the agreement provides for
12 the protection of the borrower against
13 fraud; and

14 “(IV) the institution documents
15 that it has conducted a reasonable
16 due diligence review before entering
17 into the agreement, and will conduct
18 such a review at least every two years
19 to ensure that—

20 “(aa) the fees applicable to
21 such account are, considered as a
22 whole, below prevailing market
23 rates; and

24 “(bb) the terms and condi-
25 tions of such account are other-

1 wise consistent with prevailing
2 market terms and conditions.

3 “(C) FIRST YEAR STUDENTS.—

4 “(i) IN GENERAL.—The first install-
5 ment of the proceeds of any loan made
6 under this part that is made to a student
7 borrower who is entering the first year of
8 a program of undergraduate education,
9 and who has not previously obtained a loan
10 under this part, shall not (regardless of the
11 amount of such loan or the duration of the
12 period of enrollment) be presented by the
13 institution of higher education to the stu-
14 dent for endorsement until 30 days after
15 the borrower begins a course of study, but
16 may be delivered to the eligible institution
17 prior to the end of that 30-day period.

18 “(ii) EXEMPTION.—An institution of
19 higher education in which each educational
20 program has a loan repayment rate (as de-
21 termined under section 481B(c)) for the
22 most recent fiscal year for which data are
23 available that is greater than 60 percent
24 shall be exempt from the requirements of
25 clause (i).

1 “(2) WITHDRAWING OF SUCCEEDING DIS-
2 BURSEMENTS.—

3 “(A) WITHDRAWING STUDENTS.—In the
4 case in which the Secretary is informed by the
5 borrower or the institution that the borrower
6 has ceased to be enrolled before the disburse-
7 ment of the second or any succeeding install-
8 ment, the Secretary shall withhold such dis-
9 bursement. Any disbursement which is so with-
10 held shall be credited to the borrower’s loan and
11 treated as a prepayment on the principal of the
12 loan.

13 “(B) STUDENTS RECEIVING OVER-
14 AWARDS.—If the sum of a disbursement for any
15 borrower and the other financial aid obtained
16 by borrower exceeds the amount of assistance
17 for which the borrower is eligible under this
18 title, the institution the borrower, or dependent
19 student, in the case of a parent borrower, is at-
20 tending shall withhold and return to the Sec-
21 retary the portion (or all) of such installment
22 that exceeds such eligible amount, except that
23 overawards permitted pursuant to section
24 443(b)(4) shall not be construed to be over-
25 awards for purposes of this subparagraph. Any

1 portion (or all) of a disbursement installment
2 which is so returned shall be credited to the
3 borrower's loan and treated as a prepayment on
4 the principal of the loan.

5 “(3) EXCLUSION OF CONSOLIDATION AND FOR-
6 EIGN STUDY LOANS.—The provisions of this sub-
7 section shall not apply in the case of a Federal ONE
8 Consolidation Loan, or a loan made to a student to
9 cover the cost of attendance in a program of study
10 abroad approved by the home eligible institution if
11 each of the educational programs of such home eligi-
12 ble institution has a loan repayment rate (as cal-
13 culated under section 481B(c)) for the most recent
14 fiscal year for which data are available of greater
15 than 70 percent.

16 “(4) BEGINNING OF PERIOD OF ENROLL-
17 MENT.—For purposes of this subsection, a period of
18 enrollment begins on the first day that classes begin
19 for the applicable period of enrollment.

20 “(b) AMOUNT OF LOAN.—

21 “(1) IN GENERAL.—The determination of the
22 amount of a loan disbursed by an eligible institution
23 under this section shall be the lesser of—

1 “(A) an amount that is equal to the esti-
2 mated loan amount, as determined by the insti-
3 tution by calculating—

4 “(i) the estimated cost of attendance
5 at the institution; minus

6 “(ii)(I) any estimated financial assist-
7 ance reasonably available to such student,
8 including assistance that the student will
9 receive from a Federal grant, including a
10 Federal Pell Grant, a State grant, an insti-
11 tutional grant, or a scholarship or grant
12 from another source, that is known to the
13 institution at the time the student’s deter-
14 mination of need is made; and

15 “(II) in the case of a loan to a
16 parent, the amount of a loan awarded
17 under this part to the parent’s child;
18 or

19 “(B) the maximum Federal loan amount
20 for which such borrower is eligible in accord-
21 ance with paragraph (2).

22 “(2) LOAN LIMITS.—

23 “(A) ANNUAL LIMITS.—Except as provided
24 under subparagraph (B), (C), or (D), the
25 amount of loans made under this part that an

1 eligible student or parent borrower may borrow
2 for an academic year shall be as follows:

3 “(i) UNDERGRADUATE STUDENTS.—

4 With respect to enrollment in a program of
5 undergraduate education at an eligible in-
6 stitution—

7 “(I) in the case of a dependent
8 student—

9 “(aa) who has not success-
10 fully completed the first year of a
11 program of undergraduate edu-
12 cation, \$7,500;

13 “(bb) who has successfully
14 completed such first year but has
15 not successfully completed the re-
16 mainder of a program of under-
17 graduate education, \$8,500; and

18 “(cc) who has successfully
19 completed the first and second
20 years of a program of under-
21 graduate education but has not
22 successfully completed the re-
23 mainder of such program,
24 \$9,500;

1 “(II) in the case of an inde-
2 pendent student, or a dependent stu-
3 dent whose parents are unable to bor-
4 row a loan under this part on behalf
5 of such student—

6 “(aa) who has not success-
7 fully completed the first year of a
8 program of undergraduate edu-
9 cation, \$11,500;

10 “(bb) who has successfully
11 completed such first year but has
12 not successfully completed the re-
13 mainder of a program of under-
14 graduate education, \$12,500; and

15 “(cc) who has successfully
16 completed the first and second
17 years of a program of under-
18 graduate education but has not
19 successfully completed the re-
20 mainder of such program,
21 \$14,500; and

22 “(III) in the case of a student
23 who is enrolled in a program of un-
24 dergraduate education that is less
25 than one academic year, the maximum

1 annual loan amount that such student
2 may receive may not exceed the
3 amount that bears the same ratio to
4 the amount specified in subclause (I)
5 or (II), as applicable, as the length of
6 such program measured in semester,
7 trimester, quarter, or clock hours
8 bears to one academic year.

9 “(ii) GRADUATE OR PROFESSIONAL
10 STUDENTS.—In the case of a graduate or
11 professional student for enrollment in a
12 program of graduate or professional edu-
13 cation at an eligible institution, \$28,500.

14 “(iii) PARENT BORROWERS.—In the
15 case of a parent borrowing a loan under
16 this part on behalf of a dependent student
17 for the student’s enrollment in a program
18 of undergraduate education at an eligible
19 institution, \$12,500 per each such student.

20 “(iv) COURSEWORK FOR UNDER-
21 GRADUATE ENROLLMENT.—With respect
22 to enrollment in coursework specified in
23 section 484(b)(3)(B) necessary for enroll-
24 ment in an undergraduate degree or cer-
25 tificate program—

1 “(I) in the case of a dependent
2 student, \$2,625;

3 “(II) in the case of a parent bor-
4 rowing a loan under this part on be-
5 half of a dependent student for the
6 student’s enrollment in such
7 coursework, \$6,000; and

8 “(III) in the case an independent
9 student, or a dependent student whose
10 parents are unable to borrow a loan
11 under this part on behalf of such stu-
12 dent, \$8,625.

13 “(v) COURSEWORK FOR GRADUATE OR
14 PROFESSIONAL ENROLLMENT OR TEACHER
15 EMPLOYMENT.—With respect to the enroll-
16 ment of a student who has obtained a bac-
17 calaureate degree in coursework specified
18 in section 484(b)(3)(B) necessary for en-
19 rollment in a graduate or professional de-
20 gree or certificate program, or coursework
21 specified in section 484(b)(4)(B) necessary
22 for a professional credential or certification
23 from a State required for employment as a
24 teacher in an elementary or secondary
25 school, in the case of a student (without

1 regard to whether the student is a depend-
2 ent student or dependent student),
3 \$12,500.

4 “(B) AGGREGATE LIMITS.—Except as pro-
5 vided under subparagraph (C), (D), or (E), the
6 maximum aggregate amount of loans under this
7 part and parts B and D that an eligible student
8 or parent borrower may borrow shall be—

9 “(i) for enrollment in a program of
10 undergraduate education at an eligible in-
11 stitution, including for enrollment in
12 coursework described in clause (iv) or (v)
13 of subparagraph (A)—

14 “(I) in the case of a dependent
15 student, \$39,000;

16 “(II) in the case of an inde-
17 pendent student, or an dependent stu-
18 dent whose parents are unable to re-
19 ceive a loan under this part on behalf
20 of such student, \$60,250; and

21 “(III) in the case of a parent
22 borrowing a loan under this part on
23 behalf of a dependent student for the
24 student’s enrollment in such a pro-
25 gram, \$56,250 per each such student.

1 “(ii) in the case of a graduate or pro-
2 fessional student for enrollment in a pro-
3 gram of graduate or professional education
4 at an eligible institution, \$150,000.

5 “(C) APPLICATION OF LIMITS TO BOR-
6 ROWERS WITH PART B OR D LOANS.—

7 “(i) GRADUATE OR PROFESSIONAL
8 STUDENTS.—In the case of a graduate or
9 professional student who is not described
10 in subparagraph (E) and who has received
11 loans made under part B or D for enroll-
12 ment in a graduate or professional pro-
13 gram at an eligible institution, the total
14 amount of which equal or exceed \$28,500
15 as of the time of disbursement, the student
16 may continue to borrow the amount of
17 loans under this part necessary to complete
18 such program without regard to the aggre-
19 gate limit under subparagraph (B)(ii), ex-
20 cept that the—

21 “(I) amount of such loans shall
22 not exceed the annual limits under
23 subparagraph (A)(ii) for any academic
24 year beginning after June 30, 2019;
25 and

1 “(II) authority to borrow loans in
2 accordance with this subclause shall
3 terminate at the end of the academic
4 year ending before September 30,
5 2024.

6 “(ii) PARENT BORROWERS.—In the
7 case of a parent borrower who has received
8 loans made under part B or D on behalf
9 of a dependent student for the student’s
10 enrollment in a program of undergraduate
11 education at an eligible institution, the
12 total amount of which equal or exceed
13 \$12,500 for such student as of the time of
14 disbursement, the parent borrower may
15 continue to borrow the amount of loans
16 under this part necessary for such student
17 to complete such program without regard
18 to the aggregate limit under subparagraph
19 (B)(i)(III), except that the—

20 “(I) amount of such loans shall
21 not exceed the annual limits under
22 subparagraph (A)(iii) for any aca-
23 demic year beginning after June 30,
24 2019; and

1 “(II) the authority to borrow
2 loans in accordance with this sub-
3 clause shall terminate at the end of
4 the academic year ending before Sep-
5 tember 30, 2024.

6 “(D) INSTITUTIONAL DETERMINED LIM-
7 ITS.—

8 “(i) IN GENERAL.—Notwithstanding
9 any other provision of this subsection, an
10 eligible institution (at the discretion of a
11 financial aid administrator at the institu-
12 tion) may prorate or limit the amount of
13 a loan any student enrolled in a program
14 of study at that institution may borrow
15 under this part for an academic year—

16 “(I) if the institution, using the
17 most recently available data from the
18 Bureau of Labor Statistics for the av-
19 erage starting salary in the region in
20 which the institution is located for
21 typical occupations pursued by grad-
22 uates of such program, can reasonably
23 demonstrate that student debt levels
24 are or would be excessive for such
25 program;

1 “(II) in a case in which the stu-
2 dent is enrolled on a less than full-
3 time basis or the student is enrolled
4 for less than the period of enrollment
5 to which the annual loan limit applies
6 under this subsection, based on the
7 student’s enrollment status;

8 “(III) based on the credential
9 level (such as a degree, certificate, or
10 other recognized educational creden-
11 tial) that the student would attain
12 upon completion of such program; or

13 “(IV) based on the year of the
14 program for which the student is
15 seeking such loan.

16 “(ii) APPLICATION TO ALL STU-
17 DENTS.—Any proration or limiting of loan
18 amounts under clause (i) shall be applied
19 in the same manner to all students en-
20 rolled in the institution or program of
21 study.

22 “(iii) INCREASES FOR INDIVIDUAL
23 STUDENTS.—Upon the request of a stu-
24 dent whose loan amount for an academic
25 year has been prorated or limited under

1 clause (i), an eligible institution (at the
2 discretion of the financial aid adminis-
3 trator at the institution) may increase such
4 loan amount to an amount not exceeding
5 the annual loan amount applicable to such
6 student under this subparagraph for such
7 academic year if such student dem-
8 onstrates special circumstances or excep-
9 tional need.

10 “(E) INCREASES FOR CERTAIN GRADUATE
11 OR PROFESSIONAL STUDENTS.—

12 “(i) ADDITIONAL ANNUAL
13 AMOUNTS.—Subject to clause (iii) of this
14 subparagraph, in addition to the loan
15 amount for an academic year described in
16 subparagraph (A)(ii)—

17 “(I) a graduate or professional
18 student who is enrolled in a program
19 of study to become a doctor of
20 allopathic medicine, doctor of osteo-
21 pathic medicine, doctor of dentistry,
22 doctor of veterinary medicine, doctor
23 of optometry, doctor of podiatric med-
24 icine, doctor of naturopathic medicine,

1 or doctor of naturopathy may borrow
2 an additional—

3 “(aa) in the case of a pro-
4 gram with a 9-month academic
5 year, \$20,000 for an academic
6 year; or

7 “(bb) in the case of a pro-
8 gram with a 12-month academic
9 year, \$26,667 for an academic
10 year; and

11 “(II) a graduate or professional
12 student who is enrolled in a program
13 of study to become a doctor of phar-
14 macy, doctor of chiropractic medicine,
15 or a physician’s assistant, or receive a
16 graduate degree in public health, doc-
17 toral degree in clinical psychology, or
18 a masters or doctoral degree in health
19 administration may borrow an addi-
20 tional—

21 “(aa) in the case of a pro-
22 gram with a 9-month academic
23 year, \$12,500 for an academic
24 year; or

1 “(bb) in the case of a pro-
2 gram with a 12-month academic
3 year, \$16,667 for an academic
4 year.

5 “(ii) AGGREGATE LIMIT.—Subject to
6 clause (iii) of this subparagraph, the max-
7 imum aggregate amount of loans under
8 this part and parts B and D that a stu-
9 dent described in clause (i) may borrow
10 shall be \$235,500.

11 “(iii) LIMITATION.—In the case of a
12 graduate or professional student described
13 in clause (i) of this subparagraph who has
14 received loans made under part B or D for
15 enrollment in a graduate or professional
16 program at an eligible institution, the total
17 amount of which equal or exceed \$28,500
18 as of the time of disbursement, the student
19 may continue to borrow the amount of
20 loans under this part necessary to complete
21 such program without regard to the aggre-
22 gate limit under clause (ii) of this subpara-
23 graph, except that the—

24 “(I) amount of such loans shall
25 not exceed the annual limits under

1 clause (i) of this subparagraph for
2 any academic year beginning after
3 June 30, 2019; and

4 “(II) authority to borrow loans in
5 accordance with this subclause shall
6 terminate at the end of the academic
7 year ending before September 30,
8 2024.

9 “(c) INTEREST RATE PROVISIONS FOR FEDERAL
10 ONE LOANS.—

11 “(1) UNDERGRADUATE ONE LOANS.—For Fed-
12 eral ONE Loans issued to undergraduate students,
13 the applicable rate of interest shall, for loans dis-
14 bursed during any 12-month period beginning on
15 July 1 and ending on June 30, be determined on the
16 preceding June 1 and be equal to the lesser of—

17 “(A) a rate equal to the high yield of the
18 10-year Treasury note auctioned at the final
19 auction held prior to such June 1 plus 2.05 per-
20 cent; or

21 “(B) 8.25 percent.

22 “(2) GRADUATE AND PROFESSIONAL ONE
23 LOANS.—For Federal ONE Loans issued to grad-
24 uate or professional students, the applicable rate of
25 interest shall, for loans disbursed during any 12-

1 month period beginning on July 1 and ending on
2 June 30, be determined on the preceding June 1
3 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 3.6 per-
7 cent; or

8 “(B) 9.5 percent.

9 “(3) PARENT ONE LOANS.—For Federal ONE
10 Parent Loans, the applicable rate of interest shall,
11 for loans disbursed during any 12-month period be-
12 ginning on July 1 and ending on June 30, be deter-
13 mined on the preceding June 1 and be equal to the
14 lesser of—

15 “(A) a rate equal to the high yield of the
16 10-year Treasury note auctioned at the final
17 auction held prior to such June 1 plus 4.6 per-
18 cent; or

19 “(B) 10.5 percent.

20 “(4) CONSOLIDATION LOANS.—Any Federal
21 ONE Consolidation Loan for which the application
22 is received on or after July 1, 2019, shall bear inter-
23 est at an annual rate on the unpaid principal bal-
24 ance of the loan that is equal to the weighted aver-
25 age of the interest rates on the loans consolidated,

1 rounded to the nearest higher one-eighth of one per-
2 cent.

3 “(5) PUBLICATION.—The Secretary shall deter-
4 mine the applicable rates of interest under this sub-
5 section after consultation with the Secretary of the
6 Treasury and shall publish such rate in the Federal
7 Register as soon as practicable after the date of de-
8 termination.

9 “(6) RATE.—The applicable rate of interest de-
10 termined under this subsection for a loan under this
11 part shall be fixed for the period of the loan.

12 “(d) PROHIBITION ON CERTAIN REPAYMENT INCEN-
13 TIVES.—Notwithstanding any other provision of this part,
14 the Secretary is prohibited from authorizing or providing
15 any repayment incentive or subsidy not otherwise author-
16 ized under this part to encourage on-time repayment of
17 a loan under this part, including any reduction in the in-
18 terest paid by a borrower of such a loan, except that the
19 Secretary may provide for an interest rate reduction of
20 not more than 0.25 percentage points for a borrower who
21 agrees to have payments on such a loan automatically deb-
22 ited from a bank account.

23 “(e) LOAN FEE.—The Secretary shall not charge the
24 borrower of a loan made under this part an origination
25 fee.

1 “(f) ARMED FORCES STUDENT LOAN INTEREST
2 PAYMENT PROGRAM.—

3 “(1) AUTHORITY.—Using funds received by
4 transfer to the Secretary under section 2174 of title
5 10, United States Code, for the payment of interest
6 on a loan made under this part to a member of the
7 Armed Forces, the Secretary shall pay the interest
8 on the loan as due for a period not in excess of 36
9 consecutive months. The Secretary may not pay in-
10 terest on such a loan out of any funds other than
11 funds that have been so transferred.

12 “(2) DEFERMENT.—During the period in which
13 the Secretary is making payments on a loan under
14 paragraph (1), the Secretary shall grant the bor-
15 rower administrative deferment, in the form of a
16 temporary cessation of all payments on the loan
17 other than the payments of interest on the loan that
18 are made under that paragraph.

19 “(g) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY
20 SERVICE MEMBERS.—

21 “(1) IN GENERAL .—Notwithstanding any other
22 provision of this part and in accordance with para-
23 graphs (2) and (4), interest shall not accrue for an
24 eligible military borrower on a loan made under this
25 part.

1 “(2) CONSOLIDATION LOANS.—In the case of
2 any consolidation loan made under this part, interest
3 shall not accrue pursuant to this subsection only on
4 such portion of such loan as was used to repay a
5 loan made under this part or a loan made under
6 part D for which the first disbursement was made
7 on or after October 1, 2008, and before July 1,
8 2019.

9 “(3) ELIGIBLE MILITARY BORROWER.—In this
10 subsection, the term ‘eligible military borrower’
11 means an individual who—

12 “(A)(i) is serving on active duty during a
13 war or other military operation or national
14 emergency; or

15 “(ii) is performing qualifying National
16 Guard duty during a war or other military op-
17 eration or national emergency; and

18 “(B) is serving in an area of hostilities in
19 which service qualifies for special pay under
20 section 310 of title 37, United States Code.

21 “(4) LIMITATION.—An individual who qualifies
22 as an eligible military borrower under this sub-
23 section may receive the benefit of this subsection for
24 not more than 60 months.

1 **“SEC. 466. REPAYMENT.**

2 “(a) REPAYMENT PERIOD; COMMENCEMENT OF RE-
3 PAYMENT.—

4 “(1) REPAYMENT PERIOD.—

5 “(A) IN GENERAL.—In the case of a Fed-
6 eral ONE Loan (other than a Federal ONE
7 Consolidation Loan or a Federal ONE Parent
8 Loan)—

9 “(i) subject to clause (ii), the repay-
10 ment period shall—

11 “(I) exclude any period of au-
12 thorized deferment under section
13 469A; and

14 “(II) begin the day after 6
15 months after the date the student
16 ceases to carry at least one-half the
17 normal full-time academic workload
18 (as determined by the institution);
19 and

20 “(ii) interest shall begin to accrue or
21 be paid by the borrower on the day the
22 loan is disbursed.

23 “(B) CONSOLIDATION AND PARENT
24 LOANS.—In the case of a Federal ONE Consoli-
25 dation Loan or a Federal ONE Parent Loan,
26 the repayment period shall—

1 “(i) exclude any period of authorized
2 deferment; and

3 “(ii) begin—

4 “(I) on the day the loan is dis-
5 bursed; or

6 “(II) if the loan is disbursed in
7 multiple installments, on the day of
8 the last such disbursement.

9 “(C) ACTIVE DUTY EXCLUSION.—There
10 shall be excluded from the 6-month period that
11 begins on the date on which a student ceases to
12 carry at least one-half the normal full-time aca-
13 demic workload as described in subparagraph
14 (A) any period not to exceed 3 years during
15 which a borrower who is a member of a reserve
16 component of the Armed Forces named in sec-
17 tion 10101 of title 10, United States Code, is
18 called or ordered to active duty for a period of
19 more than 30 days (as defined in section
20 101(d)(2) of such title). Such period of exclu-
21 sion shall include the period necessary to re-
22 sume enrollment at the borrower’s next avail-
23 able regular enrollment period.

24 “(2) PAYMENT OF PRINCIPAL AND INTEREST.—

1 “(A) COMMENCEMENT OF REPAYMENT.—
2 Repayment of principal on loans made under
3 this part shall begin at the beginning of the re-
4 payment period described in paragraph (1).

5 “(B) CAPITALIZATION OF INTEREST.—

6 “(i) IN GENERAL.—Interest on loans
7 made under this part for which payments
8 of principal are not required during the 6-
9 month period described in paragraph
10 (1)(A)(i)(II) or for which payments are de-
11 ferred under section 469A shall—

12 “(I) be paid monthly or quar-
13 terly; or

14 “(II) be added to the principal
15 amount of the loan only—

16 “(aa) when the loan enters
17 repayment;

18 “(bb) at the expiration of a
19 the 6-month period described in
20 paragraph (1)(A)(i)(II);

21 “(cc) at the expiration of a
22 period of deferment, unless other-
23 wise exempted; or

24 “(dd) when the borrower de-
25 faults.

1 “(ii) MAXIMUM AGGREGATE LIMIT.—

2 Interest capitalized shall not be deemed to
3 exceed the amount equal to the maximum
4 aggregate limit of the loan under section
5 465(b).

6 “(C) NOTICE.—Not less than 60 days, and
7 again not less than 30 days, prior to the antici-
8 pated commencement of the repayment period
9 for a Federal ONE Loan, the Secretary shall
10 provide notice to the borrower—

11 “(i) that interest will accrue before re-
12 payment begins;

13 “(ii) that interest will be added to the
14 principal amount of the loan in the cases
15 described in subparagraph (B)(i)(II); and

16 “(iii) of the borrower’s option to begin
17 loan repayment prior to such repayment
18 period.

19 “(b) REPAYMENT AMOUNT.—

20 “(1) IN GENERAL.—The total of the payments
21 by a borrower, except as otherwise provided by an
22 income-based repayment plan under subsection (d),
23 during any year of any repayment period with re-
24 spect to the aggregate amount of all loans made
25 under this part to the borrower shall not (unless the

1 borrower and the Secretary otherwise agree), be less
2 than \$600 or the balance of all such loans (together
3 with interest thereon), whichever amount is less (but
4 in no instance less than the amount of interest due
5 and payable, notwithstanding any repayment plan
6 described in subsection (c)).

7 “(2) AMORTIZATION.—

8 “(A) INTEREST RATE.—The amount of the
9 periodic payment and the repayment schedule
10 for a loan made under this part shall be estab-
11 lished by assuming an interest rate equal to the
12 applicable rate of interest at the time of the
13 first disbursement of the loan.

14 “(B) ADJUSTMENT TO REPAYMENT
15 AMOUNT.—The note or other written evidence
16 of a loan under this part shall require that the
17 amount of the periodic payment will be adjusted
18 annually in order to reflect adjustments in—

19 “(i) interest rates occurring as a con-
20 sequence of variable rate loans under parts
21 B or D paid in conjunction with Federal
22 ONE Loans under subsection (d)(1)(B)(i);
23 or

1 “(ii) principal occurring as a con-
2 sequence of interest capitalization under
3 subsection (a)(2)(B).

4 “(c) REPAYMENT PLANS.—

5 “(1) DESIGN AND SELECTION.—Not more than
6 6 months prior to the date on which a borrower’s
7 first payment on a loan made under this part is due,
8 the Secretary shall offer the borrower two plans for
9 repayment of such loan, including principal and in-
10 terest on the loan. The borrower shall be entitled to
11 accelerate, without penalty, repayment on the bor-
12 rower’s loans under this part. The borrower may
13 choose—

14 “(A) a standard repayment plan with a
15 fixed monthly repayment amount paid over a
16 fixed period of time, not to exceed 10 years; or

17 “(B) an income-based repayment plan
18 under subsection (d).

19 “(2) SELECTION BY SECRETARY.—If a bor-
20 rower of a loan made under this part does not select
21 a repayment plan described in paragraph (1), the
22 Secretary shall provide the borrower with the repay-
23 ment plan described in paragraph (1)(A).

24 “(3) CHANGES IN SELECTIONS.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), the borrower of a loan made under
3 this part may change the borrower’s selection of
4 a repayment plan under paragraph (1), or the
5 Secretary’s selection of a plan for the borrower
6 under paragraph (2), as the case may be, under
7 such terms and conditions as may be estab-
8 lished by the Secretary, except that the Sec-
9 retary may not establish any terms or condi-
10 tions with respect to whether a borrower may
11 change the borrower’s repayment plan. Nothing
12 in this subsection shall prohibit the Secretary
13 from encouraging struggling borrowers from en-
14 rolling in the income-driven repayment plan de-
15 scribed in section 466(d).

16 “(B) SAME REPAYMENT PLAN RE-
17 QUIRED.—All loans made under this part to a
18 borrower shall be repaid under the same repay-
19 ment plan under paragraph (1), except that the
20 borrower may repay a Federal ONE Parent
21 Loan or an Excepted Federal ONE Consolida-
22 tion Loan (as defined in subsection (d)(5)) sep-
23 arately from other loans made under this part
24 to the borrower.

1 “(4) REPAYMENT AFTER DEFAULT.—The Sec-
2 retary may require any borrower who has defaulted
3 on a loan made under this part to—

4 “(A) pay all reasonable collection costs as-
5 sociated with such loan; and

6 “(B) repay the loan pursuant to the in-
7 come-based repayment plan under subsection
8 (d).

9 “(5) REPAYMENT PERIOD.—For purposes of
10 calculating the repayment period under this sub-
11 section, such period shall commence at the time the
12 first payment of principal is due from the borrower.

13 “(6) INSTALLMENTS.— Repayment of loans
14 under this part shall be in installments in accord-
15 ance with the repayment plan selected under para-
16 graph (1) and commencing at the beginning of the
17 repayment period determined under paragraph (5).

18 “(d) INCOME-BASED REPAYMENT PROGRAM.—

19 “(1) IN GENERAL.—Notwithstanding any other
20 provision of this Act, the Secretary shall carry out
21 a program under which—

22 “(A) a borrower of any loan made under
23 this part (other than a Federal ONE Parent
24 Loan or an Excepted Federal ONE Consolida-

1 tion Loan) may elect to have the borrower’s ag-
2 gregate monthly payment for all such loans—

3 “(i) not to exceed the result obtained
4 by dividing by 12, 15 percent of the result
5 obtained by calculating, on at least an an-
6 nual basis, the amount by which—

7 “(I) the adjusted gross income of
8 the borrower or, if the borrower is
9 married and files a Federal income
10 tax return jointly with or separately
11 from the borrower’s spouse, the ad-
12 justed gross income of the borrower
13 and the borrower’s spouse; exceeds

14 “(II) 150 percent of the poverty
15 line applicable to the borrower’s fam-
16 ily size as determined under section
17 673(2) of the Community Services
18 Block Grant Act (42 U.S.C. 9902(2));
19 and

20 “(ii) not to be less than \$25;

21 “(B) the Secretary adjusts the calculated
22 monthly payment under subparagraph (A), if—

23 “(i) in addition to the loans described
24 in subparagraph (A), the borrower has an
25 outstanding loan made under part B or D

1 (other than an excepted parent loan or an
2 excepted consolidation loan, as such terms
3 are defined in section 493C(a)), by deter-
4 mining the borrower's adjusted monthly
5 payment by multiplying—

6 “(I) the calculated monthly pay-
7 ment, by

8 “(II) the percentage of the total
9 outstanding principal amount of the
10 borrower's loans described in the mat-
11 ter preceding subclause (I), which are
12 described in subparagraph (A);

13 “(ii) the borrower and borrower's
14 spouse have loans described in subpara-
15 graph (A) and outstanding loans under
16 part B or D (other than an excepted par-
17 ent loan or an excepted consolidation loan,
18 as such terms are defined in section
19 493C(a)) and have filed a joint or separate
20 Federal income tax return, in which case
21 the Secretary determines—

22 “(I) each borrower's percentage
23 of the couple's total outstanding
24 amount of principal on such loans;

1 “(II) the adjusted monthly pay-
2 ment for each borrower by multiplying
3 the borrower’s calculated monthly
4 payment by the percentage deter-
5 mined under subclause (I) applicable
6 to the borrower; and

7 “(III) if the borrower’s loans are
8 held by multiple holders, the bor-
9 rower’s adjusted monthly payment for
10 loans described in subparagraph (A)
11 by multiplying the adjusted monthly
12 payment determined under subclause
13 (II) by the percentage of the total
14 outstanding principal amount of the
15 borrower’s loans described in the mat-
16 ter preceding subclause (I), which are
17 described in subparagraph (A);

18 “(C) the holder of such a loan shall apply
19 the borrower’s monthly payment under this sub-
20 section first toward interest due on the loan,
21 next toward any fees due on the loan, and then
22 toward the principal of the loan;

23 “(D) any principal due and not paid under
24 subparagraph (C) shall be deferred;

1 “(E) any interest due and not paid under
2 subparagraph (C) shall be capitalized, at the
3 time the borrower—

4 “(i) ends the election to make income-
5 based repayment under this subsection; or

6 “(ii) begins making payments of not
7 less than the amount specified in subpara-
8 graph (G)(i);

9 “(F) the amount of time the borrower
10 makes monthly payments under subparagraph
11 (A) may exceed 10 years;

12 “(G) if the borrower no longer wishes to
13 continue the election under this subsection,
14 then—

15 “(i) the maximum monthly payment
16 required to be paid for all loans made to
17 the borrower under this part (other than a
18 Federal ONE Parent Loan or an Excepted
19 Federal ONE Consolidation Loan) shall
20 not exceed the monthly amount calculated
21 under subsection (c)(1)(A), based on a 10-
22 year repayment period, when the borrower
23 first made the election described in this
24 subsection; and

1 “(ii) the amount of time the borrower
2 is permitted to repay such loans may ex-
3 ceed 10 years;

4 “(H) the Secretary shall cancel any out-
5 standing balance (other than an amount equal
6 to the interest accrued during any period of in-
7 school deferment under subparagraph (A), (B),
8 or (F) of section 469A(b)(1)) due on all loans
9 made under this part (other than a Federal
10 ONE Parent Loan or an Excepted Federal
11 ONE Consolidation Loan) to a borrower—

12 “(i) who, at any time, elected to par-
13 ticipate in income-based repayment under
14 subparagraph (A);

15 “(ii) whose final monthly payment for
16 such loans prior to the loan cancellation
17 under this subparagraph was made under
18 such income-based repayment; and

19 “(iii) who has repaid, pursuant to in-
20 come-based repayment under subparagraph
21 (A), a standard repayment plan under sub-
22 section (c)(1)(A), or a combination—

23 “(I) an amount on such loans
24 that is equal to the total amount of
25 principal and interest that the bor-

1 rower would have repaid under a
2 standard repayment plan under sub-
3 section (c)(1)(A), based on a 10-year
4 repayment period, when the borrower
5 entered repayment on such loans; and

6 “(II) the amount of interest that
7 accrues during a period of deferment
8 described in section 469A prior to the
9 completion of the repayment period
10 described in subclause (I) on the por-
11 tion of such loans remaining to be re-
12 paid in accordance with such sub-
13 clause; and

14 “(I) a borrower who is repaying a loan
15 made under this part pursuant to income-based
16 repayment under subparagraph (A) may elect,
17 at any time during the 10-year period beginning
18 on the date the borrower entered repayment on
19 the loan, to terminate repayment pursuant to
20 such income-based repayment and repay such
21 loan under the standard repayment plan.

22 “(2) ELIGIBILITY DETERMINATIONS.—

23 “(A) IN GENERAL.—The Secretary shall
24 establish procedures for annual verification of a
25 borrower’s annual income and the annual

1 amount due on the total amount of loans made
2 under this part (other than a Federal ONE
3 Parent Loan or an Excepted Federal ONE
4 Consolidation Loan), and such other procedures
5 as are necessary to implement effectively in-
6 come-based repayment under this subsection,
7 including the procedures established with re-
8 spect to section 493C.

9 “(B) INCOME INFORMATION.—The Sec-
10 retary may obtain such information as is rea-
11 sonably necessary regarding the income of a
12 borrower (and the borrower’s spouse, if applica-
13 ble) of a loan made under this part that is, or
14 may be, repaid pursuant to income-based repay-
15 ment under this subsection, for the purpose of
16 determining the annual repayment obligation of
17 the borrower. The Secretary shall establish pro-
18 cedures for determining the borrower’s repay-
19 ment obligation on that loan for such year, and
20 such other procedures as are necessary to im-
21 plement effectively the income-based repayment
22 under this subsection.

23 “(C) BORROWER REQUIREMENTS.—A bor-
24 rower who chooses to repay a loan made under

1 this part pursuant to income-based repayment
2 under this subsection, and—

3 “(i) for whom adjusted gross income
4 is available and reasonably reflects the bor-
5 rower’s current income, shall, to the max-
6 imum extent practicable, provide to the
7 Secretary the Federal tax information of
8 the borrower; and

9 “(ii) for whom adjusted gross income
10 is unavailable or does not reasonably re-
11 flect the borrower’s current income, shall
12 provide to the Secretary other documenta-
13 tion of income satisfactory to the Sec-
14 retary, which documentation the Secretary
15 may use to determine an appropriate re-
16 payment schedule.

17 “(3) NOTIFICATION TO BORROWERS.—The Sec-
18 retary shall establish procedures under which a bor-
19 rower of a loan made under this part who chooses
20 to repay such loan pursuant to income-based repay-
21 ment under this subsection is notified of the terms
22 and conditions of such plan, including notification
23 that if a borrower considers that special cir-
24 cumstances, such as a loss of employment by the
25 borrower or the borrower’s spouse, warrant an ad-

1 justment in the borrower’s loan repayment as deter-
2 mined using the borrower’s Federal tax return infor-
3 mation, or the alternative documentation described
4 in paragraph (2)(C), the borrower may contact the
5 Secretary, who shall determine whether such adjust-
6 ment is appropriate, in accordance with criteria es-
7 tablished by the Secretary.

8 “(4) REDUCED PAYMENT PERIODS.—

9 “(A) IN GENERAL.—The Secretary shall
10 authorize borrowers meeting the criteria under
11 subparagraph (B) to make monthly payments
12 of \$5 for a period not in excess of 3 years, ex-
13 cept that—

14 “(i) for purposes of subparagraph
15 (B)(i), the Secretary may authorize re-
16 duced payments in 6-month increments,
17 beginning on the date the borrower pro-
18 vides to the Secretary the evidence de-
19 scribed in subclause (I) or (II) of subpara-
20 graph (B)(i); and

21 “(ii) for purposes of subparagraph
22 (B)(ii), the Secretary may authorize re-
23 duced payments in 3-month increments,
24 beginning on the date the borrower pro-

1 vides to the Secretary the evidence de-
2 scribed in subparagraph (B)(ii)(I).

3 “(B) ELIGIBILITY DETERMINATIONS.—The
4 Secretary shall authorize borrowers to make re-
5 duced payments under this paragraph in the
6 following circumstances:

7 “(i) In a case of borrower who is seek-
8 ing and unable to find full-time employ-
9 ment, as demonstrated by providing to the
10 Secretary—

11 “(I) evidence of the borrower’s
12 eligibility for unemployment benefits
13 to the Secretary; or

14 “(II) a written certification or an
15 equivalent that—

16 “(aa) the borrower has reg-
17 istered with a public or private
18 employment agency that is avail-
19 able to the borrower within a 50-
20 mile radius of the borrower’s
21 home address; and

22 “(bb) in the case of a bor-
23 rower that has been granted a re-
24 quest under this subparagraph,
25 the borrower has made at least

1 six diligent attempts during the
2 preceding six-month period to se-
3 cure full-time employment.

4 “(ii) The Secretary determines that,
5 due to high medical expenses, the \$25
6 monthly payment the borrower would oth-
7 erwise make would be an extreme economic
8 hardship to the borrower, if—

9 “(I) the borrower documents the
10 reason why the \$25 minimum pay-
11 ment is an extreme economic hard-
12 ship; and

13 “(II) the borrower recertifies the
14 reason for the \$5 minimum payment
15 on a three-month basis.

16 “(C) DEFINITION.—For purpose of this
17 section, the term ‘full-time employment’ means
18 employment that will provide not less than 30
19 hours of work a week and is expected to con-
20 tinue for a period of not less than 3 months.

21 “(5) DEFINITIONS.—In this subsection:

22 “(A) ADJUSTED GROSS INCOME.—The
23 term ‘adjusted gross income’ has the meaning
24 given the term in section 62 of the Internal
25 Revenue Code of 1986.

1 “(B) EXCEPTED FEDERAL ONE CONSOLI-
2 DATION LOAN.—The term ‘Excepted Federal
3 ONE Consolidation Loan’ means a Federal
4 ONE Consolidation Loan if the proceeds of
5 such loan were used to discharge the liability
6 on—

7 “(i) a Federal ONE Parent Loan;

8 “(ii) a Federal Direct PLUS Loan, or
9 a loan under section 428B, that is made,
10 insured, or guaranteed on behalf of a de-
11 pendent student;

12 “(iii) an excepted consolidation loan
13 (defined in section 493C); or

14 “(iv) a Federal ONE Consolidation
15 loan that was used to discharge the liabil-
16 ity on a loan described in clause (i), (ii),
17 or (iii).

18 “(e) RULES OF CONSTRUCTION.—Nothing in this
19 section shall be construed to authorize, with respect to
20 loans made under this part—

21 “(1) eligibility for a repayment plan that is not
22 described in subsection (c)(1) or section 468(c); or

23 “(2) the Secretary to—

1 “(A) carry out a repayment plan, which is
2 not described in subsection (c)(1) or section
3 468(c); or

4 “(B) modify a repayment plan that is de-
5 scribed in subsection (c)(1) or section 468(c).

6 **“SEC. 467. FEDERAL ONE PARENT LOANS.**

7 “(a) AUTHORITY TO BORROW.—

8 “(1) AUTHORITY AND ELIGIBILITY.—The par-
9 ent of a dependent student shall be eligible to bor-
10 row funds under this section in amounts specified in
11 subsection (b), if—

12 “(A) the parent is borrowing to pay for the
13 educational costs of a dependent student who
14 meets the requirements for an eligible student
15 under section 484(a);

16 “(B) the parent meets the applicable re-
17 quirements concerning defaults and overpay-
18 ments that apply to a student borrower;

19 “(C) the parent complies with the require-
20 ments for submission of a statement of edu-
21 cational purpose that apply to a student bor-
22 rower under section 484(a)(4)(A) (other than
23 the completion of a statement of selective serv-
24 ice registration status);

1 “(D) the parent meets the requirements
2 that apply to a student under section 437(a);

3 “(E) the parent—

4 “(i) does not have an adverse credit
5 history; or

6 “(ii) has an adverse credit history, but
7 has—

8 “(I) obtained an endorser who
9 does not have an adverse credit his-
10 tory or documented to the satisfaction
11 of the Secretary that extenuating cir-
12 cumstances exist in accordance with
13 paragraph (4)(D); and

14 “(II) completed Federal ONE
15 Parent Loan counseling offered by the
16 Secretary; and

17 “(F) in the case of a parent who has been
18 convicted of, or has pled nolo contendere or
19 guilty to, a crime involving fraud in obtaining
20 funds under this title, such parent has com-
21 pleted the repayment of such funds to the Sec-
22 retary, or to the holder in the case of a loan
23 under this title obtained by fraud.

24 “(2) TERMS, CONDITIONS, AND BENEFITS.—

25 Except as provided in subsections (c), (d), and (e),

1 loans made under this section shall have the same
2 terms, conditions, and benefits as all other loans
3 made under this part.

4 “(3) PARENT BORROWERS.—

5 “(A) DEFINITION.—For purposes of this
6 section, the term ‘parent’ includes a student’s
7 biological or adoptive mother or father or the
8 student’s stepparent, if the biological parent or
9 adoptive mother or father has remarried at the
10 time of filing the common financial reporting
11 form under section 483(a), and that spouse’s
12 income and assets would have been taken into
13 account when calculating the student’s expected
14 family contribution.

15 “(B) CLARIFICATION.—Whenever nec-
16 essary to carry out the provisions of this sec-
17 tion, the terms ‘student’ and ‘borrower’ as used
18 in this part shall include a parent borrower
19 under this section.

20 “(4) ADVERSE CREDIT HISTORY DEFINITIONS
21 AND ADJUSTMENTS.—

22 “(A) DEFINITIONS.—For purposes of this
23 section:

1 “(i) IN GENERAL.—The term ‘adverse
2 credit history’, when used with respect to
3 a borrower, means that the borrower—

4 “(I) has one or more debts with
5 a total combined outstanding balance
6 equal to or greater than \$2,085, as
7 may be adjusted by the Secretary in
8 accordance with subparagraph (B),
9 that—

10 “(aa) are 90 or more days
11 delinquent as of the date of the
12 credit report; or

13 “(bb) have been placed in
14 collection or charged off during
15 the two years preceding the date
16 of the credit report; or

17 “(II) has been the subject of a
18 default determination, bankruptcy dis-
19 charge, foreclosure, repossession, tax
20 lien, wage garnishment, or write-off of
21 a debt under this title during the 5
22 years preceding the date of the credit
23 report.

24 “(ii) CHARGED OFF.—The term
25 ‘charged off’ means a debt that a creditor

1 has written off as a loss, but that is still
2 subject to collection action.

3 “(iii) IN COLLECTION.— The term ‘in
4 collection’ means a debt that has been
5 placed with a collection agency by a cred-
6 itor or that is subject to more intensive ef-
7 forts by a creditor to recover amounts
8 owed from a borrower who has not re-
9 sponded satisfactorily to the demands rou-
10 tinely made as part of the creditor’s billing
11 procedures.

12 “(B) ADJUSTMENTS.—

13 “(i) IN GENERAL.—In a case of a bor-
14 rower with a debt amount described in
15 subparagraph (A)(i), the Secretary shall
16 increase such debt amount, or its inflation-
17 adjusted equivalent, if the Secretary deter-
18 mines that an inflation adjustment to such
19 debt amount would result in an increase of
20 \$100 or more to such debt amount.

21 “(ii) INFLATION ADJUSTMENT.—In
22 making the inflation adjustment under
23 clause (i), the Secretary shall—

24 “(I) use the annual average per-
25 cent change of the All Items Con-

1 consumer Price Index for All Urban Con-
2 sumers, before seasonal adjustment,
3 as the measurement of inflation; and

4 “(II) if the adjustment calculated
5 under subclause (I) is equal to or
6 greater than \$100—

7 “(aa) add the adjustment to
8 the debt amount, or its inflation-
9 adjusted equivalent; and

10 “(bb) round up to the near-
11 est \$5.

12 “(iii) PUBLICATION.—The Secretary
13 shall publish a notice in the Federal Reg-
14 ister announcing any increase to the
15 threshold amount specified in subpara-
16 graph (A)(i)(I).

17 “(C) TREATMENT OF ABSENCE OF CREDIT
18 HISTORY.—For purposes of this section, the
19 Secretary shall not consider the absence of a
20 credit history as an adverse credit history and
21 shall not deny a Federal ONE Parent loan on
22 that basis.

23 “(D) EXTENUATING CIRCUMSTANCES.—
24 For purposes of this section, the Secretary may

1 determine that extenuating circumstances exist
2 based on documentation that may include—

3 “(i) an updated credit report for the
4 parent; or

5 “(ii) a statement from the creditor
6 that the parent has repaid or made satis-
7 factory arrangements to repay a debt that
8 was considered in determining that the
9 parent has an adverse credit history

10 “(b) LIMITATION BASED ON NEED.—Any loan under
11 this section may be counted as part of the expected family
12 contribution in the determination of need under this title,
13 but no loan may be made to any parent under this section
14 for any academic year in excess of the lesser of—

15 “(1) the student’s estimated cost of attendance
16 minus the student’s estimated financial assistance
17 (as calculated under section 465(b)(1)(A)); or

18 “(2) the established annual loan limits for such
19 loan under section 465(b).

20 “(c) PARENT LOAN DISBURSEMENT.—All loans
21 made under this section shall be disbursed in accordance
22 with the requirements of section 465(a) and shall be dis-
23 bursed by—

24 “(1) an electronic transfer of funds from the
25 lender to the eligible institution; or

1 “(2) a check copayable to the eligible institution
2 and the parent borrower.

3 “(d) PAYMENT OF PRINCIPAL AND INTEREST.—

4 “(1) COMMENCEMENT OF REPAYMENT.—Re-
5 payment of principal on loans made under this sec-
6 tion shall commence not later than 60 days after the
7 date such loan is disbursed by the Secretary, subject
8 to deferral—

9 “(A) during any period during which the
10 parent borrower meets the conditions required
11 for a deferral under section 469A; and

12 “(B) upon the request of the parent bor-
13 rower, during the 6-month period beginning, if
14 the parent borrower is also a student, the day
15 after the date such parent borrower ceases to
16 carry at least one-half such a workload.

17 “(2) MAXIMUM REPAYMENT PERIOD.—The
18 maximum repayment period for a loan made under
19 this section shall be a 10-year period beginning on
20 the commencement of such period described in para-
21 graph (1).

22 “(3) CAPITALIZATION OF INTEREST.—Interest
23 on loans made under this section for which pay-
24 ments of principal are deferred pursuant to para-

1 graph (1) shall, if agreed upon by the borrower and
2 the Secretary—

3 “(A) be paid monthly or quarterly; or

4 “(B) be added to the principal amount of
5 the loan not more frequently than quarterly by
6 the Secretary.

7 “(4) APPLICABLE RATES OF INTEREST.—Inter-
8 est on loans made pursuant to this section shall be
9 at the applicable rate of interest provided in section
10 465(c)(3) for loans made under this section.

11 “(5) AMORTIZATION.—Section 466(b)(2) shall
12 apply to each loan made under this section.

13 “(e) VERIFICATION OF IMMIGRATION STATUS AND
14 SOCIAL SECURITY NUMBER.—A parent who wishes to
15 borrow funds under this section shall be subject to
16 verification of the parent’s—

17 “(1) immigration status in the same manner as
18 immigration status is verified for students under
19 section 484(g); and

20 “(2) social security number in the same manner
21 as social security numbers are verified for students
22 under section 484(p).

23 “(f) DESIGNATION.—For purposes of this Act, the
24 Federal ONE Loans described in this section shall be
25 known as ‘Federal ONE Parent Loans’.

1 **“SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.**

2 “(a) TERMS AND CONDITIONS.—In making consoli-
3 dation loans under this section, the Secretary shall—

4 “(1) not make such a loan to an eligible bor-
5 rower, unless the Secretary has determined, in ac-
6 cordance with reasonable and prudent business prac-
7 tices, for each loan being consolidated, that the
8 loan—

9 “(A) is a legal, valid, and binding obliga-
10 tion of the borrower; and

11 “(B) was made and serviced in compliance
12 with applicable laws and regulations;

13 “(2) ensure that each consolidation loan made
14 under this section will bear interest, and be subject
15 to repayment, in accordance with subsection (c), ex-
16 cept as otherwise provided under subsections (f) and
17 (g) of section 465;

18 “(3) ensure that each consolidation loan will be
19 made, notwithstanding any other provision of this
20 part limiting the annual or aggregate principal
21 amount for all loans made to a borrower, in an
22 amount which is equal to the sum of the unpaid
23 principal and accrued unpaid interest and late
24 charges of all eligible student loans received by the
25 eligible borrower which are selected by the borrower
26 for consolidation;

1 “(4) ensure that the proceeds of each consolida-
2 tion loan will be paid by the Secretary to the holder
3 or holders of the loans so selected to discharge the
4 liability on such loans;

5 “(5) disclose to a prospective borrower, in sim-
6 ple and understandable terms, at the time the Sec-
7 retary provides an application for a consolidation
8 loan—

9 “(A) with respect to a loan made, insured,
10 or guaranteed under this part, part B, or part
11 D, that if a borrower includes such a loan in
12 the consolidation loan—

13 “(i) that the consolidation would re-
14 sult in a loss of loan benefits; and

15 “(ii) which specific loan benefits the
16 borrower would lose, including the loss of
17 eligibility for loan forgiveness (including
18 loss of eligibility for interest rate forgive-
19 ness), cancellation, deferment, forbearance,
20 interest-free periods, or loan repayment
21 programs that would have been available
22 for such a loan; and

23 “(B) with respect to Federal Perkins
24 Loans under this part (as this part was in ef-

1 fect on the day before the date of enactment of
2 the PROSPER Act)—

3 “(i) that if a borrower includes such a
4 Federal Perkins Loan in the consolidation
5 loan, the borrower will lose all interest-free
6 periods that would have been available for
7 the Federal Perkins Loan, such as—

8 “(I) the periods during which no
9 interest accrues on such loan while
10 the borrower is enrolled in an institu-
11 tion of higher education at least half-
12 time;

13 “(II) the grace period under sec-
14 tion 464(c)(1)(A) (as such section was
15 in effect on the day before the date of
16 enactment of the PROSPER Act);
17 and

18 “(III) the periods during which
19 the borrower’s student loan repay-
20 ments are deferred under section
21 464(c)(2) (as such section was in ef-
22 fect on the day before the date of en-
23 actment of the PROSPER Act); and

24 “(ii) that if a borrower includes such
25 a Federal Perkins Loan in the consolida-

1 tion loan, the borrower will no longer be el-
2 igible for cancellation of part or all of the
3 Federal Perkins Loan under section 465(a)
4 (as such section was in effect on the day
5 before the date of enactment of the PROS-
6 PER Act); and

7 “(iii) the occupations listed in section
8 465 that qualify for Federal Perkins Loan
9 cancellation under section 465(a) (as such
10 section was in effect on the day before the
11 date of enactment of the PROSPER Act);

12 “(C) the repayment plans that are avail-
13 able to the borrower under section (c);

14 “(D) the options of the borrower to prepay
15 the consolidation loan, to pay such loan on a
16 shorter schedule, and to change repayment
17 plans;

18 “(E) the consequences of default on the
19 consolidation loan; and

20 “(F) that by applying for a consolidation
21 loan, the borrower is not obligated to agree to
22 take the consolidation loan; and

23 “(6) not make such a loan to an eligible bor-
24 rower, unless—

1 “(A) the borrower has agreed to notify the
2 Secretary promptly concerning any change of
3 address; and

4 “(B) the loan is evidenced by a note or
5 other written agreement which—

6 “(i) is made without security and
7 without endorsement, except that if—

8 “(I) the borrower is a minor and
9 such note or other written agreement
10 executed by him or her would not,
11 under applicable law, create a binding
12 obligation, endorsement may be re-
13 quired; or

14 “(II) the borrower desires to in-
15 clude in the consolidation loan, a Fed-
16 eral ONE Parent Loan, or a loan
17 under section 428B, or a Federal Di-
18 rect PLUS loan, made on behalf of a
19 dependent student, endorsement shall
20 be required;

21 “(ii) provides for the payment of in-
22 terest and the repayment of principal as
23 described in paragraph (2);

24 “(iii) provides that during any period
25 for which the borrower would be eligible

1 for a deferral under section 469A, which
2 period shall not be included in determining
3 the repayment schedule pursuant to sub-
4 section (c)—

5 “(I) periodic installments of prin-
6 cipal need not be paid, but interest
7 shall accrue and be paid by the bor-
8 rower or be capitalized; and

9 “(II) except as otherwise pro-
10 vided under subsections (f) and (g) of
11 section 465, the Secretary shall not
12 pay interest on any portion of the
13 consolidation loan, without regard to
14 whether the portion repays Federal
15 Stafford Loans for which the student
16 borrower received an interest subsidy
17 under section 428 or Federal Direct
18 Stafford Loans for which the bor-
19 rower received an interest subsidy
20 under section 455;

21 “(iv) entitles the borrower to accel-
22 erate without penalty repayment of the
23 whole or any part of the loan; and

24 “(v) contains a notice of the system of
25 disclosure concerning such loan to con-

1 sumer reporting agencies under section
2 430A, and provides that the Secretary on
3 request of the borrower will provide infor-
4 mation on the repayment status of the
5 note to such consumer reporting agencies.

6 “(b) NONDISCRIMINATION IN LOAN CONSOLIDA-
7 TION.—The Secretary shall not discriminate against any
8 borrower seeking a loan under this section—

9 “(1) based on the number or type of eligible
10 student loans the borrower seeks to consolidate;

11 “(2) based on the type or category of institu-
12 tion of higher education that the borrower attended;

13 “(3) based on the interest rate to be charged to
14 the borrower with respect to the consolidation loan;
15 or

16 “(4) with respect to the types of repayment
17 schedules offered to such borrower.

18 “(c) PAYMENT OF PRINCIPAL AND INTEREST.—

19 “(1) REPAYMENT SCHEDULES.—

20 “(A) ESTABLISHMENT.—

21 “(i) IN GENERAL.—Notwithstanding
22 any other provision of this part, the Sec-
23 retary shall—

1 “(I) establish repayment terms
2 as will promote the objectives of this
3 section; and

4 “(II) provide a borrower with the
5 option of the standard-repayment plan
6 or income-based repayment plan
7 under section 466(d) in lieu of such
8 repayment terms.

9 “(ii) SCHEDULE TERMS.—The repay-
10 ment terms established under clause (i)(I)
11 shall require that if the sum of the consoli-
12 dation loan and the amount outstanding on
13 other eligible student loans to the indi-
14 vidual—

15 “(I) is less than \$7,500, then
16 such consolidation loan shall be repaid
17 in not more than 10 years;

18 “(II) is equal to or greater than
19 \$7,500 but less than \$10,000, then
20 such consolidation loan shall be repaid
21 in not more than 12 years;

22 “(III) is equal to or greater than
23 \$10,000 but less than \$20,000, then
24 such consolidation loan shall be repaid
25 in not more than 15 years;

1 “(IV) is equal to or greater than
2 \$20,000 but less than \$40,000, then
3 such consolidation loan shall be repaid
4 in not more than 20 years;

5 “(V) is equal to or greater than
6 \$40,000 but less than \$60,000, then
7 such consolidation loan shall be repaid
8 in not more than 25 years; or

9 “(VI) is equal to or greater than
10 \$60,000, then such consolidation loan
11 shall be repaid in not more than 30
12 years.

13 “(B) LIMITATION.—The amount out-
14 standing on other eligible student loans which
15 may be counted for the purpose of subpara-
16 graph (A) may not exceed the amount of the
17 consolidation loan.

18 “(2) ADDITIONAL REPAYMENT REQUIRE-
19 MENTS.—Notwithstanding paragraph (1)—

20 “(A) except in the case of an income-based
21 repayment schedule under section 466(d), a re-
22 payment schedule established with respect to a
23 consolidation loan shall require that the min-
24 imum installment payment be an amount equal

1 to not less than the accrued unpaid interest;
2 and

3 “(B) an income-based repayment schedule
4 under section 466(d) shall not be available to a
5 consolidation loan borrower who—

6 “(i) used the proceeds of a Federal
7 ONE Consolidation loan to discharge the
8 liability—

9 “(I) on a loan under section
10 428B made on behalf of a dependent
11 student;

12 “(II) a Federal Direct PLUS
13 loan made on behalf of a dependent
14 student;

15 “(III) a Federal ONE Parent
16 loan; or

17 “(IV) an excepted consolidation
18 loan (defined in section 493C); or

19 “(ii) used the proceeds of a subse-
20 quent Federal ONE Consolidation loan to
21 discharge the liability on a Federal ONE
22 Consolidation loan described in clause (i).

23 “(3) COMMENCEMENT OF REPAYMENT.—Re-
24 payment of a consolidation loan shall commence
25 within 60 days after all holders have, pursuant to

1 subsection (a)(4), discharged the liability of the bor-
2 rower on the loans selected for consolidation.

3 “(4) INTEREST RATE.—A consolidation loan
4 made under this section shall bear interest at an an-
5 nual rate described in section 465(c)(4).

6 “(d) INSURANCE RULE.—Any insurance premium
7 paid by the borrower under subpart I of part A of title
8 VII of the Public Health Service Act with respect to a
9 loan made under that subpart and consolidated under this
10 section shall be retained by the student loan insurance ac-
11 count established under section 710 of the Public Health
12 Service Act.

13 “(e) DEFINITIONS.—For the purpose of this section:

14 “(1) ELIGIBLE BORROWER.—

15 “(A) IN GENERAL.—The term ‘eligible bor-
16 rower’ means a borrower who—

17 “(i) is not subject to a judgment se-
18 cured through litigation with respect to a
19 loan under this title or to an order for
20 wage garnishment under section 488A; and

21 “(ii) at the time of application for a
22 consolidation loan—

23 “(I) is in repayment status as de-
24 termined under section 466(a)(1);

1 “(II) is in a grace period pre-
2 ceding repayment; or

3 “(III) is a defaulted borrower
4 who has made arrangements to repay
5 the obligation on the defaulted loans
6 satisfactory to the holders of the de-
7 faulted loans.

8 “(B) TERMINATION OF STATUS AS AN ELI-
9 GIBLE BORROWER.—An individual’s status as
10 an eligible borrower under this section termi-
11 nates upon receipt of a consolidation loan under
12 this section, except that—

13 “(i) an individual who receives eligible
14 student loans after the date of receipt of
15 the consolidation loan may receive a subse-
16 quent consolidation loan;

17 “(ii) loans received prior to the date
18 of the consolidation loan may be added
19 during the 180-day period following the
20 making of the consolidation loan;

21 “(iii) loans received following the
22 making of the consolidation loan may be
23 added during the 180-day period following
24 the making of the consolidation loan;

1 “(iv) loans received prior to the date
2 of the first consolidation loan may be
3 added to a subsequent consolidation loan;
4 and

5 “(v) an individual may obtain a subse-
6 quent consolidation loan for the purpose—

7 “(I) of income-based repayment
8 under section 466(d) only if the loan
9 has been submitted for default aver-
10 sion or if the loan is already in de-
11 fault;

12 “(II) of using the no accrual of
13 interest for active duty service mem-
14 bers benefit offered under section
15 465(g); of

16 “(III) of submitting an applica-
17 tion under section 469B(d) for a bor-
18 rower defense to repayment of a loan
19 made, insured, or guaranteed under
20 this title.

21 “(2) ELIGIBLE STUDENT LOANS.—For the pur-
22 pose of paragraph (1), the term ‘eligible student
23 loans’ means loans—

24 “(A) made, insured, or guaranteed under
25 part B, and first disbursed before July 1, 2010,

1 including loans on which the borrower has de-
2 faulted (but has made arrangements to repay
3 the obligation on the defaulted loans satisfac-
4 tory to the Secretary or guaranty agency,
5 whichever insured the loans);

6 “(B) made under part D of this title, and
7 first disbursed before July 1, 2019;

8 “(C) made under this part before Sep-
9 tember 30, 2017;

10 “(D) made under this part on or after the
11 date of enactment of the PROSPER Act;

12 “(E) made under subpart II of part A of
13 title VII of the Public Health Service Act; or

14 “(F) made under part E of title VIII of
15 the Public Health Service Act.

16 “(f) DESIGNATION.—For purposes of this Act, the
17 Federal ONE Loans described in this section shall be
18 known as ‘Federal ONE Consolidation Loans’.

19 **“SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.**

20 “(a) IN GENERAL.—A borrower who has 1 or more
21 loans in 2 or more of the categories described in subsection
22 (b), and who has not yet entered repayment on 1 or more
23 of those loans in any of the categories, may consolidate
24 all of the loans of the borrower that are described in sub-

1 section (b) into a Federal ONE Consolidation Loan during
2 the period described in subsection (c).

3 “(b) CATEGORIES OF LOANS THAT MAY BE CON-
4 SOLIDATED.—The categories of loans that may be consoli-
5 dated under this section are—

6 “(1) loans made under this part before October
7 1, 2017 and on or after July 1, 2019;

8 “(2) loans purchased by the Secretary pursuant
9 to section 459A;

10 “(3) loans made under part B that are held by
11 an eligible lender, as such term is defined in section
12 435(d); and

13 “(4) loans made under part D.

14 “(c) TIME PERIOD IN WHICH LOANS MAY BE CON-
15 SOLIDATED.—The Secretary may make a Federal ONE
16 Consolidation Loan under this section to a borrower whose
17 application for such Federal ONE Consolidation Loan is
18 received on or after July 1, 2019, and before July 1, 2024.

19 “(d) TERMS OF LOANS.—A Federal ONE Consolida-
20 tion Loan made under this subsection shall have the same
21 terms and conditions as a Federal ONE Consolidation
22 Loan made under section 468, except that in determining
23 the applicable rate of interest on the Federal ONE Con-
24 solidation Loan made under this section, section 465(c)(4)
25 shall be applied without rounding the weighted average of

1 the interest rate on the loans consolidated to the nearest
2 higher one-eighth of one percent as in such section.

3 **“SEC. 469A. DEFERMENT.**

4 “(a) EFFECT ON PRINCIPAL AND INTEREST.—A bor-
5 rower of a loan made under this part who meets the re-
6 quirements described in subsection (b) shall be eligible for
7 a deferment during which installments of principal need
8 not be paid and, unless otherwise provided in this sub-
9 section, interest shall accrue and be capitalized or paid
10 by the borrower.

11 “(b) ELIGIBILITY.—A borrower of a loan made under
12 this part shall be eligible for a deferment—

13 “(1) during any period during which the bor-
14 rower—

15 “(A) is carrying at least one-half the nor-
16 mal full-time work load for the course of study
17 that the borrower is pursuing, as determined by
18 the eligible institution the borrower is attend-
19 ing;

20 “(B) is pursuing a course of study pursu-
21 ant to—

22 “(i) an eligible graduate fellowship
23 program in accordance with subsection (g);
24 or

1 “(ii) an eligible rehabilitation training
2 program for individuals with disabilities in
3 accordance with subsection (i);

4 “(C) is serving on active duty during a war
5 or other military operation or national emer-
6 gency, and for the 180-day period following the
7 demobilization date for such service;

8 “(D) is performing qualifying National
9 Guard duty during a war or other military op-
10 eration or national emergency, and for the 180-
11 day period following the demobilization date for
12 such service;

13 “(E) is a member of the National Guard
14 who is not eligible for a post-active duty
15 deferment under section 493D and is engaged
16 in active State duty for a period of more than
17 30 consecutive days beginning—

18 “(i) the day after 6 months after the
19 date the student ceases to carry at least
20 one-half the normal full-time academic
21 workload (as determined by the institu-
22 tion); or

23 “(ii) the day after the borrower ceases
24 enrollment on at least a half-time basis, for
25 a loan in repayment;

1 “(F) is serving in a medical or dental in-
2 ternship or residency program, the successful
3 completion of which is required to begin profes-
4 sional practice or service, or is serving in a
5 medical or dental internship or residency pro-
6 gram leading to a degree or certificate awarded
7 by an institution of higher education, a hos-
8 pital, or a health care facility that offers post-
9 graduate training; or

10 “(G) is eligible for interest payments to be
11 made on a loan made under this part for serv-
12 ice in the Armed Forces under section 2174 of
13 title 10, United States Code, and pursuant to
14 that eligibility, the interest is being paid on
15 such loan under section 465(f);

16 “(2) during a period sufficient to enable the
17 borrower to resume honoring the agreement to repay
18 the outstanding balance of principal and interest on
19 the loan after default, if—

20 “(A) the borrower signs a new agreement
21 to repay such outstanding balance;

22 “(B) the deferment period is limited to
23 120 days; and

24 “(C) such deferment is not granted for
25 consecutive periods;

1 “(3) during a period of administrative
2 deferment described in subsection (j); or

3 “(4) in the case of a borrower of a Federal
4 ONE Parent Loan or an Excepted Federal ONE
5 Consolidation Loan, during a period described in
6 subsection (k).

7 “(c) LENGTH OF DEFERMENT.—A deferment grant-
8 ed by the Secretary—

9 “(1) under subparagraph (F) or (G) of sub-
10 section (b)(1) shall be renewable at 12 month inter-
11 vals;

12 “(2) under subparagraph (F) of subsection
13 (b)(1) shall equal the length of time remaining in
14 the borrower’s medical or dental internship or resi-
15 dency program; and

16 “(3) under subparagraph (G) of subsection
17 (b)(1) shall not exceed 3 years.

18 “(d) REQUEST AND DOCUMENTATION.—The Sec-
19 retary shall determine the eligibility of a borrower for a
20 deferment under paragraphs (1), (2), or (4) of subsection
21 (b), or in the case of a loan for which an endorser is re-
22 quired, an endorser’s eligibility for a deferment under
23 paragraph (2) or (4) or eligibility to request a deferment
24 under paragraph (1), based on—

1 “(1) the receipt of a request for a deferment
2 from the borrower or the endorser, and documenta-
3 tion of the borrower’s or endorser’s eligibility for the
4 deferment or eligibility to request the deferment;

5 “(2) receipt of a completed loan application
6 that documents the borrower’s eligibility for a
7 deferment;

8 “(3) receipt of a student status information
9 documenting that the borrower is enrolled on at
10 least a half-time basis; or

11 “(4) the Secretary’s confirmation of the bor-
12 rower’s half-time enrollment status, if the confirma-
13 tion is requested by the institution of higher edu-
14 cation.

15 “(e) NOTIFICATION.—The Secretary shall—

16 “(1) notify a borrower of a loan made under
17 this part—

18 “(A) the granting of a deferment under
19 this subsection on such loan; and

20 “(B) the option of the borrower to con-
21 tinue making payments on the outstanding bal-
22 ance of principal and interest on such loan in
23 accordance with subsection (f);

24 “(2) at the time the Secretary grants a
25 deferment to a borrower of a loan made under this

1 part, and not less frequently than once every 180
2 days during the period of such deferment, provide
3 information to the borrower to assist the borrower in
4 understanding—

5 “(A) the effect of granting a deferment on
6 the total amount to be paid under the income-
7 based repayment plan under 466(d);

8 “(B) the fact that interest will accrue on
9 the loan for the period of deferment, other than
10 for a deferment granted under subsection
11 (b)(1)(G);

12 “(C) the amount of unpaid principal and
13 the amount of interest that has accrued since
14 the last statement of such amounts provided to
15 the borrower;

16 “(D) the amount of interest that will be
17 capitalized, and the date on which capitalization
18 will occur;

19 “(E) the effect of the capitalization of in-
20 terest on the borrower’s loan principal and on
21 the total amount of interest to be paid on the
22 loan;

23 “(F) the option of the borrower to pay the
24 interest that has accrued before the interest is
25 capitalized; and

1 “(G) the borrower’s option to discontinue
2 the deferment at any time.

3 “(f) FORM OF DEFERMENT.—The form of a
4 deferment granted under this subsection on a loan made
5 under this part shall be temporary cessation of all pay-
6 ments on such loan, except that—

7 “(1) in the case of a deferment granted under
8 subsection (b)(1)(G), payments of interest on the
9 loan will be made by the Secretary under section
10 465(f) during such period of deferment; and

11 “(2) a borrower may make payments on the
12 outstanding balance of principal and interest on
13 such loan during any period of deferment granted
14 under this subsection.

15 “(g) GRADUATE FELLOWSHIP DEFERMENT.—

16 “(1) IN GENERAL.—A borrower of a loan under
17 this part is eligible for a deferment under subsection
18 (b)(1)(B)(i) during any period for which an author-
19 ized official of the borrower’s graduate fellowship
20 program certifies that the borrower meets the re-
21 quirements of paragraph (2) and is pursuing a
22 course of study pursuant to an eligible graduate fel-
23 lowship program.

1 “(2) BORROWER REQUIREMENTS.—A borrower
2 meets the requirements of this subparagraph if the
3 borrower—

4 “(A) holds at least a baccalaureate degree
5 conferred by an institution of higher education;

6 “(B) has been accepted or recommended
7 by an institution of higher education for accept-
8 ance on a full-time basis into an eligible grad-
9 uate fellowship program; and

10 “(C) is not serving in a medical internship
11 or residency program, except for a residency
12 program in dentistry.

13 “(h) TREATMENT OF STUDY OUTSIDE THE UNITED
14 STATES.—

15 “(1) IN GENERAL.—The Secretary shall treat,
16 in the same manner as required under section
17 428(b)(4), any course of study at a foreign univer-
18 sity that is accepted for the completion of a recog-
19 nized international fellowship program by the admin-
20 istrator of such a program as an eligible graduate
21 fellowship program.

22 “(2) REQUESTS FOR DEFERMENT.—Requests
23 for deferment of repayment of loans under this sub-
24 section by students engaged in graduate or post-
25 graduate fellowship-supported study (such as pursu-

1 ant to a Fulbright grant) outside the United States
2 shall be approved until completion of the period of
3 the fellowship, in the same manner as required
4 under section 428(b)(4).

5 “(i) REHABILITATION TRAINING PROGRAM
6 DEFERMENT.—A borrower of a loan under this part is
7 eligible for a deferment under subsection (b)(1)(B)(ii) dur-
8 ing any period for which an authorized official of the bor-
9 rower’s rehabilitation training program certifies that the
10 borrower is pursuing an eligible rehabilitation training
11 program for individuals with disabilities.

12 “(j) ADMINISTRATIVE DEFERMENTS.—The Secretary
13 may grant a deferment to a borrower or, in the case of
14 a loan for which an endorser is required, an endorser,
15 without requiring a request and documentation from the
16 borrower or the endorser under subsection (d) for—

17 “(1) a period during which the borrower was
18 delinquent at the time a deferment is granted, in-
19 cluding a period for which scheduled payments of
20 principal and interest were overdue at the time such
21 deferment is granted;

22 “(2) a period during which the borrower or the
23 endorser was granted a deferment under this sub-
24 section but for which the Secretary determines the
25 borrower or the endorser should not have qualified;

1 “(3) a period necessary for the Secretary to de-
2 termine the borrower’s eligibility for the cancellation
3 of the obligation of the borrower to repay the loan
4 under section 437;

5 “(4) a period during which the Secretary has
6 authorized deferment due to a national military mo-
7 bilization or other local or national emergency; or

8 “(5) a period not to exceed 60 days, during
9 which interest shall accrue but not be capitalized, if
10 the Secretary reasonably determines that a suspen-
11 sion of collection activity is warranted to enable the
12 Secretary to process supporting documentation relat-
13 ing to a borrower’s request—

14 “(A) for a deferment under this sub-
15 section;

16 “(B) for a change in repayment plan under
17 section 466(c); or

18 “(C) to consolidate loans under section
19 468.

20 “(k) DEFERMENTS FOR PARENT OR EXCEPTED CON-
21 SOLIDATION LOANS.—

22 “(1) IN GENERAL.—A qualified borrower shall
23 be eligible for deferments under paragraphs (3)
24 through (5).

1 “(2) QUALIFIED BORROWER DEFINED.—In this
2 subsection, the term ‘qualified borrower’ means—

3 “(A) a borrower of a Federal ONE Parent
4 Loan or an Excepted Federal ONE Consolida-
5 tion Loan; or

6 “(B) in the case of such a loan for which
7 an endorser is required, the endorser of such
8 loan.

9 “(3) ECONOMIC HARDSHIP DEFERMENT.—

10 “(A) IN GENERAL.—A qualified borrower
11 shall be eligible for a deferment during periods,
12 not to exceed 3 years in total, during which the
13 qualified borrower experiences an economic
14 hardship described in subparagraph (B).

15 “(B) ECONOMIC HARDSHIP.—An economic
16 hardship described in this clause is a period
17 during which the qualified borrower—

18 “(i) is receiving payment under a
19 means-tested benefit program;

20 “(ii) is employed full-time and the
21 monthly gross income of the qualified bor-
22 rower does not exceed the greater of—

23 “(I) the minimum wage rate de-
24 scribed in section 6 of the Fair Labor

1 Standards Act of 1938 (29 U.S.C.
2 206); or

3 “(II) an amount equal to 150
4 percent of the poverty line; or

5 “(iii) demonstrates that the sum of
6 the qualified borrower’s monthly payments
7 on the qualified borrower’s Federal ONE
8 Parent Loan or Excepted Federal ONE
9 Consolidation Loan is not less than 20 per-
10 cent of the qualified borrower’s monthly
11 gross income.

12 “(C) ELIGIBILITY.—To be eligible to re-
13 ceive a deferment under this subparagraph, a
14 qualified borrower shall submit to the Sec-
15 retary—

16 “(i) for the first period of deferment
17 under this subparagraph, evidence showing
18 the monthly gross income of the qualified
19 borrower; and

20 “(ii) for a subsequent period of
21 deferment that begins less than one year
22 after the end of a period of deferment
23 granted under this subparagraph—

1 “(I) evidence showing the month-
2 ly gross income of the qualified bor-
3 rower; or

4 “(II) the qualified borrower’s
5 most recently filed Federal income tax
6 return, if such a return was filed in
7 either of the two tax years preceding
8 the year in which the qualified bor-
9 rower requests the subsequent period
10 of deferment.

11 “(4) UNEMPLOYMENT DEFERMENT.—

12 “(A) IN GENERAL.—A qualified borrower
13 shall be eligible for a deferment for periods dur-
14 ing which the qualified borrower is seeking, and
15 is unable to find, full-time employment.

16 “(B) ELIGIBILITY.—

17 “(i) IN GENERAL.—To be eligible to
18 receive an deferment under this subpara-
19 graph, a qualified borrower shall submit to
20 the Secretary—

21 “(I) evidence of the qualified bor-
22 rower’s eligibility for unemployment
23 benefits; or

1 “(II) written confirmation, or an
2 equivalent as approved by the Sec-
3 retary, that—

4 “(aa) the qualified borrower
5 has registered with a public or
6 private employment agency, if
7 one is available to the borrower
8 within 50 miles of the qualified
9 borrower’s address; and

10 “(bb) for requests submitted
11 after the initial request, the
12 qualified borrower has made at
13 least six diligent attempts during
14 the preceding six-month period to
15 secure full-time employment.

16 “(ii) ACCEPTANCE OF EMPLOY-
17 MENT.—A qualified borrower shall not be
18 eligible for a deferment under this sub-
19 paragraph if the qualified borrower refuses
20 to seek or accept employment in types of
21 positions or at salary levels or responsi-
22 bility levels for which the qualified bor-
23 rower feels overqualified based on the
24 qualified borrower’s education or previous
25 experience.

1 “(C) TERMS OF DEFERMENT.—The fol-
2 lowing terms shall apply to a deferment under
3 this subparagraph:

4 “(i) INITIAL PERIOD.—The first
5 deferment granted to a qualified borrower
6 under this subparagraph may be for a pe-
7 riod of unemployment beginning not more
8 than 6 months before the date on which
9 the Secretary receives the qualified bor-
10 rower’s request for deferment and may be
11 granted for a period of up to 6 months
12 after that date.

13 “(ii) RENEWALS.—Deferments under
14 this subparagraph shall be renewable at 6-
15 month intervals beginning after the expira-
16 tion of the first period of deferment under
17 clause (i). To be eligible to renew a
18 deferment under this subparagraph, a
19 qualified borrower shall submit to the Sec-
20 retary the information described in sub-
21 paragraph (B)(i).

22 “(iii) AGGREGATE LIMIT.—The period
23 of all deferments granted to a borrower
24 under this subparagraph may not exceed 3
25 years in aggregate.

1 “(5) HEALTH DEFERMENT.—

2 “(A) IN GENERAL.—A qualified borrower
3 shall be eligible for a deferment during periods
4 in which the qualified borrower is unable to
5 make scheduled loan payments due to high
6 medical expenses, as determined by the Sec-
7 retary.

8 “(B) ELIGIBILITY.—To be eligible to re-
9 ceive a deferment under this subparagraph, a
10 qualified borrower shall—

11 “(i) submit to the Secretary docu-
12 mentation demonstrating that making
13 scheduled loan payments would be an ex-
14 treme economic hardship to the borrower
15 due to high medical expenses, as deter-
16 mined by the Secretary; and

17 “(ii) resubmit such documentation to
18 the Secretary not less frequently than once
19 every 3 months.

20 “(1) PROHIBITIONS.—

21 “(1) PROHIBITION ON FEES.—No administra-
22 tive fee or other fee may be charged to the borrower
23 in connection with the granting of a deferment
24 under this subsection.

1 “(2) PROHIBITION ON ADVERSE CREDIT RE-
2 PORTING.—No adverse information relating to a bor-
3 rower may be reported to a consumer reporting
4 agency solely because of the granting of a deferment
5 under this subsection.

6 “(3) LIMITATION ON AUTHORITY.—The Sec-
7 retary shall not, through regulation or otherwise, au-
8 thorize additional deferment options or periods of
9 deferment other than the deferment options and pe-
10 riods of deferment authorized under this subsection.

11 “(m) TREATMENT OF ENDORSERS.—With respect to
12 any Federal ONE Parent Loan or Federal ONE Consoli-
13 dation Loan for which an endorser is required—

14 “(1) paragraphs (2) through (4) of subsection
15 (b) shall be applied—

16 “(A) by substituting ‘An endorser’ for ‘A
17 borrower’;

18 “(B) by substituting ‘the endorser’ for ‘the
19 borrower’; and

20 “(C) by substituting ‘an endorser’ for ‘a
21 borrower’; and

22 “(2) in the case in which the borrower of such
23 a loan is eligible for a deferment described in sub-
24 paragraph (C), (D), (E), (F), or (G) of subsection
25 (b)(1), but is not making payments on the loan, the

1 endorser of the loan may request a deferment under
2 such subparagraph for the loan.

3 “(n) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE GRADUATE FELLOWSHIP PRO-
5 GRAM.—The term ‘eligible graduate fellowship pro-
6 gram’, when used with respect to a course of study
7 pursued by the borrower of a loan under this part,
8 means a fellowship program that—

9 “(A) provides sufficient financial support
10 to graduate fellows to allow for full-time study
11 for at least six months;

12 “(B) requires a written statement from
13 each applicant explaining the applicant’s objec-
14 tives before the award of that financial support;

15 “(C) requires a graduate fellow to submit
16 periodic reports, projects, or evidence of the fel-
17 low’s progress; and

18 “(D) in the case of a course of study at an
19 institution of higher education outside the
20 United States described in section 102, accepts
21 the course of study for completion of the fellow-
22 ship program.

23 “(2) ELIGIBLE REHABILITATION TRAINING
24 PROGRAM FOR INDIVIDUALS WITH DISABILITIES.—
25 The term ‘eligible rehabilitation training program

1 for individuals with disabilities’, when used with re-
2 spect a course of study pursued by the borrower of
3 a loan under this part, means a program that—

4 “(A) is necessary to assist an individual
5 with a disability in preparing for, securing, re-
6 taining, or regaining employment;

7 “(B) is licensed, approved, certified, or
8 otherwise recognized as providing rehabilitation
9 training to disabled individuals by—

10 “(i) a State agency with responsibility
11 for vocational rehabilitation programs,
12 drug abuse treatment programs, mental
13 health services programs, or alcohol abuse
14 treatment programs; or

15 “(ii) the Secretary of the Department
16 of Veterans Affairs; and

17 “(C) provides or will provide the borrower
18 with rehabilitation services under a written plan
19 that—

20 “(i) is individualized to meet the bor-
21 rower’s needs;

22 “(ii) specifies the date on which the
23 services to the borrower are expected to
24 end; and

1 “(iii) requires a commitment of time
2 and effort from the borrower that prevents
3 the borrower from being employed at least
4 30 hours per week, either because of the
5 number of hours that must be devoted to
6 rehabilitation or because of the nature of
7 the rehabilitation.

8 “(3) EXCEPTED FEDERAL ONE CONSOLIDATION
9 LOAN.—The ‘Excepted Federal ONE Consolidation
10 Loan’ have the meaning given the term in section
11 466(d)(5).

12 “(4) FAMILY SIZE.—The term ‘family size’
13 means the number that is determined by counting—

14 “(A) the borrower;

15 “(B) the borrower’s spouse;

16 “(C) the borrower’s children, including un-
17 born children who are expected to be born dur-
18 ing the period covered by the deferment, if the
19 children receive more than half their support
20 from the borrower; and

21 “(D) another individual if, at the time the
22 borrower requests a deferment under this sec-
23 tion, the individual—

24 “(i) lives with the borrower;

1 “(ii) receives more than half of the in-
2 dividual’s support (which may include
3 money, gifts, loans, housing, food, clothes,
4 car, medical and dental care, and payment
5 of college costs) from the borrower; and

6 “(iii) is expected to receive such sup-
7 port from the borrower during the relevant
8 period of deferment.

9 “(5) FULL-TIME.—The term ‘full-time’, when
10 used with respect to employment, means employment
11 for not less than 30 hours per week that is expected
12 to continue for not less than three months.

13 “(6) MEANS-TESTED BENEFIT PROGRAM.—The
14 term ‘means-tested benefit program’ means—

15 “(A) a State public assistance program
16 under which eligibility for the program’s bene-
17 fits, or the amount of such benefits, are deter-
18 mined on the basis of income or resources of
19 the individual or family seeking the benefit; or

20 “(B) a mandatory spending program of the
21 Federal Government, other than a program
22 under this title, under which eligibility for the
23 program’s benefits, or the amount of such bene-
24 fits, are determined on the basis of income or

1 resources of the individual or family seeking the
2 benefit, and may include such programs as

3 “(i) the supplemental security income
4 program under title XVI of the Social Se-
5 curity Act (42 U.S.C. 1381 et seq.);

6 “(ii) the supplemental nutrition assist-
7 ance program under the Food and Nutri-
8 tion Act of 2008 (7 U.S.C. 2011 et seq.);

9 “(iii) the free and reduced price
10 school lunch program established under the
11 Richard B. Russell National School Lunch
12 Act (42 U.S.C. 1751 et seq.);

13 “(iv) the program of block grants for
14 States for temporary assistance for needy
15 families established under part A of title
16 IV of the Social Security Act (42 U.S.C.
17 601 et seq.);

18 “(v) the special supplemental nutri-
19 tion program for women, infants, and chil-
20 dren established by section 17 of the Child
21 Nutrition Act of 1966 (42 U.S.C. 1786);
22 and

23 “(vi) other programs identified by the
24 Secretary.

1 “(7) MONTHLY GROSS INCOME.—The term
2 ‘monthly gross income’, when used with respect to a
3 borrower, means—

4 “(A) the gross amount of income received
5 by the borrower from employment and other
6 sources for the most recent month; or

7 “(B) one-twelfth of the borrower’s adjusted
8 gross income, as recorded on the borrower’s
9 most recently filed Federal income tax return.

10 **“SEC. 469B. ADDITIONAL TERMS.**

11 “(a) APPLICABLE PART B PROVISIONS.—

12 “(1) DISCLOSURES.—Except as otherwise pro-
13 vided in this part, each institution of higher edu-
14 cation with which the Secretary has an agreement
15 under section 464(a), and each contractor with
16 which the Secretary has a contract under section
17 493E, shall, with respect to loans under this part
18 comply with each of the requirements under section
19 433 that apply to the institutions of higher edu-
20 cation and contractors described in section 455(p)
21 with respect to loans made under part D.

22 “(2) OTHER PROVISIONS.—Except as otherwise
23 provided in this part, the following provisions shall
24 apply with respect to loans made under this part in

1 the same manner that such provisions apply with re-
2 spect to loans made under part D:

3 “(A) Section 427(a)(2).

4 “(B) Section 428(d).

5 “(C) Section 428F

6 “(D) Section 430A.

7 “(E) Paragraphs (1), (2), (4), and (6) of
8 section 432(a).

9 “(F) Section 432(i).

10 “(G) Section 432(l).

11 “(H) Section 432(m), except that an insti-
12 tution of higher education shall have a separate
13 master promissory note under paragraph (1)(D)
14 of such section for loans made under this part.

15 “(I) Subsections (a), (c), and (d) of section
16 437.

17 “(3) APPLICATION OF PROVISIONS.—Any provi-
18 sion listed under paragraph (1) or (2) that applies
19 to—

20 “(A) Federal Direct PLUS Loans made on
21 behalf of dependent students shall apply to
22 Federal ONE Parent Loans;

23 “(B) Federal Direct PLUS Loans made to
24 students shall apply to Federal ONE Loans for
25 graduate or professional students;

1 “(C) Federal Direct Unsubsidized Stafford
2 loans shall apply to Federal ONE Loans (other
3 than Federal ONE Consolidation Loans) for
4 any student borrower;

5 “(D) Federal Direct Consolidation Loans
6 shall apply to Federal ONE Consolidation
7 Loans; and

8 “(E) forbearance shall apply to deferment
9 under section 469A.

10 “(b) ELIGIBLE STUDENT.—A loan under this part
11 may only be made to a student who—

12 “(1) is an eligible student under section 484;

13 “(2) has agreed to notify promptly the Sec-
14 retary and the applicable contractors with which the
15 Secretary has a contract under section 493E con-
16 cerning—

17 “(A) any change of permanent address,
18 telephone number, or email address;

19 “(B) when the student ceases to be en-
20 rolled on at least a half-time basis; and

21 “(C) any other change in status, when
22 such change in status affects the student’s eligi-
23 bility for the loan; and

24 “(3) is carrying at least one-half the normal
25 full-time academic workload for the course of study

1 the student is pursuing (as determined by the insti-
2 tution).

3 “(c) LOAN APPLICATION AND PROMISSORY NOTE.—

4 The common financial reporting form required in section
5 483(a)(1) shall constitute the application for loans made
6 under this part. The Secretary shall develop, print, and
7 distribute to participating institutions a standard promis-
8 sory note and loan disclosure form.

9 “(d) BORROWER DEFENSES.—A borrower of a loan
10 under this part may assert a defense to repayment to such
11 loan under the provisions of section 455(h) that apply to
12 a borrower of a loan made under part D asserting, on or
13 after the date of enactment of the PROSPER Act, a de-
14 fense to repayment to such loan made under part D.

15 “(e) IDENTITY FRAUD PROTECTION.—The Secretary
16 shall ensure that monthly Federal ONE Loan statements
17 and other publications of the Department do not contain
18 more than four digits of the Social Security number of
19 any individual.

20 “(f) AUTHORITY TO SELL LOANS.—The Secretary,
21 in consultation with the Secretary of the Treasury, is au-
22 thorized to sell loans made under this part on such terms
23 determined to be in the best interest of the United States,
24 except that any such sale shall not result in any cost to
25 the Federal Government.”.

1 **PART F—NEED ANALYSIS**

2 **SEC. 471. COST OF ATTENDANCE.**

3 Section 472 (20 U.S.C. 1087ll) is amended—

4 (1) by striking paragraph (10); and

5 (2) by redesignating paragraphs (11), (12), and

6 (13) as paragraphs (10), (11), and (12), respec-

7 tively.

8 **SEC. 472. SIMPLIFIED NEEDS TEST.**

9 Section 479(b)(1) (20 U.S.C. 1087ss) is amended by

10 striking “\$50,000” both places it appears and inserting

11 “\$100,000”.

12 **SEC. 473. DISCRETION OF STUDENT FINANCIAL AID ADMIN-**

13 **ISTRATORS.**

14 Section 479A (20 U.S.C. 1087tt) is amended—

15 (1) in subsection (a), by striking “financial as-

16 sistance under section 428H or a Federal Direct

17 Unsubsidized Stafford Loan” and inserting “a Fed-

18 eral Direct Unsubsidized Stafford Loan or a Federal

19 ONE Loan”;

20 (2) in subsection (c), by striking “part B or D”

21 and inserting “part D or E”; and

22 (3) by adding at the end the following:

23 “(d) **ADJUSTMENT BASED ON DELIVERY OF IN-**

24 **STRUCTION.**—A student’s eligibility to receive grants,

25 loans, or work assistance under this title shall be reduced

26 if a financial aid officer determines, in accordance with

1 the discretionary authority provided under this section,
2 that the model or method used to deliver instruction to
3 the student results in a substantially reduced cost of at-
4 tendance to the student.”.

5 **SEC. 474. DEFINITIONS OF TOTAL INCOME AND ASSETS.**

6 Section 480 (20 U.S.C. 1087vv) is amended—

7 (1) in subsection (a)(1), by striking subpara-
8 graph (B) and inserting the following:

9 “(B) Notwithstanding section 478(a), the
10 Secretary shall provide for the use of data from
11 the second preceding tax year to carry out the
12 simplification of applications (including sim-
13 plification for a subset of applications) used for
14 the estimation and determination of financial
15 aid eligibility. Such simplification shall include
16 the sharing of data between the Internal Rev-
17 enue Service and the Department, pursuant to
18 the consent of the taxpayer.”; and

19 (2) in subsection (f)—

20 (A) in paragraph (2)—

21 (i) in subparagraph (B), by striking
22 “or” at the end;

23 (ii) in subparagraph (C), by striking
24 the period at the end and inserting “; or”;

25 and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(D) a qualified tuition program (as de-
4 fined in section 529(b)(1)(A) of the Internal
5 Revenue Code of 1986).”; and

6 (B) in paragraph (5)(A)(i), by striking
7 “qualified tuition program (as defined in sec-
8 tion 529(b)(1)(A) of the Internal Revenue Code
9 of 1986) or other”.

10 **PART G—GENERAL PROVISIONS RELATING TO**
11 **STUDENT ASSISTANCE**

12 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**
13 **PROGRAM.**

14 Section 481 (20 U.S.C. 1088) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (2)(A)—

17 (i) by striking “For the” and insert-
18 ing the following: “Except as provided in
19 paragraph (3), for the”; and

20 (ii) in clause (i), by striking “require
21 a minimum of 30 weeks” and inserting the
22 following: “require—

23 “(I) a minimum of 30 weeks”;

24 (iii) in clause (ii), by striking “re-
25 quire”;

1 (iv) by redesignating clause (ii) as
2 subclause (II); and

3 (v) by redesignating clause (iii) as
4 clause (ii); and

5 (B) by adding at the end the following:

6 “(3)(A) For the purpose of a competency-based
7 education program the term ‘academic year’ shall be
8 the published measured period established by the in-
9 stitution of higher education that is necessary for a
10 student with a normal full-time workload for the
11 course of study the student is pursuing (as meas-
12 ured using the value of competencies or sets of com-
13 petencies required by such institution and approved
14 by such institution’s accrediting agency or associa-
15 tion) to earn—

16 “(i) one-quarter of a bachelor’s degree;

17 “(ii) one-half of an associate’s degree; or

18 “(iii) with respect to a non-degree or graduate
19 program, the equivalent of a period described in
20 clause (i) or (ii).

21 “(B)(i) A competency-based education pro-
22 gram that is not a term-based program may be
23 treated as a term-based program for purposes
24 of establishing payment periods for disburse-
25 ment of loans and grants under this title if—

1 “(I) the institution of higher edu-
2 cation that offers such program charges a
3 flat subscription fee for access to instruc-
4 tion during a period determined by the in-
5 stitution; and

6 “(II) the institution is able to deter-
7 mine the competencies a student is ex-
8 pected to demonstrate for such subscrip-
9 tion period.

10 “(ii) Clause (i) shall apply even in a case
11 in which instruction or other work with respect
12 to a competency that is expected to be attrib-
13 utable to a subscription period begins prior to
14 such subscription period.

15 “(iii) In a case in which a competency-
16 based education program offered by an institu-
17 tion of higher education is treated as a term-
18 based program under clause (i), the institution
19 shall review the academic progress of each stu-
20 dent enrolled in such program in accordance
21 with section 484(c), except that such review
22 shall occur at the end of each payment period.”;

23 (2) by amending subsection (b) to read as fol-
24 lows:

1 “(b) ELIGIBLE PROGRAM.—(1) For purposes of this
2 title, the term ‘eligible program’ means—

3 “(A) a program of at least 300 clock hours of
4 instruction, 8 semester hours, or 12 quarter hours,
5 offered during a minimum of 10 weeks; or

6 “(B) a competency-based program that—

7 “(i) has been evaluated and approved by
8 an accrediting agency or association that—

9 “(I) is recognized by the Secretary
10 under subpart 2 of part H; and

11 “(II) has evaluation of competency-
12 based education programs within the scope
13 of its recognition in accordance with sec-
14 tion 496(a)(4)(C); or

15 “(ii) as of the day before the date of enact-
16 ment of the PROSPER Act, met the require-
17 ments of a direct assessment program under
18 section 481(b)(4) (as such section was in effect
19 on the day before such date of enactment).

20 “(2) An eligible program described in paragraph (1)
21 may be offered in whole or in part through telecommuni-
22 cations.

23 “(3) For purposes of this title, the term ‘eligible pro-
24 gram’ does not include a program that loses its eligibility
25 under section 481B(a).

1 “(4)(A) If an eligible institution enters into a written
2 arrangement with an institution or organization that is
3 not an eligible institution under which such ineligible insti-
4 tution or organization provides the educational program
5 (in whole or in part) of students enrolled in the eligible
6 institution, the educational program provided by such in-
7 eligible institution shall be considered to be an eligible pro-
8 gram if—

9 “(i) the ineligible institution or organiza-
10 tion has not—

11 “(I) had its eligibility to participate in
12 the programs under this title terminated
13 by the Secretary;

14 “(II) voluntarily withdrawn from par-
15 ticipation in the programs under this title
16 under a proceeding initiated by the Sec-
17 retary, accrediting agency or association,
18 guarantor, or the licensing agency for the
19 State in which the institution is located,
20 including a termination, show-cause, or
21 suspension;

22 “(III) had its certification under sub-
23 part 3 of part H to participate in the pro-
24 grams under this title revoked by the Sec-
25 retary;

1 “(IV) had its application for recertifi-
2 cation under subpart 3 of part H to par-
3 ticipate in the programs under this title
4 denied by the Secretary; or

5 “(V) had its application for certifi-
6 cation under subpart 3 of part H to par-
7 ticipate in the programs under this title
8 denied by the Secretary;

9 “(ii) the educational program offered by
10 the institution that grants the degree or certifi-
11 cate otherwise satisfies the requirements of
12 paragraph (1); and

13 “(iii)(I) the ineligible institution or organi-
14 zation provides 25 percent or less of the edu-
15 cational program; or

16 “(II)(aa) the ineligible institution or orga-
17 nization provides more than 25 percent of the
18 educational program; and

19 “(bb) the eligible institution’s accrediting
20 agency or association has determined that the
21 eligible institution’s arrangement meets the
22 agency’s standards for the contracting out of
23 educational services in accordance with section
24 496(c)(5)(B)(iv).

1 “(B) For purposes of subparagraph (A), the term ‘el-
2 ible institution’ means an institution described in section
3 487(a).”; and

4 (3) in subsection (c)(2), by striking “part B
5 of”.

6 **SEC. 482. PROGRAMMATIC LOAN REPAYMENT RATES.**

7 Part G of title IV (20 U.S.C. 1088 et seq. is amend-
8 ed, as amended by section 481, is further amended by in-
9 serting after section 481A (20 U.S.C. 1088a) the fol-
10 lowing:

11 **“SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.**

12 “(a) INELIGIBILITY OF AN EDUCATIONAL PROGRAM
13 BASED ON LOW REPAYMENT RATES.—

14 “(1) IN GENERAL.—With respect to fiscal year
15 2016 and each succeeding fiscal year, an educational
16 program at an institution of higher education whose
17 loan repayment rate is less than 45 percent for each
18 of the 3 most recent fiscal years for which data are
19 available shall not be considered an eligible program
20 for the fiscal year in which the determination is
21 made and for the 2 succeeding fiscal years, unless,
22 not later than 30 days after receiving notification
23 from the Secretary of the loss of eligibility under
24 this paragraph, the institution appeals the loss of
25 such program’s eligibility to the Secretary.

1 “(2) APPEAL.—The Secretary shall issue a de-
2 cision on any such appeal within 45 days after its
3 submission. Such decision may permit a program to
4 be considered an eligible program, if—

5 “(A) the institution demonstrates to the
6 satisfaction of the Secretary that—

7 “(i) the Secretary’s calculation of
8 such program’s loan repayment rate is not
9 accurate; and

10 “(ii) recalculation would increase such
11 program’s loan repayment rate for any of
12 the 3 fiscal years equal to or greater than
13 45 percent; or

14 “(B) the program is not subject to para-
15 graph (1) by reason of paragraph (3).

16 “(3) PARTICIPATION RATE INDEX.—

17 “(A) IN GENERAL.—An institution that
18 demonstrates to the Secretary that a program’s
19 participation rate index is equal to or less than
20 0.11 for any of the 3 most recent fiscal years
21 for which data is available shall not be subject
22 to paragraph (1).

23 “(B) INDEX CALCULATION.—The partici-
24 pation rate index for a program shall be deter-
25 mined by multiplying—

1 “(i) the amount of the difference be-
2 tween—

3 “(I) 1.0; and

4 “(II) the quotient that results by
5 dividing—

6 “(aa) the program’s loan re-
7 payment rate for a fiscal year, or
8 the weighted average loan repay-
9 ment rate for a fiscal year, by

10 “(bb) 100; and

11 “(ii) the quotient that results by di-
12 viding—

13 “(I) the percentage of the pro-
14 gram’s regular students, enrolled on
15 at least a half-time basis, who re-
16 ceived a covered loan for a 12-month
17 period ending during the 6 months
18 immediately preceding the fiscal year
19 for which the program’s loan repay-
20 ment rate or the weighted average
21 loan repayment rate is determined, by

22 “(II) 100.

23 “(C) DATA.—An institution shall provide
24 the Secretary with sufficient data to determine
25 the program’s participation rate index not later

1 than 30 days after receiving an initial notifica-
2 tion of the program’s draft loan repayment rate
3 under subsection (d)(4)(C).

4 “(D) NOTIFICATION.—Prior to publication
5 of a final loan repayment rate under subsection
6 (d)(4)(A) for a program at an institution that
7 provides the data described in subparagraph
8 (C), the Secretary shall notify the institution of
9 the institution’s compliance or noncompliance
10 with subparagraph (A).

11 “(b) REPAYMENT IMPROVEMENT AND ASSESSMENT
12 OF ELIGIBILITY BASED ON LOW LOAN REPAYMENT
13 RATES.—

14 “(1) FIRST YEAR.—

15 “(A) IN GENERAL.—An institution with a
16 program whose loan repayment rate is less than
17 45 percent for any fiscal year shall establish a
18 repayment improvement task force to prepare a
19 plan to—

20 “(i) identify the factors causing such
21 program’s loan repayment rate to fall
22 below such percent;

23 “(ii) establish measurable objectives
24 and the steps to be taken to improve the
25 program’s loan repayment rate; and

1 “(iii) specify actions that the institu-
2 tion can take to improve student loan re-
3 payment, including appropriate counseling
4 regarding loan repayment options.

5 “(B) TECHNICAL ASSISTANCE.—Each in-
6 stitution subject to this paragraph shall submit
7 the plan under subparagraph (A) to the Sec-
8 retary, who shall review the plan and offer tech-
9 nical assistance to the institution to promote
10 improved student loan repayment.

11 “(2) SECOND CONSECUTIVE YEAR.—

12 “(A) IN GENERAL.—An institution with a
13 program whose loan repayment rate is less than
14 45 percent for two consecutive fiscal years,
15 shall—

16 “(i) require the institution’s repay-
17 ment improvement task force established
18 under paragraph (1) to review and revise
19 the plan required under such paragraph;
20 and

21 “(ii) submit such revised plan to the
22 Secretary.

23 “(B) REVIEW BY THE SECRETARY.—The
24 Secretary—

1 “(i) shall review each revised plan
2 submitted in accordance with this para-
3 graph; and

4 “(ii) may direct that such plan be
5 amended to include actions, with measur-
6 able objectives, that the Secretary deter-
7 mines, based on available data and anal-
8 yses of student loan repayment and non-re-
9 payment, will promote student loan repay-
10 ment.

11 “(c) PROGRAMMATIC LOAN REPAYMENT RATE DE-
12 FINED.—

13 “(1) IN GENERAL.—Except as provided in sub-
14 section (d), for purposes of this section, the term
15 ‘loan repayment rate’ means, when used with respect
16 to an educational program at an institution—

17 “(A) with respect to any fiscal year in
18 which 30 or more current and former students
19 in such program enter repayment on a covered
20 loan received for attendance in such program,
21 the percentage of such current and former stu-
22 dents—

23 “(i) who enter repayment in such fis-
24 cal year on a covered loan received for at-
25 tendance in 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; and

6 “(B) with respect to any fiscal year in
7 which fewer than 30 of the current and former
8 students in such program enter repayment on a
9 covered loan received for attendance in such
10 program, the percentage of such current and
11 former students—

12 “(i) who, in any of the three most re-
13 cent fiscal years, entered repayment on a
14 covered loan received for attendance in
15 such program; and

16 “(ii) who are in a positive repayment
17 status on each such covered loan at the
18 end of the second fiscal year following the
19 fiscal year in which such students entered
20 repayment on such loan.

21 “(2) GUARANTY AGENCY REQUIREMENTS.—The
22 Secretary shall require that each guaranty agency
23 that has insured loans for current or former stu-
24 dents of the institution afford such institution a rea-
25 sonable opportunity (as specified by the Secretary)

1 to review and correct errors in the information re-
2 quired to be provided to the Secretary by the guar-
3 anty agency for the purposes of calculating a loan
4 repayment rate for programs at such institution,
5 prior to the calculation of such rate.

6 “(3) POSITIVE REPAYMENT STATUS.—For pur-
7 poses of this section, the term ‘positive repayment
8 status’, when used with respect to a borrower of a
9 covered loan, means—

10 “(A) the borrower has entered repayment
11 on such loan, and such loan is less than 90
12 days delinquent;

13 “(B) the loan is paid in full (but not
14 through consolidation); or

15 “(C) with respect to a covered loan that is
16 a Federal ONE Loan, the loan is in a
17 deferment described in 469A(b)(1), and with
18 respect to a covered loan made, insured, or
19 guaranteed under part B or made under part
20 D, the loan is in a deferment or forbearance
21 that is comparable to a deferment described in
22 469A(b)(1).

23 “(4) COVERED LOAN.—For purposes of this
24 section—

25 “(A) the term ‘covered loan’ means—

1 “(i) a loan made, insured, or guaran-
2 teed under section 428 or 428H;

3 “(ii) a Federal Direct Stafford Loan;

4 “(iii) a Federal Direct Unsubsidized
5 Stafford Loan;

6 “(iv) a Federal Direct PLUS Loan
7 issued to a graduate or professional stu-
8 dent;

9 “(v) a Federal ONE Loan (other than
10 a Federal ONE Parent Loan or a Federal
11 ONE Consolidation Loan not described in
12 clause (vi)); or

13 “(vi) the portion of a loan made under
14 section 428C, a Federal Direct Consolida-
15 tion Loan, or a Federal ONE Consolida-
16 tion Loan that is used to repay any cov-
17 ered loan described in clauses (i) through
18 (v); and

19 “(B) the term ‘covered loan’ does not in-
20 clude a loan described in subparagraph (A) that
21 has been discharged under section 437(a).

22 “(d) SPECIAL RULES.—

23 “(1) IN GENERAL.—In the case of a student
24 who has attended and borrowed at more than one
25 institution of higher education or for more than one

1 educational program at an institution, the student
2 (and such student’s subsequent positive repayment
3 status on a covered loan, if applicable)) shall be at-
4 tributed to each institution of higher education and
5 educational program for attendance at which the
6 student received a loan that entered repayment for
7 the fiscal year for which the loan repayment rate is
8 being calculated.

9 “(2) DELINQUENT.—A loan on which a pay-
10 ment is made by an institution of higher education,
11 such institutions’s owner, agent, contractor, em-
12 ployee, or any other entity or individual affiliated
13 with such institution, in order to prevent the bor-
14 rower from being more than 90 days delinquent on
15 the loan, shall be considered more than 90 days de-
16 linquent for purposes of this subsection.

17 “(3) REGULATIONS TO PREVENT EVASIONS.—
18 The Secretary shall prescribe regulations designed to
19 prevent an institution of higher education from evad-
20 ing the application of a loan repayment rate deter-
21 mination under this section to an educational pro-
22 gram at such institution through—

23 “(A) the use of such measures as branch-
24 ing, consolidation, change of ownership or con-
25 trol, or any similar device; or

1 “(B) creating a new educational program
2 that is substantially similar to a program deter-
3 mined to be ineligible under subsection (a).

4 “(4) COLLECTION AND REPORTING OF LOAN
5 REPAYMENT RATES.—

6 “(A) IN GENERAL.—The Secretary shall
7 publish not less often than once every fiscal
8 year a report showing final loan repayment
9 data for each program at each institution of
10 higher education for which a loan repayment
11 rate is calculated under this section.

12 “(B) PUBLICATION.—The Secretary shall
13 publish the report described in subparagraph
14 (A) by September 30 of each year.

15 “(C) DRAFTS.—

16 “(i) IN GENERAL.—The Secretary
17 shall provide institutions with draft loan
18 repayment rates for each educational pro-
19 gram at the institution at least 6 months
20 prior to the release of the final rates under
21 subparagraph (A).

22 “(ii) CHALLENGE OF DRAFT RATES.—
23 An institution may challenge a program’s
24 draft loan repayment rate provided under
25 clause (i) for any fiscal year by dem-

1 onstrating to the satisfaction of the Sec-
2 retary that such draft loan repayment rate
3 is not accurate.

4 “(e) TRANSITION PERIOD.—

5 “(1) DURING THE TRANSITION PERIOD.—Dur-
6 ing the transition period, the cohort default rate for
7 each institution of higher education shall be cal-
8 culated under section 435(m)(1) for each fiscal year
9 for which such rate has not yet been calculated and
10 any requirements with respect to such rates shall
11 continue to apply, except that the loans with respect
12 to which such cohort default rate shall be calculated
13 shall be the covered loans defined in subsection
14 (c)(4).

15 “(2) AFTER THE TRANSITION PERIOD.—After
16 the transition period, no new cohort default rates
17 shall be calculated for an institution of higher edu-
18 cation and any requirements with respect to such
19 rates shall cease to apply.

20 “(3) DEFINITIONS.—For purposes of this sub-
21 section—

22 “(A) the term ‘cohort default rate’ has the
23 meaning given the term in section 435(m); and

24 “(B) the term ‘transition period’ means
25 the period—

1 “(i) beginning on the date of enact-
2 ment of the PROSPER Act; and

3 “(ii) ending on the date on which the
4 Secretary has published under subsection
5 (d)(4)(A) the final loan repayment rate for
6 each program at each institution of higher
7 education with respect to each of fiscal
8 years 2016, 2017, and 2018.”.

9 **SEC. 483. MASTER CALENDAR.**

10 Section 482 (20 U.S.C. 1089) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by striking
14 “February 1” and inserting “January 15”;

15 (ii) in subparagraph (B), by striking
16 “March 1” and inserting “February 1”;

17 (iii) in subparagraph (C), by striking
18 “June 1” and inserting “May 1”;

19 (iv) in subparagraph (D), by striking
20 “August 15” and inserting “July 15”;

21 (v) by striking subparagraph (E), and
22 redesignating subparagraphs (F) and (G)
23 as subparagraphs (E) and (F), respec-
24 tively; and

1 (vi) in subparagraph (E), as so redese-
2 gnated, by striking “October 1” and in-
3 serting “September 1”; and

4 (vii) in subparagraph (F), as so redese-
5 gnated, by striking “November 1” and in-
6 serting “October 1”;

7 (B) in paragraph (2)—

8 (i) in subparagraph (F), by striking
9 “and final Pell Grant payment schedule”;

10 (ii) in subparagraph (J), by striking
11 “June 1” and inserting “May 1”;

12 (iii) by redesignating subparagraphs
13 (C) through (J) as subparagraphs (D)
14 through (K), respectively; and

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

17 “(C) by November 1: final Pell Grant pay-
18 ment schedule;”; and

19 (2) in subsection (b)—

20 (A) by striking “413D(d), 442(d), or
21 462(i)” and inserting “442(d)”; and

22 (B) by striking “the programs under sub-
23 part 3 of part A, part C, and part E, respec-
24 tively” and inserting “part C”.

1 **SEC. 484. FAFSA SIMPLIFICATION.**

2 (a) IN GENERAL.—Section 483 (20 U.S.C. 1090) is
3 amended—

4 (1) in subsection (a)(3)—

5 (A) in subparagraph (E), by adding at the
6 end the following: “Notwithstanding the limita-
7 tions on sharing data described in this para-
8 graph, an institution of higher education may,
9 with explicit written consent of the applicant,
10 provide such information as is necessary to a
11 scholarship granting organization designated by
12 the applicant to assist the applicant in applying
13 for and receiving financial assistance for the ap-
14 plicant’s education at that institution. An orga-
15 nization that receives information pursuant to
16 the preceding sentence shall not maintain,
17 warehouse, sell, or otherwise store or share such
18 information after it has been used to determine
19 the additional aid available for such applicant
20 and the organization shall destroy the informa-
21 tion after such determination has been made.”;
22 and

23 (B) by adding at the end the following:

24 “(I) FORMAT.—Not later than 1 year after
25 the date of the enactment of the PROSPER
26 Act, the Secretary shall make the electronic

1 version of the forms under this paragraph avail-
2 able through a technology tool optimized for use
3 on mobile devices. Such technology tool shall, at
4 minimum, enable applicants to—

5 “(i) save data; and

6 “(ii) submit the FAFSA of such appli-
7 cant to the Secretary through such tool.

8 “(J) CONSUMER TESTING.—In developing
9 and maintaining the electronic version of the
10 forms under this paragraph and the technology
11 tool for mobile devices under subparagraph (I),
12 the Secretary shall conduct consumer testing
13 with appropriate persons to ensure the forms
14 and technology tool are designed to be easily
15 usable and understandable by students and
16 families. Such consumer testing shall include—

17 “(i) current and prospective college
18 students, family members of such students,
19 and other individuals with expertise in stu-
20 dent financial assistance application proc-
21 esses;

22 “(ii) dependent students and inde-
23 pendent students who meet the require-
24 ments under subsection (b) or (c) of sec-
25 tion 479; and

1 “(iii) dependent students and inde-
2 pendent students who do not meet the re-
3 quirements under subsection (b) or (c) of
4 section 479.”; and

5 (2) by amending subsection (f) to read as fol-
6 lows:

7 “(f) USE OF INTERNAL REVENUE SERVICE DATA
8 RETRIEVAL TOOL TO POPULATE FAFSA.—

9 “(1) SIMPLIFICATION EFFORTS.—The Sec-
10 retary shall—

11 “(A) make every effort to allow applicants
12 to utilize the current data retrieval tool to
13 transfer, through a rigorous authentication
14 process, data available from the Internal Rev-
15 enue Service to reduce the amount of original
16 data entry by applicants and strengthen the re-
17 liability of data used to calculate expected fam-
18 ily contributions, including through the use of
19 technology to—

20 “(i) allow an applicant to automati-
21 cally populate the electronic version of the
22 forms under this paragraph with data
23 available from the Internal Revenue Serv-
24 ice; and

1 “(ii) direct an applicant to appro-
2 priate questions on such forms based on
3 the applicant’s answers to previous ques-
4 tions; and

5 “(B) allow single taxpayers, married tax-
6 payers filing jointly, and married taxpayers fil-
7 ing separately to utilize the current data re-
8 trieval tool to its full capacity.

9 “(2) USE OF TAX RETURN IN APPLICATION
10 PROCESS.—The Secretary shall continue to examine
11 whether data provided by the Internal Revenue Serv-
12 ice can be used to generate an expected family con-
13 tribution without additional action on the part of the
14 student and taxpayer.

15 “(3) REPORTS ON FAFSA SIMPLIFICATION EF-
16 FORTS.—Not less than once every year, the Sec-
17 retary shall report to the authorizing committees
18 on—

19 “(A) the progress of the simplification ef-
20 forts under this subsection; and

21 “(B) the security of the data retrieval
22 tool.”.

23 (b) TECHNICAL AMENDMENT.—Section 483(a)(9)(C)
24 (20 U.S.C. 1090(a)(9)(C)) is amended by inserting “, in-

1 cluding through the tool described in section 485E(c)” be-
2 fore the semicolon.

3 **SEC. 485. STUDENT ELIGIBILITY.**

4 Section 484 (20 U.S.C. 1091) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by striking “a de-
7 gree, certificate, or other program (including a
8 program of study abroad approved for credit by
9 the eligible institution at which such student is
10 enrolled) leading to a” and inserting “an eligi-
11 ble program (including a program of study
12 abroad approved for credit by the eligible insti-
13 tution at which such student is enrolled) lead-
14 ing to a degree, certificate, or other”; and

15 (B) in paragraph (3), by inserting “ as in
16 effect on the day before the date of enactment
17 of the PROSPER Act and pursuant to section
18 461(a) of such Act,” after “part E,”;

19 (2) in subsection (b)—

20 (A) in paragraph (3)(B), by striking “part
21 B or D” and inserting “part B, D, or E”; and

22 (B) by adding at the end the following:

23 “(6) For purposes of competency-based education, in
24 order to be eligible to receive any loan under this title for
25 an award year, a student may be enrolled in coursework

1 attributable only to 2 academic years within the award
2 year.”;

3 (3) in subsection (c)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A)—

6 (I) by inserting “least as fre-
7 quently as” before “the end of each”;
8 and

9 (II) by striking “, and” at the
10 end and inserting a semicolon;

11 (ii) in subparagraph (B)—

12 (I) by striking “the student has a
13 cumulative” and inserting the fol-
14 lowing: “the student has—

15 “(i) a cumulative”;

16 (II) by striking “the second” and
17 inserting “each”;

18 (III) by striking the period at the
19 end and inserting “; or” ; and

20 (IV) by adding at the end the fol-
21 lowing:

22 “(ii) for the purposes of competency-
23 based programs, a non-grade equivalent
24 demonstration of academic standing con-
25 sistent with the requirements for gradua-

1 tion, as determined by the institution, at
2 the end of each such academic year; and”;
3 and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(C) the student maintains a pace in his or her
7 educational program that—

8 “(i) ensures that the student completes the
9 program within the maximum timeframe; and

10 “(ii) is measured by a method determined
11 by the institution which may be based on credit
12 hours, clock hours, or competencies com-
13 pleted.”;

14 (B) in paragraph (2), by striking “grading
15 period” and inserting “evaluation period”; and

16 (C) by adding at the end the following:

17 “(4) For purposes of this subsection, the term ‘max-
18 imum timeframe’ means—

19 “(A) with respect to an undergraduate program
20 measured in credit hours, a period that is no longer
21 than 150 percent of the published length of the edu-
22 cational program, as measured in credit hours;

23 “(B) with respect to an undergraduate program
24 measured in competencies, a period that is no longer

1 than 150 percent of the published length of the edu-
2 cational program, as measured in competencies;

3 “(C) with respect to an undergraduate program
4 measured in clock hours, a period that is no longer
5 than 150 percent of the published length of the edu-
6 cational program, as measured by the cumulative
7 number of clock hours the student is required to
8 complete and expressed in calendar time; and

9 “(D) with respect to a graduate program, a pe-
10 riod defined by the institution that is based on the
11 length of the educational program.”;

12 (4) by amending subsection (d) to read as fol-
13 lows:

14 “(d) ADDITIONAL STUDENT ELIGIBILITY.—

15 “(1) ABILITY TO BENEFIT STUDENTS.—In
16 order for a student who does not have a certificate
17 of graduation from a school providing secondary
18 education, or the recognized equivalent of such cer-
19 tificate, to be eligible for any assistance under sub-
20 part 1 of part A and parts C, D, and E of this title,
21 the student shall be determined by the institution of
22 higher education as having the ability to benefit
23 from the education offered by the institution of high-
24 er education upon satisfactory completion of 6 credit
25 hours or the equivalent coursework that are applica-

1 ble toward a degree or certificate offered by the in-
2 stitution of higher education.

3 “(2) HOMESCHOOL STUDENTS.—A student who
4 has completed a secondary school education in a
5 home school setting that is treated as a home school
6 or private school under State law shall be eligible for
7 assistance under subpart 1 of part A and parts C,
8 D, and E of this title.

9 “(3) SECONDARY EDUCATION PROVIDED BY
10 NONPROFIT CORPORATIONS.—A student who has
11 completed a secondary education provided by a
12 school operating as a nonprofit corporation that of-
13 fers a program of study determined acceptable for
14 admission at an institution of higher education shall
15 be eligible for assistance under subpart 1 of part A
16 and parts C, D, and E of this title”.

17 (5) in subsection (f)(1), by striking “or part E”
18 both places it appears and inserting the following: “,
19 part E (as in effect on the day before the date of
20 enactment of the PROSPER Act and pursuant to
21 section 461(a) of such Act), or part E (as in effect
22 on or after the date of enactment of the PROSPER
23 Act)”;

24 (6) by striking subsection (l);

25 (7) in subsection (n)—

1 (A) by striking “(n) DATA BASE MATCH-
2 ING.—To enforce”; and inserting the following:

3 “(n) SELECTIVE SERVICE REGISTRATION.—

4 “(1) DATA BASE MATCHING.—To enforce”; and

5 (B) by adding at the end the following:

6 “(2) EFFECT OF FAILURE TO REGISTER FOR
7 SELECTIVE SERVICE.—A person who is 26 years of
8 age or older shall not be ineligible for assistance or
9 a benefit provided under this title by reason of fail-
10 ure to present himself for, and submit to, registra-
11 tion under section 3 of the Military Selective Service
12 Act (50 U.S.C. 3802).”; and

13 (8) by redesignating subsections (m) through
14 (t) as subsections (l) through (s).

15 **SEC. 486. STATUTE OF LIMITATIONS.**

16 Section 484A (20 U.S.C. 1088) is amended—

17 (1) in subsection (a)(2)(C)—

18 (A) by striking “or section 463(a)” and in-
19 serting “, section 463(a) (as in effect on the
20 day before the date of enactment of the PROS-
21 PER Act and pursuant to section 461(a) of
22 such Act), or section 463 (as in effect on or
23 after the date of enactment of the PROSPER
24 Act)”; and

1 (B) by striking “or E” and inserting “, E
2 (as in effect on the day before the date of en-
3 actment of the PROSPER Act and pursuant to
4 section 461(a) of such Act), or E (as in effect
5 on or after the date of enactment of the PROS-
6 PER Act)”; and

7 (2) in subsection (b)—

8 (A) by striking “and” at the end of para-
9 graph (2);

10 (B) in paragraph (3)—

11 (i) by inserting “(as in effect on the
12 day before the date of enactment of the
13 PROSPER Act and pursuant to section
14 461(a) of such Act)” after “part E”;

15 (ii) by inserting “(as so in effect)”
16 after “section 463(a)”; and

17 (iii) by adding “and” at the end; and

18 (C) by adding at the end the following:

19 “(4) in collecting any obligation arising from a
20 loan made under part E (as in effect on or after the
21 date of enactment of the PROSPER Act), an insti-
22 tution of higher education that has an agreement
23 with the Secretary pursuant to section 463(a) (as so
24 in effect) shall not be subject to a defense raised by
25 any borrower based on a claim of infancy.”.

1 **SEC. 487. INSTITUTIONAL REFUNDS.**

2 Section 484B (20 U.S.C. 1091b) is amended—

3 (1) in subsection (a)—

4 (A) in paragraph (1)—

5 (i) by striking “If a recipient” and in-
6 sserting the following:

7 “(A) CONSEQUENCE OF WITHDRAWAL.—If
8 a recipient”; and

9 (ii) by adding at the end the fol-
10 lowing:

11 “(B) SPECIAL RULE.—For purposes of
12 subparagraph (A), a student—

13 “(i) who is enrolled in a program of-
14 fered in modules is not considered with-
15 drawn if the change in the student’s at-
16 tendance constitutes a change in enroll-
17 ment status within the payment period
18 rather than a discontinuance of attendance
19 within the payment period; and

20 “(ii) is considered withdrawn if the
21 student follows the institution’s official
22 withdrawal procedures or leaves without
23 notifying the institution and has not re-
24 turned before the end of the payment pe-
25 riod.”;

26 (B) in paragraph (3)—

1 (i) in subparagraph (B), by striking
2 clauses (i) and (ii) and inserting the fol-
3 lowing:

4 “(i) 0 percent, if the day the student
5 withdrew occurs when the student has
6 completed (as determined in accordance
7 with subsection (d)) 0 to 24 percent of the
8 payment period or period of enrollment;

9 “(ii) 25 percent, if the day the stu-
10 dent withdrew occurs when the student has
11 completed (as determined in accordance
12 with subsection (d)) 25 to 49 percent of
13 the payment period or period of enroll-
14 ment;

15 “(iii) 50 percent, if the day the stu-
16 dent withdrew occurs when the student has
17 completed (as determined in accordance
18 with subsection (d)) 50 to 74 percent of
19 the payment period or period of enroll-
20 ment; or

21 “(iv) 75 percent, if the day the stu-
22 dent withdrew occurs when the student has
23 completed (as determined in accordance
24 with subsection (d)) 75 to 99 percent of

1 the payment period or period of enroll-
2 ment.”.

3 (ii) in subparagraph (C)(i), by strik-
4 ing “subparts 1 and 3 of part A, or loan
5 assistance under parts B, D,” and insert-
6 ing “subpart 1 of part A or loan assistance
7 under parts D”; and

8 (C) in paragraph (4)—

9 (i) in subparagraph (A), by striking
10 “Secretary), the institution of higher edu-
11 cation shall contact the borrower” and in-
12 serting “Secretary), the institution of high-
13 er education shall have discretion to deter-
14 mine whether all or a portion of the late or
15 post-withdrawal disbursement should be
16 made, under a publicized institutional pol-
17 icy. If the institution of higher education
18 determines that a disbursement should be
19 made, the institution shall contact the bor-
20 rower”; and

21 (ii) in subparagraph (B) by striking
22 “institution or the student, or both, as
23 may be required under paragraphs (1) and
24 (2) of subsection (b), to the programs
25 under this title in the order specified in”

1 and inserting “institution, as may be re-
2 quired under paragraph (1) of subsection
3 (b), to the programs under this title in ac-
4 cordance with”;

5 (2) by amending subsection (b) to read as fol-
6 lows:

7 “(b) RETURN OF TITLE IV PROGRAM FUNDS.—

8 “(1) RESPONSIBILITY OF THE INSTITUTION.—

9 The institution shall return not later than 60 days
10 from the determination of withdrawal, in accordance
11 with paragraph (3), the amount of grant and loan
12 assistance awarded under this title that has not been
13 earned by the student, as calculated under sub-
14 section (a)(3)(C).

15 “(2) RESPONSIBILITY OF THE STUDENT.—

16 “(A) IN GENERAL.—The student is not re-
17 sponsible to return assistance that has not been
18 earned, except that the institution may require
19 the student to pay to the institution up to 10
20 percent of the amount owed by the institution
21 in paragraph (1).

22 “(B) RULE OF CONSTRUCTION.—Nothing
23 in this section shall be construed to prevent an
24 institution from enforcing the published institu-
25 tional refund policies of such institution.

1 “(3) ORDER OF RETURN OF TITLE IV FUNDS.—

2 “(A) IN GENERAL.—Excess funds returned
3 by the institution in accordance with paragraph
4 (1) shall be credited to awards under subpart 1
5 of part A for the payment period or period of
6 enrollment for which a return of funds is re-
7 quired.

8 “(B) REMAINING EXCESSES.—If excess
9 funds remain after repaying all outstanding
10 grant amounts, the remaining excess shall be
11 credited in the following order:

12 “(i) To outstanding balances on loans
13 made under this title to the student or on
14 behalf of the student for the payment pe-
15 riod or period of enrollment for which a re-
16 turn of funds is required.

17 “(ii) To other assistance awarded
18 under this title for which a return of funds
19 is required.”;

20 (3) by amending subsection (c) to read as fol-
21 lows:

22 “(c) WITHDRAWAL DATE.—

23 “(1) IN GENERAL.—In this section, the term
24 ‘day the student withdrew’—

1 “(A) for institutions not required to take
2 attendance, is the date as determined by the in-
3 stitution that—

4 “(i) the student began the withdrawal
5 process prescribed and publicized by the
6 institution, or a later date if the student
7 continued attendance despite beginning the
8 withdrawal process, but did not then com-
9 plete the payment period; or

10 “(ii) in the case of a student who does
11 not begin the withdrawal process, the date
12 that is the mid-point of the payment period
13 for which assistance under this title was
14 disbursed or another date documented by
15 the institution; or

16 “(B) for institutions required to take at-
17 tendance, is determined by the institution from
18 such attendance records.

19 “(2) SPECIAL RULE.—Notwithstanding para-
20 graph (1), if the institution determines that a stu-
21 dent did not begin the withdrawal process, due to ill-
22 ness, accident, grievous personal loss, or other such
23 circumstances beyond the student’s control, the in-
24 stitution may determine the appropriate withdrawal
25 date under its own defined policies.

1 “(3) ATTENDANCE.—An institution is required
2 to take attendance if an institution’s accrediting
3 agency or State licensing agency has a requirement
4 that the institution take attendance for all students
5 in an academic program throughout the entire pay-
6 ment period.”; and

7 (4) by striking subsections (d) and (e).

8 **SEC. 488. INFORMATION DISSEMINATED TO PROSPECTIVE**
9 **AND ENROLLED STUDENTS.**

10 (a) USE OF WEBSITE TO DISSEMINATE INFORMA-
11 TION.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is
12 amended in the matter preceding subparagraph (A) by
13 striking the second and third sentences and inserting the
14 following: “The information required by this section shall
15 be produced and be made readily available to enrolled and
16 prospective students on the institution’s website (or in
17 other formats upon request).”.

18 (b) INFORMATION ON PROHIBITING COPYRIGHT IN-
19 FRINGEMENT.—Section 485(a)(1)(P) (20 U.S.C.
20 1092(a)(1)(P)) is amended by striking “, including—”
21 and all that follows and inserting a period.

22 (c) ELIMINATION OF CERTAIN REPORTING REQUIRE-
23 MENTS.—

24 (1) IN GENERAL.—Section 485(a)(1) (20
25 U.S.C. 1092(a)(1)) is amended—

1 (A) by striking subparagraph (L);

2 (B) by redesignating subparagraphs (M)
3 through (P) as subparagraphs (L) through (O);
4 and

5 (C) by striking subparagraphs (Q) through
6 (V) and inserting the following:

7 “(P) the fire safety report prepared by the
8 institution pursuant to subsection (i); and

9 “(Q) the link to the institution’s informa-
10 tion on the College Dashboard website operated
11 under section 132.”.

12 (2) CONFORMING AMENDMENTS.—Section
13 485(a) (20 U.S.C. 1092(a)) is amended by striking
14 paragraphs (3) through (7).

15 (d) EXIT COUNSELING.—Section 485(b) (20 U.S.C.
16 1092(b)) is amended—

17 (1) in paragraph (1)(A)—

18 (A) in the matter preceding clause (i)—

19 (i) by striking “through financial aid
20 offices or otherwise” and inserting
21 “through the use of an interactive pro-
22 gram, during an exit counseling session
23 that is in-person or online, or through the
24 use of the online counseling tool described
25 in subsection (n)(1)(A)”; and

1 (ii) by inserting “, as in effect on the
2 day before the date of enactment of the
3 PROSPER Act and pursuant to section
4 461(a) of such Act or made under part E
5 (other than Federal ONE Parent Loans),
6 as in effect on or after the date of enact-
7 ment of the PROSPER Act” after “part
8 E”;

9 (B) by redesignating clauses (i) through
10 (ix) as clauses (iv) through (xii), respectively;

11 (C) by inserting before clause (iv), as so
12 redesignated, the following:

13 “(i) a summary of the outstanding
14 balance of principal and interest due on
15 the loans made to the borrower under this
16 title;

17 “(ii) an explanation of the grace pe-
18 riod preceding repayment and the expected
19 date that the borrower will enter repay-
20 ment;

21 “(iii) an explanation of cases of inter-
22 est capitalization and that the borrower
23 has the option to pay any interest that has
24 accrued while the borrower was in school
25 or that may accrue during the grace period

1 preceding repayment or during an author-
2 ized period of deferment or forbearance,
3 prior to the capitalization of the interest;”;

4 (D) in clause (iv), as so redesignated—

5 (i) by striking “sample information
6 showing the average” and inserting “infor-
7 mation, based on the borrower’s out-
8 standing balance described in clause (i),
9 showing the borrower’s”; and

10 (ii) by striking “of each plan” and in-
11 sserting “of at least the standard repay-
12 ment plan and the income-based repay-
13 ment plan under section 466(d)”;

14 (E) in clause (ix), as so redesignated—

15 (i) by inserting “decreased credit
16 score,” after “credit reports,”; and

17 (ii) by inserting “potential reduced
18 ability to rent or purchase a home or car,
19 potential difficulty in securing employ-
20 ment,” after “Federal law,”;

21 (F) in clause (x), as so redesignated, by
22 striking “consolidation loan under section 428C
23 or a”;

24 (G) in clauses (xi) and (xii), as so redesign-
25 ated, by striking “and” at the end; and

1 (H) by adding at the end the following:

2 “(xiii) for each of the borrower’s loans
3 made under this title for which the borrower is
4 receiving counseling under this subsection, the
5 contact information for the servicer of the loan
6 and a link to the Website of such servicer; and

7 “(xiv) an explanation that an individual
8 has a right to annually request a disclosure of
9 information collected by a consumer reporting
10 agency pursuant to section 612(a) of the Fair
11 Credit Reporting Act (15 U.S.C. 1681j(a)).”;

12 (2) in paragraph (1)(B)—

13 (A) by inserting “online or” before “in
14 writing”; and

15 (B) by adding before the period at the end
16 the following: “, except that in the case of an
17 institution using the online counseling tool de-
18 scribed in subsection (n)(1)(A), the Secretary
19 shall attempt to provide such information to the
20 student in the manner described in subsection
21 (n)(3)(C)”;

22 (3) in paragraph (2)(C), by inserting “, such as
23 the online counseling tool described in subsection
24 (n)(1)(A),” after “electronic means”.

1 (e) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS
2 OF ASSISTANCE PROGRAMS.—The third sentence of sec-
3 tion 485(d)(1) (20 U.S.C. 1092(d)(1)) is amended by
4 striking “part D” and inserting “part D or E”.

5 (f) AMENDMENTS TO CLERY ACT.—

6 (1) PREVENTING INTERFERENCE WITH CRIMI-
7 NAL JUSTICE PROCEEDINGS; TIMELY WARNINGS;
8 CONSISTENCY OF INSTITUTIONAL CRIME REPORT-
9 ING.—Section 485(f) (20 U.S.C. 1092(f)) is amend-
10 ed—

11 (A) by striking paragraph (3) and insert-
12 ing the following:

13 “(3) Each institution participating in any pro-
14 gram under this title, other than a foreign institu-
15 tion of higher education, shall make timely reports
16 to the campus community on crimes described in
17 paragraph (1)(F) that have been reported to campus
18 security officials and pose a serious and continuing
19 threat to other students and employees’ safety. Such
20 reports shall withhold the names of victims as con-
21 fidential and shall be provided in a timely manner,
22 except that an institution may delay issuing a report
23 if the issuance would compromise ongoing law en-
24 forcement efforts, such as efforts to apprehend a
25 suspect. The report shall also include information

1 designed to assist students and employees in staying
2 safe and avoiding similar occurrences to the extent
3 such information is available and appropriate to in-
4 clude. In assessing institutional compliance with this
5 section, the Secretary shall defer to the institution's
6 determination of whether a particular crime poses a
7 serious and continuing threat to the campus commu-
8 nity, and the timeliness of such warning, provided
9 that, in making its decision, the institution acted
10 reasonably and based on the considered professional
11 judgement of campus security officials, based on the
12 facts and circumstances known at the time.”;

13 (B) by redesignating paragraph (18) as
14 paragraph (20); and

15 (C) by inserting after paragraph (17) the
16 following:

17 “(18) Nothing in this subsection may be construed
18 to prohibit an institution of higher education from delay-
19 ing the initiation of, or suspending, an investigation or in-
20 stitutional disciplinary proceeding involving an allegation
21 of sexual assault in response to a request from a law en-
22 forcement agency or a prosecutor to delay the initiation
23 of, or suspend, the investigation or proceeding, and any
24 delay or suspension of such an investigation or proceeding
25 in response to such a request may not serve as the grounds

1 for any sanction or audit finding against the institution
2 or for the suspension or termination of the institution's
3 participation in any program under this title.

4 “(19)(A) Reporting carried out under this subsection
5 shall be conducted in a manner to ensure maximum con-
6 sistency with the Uniform Crime Reporting Program of
7 the Department of Justice.

8 “(B) The Secretary shall require institutions of high-
9 er education to report crime statistics under this section
10 using definitions of such crimes, when available, from the
11 Uniform Crime Reporting Program of the Department of
12 Justice.

13 “(C) The Secretary shall maintain a publicly avail-
14 able and updated list of all applicable definitions from the
15 Uniform Crime Reporting Program of the Department of
16 Justice.

17 “(D) With respect to a report under this subsection,
18 in the case of a crime for which no Uniform Crime Report-
19 ing Program of the Department of Justice definition ex-
20 ists, the Secretary shall require that institutions of higher
21 education report such crime according to a definition pro-
22 vided by the Secretary.

23 “(E) An institution of higher education that reports
24 a crime described in subparagraph (D) shall not be subject
25 to any penalty or fine for reporting inaccuracies or omis-

1 sions if the institution of higher education can dem-
2 onstrate that it made a reasonable and good faith effort
3 to report crimes consistent with the definition provided by
4 the Secretary.

5 “(F) With respect to a report under this subsection,
6 the Secretary shall require institutions of higher education
7 to follow the Hierarchy Rule for reporting crimes under
8 the Uniform Crime Reporting Program of the Department
9 of Justice, so as to minimize duplicate reporting and en-
10 sure greater consistency with national crime reporting sys-
11 tems.”.

12 (2) DUE PROCESS REQUIREMENTS FOR INSTI-
13 TUTIONAL DISCIPLINARY PROCEEDINGS.—Section
14 485(f)(8)(B)(iv)(I) (20 U.S.C. 1092(f)(8)(B)(iv)(I))
15 is amended to read as follows:

16 “(I) the investigation of the allegation
17 and any institutional disciplinary pro-
18 ceeding in response to the allegation shall
19 be prompt, impartial, and fair to both the
20 accuser and the accused by, at a min-
21 imum—

22 “(aa) providing all parties to the
23 proceeding with adequate written no-
24 tice of the allegation not later than 2
25 weeks prior to the start of any formal

1 hearing or similar adjudicatory pro-
2 ceeding, and including in such notice
3 a description of all rights and respon-
4 sibilities under the proceeding, a
5 statement of all relevant details of the
6 allegation, and a specific statement of
7 the sanctions which may be imposed;

8 “(bb) providing each person
9 against whom the allegation is made
10 with a meaningful opportunity to
11 admit or contest the allegation;

12 “(cc) ensuring that all parties to
13 the proceeding have access to all ma-
14 terial evidence not later than one week
15 prior to the start of any formal hear-
16 ing or similar adjudicatory pro-
17 ceeding;

18 “(dd) ensuring that the pro-
19 ceeding is carried out free from con-
20 flicts of interest by ensuring that
21 there is no commingling of adminis-
22 trative or adjudicative roles; and

23 “(ee) ensuring that the investiga-
24 tion and proceeding shall be con-
25 ducted by officials who receive annual

1 education on issues related to domes-
2 tic violence, dating violence, sexual as-
3 sault, and stalking, and on how to
4 conduct an investigation and an insti-
5 tutional disciplinary proceeding that
6 protects the safety of victims, ensures
7 fairness for both the accuser and the
8 accused, and promotes account-
9 ability;”.

10 (3) ESTABLISHMENT OF STANDARD OF EVI-
11 DENCE FOR INSTITUTIONAL DISCIPLINARY PRO-
12 CEEDINGS.—

13 (A) INCLUSION IN STATEMENT OF POL-
14 ICY.—Section 485(f)(8)(B) (20 U.S.C.
15 1092(f)(8)(B)) is amended by adding at the
16 end the following new clause:

17 “(viii) The establishment of a standard of
18 evidence that will be used in institutional dis-
19 ciplinary proceedings involving allegations of
20 sexual assault, which may be based on such
21 standards and criteria as the institution con-
22 siders appropriate (including the institution’s
23 culture, history, and mission, the values re-
24 flected in its student code of conduct, and the
25 purpose of the institutional disciplinary pro-

1 ceedings) so long as the standard is not arbi-
2 trary or capricious and is applied consistently
3 throughout all such proceedings.”.

4 (B) CONFORMING AMENDMENTS.—Section
5 485(f)(8)(B)(iv) (20 U.S.C. 1092(f)(8)(B)(iv))
6 is amended—

7 (i) by striking “and” at the end of
8 subclause (II);

9 (ii) by striking the period at the end
10 of subclause (III) and inserting “; and”;
11 and

12 (iii) by adding at the end the fol-
13 lowing new subclause:

14 “(IV) in the case of a proceeding in-
15 volving an allegation of sexual assault,
16 such proceedings shall be conducted in ac-
17 cordance with the standard of evidence es-
18 tablished by the institution under clause
19 (viii), together with a clear statement de-
20 scribing such standard of evidence.”.

21 (4) EDUCATION MODULES FOR OFFICIALS CON-
22 DUCTING INVESTIGATIONS AND INSTITUTIONAL DIS-
23 CIPLINARY PROCEEDINGS.—Section 485(f)(8) (20
24 U.S.C. 1092(f)(8)) is amended by adding at the end
25 the following new subparagraph:

1 “(D) In consultation with experts from institu-
2 tions of higher education, law enforcement agencies,
3 advocates for sexual assault victims, experts in due
4 process, and other appropriate persons, the Sec-
5 retary shall create and regularly update modules
6 which an institution of higher education may use to
7 provide the annual education described in subpara-
8 graph (B)(iv)(I)(ee) for officials conducting inves-
9 tigations and institutional disciplinary proceedings
10 involving allegations described in such subparagraph.
11 If the institution uses such modules to provide the
12 education described in such subparagraph, the insti-
13 tution shall be considered to meet any requirement
14 under such subparagraph or any other Federal law
15 regarding the education provided to officials con-
16 ducting such investigations and proceedings.”.

17 (g) MODIFICATION OF CERTAIN REPORTING RE-
18 QUIREMENTS.—

19 (1) FIRE SAFETY.—Section 485(i) (20 U.S.C.
20 1092(i)) is amended to read as follows:

21 “(i) FIRE SAFETY REPORTS.—

22 “(1) ANNUAL REPORT.—Each eligible institu-
23 tion participating in any program under this title
24 that maintains on-campus student housing facilities
25 shall, on an annual basis, publish a fire safety re-

1 port, which shall contain information with respect to
2 the campus fire safety practices and standards of
3 that institution, statistics on any fire related inci-
4 dents or injuries, and any preventative measures or
5 technologies.

6 “(2) RULES OF CONSTRUCTION.—Nothing in
7 this subsection shall be construed to—

8 “(A) authorize the Secretary to require
9 particular policies, procedures, programs, or
10 practices by institutions of higher education
11 with respect to fire safety;

12 “(B) affect section 444 of the General
13 Education Provisions Act (commonly known as
14 the ‘Family Education Rights and Privacy Act
15 of 1974’) or the regulations issued under sec-
16 tion 264 of the Health Insurance Portability
17 and Accountability Act of 1996 (42 U.S.C.
18 1320d-2 note);

19 “(C) create a cause of action against any
20 institution of higher education or any employee
21 of such an institution for any civil liability; or

22 “(D) establish any standard of care.

23 “(3) EVIDENCE.—Notwithstanding any other
24 provision of law, evidence regarding compliance or
25 noncompliance with this subsection shall not be ad-

1 missible as evidence in any proceeding of any court,
2 agency, board, or other entity, except with respect to
3 an action to enforce this subsection.”.

4 (2) MISSING PERSONS PROCEDURES.—

5 (A) IN GENERAL.—Section 485(j)(1) (20
6 U.S.C. 1092(j)(1)) is amended to read as fol-
7 lows:

8 “(1) IN GENERAL.—Each institution of higher
9 education that provides on-campus housing and par-
10 ticipates in any program under this title shall estab-
11 lish a missing student policy for students who reside
12 in on-campus housing that, at a minimum, informs
13 each residing student that the institution will notify
14 such student’s designated emergency contact and the
15 appropriate law enforcement agency not later than
16 24 hours after the time that the student is deter-
17 mined missing, and in the case of a student who is
18 under 18 years of age, the institution will notify a
19 custodial parent or guardian.”.

20 (B) RULE OF CONSTRUCTION.—Section
21 485(j)(2) (20 U.S.C. 1092(j)(2)) is amended—

22 (i) by striking “or” at the end of sub-
23 paragraph (A);

1 (ii) by striking the period at the end
2 of subparagraph (B) and inserting “; or”;
3 and

4 (iii) by adding at the end the fol-
5 lowing new subparagraph:

6 “(C) to require an institution of higher
7 education to maintain separate missing student
8 emergency contact information, so long as the
9 institution otherwise has an emergency contact
10 for students residing on campus.”.

11 (h) ANNUAL COUNSELING.—Section 485(l) (20
12 U.S.C. 1092(l)) is amended to read as follows:

13 “(l) ANNUAL FINANCIAL AID COUNSELING.—

14 “(1) ANNUAL DISCLOSURE REQUIRED.—

15 “(A) IN GENERAL.—Each eligible institu-
16 tion shall ensure that each individual enrolled
17 at such institution who receives a Federal Pell
18 Grant or a loan made under this title (other
19 than a Federal Direct Consolidation Loan or
20 Federal ONE Consolidation Loan) receives
21 comprehensive information on the terms and
22 conditions of such Federal Pell Grant or loan
23 and the responsibilities the individual has with
24 respect to such Federal Pell Grant or loan.
25 Such information shall be provided, for each

1 award year for which the individual receives
2 such Federal Pell Grant or loan, in a simple
3 and understandable manner—

4 “(i) during a counseling session con-
5 ducted in person;

6 “(ii) online, with the individual ac-
7 knowledging receipt of the information; or

8 “(iii) through the use of the online
9 counseling tool described in subsection
10 (n)(1)(B).

11 “(B) USE OF INTERACTIVE PROGRAMS.—

12 In the case of institutions not using the online
13 counseling tool described in subsection
14 (n)(1)(B), the Secretary shall require such in-
15 stitutions to carry out the requirements of sub-
16 paragraph (A)—

17 “(i) through the use of interactive
18 programs;

19 “(ii) during an annual counseling ses-
20 sion that is in-person or online that tests
21 the individual’s understanding of the terms
22 and conditions of the Federal Pell Grant
23 or loan awarded to the student; and

24 “(iii) using simple and understandable
25 language and clear formatting.

1 “(2) ALL INDIVIDUALS.—The information to be
2 provided under paragraph (1) to each individual re-
3 ceiving counseling under this subsection shall include
4 the following:

5 “(A) An explanation of how the student
6 may budget for typical educational expenses
7 and a sample budget based on the cost of at-
8 tendance for the institution.

9 “(B) An explanation that an individual has
10 a right to annually request a disclosure of infor-
11 mation collected by a consumer reporting agen-
12 cy pursuant to section 612(a) of the Fair Credit
13 Reporting Act (15 U.S.C. 1681j(a)).

14 “(C) Based on the most recent data avail-
15 able from the American Community Survey
16 available from the Department of Commerce,
17 the estimated average income and percentage of
18 employment in the State of domicile of the bor-
19 rower for persons with—

20 “(i) a high school diploma or equiva-
21 lent;

22 “(ii) some post-secondary education
23 without completion of a degree or certifi-
24 cate;

25 “(iii) an associate’s degree;

1 “(iv) a bachelor’s degree; and

2 “(v) a graduate or professional de-
3 gree.

4 “(D) An introduction to the financial man-
5 agement resources provided by the Financial
6 Literacy and Education Commission.

7 “(3) STUDENTS RECEIVING FEDERAL PELL
8 GRANTS.—The information to be provided under
9 paragraph (1) to each student receiving a Federal
10 Pell Grant shall include the following:

11 “(A) An explanation of the terms and con-
12 ditions of the Federal Pell Grant.

13 “(B) An explanation of approved edu-
14 cational expenses for which the student may use
15 the Federal Pell Grant.

16 “(C) An explanation of why the student
17 may have to repay the Federal Pell Grant.

18 “(D) An explanation of the maximum
19 number of semesters or equivalent for which the
20 student may be eligible to receive a Federal Pell
21 Grant, and a statement of the amount of time
22 remaining for which the student may be eligible
23 to receive a Federal Pell Grant.

24 “(E) An explanation that if the student
25 transfers to another institution not all of the

1 student's courses may be acceptable to apply to-
2 ward meeting specific degree or program re-
3 quirements at such institution, but the amount
4 of time remaining for which a student may be
5 eligible to receive a Federal Pell Grant, as pro-
6 vided under subparagraph (D), will not change.

7 “(F) An explanation of how the student
8 may seek additional financial assistance from
9 the institution's financial aid office due to a
10 change in the student's financial circumstances,
11 and the contact information for such office.

12 “(4) BORROWERS RECEIVING LOANS MADE
13 THIS TITLE (OTHER THAN FEDERAL DIRECT PLUS
14 LOANS MADE ON BEHALF OF DEPENDENT STU-
15 DENTS OR FEDERAL ONE PARENT LOANS).—The in-
16 formation to be provided under paragraph (1) to a
17 borrower of a loan made under this title (other than
18 other than a Federal Direct PLUS Loan made on
19 behalf of a dependent student or a Federal ONE
20 Parent Loan) shall include the following:

21 “(A) To the extent practicable, the effect
22 of accepting the loan to be disbursed on the eli-
23 gibility of the borrower for other forms of stu-
24 dent financial assistance.

1 “(B) An explanation of the use of the mas-
2 ter promissory note.

3 “(C) An explanation that the borrower is
4 not required to accept the full amount of the
5 loan offered to the borrower.

6 “(D) An explanation that the borrower
7 should consider accepting any grant, scholar-
8 ship, or State or Federal work-study jobs for
9 which the borrower is eligible prior to accepting
10 Federal student loans.

11 “(E) An explanation of treatment of loans
12 made under this title and private education
13 loans in bankruptcy, and an explanation that if
14 a borrower decides to take out a private edu-
15 cation loan—

16 “(i) the borrower has the ability to se-
17 lect a private educational lender of the bor-
18 rower’s choice;

19 “(ii) the proposed private education
20 loan may impact the borrower’s potential
21 eligibility for other financial assistance, in-
22 cluding Federal financial assistance under
23 this title; and

24 “(iii) the borrower has a right—

1 “(I) to accept the terms of the
2 private education loan within 30 cal-
3 endar days following the date on
4 which the application for such loan is
5 approved and the borrower receives
6 the required disclosure documents,
7 pursuant to section 128(e)(6) of the
8 Truth in Lending Act; and

9 “(II) to cancel such loan within 3
10 business days of the date on which the
11 loan is consummated, pursuant to sec-
12 tion 128(e)(7) of such Act.

13 “(F) An explanation of the approved edu-
14 cational expenses for which the borrower may
15 use a loan made under this title.

16 “(G) Information on the annual and aggre-
17 gate loan limits for a loan made under this
18 title.

19 “(H) Information on interest, including the
20 annual percentage rate of such loan, as cal-
21 culated using the standard 10-year repayment
22 term, and how interest accrues and is capital-
23 ized during periods when the interest is not
24 paid by the borrower.

1 “(I) The option of the borrower to pay the
2 interest while the borrower is in school.

3 “(J) The definition of half-time enrollment
4 at the institution, during regular terms and
5 summer school, if applicable, and the con-
6 sequences of not maintaining at least half-time
7 enrollment.

8 “(K) An explanation of the importance of
9 contacting the appropriate offices at the institu-
10 tion of higher education if the borrower with-
11 draws prior to completing the borrower’s pro-
12 gram of study so that the institution can pro-
13 vide exit counseling, including information re-
14 garding the borrower’s repayment options and
15 loan consolidation.

16 “(L) For a first-time borrower or a bor-
17 rower of a loan under this title who owes no
18 principal or interest on such loan—

19 “(i) a statement of the anticipated
20 balance on the loan for which the borrower
21 is receiving counseling under this sub-
22 section;

23 “(ii) based on such anticipated bal-
24 ance, the anticipated monthly payment
25 amount under, at minimum—

1 “(I) the standard repayment
2 plan; and

3 “(II) an income-based repayment
4 plan under section 466(d) or 493C, as
5 determined using available percentile
6 data from the Bureau of Labor Sta-
7 tistics of the starting salary for the
8 occupation in which the borrower has
9 an interest in or intends to be em-
10 ployed; and

11 “(iii) an estimate of the projected
12 monthly payment amount under each re-
13 payment plan described in clause (ii),
14 based on the average cumulative indebted-
15 ness at graduation for borrowers of loans
16 made under this title who are in the same
17 program of study as the borrower.

18 “(M) For a borrower with an outstanding
19 balance of principal or interest due on a loan
20 made under this title—

21 “(i) a current statement of the
22 amount of such outstanding balance and
23 interest accrued;

24 “(ii) based on such outstanding bal-
25 ance, the anticipated monthly payment

1 amount under the standard repayment
2 plan, and the income-based repayment plan
3 under section 466(d) or 493C, as deter-
4 mined using available percentile data from
5 the Bureau of Labor Statistics of the
6 starting salary for the occupation the bor-
7 rower intends to be employed; and

8 “(iii) an estimate of the projected
9 monthly payment amount under each re-
10 payment plan described in clause (ii),
11 based on—

12 “(I) the outstanding balance de-
13 scribed in clause (i);

14 “(II) the anticipated outstanding
15 balance on the loan for which the stu-
16 dent is receiving counseling under this
17 subsection; and

18 “(III) a projection for any other
19 loans made under this title that the
20 borrower is reasonably expected to ac-
21 cept during the borrower’s program of
22 study based on at least the expected
23 increase in the cost of attendance of
24 such program.

1 “(N) The obligation of the borrower to
2 repay the full amount of the loan, regardless of
3 whether the borrower completes or does not
4 complete the program in which the borrower is
5 enrolled within the regular time for program
6 completion.

7 “(O) The likely consequences of default on
8 the loan, including adverse credit reports, delin-
9 quent debt collection procedures under Federal
10 law, and litigation, and a notice of the institu-
11 tion’s most recent loan repayment rate (as de-
12 fined in section 481B) for the educational pro-
13 gram in which the borrower is enrolled, an ex-
14 planation of the loan repayment rate, and the
15 most recent national average loan repayment
16 rate for an educational program.

17 “(P) Information on the National Student
18 Loan Data System and how the borrower can
19 access the borrower’s records.

20 “(Q) The contact information for the insti-
21 tution’s financial aid office or other appropriate
22 office at the institution the borrower may con-
23 tact if the borrower has any questions about the
24 borrower’s rights and responsibilities or the
25 terms and conditions of the loan.

1 “(5) BORROWERS RECEIVING FEDERAL DIRECT
2 PLUS LOANS FOR DEPENDENT STUDENTS OR FED-
3 ERAL ONE PARENT LOANS.—The information to be
4 provided under paragraph (1) to a borrower of a
5 Federal Direct PLUS Loan for a dependent student
6 or a Federal ONE Parent Loan shall include the fol-
7 lowing:

8 “(A) The information described in sub-
9 paragraphs (A) through (C) and (N) through
10 (Q) of paragraph (4).

11 “(B) An explanation of the treatment of
12 the loan and private education loans in bank-
13 ruptcy.

14 “(C) Information on the annual and aggre-
15 gate loan limits.

16 “(D) Information on the annual percent-
17 age rate of the loan.

18 “(E) The option of the borrower to pay the
19 interest on the loan while the loan is in
20 deferment.

21 “(F) For a first-time borrower of a loan or
22 a borrower of a loan under this title who owes
23 no principal or interest on such loan—

24 “(i) a statement of the anticipated
25 balance on the loan for which the borrower

1 is receiving counseling under this sub-
2 section;

3 “(ii) based on such anticipated bal-
4 ance, the anticipated monthly payment
5 amount under the standard repayment
6 plan; and

7 “(iii) an estimate of the projected
8 monthly payment amount under the stand-
9 ard repayment plan, based on the average
10 cumulative indebtedness of other borrowers
11 of loans made under this title on behalf of
12 dependent students who are in the same
13 program of study as the student on whose
14 behalf the borrower borrowed the loan.

15 “(G) For a borrower with an outstanding
16 balance of principal or interest due on such
17 loan—

18 “(i) a statement of the amount of
19 such outstanding balance;

20 “(ii) based on such outstanding bal-
21 ance, the anticipated monthly payment
22 amount under the standard repayment
23 plan; and

1 “(iii) an estimate of the projected
2 monthly payment amount under the stand-
3 ard repayment plan, based on—

4 “(I) the outstanding balance de-
5 scribed in clause (i);

6 “(II) the anticipated outstanding
7 balance on the loan for which the bor-
8 rower is receiving counseling under
9 this subsection; and

10 “(III) a projection for any other
11 Federal Direct PLUS Loan made on
12 behalf of the dependent student or
13 Federal ONE Parent Loan that the
14 borrower is reasonably expected to ac-
15 cept during the program of study of
16 such student based on at least the ex-
17 pected increase in the cost of attend-
18 ance of such program.

19 “(H) Debt management strategies that are
20 designed to facilitate the repayment of such in-
21 debtedness.

22 “(I) An explanation that the borrower has
23 the options to prepay each loan, pay each loan
24 on a shorter schedule, and change repayment
25 plans.

1 “(J) For each Federal Direct PLUS Loan
2 and each Federal ONE Parent Loan for which
3 the borrower is receiving counseling under this
4 subsection, the contact information for the loan
5 servicer of the loan and a link to such servicer’s
6 Website.

7 “(6) ANNUAL LOAN ACCEPTANCE.—Prior to
8 making the first disbursement of a loan made under
9 this title (other than a Federal Direct Consolidation
10 Loan or Federal ONE Consolidation Loan) to a bor-
11 rower for an award year, an eligible institution,
12 shall, as part of carrying out the counseling require-
13 ments of this subsection for the loan, ensure that
14 after receiving the applicable counseling under para-
15 graphs (2), (4), and (5) for the loan the borrower
16 accepts the loan for such award year by—

17 “(A) signing the master promissory note
18 for the loan;

19 “(B) signing and returning to the institu-
20 tion a separate written statement that affirma-
21 tively states that the borrower accepts the loan;
22 or

23 “(C) electronically signing an electronic
24 version of the statement described in subpara-
25 graph (B).

1 “(7) PROHIBITION.—An institution of higher
2 education may not counsel a borrower of a loan
3 under this title to divorce or separate and live apart
4 from one another for the purpose of qualifying for,
5 or obtaining an increased amount of, Federal finan-
6 cial assistance under this Act”.

7 (i) ONLINE COUNSELING TOOLS.—Section 485 (20
8 U.S.C. 1092) is further amended by adding at the end
9 the following:

10 “(n) ONLINE COUNSELING TOOLS.—

11 “(1) IN GENERAL.—Beginning not later than 1
12 year after the date of enactment of the PROSPER
13 Act, the Secretary shall maintain—

14 “(A) an online counseling tool that pro-
15 vides the exit counseling required under sub-
16 section (b) and meets the applicable require-
17 ments of this subsection; and

18 “(B) an online counseling tool that pro-
19 vides the annual counseling required under sub-
20 section (1) and meets the applicable require-
21 ments of this subsection.

22 “(2) REQUIREMENTS OF TOOLS.—In maintain-
23 ing the online counseling tools described in para-
24 graph (1), the Secretary shall ensure that each such
25 tool is—

1 “(A) consumer tested to ensure that the
2 tool is effective in helping individuals under-
3 stand their rights and obligations with respect
4 to borrowing a loan made this title or receiving
5 a Federal Pell Grant;

6 “(B) understandable to students receiving
7 Federal Pell Grants and borrowers of loans
8 made this title; and

9 “(C) freely available to all eligible institu-
10 tions.

11 “(3) RECORD OF COUNSELING COMPLETION.—

12 The Secretary shall—

13 “(A) use each online counseling tool de-
14 scribed in paragraph (1) to keep a record of
15 which individuals have received counseling using
16 the tool, and notify the applicable institutions
17 of the individual’s completion of such coun-
18 seling;

19 “(B) in the case of a borrower who re-
20 ceives annual counseling for a loan made under
21 this title using the tool described in paragraph
22 (1)(B), notify the borrower by when the bor-
23 rower should accept, in a manner described in
24 subsection (l)(6), the loan for which the bor-
25 rower has received such counseling; and

1 “(C) in the case of a borrower described in
2 subsection (b)(1)(B) at an institution that uses
3 the online counseling tool described in para-
4 graph (1)(A) of this subsection, the Secretary
5 shall attempt to provide the information de-
6 scribed in subsection (b)(1)(A) to the borrower
7 through such tool.”.

8 **SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
9 **BILITY.**

10 Section 485E (20 U.S.C. 1092f) is amended—

11 (1) in subsection (b)—

12 (A) in paragraph (2)—

13 (i) by striking “junior year” and in-
14 serting “sophomore year”;

15 (ii) by striking “The Secretary shall
16 ensure that” and inserting “The Secretary
17 shall—

18 “(A) ensure that”; and

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

21 “(B) create an online platform for States,
22 institutions of higher education, other organiza-
23 tions involved in college access and student fi-
24 nancial aid, secondary schools, and programs
25 under this title that serve secondary school stu-

1 dents to share best practices on disseminating
2 information under this section.”.

3 (B) in paragraph (4)—

4 (i) in the first sentence—

5 (I) by striking “Not later than
6 two years after the date of enactment
7 of the Higher Education Opportunity
8 Act, the” and inserting “The”; and

9 (II) by inserting “continue to”
10 before “implement”; and

11 (ii) in the second sentence, by striking
12 “the Internet” and inserting “the Internet,
13 including through social media”; and

14 (2) by adding at the end the following:

15 “ (c) ONLINE ESTIMATOR TOOL.—

16 “(1) IN GENERAL.—Not later than 1 year after
17 the date of enactment of the PROSPER Act, the
18 Secretary, in consultation with States, institutions of
19 higher education, and other individuals with experi-
20 ence or expertise in student financial assistance ap-
21 plication processes, shall develop an early estimator
22 tool to be available online and through a mobile ap-
23 plication, which—

24 “(A) allows an individual to—

1 “(i) enter basic financial and other
2 relevant information; and

3 “(ii) on the basis of such information,
4 receive non-binding estimates of potential
5 Federal grant, loan, or work study assist-
6 ance under this title for which a student
7 may be eligible upon completion of an ap-
8 plication form under section 483(a);

9 “(B) with respect to each institution of
10 higher education that participates in a program
11 under this title selected by an individual for
12 purposes of the estimator tool, provides the in-
13 dividual with the net price (as defined in section
14 132) for the income category described in para-
15 graph (2) that is determined on the basis of the
16 information under subparagraph (A)(i) of this
17 paragraph entered by the individual; and

18 “(C) includes a clear and conspicuous dis-
19 claimer that the amounts calculated using the
20 estimator tool are estimates based on limited fi-
21 nancial information, and that—

22 “(i) each such estimate—

23 “(I) in the case of an estimate
24 under subparagraph (A), is only an
25 estimate and does not represent a

1 final determination, or actual award,
2 of financial assistance under this title;

3 “(II) in the case of an estimate
4 under subparagraph (B), is only an
5 estimate and not a guarantee of the
6 actual amount that a student may be
7 charged;

8 “(III) shall not be binding on the
9 Secretary or an institution of higher
10 education; and

11 “(IV) may change; and

12 “(ii) a student must complete an ap-
13 plication form under section 483(a) in
14 order to be eligible for, and receive, an ac-
15 tual financial aid award that includes Fed-
16 eral grant, loan, or work study assistance
17 under this title.

18 “(2) INCOME CATEGORIES.—The income cat-
19 egories for purposes of paragraph (1)(B) are as fol-
20 lows:

21 “(A) \$0 to \$30,000.

22 “(B) \$30,001 to \$48,000.

23 “(C) \$48,001 to \$75,000.

24 “(D) \$75,001 to \$110,000.

25 “(E) \$110,001 to \$150,000.

1 “(F) Over \$150,000.

2 “(3) CONSUMER TESTING.—In developing and
3 maintaining the estimator tool described in para-
4 graph (1), the Secretary shall conduct consumer
5 testing with appropriate persons, including current
6 and prospective college students, family members of
7 such students, and other individuals with expertise
8 in student financial assistance application processes
9 and college access, to ensure that such tool is easily
10 understandable by students and families and effec-
11 tive in communicating early aid eligibility.

12 “(4) DATA STORAGE PROHIBITED.—In carrying
13 out this subsection, the Secretary shall not keep,
14 store, or warehouse any data inputted by individuals
15 accessing the tool described in paragraph (1).

16 “(d) PELL TABLE.—

17 “(1) IN GENERAL.—The Secretary shall de-
18 velop, and annually update at the beginning of each
19 award year, the following electronic tables to be uti-
20 lized in carrying out this section and containing the
21 information described in paragraph (2) of this sub-
22 section:

23 “(A) An electronic table for dependent stu-
24 dents.

1 “(B) An electronic table for independent
2 students with dependents other than a spouse.

3 “(C) An electronic table for independent
4 students without dependents other than a
5 spouse.

6 “(2) INFORMATION.—Each electronic table
7 under paragraph (1), with respect to the category of
8 students to which the table applies for the most re-
9 cently completed award year for which information
10 is available, and disaggregated in accordance with
11 paragraph (3), shall contain the following informa-
12 tion:

13 “(A) The percentage of undergraduate stu-
14 dents attending an institution of higher edu-
15 cation on a full-time, full-academic year basis
16 who file the financial aid form prescribed under
17 section 483 for the award year and received, for
18 their first academic year during such award
19 year (and not for any additional payment peri-
20 ods after such first academic year), the fol-
21 lowing:

22 “(i) A Federal Pell Grant equal to the
23 maximum amount of a Federal Pell Grant
24 award determined under section 401(b)(2)
25 for such award year.

1 “(ii) A Federal Pell Grant in an
2 amount that is—

3 “(I) less than the maximum
4 amount described in clause (i); and

5 “(II) not less than $\frac{3}{4}$ of such
6 maximum amount for such award
7 year.

8 “(iii) A Federal Pell Grant in an
9 amount that is—

10 “(I) less than $\frac{3}{4}$ of such max-
11 imum amount; and

12 “(II) not less than $\frac{1}{2}$ of such
13 maximum amount for such award
14 year.

15 “(iv) A Federal Pell Grant in an
16 amount that is—

17 “(I) less than $\frac{1}{2}$ of such max-
18 imum amount; and

19 “(II) not less than the minimum
20 Federal Pell Grant amount deter-
21 mined under section 401(b)(4) for
22 such award year.

23 “(B) The dollar amounts equal to—

1 “(i) the maximum amount of a Fed-
2 eral Pell Grant award determined under
3 section 401(b)(2) for an award year;

4 “(ii) $\frac{3}{4}$ of such maximum amount;

5 “(iii) $\frac{1}{2}$ of such maximum amount;

6 and

7 “(iv) the minimum Federal Pell Grant
8 amount determined under section
9 401(b)(4) for such award year.

10 “(C) A clear and conspicuous notice that—

11 “(i) the Federal Pell Grant amounts
12 listed in subparagraph (B) are for a pre-
13 vious award year, and such amounts and
14 the requirements for awarding such
15 amounts may be different for succeeding
16 award years; and

17 “(ii) the Federal Pell Grant amount
18 for which a student may be eligible will be
19 determined based on a number of factors,
20 including enrollment status, once the stu-
21 dent completes an application form under
22 section 483(a).

23 “(D) A link to the early estimator tool de-
24 scribed in subsection (c) of this section, which
25 includes an explanation that an individual may

1 estimate a student's potential Federal aid eligi-
2 bility under this title by accessing the estimator
3 on the individual's mobile phone or online.

4 “(3) INCOME CATEGORIES.—The information
5 provided under paragraph (2)(A) shall be
6 disaggregated by the following income categories:

7 “(A) Less than \$5,000.

8 “(B) \$5,000 to \$9,999.

9 “(C) \$10,000 to \$19,999.

10 “(D) \$20,000 to \$29,999.

11 “(E) \$30,000 to \$39,999.

12 “(F) \$40,000 to \$49,999.

13 “(G) \$50,000 to \$59,999.

14 “(H) Greater than \$59,999.

15 “(e) LIMITATION.—The Secretary may not require a
16 State to participate in the activities or disseminate the
17 materials described in this section.”.

18 **SEC. 490. DISTANCE EDUCATION DEMONSTRATION PRO-**
19 **GRAMS.**

20 Section 486 (20 U.S.C. 1093(b)) is repealed.

21 **SEC. 491. CONTENTS OF PROGRAM PARTICIPATION AGREE-**
22 **MENTS.**

23 (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-
24 tion 487(a) (20 U.S.C. 1094(a)) is amended in the matter

1 before paragraph (1) by striking “, except with respect
2 to a program under subpart 4 of part A”.

3 (b) PERKINS CONFORMING CHANGES.—Section
4 487(a)(5) (20 U.S.C. 1094(a)(5)) is amended by striking
5 “and, in the case of an institution participating in a pro-
6 gram under part B or part E, to holders of loans made
7 to the institution’s students under such parts”.

8 (c) CERTIFICATIONS TO LENDERS.—Section 487(a)
9 (20 U.S.C. 1094(a)) is amended by striking paragraph
10 (6).

11 (d) STATE GRANT ASSISTANCE.—Section 487(a)(9)
12 (20 U.S.C. 1094(a)(9)) is amended by striking “in a pro-
13 gram under part B or D” and inserting “in a loan pro-
14 gram under this title”.

15 (e) DRUG ABUSE PREVENTION PROGRAMS.—Section
16 487(a) (20 U.S.C. 1094(a)) is amended by striking para-
17 graph (10).

18 (f) REPAYMENT SUCCESS PLAN.—Section
19 487(a)(14) (20 U.S.C. 1094(a)(14)) is amended—

20 (1) by striking “under part B or D” both
21 places it appears and inserting “a loan program
22 under this title”;

23 (2) by striking “Default Management Plan”
24 both places it appears and inserting “Repayment
25 Success Plan”; and

1 (3) in subparagraph (C), by striking “a cohort
2 default rate in excess of 10 percent” both places it
3 appears and inserting “any program with a loan re-
4 payment rate less than 65 percent”.

5 (g) COMMISSIONS TO THIRD-PARTY ENTITIES.—Sec-
6 tion 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended—

7 (1) by striking “The institution” and inserting
8 “(A) Except as provided in subparagraph (B), the
9 institution”; and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) An institution described in section 101
13 may provide payment, based on—

14 “(i) the amount of tuition generated by the
15 institution from student enrollment, to a third-
16 party entity that provides a set of services to
17 the institution that includes student recruit-
18 ment services, regardless of whether the third-
19 party entity is affiliated with an institution that
20 provides educational services other than the in-
21 stitution providing such payment, if—

22 “(I) the third-party entity is not affili-
23 ated with the institution providing such
24 payment;

1 “(II) the third-party entity does not
2 make compensation payments to its em-
3 ployees that would be prohibited under
4 subparagraph (A) if such payments were
5 made by the institution;

6 “(III) the set of services provided to
7 the institution by the third-party entity in-
8 clude services in addition to student re-
9 cruitment services, and the institution does
10 not pay the third-party entity solely or sep-
11 arately for student recruitment services
12 provided by the third-party entity; and

13 “(IV) any student recruitment infor-
14 mation available to the third-party entity,
15 including personally identifiable informa-
16 tion, will not be used by, shared with, or
17 sold to any other person or entity, includ-
18 ing any institution that is affiliated with
19 the third-party entity, unless written con-
20 sent is provided by the student; and

21 “(ii) students successfully completing their
22 educational programs, to persons who were en-
23 gaged in recruiting such students, but solely to
24 the extent that such payments—

1 “(I) are obligated to be paid, and are
2 actually paid, only after each student upon
3 whom such payments are based has suc-
4 cessfully completed his or her educational
5 program; and

6 “(II) are paid only to employees of
7 the institution or its parent company, and
8 not to any other person or outside entity.”.

9 (h) CLARIFICATION OF PROOF OF AUTHORITY TO
10 OPERATE WITHIN A STATE.—Section 487(a)(21) (20
11 U.S.C. 1094(a)(21)) is amended by striking “within a
12 State” and inserting “within a State in which it maintains
13 a physical location”.

14 (i) DISTRIBUTION OF VOTER REGISTRATION
15 FORMS.—Section 487(a)(23) (20 U.S.C. 1094(a)(23)) is
16 amended to read as follows:

17 “(23) The institution, if located in a State to
18 which section 4(b) of the National Voter Registra-
19 tion Act of 1993 (42 U.S.C. 1973gg–2(b)) does not
20 apply, will make a good faith effort to distribute, in-
21 cluding through electronic transmission, voter reg-
22 istration forms to students enrolled and physically in
23 attendance at the institution.”.

1 (j) PROHIBITING COPYRIGHT INFRINGEMENT.—Sec-
2 tion 487(a)(29) (20 U.S.C. 1094(a)(29)) is amended to
3 read as follows:

4 “(29) The institution will have a policy prohib-
5 iting copyright infringement.”.

6 (k) MODIFICATIONS TO PREFERRED LENDER LIST
7 REQUIREMENTS.—Section 487(h)(1) (20 U.S.C.
8 1094(h)(1)) is amended—

9 (1) in subparagraph (A)—

10 (A) in clause (i), by inserting “and” after
11 the semicolon;

12 (B) by striking clause (ii); and

13 (C) by redesignating clause (iii) as clause
14 (ii);

15 (2) in subparagraph (D), by inserting “and”
16 after the semicolon;

17 (3) in subparagraph (E), by striking “; and”
18 and inserting a period; and

19 (4) by striking subparagraph (C) and (F) and
20 redesignating subparagraphs (D) and (E) as sub-
21 paragraphs (C) and (D), respectively.

22 (l) ELIMINATION OF NON-TITLE IV REVENUE RE-
23 QUIREMENT.—Section 487 (20 U.S.C. 1094), is further
24 amended—

1 (1) in subsection (a), by striking paragraph
2 (24);

3 (2) by striking subsection (d); and

4 (3) by redesignating subsections (e) through (j)
5 as subsections (d) through (i), respectively.

6 (m) CONFORMING AMENDMENTS.—The Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

8 (1) in section 487(a) (20 U.S.C. 1094(a)), as
9 amended by this section—

10 (A) by redesignating paragraphs (7)
11 through (9), as paragraphs (6) through (8), re-
12 spectively;

13 (B) by redesignating paragraphs (11)
14 through (23) as paragraphs (9) through (21),
15 respectively; and

16 (C) by redesignating paragraphs (25)
17 through (29) as paragraphs (22) through (26),
18 respectively;

19 (2) in section 487(c)(1)(A)(iii) (20 U.S.C.
20 1094(c)(1)(A)(iii)), by striking “section
21 102(a)(1)(C)” and inserting “section 102(a)(1)”;
22 and

23 (3) in section 487(h)(4) (20 U.S.C.
24 1094(h)(4)), as redesignated by subsection (l)(3), by

1 striking “section 102” and inserting “section 101 or
2 102”.

3 **SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.**

4 Section 487A (20 U.S.C. 1094a) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by striking “The
7 Secretary is authorized to” and inserting “The
8 Secretary shall”; and

9 (B) in paragraph (5), by inserting “at
10 least once every two years” before the period at
11 the end; and

12 (2) in subsection (b)—

13 (A) in paragraph (2)—

14 (i) in the paragraph heading, by in-
15 serting “ANNUAL” before “REPORT”; and

16 (ii) by striking the first sentence and
17 inserting “The Secretary shall review the
18 experience, and rigorously evaluate the ac-
19 tivities, of all institutions participating as
20 experimental sites and shall, on an annual
21 basis, submit a report based on the review
22 and evaluation findings to the authorizing
23 committees.”;

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

1 “(A) IN GENERAL.—

2 “(i) EXPERIMENTAL SITES.—The Sec-
3 retary is authorized periodically to select a
4 limited number of institutions for vol-
5 untary participation as experimental sites
6 to provide recommendations to the Sec-
7 retary and to the Congress on the impact
8 and effectiveness of proposed regulations
9 or new management initiatives.

10 “(ii) CONGRESSIONAL NOTICE AND
11 COMMENTS REQUIRED.—

12 “(I) NOTICE.—Prior to announc-
13 ing a new experimental site and invit-
14 ing institutions to participate, the
15 Secretary shall provide to the author-
16 izing committees a notice that shall
17 include—

18 “(aa) a description of the
19 proposed experiment and ration-
20 ale for the proposed experiment;
21 and

22 “(bb) a list of the institu-
23 tional requirements the Secretary
24 expects to waive and the legal au-
25 thority for such waivers.

1 “(II) CONGRESSIONAL COM-
2 MENTS.—The Secretary shall not pro-
3 ceed with announcing a new experi-
4 mental site and inviting institutions to
5 participate until 10 days after the
6 Secretary—

7 “(aa) receives and addresses
8 all comments from the author-
9 izing committees; and

10 “(bb) responds to such com-
11 mittees in writing with an expla-
12 nation of how such comments
13 have been addressed.

14 “(iii) PROHIBITION.—The Secretary is
15 not authorized to carry out clause (i) in
16 any year in which an annual report de-
17 scribed in paragraph (2) relating to the
18 previous year is not submitted to the au-
19 thorizing committees.”;

20 (C) in paragraph (4)(A), by striking “bien-
21 nial” and inserting “annual”; and

22 (D) by striking paragraph (1) and redesign-
23 ating paragraphs (2) through (4) as para-
24 graphs (1) through (3), respectively.

1 **SEC. 493. TRANSFER OF ALLOTMENTS.**

2 Section 488 (20 U.S.C. 1095) is amended—

3 (1) by inserting “, as in effect on the day before
4 the date of enactment of the PROSPER Act,” after
5 “section 462”; and

6 (2) by inserting “, as in effect on the day before
7 the date of enactment of the PROSPER Act,” after
8 “462”.

9 **SEC. 494. ADMINISTRATIVE EXPENSES.**

10 Section 489(a) (20 U.S.C. 1096(a)) is amended—

11 (1) in the second sentence—

12 (A) by striking “subpart 3 of part A or
13 part C,” and inserting “part C” ; and

14 (B) by striking “or under part E of this
15 title”; and

16 (2) in the third sentence—

17 (A) by striking “its grants to students
18 under subpart 3 of part A,”; and

19 (B) by striking “, and the principal
20 amount of loans made during such fiscal year
21 from its student loan fund established under
22 part E, excluding the principal amount of any
23 such loans which the institution has referred
24 under section 463(a)(4)(B)”.

25 **SEC. 494A. REPEAL OF ADVISORY COMMITTEE.**

26 Section 491 (20 U.S.C. 1098) is repealed.

1 **SEC. 494B. REGIONAL MEETINGS AND NEGOTIATED RULE-**
2 **MAKING.**

3 Section 492 (20 U.S.C. 1098a) is amended—

4 (1) by redesignating subsections (c) and (d) as
5 subsections (f) and (g), respectively; and

6 (2) by striking subsections (a) and (b) and in-
7 serting the following:

8 “(a) **IN GENERAL.**—The Secretary may, in accord-
9 ance with this section, issue such regulations as are rea-
10 sonably necessary to ensure compliance with this title.

11 “(b) **PUBLIC INVOLVEMENT.**—The Secretary shall
12 obtain public involvement in the development of proposed
13 regulations for this title. Before carrying out a negotiated
14 rulemaking process as described in subsection (d) or pub-
15 lishing in the Federal Register proposed regulations to
16 carry out this title, the Secretary shall obtain advice and
17 recommendations from individuals, and representatives of
18 groups, involved in student financial assistance programs
19 under this title, such as students, institutions of higher
20 education, financial aid administrators, accrediting agen-
21 cies or associations, State student grant agencies, guar-
22 anty agencies, lenders, secondary markets, loan servicers,
23 guaranty agency servicers, and collection agencies.

24 “(c) **MEETINGS AND ELECTRONIC EXCHANGE.**—

25 “(1) **IN GENERAL.**—The Secretary shall provide
26 for a comprehensive discussion and exchange of in-

1 formation concerning the implementation of this title
2 through such mechanisms as regional meetings and
3 electronic exchanges of information. Such regional
4 meetings and electronic exchanges of information
5 shall be public and notice of such meetings and ex-
6 changes shall be provided to—

7 “(A) the authorizing committees at least
8 10 days prior to the notice to interested stake-
9 holders and the public described in subpara-
10 graph (B); and

11 “(B) interested stakeholders and the public
12 at least 30 days prior to such meetings and ex-
13 changes.

14 “(2) CONSIDERATION.—The Secretary shall
15 take into account the information received through
16 such mechanisms in the development of proposed
17 regulations and shall publish a summary of such in-
18 formation in the Federal Register prior to beginning
19 the negotiated rulemaking process described in sub-
20 section (d).

21 “(d) NEGOTIATED RULEMAKING PROCESS.—

22 “(1) NEGOTIATED RULEMAKING REQUIRED.—
23 All regulations pertaining to this title that are pro-
24 mulgated after the date of the enactment of this
25 paragraph shall be subject to the negotiated rule-

1 making process described in this subsection (includ-
2 ing the selection of the issues to be negotiated), un-
3 less the Secretary—

4 “(A) determines that applying such a re-
5 quirement with respect to given regulations is
6 impracticable, unnecessary, or contrary to the
7 public interest (within the meaning of section
8 553(b)(3)(B) of title 5, United States Code);

9 “(B) publishes the basis for such deter-
10 mination in the Federal Register at the same
11 time as the proposed regulations in question are
12 first published; and

13 “(C) includes the basis for such determina-
14 tion in the congressional notice under sub-
15 section (e)(1).

16 “(2) CONGRESSIONAL NOTICE AND COMMENTS
17 REQUIRED.—

18 “(A) NOTICE.—The Secretary shall pro-
19 vide to the Committee on Education and the
20 Workforce of the House of Representatives and
21 the Committee on Health, Education, Labor,
22 and Pensions of the Senate notice of the intent
23 establish a negotiated rulemaking committee
24 that shall include—

25 “(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. REPORT TO CONGRESS.**

10 Section 493C (20 U.S.C. 1098e) is amended by add-
11 ing at the end the following:

12 “(f) REPORT.—

13 “(1) IN GENERAL.—Not later than 180 days
14 after the date of enactment of the PROSPER Act,
15 the Secretary shall submit to the authorizing com-
16 mittees a report on the efforts of the Department to
17 detect and combat fraud in the income-driven repay-
18 ment plans described in paragraph (2).

19 “(2) INCOME DRIVEN REPAYMENT PLANS DE-
20 FINED.—The income-driven repayment plans de-
21 scribed in this paragraph are the repayment plans
22 made available under—

23 “(A) this section;

24 “(B) subparagraphs (D) and (E) of section
25 455(d)(1); and

1 “(C) section 455(e).”.

2 **SEC. 494D. DEFERRAL OF LOAN REPAYMENT FOLLOWING**
3 **ACTIVE DUTY.**

4 Section 493D(a) (20 U.S.C. 1098f) is amended, by
5 striking “or section 464(c)(2)(A)(iii)” and inserting “,
6 section 464(c)(2)(A)(iii) (as in effect on the day before
7 the date of enactment of the PROSPER Act and pursuant
8 to section 461(a)), or section 469A(a)(2)(A)(iii)”.

9 **SEC. 494E. CONTRACTS; MATCHING PROGRAM.**

10 (a) CONTRACTS FOR SUPPLIES AND SERVICES.—

11 (1) IN GENERAL.—Part G of title IV (20
12 U.S.C. 1088 et seq.), as amended by this part, is
13 further amended by adding at the end the following:

14 **“SEC. 493E. CONTRACTS.**

15 **“(a) CONTRACTS FOR SUPPLIES AND SERVICES.—**

16 **“(1) IN GENERAL.—**The Secretary shall, to the
17 extent practicable, award contracts for origination,
18 servicing, and collection described in subsection (b).

19 In awarding such contracts, the Secretary shall en-
20 sure that such services and supplies are provided at
21 competitive prices.

22 **“(2) ENTITIES.—**The entities with which the
23 Secretary may enter into contracts shall include en-
24 tities qualified to provide such services and supplies
25 and will comply with the procedures applicable to

1 the award of such contracts. In the case of awarding
2 contracts for the origination, servicing, and collec-
3 tion of loans under parts D and E, the Secretary
4 shall enter into contracts with entities that have ex-
5 tensive and relevant experience and demonstrated ef-
6 fectiveness. The entities with which the Secretary
7 may enter into such contracts may include, where
8 practicable, agencies with agreements with the Sec-
9 retary under sections 428(b) and (c), if such agen-
10 cies meet the qualifications as determined by the
11 Secretary under this subsection and if those agencies
12 have such experience and demonstrated effective-
13 ness. In awarding contracts to such State agencies,
14 the Secretary shall, to the extent practicable and
15 consistent with the purposes of parts D and E, give
16 consideration to State agencies with a history of
17 high quality performance to perform services for in-
18 stitutions of higher education within their State.

19 “(3) ALLOCATIONS.—

20 “(A) IN GENERAL.—Except as provided in
21 subparagraph (B), the Secretary shall allocate
22 new borrower loan accounts to entities awarded
23 a contract under this section on the basis of—

24 “(i) the performance of each such en-
25 tity compared to other such entities per-

1 forming similar work using common per-
2 formance metrics (which may take into ac-
3 count, as appropriate, portfolio risk fac-
4 tors, including a borrower’s time in repay-
5 ment, category of institution of higher edu-
6 cation attended, and completion of an edu-
7 cational program), as determined by the
8 Secretary; and

9 “(ii) the capacity of each such entity
10 compared to other such entities performing
11 similar work to service new and existing
12 borrower loan accounts.

13 “(B) FEDERAL ONE CONSOLIDATION
14 LOANS.—Any borrower who receives a Federal
15 ONE Consolidation Loan may select the entity
16 awarded a contract under this section to service
17 such loan.

18 “(4) RULE OF CONSTRUCTION.—Nothing in
19 this section shall be construed as a limitation of the
20 authority of any State agency to enter into an agree-
21 ment for the purposes of this section as a member
22 of a consortium of State agencies.

23 “(b) CONTRACTS FOR ORIGINATION, SERVICING, AND
24 DATA SYSTEMS.—The Secretary may enter into contracts
25 for—

1 “(1) the servicing and collection of loans made
2 or purchased under part D or E;

3 “(2) the establishment and operation of 1 or
4 more data systems for the maintenance of records
5 on all loans made or purchased under part D or E;
6 and

7 “(3) such other aspects of the direct student
8 loan program under part D or E necessary to ensure
9 the successful operation of the program.

10 “(c) COMMON PERFORMANCE MANUAL.—

11 “(1) CONSULTATION.—Not later than 180 days
12 after the date of enactment of the PROSPER Act
13 and biannually thereafter, the Secretary shall con-
14 sult (in writing and in person) with entities awarded
15 contracts for loan servicing under section 456 (as in
16 effect on the day before the date of enactment of the
17 PROSPER Act) and this section, to the extent prac-
18 ticable, to develop and update as necessary, a guid-
19 ance manual for entities awarded contracts for loan
20 servicing under this section that provides such enti-
21 ties with best practices to ensure borrowers receive
22 adequate and consistent service from such entities.

23 “(2) PROVISION OF MANUAL.—The Secretary
24 shall provide the most recent guidance manual devel-
25 oped and updated under paragraph (1) to each enti-

1 ty awarded a contract for loan serving under this
2 section.

3 “(3) ANNUAL REPORT.—The Secretary shall
4 provide to the authorizing committees a report, on
5 a annual basis, detailing the consultation required
6 under paragraph (1).

7 “(d) FEDERAL PREEMPTION.—

8 “(1) IN GENERAL.—Covered activities shall not
9 be subject to any law or other requirement of any
10 State or political subdivision of a State with respect
11 to—

12 “(A) disclosure requirements;

13 “(B) requirements or restrictions on the
14 content, time, quantity, or frequency of commu-
15 nications with borrowers, endorsers, or ref-
16 erences with respect to such loans; or

17 “(C) any other requirement relating to the
18 servicing or collection of a loan made under this
19 title.

20 “(2) SERVICING AND COLLECTION.—The re-
21 quirements of this section with respect to any cov-
22 ered activity shall preempt any law or other require-
23 ment of a State or political subdivision of a State to
24 the extent that such law or other requirement would,

1 in the absence of this subsection, apply to such cov-
2 ered activity.

3 “(3) STATE LICENSES.—No qualified entity en-
4 gaged in a covered activity shall be required to ob-
5 tain a license from, or pay a licensing fee or other
6 assessment to, any State or political subdivision of
7 a State relating to such covered activity.

8 “(4) DEFINITIONS.—For purposes of this sec-
9 tion:

10 “(A) The term ‘covered activity’ means any
11 of the following activities, as carried out by a
12 qualified entity:

13 “(i) Origination of a loan made under
14 this title.

15 “(ii) Servicing of a loan made under
16 this title.

17 “(iii) Collection of a loan made under
18 this title.

19 “(iv) Any other activity related to the
20 activities described in clauses (i) through
21 (iii).

22 “(B) The term ‘qualified entity’ means an
23 organization, other than an institution of higher
24 education—

1 “(i) that is responsible for the serv-
2 icing or collection of a loan made under
3 this title;

4 “(ii) that has agreement with the Sec-
5 retary under subsections (a) and (b) of
6 section 428; or

7 “(iii) that is under contract with an
8 entity described in clause (i) or clause (ii)
9 to support such entity’s responsibilities
10 under this title.

11 “(5) LIMITATION.—This subsection shall not
12 have any legal effect on any other preemption provi-
13 sion under Federal law with respect to this title.”.

14 (2) CONFORMING AMENDMENT.—Section 456
15 (20 U.S.C. 1087f) is repealed.

16 (b) MATCHING PROGRAM.—Part G of section IV (20
17 U.S.C. 1088 et seq.), as amended by subsection (a), is
18 further amended by adding at the end the following:

19 **“SEC. 493F. MATCHING PROGRAM.**

20 “(a) IN GENERAL.—The Secretary of Education and
21 the Secretary of Veterans Affairs shall carry out a com-
22 puter matching program under which the Secretary of
23 Education identifies, on at least a quarterly basis, bor-
24 rowers—

1 “(1) who have been assigned a disability rating
2 of 100 percent (or a combination of ratings equaling
3 100 percent or more) by the Secretary of Veterans
4 Affairs for a service-connected disability (as defined
5 in section 101 of title 38, United States Code); or

6 “(2) who have been determined by the Sec-
7 retary of Veterans Affairs to be unemployable due to
8 a service-connected condition, as described in section
9 437(a)(2).

10 “(b) BORROWER NOTIFICATION.—With respect to
11 each borrower who is identified under subsection (a), the
12 Secretary shall, as soon as practicable after such identi-
13 fication—

14 “(1) notify the borrower of the borrower’s eligi-
15 bility for loan discharge under section 437(a); and

16 “(2) provide the borrower with simple instruc-
17 tions on how to apply for such loan discharge, in-
18 cluding an explanation that the borrower shall not
19 be required to provide any documentation of the bor-
20 rower’s disability rating to receive such discharge.

21 “(c) DATA COLLECTION AND REPORT TO CON-
22 GRESS.—

23 “(1) IN GENERAL.—The Secretary shall annu-
24 ally collect and submit to the Committees on Edu-
25 cation and the Workforce and Veterans’ Affairs of

1 the House of Representatives and the Committees
2 on Health, Education, Labor, and Pensions and Vet-
3 erans Affairs of the Senate, data about borrowers
4 applying for and receiving loan discharges under sec-
5 tion 437(a), which shall be disaggregated in the
6 manner described in paragraph (2) and include the
7 following:

8 “(A) The number of applications received
9 under section 437(a).

10 “(B) The number of such applications that
11 were approved.

12 “(C) The number of loan discharges that
13 were completed under section 437(a).

14 “(2) DISAGGREGATION.—The data collected
15 under paragraph (1) shall be disaggregated—

16 “(A) by borrowers who applied under this
17 section for loan discharges under section
18 437(a);

19 “(B) by borrowers who received loan dis-
20 charges as a result of applying for such dis-
21 charges under this section;

22 “(C) by borrowers who applied for loan
23 discharges under section 437(a)(2); and

1 “(D) by borrowers who received loan dis-
2 charges as a result of applying for such dis-
3 charges under section 437(a)(2).

4 “(d) NOTIFICATION TO BORROWERS.—The Secretary
5 shall notify each borrower whose liability on a loan has
6 been discharged under section 437(a) that the liability on
7 the loan has been so discharged.”.

8 **PART H—PROGRAM INTEGRITY**

9 **SEC. 495. REPEAL OF AND PROHIBITION ON STATE AU-** 10 **THORIZATION REGULATIONS.**

11 (a) REGULATIONS REPEALED.—The following regu-
12 lations relating to State authorization (including any sup-
13 plements or revisions to such regulations) are repealed and
14 shall have no force or effect:

15 (1) The final regulations published by the De-
16 partment of Education in the Federal Register on
17 October 29, 2010 (75 Fed. Reg. 66832 et seq.).

18 (2) The final regulations published by the De-
19 partment of Education in the Federal Register on
20 December 19, 2016 (81 Fed. Reg. 92232 et seq.).

21 (b) PROHIBITION ON STATE AUTHORIZATION REGU-
22 LATIONS.—The Secretary of Education shall not, on or
23 after the date of enactment of this Act, promulgate or en-
24 force any regulation or rule with respect to the State au-
25 thorization for institutions of higher education to operate

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

3 (c) INSTITUTIONAL RESPONSIBILITY; TREATMENT
4 OF RELIGIOUS INSTITUTIONS.—Section 495 (20 U.S.C.
5 1099a) is amended by striking subsection (b) and insert-
6 ing the following:

7 “(b) INSTITUTIONAL RESPONSIBILITY.—Each insti-
8 tution of higher education shall provide evidence to the
9 Secretary that the institution has authority to operate
10 within each State in which it maintains a physical location
11 at the time the institution is certified under subpart 3.

12 “(c) TREATMENT OF RELIGIOUS INSTITUTIONS.—An
13 institution shall be treated as legally authorized to operate
14 educational programs beyond secondary education in a
15 State under section 101(a)(2) if the institution is—

16 “(1) recognized as a religious institution by the
17 State; and

18 “(2) because of the institution’s status as a reli-
19 gious institution, exempt from any provision of State
20 law that requires institutions to be authorized by the
21 State to operate educational programs beyond sec-
22 ondary education.”.

23 **SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR AS-**
24 **SOCIATION.**

25 Section 496 (20 U.S.C. 1099b) is amended—

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

3 (2) in subsection (a)—

4 (A) in paragraph (2), by amending sub-
5 paragraph (A) to read as follows:

6 “(A) for the purpose of participation in
7 programs under this Act or other programs ad-
8 ministered by the Department of Education or
9 other Federal agencies, has a voluntary mem-
10 bership of institutions of higher education or
11 other entities and has as a principal purpose
12 the accrediting of institutions of higher edu-
13 cation or programs;”;

14 (B) in paragraph (3)—

15 (i) in subparagraph (A)—

16 (I) by striking “subparagraph
17 (A)(i)” and inserting “subparagraph
18 (A) or (C)”;

19 (II) by striking “separate” and
20 inserting “separately incorporated”;
21 and

22 (III) by adding “or” at the end;

23 (ii) by striking “or” at the end of sub-
24 paragraph (B); and

25 (iii) by striking subparagraph (C);

1 (C) in paragraph (4)—

2 (i) in subparagraph (A)—

3 (I) by inserting “as defined by
4 the institution” after “stated mission
5 of the institution of higher edu-
6 cation”;

7 (II) by striking “, including dis-
8 tance education or correspondence
9 courses or programs,”; and

10 (III) by striking “and” at the
11 end;

12 (ii) by striking subparagraph (B) and
13 inserting the following:

14 “(B) such agency or association dem-
15 onstrates the ability to review, evaluate, and as-
16 sess the quality of any instruction delivery
17 model or method such agency or association has
18 or seeks to include within its scope of recogni-
19 tion, without giving preference to or differen-
20 tially treating a particular instruction delivery
21 model or method offered by an institution of
22 higher education or program except that, in a
23 case in which the instruction delivery model al-
24 lows for the separation of the student from the
25 instructor—

1 “(i) the agency or association requires
2 the institution to have processes through
3 which the institution establishes that the
4 student who registers in a course or pro-
5 gram is the same student who participates
6 in, including, to the extent practicable,
7 testing or other assessment, and completes
8 the program and receives the academic
9 credit; and

10 “(ii) the agency or association re-
11 quires that any process used by an institu-
12 tion to comply with the requirement under
13 clause (i) does not infringe upon student
14 privacy and is implemented in a manner
15 that is minimally burdensome to the stu-
16 dent; and

17 “(C) if such agency or association has or
18 seeks to include within its scope of recognition
19 the evaluation of the quality of competency-
20 based education programs, such agency or asso-
21 ciation shall, in addition to meeting the other
22 requirements of this subpart, demonstrate to
23 the Secretary that, with respect to competency-
24 based education programs—

1 “(i) the agency or association’s stand-
2 ards include a process for determining
3 whether an institution or program requires
4 the demonstration of competencies that
5 are—

6 “(I) capable of being validly and
7 reliably assessed; and

8 “(II) appropriate in scope and
9 rigor for the award of the relevant
10 certificate, degree, or other recognized
11 educational credential; and

12 “(ii) the agency or association re-
13 quires that an institution or program dem-
14 onstrate that it—

15 “(I) has identified competencies
16 that meet the requirements of sub-
17 clauses (I) and (II) of clause (i);

18 “(II) requires students to dem-
19 onstrate mastery of each relevant
20 competency in order to earn the cer-
21 tificate, degree, or credential;

22 “(III) has the administrative ca-
23 pacity and expertise that will ensure
24 the validity and reliability of assess-
25 ments of competencies and that the

1 institution follows good practices in
2 assessment and measurement;

3 “(IV) provides sufficient faculty
4 instruction, educational content, ac-
5 tivities, and resources to enable stu-
6 dents to learn or develop what is re-
7 quired to demonstrate or attain mas-
8 tery of competencies and that such re-
9 quirements are consistent with the
10 claims that the institution makes for
11 the qualifications of graduates; and

12 “(V) has defined an academic
13 year in accordance with section
14 481(a)(3);”;

15 (D) by amending paragraph (5) to read as
16 follows:

17 “(5) the standards for accreditation of the
18 agency or association assess the institution’s success
19 with respect to student learning and educational out-
20 comes in relation to the institution’s mission, which
21 may include different standards for different institu-
22 tions or programs, except that the standards shall
23 include consideration of student learning and edu-
24 cational outcomes in relation to expected measures
25 of student learning and educational outcomes, which

1 at the agency’s or association’s discretion are estab-
2 lished—

3 “(A) by the agency or association; or

4 “(B) by the institution or program, at the
5 institution or program level, as the case may be,
6 if the institution or program—

7 “(i) defines expected student learning
8 goals and educational outcomes;

9 “(ii) measures and evaluates student
10 learning, educational outcomes, and, if ap-
11 propriate, other outcomes of the students
12 who complete their program of study;

13 “(iii) uses information about student
14 learning, educational outcomes, and, if ap-
15 propriate, other outcomes, to improve the
16 institution or program; and

17 “(iv) makes such information avail-
18 able to appropriate constituencies;”; and

19 (E) in paragraph (8), by striking “, upon
20 request,”;

21 (3) in subsection (b)—

22 (A) in the subsection heading, by striking
23 “SEPARATE” and inserting “SEPARATELY IN-
24 CORPORATED”;

1 (B) in the matter preceding paragraph (1),
2 by striking “separate” and inserting “sepa-
3 rately incorporated”;

4 (C) in paragraph (2), by inserting “who
5 shall represent business” after “one such public
6 member”; and

7 (D) in paragraph (4), by inserting before
8 the period at the end “and is maintained sepa-
9 rately from any such entity or organization”;
10 (4) in subsection (c)—

11 (A) in paragraph (1)—

12 (i) by inserting “(which may vary
13 based on institutional risk consistent with
14 policies promulgated by the agency or asso-
15 ciation to determine such risk and interval
16 frequency as allowed under subsection
17 (p))” after “intervals”; and

18 (ii) by striking “distance education”
19 and inserting “competency-based edu-
20 cation”;

21 (B) by striking paragraph (5) and redesign-
22 ating paragraphs (2), (3), and (4) as para-
23 graphs (3), (4), and (5), respectively;

24 (C) by inserting after paragraph (1), the
25 following:

1 “(2) develops a mechanism to identify institu-
2 tions or programs accredited by the agency or asso-
3 ciation that may be experiencing difficulties accom-
4 plishing their missions with respect to the student
5 learning and educational outcome goals established
6 under subsection (a)(5) and—

7 “(A) as appropriate, uses information such
8 as student loan default or repayment rates, re-
9 tention or graduation rates, evidence of student
10 learning, financial data, and other indicators to
11 identify such institutions;

12 “(B) not less than annually, evaluates the
13 extent to which those identified institutions or
14 programs continue to be in compliance with the
15 agency or association’s standards; and

16 “(C) as appropriate, requires the institu-
17 tion or program to address deficiencies and en-
18 sure that any plan to address and remedy defi-
19 ciencies is successfully implemented.”;

20 (D) in paragraph (4)(A), as so redesign-
21 ated, by striking “487(f)” and inserting
22 “487(e)”;

23 (E) by amending paragraph (5), as so re-
24 designated, to read as follows:

1 “(5) establishes and applies or maintains poli-
2 cies which ensure that any substantive change to the
3 educational mission, program, or programs of an in-
4 stitution after the agency or association has granted
5 the institution accreditation or preaccreditation sta-
6 tus does not adversely affect the capacity of the in-
7 stitution to continue to meet the agency’s or associa-
8 tion’s standards for such accreditation or
9 preaccreditation status, which shall include policies
10 that—

11 “(A) require the institution to obtain the
12 agency’s or association’s approval of the sub-
13 stantive change before the agency or association
14 includes the change in the scope of the institu-
15 tion’s accreditation or preaccreditation status;
16 and

17 “(B) define substantive change to include,
18 at a minimum—

19 “(i) any change in the established
20 mission or objectives of the institution;

21 “(ii) any change in the legal status,
22 form of control, or ownership of the insti-
23 tution;

24 “(iii) the addition of courses, pro-
25 grams of instruction, training, or study, or

1 credentials or degrees that represent a sig-
2 nificant departure from the courses, pro-
3 grams, or credentials or degrees that were
4 offered at time the agency or association
5 last evaluated the institution; or

6 “(iv) the entering into a contract
7 under which an institution or organization
8 not certified to participate programs under
9 title IV provides a portion of an accredited
10 institution’s educational program that is
11 greater than 25 percent;”;

12 (F) in paragraph (7)—

13 (i) in the matter preceding subpara-
14 graph (A), by inserting “, on the agency’s
15 or association’s website,” after “public”;

16 (ii) in subparagraph (C), by inserting
17 before the semicolon at the end the fol-
18 lowing: “, and a summary of why such ac-
19 tion was taken or such placement was
20 made”;

21 (G) in paragraph (8), by striking “and” at
22 the end;

23 (H) in paragraph (9), by striking the pe-
24 riod at the end and inserting a semicolon;

25 (I) by adding at the end the following:

1 “(10) makes publicly available, on the agency
2 or association’s website, a list of the institutions of
3 higher education accredited by such agency or asso-
4 ciation, which includes, with respect to each institu-
5 tion on the list—

6 “(A) the year accreditation was granted;

7 “(B) the most recent date of a comprehen-
8 sive evaluation of the institution under para-
9 graph (1); and

10 “(C) the anticipated date of the next such
11 evaluation; and

12 “(11) confirms, as a part of the agency’s or as-
13 sociation’s review for accreditation or reaccredita-
14 tion, that the institution’s website includes consumer
15 information described section paragraphs (1) and
16 (2) of section 132(d).”;

17 (5) in subsection (e)—

18 (A) by striking “The Secretary” and in-
19 serting the following:

20 “(1) IN GENERAL.—Subject to paragraph (2),
21 the Secretary”; and

22 (B) by adding at the end the following:

23 “(2) EXCEPTION.—Paragraph (1) shall not
24 apply in the case of an institution described in sub-
25 section (j).”.

1 (6) by striking subsection (h) and inserting the
2 following:

3 “(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-
4 TION.—

5 “(1) IN GENERAL.—The Secretary shall not
6 recognize the accreditation of any otherwise eligible
7 institution of higher education if the institution is in
8 the process of changing its accrediting agency or as-
9 sociation and is subject to one or more of the fol-
10 lowing actions, unless the eligible institution submits
11 to the Secretary materials demonstrating a reason-
12 able cause for changing the accrediting agency or as-
13 sociation:

14 “(A) A pending or final action brought by
15 a State agency to suspend, revoke, withdraw, or
16 terminate the institution’s legal authority to
17 provide postsecondary education in the State.

18 “(B) A decision by a recognized accred-
19 iting agency or association to deny accreditation
20 or preaccreditation to the institution.

21 “(C) A pending or final action brought by
22 a recognized accrediting agency or association
23 to suspend, revoke, withdraw, or terminate the
24 institution’s accreditation or preaccreditation.

1 “(D) Probation or an equivalent status im-
2 posed on the institution by a recognized accred-
3 iting agency or association.

4 “(2) RULE OF CONSTRUCTION.—Nothing in
5 this subsection shall be construed to restrict the
6 ability of an institution of higher education not sub-
7 ject to an action described in paragraph (1) and oth-
8 erwise in good standing to change accrediting agen-
9 cies or associations without the approval of the Sec-
10 retary as long as the institution notifies the Sec-
11 retary of the change.”;

12 (7) by striking subsection (k) and inserting the
13 following:

14 “(k) RELIGIOUS INSTITUTION RULE.—

15 “(1) IN GENERAL.—Notwithstanding subsection
16 (j), the Secretary shall allow an institution that has
17 had its accreditation withdrawn, revoked, or other-
18 wise terminated, or has voluntarily withdrawn from
19 an accreditation agency, to remain certified as an in-
20 stitution of higher education under section 101 and
21 subpart 3 of this part for a period sufficient to allow
22 such institution to obtain alternative accreditation, if
23 the Secretary determines that the withdrawal, rev-
24 ocation, or termination—

1 “(A) is related to the religious mission or
2 affiliation of the institution; and

3 “(B) is not related to the accreditation cri-
4 teria provided for in this section.

5 “(2) REQUIREMENTS.—For purposes of this
6 section the following shall apply:

7 “(A) The religious mission of an institu-
8 tion may be reflected in the institution’s reli-
9 gious tenets, beliefs, or teachings, and any poli-
10 cies or decisions related to such tenets, beliefs,
11 or teachings (including any policies or decisions
12 concerning housing, employment, curriculum,
13 self-governance, or student admission, con-
14 tinuing enrollment, or graduation).

15 “(B) An agency or association’s standard
16 fails to respect an institution’s religious mission
17 when the institution determines that the stand-
18 ard induces, pressures, or coerces the institu-
19 tion to act contrary to, or to refrain from acting
20 in support of, any aspect of its religious mis-
21 sion.

22 “(3) ADMINISTRATIVE COMPLAINT FOR FAIL-
23 URE TO RESPECT RELIGIOUS MISSION.—

24 “(A) IN GENERAL.—

1 “(i) INSTITUTION.—If an institution
2 of higher education believes that an ad-
3 verse action of an accrediting agency or as-
4 sociation fails to respect the institution’s
5 religious mission in violation of subsection
6 (a)(4)(A), the institution—

7 “(I) may file a complaint with
8 the Secretary to require the agency or
9 association to withdraw the adverse
10 action; and

11 “(II) prior to filing such com-
12 plaint, shall notify the Secretary and
13 the agency or association of an intent
14 to file such complaint not later than
15 30 days after—

16 “(aa) receiving the adverse
17 action from the agency or asso-
18 ciation; or

19 “(bb) determining that dis-
20 cussions with or the processes of
21 the agency or association to rem-
22 edy the failure to respect the reli-
23 gious mission of the institution
24 will fail to result in the with-

1 drawal of the adverse action by
2 the agency or association.

3 “(ii) ACCREDITING AGENCY OR ASSO-
4 CIATION.—Upon notification of an intent
5 to file a complaint and through the dura-
6 tion of the complaint process under this
7 paragraph, the Secretary and the accred-
8 iting agency or association shall treat the
9 accreditation status of the institution of
10 higher education as if the adverse action
11 for which the institution is filing the com-
12 plaint had not been taken.

13 “(B) COMPLAINT.—Not later than 45 days
14 after providing notice of the intent to file a
15 complaint, the institution shall file the com-
16 plaint with the Secretary (and provide a copy to
17 the accrediting agency or association), which
18 shall include—

19 “(i) a description of the adverse ac-
20 tion;

21 “(ii) how the adverse action fails to
22 respect the institution’s religious mission
23 in violation of subsection (a)(4)(A); and

1 “(iii) any other information the insti-
2 tution determines relevant to the com-
3 plaint.

4 “(C) RESPONSE.—

5 “(i) IN GENERAL.—The accrediting
6 agency or association shall have 30 days
7 from the date the complaint is filed with
8 the Secretary to file with the Secretary
9 (and provide a copy to the institution) a
10 response to the complaint, which response
11 shall include—

12 “(I) how the adverse action is
13 based on a violation of the agency or
14 association’s standards for accredita-
15 tion; and

16 “(II) how the adverse action does
17 not fail to respect the religious mis-
18 sion of the institution and is in com-
19 pliance with subsection (a)(4)(A).

20 “(ii) BURDEN OF PROOF.—

21 “(I) IN GENERAL.—The accred-
22 iting agency or association shall bear
23 the burden of proving that the agency
24 or association has not taken the ad-
25 verse action as a result of the institu-

1 tion’s religious mission, and that the
2 action does not fail to respect the in-
3 stitution’s religious mission in viola-
4 tion of subsection (a)(4)(A), by show-
5 ing that the adverse action does not
6 impact the aspect of the religious
7 claimed to be affected in the com-
8 plaint.

9 “(II) INSUFFICIENT PROOF.—
10 Any evidence that the adverse action
11 results from the application of a neu-
12 tral and generally applicable rule shall
13 be insufficient to prove that the action
14 does not fail to respect an institu-
15 tion’s religious mission.

16 “(D) ADDITIONAL INSTITUTION RE-
17 SPONSE.—The institution shall have 15 days
18 from the date on which the agency or associa-
19 tion’s response is filed with the Secretary to—

20 “(i) file with the Secretary (and pro-
21 vide a copy to the agency or association) a
22 response to any issues raised in the re-
23 sponse of the agency or association; or

24 “(ii) inform the Secretary and the
25 agency or association that the institution

1 elects to waive the right to respond to the
2 response of the agency or association.

3 “(E) SECRETARIAL ACTION.—

4 “(i) IN GENERAL.—Not later than 15
5 days of receipt of the institution’s response
6 under subparagraph (D) or notification
7 that the institution elects not to file a re-
8 sponse under such subparagraph—

9 “(I) the Secretary shall review
10 the materials to determine if the ac-
11 crediting agency or association has
12 met its burden of proof under sub-
13 paragraph (C)(ii)(I); or

14 “(II) in a case in which the Sec-
15 retary fails to conduct such review—

16 “(aa) the Secretary shall be
17 deemed as determining that the
18 adverse action fails to respect the
19 religious mission of the institu-
20 tion; and

21 “(bb) the accrediting agency
22 or association shall be required to
23 reverse the action immediately
24 and take no further action with
25 respect to such adverse action.

1 “(ii) REVIEW OF COMPLAINT.—In re-
2 viewing the complaint under clause (i)(I)—

3 “(I) the Secretary shall consider
4 the institution to be correct in the as-
5 sertion that the adverse action fails to
6 respect the institution’s religious mis-
7 sion and shall apply the burden of
8 proof described in subparagraph
9 (C)(ii)(I) with respect to the accred-
10 iting agency or association; and

11 “(II) if the Secretary determines
12 that the accrediting agency or associa-
13 tion fails to meet such burden of
14 proof—

15 “(aa) the Secretary shall no-
16 tify the institution and the agen-
17 cy or association that the agency
18 or association is not in compli-
19 ance with subsection (a)(4)(A),
20 and that such agency or associa-
21 tion shall carry out the require-
22 ments of item (bb) to be in com-
23 pliance subsection (a)(4)(A); and

24 “(bb) the agency or associa-
25 tion shall reverse the adverse ac-

1 tion immediately and take no fur-
2 ther action with respect to such
3 adverse action.

4 “(iii) FINAL DEPARTMENTAL AC-
5 TION.—The Secretary’s determination
6 under this subparagraph shall be the final
7 action of the Department on the complaint.

8 “(F) RULE OF CONSTRUCTION.—Nothing
9 in this paragraph shall prohibit—

10 “(i) an accrediting agency or associa-
11 tion from taking an adverse action against
12 an institution of higher education for a
13 failure to comply with the agency or asso-
14 ciation’s standards of accreditation as long
15 as such standards are in compliance with
16 subsection (a)(4)(A) and any other applica-
17 ble requirements of this section; or

18 “(ii) an institution of higher education
19 from exercising any other rights to address
20 concerns with respect to an accrediting
21 agency or association or the accreditation
22 process of an accrediting agency or asso-
23 ciation.

24 “(G) GUIDANCE.—

1 “(i) IN GENERAL.—The Secretary
2 may only issue guidance under this para-
3 graph that explains or clarifies the process
4 for providing notice of an intent to file a
5 complaint or for filing a complaint under
6 this paragraph.

7 “(ii) CLARIFICATION.—The Secretary
8 may not issue guidance, or otherwise deter-
9 mine or suggest, when discussions to rem-
10 edy the failure by an accrediting agency or
11 association to respect the religious mission
12 of an institution of higher education re-
13 ferred to in subparagraph (A)(i)(II)(bb)
14 have failed or will fail.”;

15 (8) in subsection (n)(3), by striking “distance
16 education courses or programs” each place it ap-
17 pears and inserting “competency-based education
18 programs” ;

19 (9) in subsection (o), by inserting before the pe-
20 riod at the end the following: “, or with respect to
21 the policies and procedures of an accreditation agen-
22 cy or association described in paragraph (2) or (5)
23 of subsection (c) or how the agency or association
24 carries out such policies and procedures”;

25 (10) by striking subsections (p) and (q); and

1 (11) by adding at the end the following:

2 “(p) RISK-BASED OR DIFFERENTIATED REVIEW
3 PROCESSES OR PROCEDURES.—

4 “(1) IN GENERAL.—Notwithstanding any other
5 provision of law (including subsection (a)(4)(A)), an
6 accrediting agency or association may establish, with
7 the involvement of its membership, risk-based or dif-
8 ferentiated review processes or procedures for as-
9 sassing compliance with the accrediting agency or
10 association’s standards, including policies related to
11 substantive change and award of accreditation
12 statuses, for institutions of higher education or pro-
13 grams that have demonstrated exceptional past per-
14 formance with respect to meeting the accrediting
15 agency or association’s standards.

16 “(2) PROHIBITION.—Risk-based or differen-
17 tiated review processes or procedures shall not dis-
18 criminate against, or otherwise preclude, institutions
19 of higher education based on institutional sector or
20 category, including an institution of higher edu-
21 cation’s tax status.

22 “(3) RULE OF CONSTRUCTION.—Nothing in
23 this subsection shall be construed to permit the Sec-
24 retary to establish any criterion that specifies, de-
25 fines, or prescribes an accrediting agency or associa-

1 tion’s risk-based or differentiated review process or
2 procedure.

3 “(q) WAIVER.—The Secretary shall establish a proc-
4 ess through which an agency or association may seek to
5 have a requirement of this subpart waived, if such agency
6 or association—

7 “(1) demonstrates that such waiver is necessary
8 to enable an institution of higher education or pro-
9 gram accredited by the agency or association to im-
10 plement innovative practices intended to—

11 “(A) reduce administrative burdens to the
12 institution or program without creating costs
13 for the taxpayer; or

14 “(B) improve the delivery of services to
15 students, improve instruction or learning out-
16 comes, or otherwise benefit students; and

17 “(2) describes the terms and conditions that
18 will be placed upon the program or institution to en-
19 sure academic integrity and quality.”.

20 **SEC. 497. ELIGIBILITY AND CERTIFICATION PROCEDURES.**

21 (a) ELIGIBILITY AND CERTIFICATION PROCE-
22 DURES.—Section 498 (20 U.S.C. 1099c) is amended—

23 (1) in subsection (a)—

24 (A) by striking “For purposes of” and in-
25 serting the following:

1 “(1) IN GENERAL.—For purposes of”;

2 (B) by inserting “, subject to paragraph
3 (2),” after “determine”; and

4 (C) by adding at the end the following:

5 “(2) SPECIAL RULE.—The determination of
6 whether an institution of higher education is legally
7 authorized to operate in a State under section
8 101(a)(2) shall be based solely on that State’s
9 laws.”;

10 (2) in subsection (b)(5), by striking “B or D”
11 and inserting “E”;

12 (3) in subsection (c)—

13 (A) by redesignating paragraphs (4), (5),
14 and (6) as paragraphs (6), (7), and (8), respec-
15 tively;

16 (B) by striking the subsection designation
17 and all that follows through the end of para-
18 graph (3) and inserting the following:

19 “(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1)
20 The Secretary shall determine whether an institution has
21 the financial responsibility required by this title in accord-
22 ance with paragraph (2).

23 “(2) An institution shall be determined to be finan-
24 cially responsible by the Secretary, as required by this
25 title, if the institution is able to provide the services de-

1 scribed in its official publications and statements, is able
2 to provide the administrative resources necessary to com-
3 ply with the requirements of this title, and meets one of
4 the following conditions:

5 “(A) Such institution has its liabilities backed
6 by the full faith and credit of a State, or its equiva-
7 lent.

8 “(B) Such institution has a bond credit quality
9 rating of investment grade or higher from a recog-
10 nized credit rating agency.

11 “(C) Such institution has expendable net assets
12 equal to not less than one-half of the annual poten-
13 tial liabilities of such institution to the Secretary for
14 funds under this title, including loan obligations dis-
15 charged pursuant to section 437, and to students for
16 refunds of institutional charges, including funds
17 under this title, as calculated by an independent cer-
18 tified public accountant in accordance with generally
19 accepted auditing standards.

20 “(D) Such institution establishes, with the sup-
21 port of a financial statement audited by an inde-
22 pendent certified public accountant in accordance
23 with generally accepted auditing standards, that the
24 institution has sufficient resources to ensure against
25 the precipitous closure of the institution, including

1 the ability to meet all of its financial obligations (in-
2 cluding refunds of institutional charges and repay-
3 ments to the Secretary for liabilities and debts in-
4 curred in programs administered by the Secretary).

5 “(E) Such institution has met criteria, pre-
6 scribed by the Secretary by regulation in accordance
7 with paragraph (3), that—

8 “(i) establish ratios that demonstrate fi-
9 nancial responsibility in accordance with gen-
10 erally accepted auditing standards as described
11 in paragraph (7);

12 “(ii) incorporate the procedures described
13 in paragraph (4);

14 “(iii) establish consequences for failure to
15 meet the criteria described in paragraph (5);
16 and

17 “(iv) take into account any differences in
18 generally accepted accounting principles, and
19 the financial statements required thereunder,
20 that are applicable to for-profit, public, and
21 nonprofit institutions.

22 “(3) The criteria prescribed pursuant to paragraph
23 (2)(E) shall provide that the Secretary shall—

24 “(A) not later than 6 months after an institu-
25 tion that is subject to the requirements of paragraph

1 (2)(E) has submitted its annual financial statement,
2 provide to such institution a notification of its pre-
3 liminary score under such paragraph;

4 “(B) provide to each such institution a descrip-
5 tion of the method used, and complete copies of all
6 the calculations performed, to determine the institu-
7 tion’s score, if such institution makes a request for
8 such information within 45 days after receiving the
9 notice under subparagraph (A);

10 “(C) within 60 days of receipt by an institution
11 of the information described in subparagraph (B)—

12 “(i) allow the institution to correct or cure
13 an administrative, accounting, or recordkeeping
14 error if the error is not part of a pattern of er-
15 rors and there is no evidence of fraud or mis-
16 conduct related to the error;

17 “(ii) if the institution demonstrates that
18 the Secretary has made errors in its determina-
19 tion of the initial score or has used non-stand-
20 ard accounting practices in reaching its deter-
21 mination, notify the institution that its com-
22 posite score has been corrected; and

23 “(iii) take into consideration any subse-
24 quent change in the institution’s overall fiscal
25 health that would raise the institution’s score;

1 “(D) maintain and preserve at all times the
2 confidentiality of any review until such score is de-
3 termined to be final; and

4 “(E) make a determination regarding whether
5 the institution has met the standards of financial re-
6 sponsibility based on an audited and certified finan-
7 cial statement of the institution as described in
8 paragraph (7).

9 “(4) If the Secretary determines, after conducting an
10 initial review, that the institution has not met at least one
11 of the conditions described in subparagraphs (A) through
12 (E) of paragraph (2) but has otherwise met the require-
13 ments of such paragraph—

14 “(A) the Secretary shall request information re-
15 lating to such conditions for any affiliated or parent
16 organization, company, or foundation owning or
17 owned by the institution; and

18 “(B) if such additional information dem-
19 onstrates that an affiliated or parent organization,
20 company, or foundation owning or owned by the in-
21 stitution meets at least one of the conditions de-
22 scribe in subparagraphs (A) through (E) of para-
23 graph (2), the institution shall be determined to be
24 financially responsible as required by this title.

1 “(5) The Secretary shall establish policies and proce-
2 dures to address an institution’s failure to meet the cri-
3 teria of paragraph (2) which shall include policies and pro-
4 cedures that—

5 “(A) require an institution that fails to meet
6 the criteria for three consecutive years to provide to
7 the Secretary a financial plan;

8 “(B) provide for additional oversight and cash
9 monitoring restrictions, as appropriate;

10 “(C) allow an institution to submit to the Sec-
11 retary third-party financial guarantees that the Sec-
12 retary determines are reasonable, such as perform-
13 ance bonds or letters of credit payable to the Sec-
14 retary, except that an institution may not be re-
15 quired to obtain a letter of credit in order to be
16 deemed financially responsible unless—

17 “(i) the institution has been deemed not to
18 be a going concern, as determined by an inde-
19 pendent certified public accountant in accord-
20 ance with generally accepted auditing stand-
21 ards;

22 “(ii) the institution is determined by the
23 Secretary to be at risk of precipitous closure
24 when the full financial resources of the institu-

1 tion, including the value of the institution’s ex-
2 pendable endowment, are considered; or

3 “(iii) the institution is determined by the
4 Secretary to be at risk of not meeting all of its
5 financial obligations, including refunds of insti-
6 tutional charges and repayments to the Sec-
7 retary for liabilities and debts incurred in pro-
8 grams administered by the Secretary; and

9 “(D) provide for the removal of all require-
10 ments related to the institution’s failure to meet the
11 criteria once the criteria are met.”; and

12 (C) in paragraph (7), as so redesignated,
13 by striking “paragraphs (2) and (3)(C)” and
14 inserting “paragraph (2)”;

15 (4) in subsection (g)(3)—

16 (A) by striking “section 102(a)(1)(C)” and
17 inserting “section 102(a)(1)”;

18 (B) by striking “part B” and inserting
19 “part D or E”;

20 (5) in subsection (h)(2), by striking “18” and
21 inserting “36”;

22 (6) in subsection (i)(1), by striking “section
23 102 (other than the requirements in subsections
24 (b)(5) and (c)(3))” and inserting “sections 101

1 (other than the requirements in subsections
2 (b)(1)(A) and (b)(2)) and 102”;

3 (7) in subsection (j)(1), by striking “meet the
4 requirements of sections 102(b)(1)(E) and
5 102(c)(1)(C)” and inserting “meet the requirements
6 to be considered an institution of higher education
7 under sections 101(b)(1)(A) and 101(b)(2)”;

8 (8) in subsection (k)—

9 (A) in paragraph (1), by striking “487(f)”
10 and inserting “487(e)”;

11 (B) in paragraph (2)(A), by striking “meet
12 the requirements of sections 102(b)(1)(E) and
13 102(c)(1)(C)” and inserting “meet the require-
14 ments to be considered an institution of higher
15 education under sections 101(b)(1)(A) and
16 101(b)(2)”.

17 (b) PROGRAM REVIEW AND DATA.—Section 498A
18 (20 U.S.C. 1099c–1) is amended—

19 (1) in subsection (a)(2)—

20 (A) by striking “part B of” both places it
21 appears;

22 (B) in subparagraph (A), by inserting be-
23 fore the semicolon at the end the following: “,
24 or after the transition period described in sec-
25 tion 481B(e)(3), institutions in which 25 per-

1 cent or more of the educational programs have
2 a loan repayment rate (defined in section
3 481B(e)) for the most recent fiscal year of less
4 than 50 percent”;

5 (C) in subparagraph (B), by inserting be-
6 fore the semicolon at the end the following: “,
7 except that this subparagraph shall not apply
8 after the transition period described in section
9 481B(e)(3)”;

10 (D) in subparagraph (C)—

11 (i) by inserting “Federal ONE Loan
12 volume,” after “Stafford/Ford Loan vol-
13 ume”;

14 (ii) by inserting “Federal ONE Loan
15 program,” after “Stafford/Ford Loan pro-
16 gram”;

17 (2) in subsection (b)—

18 (A) by redesignating paragraphs (3)
19 through (8) as paragraphs (4) through (9), re-
20 spectively;

21 (B) by inserting after paragraph (2) the
22 following new paragraph:

23 “(3) as practicable, provide a written expla-
24 nation to the institution of higher education detail-
25 ing the Secretary’s reasons for initiating the pro-

1 gram review which, if applicable, shall include ref-
2 erences to specific criteria under subsection (a)(2);”;
3 and

4 (C) in paragraph (9), as so redesignated—

5 (i) by striking “paragraphs (6) and
6 (7)” and inserting “paragraphs (7) and
7 (8)”;

8 (ii) by striking “paragraph (5)” and
9 inserting “paragraph (6)”;

10 (3) by adding at the end the following new sub-
11 section:

12 “(f) TIME LIMIT ON PROGRAM REVIEW ACTIVI-
13 TIES.—In conducting, responding to, and concluding pro-
14 gram review activities, the Secretary shall—

15 “(1) provide to the institution the initial report
16 finding not later than 90 days after concluding an
17 initial site visit;

18 “(2) upon each receipt of an institution’s re-
19 sponse during a program review inquiry, respond in
20 a substantive manner within 90 days;

21 “(3) upon each receipt of an institution’s writ-
22 ten response to a draft final program review report,
23 provide the final program review report and accom-
24 panying enforcement actions, if any, within 90 days;

25 and

1 “(4) conclude the entire program review process
2 not later than 2 years after the initiation of a pro-
3 gram review, unless the Secretary determines that
4 such a review is sufficiently complex and cannot rea-
5 sonably be concluded before the expiration of such 2-
6 year period, in which case the Secretary shall
7 promptly notify the institution of the reasons for
8 such delay and provide an anticipated date for con-
9 clusion of the review.”.

10 (c) REVIEW OF REGULATIONS.—Section 498B(b) (20
11 U.S.C. 1099c–2(b)) is amended by striking “section
12 102(a)(1)(C)” and inserting “102(a)(1)”.

13 **TITLE V—DEVELOPING** 14 **INSTITUTIONS**

15 **SEC. 501. HISPANIC-SERVING INSTITUTIONS.**

16 Part A of title V (20 U.S.C. 1101 et seq.) is amend-
17 ed—

18 (1) in section 502(a)—

19 (A) in paragraph (1), by striking “institu-
20 tion for instruction” and inserting “institution
21 of higher education for instruction”;

22 (B) in paragraph (2)(A)—

23 (i) by redesignating clauses (v) and
24 (vi) as clauses (vi) and (v), respectively;

1 (ii) in clause (v) (as so redesignated),
2 by inserting “(as defined in section
3 103(20)(A))” after “State”; and

4 (iii) in clause (vi) (as so redesign-
5 ated), by striking “and” at the end; and
6 (C) in paragraph (2)—

7 (i) by striking the period at the end of
8 subparagraph (B) and inserting “; and”;
9 and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(C) except as provided in section 522(b),
13 an institution that has a completion rate of at
14 least 25 percent that is calculated by—

15 “(i) counting a student as completed
16 if that student graduated within 150 per-
17 cent of the normal time for completion; or

18 “(ii) counting a student as completed
19 if that student enrolled into another pro-
20 gram at an institution for which the pre-
21 vious program provided substantial prepa-
22 ration within 150 percent of normal time
23 for completion.”;

24 (2) in section 503—

25 (A) in subsection (b)—

1 (i) in paragraph (5), by striking
2 “counseling, and” and inserting “coun-
3 seling, advising, and’ ”

4 (ii) in paragraph (7), by striking
5 “funds management” and inserting “funds
6 and administrative management”;

7 (iii) in paragraph (11), by striking
8 “Creating” and all that follows through
9 “technologies,” and inserting “Innovative
10 learning models and creating or improving
11 facilities for Internet or other innovative
12 technologies,”; and

13 (iv) by redesignating paragraph (16)
14 as paragraph (20) and inserting after
15 paragraph (15) the following:

16 “(16) The development, coordination, imple-
17 mentation, or improvement of career and technical
18 education programs (as defined in section 135 of the
19 Carl D. Perkins Career and Technical Education
20 Act of 2006 (20 U.S.C. 2355)).

21 “(17) Alignment and integration of career and
22 technical education programs with programs of
23 study leading to a bachelor’s degree, graduate de-
24 gree, or professional degree.

1 “(18) Developing or expanding access to dual
2 or concurrent enrollment programs and early college
3 high school programs.

4 “(19) Pay for success initiatives that improve
5 time to completion and increase graduation rates.”;
6 and

7 (B) in subsection (c), by adding at the end
8 the following:

9 “(4) SCHOLARSHIP.—An institution that uses
10 grant funds provided under this part to establish or
11 increase an endowment fund may use the income
12 from such endowment fund to provide scholarships
13 to students for the purposes of attending such insti-
14 tution, subject to the limitation in section
15 331(c)(3)(B)(i).”;

16 (3) in section 504, by striking subsection (a)
17 and inserting the following:

18 “(a) AWARD PERIOD.—The Secretary may award a
19 grant to a Hispanic-serving institution under this part for
20 a period of 5 years. Any funds awarded under this part
21 that are not expended or used, before the date that is 10
22 years after the date on which the grant was awarded, for
23 the purposes for which the funds were paid shall be repaid
24 to the Treasury.”; and

1 (4) in section 505, by striking “this title” each
2 place such term appears and inserting “this part”.

3 **SEC. 502. PROMOTING POSTBACCALAUREATE OPPORTUNI-**
4 **TIES FOR HISPANIC AMERICANS.**

5 Part B of title V (20 U.S.C. 1102 et seq.) is amend-
6 ed—

7 (1) in section 513—

8 (A) by striking paragraph (1) and insert-
9 ing the following:

10 “(1) The activities described in (1) through (4),
11 (11), and (19) of section 503(b).”;

12 (B) by striking paragraphs (2) and (3);
13 and

14 (C) by redesignating paragraphs (4)
15 through (8) as paragraphs (2) through (6), re-
16 spectively; and

17 (D) in paragraph (4) (as so redesignated),
18 by striking “Creating” and all that follows
19 through “technologies,” and inserting “Innova-
20 tive learning models and creating or improving
21 facilities for Internet or other innovative tech-
22 nologies,”; and

23 (2) in section 514—

24 (A) by striking subsection (b) and insert-
25 ing the following:

1 “(b) DURATION.—The Secretary may award a grant
2 to a Hispanic-serving institution under this part for a pe-
3 riod of 5 years. Any funds awarded under this part that
4 are not expended or used for the purposes for which the
5 funds were paid within 10 years following the date on
6 which the grant was awarded shall be repaid to the Treas-
7 ury.”; and

8 (B) by adding at the end the following:

9 “(d) SPECIAL RULE.—No Hispanic-serving institu-
10 tion that is eligible for and receives funds under this part
11 may receive funds under part A or B of title III during
12 the period for which funds under this part are awarded.”.

13 **SEC. 503. GENERAL PROVISIONS.**

14 Part C of title V (20 U.S.C. 1103 et seq.) is amend-
15 ed—

16 (1) in section 521(e)(7)—

17 (A) by striking subparagraph (C);

18 (B) by redesignating subparagraphs (D)
19 and (E) as subparagraphs (C) and (D), respec-
20 tively; and

21 (C) in subparagraph (D), as so redesign-
22 ated, by striking “subparagraph (D)” and in-
23 serting “subparagraph (C)”;

24 (2) in section 522(b)—

1 (A) in the subsection heading, by inserting
2 “; COMPLETION RATES” after “EXPENDI-
3 TURES”;

4 (B) in paragraph (1), by inserting “or
5 502(a)(2)(C)” after “502(a)(2)(A)(ii)”; and

6 (C) in paragraph (2)—

7 (i) in the paragraph heading, by in-
8 serting “AND COMPLETION RATES” after
9 “EXPENDITURES”;

10 (ii) in the matter preceding subpara-
11 graph (A), by inserting “or 502(a)(2)(C)”
12 after “502(a)(2)(A)(ii)”; and

13 (iii) in subparagraph (A), by inserting
14 “or section 502(a)(2)(C)” after
15 “502(a)(2)(A)”;

16 (3) in section 524(c), by striking “section 505”
17 and inserting “section 504”; and

18 (4) in section 528—

19 (A) in subsection (a), by striking “parts A
20 and C” and all that follows through the period
21 at the end and inserting “parts A and C,
22 \$107,795,000 for each of fiscal years 2019
23 through 2024.”; and

24 (B) in subsection (b), by striking “part B”
25 and all that follows through the period at the

1 end and inserting “part B, \$9,671,000 for each
2 of fiscal years 2019 through 2024.”.

3 **TITLE VI—INTERNATIONAL**
4 **EDUCATION PROGRAMS**

5 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**
6 **IES.**

7 (a) GRADUATE AND UNDERGRADUATE LANGUAGE
8 AND AREA CENTERS AND PROGRAMS.—Section 602 (20
9 U.S.C. 1122) is amended—

10 (1) in subsection (a)(4)(F), by inserting “(C),”
11 after “(B),”; and

12 (2) in subsection (e)—

13 (A) by redesignating paragraphs (1) and
14 (2) as subparagraphs (A) and (B), respectively,
15 and realigning such subparagraphs so as to be
16 indented 4 ems from the left margin;

17 (B) by striking “(e) APPLICATION.—Each
18 institution” and inserting the following:

19 “(e) APPLICATION.—

20 “(1) SUBMISSION; CONTENTS.—Each institu-
21 tion”; and

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

24 “(2) APPROVAL.—The Secretary may approve
25 an application for a grant if an institution, in its ap-

1 plication, provides adequate assurances that it will
2 comply with paragraph (1)(A). The Secretary shall
3 use the requirement of paragraph (1)(A) as part of
4 the application evaluation, review, and approval
5 process when determining grant recipients for initial
6 funding and continuation awards.”.

7 (b) DISCONTINUATION OF CERTAIN PROGRAMS.—

8 Part A of title VI (20 U.S.C. 1121 et seq.) is amended—

9 (1) by striking section 604;

10 (2) by striking section 606;

11 (3) by striking section 609; and

12 (4) by striking section 610.

13 (c) CONFORMING AMENDMENT.—Part A of title VI

14 (20 U.S.C. 1121 et seq.) is further amended by redesignig-

15 nating sections 605, 607, and 608 as sections 604, 605,

16 and 606, respectively.

17 **SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PRO-**

18 **GRAMS.**

19 (a) CENTERS FOR INTERNATIONAL BUSINESS EDU-

20 CATION.—Section 612 (20 U.S.C. 1130–1) is amended—

21 (1) in subsection (f)(3), by inserting “and a

22 wide range of views” after “diverse perspectives”;

23 and

24 (2) by adding at the end the following new sub-

25 section:

1 “(g) APPROVAL.—The Secretary may approve an ap-
2 plication for a grant if an institution, in its application,
3 provides adequate assurances that it will comply with sub-
4 section (f)(3). The Secretary shall use the requirement of
5 subsection (f)(3) as part of the application evaluation, re-
6 view, and approval process when determining grant recipi-
7 ents for initial funding and continuation awards.”.

8 (b) DISCONTINUATION OF CERTAIN PROGRAMS.—
9 Part B of title VI (20 U.S.C. 1130 et seq.) is amended
10 by striking sections 613 and 614.

11 **SEC. 603. REPEAL OF ASSISTANCE PROGRAM FOR INSTI-
12 TUTE FOR INTERNATIONAL PUBLIC POLICY.**

13 Part C of title VI (20 U.S.C. 1131 et seq.) is re-
14 pealed.

15 **SEC. 604. GENERAL PROVISIONS.**

16 (a) DEFINITIONS.—Section 631(a) (20 U.S.C.
17 1132(a)) is amended—

18 (1) by striking paragraphs (5) and (9);

19 (2) in paragraph (8), by inserting “and” after
20 the semicolon at the end; and

21 (3) by redesignating paragraphs (6), (7), (8),
22 and (10) as paragraphs (5), (6), (7), and (8), re-
23 spectively.

1 (b) SPECIAL RULE.—Section 632(2) (20 U.S.C.
2 1132–1(2)) is amended by inserting “substantial” before
3 “need”.

4 (c) REPORTS.—Section 636 (20 U.S.C. 1132–5) is
5 amended—

6 (1) by inserting “(a) BIENNIAL REPORT ON
7 AREAS OF NATIONAL NEED.—” before “The Sec-
8 retary”; and

9 (2) by adding at the end the following new sub-
10 section:

11 “(b) ANNUAL REPORT ON COMPLIANCE WITH DI-
12 VERSE PERSPECTIVES AND A WIDE RANGE OF VIEWS RE-
13 QUIREMENT.—Not later than 180 days after the date of
14 the enactment of this subsection, and annually thereafter,
15 the Secretary shall submit to the authorizing committees
16 a report that identifies the efforts taken to ensure recipi-
17 ents’ compliance with the requirements under this title re-
18 lating to the ‘diverse perspectives and a wide range of
19 views’ requirement, including any technical assistance the
20 Department has provided, any regulatory guidance the
21 Department has issued, and any monitoring the Depart-
22 ment has conducted. Such report shall be made available
23 to the public.”.

1 (d) REPEAL OF SCIENCE AND TECHNOLOGY AD-
2 VANCED FOREIGN LANGUAGE EDUCATION GRANT PRO-
3 GRAM.—Section 637 (20 U.S.C. 1132–6) is repealed.

4 (e) REPORTING BY INSTITUTIONS.—Section 638(b)
5 (20 U.S.C. 1132–7(b)) is amended to read as follows:

6 “(b) DATA REQUIRED.—

7 “(1) IN GENERAL.—Except as provided in para-
8 graph (5), the Secretary shall require an institution
9 of higher education referred to in subsection (a) to
10 file a disclosure report under paragraph (2) with the
11 Secretary on January 31 or July 31, whichever is
12 sooner, with respect to the date on which such insti-
13 tution received a contribution—

14 “(A) less than 7 months from such date;

15 and

16 “(B) greater than 30 days from such date.

17 “(2) CONTENTS OF REPORT.—Each report to
18 the Secretary required by this section shall contain
19 the following information with respect to the institu-
20 tion of higher education filing the report:

21 “(A) For gifts received from, or contracts
22 entered into with a foreign source other than a
23 foreign government, the following information:

24 “(i) The aggregate dollar amount of
25 such gifts and contracts attributable to

1 each country, including the fair market
2 value of the services of staff members,
3 textbooks, and other in-kind gifts.

4 “(ii) The legal name of the entity pro-
5 viding any such gift or contract.

6 “(iii) The country to which the gift is
7 attributable.

8 “(B) For gifts received from, or contracts
9 entered into with, a foreign government, the ag-
10 gregate dollar amount of such gifts and con-
11 tracts received from each foreign government
12 and the legal name of the entity providing any
13 such gift or contract.

14 “(C) In the case of an institution of higher
15 education that is owned or controlled by a for-
16 eign source—

17 “(i) the identity of the foreign source;

18 “(ii) the date on which the foreign
19 source assumed ownership or control of the
20 institution; and

21 “(iii) any changes in program or
22 structure resulting from the change in
23 ownership or control.

24 “(3) ADDITIONAL DISCLOSURES FOR RE-
25 STRICTED AND CONDITIONAL GIFTS.—Notwith-

1 standing paragraph (1), when an institution of high-
2 er education receives a restricted or conditional gift
3 or contract from a foreign source, the institution
4 shall disclose the following:

5 “(A) In the case of gifts received from, or
6 contracts entered into with, a foreign source
7 other than a foreign government, the amount,
8 the date, and a description of such conditions
9 or restrictions.

10 “(B) The country to which the gift is at-
11 tributable.

12 “(C) In the case of gifts received from, or
13 contracts entered into with, a foreign govern-
14 ment, the amount, the date, a description of
15 such conditions or restrictions, and the name of
16 the foreign government.

17 “(4) **ATTRIBUTION OF GIFTS.**—For purposes of
18 this subsection, the country to which a gift is attrib-
19 utable is—

20 “(A) the country of citizenship; or

21 “(B) if the information described in sub-
22 paragraph (A) is not known—

23 “(i) the principal residence for a for-
24 eign source who is a natural person; or

1 “(ii) the principal place of business
2 and country of incorporation for a foreign
3 source that is a legal entity.

4 “(5) RELATION TO OTHER REPORTING RE-
5 QUIREMENTS.—

6 “(A) STATE REQUIREMENTS.—If an insti-
7 tution described under subsection (a) is located
8 within a State that has enacted requirements
9 for public disclosure of gifts from, or contracts
10 with, a foreign source that are substantially
11 similar to the requirements of this section, as
12 determined by the Secretary, a copy of the dis-
13 closure report filed with the State may be filed
14 with the Secretary in lieu of a report required
15 under paragraph (1).

16 “(B) ASSURANCES.—With respect to an
17 institution that submits a copy of a disclosure
18 report pursuant to subparagraph (A), the State
19 in which such institution is located shall provide
20 to the Secretary such assurances as the Sec-
21 retary may require to establish that the institu-
22 tion has met the requirements for public disclo-
23 sure under the laws of such State.

24 “(C) USE OF OTHER FEDERAL RE-
25 PORTS.—If an institution receives a gift from,

1 or enters into a contract with, a foreign source,
2 where any other Federal law or regulation re-
3 quires a report containing requirements sub-
4 stantially similar to the requirements under this
5 section, as determined by the Secretary, a copy
6 of the report may be filed with the Secretary in
7 lieu of a report required under subsection (b).

8 “(6) PUBLIC INSPECTION.—A disclosure report
9 required by this section shall be—

10 “(A) available as public records open to in-
11 spection and copying during business hours;

12 “(B) available electronically; and

13 “(C) made available under subparagraphs
14 (A) and (B) not later than 30 days after the
15 Secretary receives such report.

16 “(7) ENFORCEMENT.—

17 “(A) COMPEL COMPLIANCE.—Whenever it
18 appears that an institution has failed to comply
19 with the requirements of this section, including
20 any rule or regulation promulgated under this
21 section, a civil action may be brought by the At-
22 torney General, at the request of the Secretary,
23 in an appropriate district court of the United
24 States, or the appropriate United States court
25 of any territory or other place subject to the ju-

1 jurisdiction of the United States, to request such
2 court to compel compliance with the require-
3 ments of this section.

4 “(B) COSTS.—For knowing or willful fail-
5 ure to comply with the requirements of this sec-
6 tion, including any rule or regulation promul-
7 gated thereunder, an institution shall pay to the
8 Treasury of the United States the full costs to
9 the United States of obtaining compliance, in-
10 cluding all associated costs of investigation and
11 enforcement.

12 “(8) DEFINITIONS.—In this section:

13 “(A) CONTRACT.—The term ‘contract’
14 means any agreement for the acquisition by
15 purchase, lease, gift, or barter of property or
16 services by the foreign source, for the direct
17 benefit or use of either of the parties.

18 “(B) FOREIGN SOURCE.—The term ‘for-
19 eign source’ means—

20 “(i) a foreign government, including
21 an agency of a foreign government;

22 “(ii) a legal entity, governmental or
23 otherwise, created solely under the laws of
24 a foreign state or states;

1 “(iii) an individual who is not a cit-
2 izen or a national of the United States or
3 a trust territory or protectorate thereof;
4 and

5 “(iv) an agent, including a subsidiary
6 or affiliate of a foreign legal entity, acting
7 on behalf of a foreign source.

8 “(C) GIFT.—The term ‘gift’ means any
9 gift of money, property, human resources, or
10 payment of any staff.

11 “(D) RESTRICTED OR CONDITIONAL.—The
12 term ‘restricted or conditional’, with respect to
13 an endowment, gift, grant, contract, award,
14 present, or property of any kind means includ-
15 ing as a condition on such endowment, gift,
16 grant, contract, award, present, or property
17 provisions regarding—

18 “(i) the employment, assignment, or
19 termination of faculty;

20 “(ii) the establishment of depart-
21 ments, centers, research or lecture pro-
22 grams, institutes, instructional programs,
23 or new faculty positions;

24 “(iii) the selection or admission of
25 students; or

1 “(iv) the award of grants, loans,
2 scholarships, fellowships, or other forms of
3 financial aid restricted to students of a
4 specified country, religion, sex, ethnic ori-
5 gin, or political opinion.”.

6 (f) REDESIGNATIONS.—Part D of title VI (20 U.S.C.
7 1132 et seq.) is amended—

8 (1) by redesignating such part as part C; and

9 (2) by redesignating sections 631, 632, 633,
10 634, 635, 636, and 638 as sections 621, 622, 623,
11 624, 625, 626, and 627, respectively.

12 (g) CONTINUATION AWARDS.—Part C of title VI (20
13 U.S.C. 1131 et seq.), as so redesignated by subsection
14 (f)(1) of this section, is amended by adding at the end
15 the following new sections:

16 **“SEC. 628. CONTINUATION AWARDS.**

17 “The Secretary shall make continuation awards
18 under this title for the second and succeeding years of a
19 grant only after determining that the recipient is making
20 satisfactory progress in carrying out the stated grant ob-
21 jectives approved by the Secretary.

22 **“SEC. 629. COMPLIANCE WITH DIVERSE PERSPECTIVE AND**
23 **A WIDE RANGE OF VIEWS.**

24 “When complying with the requirement of this title
25 to offer a diverse perspective and a wide range of views,

1 a recipient of a grant under this title shall not promote
2 any biased views that are discriminatory toward any
3 group, religion, or population of people.

4 **“SEC. 630. AUTHORIZATION OF APPROPRIATIONS.**

5 “There is authorized to be appropriated to carry out
6 this title \$61,525,000 for each of fiscal years 2019
7 through 2024.”.

8 **TITLE VII—GRADUATE AND**
9 **POSTSECONDARY IMPROVE-**
10 **MENT PROGRAMS**

11 **SEC. 701. GRADUATE EDUCATION PROGRAMS.**

12 (a) REPEAL OF JACOB K. JAVITS FELLOWSHIP PRO-
13 GRAM.—Subpart 1 of part A of title VII (20 U.S.C. 1134
14 et seq.) is repealed.

15 (b) REPEAL OF THURGOOD MARSHALL LEGAL EDU-
16 CATIONAL OPPORTUNITY PROGRAM.—Subpart 3 of part
17 A of title VII (20 U.S.C. 1136) is repealed.

18 (c) AUTHORIZATION OF APPROPRIATIONS FOR GRAD-
19 UATE ASSISTANCE IN AREAS OF NATIONAL NEED.—Sec-
20 tion 716 (20 U.S.C. 1135e) is amended striking
21 “\$35,000,000” and all that follows through the period at
22 the end and inserting “\$28,047,000 for each of fiscal
23 years 2019 through 2024.”.

24 (d) REDESIGNATIONS.—Part A of title VII (20
25 U.S.C. 1134 et seq.) is amended—

1 (1) by redesignating subparts 2, 4, and 5 as
2 subparts 1, 2, and 3 respectively;

3 (2) by redesignating sections 711 through 716
4 as sections 701 through 706, respectively;

5 (3) by redesignating sections 723 through 725
6 as sections 711 through 713, respectively; and

7 (4) by redesignating section 731 as section 721.

8 (e) AMENDMENT OF CROSS REFERENCES.—Part A
9 of title VII (20 U.S.C. 1134 et seq.) is amended—

10 (1) in section 703(b)(8), as so redesignated, by
11 striking “section 715” and inserting “section 705”;

12 (2) in section 704(e), as so redesignated—

13 (A) by striking “section 715(a)” and in-
14 serting “section 705(a)”; and

15 (B) by striking “section 713(b)(2)” and in-
16 serting “section 703(b)(2)”;

17 (3) in section 711(e), as so redesignated, by
18 striking “724” and inserting “712”;

19 (4) in section 712(e), as so redesignated, by
20 striking “723” and inserting “711”;

21 (5) in section 713, as so redesignated—

22 (A) in subsection (a), by striking “section
23 723” and all that follows through the period at
24 the end and inserting “section 711, \$7,500,000

1 for fiscal year 2019 and each of the five suc-
2 ceeding fiscal years.”; and

3 (B) in subsection (b), by striking “section
4 724” and inserting “section 712”; and
5 (6) in section 721, as so redesignated—

6 (A) in the section heading, by striking
7 “**THROUGH 4**” and inserting “**AND 2**”;

8 (B) by striking “subparts 1 through 4”
9 each place such term appears and inserting
10 “subparts 1 and 2”;

11 (C) in subsection (c)—

12 (i) by striking “section 703(b) or
13 715(a)” and inserting “section 705(a)”;
14 and

15 (ii) by striking “subparts 1 or 2, re-
16 spectively,” and inserting “subpart 1”; and

17 (D) in subsection (d), by striking “subpart
18 1, 2, 3, or 4” and inserting “subpart 1 or 2”.

19 **SEC. 702. REPEAL OF FUND FOR THE IMPROVEMENT OF**
20 **POSTSECONDARY EDUCATION.**

21 Part B of title VII (20 U.S.C. 1138 et seq.) is re-
22 pealed.

23 **SEC. 703. PROGRAMS FOR STUDENTS WITH DISABILITIES.**

24 (a) REDESIGNATIONS.—

1 (1) SUBPART.—Part D of title VII (20 U.S.C.
2 1140 et seq.) is amended by striking subparts 1 and
3 3 and redesignating subparts 2 and 4 as subparts 1
4 and 2, respectively.

5 (2) PART.—Part D of title VII (20 U.S.C.
6 1140 et seq.), as amended by paragraph (1), is re-
7 designated as part B of such Act.

8 (3) DEFINITIONS.—Section 760 (20 U.S.C.
9 1140) is redesignated as section 730 of such Act.

10 (b) MODEL TRANSITION PROGRAMS; COORDINATING
11 CENTER.—

12 (1) PURPOSE.—Section 766 (20 U.S.C. 1140f)
13 is redesignated as section 731 of such Act.

14 (2) MODEL COMPREHENSIVE TRANSITION AND
15 POSTSECONDARY PROGRAMS.—Section 767 (20
16 U.S.C. 1140g) is amended—

17 (A) by redesignating such section as sec-
18 tion 732 of such Act;

19 (B) in subsection (a)(1)—

20 (i) by striking “section 769(a)” and
21 inserting “section 736(a)”; and

22 (ii) by striking “institutions of higher
23 education (or consortia of institutions of
24 higher education), to enable the institu-
25 tions or consortia” and inserting “eligible

1 applicants, to enable the eligible appli-
2 cants”;

3 (C) by striking subsection (b) and insert-
4 ing the following:

5 “(b) APPLICATION.—An eligible applicant desiring a
6 grant under this section shall submit to the Secretary, at
7 such time and in such manner as the Secretary may re-
8 quire, an application that—

9 “(1) describes how the model program to be op-
10 erated by the eligible applicant with grant funds re-
11 ceived under this section will meet the requirements
12 of subsection (d);

13 “(2) describes how the model program proposed
14 to be operated is based on the demonstrated needs
15 of students with intellectual disabilities served by the
16 eligible applicant and potential employers;

17 “(3) describes how the model program proposed
18 to be operated will coordinate with other Federal,
19 State, and local programs serving students with in-
20 tellectual disabilities, including programs funded
21 under the Rehabilitation Act of 1973 (29 U.S.C.
22 701 et seq.);

23 “(4) describes how the model program will be
24 sustained once the grant received under this section
25 ends;

1 “(5) if applicable, describes how the eligible ap-
2 plicant will meet the preferences described in sub-
3 section (c)(3); and

4 “(6) demonstrates the ability of the eligible ap-
5 plicant to meet the requirement under subsection
6 (e).”.

7 (D) in subsection (c)(3)—

8 (i) in subparagraph (B), by striking
9 “institution of higher education” and in-
10 serting “eligible applicant”; and

11 (ii) in subparagraph (C), by striking
12 “students attending the institution of high-
13 er education” and inserting “the eligible
14 applicant’s students”;

15 (E) in subsection (d)—

16 (i) in the matter preceding paragraph
17 (1), by striking “An institution of higher
18 education (or consortium)” and inserting
19 “An eligible applicant”;

20 (ii) in paragraph (2), by striking “in-
21 stitution of higher education’s” and insert-
22 ing “eligible applicant’s”;

23 (iii) in paragraph (3)(D), by striking
24 “that lead to gainful employment”;

1 (iv) in paragraph (5), by striking
2 “section 777(b)” and inserting “section
3 734”;

4 (v) in paragraph (6), by inserting
5 “and” after the semicolon at the end;

6 (vi) by striking paragraph (7); and

7 (vii) by redesignating paragraph (8)
8 as paragraph (7);

9 (F) in subsection (e), by striking “An in-
10 stitution of higher education (or consortium)”
11 and inserting “An eligible applicant”;

12 (G) in subsection (f), by striking “Not
13 later than five years after the date of the first
14 grant awarded under this section” and inserting
15 “Not less often than once every 5 years”; and

16 (H) by adding at the end the following new
17 subsection:

18 “(g) DEFINITION.—For purposes of this subpart, the
19 term ‘eligible applicant’ means an institution of higher
20 education or a consortium of institutions of higher edu-
21 cation.”.

22 (3) REDESIGNATIONS.—Sections 768 and 769
23 (20 U.S.C. 1140i) are redesignated as sections 733
24 and 736, respectively.

1 (4) COORDINATING CENTER AND COMMIS-
2 SION.—Subpart 1 of part D of title VII, as so redes-
3 signed by subsection (a)(1), is amended by insert-
4 ing after section 733 (as so redesignated by para-
5 graph (3)) the following:

6 **“SEC. 734. COORDINATING CENTER.**

7 “(a) PURPOSE.—It is the purpose of this section to
8 provide technical assistance and information on best and
9 promising practices to eligible applicants awarded grants
10 under section 732.

11 “(b) COORDINATING CENTER.—

12 “(1) DEFINITION OF ELIGIBLE ENTITY.—In
13 this section, the term ‘eligible entity’ means an enti-
14 ty, or a partnership of entities, that has dem-
15 onstrated expertise in the fields of—

16 “(A) higher education;

17 “(B) the education of students with intel-
18 lectual disabilities;

19 “(C) the development of comprehensive
20 transition and postsecondary programs for stu-
21 dents with intellectual disabilities; and

22 “(D) evaluation and technical assistance.

23 “(2) IN GENERAL.—From amounts appro-
24 priated under section 736, the Secretary shall enter
25 into a cooperative agreement, on a competitive basis,

1 with an eligible entity for the purpose of establishing
2 a coordinating center for institutions of higher edu-
3 cation that offer inclusive comprehensive transition
4 and postsecondary programs for students with intel-
5 lectual disabilities, including eligible applicants re-
6 ceiving grants under section 732, to provide—

7 “(A) recommendations related to the devel-
8 opment of standards for such programs;

9 “(B) technical assistance for such pro-
10 grams; and

11 “(C) evaluations for such programs.

12 “(3) ADMINISTRATION.—The program under
13 this section shall be administered by the office in the
14 Department that administers other postsecondary
15 education programs.

16 “(4) DURATION.—A cooperative agreement en-
17 tered into pursuant to this section shall have a term
18 of 5 years.

19 “(5) REQUIREMENTS OF COOPERATIVE AGREE-
20 MENT.—The cooperative agreement entered into
21 pursuant to this section shall provide that the eligi-
22 ble entity entering into such agreement shall estab-
23 lish and maintain a coordinating center that shall—

24 “(A) serve as the technical assistance enti-
25 ty for all comprehensive transition and postsec-

1 ondary programs for students with intellectual
2 disabilities;

3 “(B) provide technical assistance regarding
4 the development, evaluation, and continuous im-
5 provement of such programs;

6 “(C) develop an evaluation protocol for
7 such programs that includes qualitative and
8 quantitative methodologies for measuring stu-
9 dent outcomes and program strengths in the
10 areas of academic enrichment, socialization,
11 independent living, and competitive or sup-
12 ported employment;

13 “(D) assist recipients of grants under sec-
14 tion 732 in efforts to award a meaningful cre-
15 dential to students with intellectual disabilities
16 upon the completion of such programs, which
17 credential shall take into consideration unique
18 State factors;

19 “(E) develop recommendations for the nec-
20 essary components of such programs, such as—

21 “(i) academic, vocational, social, and
22 independent living skills;

23 “(ii) evaluation of student progress;

24 “(iii) program administration and
25 evaluation;

1 “(iv) student eligibility; and

2 “(v) issues regarding the equivalency
3 of a student’s participation in such pro-
4 grams to semester, trimester, quarter,
5 credit, or clock hours at an institution of
6 higher education, as the case may be;

7 “(F) analyze possible funding sources for
8 such programs and provide recommendations to
9 such programs regarding potential funding
10 sources;

11 “(G) develop model memoranda of agree-
12 ment for use between or among institutions of
13 higher education and State and local agencies
14 providing funding for such programs;

15 “(H) develop mechanisms for regular com-
16 munication, outreach, and dissemination of in-
17 formation about comprehensive transition and
18 postsecondary programs for students with intel-
19 lectual disabilities under section 732 between or
20 among such programs and to families and pro-
21 spective students;

22 “(I) host a meeting of all recipients of
23 grants under section 732 not less often than
24 once every 3 years; and

1 “(J) convene a workgroup to develop and
2 recommend model criteria, standards, and com-
3 ponents of such programs as described in sub-
4 paragraph (E) that are appropriate for the de-
5 velopment of accreditation standards, which
6 workgroup shall include—

7 “(i) an expert in higher education;

8 “(ii) an expert in special education;

9 “(iii) a representative of a disability
10 organization that represents students with
11 intellectual disabilities;

12 “(iv) a representative from the Na-
13 tional Advisory Committee on Institutional
14 Quality and Integrity; and

15 “(v) a representative of a regional or
16 national accreditation agency or associa-
17 tion.

18 “(6) REPORT.—Not less often than once every
19 5 years, the coordinating center shall report to the
20 Secretary, the authorizing committees, and the Na-
21 tional Advisory Committee on Institutional Quality
22 and Integrity on the recommendations of the
23 workgroup described in paragraph (5)(J).

1 **“SEC. 735. ACCESSIBLE INSTRUCTIONAL MATERIALS IN**
2 **HIGHER EDUCATION.**

3 “(a) COMMISSION STRUCTURE.—

4 “(1) ESTABLISHMENT OF COMMISSION.—

5 “(A) IN GENERAL.—The Speaker of the
6 House of Representatives, the President pro
7 tempore of the Senate, and the Secretary of
8 Education shall establish an independent com-
9 mission, comprised of key stakeholders, to de-
10 velop voluntary guidelines for accessible postsec-
11 ondary electronic instructional materials and re-
12 lated technologies in order—

13 “(i) to ensure students with disabil-
14 ities are afforded the same educational
15 benefits provided to nondisabled students
16 through the use of electronic instructional
17 materials and related technologies;

18 “(ii) to inform better the selection and
19 use of such materials and technologies at
20 institutions of higher education; and

21 “(iii) to encourage entities that
22 produce such materials and technologies to
23 make accessible versions more readily
24 available in the market.

25 In fulfilling this duty, the commission shall re-
26 view applicable national and international infor-

1 mation technology accessibility standards, which
2 it will compile and annotate as an additional in-
3 formation resource for institutions of higher
4 education and companies that service the higher
5 education market.

6 “(B) MEMBERSHIP.—

7 “(i) STAKEHOLDER GROUPS.—The
8 commission shall be composed of represent-
9 atives from the following categories:

10 “(I) DISABILITY.—Communities
11 of persons with disabilities for whom
12 the accessibility of postsecondary elec-
13 tronic instructional materials and re-
14 lated technologies is a significant fac-
15 tor in ensuring equal participation in
16 higher education, and nonprofit orga-
17 nizations that provide accessible elec-
18 tronic materials to these communities.

19 “(II) HIGHER EDUCATION.—
20 Higher education leadership, which in-
21 cludes: university presidents, provosts,
22 deans, vice presidents, deans of librar-
23 ies, chief information officers, and
24 other senior institutional executives.

1 “(III) INDUSTRY.—Relevant in-
2 dustry representatives, meaning—

3 “(aa) developers of postsec-
4 ondary electronic instructional
5 materials; and

6 “(bb) manufacturers of re-
7 lated technologies.

8 “(ii) APPOINTMENT OF MEMBERS.—
9 The commission members shall be ap-
10 pointed as follows:

11 “(I) Six members, 2 from each
12 category described in clause (i), shall
13 be appointed by the Speaker of the
14 House of Representatives, 3 of whom
15 shall be appointed on the rec-
16 ommendation of the majority leader of
17 the House of Representatives and 3 of
18 whom shall be appointed on the rec-
19 ommendation of the minority leader of
20 the House of Representatives, with
21 the Speaker ensuring that 1 developer
22 of postsecondary electronic instruc-
23 tional materials and 1 manufacturer
24 of related technologies are appointed.
25 The Speaker shall also appoint 2 ad-

1 ditional members, 1 student with a
2 disability and 1 faculty member from
3 an institution of higher education.

4 “(II) Six members, 2 from each
5 category described in clause (i), shall
6 be appointed by the President pro
7 tempore of the Senate, 3 of whom
8 shall be appointed on the rec-
9 ommendation of the majority leader of
10 the Senate and 3 of whom shall be ap-
11 pointed on the recommendation of the
12 minority leader of the Senate, with
13 the President pro tempore ensuring
14 that 1 developer of postsecondary
15 electronic instructional materials and
16 1 manufacturer of related technologies
17 are appointed. The President pro tem-
18 pore shall also appoint 2 additional
19 members, 1 student with a disability
20 and 1 faculty member from an institu-
21 tion of higher education.

22 “(III) Three members, each of
23 whom must possess extensive, dem-
24 onstrated technical expertise in the
25 development and implementation of

1 accessible postsecondary electronic in-
2 structional materials, shall be ap-
3 pointed by the Secretary of Edu-
4 cation. One of these members shall
5 represent postsecondary students with
6 disabilities, 1 shall represent higher
7 education leadership, and 1 shall rep-
8 resent developers of postsecondary
9 electronic instructional materials.

10 “(iii) ELIGIBILITY TO SERVE ON THE
11 COMMISSION.—Federal employees are ineli-
12 gible for appointment to the commission.
13 An appointee to a volunteer or advisory po-
14 sition with a Federal agency or related ad-
15 visory body may be appointed to the com-
16 mission so long as his or her primary em-
17 ployment is with a non-Federal entity and
18 he or she is not otherwise engaged in fi-
19 nancially compensated work on behalf of
20 the Federal Government, exclusive of any
21 standard expense reimbursement or grant-
22 funded activities.

23 “(2) AUTHORITY AND ADMINISTRATION.—

24 “(A) AUTHORITY.—The commission’s exe-
25 cution of its duties shall be independent of the

1 Secretary of Education, the Attorney General,
2 and the head of any other agency or depart-
3 ment of the Federal Government with regu-
4 latory or standard setting authority in the areas
5 addressed by the commission.

6 “(B) ADMINISTRATION.—

7 “(i) STAFFING.—There shall be no
8 permanent staffing for the commission.

9 “(ii) LEADERSHIP.—Commission
10 members shall elect a chairperson from
11 among the 19 appointees to the commis-
12 sion.

13 “(iii) ADMINISTRATIVE SUPPORT.—
14 The Commission shall be provided adminis-
15 trative support, as needed, by the Sec-
16 retary of Education through the Office of
17 Postsecondary Education of the Depart-
18 ment of Education.

19 “(C) TERMINATION.—The Commission
20 shall terminate on the day after the date on
21 which the Commission issues the voluntary
22 guidelines and annotated list of information
23 technology standards described in subsection
24 (b), or two years from the date of enactment of
25 the PROSPER Act, whichever comes first.

1 “(b) DUTIES OF THE COMMISSION.—

2 “(1) PRODUCE VOLUNTARY GUIDELINES.—Not
3 later than 18 months after the date of enactment of
4 the PROSPER Act, subject to a 6-month extension
5 that it may exercise at its discretion, the commission
6 established in subsection (a) shall—

7 “(A) develop and issue voluntary guidelines
8 for accessible postsecondary electronic instruc-
9 tional materials and related technologies; and

10 “(B) in developing the voluntary guide-
11 lines, the commission shall—

12 “(i) establish a technical panel pursu-
13 ant to paragraph (4) to support the com-
14 mission in developing the voluntary guide-
15 lines;

16 “(ii) develop criteria for determining
17 which materials and technologies constitute
18 ‘postsecondary electronic instructional ma-
19 terials’ and ‘related technologies’ as de-
20 fined in subparagraphs (D) and (E) of
21 subsection (f);

22 “(iii) identify existing national and
23 international accessibility standards that
24 are relevant to student use of postsec-
25 ondary electronic instructional materials

1 and related technologies at institutions of
2 higher education;

3 “(iv) identify and address any unique
4 pedagogical and accessibility requirements
5 of postsecondary electronic instructional
6 materials and related technologies that are
7 not addressed, or not adequately ad-
8 dressed, by the identified, relevant existing
9 accessibility standards;

10 “(v) identify those aspects of accessi-
11 bility, and types of postsecondary instruc-
12 tional materials and related technologies,
13 for which the commission cannot produce
14 guidelines or which cannot be addressed by
15 existing accessibility standards due to—

16 “(I) inherent limitations of com-
17 mercially available technologies; or

18 “(II) the challenges posed by a
19 specific category of disability that cov-
20 ers a wide spectrum of impairments
21 and capabilities which makes it dif-
22 ficult to assess the benefits from par-
23 ticular guidelines on a categorical
24 basis;

1 “(vi) ensure that the voluntary guide-
2 lines are consistent with the requirements
3 of section 504 of the Rehabilitation Act of
4 1973 (29 U.S.C. 794) and titles II and III
5 of the Americans with Disabilities Act (42
6 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et
7 seq.);

8 “(vii) ensure that the voluntary guide-
9 lines are consistent, to the extent feasible
10 and appropriate, with the technical and
11 functional performance criteria included in
12 the national and international accessibility
13 standards identified by the commission as
14 relevant to student use of postsecondary
15 electronic instructional materials and re-
16 lated technologies;

17 “(viii) allow for the use of an alter-
18 native design or technology that results in
19 substantially equivalent or greater accessi-
20 bility and usability by individuals with dis-
21 abilities than would be provided by compli-
22 ance with the voluntary guidelines; and

23 “(ix) provide that where electronic in-
24 structional materials or related tech-
25 nologies that comply fully with the vol-

1 untary guidelines are not commercially
2 available, or where such compliance is not
3 technically feasible, the institution may se-
4 lect the product that best meets the vol-
5 untary guidelines consistent with the insti-
6 tution’s business and pedagogical needs.

7 “(2) PRODUCE ANNOTATED LIST OF INFORMA-
8 TION TECHNOLOGY STANDARDS.—Not later than 18
9 months after the date of the enactment of the
10 PROSPER Act, subject to a 6-month extension that
11 it may exercise at its discretion, the commission es-
12 tablished in subsection (a) shall, with the assistance
13 of the technical panel established under paragraph
14 (4), develop and issue an annotated list of informa-
15 tion technology standards.

16 “(3) SUPERMAJORITY APPROVAL.—Issuance of
17 the voluntary guidelines and annotated list of infor-
18 mation technology standards shall require approval
19 of at least 75 percent (at least 15) of the 19 mem-
20 bers of the commission.

21 “(4) ESTABLISHMENT OF TECHNICAL PANEL.—
22 Not later than 1 month after the Commission’s first
23 meeting, it shall appoint and convene a panel of 12
24 technical experts, each of whom shall have extensive,
25 demonstrated technical experience in developing, re-

1 searching, or implementing accessible postsecondary
2 electronic instructional materials or related tech-
3 nologies. The commission has discretion to deter-
4 mine a process for nominating, vetting, and con-
5 firming a panel of experts that fairly represents the
6 stakeholder communities on the commission. The
7 technical panel shall include a representative from
8 the United States Access Board.

9 “(c) PERIODIC REVIEW AND REVISION OF VOL-
10 UNTARY GUIDELINES.—Not later than 5 years after
11 issuance of the voluntary guidelines and annotated list of
12 information technology standards described in paragraphs
13 (1) and (2) of section (b), and every 5 years thereafter,
14 the Secretary of Education shall publish a notice in the
15 Federal Register requesting public comment about wheth-
16 er there is a need to reconstitute the commission to update
17 the voluntary guidelines and annotated list of information
18 technology standards to reflect technological advances,
19 changes in postsecondary electronic instructional mate-
20 rials and related technologies, or updated national and
21 international accessibility standards. The Secretary shall
22 submit a report to Congress summarizing the public com-
23 ments and presenting the Secretary’s decision on whether
24 to reconstitute the commission based on those comments.
25 If the Secretary decides to reconstitute the commission,

1 the Secretary may implement that decision 30 days after
2 the date on which the report was submitted to Congress.
3 That process shall begin with the Secretary requesting the
4 appointment of commission members as detailed in sub-
5 section (a)(1)(B)(ii). If the Secretary reconstitutes the
6 Commission, the Commission shall terminate on the day
7 after the date on which the Commission issues updated
8 voluntary guidelines and annotated list of information
9 technology standards, or two years from the date on which
10 the Secretary reconstitutes the Commission, whichever
11 comes first.

12 “(d) SAFE HARBOR PROTECTIONS.—The following
13 defenses from liability may be asserted with respect to
14 claims regarding the use of postsecondary instructional
15 materials and related technologies arising under section
16 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)
17 and titles II and III of the Americans with Disabilities
18 Act of 1990 (42 U.S.C. 12131 et seq. and 12181 et seq.),
19 subject to the judicial review afforded under those Acts
20 and without limiting any other defenses provided under
21 those Acts:

22 “(1) SAFE HARBOR FOR CONFORMING POSTSEC-
23 ONDARY ELECTRONIC INSTRUCTIONAL MATERIALS
24 AND RELATED TECHNOLOGIES.—An institution of
25 higher education that requires, provides, or both rec-

1 ommends and provides, postsecondary electronic in-
2 structional materials or related technologies that
3 conform to the voluntary guidelines shall be deemed
4 in compliance with, and qualify for a safe harbor
5 from liability in relation to, its obligations under sec-
6 tion 504 of the Rehabilitation Act of 1973 (29
7 U.S.C. 794) and titles II and III of the Americans
8 with Disabilities Act (42 U.S.C. 12131 et seq.; 42
9 U.S.C. 12181 et seq.) with respect to its selection of
10 such materials or technologies.

11 “(2) LIMITED SAFE HARBOR FOR NONCON-
12 FORMING POSTSECONDARY ELECTRONIC INSTRU-
13 TIONAL MATERIALS OR RELATED TECHNOLOGIES.—
14 An institution of higher education that requires, pro-
15 vides, or both recommends and provides, postsec-
16 ondary electronic instructional materials or related
17 technologies that do not fully conform with the vol-
18 untary guidelines, but which institution otherwise
19 complies with all requirements set forth in subpara-
20 graphs (A), (B), and (C), will qualify for a limited
21 safe harbor from monetary damages under section
22 504 of the Rehabilitation Act of 1973 (29 U.S.C.
23 794) and titles II and III of the Americans with
24 Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C.
25 12181 et seq.), with available remedies under section

1 505 of the Rehabilitation Act of 1973 (29 U.S.C.
2 794a), section 103 of the Americans with Disabil-
3 ities Act of 1990 (42 U.S.C. 12133), and section
4 308 of such Act (42 U.S.C. 12188) limited to de-
5 claratory and injunctive relief, and for a prevailing
6 party other than the United States, a reasonable at-
7 torney’s fee, if the institution—

8 “(A) documented its efforts to incorporate
9 and use the voluntary guidelines in its policies
10 and practices regarding its selection or procure-
11 ment of postsecondary electronic instructional
12 materials and related technologies. These ef-
13 forts may include establishment of a written
14 policy regarding the institution’s use of the vol-
15 untary guidelines, identifying the official(s) au-
16 thorized to approve the selection of noncon-
17 forming postsecondary electronic instructional
18 materials or related technologies, and proce-
19 dures used by the official(s) when making such
20 authorizations;

21 “(B) documented instances where noncon-
22 forming postsecondary electronic instructional
23 materials or related technologies are selected or
24 procured, including an explanation of—

1 “(i) the process utilized for identifying
2 accessible options in the marketplace;

3 “(ii) the options considered, if any are
4 available;

5 “(iii) the choice the institution ultimately made and why;

6 “(iv) what auxiliary aid or service,
7 reasonable modification, or other method
8 the institution will utilize to ensure that
9 affected students within categories of disability
10 are afforded the rights to which
11 they are entitled under section 504 of the
12 Rehabilitation Act of 1973 (29 U.S.C.
13 794) and titles II and III of the Americans
14 with Disabilities Act (42 U.S.C. 12131 et
15 seq.; 42 U.S.C. 12181 et seq.), including
16 an equally effective opportunity to receive
17 the same educational benefit as afforded to
18 nondisabled students; and

19 “(v) where a student or students with
20 disabilities are affected by nonconforming
21 instructional materials or related technologies,
22 what auxiliary aid or service, reasonable
23 modification, or other method the
24 institution is using to ensure the student
25

1 or students are afforded the rights de-
2 scribed in clause (iv); and

3 “(C) posted a link to an accessible copy of
4 the voluntary guidelines and annotated list of
5 information technology standards on a publicly
6 available page of its website.

7 “(e) CONSTRUCTION.—

8 “(1) NONCONFORMING POSTSECONDARY ELEC-
9 TRONIC INSTRUCTIONAL MATERIALS OR RELATED
10 TECHNOLOGIES.—Nothing in this section shall be
11 construed to require an institution of higher edu-
12 cation to require, provide, or both recommend and
13 provide, postsecondary electronic instructional mate-
14 rials or related technologies that conform to the vol-
15 untary guidelines. However, an institution that se-
16 lects or uses nonconforming postsecondary electronic
17 instructional materials or related technologies must
18 otherwise comply with existing obligations under sec-
19 tion 504 of the Rehabilitation Act of 1973 (29
20 U.S.C. 794) and titles II and III of the Americans
21 with Disabilities Act (42 U.S.C. 12131 et seq.; 42
22 U.S.C. 12181 et seq.) to provide access to the edu-
23 cational benefit afforded by such materials and tech-
24 nologies through provision of appropriate and rea-

1 sonable modification, accommodation, and auxiliary
2 aids or services.

3 “(2) RELATIONSHIP TO EXISTING LAWS AND
4 REGULATIONS.—With respect to the Americans with
5 Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)
6 and the Rehabilitation Act of 1973 (29 U.S.C. 701
7 et seq.), except as provided in subsection (d), noth-
8 ing in this section may be construed—

9 “(A) to authorize or require conduct pro-
10 hibited under the Americans with Disabilities
11 Act of 1990 and the Rehabilitation Act of
12 1973, including the regulations issued pursuant
13 to those laws;

14 “(B) to expand, limit, or alter the remedies
15 or defenses under the Americans with Disabil-
16 ities Act of 1990 and the Rehabilitation Act of
17 1973;

18 “(C) to supersede, restrict, or limit the ap-
19 plication of the Americans with Disabilities Act
20 of 1990 and the Rehabilitation Act of 1973; or

21 “(D) to limit the authority of Federal
22 agencies to issue regulations pursuant to the
23 Americans with Disabilities Act of 1990 and
24 the Rehabilitation Act of 1973.

1 “(3) VOLUNTARY NATURE OF THE PRODUCTS
2 OF THE COMMISSION.—

3 “(A) VOLUNTARY GUIDELINES.—It is the
4 intent of the Congress that use of the voluntary
5 guidelines developed pursuant to this section is
6 and should remain voluntary. The voluntary
7 guidelines shall not confer any rights or impose
8 any obligations on commission participants, in-
9 stitutions of higher education, or other persons,
10 except for the legal protections set forth in sub-
11 section (d). Thus, no department or agency of
12 the Federal Government may incorporate the
13 voluntary guidelines, whether produced as a dis-
14 crete document or electronic resource, into reg-
15 ulations promulgated under the Rehabilitation
16 Act, the Americans with Disabilities Act, or any
17 other Federal law or instrument. This restric-
18 tion applies only to the voluntary guidelines as
19 a discrete document or resource; it imposes no
20 limitation on Federal use of standards or re-
21 sources to which the voluntary guidelines may
22 refer.

23 “(B) ANNOTATED LIST.—It is the intent
24 of Congress that use of the annotated list of in-
25 formation technology standards developed pur-

1 suant to this section is and should remain vol-
2 untary. The Annotated List shall not confer
3 any rights or impose any obligations on Com-
4 mission participants, institutions of higher edu-
5 cation, or other persons. Thus, no department
6 or agency of the Federal Government may in-
7 corporate the Annotated List, whether produced
8 as a discrete document or electronic resource
9 into regulations promulgated under the Reha-
10 bilitation Act, the Americans with Disabilities
11 Act, or any other Federal law or instrument.
12 This provision applies only to the Annotated
13 List as a discrete document or resource; it im-
14 poses no limitation on Federal use of standards
15 or resources to which the Annotated List may
16 refer.

17 “(f) DEFINITIONS.—In this section, the following
18 definitions apply:

19 “(1) ANNOTATED LIST OF INFORMATION TECH-
20 NOLOGY STANDARDS.—The term ‘annotated list of
21 information technology standards’ means a list of
22 existing national and international accessibility
23 standards relevant to student use of postsecondary
24 electronic instructional materials and related tech-
25 nologies, and to other types of information tech-

1 nology common to institutions of higher education
2 (such as institutional websites and class registration
3 systems), annotated by the commission established
4 pursuant to subsection (a) to provide information
5 about the applicability of such standards in higher
6 education settings. The annotated list of information
7 technology standards is intended to serve solely as a
8 reference tool to inform any consideration of the rel-
9 evance of such standards in higher education con-
10 texts.

11 “(2) DISABILITY.—The term ‘disability’ has the
12 meaning given such term in section 3 of the Ameri-
13 cans with Disabilities Act of 1990 (42 U.S.C.
14 12102).

15 “(3) NONCONFORMING POSTSECONDARY ELEC-
16 TRONIC INSTRUCTIONAL MATERIALS OR RELATED
17 TECHNOLOGIES.—The term ‘nonconforming mate-
18 rials or related technologies’ means postsecondary
19 electronic instructional materials or related tech-
20 nologies that do not conform to the voluntary guide-
21 lines to be developed pursuant to this subpart.

22 “(4) POSTSECONDARY ELECTRONIC INSTRU-
23 TIONAL MATERIALS.—The term ‘postsecondary elec-
24 tronic instructional materials’ means digital cur-
25 ricular content that is required, provided, or both

1 recommended and provided by an institution of high-
2 er education for use in a postsecondary instructional
3 program.

4 “(5) RELATED TECHNOLOGIES.—The term ‘re-
5 lated technologies’ refers to any software, applica-
6 tions, learning management or content management
7 systems, and hardware that an institution of higher
8 education requires, provides, or both recommends
9 and provides for student access to and use of post-
10 secondary electronic instructional materials in a
11 postsecondary instructional program.

12 “(6) TECHNICAL PANEL.—The term ‘technical
13 panel’ means a group of experts with extensive, dem-
14 onstrated technical experience in the development
15 and implementation of accessibility features for post-
16 secondary electronic instructional materials and re-
17 lated technologies, established by the Commission
18 pursuant to subsection (b)(4), which will assist the
19 commission in the development of the voluntary
20 guidelines and annotated list of information tech-
21 nology standards authorized under this subpart.

22 “(7) VOLUNTARY GUIDELINES.—The term ‘vol-
23 untary guidelines’ means a set of technical and func-
24 tional performance criteria to be developed by the
25 commission established pursuant to subsection (a)

1 that provide specific guidance regarding both the ac-
2 cessibility and pedagogical functionality of postsec-
3 ondary electronic instructional materials and related
4 technologies not addressed, or not adequately ad-
5 dressed, by existing accessibility standards.”.

6 (5) AUTHORIZATION OF APPROPRIATIONS.—
7 Section 736, as so redesignated by paragraph (3), is
8 amended—

9 (A) in subsection (a), by striking “such
10 sums as may be necessary for fiscal year 2009”
11 and inserting “\$11,800,000 for fiscal year
12 2019”; and

13 (B) by striking subsection (b) and insert-
14 ing the following:

15 “(b) RESERVATION OF FUNDS.—For any fiscal year
16 for which appropriations are made for this subpart, the
17 Secretary—

18 “(1) shall reserve funds to enter into a coopera-
19 tive agreement to establish the coordinating center
20 under section 734, in an amount that is equal to—

21 “(A) not less than \$240,000 for any year
22 in which the amount appropriated to carry out
23 this subpart is \$8,000,000 or less; or

24 “(B) equal to 3 percent of the amount ap-
25 propriated to carry out this subpart for any

1 year in which such amount appropriated is
2 greater than \$8,000,000; and

3 “(2) may reserve funds to award the grant,
4 contract, or cooperative agreement described in sec-
5 tion 742.”.

6 (c) NATIONAL TECHNICAL ASSISTANCE CENTER.—

7 (1) SUBPART HEADING.—The subpart heading
8 for subpart 2 of part B of title VII (20 U.S.C.
9 1140p et seq.), as redesignated by subsection (a), is
10 amended by striking “; **Coordinating Center**”.

11 (2) PURPOSE.—Section 776 (20 U.S.C. 1140p)
12 is amended—

13 (A) by redesignating such section as sec-
14 tion 741 of such Act; and

15 (B) by striking “grants, contracts, or coop-
16 erative agreements under subpart 1, 2, or 3”
17 and inserting “grants or a cooperative agree-
18 ment under subpart 1”.

19 (3) NATIONAL TECHNICAL ASSISTANCE.—Sec-
20 tion 777 (20 U.S.C. 1140q) is amended—

21 (A) by redesignating such section as sec-
22 tion 742 of such Act;

23 (B) in the section heading, by striking “;
24 **COORDINATING CENTER**”;

1 (C) in subsection (a)(1), by striking “ap-
2 propriated under section 778” and inserting
3 “reserved under section 736(b)(2)”;

4 (D) by amending subsection (a)(3)(D) to
5 read as follows:

6 “(D) the subject supported by the grants
7 or cooperative agreement authorized in subpart
8 1.”;

9 (E) in subsection (a)(4)(A)(ii), by striking
10 “subparts 2, 4, and 5” and inserting “subparts
11 2 and 5”; and

12 (F) in subsection (a)(4)(B), by striking
13 “grants, contracts, or cooperative agreements
14 authorized under subparts 1, 2, and 3” each
15 place it appears and inserting “grants and co-
16 operative agreement authorized under subpart
17 1”.

18 (4) AUTHORIZATION OF APPROPRIATIONS.—

19 Section 778 (20 U.S.C. 1140r) is repealed.

20 **SEC. 704. REPEAL OF COLLEGE ACCESS CHALLENGE**
21 **GRANT PROGRAM.**

22 Part E of title VII (20 U.S.C. 1141) is repealed.

1 **TITLE VIII—OTHER REPEALS**

2 **SEC. 801. REPEAL OF ADDITIONAL PROGRAMS.**

3 (a) HIGHER EDUCATION ACT OF 1965.—Title VIII
4 of the Higher Education Act of 1965 (20 U.S.C. 1161a
5 et seq.) is repealed.

6 (b) HIGHER EDUCATION OPPORTUNITY ACT.—The
7 Higher Education Opportunity Act (Public Law 110–315;
8 122 Stat. 3078 et seq.) is amended by repealing sections
9 802 and 803.

10 (c) HIGHER EDUCATION AMENDMENTS OF 1998.—
11 The Higher Education Amendments of 1998 (Public Law
12 105–244; 112 Stat. 1581 et seq.) is amended by repealing
13 parts D and H of title VIII.

14 (d) HIGHER EDUCATION AMENDMENTS OF 1992.—
15 The Higher Education Amendments of 1992 (Public Law
16 102–325; 106 Stat. 448 et seq.) is amended by repealing
17 part E of title XV.

18 (e) UNITED STATES INSTITUTE OF PEACE ACT.—
19 The United States Institute of Peace Act (22 U.S.C. 4601
20 et seq.) is repealed.

1 **TITLE IX—AMENDMENTS TO**
2 **OTHER LAWS**

3 **PART A—EDUCATION OF THE DEAF ACT OF 1986**

4 **SEC. 901. EDUCATION OF THE DEAF ACT OF 1986.**

5 (a) BOARD OF TRUSTEES.—Section 103(a)(1) of the
6 Education of the Deaf Act of 1986 (20 U.S.C. 4303(a)(1))
7 is amended—

8 (1) in the matter preceding subparagraph (A),
9 by striking “twenty-one” and inserting “twenty-
10 three”;

11 (2) in subparagraph (A)—

12 (A) by striking “three public” and insert-
13 ing “four public”;

14 (B) by striking “one shall” and all that
15 follows through “, and” and inserting “two
16 shall be United States Senators, of whom one
17 shall be appointed by the Majority Leader of
18 the Senate and one shall be appointed by the
19 Minority Leader of the Senate, and”;

20 (C) by striking “appointed by the Speaker
21 of the House of Representatives” and inserting
22 “, of whom one shall be appointed by the
23 Speaker of the House of Representatives and
24 one shall be appointed by the Minority Leader
25 of the House of Representatives”; and

1 (3) in subparagraph (B), by striking “eighteen”
2 and inserting “nineteen”.

3 (b) LAURENT CLERC NATIONAL DEAF EDUCATION
4 CENTER.—Section 104(b)(5) of the Education of the Deaf
5 Act of 1986 (20 U.S.C. 4304(b)(5)) is amended to read
6 as follows:

7 “(5) The University, for purposes of the ele-
8 mentary and secondary education programs carried
9 out by the Clerc Center, shall—

10 “(A)(i)(I) provide an assurance to the Sec-
11 retary that it has adopted and is implementing
12 challenging State academic standards that meet
13 the requirements of section 1111(b)(1) of the
14 Elementary and Secondary Education Act of
15 1965 (20 U.S.C. 6311(b)(1));

16 “(II) demonstrate to the Secretary that the
17 University is implementing a set of high-quality
18 student academic assessments in mathematics,
19 reading or language arts, and science, and any
20 other subjects chosen by the University, that
21 meet the requirements of section 1111(b)(2) of
22 such Act (20 U.S.C. 6311(b)(2)); and

23 “(III) demonstrate to the Secretary that
24 the University is implementing an account-

1 ability system consistent with section 1111(c) of
2 such Act (20 U.S.C. 6311(c)); or

3 “(ii)(I) select the challenging State aca-
4 demic standards and State academic assess-
5 ments of a State, adopted and implemented, as
6 appropriate, pursuant to paragraphs (1) and
7 (2) of section 1111(b) of such Act (20 U.S.C.
8 6311(b)); and

9 “(II) adopt the accountability system, con-
10 sistent with section 1111(c) of such Act (20
11 U.S.C. 6311(c)), of such State; and

12 “(B) publicly report, except in a case in
13 which such reporting would not yield statis-
14 tically reliable information or would reveal per-
15 sonally identifiable information about an indi-
16 vidual student—

17 “(i) the results of the academic as-
18 sessments implemented under subpara-
19 graph (A); and

20 “(ii) the results of the annual evalua-
21 tion of the programs at the Clerc Center,
22 as determined using the accountability sys-
23 tem adopted under subparagraph (A).”.

1 (c) REPEAL OF CULTURAL EXPERIENCES GRANTS
2 PROGRAM.—Part C of title I of the Education of the Deaf
3 Act of 1986 (20 U.S.C. 4341) is repealed.

4 (d) REPEAL OF AUTHORIZATION OF APPROPRIA-
5 TIONS FOR MONITORING AND EVALUATION.—Subsection
6 (c) of section 205 of the Education of the Deaf Act of
7 1986 (20 U.S.C. 4355(c)) is repealed.

8 (e) FEDERAL ENDOWMENT FUNDS.—Section 207 of
9 the Education of the Deaf Act of 1986 (20 U.S.C. 4357)
10 is amended—

11 (1) in the heading of subsection (b), by striking
12 “FEDERAL PAYMENTS” and inserting “PAYMENTS”;

13 (2) in subsection (b), by striking paragraphs
14 (1) and (2) and inserting the following:

15 “(1) From amounts provided by the Secretary
16 from funds appropriated under subsections (a) and
17 (b) of section 212, respectively, the University and
18 NTID may make payments, in accordance with this
19 section, to the Federal endowment fund of the insti-
20 tution involved.

21 “(2) Subject to paragraph (3), in any fiscal
22 year, the total amount of payments made under
23 paragraph (1) to the Federal endowment fund may
24 not exceed the total amount contributed to the fund
25 from non-Federal sources during such fiscal year.

1 “(3) For purposes of paragraph (2), the trans-
2 fer of funds by an institution involved to the Federal
3 endowment fund from another endowment fund of
4 such institution shall not be considered a contribu-
5 tion from a non-Federal source.”;

6 (3) in subsection (e), by striking “Federal pay-
7 ment” and inserting “payment under subsection
8 (b)”;

9 (4) in subsection (f), in the matter preceding
10 paragraph (1), by striking “Federal payments” and
11 inserting “payments”;

12 (5) in subsection (g)(1), by striking “Federal
13 payments to such fund” and inserting “payments
14 made under subsection (b)”;

15 (6) by repealing subsection (h); and

16 (7) by redesignating subsection (i) as subsection
17 (h).

18 (f) REPEAL OF NATIONAL STUDY.—Section 211 of
19 the Education of the Deaf Act of 1986 (20 U.S.C. 4360)
20 is repealed.

21 (g) AUTHORIZATION OF APPROPRIATIONS.—Section
22 212 of the Education of the Deaf Act of 1986 (20 U.S.C.
23 4360a) is amended—

24 (1) in subsection (a), by striking “such sums as
25 may be necessary for each of the fiscal years 2009

1 through 2014” and inserting “\$121,275,000 for
2 each of the fiscal years 2019 through 2024”; and

3 (2) in subsection (b), by striking “such sums as
4 may be necessary for each of the fiscal years 2009
5 through 2014” and inserting “\$70,016,000 for each
6 of the fiscal years 2019 through 2024”.

7 (h) TECHNICAL AMENDMENTS.—The Education of
8 the Deaf Act of 1986 is further amended—

9 (1) in section 112(b)(3) (20 U.S.C.
10 4332(b)(3)), by striking “Education and Labor” and
11 inserting “Education and the Workforce”;

12 (2) in section 203 (20 U.S.C. 4353)—

13 (A) in the heading of subsection (a), by
14 striking “GENERAL ACCOUNTING” and insert-
15 ing “GOVERNMENT ACCOUNTABILITY”;

16 (B) in subsection (a), by striking “General
17 Accounting” and inserting “Government Ac-
18 countability”;

19 (C) in subsection (b)(3), by striking “Edu-
20 cation and Labor” and inserting “Education
21 and the Workforce”; and

22 (D) in subsection (c)(2)(A), by striking
23 “Education and Labor” and inserting “Edu-
24 cation and the Workforce”;

1 (3) in section 204 (20 U.S.C. 4354), by striking
2 “Education and Labor” and inserting “Education
3 and the Workforce”;

4 (4) in section 208(a) (20 U.S.C. 4359(a)), by
5 striking “Education and Labor” and inserting
6 “Education and the Workforce”; and

7 (5) in section 210(b) (20 U.S.C. 4359b(b)), by
8 striking “Education and Labor” and inserting
9 “Education and the Workforce”.

10 **PART B—TRIBALLY CONTROLLED COLLEGES**
11 **AND UNIVERSITIES ASSISTANCE ACT OF 1978;**
12 **DINE’ COLLEGE ACT**

13 **SEC. 911. TRIBALLY CONTROLLED COLLEGES AND UNIVER-**
14 **SITIES ASSISTANCE ACT OF 1978.**

15 (a) DEFINITIONS.—Section 2 of the Tribally Con-
16 trolled Colleges and Universities Assistance Act of 1978
17 (25 U.S.C. 1801) is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (7), by adding “and” at
20 the end;

21 (B) in paragraph (8), by striking “; and”
22 and inserting a period; and

23 (C) by striking paragraph (9); and

24 (2) in subsection (b)—

1 (A) by amending paragraph (1) to read as
2 follows:

3 “(1) Such number shall be calculated based on
4 the number of Indian students who are enrolled—

5 “(A) at the conclusion of the third week of
6 each academic term; or

7 “(B) on the fifth day of a shortened pro-
8 gram beginning after the conclusion of the third
9 full week of an academic term.”;

10 (B) in paragraph (3), by striking “for pur-
11 poses of obtaining” and inserting “solely for the
12 purpose of obtaining”; and

13 (C) by inserting after paragraph (5), the
14 following:

15 “(6) Enrollment data from the prior-prior aca-
16 demic year shall be used.”.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—The
18 Tribally Controlled Colleges and Universities Assistance
19 Act of 1978 (25 U.S.C. 1801 et seq.) is amended by in-
20 serting after section 2 (25 U.S.C. 1801), the following:

21 **“SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

22 “(a) TITLES I AND IV.—There are authorized to be
23 appropriated \$57,412,000 for each of fiscal years 2019
24 through 2024 to carry out titles I and IV.

1 “(b) TITLE V.—There are authorized to be appro-
2 priated \$7,414,000 for each of fiscal years 2019 through
3 2024 to carry out title V.”.”.

4 (c) REPEAL OF PLANNING GRANTS.—Section 104 of
5 the Tribally Controlled Colleges and Universities Assist-
6 ance Act of 1978 (25 U.S.C. 1804a) is repealed.

7 (d) GRANTS TO TRIBALLY CONTROLLED COLLEGES
8 AND UNIVERSITIES.—Section 107 of the Tribally Con-
9 trolled Colleges and Universities Assistance Act of 1978
10 (25 U.S.C. 1807) is amended—

11 (1) by striking subsection (c); and

12 (2) by redesignating subsection (d) as sub-
13 section (c).

14 (e) AMOUNT OF GRANTS.—Section 108(b)(1) of the
15 Tribally Controlled Colleges and Universities Assistance
16 Act of 1978 (25 U.S.C. 1808(b)(1)) is amended—

17 (1) by striking “of the funds available for allot-
18 ment by October 15 or no later than 14 days after
19 appropriations become available” and inserting “ of
20 the amounts appropriated for any fiscal year on or
21 before July 1 of that fiscal year”; and

22 (2) by striking “January 1” and inserting
23 “September 30”;

1 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
2 110(a) of the Tribally Controlled Colleges and Universities
3 Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking “\$3,200,000 for fiscal year
6 2009 and”;

7 (B) by striking “for each of the five suc-
8 ceeding fiscal years”; and

9 (C) by inserting “from the amount made
10 available under section 3(a) for each fiscal
11 year” after “necessary”;

12 (2) in paragraph (2), by striking “for fiscal
13 year 2009” and all that follows through the period
14 at the end and inserting “from the amount made
15 available under section 3(a) for each fiscal year.”;

16 (3) in paragraph (3), by striking “fiscal year
17 2009” and all that follows through the period at the
18 end and inserting “from the amount made available
19 under section 3(a) for each fiscal year.”; and

20 (4) in paragraph (4), by striking “2009” and
21 inserting “2019”.

22 (g) RULES AND REGULATIONS.—The Tribally Con-
23 trolled Colleges and Universities Assistance Act of 1978
24 (25 U.S.C. 1801 et seq.) is amended by striking section
25 115 (25 U.S.C. 1815).

1 (h) REPEAL OF ENDOWMENT PROGRAM.—

2 (1) REPEAL.—Title III of the Tribally Con-
3 trolled Colleges and Universities Assistance Act of
4 1978 (25 U.S.C. 1831 et seq.) is repealed.

5 (2) TRANSITION.—

6 (A) IN GENERAL.—Subject to subpara-
7 graph (B), title III of the Tribally Controlled
8 Colleges and Universities Assistance Act of
9 1978 (25 U.S.C. 1831 et seq.), as such title
10 was in effect on the day before the date of the
11 enactment of this Act, shall apply with respect
12 to any endowment fund established or funded
13 under such title before such date of enactment,
14 except that the Secretary of the Interior may
15 not make any grants or Federal capital con-
16 tributions under such title after such date.

17 (B) TERMINATION.—Subparagraph (A)
18 shall terminate on the date that is 20 years
19 after the date of the enactment of this Act. On
20 or after such date, a tribally controlled college
21 or university may use the corpus (including the
22 Federal and institutional capital contribution)
23 of any endowment fund described in such sub-
24 paragraph to pay any expenses relating to the

1 operation or academic programs of such college
2 or university.

3 (i) TRIBAL ECONOMIC DEVELOPMENT; AUTHORIZA-
4 TION OF APPROPRIATIONS.—Section 403 of the Tribally
5 Controlled Colleges and Universities Assistance Act of
6 1978 (25 U.S.C. 1852) is amended by striking “for fiscal
7 year 2009” and all that follows through the period at the
8 end and inserting “from the amount made available under
9 section 3(a) for each fiscal year.”.

10 (j) TRIBALLY CONTROLLED POSTSECONDARY CA-
11 REER AND TECHNICAL INSTITUTIONS.—Section 504 of
12 the Tribally Controlled Colleges and Universities Assist-
13 ance Act of 1978 (25 U.S.C. 1864) is amended by striking
14 “for fiscal year 2009” and all that follows through the
15 period at the end and inserting “from the amount made
16 available under section 3(b) for each fiscal year.”

17 (k) CLERICAL AMENDMENTS.—The Tribally Con-
18 trolled Colleges and Universities Assistance Act of 1978
19 (25 U.S.C. 1801 et seq.), as amended by subsections (a)
20 through (j), is further amended—

21 (1) by striking “Bureau of Indian Affairs” each
22 place it appears and inserting “Bureau of Indian
23 Education”;

1 (2) by striking “Navajo Community College
2 Act” each place it appears and inserting “Dine’ Col-
3 lege Act”;

4 (3) by striking “colleges or universities” each
5 place it appears, including in headings, and inserting
6 “colleges and universities” and conforming the font
7 and typeface accordingly; and

8 (4) in section 109 (25 U.S.C. 1809), by redес-
9 ignating the second subsection (c) as subsection (d).

10 **SEC. 912. DINE’ COLLEGE ACT.**

11 (a) **SHORT TITLE.**—The first section of Public Law
12 92–189 is amended by striking “this Act may be cited as
13 the ‘Navajo Community College Act’ ” and inserting “this
14 Act may be cited as the ‘Dine’ College Act’ ”.

15 (b) **REFERENCES.**—Any reference to the Navajo
16 Community College Act in any law (other than this Act),
17 regulation, map, document, record, or other paper of the
18 United States shall be deemed to be a reference to the
19 Dine’ College Act.

20 (c) **AUTHORIZATION OF APPROPRIATIONS.**—Section
21 5 of Public Law 92–189 is amended—

22 (1) in subsection (a)(1), by striking “for fiscal
23 years 2009 through 2014” and inserting “from the
24 amount made available under subsection (b)(1) for
25 each fiscal year”; and

1 (2) in subsection (b)(1), by striking “such sums
2 as are necessary for fiscal years 2009 through
3 2014” and inserting “\$13,600,000 for each of fiscal
4 years 2019 through 2024”.

