118TH CONGRESS
2D SESSION

H. R. _____

To lower the cost of postsecondary education for students and families.

IN THE HOUSE OF REPRESENTATIVES

Ms. Foxx introduced the following bill; which was referred to the Committee on ______

A BILL

To lower the cost of postsecondary education for students and families.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “College Cost Reduction Act”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—TRANSPARENCY
PART A—DEFINITIONS

Sec. 101. Definitions.

PART B—COLLEGE COSTS AND FINANCIAL VALUE

Sec. 111. Financial aid offers.
Sec. 112. College scorecard website.
Sec. 113. Postsecondary student data system.
Sec. 114. Database of student information prohibited.

TITLE II—ACCESS AND AFFORDABILITY

PART A—FINANCIAL NEED

Sec. 201. Amount of need; cost of attendance; median cost of college.

PART B—FINANCIAL AID

SUBPART 1—GRANTS

Sec. 211. Federal Pell Grant program.
Sec. 212. Campus-based aid programs.

SUBPART 2—LOANS

Sec. 221. Loan limits.
Sec. 222. Loan repayment.
Sec. 223. Loan rehabilitation.
Sec. 224. Interest capitalization.
Sec. 225. Origination fees.

TITLE III—ACCOUNTABILITY AND STUDENT SUCCESS

PART A—ACCOUNTABILITY

SUBPART 1—DEPARTMENT OF EDUCATION

Sec. 301. Agreements with institutions.
Sec. 302. Regulatory relief.
Sec. 303. Limitation on authority of Secretary to propose or issue regulations and executive actions.
Sec. 304. Office of Federal Student Aid.

SUBPART 2—ACCREDTORS

Sec. 311. Accrediting agency recognition.
Sec. 312. National Advisory Committee on Institutional Quality and Integrity (NACIQI).
Sec. 313. Alternative quality assurance experimental site initiative.

PART B—STUDENT SUCCESS

Sec. 321. Postsecondary student success grants.
Sec. 322. Reverse Transfer Efficiency Act.
Sec. 323. Transparent and fair transfer of credit policies.
SEC. 2. REFERENCES.

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

TITLE I—TRANSPARENCY

PART A—DEFINITIONS

SEC. 101. DEFINITIONS.

(a) DEFINITIONS.—Section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003) is amended by adding at the end the following:

“(25) CIP CODE.—The term ‘CIP code’ means the six-digit taxonomic identification code assigned by an institution of higher education to a specific program of study at the institution, determined by the institution in accordance with the Classification of Instructional Programs published by the National Center for Education Statistics.

“(26) CREDENTIAL LEVEL.—

“(A) IN GENERAL.—The term ‘credential level’ means the level of the degree or other credential awarded by an institution of higher education to students who complete a program of study of the institution. Each degree or other
credential awarded by an institution shall be
categorized by the institution as either under-
graduate credential level or graduate credential
level.

“(B) UNDERGRADUATE CREDENTIAL.—
When used with respect to a credential or cre-
dential level, the term ‘undergraduate creden-
tial’ includes credentials such as an under-
graduate certificate, an associate degree, a
bachelor’s degree, and a post-baccalaureate cer-
tificate.

“(C) GRADUATE CREDENTIAL.—When
used with respect to a credential or credential
level, the term ‘graduate credential’ includes
credentials such as a master’s degree, a doc-
toral degree, a professional degree, and a post-
graduate certificate.

“(27) PROGRAM OF STUDY.—The term ‘pro-
gram of study ’ means an academic program of
study offered to students by an institution of higher
education that—

“(A) upon completion of the program, re-
results in the award of a credential to a student,
including a degree, diploma, or certificate, for
one credential level;
“(B) is certified as a program of study in the institution’s program participation agreement under section 487; and

“(C) is classified by a combination of—

“(i) a CIP code; and

“(ii) one credential level, determined by the credential awarded upon completion of the program.

“(28) PROGRAM LENGTH.—The term ‘program length’ means the minimum amount of time in weeks, months, or years that is specified in the catalog, marketing materials, or other official publications of an institution of higher education for a full-time student to complete the requirements for a specific program of study and to obtain the degree or credential awarded by such program.

“(29) TIME TO CREDENTIAL.—The term ‘time to credential’ means, with respect to a student, the actual amount of time in weeks, months, or years it takes the student to complete the requirements for a specific program of study and to obtain the degree or credential awarded by such program.

“(30) VALUE-ADDED EARNINGS.—

“(A) CALCULATION.—With respect to a student who received Federal financial aid
under title IV and who completed a program of study offered by an institution of higher education, the term ‘value-added earnings’ means—

“(i) the annual earnings of such student measured during the applicable earnings measurement period for such program (as determined under subparagraph (C)); minus

“(ii) in the case of a student who completed a program of study that awards—

“(I) an undergraduate credential, 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year; or

“(II) a graduate credential, 300 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year.

“(B) Geographic Adjustment.—
“(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall use the geographic location of the institution at which a student completed a program of study to adjust the value-added earnings of the student calculated under subclause (A) by dividing—

“(I) the difference between subclauses (I) and (II) of such subparagraph; by

“(II) the most recent regional price parity index of the Bureau of Economics Analysis for the State or, as applicable, metropolitan area in which such institution is located.

“(ii) EXCEPTION.—The value-added earnings of a student calculated under subparagraph (A) shall not be adjusted based on geographic location in accordance with clause (i) if such student attended principally through distance education.

“(C) EARNINGS MEASUREMENT PERIOD.—

“(i) IN GENERAL.—For the purpose of calculating the value-added earnings of a student, except as provided in clause (ii),
the annual earnings of a student shall be measured—

“(I) in the case of a program of study that awards an undergraduate certificate, post baccalaureate certificate, or graduate certificate, one year after the student completes such program;

“(II) in the case of a program of study that awards an associate’s degree or master’s degree, 2 years after the student completes such program; and

“(III) in the case of a program of study that awards a bachelor’s degree, doctoral degree, or professional degree, 4 years after the student completes such program.

“(ii) EXCEPTION.—The Secretary may, as the Secretary determines appropriate based on the characteristics of a program of study, extend an earnings measurement period described in clause (i) for a program of study that—
“(I) requires completion of an additional educational program after completion of the program of study in order to obtain a licensure associated with the credential awarded for such program of study; and

“(II) when combined with the program length of such additional educational program for licensure, has a total program length that exceeds the relevant earnings measurement period prescribed for such program of study under clause (i), except that in no case shall the annual earnings of a student be measured more than 5 years after the student completes a program of study.”.

PART B—COLLEGE COSTS AND FINANCIAL VALUE

SEC. 111. FINANCIAL AID OFFERS.

(a) INSTITUTION FINANCIAL AID OFFER.—Section 484 of the Higher Education Opportunity Act (20 U.S.C. 1092 note) is amended to read as follows:

...
“SEC. 484. INSTITUTION FINANCIAL AID OFFER FORM.

(a) STANDARD FORM AND TERMINOLOGY.—The Secretary of Education, in consultation with the heads of relevant Federal agencies, shall develop standard terminology and a standard form for financial aid offers based on recommendations from representatives of students, veterans, servicemembers, families of students, institutions of higher education (including community colleges, for-profit institutions, four-year public institutions, and four-year private nonprofit institutions), financial aid experts, secondary school and postsecondary counselors, college access professionals, nonprofit organizations, and consumer groups.

(b) KEY REQUIRED CONTENTS FOR AID OFFER.—The standard form developed pursuant to subsection (a) shall be titled ‘Financial Aid Offer’ and shall include the following items in a consumer-friendly manner that is simple and understandable, with costs listed first, followed by grants and scholarships, clearly separated from each other with separate headings:

(1) COST INFORMATION.—

(A) IN GENERAL.—Information on the student’s estimated cost of attendance, including the following:

(i) DIRECT COSTS.—The total cost of all items described in section 472 of the
Higher Education Act of 1965 (20 U.S.C. 1087ll)) that are billed to the student by the institution or otherwise required by the institution for enrollment, including such total cost disaggregated by the cost of each such item, including, as determined under such section—

“(I) tuition and fees (and other required expenses); and

“(II) housing and food for a student electing institutionally owned or operated food services or institutionally owned or operated housing.

“(ii) INDIRECT COSTS.—The total cost (including such total cost disaggregated by the cost of each item) as determined under section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)), of—

“(I) housing and food for a student not electing institutionally owned or operated food services and not living in institutionally owned or operated housing;

“(II) books, school supplies, equipment, course materials, and
rental or purchase of a personal com-
puter;

“(III) transportation;

“(IV) any other item described in
such section and not described in
clause (i) determined to be necessary
by the institution.

“(B) The academic period covered by the
financial aid offer, and an explanation that the
amount of financial aid offered may change—

“(i) for academic periods not covered
by the aid offer; or

“(ii) by program.

“(C) An indication of whether cost and aid
estimates are based on full-time or part-time
enrollment.

“(D) An indication, as applicable, about
whether any costs described in subparagraph
(A)(i) which are subject to change are—

“(i) estimated based on the previous
year; or

“(ii) set for the academic period indi-
cated in accordance with subparagraph
(B).
“(2) GRANTS AND SCHOLARSHIPS.—The aggregate amount of grants and scholarships, differentiated by source, that the student does not have to repay, such as grant aid offered under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), grant aid offered through other Federal programs, grant aid offered by the institution, grant aid offered by the State, and, if known, grant aid or scholarship from an outside source to the student for such academic period, including a disclosure that the grants and scholarships do not have to be repaid, except that institutions shall be authorized to list individual grants and scholarships by name at the discretion of the institution.

“(3) NET PRICE.—

“(A) IN GENERAL.—The net price that the student, is estimated to have to pay for the student to attend the institution for such academic period, including the following:

“(i) MINIMUM AMOUNT COVERED BY STUDENT FOR ENROLLMENT.—The net price of tuition and fees (and other required expenses), which is equal to—

“(I) the sum of the costs described in paragraph (1)(A) that are
required for students (as determined under paragraph (5)(B)) for the period indicated in paragraph (1)(B); minus

“(II) the total amount of grant and scholarship aid described in paragraph (2) that is included in the financial aid offer and available to the student for the costs described in subclause (I).

“(ii) **ESTIMATED ANNUAL NET PRICE OF ATTENDANCE.**—The estimated net price of attendance, which is equal to—

“(I) the cost of attendance for the student for the period indicated in paragraph (1)(B); minus

“(II) the total amount of grant and scholarship aid described in paragraph (2).

“(B) **DISCLOSURE.**—A disclosure that the net price is based on an estimate of the total cost of attendance for the year and not necessarily equivalent to the amount the student will owe directly to the institution.

“(4) **LOANS.**—
“(A) Information on any education loan offered through any Federal or State program (including any loan under part D or part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.; 20 U.S.C. 1087aa et seq.)) that the institution offers for the student for the academic period covered by the offer, which shall be made—

“(i) with clear use of the word ‘loan’ to describe the recommended loan amounts; and

“(ii) with clear labeling of subsidized and unsubsidized loans.

“(B) If applicable, a disclosure that such loans have to be repaid with interest.

“(C) Information on any other loan that the student or parent has applied for and been approved for, regardless of the source.

“(5) STUDENT EMPLOYMENT.—Information on work-study employment opportunities (including work-study programs under part C of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087–51 et seq.), institutional work-study programs, or State work-study programs), including—
“(A) the maximum annual amount the student may earn through the program; and

“(B) a disclosure that any amounts received pursuant to such a program may be—

“(i) subject to the availability of qualified employment opportunities upon students enrollment; and

“(ii) disbursed over time as earned by the student.

“(6) Process for accepting, adjusting, or declining aid and next steps.—

“(A) The deadlines and a summary of the process (including the next steps) for—

“(i) accepting the financial aid offered;

“(ii) adjusting the amount of aid offered; and

“(iii) declining the aid offered.

“(B) Information on when and how costs described in paragraph (1)(A)(i) must be paid, including whether such costs are required or optional for the student.

“(C) A disclosure that verification of information provided on the Free Application for
Federal Student Aid may require the student to submit further documentation.

“(D) Information about where a student or the student’s family can seek additional information regarding the financial aid offered, including contact information for the institution’s financial aid office and the Department of Education’s website on financial aid.

“(E) Information about where a student or a student’s family can seek additional information on college costs and student outcomes, including a link to the Department of Education’s College Scorecard website (or successor website).

“(7) NET PRICE CALCULATOR.—A link to the universal net price calculator described in section 132(c)(4).

“(8) ADDITIONAL INFORMATION.—Any other information the Secretary of Education, in consultation with the heads of relevant Federal agencies, including the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, determines necessary, based on the results and input of the consumer testing under subsection (h)(2), and limited only to effectively communicating college
costs and financial aid eligibility to students and parents.

“(c) Other Required Contents for Aid Offer.—The standard form developed under subsection (a) shall include, in addition to the information described in subsection (b), the following information in a concise format determined by the Secretary of Education, in consultation with the heads of relevant Federal agencies and the individuals and entities described in subsection (a):

“(1) Additional options and potential resources for paying for the amount listed in subsection (b)(3), such as tuition payment plans.

“(2) The following information relating to private student loans:

“(A) A disclosure that private education loans may be available to cover remaining need, except that the institution may not include private education loans other than under the conditions described in subsection (b)(4)(C) and must include a disclosure that such loans—

“(i) are subject to an additional application process; and

“(ii) must be repaid by the borrower or their co-signer, and may not be eligible
for the benefits available for loans made under title IV.

“(B) A statement that students considering borrowing to cover the cost of attendance should consider available Federal student loans prior to applying for private education loans, including an explanation that Federal student loans offer generally more favorable terms and beneficial repayment options than private loans.

“(d) ADDITIONAL FORMATTING REQUIREMENTS FOR FINANCIAL AID OFFER.—The financial aid offer shall meet the following requirements:

“(1) Clearly distinguish between the aid offered under paragraphs (2) and (4) of subsection (b), by including a subtotal for the aid offered in each of such paragraphs and by refraining from commingling the different types of aid described in such paragraphs.

“(2) Use standard terminology and definitions, as described in subsection (f)(1), and use plain language where possible.

“(3) Use the standard aid offer described in subsection (f)(2).

“(e) SUPPLEMENTAL CONTENT AND DISCLOSURES TO BE PROVIDED.—In addition to the standard form de-
scribed under subsection (a), institutions shall provide, in supplemental documents or through easily accessible weblinks to the institution’s portal or a website, the following:

“(1) The renewability requirements and conditions under which the student can expect to receive similar amounts of such financial aid for each academic period the student is enrolled at the institution.

“(2) Whether the aid offer may change if aid from outside sources is applied after the student receives the initial aid offer, and, if applicable, how that aid will change.

“(3) If loans under part D or part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.; 20 U.S.C. 1087aa et seq.) or other education loans offered through Federal programs are included—

“(A) a disclosure that the interest rates and fees on such loans are set annually and affect total cost over time, and a link to any website that includes current information on interest rates and fees; and

“(B) if an institution’s recommended Federal student loan aid offered in subsection
(b)(4) is less than the Federal maximum available to the student, the institution shall provide additional information on Federal student loans including the types and amounts for which the student is eligible and the process for requesting higher loan amounts if offered loan amounts were included.

“(4) If the institution opts not to disclose other items described in subsection (b)(1)(A)(ii)(V) as part of the aid offer, a list of such other items and the allowance amount for each such item.

“(f) STANDARD INFORMATION ESTABLISHED BY SECRETARY.—

“(1) STANDARD TERMINOLOGY.—Not later than 3 months after the date of enactment of the College Cost Reduction Act, the Secretary of Education, in consultation with the heads of relevant Federal agencies, and the individuals and entities described in subsection (a) shall establish standard terminology and definitions for the terms described in subsection (b).

“(2) STANDARD FORM.—

“(A) IN GENERAL.—The Secretary of Education shall develop multiple draft financial aid offers for consumer testing, carry out consumer
testing for such forms, and establish a finalized standard financial aid offer in accordance with—

“(i) the process established under subsection (h); and

“(ii) the requirements of this section.

“(B) SEPARATE FINANCIAL AID OFFERS.—

The Secretary shall develop separate financial aid offers for—

“(i) undergraduate students; and

“(ii) graduate students.

“(g) ADDITIONAL INFORMATION; REMOVAL OF INFORMATION.—Nothing in this section shall preclude an institution from—

“(1) supplementing the financial aid offer with additional information, provided that such information utilizes the same standard terminology identified in subsection (f)(1) and does not misrepresent costs, financial aid offered, or net price; or

“(2) deleting a required item or disclosure if—

“(A) the student is ineligible for such aid;

“(B) the institution does not participate in the aid program or type;

“(C) the aid offer does not include the aid program or type; or
“(D) a cost of attendance item is not applicable to the student.

“(h) DEVELOPMENT OF FINANCIAL AID OFFER.—

“(1) DRAFT FORM.—Not later than 9 months after the date of enactment of the College Cost Reduction Act, the Secretary of Education, in consultation with the heads of relevant Federal agencies and the individuals and entities described in subsection (a) shall design and produce multiple draft financial aid offers for consumer testing with postsecondary students or prospective students. In developing that form, the Secretary shall ensure that—

“(A) the headings described in paragraphs (1) through (4) of subsection (b) are in the same font, appears in the same order, and are displayed prominently on the financial aid offer, such that none of that information is appropriately omitted or deemphasized;

“(B) the other information required under subsection (b) appears in a standard format and design on the financial aid offer; and

“(C) the institution may include a logo or brand alongside the title of the financial aid offer.

“(2) CONSUMER TESTING.—
“(A) IN GENERAL.—Not later than 9 months after the date of enactment of the College Cost Reduction Act, the Secretary of Education, in consultation with the heads of relevant Federal agencies, shall establish a process to submit the financial aid offer drafts developed under paragraph (1) for consumer testing among representatives of students (including low-income students, first generation college students, adult students, veterans, servicemembers, and prospective students), students’ families (including low-income families, families with first generation college students, and families with prospective students), institutions of higher education, secondary school and postsecondary counselors, and nonprofit consumer groups.

“(B) LENGTH OF CONSUMER TESTING.—The Secretary of Education shall ensure that the consumer testing under this paragraph lasts not longer than 8 months after the process for consumer testing is developed under subparagraph (A).

“(3) FINAL FORM.—
“(A) IN GENERAL.—The results of consumer testing under paragraph (2) shall be used in the development of the finalized standard financial aid offer required under subsection (f)(2).

“(B) REPORTING REQUIREMENT.—Not later than 3 months after the date on which the consumer testing under paragraph (2) concludes, the Secretary of Education shall submit to Congress, and publish on its website—

“(i) the final standard financial aid offer; and

“(ii) a report detailing the results of such testing, including whether the Secretary of Education added, modified, or moved any additional items to the standard financial aid offer pursuant to subsection (b)(6).

“(4) AUTHORITY TO MODIFY.—The Secretary of Education may modify or remove the definitions, terms, formatting, and design of the financial aid offer based on the results of consumer testing required under this subsection and before finalizing the form, or in subsequent consumer testing. The
Secretary may also recommend additional changes to Congress.

“(i) COST OF ATTENDANCE DEFINED.—In this section, the term ‘cost of attendance’ has the meaning given such term in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)).”.

(b) USE OF MANDATORY FINANCIAL AID OFFER AND TERMS.—Part B of title I of the Higher Education Act of 1965 (20 U.S.C. 1011 et seq.) is amended by adding at the end the following:

“SEC. 124. USE OF MANDATORY FINANCIAL AID OFFER AND TERMS.

“(a) IN GENERAL.—Notwithstanding any other provision of law, each institution of higher education that receives Federal financial assistance under this Act shall—

“(1) use the financial aid offer developed under section 484 of the Higher Education Opportunity Act (20 U.S.C. 1092 note) in providing paper, mobile-optimized offers, or other electronic offers to all students who apply for aid and are accepted at the institution; and

“(2) use the standard terminology and definitions developed by the Secretary of Education under subsection (f)(1) of that section for all communica-
tions from the institution related to financial aid offers.

“(b) EFFECTIVE DATE.—The requirements under this section shall take effect on the first date on which the Secretary releases the Free Application for Federal Student Aid for the applicable award year associated with that application, if such date occurs not less than 1 year after the Secretary of Education finalizes the standard terminology and form developed in accordance with section 484 of the Higher Education Opportunity Act (20 U.S.C. 1092 note).

“(c) ADMINISTRATIVE PROCEDURES.—Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this section.”.

SEC. 112. COLLEGE SCORECARD WEBSITE.

(a) College Scorecard Website.—

(1) DEFINITIONS; CONFORMING AMENDMENTS.—Section 132 of the Higher Education Act of 1965 (20 U.S.C. 1015a(a)) is amended—

(A) by amending subsection (a) to read as follows:

“(a) DEFINITIONS.—In this section:

“(1) COLLEGE SCORECARD WEBSITE.—The term ‘College Scorecard website’ means the College
Scorecard website required under subsection (c) and includes any successor website.

“(2) COST OF ATTENDANCE.—The term ‘cost of attendance’ has the meaning given such term in section 472.

“(3) TOTAL NET PRICE REQUIRED FOR COMPLETION.—The term ‘total net price required for completion’ means, with respect to the period of completion of a program of study—

“(A) the sum of the required costs described in section 484(b)(3)(A)(i)(I) charged to a student for such period of completion; minus

“(B) the total amount of grant and scholarship aid described in paragraph (2) of section 484(b) that is available to the student for the costs described in subparagraph (A) for completion of a program of study.”;

(B) by striking subsections (b) through (g); and

(C) by redesignating subsection (h) as subsection (b).

(2) SCORECARD AUTHORIZED.—Section 132 of the Higher Education Act of 1965 (20 U.S.C. 1015a) is further amended—

(A) by striking subsection (i); and
(B) by inserting after subsection (b) the following:

“(c) CONSUMER INFORMATION.—

“(1) AVAILABILITY OF INFORMATION FOR TITLE IV INSTITUTIONS AND PROGRAMS.—Not later than 18 months after the date of the enactment of the College Cost Reduction Act, the Secretary shall make publicly available on the College Scorecard website the following aggregated information with respect to each institution of higher education and each program of study at such institution, as applicable, that participates in a program under title IV:

“(A) A link to the website of the institution.

“(B) A link to the net price calculator for such institution.

“(C) A link to the website of the institution containing campus safety data with respect to such institution.

“(D) The geographic location of the institution.

“(E) Information on the type of institution, including sector, size, predominant and highest credential awarded, research intensity,
programs of study offered, and other character-
istics of the institution.

“(F) Information on student enrollment,
including the number and percentage of stu-
dents enrolled full-time, less than full-time, and
enrolled in distance education.

“(G) Information on student progression
and completion, including time to credential
and rates of withdrawal, retention, transfer, or
completion.

“(H) Information on college costs and fi-
nancial aid, including average, median, min-
imum, and maximum values of—

“(i) the cost of attendance, including
such cost disaggregated by the costs de-
scribed in paragraphs (1) through (14) of
section 472(a);

“(ii) the grants and scholarships re-
ceived by students at the institution and
the number and percentage of such stu-
dents receiving such grants and scholar-
ships, disaggregated by source and whether
such aid is need-based, merit-based, an
athletic scholarship, or other type of grant
or scholarship; and
“(iii) the total net price required for completion for students who received Federal financial assistance described in paragraph (2)(I).

“(I) Information on student debt and repayment, including—

“(i) the average, median, minimum, and maximum amounts borrowed by students under title IV; and

“(ii) information with respect to repayment of loans made under title IV, including borrower-based repayment rates, dollar-based repayment rates, and time spent in repayment.

“(J) Information on the earnings of students who received Federal financial assistance described in paragraph (2)(I), including the average, median, minimum, and maximum values of—

“(i) with respect to students who complete a program of study in an award year—

“(I) the annual earnings of such students; and
“(II) the value-added earnings of such students; and
“(ii) with respect to students who do not complete a program of study in an award year, the annual earnings of such students.

“(2) Disaggregated information.—The Secretary shall ensure the information described in paragraph (1) is disaggregated, as applicable, by the following student characteristics:

“(A) Financial circumstances including—
“(i) household income categories, as determined by students’ adjusted gross income, family size, and poverty line (as defined in section 401(a)); and
“(ii) student aid index categories, as determined by the Secretary.
“(B) Sex.
“(C) Race and ethnicity.
“(E) Classification as a student with a disability.
“(F) Enrollment status.
“(G) Residency status.
“(H) Status as an international student.
“(I) Status as a recipient of Federal financial assistance, including—

“(i) a Pell grant;

“(ii) a loan made under title IV; and

“(iii) veterans’ education benefits (as defined in section 480(c)).


“(3) INSTITUTIONAL AND PROGRAM COMPARISON.—The Secretary shall include on the College Scorecard website a method for users to easily compare institutions and programs, including in a manner that allows for such comparison based on—

“(A) the institutional and program information described in paragraph (1); and

“(B) the student characteristics described in paragraph (2).

“(4) UNIVERSAL NET PRICE CALCULATOR.—The Secretary shall include on the College Scorecard website a universal net price calculator that enables users to answer questions and receive personalized pricing information for each institution of higher
education and program of study offered by such institution.

“(5) UPDATES.—

“(A) DATA.—The Secretary shall update the College Scorecard website not less than annually.

“(B) TECHNOLOGY AND FORMAT.—The Secretary shall regularly assess the format and technology of the College Scorecard website and make any changes or updates that the Secretary considers appropriate.

“(6) CONSUMER TESTING.—In developing and maintaining the College Scorecard website, the Secretary, in consultation with appropriate departments and agencies of the Federal Government, shall—

“(A) not later than 6 months after the date of the enactment of the College Cost Reduction Act, and not less than once every 3 years thereafter, consumer testing with appropriate persons, including current and prospective college students, family members of such students, institutions of higher education, and experts, to ensure that the College Scorecard website is usable and easily understandable and
provides useful and relevant information to students and families; and

“(B) prominently display on such website in simple, understandable, and unbiased terms for the most recent academic year for which satisfactory data is available, the information described in paragraphs (1) and (2) that was determined to be useful and relevant to students and families based on the consumer testing described in subparagraph (A) for each institution and program of study (as applicable).

“(7) PROVISION OF APPROPRIATE LINKS TO PROSPECTIVE STUDENTS AFTER SUBMISSION OF FAFSA.—The Secretary shall provide to each student who submits a Free Application for Federal Student Aid described in section 483 a link to the webpage of the College Scorecard website that contains the information required under paragraph (1) for each institution of higher education such student includes on such application.

“(8) INTERAGENCY COORDINATION.—The Secretary, in consultation with each appropriate head of a department or agency of the Federal Government, shall ensure, to the greatest extent practicable, that any information related to higher education that is
published by such department or agency is consis-
tent with the information published on the College
Scorecard website.

“(9) DATA COLLECTION AND DUPLICATED RE-
PORTING.—Notwithstanding any other provision of
this section, to the extent that another provision of
this section requires the same reporting or collection
of data that is required under this Act, an institu-
tion of higher education, or the Secretary or Com-
mmissioner, shall use the reporting or data required
under this subsection to satisfy both requirements.

“(10) DATA PRIVACY.—

“(A) IN GENERAL.—The Secretary shall
ensure any information made available under
this section is made available in accordance
with the privacy laws described in section

“(B) SMALL INSTITUTIONS AND PROGRAM
OF STUDY.—For purposes of publishing the in-
formation described in paragraphs (1) and (2),
for any year for which the number of students
is determined by the Secretary to be of insuffi-
cient size to maintain the privacy of student
data, the Secretary shall—
“(i) aggregate up to 4 years of additional data for such program of study to obtain data for a sufficient number of students to maintain student privacy;

“(ii) in the case of a program of study, if the method described in clause (i) is insufficient to maintain student privacy, aggregate data for students who completed or who were enrolled in, as applicable, similar program of study of the institution to obtain data for a sufficient number of students to maintain student privacy; and

“(iii) in the case of a program of study, if the methods described in clauses (i) and (ii) are insufficient to maintain student privacy, or additional data described in such clauses is not available or can not be aggregated, aggregate data with respect to all students who completed or were enrolled in, as applicable, any program of study of the institution of the same credential level, in lieu of data specific to students in such program of study.”.

(b) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), as amended
by subsection (a) of this section, is further amended by striking “College Navigator” each place it appears and inserting “College Scorecard”.

(c) REFERENCES.—Any reference in any law (other than the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), regulation, document, record, or other paper of the United States to the College Navigator website shall be considered to be a reference to the College Scorecard website.

SEC. 113. POSTSECONDARY STUDENT DATA SYSTEM.

Section 132 of the Higher Education Act of 1965 (20 U.S.C. 1015a) is further amended—

(1) by redesignating subsections (j) and (k) as subsections (d) and (e), respectively;

(2) by redesignating subsection (l) as subsection (g); and

(3) by inserting after subsection (e), as so redesignated, the following:

“(f) POSTSECONDARY STUDENT DATA SYSTEM.—

“(1) IN GENERAL.—

“(A) ESTABLISHMENT OF SYSTEM.—Not later than 3 years after the date of enactment of the College Cost Reduction Act, the Commissioner of the National Center for Education Statistics (referred to in this subsection as the
‘Commissioner’) in consultation with the Director of the Institute of Education Sciences (referred to as ‘the Director’) shall develop and maintain a secure and privacy-protected post-secondary student-level data system in order to—

“(i) accurately evaluate student enrollment patterns, progression, completion, and postcollegiate outcomes, and higher education costs and financial aid;

“(ii) assist with transparency, institutional improvement, and analysis of Federal aid programs;

“(iii) provide accurate, complete, and customizable information for students and families making decisions about postsecondary education; and

“(iv) reduce the reporting burden on institutions of higher education in accordance with section 111 of the College Cost Reduction Act.

“(B) AVOIDING DUPLICATE REPORTING.—Notwithstanding any other provision of this section, to the extent that another provision of this section requires the same reporting or collection
of data that is required under this subsection, an institution of higher education, or the Secretary or Commissioner, shall use the reporting or data required for the postsecondary student data system under this subsection to satisfy both requirements.

“(C) DEVELOPMENT PROCESS.—In developing the postsecondary student data system described in this subsection, the Commissioner, in consultation with the Director, shall—

“(i) focus on the needs of—

“(I) users of the data system; and

“(II) entities, including institutions of higher education, reporting to the data system;

“(ii) take into consideration, to the extent practicable—

“(I) the guidelines outlined in—

“(aa) the ‘United States Web Design Standards’ maintained by the General Services Administration; and

“(bb) the ‘Digital Services Playbook’ and ‘TechFAR Hand-
book for Procuring Digital Services Using Agile Processes’ of the United States Digital Service; and

“(II) the relevant successor documents or recommendations of such guidelines;

“(iii) use modern, relevant privacy- and security-enhancing technology, and enhance and update the data system as necessary to carry out the purpose of this subsection;

“(iv) ensure data privacy and security is consistent with any relevant Federal law relating to privacy or data security, including—

“(I) the requirements of subchapter II of chapter 35 of title 44, United States Code, specifying security categorization under the Federal Information Processing Standards or any relevant successor of such standards;

“(II) security requirements that are consistent with the Federal agency
responsibilities in section 3554 of title 44, United States Code, or any relevant successor of such responsibilities; and

“(III) security requirements, guidelines, and controls consistent with cybersecurity standards and best practices developed by the National Institute of Standards and Technology, including frameworks, consistent with section 2(c) of the National Institute of Standards and Technology Act (15 U.S.C. 272(c)), or any relevant successor of such frameworks;

“(v) follow Federal data minimization practices to ensure only the minimum amount of data is collected to meet the system’s goals, in accordance with Federal data minimization standards and guidelines developed by the National Institute of Standards and Technology; and

“(vi) provide notice to students outlining the data included in the system and how the data are used.
“(D) LIMITATION.—The data system developed under this subsection may only include data with respect to—

“(i) students receiving—

“(I) Federal financial assistance under title IV of this Act; or

“(II) veteran’s education benefits, as defined in section 480(c); and

“(ii) participants in a program described in section 116(b)(3)(A)(ii) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3131(b)(3)(A)(ii)).

“(2) DATA ELEMENTS.—

“(A) IN GENERAL.—Not later than 3 years after the date of enactment of the College Cost Reduction Act, the Commissioner, in consultation with the Postsecondary Student Data System Advisory Committee and the Director, established under subparagraph (B), shall determine—

“(i) the data elements to be included in the postsecondary student data system, in accordance with subparagraphs (C) and (D); and
“(ii) how to include the data elements required under subparagraph (C), and any additional data elements selected under subparagraph (D), in the postsecondary student data system.

“(B) Postsecondary student data system advisory committee.—

“(i) Establishment.—Not later than 1 year after the date of enactment of the College Cost Reduction Act, the Commissioner, in consultation with the Director, shall establish a Postsecondary Student Data System Advisory Committee (referred to in this subsection as the ‘Advisory Committee’), whose members shall include—

“(I) the Chief Privacy Officer of the Department or an official of the Department delegated the duties of overseeing data privacy at the Department;

“(II) the Chief Security Officer of the Department or an official of the Department delegated the duties
of overseeing data security at the Department;

“(III) representatives of diverse institutions of higher education, which shall include equal representation between 2-year and 4-year institutions of higher education, and from public, nonprofit, and proprietary institutions of higher education, including minority-serving institutions;

“(IV) representatives from State higher education agencies, entities, bodies, or boards;

“(V) representatives of postsecondary students;

“(VI) representatives from relevant Federal agencies;

“(VII) individuals with expertise in data privacy and security; and

“(VIII) other stakeholders (including individuals with consumer protection and postsecondary education research).
“(ii) REQUIREMENTS.—The Commissioner, working with the Director, shall ensure that the Advisory Committee—

“(I) adheres to all requirements under chapter 10 of title 5, United States Code (commonly known as the ‘Federal Advisory Committee Act’);

“(II) establishes operating and meeting procedures and guidelines necessary to execute its advisory duties; and

“(III) is provided with appropriate staffing and resources to execute its advisory duties.

“(C) REQUIRED DATA ELEMENTS.—The data elements in the postsecondary student data system shall include the following:

“(i) Student-level data elements necessary to calculate the information within the surveys designated by the Commissioner as ‘student-related surveys’ in the Integrated Postsecondary Education Data System (IPEDS), as such surveys are in effect on the day before the date of enactment of the College Cost Reduction Act,
except that in the case that collection of
such elements would conflict with the pro-
hibition under subparagraph (F), such ele-
ments in conflict with such prohibition
shall be included in the aggregate instead
of at the student level.

“(ii) Student-level data elements re-
ported by institutions in accordance with
section 668.408 of title 34, Code of Fed-
eral Regulations, as in effect on July 1,
2024.

“(iii) Student-level data elements nec-
essary to allow for reporting student en-
rollment, persistence, progression (includ-
ing credit accumulation) retention, trans-
fer, completion, and time and credits to
credential measures for all credential levels
separately (including certificate, associate,
baccalaureate, and advanced degree levels),
within and across institutions of higher
education (including across all categories
of institution level, control, and predomi-
nant degree awarded). The data elements
shall allow for reporting about all such
data disaggregated by the following categories:

“(I) Enrollment status as a first-time student, recent transfer student, or other nonfirst-time student.

“(II) Attendance intensity, whether full-time or part-time.

“(III) Credential-seeking status, by credential level (including noncredit-seeking and noncredit credentials).

“(IV) Race or ethnicity, in a manner that captures all the racial groups specified in the most recent American Community Survey of the Bureau of the Census.

“(V) Age intervals.

“(VI) Sex.

“(VII) Status as a first generation college student (as defined in section 402A(h)).

“(VIII) Economic status.

“(IX) Measures related to college readiness, including participation in
postsecondary remedial coursework or
gateway course completion.

“(X) Program of study.

“(XI) Status as an online edu-
cation student, whether exclusively or
partially enrolled in online education.

“(XII) Military or veteran benefit
status (as determined based on receipt
of veteran’s education benefits, as de-
defined in section 480(c)).

“(XIII) Federal Pell Grant re-
cipient status under section 401 and
Federal loan recipient status under
title IV.

“(XIV) Status as a participant in
a program described in section
116(b)(3)(A)(ii) of the Workforce In-
novation and Opportunity Act (29
U.S.C. 3131(b)(3)(A)(ii)).

“(D) REEVALUATION.—Not less than once
every 3 years after the implementation of the
postsecondary student data system described in
this subsection, the Commissioner, in consulta-
tion with the Advisory Committee described in
subparagraph (B) and working with the Direc-
tor, shall report to Congress the data elements included in the postsecondary student data system and recommend any additional data elements to be included in such system.

“(E) PROHIBITIONS.—The postsecondary student data system shall not include individual health data (including data relating to physical health or mental health), student discipline records or data, elementary and secondary education data, an exact address, course grades, postsecondary entrance examination results, political affiliation, religion, or any other data in the postsecondary student data system not described in this subsection.

“(3) PERIODIC MATCHING WITH OTHER FEDERAL DATA SYSTEMS.—

“(A) DATA SHARING AGREEMENTS.—

“(i) IN GENERAL.—The Commissioner, in consultation with the Director, shall ensure secure and privacy-protected periodic data matches by entering into data sharing agreements with each of the following Federal agencies and offices:

“(I) The Secretary of the Treasury and the Commissioner of the In-
ternal Revenue Service, in order to calculate aggregate program- and institution-level earnings of postsecondary students described in subparagraph (B)(ii).

“(II) The Secretary of Defense, in order to assess the use of postsecondary educational benefits and the outcomes of servicemembers who are receiving veteran’s education benefits (as defined in section 480(c)).

“(III) The Secretary of Veterans Affairs, in order to assess the use of postsecondary educational benefits and outcomes of veterans who are receiving veteran’s education benefits (as defined in section 480(c)).

“(IV) The Director of the Bureau of the Census, in order to assess the employment outcomes of former postsecondary education students described in paragraph (1)(D).

“(V) The Chief Operating Officer of the Office of Federal Student Aid, in order to analyze the use of postsec-
ondary educational benefits provided under this Act.

“(VI) The Commissioner of the Social Security Administration, in order to evaluate labor market outcomes of former postsecondary education students described in paragraph (1)(D).

“(VII) The Secretary of Health and Human Services, in order to evaluate the wages of former postsecondary education students described in paragraph (1)(D).

“(ii) DATA SHARING AGREEMENTS.—

The heads of Federal agencies and offices described under clause (i) shall enter into data sharing agreements with the Commissioner to ensure secure and privacy-protected periodic data matches as described in this paragraph.

“(B) CATEGORIES OF DATA.—The Commissioner, in consultation with the Director, shall, at a minimum, seek to ensure that the secure and privacy-protected periodic data matches described in subparagraph (A) permit
consistent reporting of the following categories
of data for students described in paragraph
(1)(D) who completed a program of study and
who did not complete a program of study:

“(i) Enrollment, retention, transfer,
and completion outcomes.

“(ii) Financial indicators for postsec-
ondary students receiving Federal grants
and loans, including grant and loan aid by
source, cumulative student debt, loan re-
payment status, and repayment plan.

“(iii) Post-completion outcomes, in-
cluding earnings and employment (inclu-
ding industry, occupation, and location of
employment, and further education, by
program of study and credential level) and
as measured at time intervals appropriate
to the credential sought and earned.

“(C) PERIODIC DATA MATCH STREAM-
LINING AND CONFIDENTIALITY.—

“(i) STREAMLINING.—In carrying out
the secure and privacy-protected periodic
data matches under this paragraph, the
Commissioner shall—
“(I) ensure that such matches are not continuous, but occur only periodically at appropriate intervals, as determined by the Commissioner to meet the goals of subparagraph (A); and

“(II) seek to—

“(aa) streamline the data collection and reporting requirements for institutions of higher education;

“(bb) minimize duplicative reporting across or within Federal agencies or departments, including reporting requirements applicable to institutions of higher education under the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.) and the Carl D. Perkins Career and Technical Education Act of 2006;

“(cc) protect student privacy; and

“(dd) streamline the application process for student loan ben-
efit programs available to bor-
rowers based on data available
from different Federal data sys-
tems.

“(ii) REVIEW.—Not less often than
once every 3 years after the establishment
of the postsecondary student data system
under this subsection, the Commissioner,
in consultation with the Advisory Com-
mittee and the Director, shall review meth-
ods for streamlining data collection from
institutions of higher education and mini-
mizing duplicative reporting within the De-
partment and across Federal agencies that
provide data for the postsecondary student
data system.

“(iii) CONFIDENTIALITY.—The Com-
mmissioner shall ensure that any periodic
matching or sharing of data through peri-
odic data system matches established in
accordance with this paragraph—

“(I) complies with the security
and privacy protections described in
paragraph (1)(C)(iv) and other Fed-
eral data protection protocols;
“(II) follows industry best practices commensurate with the sensitivity of specific data elements or metrics;

“(III) does not result in the creation of a single standing, linked Federal database at the Department that maintains the information reported across other Federal agencies; and

“(IV) discloses to postsecondary students what data are included in the data system and periodically matched and how the data are used.

“(iv) CORRECTION.—The Commissioner, in consultation with the Advisory Committee and Director, shall establish a process for students to request access to only their personal information for inspection and request corrections to inaccuracies in a manner that protects the student’s personally identifiable information. The Commissioner shall respond in writing to every request for a correction from a student.

“(4) PUBLICLY AVAILABLE INFORMATION.—
“(A) IN GENERAL.—The Commissioner shall make the summary aggregate information described in subparagraph (C), at a minimum, publicly available through a user-friendly consumer information website and analytic tool for institutional and research use that—

“(i) provides appropriate mechanisms for users to customize and filter information by institutional and student characteristics;

“(ii) allows users to build summary aggregate reports of information, including reports that allow comparisons across multiple institutions and programs, subject to subparagraph (B);

“(iii) uses appropriate statistical disclosure limitation techniques necessary to ensure that the data released to the public cannot be used to identify specific individuals; and

“(iv) provides users with appropriate contextual factors to make comparisons, which may include national median figures of the summary aggregate information described in subparagraph (C).
“(B) NO PERSONALLY IDENTIFIABLE INFORMATION AVAILABLE.—The summary aggregate information described in this paragraph shall not include personally identifiable information.

“(C) SUMMARY AGGREGATE INFORMATION AVAILABLE.—The summary aggregate information described in this paragraph shall, at a minimum, include each of the following for each institution of higher education:

“(i) Measures of student access, including—

“(I) admissions selectivity and yield; and

“(II) enrollment, disaggregated by each category described in paragraph (2)(C)(iii).

“(ii) Measures of student progression, including retention rates and persistence rates, disaggregated by each category described in paragraph (2)(C)(iii).

“(iii) Measures of student completion, including—

“(I) transfer rates and outcomes, completion rates, and time and credits
to credential, disaggregated by each
category described in paragraph
(2)(C)(iii); and

“(II) number of completions,
disaggregated by each category de-
scribed in paragraph (2)(C)(iii).

“(iv) Measures of student costs, in-
cluding—

“(I) tuition, required fees, cost of
attendance, grants and scholarships,
net price, and unmet need
disaggregated by in-State tuition or
in-district tuition status (if applica-
ble), direct and indirect costs, pro-
gram of study (if applicable), and cre-
dential level; and

“(II) typical grant amounts and
loan amounts received by students re-
ported separately from Federal, State,
local, institutional, employers, and
other sources, and cumulative debt,
disaggregated by—

“(aa) each category de-
scribed in paragraph (2)(C)(iii);
“(bb) completion status.

“(v) Measures of postcollegiate student outcomes, including return on investment, employment rates, earnings, loan repayment and default rates, and further education rates. These measures shall—

“(I) be disaggregated by—

“(aa) each category described in paragraph (2)(C)(iii); and

“(bb) completion status; and

“(II) be measured immediately after leaving postsecondary education and at time intervals appropriate to the credential sought or earned.

“(D) DEVELOPMENT CRITERIA.—In developing the method and format of making the information described in this paragraph publicly available, the Commissioner shall—

“(i) focus on the needs of the users of the information, which will include students, families of students, potential students, researchers, and other consumers of education data;
“(ii) take into consideration, to the extent practicable, the guidelines described in paragraph (1)(C)(ii)(I), and relevant successor documents or recommendations of such guidelines;

“(iii) use modern, relevant technology and enhance and update the postsecondary student data system with information, as necessary to carry out the purpose of this paragraph;

“(iv) ensure data privacy and security in accordance with standards and guidelines developed by the National Institute of Standards and Technology, and in accordance with any other Federal law relating to privacy or security, including complying with the requirements of subchapter II of chapter 35 of title 44, United States Code, specifying security categorization under the Federal Information Processing Standards, and security requirements, and setting of National Institute of Standards and Technology security baseline controls at the appropriate level; and
“(v) conduct consumer testing to determine how to make the information as meaningful to users as possible.

“(5) PERMISSIBLE DISCLOSURES OF DATA.—

“(A) DATA REPORTS AND QUERIES.—

“(i) IN GENERAL.—Not later than 3 years after the date of enactment of the College Cost Reduction Act, the Commissioner in consultation with the Director, shall develop and implement a secure and privacy-protected process for making student-level, nonpersonally identifiable information, with direct identifiers removed, from the postsecondary student data system available for vetted research and evaluation purposes approved by the Commissioner in a manner compatible with practices for disclosing National Center for Education Statistics restricted-use survey data as in effect on the day before the date of enactment of the College Cost Reduction Act, or by applying other research and disclosure restrictions to ensure data privacy and security. Such process shall be approved by the National Center for Edu-
cation Statistics’ Disclosure Review Board
(or successor body).

“(ii) PROVIDING DATA REPORTS AND
QUERIES TO INSTITUTIONS AND STATES.—

“(I) IN GENERAL.—The Commissioner shall provide feedback reports,
at least annually, to each institution
of higher education, each postsec-
secondary education system that fully
participates in the postsecondary stu-
dent data system, and each State
higher education body as designated
by the governor.

“(II) FEEDBACK REPORTS.—The
feedback reports provided under this
clause shall include program-level and
institution-level information from the
postsecondary student data system re-
respectatives, the institutions within
that State, on or before the date of
the report, on measures including stu-
dent mobility (including transfer and
completion rates) and workforce out-
comes, provided that the feedback aggregate summary reports protect the privacy of individuals.

“(III) DETERMINATION OF CONTENT.—The content of the feedback reports shall be determined by the Commissioner in consultation with the Advisory Committee and the Director.

“(iii) PERMITTING STATE DATA QUERIES.—The Commissioner shall, in consultation with the Advisory Committee and as soon as practicable, create a process through which States may submit lists of secondary school graduates within the State to receive summary aggregate outcomes for those students who enrolled at an institution of higher education, including postsecondary enrollment, retention and transfer, and college completion, provided that those data protect the privacy of individuals and that the State data submitted to the Commissioner are not stored in the postsecondary education system.

“(iv) REGULATIONS.—The Commissioner shall promulgate regulations to en-
sure fair, secure and privacy-protected, and equitable access to data reports and queries under this paragraph.

“(B) Disclosure limitations.—In carrying out the public reporting and disclosure requirements of this subsection, the Commissioner shall use appropriate statistical disclosure limitation techniques necessary to ensure that the data released to the public cannot include personally identifiable information or be used to identify specific individuals.

“(C) Sale of data prohibited.—Data collected under this subsection, including the public-use data set and data comprising the summary aggregate information available under paragraph (4), shall not be sold to any third party by the Commissioner, including any institution of higher education or any other entity.

“(D) Limitation on use by other Federal agencies.—

“(i) In general.—The Commissioner shall not allow any other Federal agency to use data collected under this subsection for any purpose except—
“(I) for vetted research and evaluation conducted by the other Federal agency, as described in subparagraph (A)(i); or

“(II) for a purpose explicitly authorized by an Act of Congress.

“(ii) PROHIBITION ON LIMITATION OF SERVICES.—The Secretary, or the head of any other Federal agency, shall not use data collected under this subsection to limit services to students.

“(E) LAW ENFORCEMENT.—Personally identifiable information collected under this subsection shall not be used for any Federal, State, or local law enforcement activity or any other activity that would result in adverse action against any student or a student’s family.

“(F) LIMITATION OF USE FOR FEDERAL RANKINGS OR SUMMATIVE RATING SYSTEM.—The comprehensive data collection and analysis necessary for the postsecondary student data system under this subsection shall not be used by the Secretary or any Federal entity to establish any Federal ranking system of institutions of higher education or a system that results in
a summative Federal rating of institutions of higher education.

“(G) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to prevent the use of individual categories of aggregate information to be used for accountability purposes.

“(H) RULE OF CONSTRUCTION REGARDING COMMERCIAL USE OF DATA.—Nothing in this paragraph shall be construed to prohibit third-party entities from using publicly available information in this data system for commercial use.

“(6) SUBMISSION OF DATA.—

“(A) REQUIRED SUBMISSION.—Each institution of higher education participating in a program under title IV, or the assigned agent of such institution, shall, for each instructional program, and in accordance with section 487(a)(17), collect, and submit to the Commissioner, the data requested by the Commissioner to carry out this subsection.

“(B) VOLUNTARY SUBMISSION.—Any institution of higher education not participating in a program under title IV may voluntarily par-
participate in the postsecondary student data sys-
tem under this subsection by collecting and sub-
mitting data to the Commissioner, as the Com-
missioner may request to carry out this sub-
section.

“(C) PERSONALLY IDENTIFIABLE INFOR-
MATION.—In accordance with paragraph
(2)(C)(i), if the submission of an element of
student-level data is prohibited under para-
graph (2)(F) (or otherwise prohibited by law),
the institution of higher education shall submit
that data to the Commissioner in the aggregate.

“(7) UNLAWFUL WILLFUL DISCLOSURE.—

“(A) IN GENERAL.—It shall be unlawful
for any person who obtains or has access to
personally identifiable information in connection
with the postsecondary student data system de-
scribed in this subsection to willfully disclose to
any person (except as authorized in this Act or
by any Federal law) such personally identifiable
information.

“(B) PENALTY.—Any person who violates
subparagraph (A) shall be subject to a penalty
described under section 3572(f) of title 44,
United States Code, and section 183(d)(6) of
the Education Sciences Reform Act of 2002 (20
U.S.C. 9573(d)(6)).

“(C) EMPLOYEE OF OFFICER OF THE
UNITED STATES.—If a violation of subpara-
graph (A) is committed by any officer or em-
ployee of the United States, the officer or em-
ployee shall be dismissed from office or dis-
charged from employment upon conviction for
the violation.

“(8) DATA SECURITY.—The Commissioner shall
produce and update as needed guidance and regu-
lations relating to privacy, security, and access which
shall govern the use and disclosure of data collected
in connection with the activities authorized in this
subsection. The guidance and regulations developed
and reviewed shall protect data from unauthorized
access, use, and disclosure, and shall include—

“(A) an audit capability, including manda-
tory and regularly conducted audits;

“(B) access controls;

“(C) requirements to ensure sufficient data
security, quality, validity, and reliability;

“(D) confidentiality protection in accord-
ance with the applicable provisions of sub-
chapter III of chapter 35 of title 44, United States Code;

“(E) appropriate and applicable privacy and security protection, including data retention and destruction protocols and data minimization, in accordance with the most recent Federal standards developed by the National Institute of Standards and Technology; and

“(F) protocols for managing a breach, including breach notifications, in accordance with the standards of National Center for Education Statistics.

“(9) DATA COLLECTION.—The Commissioner shall ensure that data collection, maintenance, and use under this subsection complies with section 552a of title 5, United States Code.

“(10) DEFINITIONS.—In this subsection:

“(A) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 102.

“(B) MINORITY-SERVING INSTITUTION.—The term ‘minority-serving institution’ means an institution of higher education listed in section 371(a).
“(C) PERSONALLY IDENTIFIABLE INFORMATION.—The term ‘personally identifiable information’ means personally identifiable information within the meaning of section 444 of the General Education Provisions Act.”.

SEC. 114. DATABASE OF STUDENT INFORMATION PROHIBITED.

(a) IN GENERAL.—Section 134(b) of the Higher Education Act of 1965 (20 U.S.C. 1015c(b)) is amended to read as follows:

“(b) EXCEPTION.—The provisions of subsection (a) shall not apply to a system (or a successor system)—

“(1) that—

“(A) is necessary for the operation of programs authorized by title II, IV, or VII; and

“(B) was in use by the Secretary, directly or through a contractor, as of the day before the date of enactment of the College Cost Reduction Act; or

“(2) required under section 132.”.

(b) PROGRAM PARTICIPATION AGREEMENTS.—

(1) IN GENERAL.—Paragraph (17) of section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended to read as follows:
“(17) The institution or the assigned agent of
the institution will collect and submit to the Com-
mmissioner for Education Statistics data in accord-
ance with section 132(f), the non-student related
surveys within the Integrated Postsecondary Edu-
cation Data System (IPEDS), or any other Federal
institution of higher education data collection effort
(as designated by the Secretary), in a timely manner
and to the satisfaction of the Secretary.”.

(2) EFFECTIVE DATE.—The amendment made
by paragraph (1) shall take effect no later than 3
years after the date of enactment of this Act.

(c) REPORTING BURDEN.—The Secretary of Edu-
cation and the Commissioner for Education Statistics
shall take such steps as are necessary to ensure that the
development and maintenance of the postsecondary stu-
dent data system required under section 132(f) of the
Higher Education Act of 1965, as added by section 113
of this Act, occurs in a manner that reduces the reporting
burden for entities that reported into the Integrated Post-
secondary Education Data System (IPEDS).
TITLE II—ACCESS AND AFFORDABILITY

PART A—FINANCIAL NEED

SEC. 201. AMOUNT OF NEED; COST OF ATTENDANCE; MEDIAN COST OF COLLEGE.

(a) Amount of Need.—Section 471 (20 U.S.C. 1087kk), as amended by the FAFSA Simplification Act, is further amended by amending paragraph (1) to read as follows:

“(1)(A) for award year 2024–2025, the cost of attendance of such student; and

“(B) for award year 2025–2026 and each subsequent award year, the median cost of college of the program of study of such student, minus”.

(b) Cost of Attendance.—Section 472(c) (20 U.S.C. 1087ll(c)), as amended by the FAFSA Simplification Act, is further amended by striking “of the institution” and inserting “of each program of study at the institution”.

(c) Median Cost of College.—Part F of title IV (20 U.S.C. 1087kk), as amended by the FAFSA Simplification Act, is further amended by inserting after section 472, as amended by subsection (b), the following:
"SEC. 472A. DETERMINATION OF MEDIAN COST OF COL- 
LEGE.

"For the purpose of this title, the term ‘median cost 
of college’, when used with respect to a program of study 
offered by one or more institutions of higher education for 
an award year, means the median of the cost of attendance 
(as defined in section 472) for the program of study across 
all institutions of higher education offering such a pro-
gram for the preceding award year.”.

PART B—FINANCIAL AID

Subpart 1—Grants

SEC. 211. FEDERAL PELL GRANT PROGRAM.

(a) AWARD MAY NOT EXCEED MEDIAN COST OF 
COLLEGE.—Section 401(b)(3) (20 U.S.C. 1070a(b)(3)), 
as amended by title VII of division FF of the Consolidated 
Appropriations Act, 2021 (title VII of division FF of Pub-
lic Law 116–260) (referred to in this Act as the “FAFSA 
Simplification Act”), is further amended by adding at the 
end the following:

“(3) AWARD MAY NOT EXCEED MEDIAN COST 
of college.—No Federal Pell Grant under this 
subpart shall exceed the median cost of college (as 
defined in section 472A) for the program at which 
that student is in attendance. If, with respect to any 
student, it is determined that the amount of a Fed-
eral Pell Grant for that student exceeds the median
cost of college for such program for that year, the
amount of the Federal Pell Grant shall be reduced
until the Federal Pell Grant does not exceed the me-
dian cost of college for such program for that year.”

(b) PELL PLUS PROGRAM.—Section 401 (20 U.S.C.
1070a), as amended by the FAFSA Simplification Act, is
further amended by adding at the end the following:

“(k) PELL PLUS PROGRAM.—

“(1) PROGRAM ESTABLISHED.—

“(A) IN GENERAL.—For each award year
for which a student receives a Federal Pell
Grant and meets the requirements of paragraph
(2), the Secretary shall award such student an
additional Federal Pell Grant, referred to as a
‘Federal Pell Plus Grant’, in an amount equal
to the amount of the student’s Federal Pell
Grant award determined under this section for
such award year, except as provided in subpara-
graph (B).

“(B) MEDIAN COST OF COLLEGE REDUC-
TIONS.—In any case in which a student is
awarded a Federal Pell Grant under this sec-
tion and a Federal Pell Plus grant under this
subsection for an award year, the combined
total of such Federal Pell Grant and such Fed-
eral Pell Plus Grant of such student shall not exceed the median cost of college (as defined in section 472A) of the program in which the student is in attendance for that year. In the case that such combined total exceeds the median cost of college for the program for that year, the Secretary shall reduce the amount of the Federal Pell Plus Grant awarded to the student until the combined total of such reduced Federal Pell Plus Grant and the Federal Pell Grant of the student does not exceed such median cost of college.

“(2) STUDENT ELIGIBILITY.—A student meets the requirements of this paragraph, if the student—

“(A) during the award year during which the student receives a Federal Pell Plus Grant under paragraph (1)—

“(i) is enrolled in the student’s first undergraduate baccalaureate course of study; and

“(ii) is maintaining progress toward completion within 100 percent of the expected time to completion, as determined by calculating the difference between—
“(I) the program length for the program of study in which such student is in attendance; and

“(II) the period of such program that such student has completed; and

“(B) has completed at least 4 semesters, or the equivalent, of such program.

“(3) DURATION LIMITS.—The period during which a student receives a Federal Pell Plus Grant under paragraph (1) shall be included in calculating the duration limits with respect to such student under subsection (d)(5), and to the extent that such period was a fraction of a semester or the equivalent, only that same fraction of such semester or equivalent shall count towards such duration limits.

“(4) PELL PLUS INSTITUTIONAL AND PROGRAMMATIC ELIGIBILITY.—For purposes of this subsection, a Pell Plus institution is an eligible institution for purposes of this subpart that—

“(A) notifies the Secretary that the institution desires to participate in the Pell Plus program under this subsection—

“(i) with respect to a specific program of study at the institution; or
“(ii) with respect to each program of study at the institution;

“(B) agrees to provide, to each student receiving a Federal Pell Plus Grant under paragraph (1)—

“(i) for each award year for which the student receives such Federal Pell Plus Grant, a notification that shall include—

“(I) whether the student is maintaining the progress toward completion required under paragraph (2)(A)(ii);

“(II) in a case in which the student is not maintaining such progress toward completion, a list of available student support services and additional resources to assist the student in completing the course of study for which the student is receiving the Federal Pell Plus Grant in the manner described under paragraph (2)(A)(ii); and

“(III) the amount of funds the student is receiving under the Federal Pell Plus Grant; and
“(ii) in the case of a student who, as of the end of the first semester of the third academic year of the program of study in which the student is in attendance, is not maintaining the progress toward completion required under paragraph (2)(A)(ii), a warning during such third academic year that the student will not be eligible for a Federal Pell Plus Grant under paragraph (1) for the fourth academic year of such course of study unless the student demonstrates, by not later than the beginning of the fourth academic year, progress toward completing such course of study by the end of the fourth academic year of such course of study;

“(C) meets the requirements of paragraph (5); and

“(D) the Secretary determines meets the requirements of this paragraph and paragraph (5).

“(5) MAXIMUM TOTAL PRICE GUARANTEE.—

“(A) GUARANTEE.—To be eligible to be a Pell Plus institution under this subsection, an eligible institution shall—
“(i) provide to each student receiving a Federal Pell Grant, prior to the first award year in which the student enrolls at the institution—

“(I) for each program of study participating in the Pell Plus program, the maximum total price for completion of the program of study, determined by the institution in accordance with section 415C(e); and

“(II) a guarantee that, for the minimum guarantee period for which the student receives a Federal Pell Grant, if the student is enrolled in any program of study participating in the Pell Plus program, the maximum total price for completion of such program of study charged to the student will not exceed the median value-added earnings of students who completed such program, based on the most recent data available on the College Scorecard in the award year prior to the first award year in which the student enrolls at the institution; and
“(ii) provide information about the guarantee described in clause (i)(II) to prospective students by including such information on the public website of the institution and in the catalog, marketing materials, and other official publications of the institution.

“(B) DURATION OF MINIMUM GUARANTEE PERIOD.—

“(i) IN GENERAL.—The minimum period during which a student shall be provided a guarantee under subparagraph (A) with respect to the maximum total price for completion of a program of study at an eligible institution shall be the median time to credential of students who completed any undergraduate program of study at the institution during the most recent award year for which data are available, except that such minimum guarantee period shall not be less than the program length of the program of study in which the student is enrolled.

“(ii) LIMITATION.—An eligible institution shall not be required to provide a
maximum total price guarantee under subparagraph (A) to a student after the conclusion of the 6-year period beginning on the first day on which the student enrolled at such institution.”.

(e) INFORMATION DISSEMINATION ACTIVITY.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

(1) in subparagraph (U), by striking “and” at the end;

(2) in subparagraph (V), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(W) in the case of an institution under section 401(k), any applicable information with respect to the institution’s participation in the Federal Pell Plus Grant program under such subsection.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to award year 2025–2026 and each succeeding award year.

SEC. 212. CAMPUS-BASED AID PROGRAMS.

(a) TERMINATION OF CERTAIN PROGRAMS.—Notwithstanding subparts 3 and 4 of part A, or part C, of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), or any other provision of law, except as ex-
pressly authorized by an Act of Congress enacted after
the date of enactment of this Act, beginning on October
1, 2026—

(1) no funds are authorized to be appropriated,
or may be expended, under this Act or any other Act
to—

(A) make payments to institutions for Federal Supplemental Educational Opportunity Grants under subpart 3 of part A of title IV of such Act (20 U.S.C. 1070b et seq.); or

(B) make payments to States for the Leveraging Educational Assistance Partnership Program under subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.); and

(2) the authority of the Secretary to carry out any program or activity described in paragraph (1) shall be terminated.

(b) PROMISE GRANTS.—Subpart 4 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended to read as follows:

"Subpart 4—Promoting Real Opportunities to Maximize Investments and Savings in Education"

"SEC. 415A. PURPOSE.

"(a) PURPOSE.—It is the purpose of this subpart to provide performance-based grants to—
“(1) assist institutions in providing certainty to students and families about postsecondary affordability;

“(2) increase postsecondary access and economic mobility; and

“(3) ensure that students, institutions, and taxpayers receive a financial return for investments in postsecondary education.

“SEC. 415B. PROMISE GRANTS.

“For award year 2026–2027 and each succeeding award year, from reserved funds remitted to the Secretary in accordance with section 454(d) and additional funds authorized under section 415E, as necessary, the Secretary shall award PROMISE grants to eligible institutions to carry out the purpose of this subpart. PROMISE grants awarded under this subpart shall be performance-based and shall be awarded to each eligible institution for a 6-year period in an amount that is determined in accordance with section 415D.

“SEC. 415C. ELIGIBLE INSTITUTIONS; APPLICATION.

“(a) ELIGIBLE INSTITUTION.—To be eligible for a PROMISE grant under this subpart, an institution shall—

“(1) be an institution of higher education under section 102, except that an institution described in
section 102(a)(1)(C) shall not be an eligible institution under this subpart; and

“(2) meet the maximum total price guarantee requirements under subsection (c).

“(b) APPLICATION.—An eligible institution seeking a PROMISE grant under this subpart (including a renewal of such a grant) shall submit to the Secretary an application, at such time as the Secretary may require, that contains the information required in this subsection. Such application shall—

“(1) demonstrate that the institution—

“(A) meets the maximum total price guarantee requirements under subsection (e); and

“(B) will continue to meet the maximum total price guarantee requirements for each award year during the grant period with respect to students first enrolling at the institution for each such award year;

“(2) describe how grant funds awarded under this subpart will be used by the institution to carry out the purposes of this Act, including activities related to—

“(A) postsecondary affordability, including—
“(i) the expansion and continuation of
the maximum total price guarantee re-
quirements under subsection (c);
“(ii) any other activities to be carried
out by the institution to increase postsec-
secondary affordability and minimize the total
net price required for completion (as de-
efined in section 132(a)) paid by students
receiving need-based student aid;
“(B) postsecondary access, which may in-
clude—
“(i) the activities described in section
485E of this Act; and
“(ii) any other activities to be carried
out by the institution to increase postsec-
secondary access and expand opportunities for
low- and middle-income students; and
“(C) postsecondary student success, which
may include—
“(i) activities to improve completion
rates and reduce time to credential, includ-
ing the activities described in section 741
of this Act, as amended by the College
Cost Reduction Act; and
“(ii) any other activities to be carried out by the institution to increase value-added earnings and postsecondary student success;

“(3) describe—

“(A) how the institution will evaluate the effectiveness of the institution’s use of grant funds awarded under this subpart; and

“(B) how the institution will collect and disseminate information on promising practices developed with the use of such grant funds; and

“(4) in the case of an institution that has previously received a grant under this subpart, contain the evaluation required under paragraph (3) for each previous grant.

“(c) Maximum Total Price Guarantee Requirements.—As a condition of eligibility for a PROMISE grant under this subpart, an institution shall—

“(1) for each award year beginning after the date of enactment of the College Cost Reduction Act, not later than one year before the start of each such award year (except that, for the first award year beginning after such date of enactment, the institution shall meet these requirements as soon as practicable such date of enactment)—
“(A) determine the maximum total price for completion, in accordance with subsection (e), for each program of study at the institution—

“(i) applicable to students in each income category described in section 132(c)(2)(A)(i); and

“(ii) applicable to students in each student aid index category determined by the Secretary in accordance with section 132(c)(2)(A)(ii); and

“(B) publish such information on the institution’s website and in the institution’s catalog, marketing materials, or other official publications;

“(2) for the award year for which the institution is applying for a PROMISE grant, and at least one award year preceding such award year, provide to each student who first enrolls, or plans to enroll, in the institution during the award year and who receives Federal financial aid under this title a maximum total price guarantee, in accordance with this section, for the minimum guarantee period applicable to the student; and
“(3) provide to the Secretary an assurance that the institution will continue to meet each of the maximum total price guarantee requirements under this subsection for students who first enroll, or plan to enroll, in the institution during each award year included in the grant period.

“(d) Duration of Minimum Guarantee Period.—

“(1) In general.—The minimum period during which a student shall be provided a guarantee under subsection (c) with respect to the maximum total price for completion of a program of study at an institution shall be the median time to credential of students who completed any undergraduate program of study at the institution during the most recent award year for which data are available, except that such minimum guarantee period shall not be less than the program length of the program of study in which the student is enrolled.

“(2) Limitation.—An institution shall not be required to provide a maximum total price guarantee under subsection (c) to a student after the conclusion of the 6-year period beginning on the first day on which the student enrolled at such institution.
“(e) Determination of Maximum Total Price for Completion.—

“(1) In general.—For the purposes of subsection (c) and the Pell Plus program under section 401(k), an institution shall determine, prior to the first award year in which a student enrolls at the institution, the maximum total price that may be charged to the student for completion of a program of study at the institution for the minimum guarantee period applicable to a student, before application of any Federal Pell grants or other Federal financial aid under this title. Such a maximum total price for completion shall be determined for students in each income category and student aid index category (as determined in accordance with section 132(c)(2)(A)). In determining the maximum total price for completion to be charged to each such category of students, the institution may consider the ability of a category of students to pay tuition and fees (including the required costs described in section 484(b)(3)(A)(i)(I)), but may not include in such consideration any Federal Pell grants or other Federal financial aid awards that may be available to such category of students under this title.
“(2) MULTIPLE MAXIMUM TOTAL PRICE GUARANTEES.—In the event that a student receives more than one maximum total price guarantee because the student is included in more than one category of students for which the institution determines a maximum total price guarantee amount for the purposes of subsection (c), or the student is participating in the Pell Plus program under section 401(k), the maximum total price guarantee applicable to such student for the purposes of this section and the Pell Plus program shall be equal to the lowest such guarantee amount.

“SEC. 415D. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.

“(a) GRANT AMOUNT FORMULA.—

“(1) FORMULA.—Subject to subsection (b), the amount of a PROMISE grant for an eligible institution for each year of the grant period shall be determined by the Secretary annually and shall be the amount determined by multiplying—

“(A) the lesser of—

“(i) the difference determined by subtracting one from the quotient of—

“(I) the average, for the 3 most recent award years for which data are available, of the median value-added
earnings (as defined in section 103) for each such award year of students who completed any program of study of the institution; divided by “(II) the average for the 3 most recent award years, of the maximum total price applicable for each such award year to students enrolled in the institution in any program of study who received financial aid under this title; or “(ii) the number two; “(B) the average, for the 3 most recent award years, of the total dollar amount of Federal Pell Grants (excluding Pell Plus Grants awarded under section 401(k)) awarded to students enrolled in the institution in each such award year; and “(C) the average, for the 3 most recent award years, of the percentage of low-income students who received Federal financial assistance under this title who were enrolled in the institution in each such award year who—
“(i) completed a program of study at
the institution within 100 percent of the
program length of such program; or
“(ii) only in the case of a two-year in-
stitution or a less than two-year institu-
tion—
“(I) transfer to a four-year institu-
tion; and
“(II) within 4 years after first
enrolling at the two-year or less than
two-year institution, complete a pro-
gram of study at the four-year institu-
tion for which a bachelor’s degree (or
substantially similar credential) is
awarded.
“(2) DEFINITION OF LOW-INCOME.—In this
section, the term ‘low-income’, when used with re-
spect to a student, means that the student’s family
income does not exceed the maximum income in the
lowest income category described in section
132(c)(2)(A)(i).
“(b) MAXIMUM GRANT AMOUNT.—Notwithstanding
subsection (a), the maximum amount an eligible institu-
tion may receive annually for a grant under this subpart
shall be the amount equal to—
“(1) the average, for the 3 most recent award years, of the number of students enrolled in the institution in an award year who receive Federal financial aid under this title; multiplied by

“(2) $5,000.

“(c) FLEXIBLE USE OF FUNDS.—A PROMISE grant awarded under this subpart shall be used by an eligible institution to carry out the purposes of this subpart, including—

“(1) carrying out activities included in the institution’s application for such grant related to post-secondary affordability, access, and student success; and

“(2) evaluating the effectiveness of the activities carried out with such grant in accordance with section 415C(b)(3)(A); and

“(3) collecting and disseminating promising practices related to the activities carried out with such grant, in accordance with section 415C(b)(3)(B).

“SEC. 415E. AUTHORIZATION OF APPROPRIATIONS.

“(a) AUTHORIZATION TO USED RESERVED FUNDS.—To carry out this subpart, there shall be available to the Secretary any funds remitted to the Secretary as risk-sharing payments in accordance with section
454(d) for any award year. The Secretary shall use the funds received through risk-sharing payments to provide the grants.

“(b) SECONDARY AUTHORIZATION.—In addition to the amounts available to the Secretary under subsection (a), there are authorized to be appropriated, for fiscal year 2026 and each of the 9 succeeding fiscal years, $2,000,000,000, to carry out this subpart in any award year for which the amounts available under subsection (a) are insufficient to fully fund the PROMISE grants awarded under this subpart in such award year.

“(c) INSUFFICIENT FUNDS.—If the amounts made available to carry out this subpart for a fiscal year are not sufficient to provide grants to all eligible institutions in the amount determined under this subpart, the Secretary shall first provide grants to the eligible institutions that have the highest percentage of students who are low-income students (as defined in section 415D).”.

Subpart 2—Loans

SEC. 221. LOAN LIMITS.

(a) STAFFORD LOANS.—

1. AGGREGATE AND ANNUAL LIMITS FOR GRADUATE AND PROFESSIONAL STUDENTS.—Section 455(a) (20 U.S.C. 1087e(a)) is amended—

(A) in paragraph (3)—
(i) in subparagraph (A)(ii), by inserting before the period at the end the following: “, except that for any period of instruction beginning on or after July 1, 2025, such maximum annual amount shall be determined in accordance with subparagraph (C)’’;

(ii) in subparagraph (B), by inserting before the period at the end the following: “for any period of instruction through June 30, 2025”; and

(iii) by adding at the end the following:

“(C) ANNUAL LIMITS.—Notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2025, the maximum annual amount of Federal Direct Unsubsidized Stafford loans that a graduate or professional student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be median cost of college (as defined in section 472A) of the program of study in which the student is enrolled, except that the sum of such annual loan amount and other financial assistance (as defined in section
480(i)) that the student receives for such academic year may not exceed the cost of attendance of such student.

“(D) Aggregate Limits.—Notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2025, the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans that—

“(i) a graduate student may borrow shall be $100,000; and

“(ii) a professional student may borrow shall be $150,000.

“(E) Exception for Certain Students.—

“(i) In general.—The provisions listed in clause (ii) shall not apply with respect to any individual who, as of June 30, 2025, is enrolled in a program of study at an institution of higher education, and has received a loan (or on whose behalf a loan was made) under this part for such program, during the individual’s expected time to completion of such program, as deter-
mined by calculating by the difference between—

“(I) the program length for the program of study in which such individual is enrolled; and

“(II) the period of such program that such individual has completed, except that such expected time to completion may not exceed 3 years.

“(ii) PROVISIONS.—An individual described in clause (i) shall not be subject to subparagraphs (C) and (D) of this paragraph, or paragraph (4) or (6).”.

(2) ANNUAL LIMITS FOR UNDERGRADUATE BORROWERS.—Section 455(a) (20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

“(4) ANNUAL AND AGGREGATE LOAN LIMITS FOR UNDERGRADUATE AND ALL BORROWERS.—

“(A) UNDERGRADUATE STUDENTS.—

“(i) ANNUAL LOAN LIMITS.—

“(I) SUBSIDIZED LOANS.—Notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1,
2025, the maximum annual amount of Federal Direct Stafford loans that an undergraduate student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the difference between—

“(aa) the median cost of college (as defined in section 472A) of the program of study in which the student is enrolled; and

“(bb) the sum of the Federal Pell Grant and Federal Pell Plus Grant under section 401 awarded to the student for such academic year,

except that (1) the amount of such Federal Direct Stafford loans awarded to the student for such academic year may not exceed the maximum annual limit described in section 428(b)(1) that is applicable to such student; and

(2) the sum of such Federal Direct Stafford Loans, the amount of such Federal Pell Grant, Federal Pell Plus Grant, and other financial assistance
(as defined in section 480(i)) that the student receives for such academic year may not exceed the cost of attendance of such student.

“(II) UNSUBSIDIZED LOANS.— Notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2025, the maximum annual amount of Federal Direct Unsubsidized Stafford loans that an undergraduate student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the difference between—

“(aa) the median cost of college (as defined in section 472A) of the program of study in which the student is enrolled; and

“(bb) the sum of—

“(AA) the amount of Federal Direct Stafford loans awarded to such student for such academic year; and
“(BB) the amount of the Federal Pell Grant and Federal Pell Plus Grant under section 401 awarded to the student for such academic year,

except that the sum of all Federal financial aid under this title and other financial assistance (as defined in section 480(i)) that such student receives for such academic year may not exceed the cost of attendance for such student.

“(ii) AGGREGATE LIMITS.—Notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2025, with respect to an undergraduate student—

“(I) the maximum aggregate amount of Federal Direct Stafford loans and Federal Direct Unsubsidized Stafford loans that may be borrowed shall be $50,000;
“(II) the maximum aggregate amount of Federal Direct Stafford loans that may be borrowed shall be $23,000; and

“(III) the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans that may be borrowed shall be $50,000.

“(B) STUDENTS IN A QUALIFYING UNDERGRADUATE PROGRAM.—

“(i) AGGREGATE LIMITS.—Notwithstanding the aggregate limits described in subparagraph (A)(ii), a student enrolled in a qualifying undergraduate program shall be subject to the aggregate limits for professional students described in paragraph (3)(D)(ii).

“(ii) QUALIFYING UNDERGRADUATE PROGRAM DEFINED.—For purposes of this subparagraph, the term ‘qualifying undergraduate program’ means a program of study—

“(I) for which the total tuition and fees (including the required costs described in section
484(b)(3)(A)(i)(I)) exceeds the aggregate limits for undergraduate students described in subparagraph (A)(ii);

“(II) that meets certification requirements of the Federal agency that directly regulates the program and provides final licensing and credentials to students upon completion; and

“(III) that has had, for the previous three award years—

“(aa) a verified completion rate of at least 70 percent, within 150 percent of the program length of such program of study; and

“(bb) a verified job placement rate of at least 70 percent, measured 180 days after completion.

“(C) ALL STUDENTS.—The maximum aggregate amount of loans made, insured, or guaranteed under this title to a student shall be $200,000.”.

(3) INSTITUTIONALLY DETERMINED LIMITS.—

Section 455(a) of the Higher Education Act of 1965
(20 U.S.C. 1087e(a)) is further amended by adding at the end the following:

“(5) INSTITUTIONALLY DETERMINED LIMITS.—

“(A) IN GENERAL.—Notwithstanding any other provision of this subsection, an eligible institution (at the discretion of a financial aid administrator at the institution) may prorate or limit the amount of a loan any student who is enrolled in a program of study for a period of instruction beginning on or after July 1, 2024, at that institution, may borrow under this part for an academic year—

“(i) if the institution can reasonably demonstrate that outstanding amounts owed of loans made under this title are or would be excessive for students who complete such program, based on the most recently available data from the College Scorecard (or successor website of the Department) on—

“(I) the median of the value-added earnings of students who complete such program; and
“(II) the median debt owed, and
the repayment rate, on loans made
under this part, of such students;
“(ii) in a case in which the student is
enrolled on a less than full-time basis or
the student is enrolled for less than the pe-
riod of enrollment to which the annual loan
limit applies under this subsection, based
on the student’s enrollment status; or
“(iii) based on the year of the pro-
gram for which the student is seeking such
loan.
“(B) APPLICATION TO ALL STUDENTS.—
Any proration or limiting of loan amounts
under subparagraph (A) shall be applied in the
same manner to all students enrolled in a pro-
gram of study.
“(C) INCREASES FOR INDIVIDUAL STU-
DENTS.—Upon the request of a student whose
loan amount for an academic year has been
prorated or limited under subparagraph (A), an
eligible institution (at the discretion of the fi-
nancial aid administrator at the institution)
may increase such loan amount to an amount
not exceeding the annual loan amount applica-
(b) **Termination of Authority to Make Federal Direct Plus Loans to Any Student or Parent Borrower.**—Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following:

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“(6) Termination of Authority to Make Federal Direct Plus Loans.—Notwithstanding any provision of this part or part B, except as provided in paragraph (3)(E), for any period of instruction beginning on or after July 1, 2025, no Federal Direct PLUS loans may be made to any parent borrower or graduate or professional student borrower.”
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**SEC. 222. LOAN REPAYMENT.**

(a) **Repayment Plans.**—Section 455(d) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—

(1) in paragraph (1)(D) by inserting “(including a repayment assistance plan under 455(e)(9))” after “an income contingent repayment plan”; and

(2) by adding at the end the following:

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“(6) Repayment Plans for Loans Made on or After July 1, 2024.—
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“(A) Design and Selection.—Notwithstanding paragraph (1), beginning on July 1, 2024, the Secretary shall offer a borrower of a loan made under this part on or after July 1, 2024, two plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on such loans. The borrower may choose—

“(i) a standard repayment plan with a fixed monthly repayment amount paid over a fixed period of time, not to exceed 10 years; or

“(ii) a repayment assistance plan under section 455(e)(9).

“(B) Selection by Secretary.—If such borrower does not select a repayment plan described in subparagraph (A), the Secretary shall provide the borrower with the repayment plan described in subparagraph (A)(i).

“(C) Changes in Selection.—

“(i) In General.—Subject to clause (ii), a borrower may change the borrower’s selection of a repayment plan under subparagraph (A), or the Secretary’s selection
of a plan for the borrower under subparagraph (B), as the case may be. Nothing in this subsection shall prohibit the Secretary from encouraging distressed borrowers from enrolling in the repayment assistance plan under section 455(e)(9).

“(ii) SAME REPAYMENT PLAN REQUIRED.—All loans made under this part on or after July 1, 2024, to a borrower shall be repaid under the same repayment plan under subparagraph (A), except that the borrower may repay an excepted PLUS loan or an excepted consolidation loan (as such terms are defined in section 455(e)(9)) separately from other loans made under this part to the borrower.

“(D) REPAYMENT AFTER DEFAULT.—The Secretary may require a borrower who has defaulted on a loan made under this part to—

“(i) pay all reasonable collection costs associated with such loan; and

“(ii) repay the loan pursuant to the repayment assistance plan under section 455(e)(9).
“(E) PROHIBITIONS.—The Secretary may not—

“(i) authorize a borrower of a loan made under this part on or after July 1, 2024, to repay such loan pursuant to a repayment plan that is not described in clause (i) or (ii) of subparagraph (A); or

“(ii) carry out or modify a repayment plan for any loan made under this part on or after July 1, 2024, that is not described in such clause (i) or (ii).”

(b) REPAYMENT ASSISTANCE PLAN.—Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

“(9) REPAYMENT ASSISTANCE PLAN.—

“(A) IN GENERAL.—Notwithstanding any other provision of this Act, beginning on July 1, 2024, the Secretary shall carry out a repayment assistance program that shall have the terms and conditions of an income-contingent repayment plan described in paragraphs (1) through (8), except that—

“(i) a borrower of any loan made under this part (other than an excepted PLUS loan or excepted consolidation loan),
may elect to have the borrower’s aggregate monthly payment for all such loans not exceed the applicable monthly payment for the borrower, except that a borrower may not be precluded from repaying an amount that exceeds such applicable monthly payment for any month;

“(ii) the Secretary shall apply the borrower’s monthly payment under this paragraph first toward interest due on such a loan, next toward any fees due on the loan, and then toward the principal of the loan;

“(iii) any principal due and not paid under clause (ii) shall be deferred;

“(iv) the amount of time the borrower makes monthly payments under clause (i) may exceed 10 years;

“(v) notwithstanding paragraph (7), the Secretary shall repay or cancel any outstanding balance of principal and interest due on all loans made under this part (other than excepted PLUS loans or excepted consolidation loans) to a borrower—
“(I) who, at any time, elected to participate in a repayment assistance plan under clause (i);

“(II) whose final monthly payment for such loans prior to the loan cancellation under this clause was made under such repayment assistance plan; and

“(III) who has repaid on such loans (pursuant to a repayment assistance plan under clause (i), a standard repayment plan under subsection (d)(6)(A)(i), or a combination of any such plan or any of the repayment plans listed in clause (ii), (iii), (iv), or (v) of paragraph (7)(B), or, in the case of a consolidation loan, pursuant to a repayment schedule described item (aa)(BB) of this subclause) an amount that is equal to—

“(aa)(AA) the total amount of principal and interest that the borrower would have repaid under a standard repayment plan under paragraph (1)(A) or
(6)(A)(i) of subsection (d), based on a 10-year repayment period, when the borrower entered repayment on such loans; or

“(BB) in the case of a Federal Direct Consolidation Loan, the total amount of principal and interest that the borrower would have repaid under the repayment schedule established for the loan under section 428C(c)(2) on the date on which such loan was made; plus

“(bb) an amount equal to the amount of any unpaid interest that has accrued, but was not included in the calculation of the total amount of principal and interest that would have been repaid under the standard repayment plan or schedule described in item (aa)—

“(AA) during any deferment period described
in clause (i) or (ii) of subsection (f)(2)(A); or

“(BB) during any forbearance period while serving in a medical or dental internship or residency program as described in section 428(e)(3)(A)(i)(I); and

“(vi) a borrower who is repaying a loan pursuant to a repayment assistance plan under clause (i) may elect, at any time, to terminate repayment pursuant to such plan and repay such loan under the standard repayment plan under subsection (d)(6)(A)(i).

“(B) Repayment assistance for distressed borrowers.—

“(i) Interest subsidy.—For each month for which a borrower’s aggregate monthly payment under this paragraph is insufficient to pay the total amount of interest that accrues on a loan for the month, the amount of interest accrued and not paid for the month shall be subtracted
from the total amount of interest due on
such loan for the month.

“(ii) **Principal subsidy.**—For each
month for which a borrower’s aggregate
monthly payment under this paragraph re-
pays an amount due on an individual loan
that is less than twice the total amount of
interest that accrues on such loan for the
month, the amount of the total principal
due on such loan shall be reduced by an
amount equal to half of the monthly pay-
ment under this paragraph on such loan
for the month.

“(C) **Definitions.**—In this paragraph:

“(i) **Adjusted gross income.**—The
term ‘adjusted gross income’ has the
meaning given the term in section 62 of
the Internal Revenue Code of 1986.

“(ii) **Applicable monthly pay-
ment.**—The term ‘applicable monthly pay-
ment’ means, when used with respect to a
borrower, the amount obtained by dividing
by 12, 10 percent of the result obtained by
calculating, on at least an annual basis,
“(I) the adjusted gross income of the borrower or, if the borrower is married and files a Federal income tax return jointly with or separately from the borrower’s spouse, the adjusted gross income of the borrower and the borrower’s spouse; exceeds

“(II) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

“(iii) EXCEPTED CONSOLIDATION LOAN.—The term ‘excepted Consolidation Loan’ means a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on—

“(I) an excepted PLUS loan; or

“(II) a Federal Direct Consolidation loan, if the proceeds of such loan were used to discharge the liability on an excepted PLUS loan.
“(iv) EXCEPTED PLUS LOAN.—The term ‘excepted PLUS Loan’ has the meaning given the term in section 493C.”.

SEC. 223. LOAN REHABILITATION.

Section 428F(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(5)) is amended by striking “one time” and inserting “two times”.

SEC. 224. INTEREST CAPITALIZATION.

(a) FEDERAL PLUS LOANS.—Section 428B(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1078–2(d)(2)) is amended to read as follows:

“(2) NO CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are deferred pursuant to paragraph (1) shall be paid monthly or quarterly, if agreed upon by the borrower and the lender.”.


(c) LOAN LIMITS FOR UNSUBSIDIZED STAFFORD LOANS.—Section 428H(d)(5) of the Higher Education Act of 1965 (20 U.S.C. 1078–8(d)(5)) is amended by inserting “before the date of enactment of the College Cost Reduction Act” after “Interest capitalized”.

"January 8, 2024 (4:58 p.m.)"
(d) **Unsubsidized Stafford Loans for Middle Income Borrowers.**—Section 428H(e)(2) of the Higher Education Act of 1965 (20 U.S.C. 1078–8(e)(2)) is amended—

(1) in subparagraph (A), in the matter before clause (i), by striking “, if agreed upon by the borrower and the lender” and all that follows through clause (ii)(IV) and inserting “be paid monthly or quarterly, if agreed upon by the borrower and the lender.”;

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(e) **Income Contingent Repayment.**—Section 455(e)(5) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)(5)) is amended by striking the last sentence and inserting “No interest may be capitalized on such loan on or after the date of the enactment of the College Cost Reduction Act, and the Secretary shall promulgate regulations with respect to the treatment of accrued interest that is not capitalized”.

(f) **Effect of Deferment on Principal and Interest.**—Section 455(f)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)(1)(B)) is amended by striking “capitalized or”.

SEC. 225. ORIGINATION FEES.

(a) REPEAL OF ORIGINATION FEES.—Subsection (c) of section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e(c)) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to loans made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) for which the first disbursement of principal is made, or, in the case of a Federal Direct Consolidation Loan, the application is received, on or after July 1, 2024.

TITLE III—ACCOUNTABILITY AND STUDENT SUCCESS

PART A—ACCOUNTABILITY

Subpart 1—Department of Education

SEC. 301. AGREEMENTS WITH INSTITUTIONS.

Section 454 of the Higher Education Act of 1965 (20 U.S.C. 1087d) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking “and” after the semicolon;
(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following new paragraph:

“(6) remit annual risk-sharing payments to the Secretary in accordance with the requirements under subsection (d); and”; and

(2) by adding at the end the following new subsection:

“(d) RISK-SHARING REQUIREMENTS.—

“(1) ANNUAL RISK-SHARING PAYMENTS REQUIRED.—Beginning in award year 2024–2025, each institution of higher education participating in the direct student loan program under this part shall, for qualifying student loans, remit to the Secretary, at such time as the Secretary may specify, an annual risk-sharing payment for each student cohort of the institution, based on the non-repayment balance of such cohort and calculated in accordance with paragraph (3).

“(2) STUDENT COHORTS.—

“(A) COHORTS ESTABLISHED.—For each institution of higher education, the Secretary shall establish student cohorts, beginning with award year 2023–2024, as follows:
“(i) Completing student cohort.—For each program of study at such institution, a student cohort comprised of all students who received Federal financial assistance under this title and who completed such program during such award year.

“(ii) Undergraduate non-completing student cohort.—For such institution, a student cohort comprised of all students who received Federal financial assistance under this title, who were enrolled in the institution during the previous award year in a program of study leading to an undergraduate credential, and who at the time the cohort is established—

“(I) have not completed such program of study; and

“(II) are not enrolled at the institution in any program of study leading to an undergraduate credential.

“(iii) Graduate non-completing student cohort.—For each program of study leading to a graduate credential at
such institution, a student cohort comprised of all students who received Federal financial assistance under this title, who were enrolled in such program during the previous award year, and who at the time the cohort is established—

“(I) have not completed such program of study; and

“(II) are not enrolled in such program.

“(B) QUALIFYING STUDENT LOAN.—For the purposes of this subsection, the term ‘qualifying student loan’ means a Federal Direct loan, including a Federal Direct Consolidation loan, made under this part that—

“(i) was made to a student included in a student cohort of an institution; and

“(ii) except in the case of a loan described in clause (i) or (ii) of subparagraph (C), is not included in any other student cohort of any institution of higher education.

“(C) SPECIAL CIRCUMSTANCES.—

“(i) MULTIPLE CREDENTIALS.—In the case of a student who completes two or
more programs of study during the same
award year, each qualifying student loan of
the student shall be included in the student
cohort for each of such program of study
for such award year.

“(ii) Treatment of certain con-
solidation loans.—A Federal Direct
Consolidation loan made under this title
shall not be considered a qualifying stu-
dent loan for a student cohort for an
award year if all of the loans included in
such consolidation loan are attributable to
another student cohort.

“(iii) Consolidation after inclu-
sion in a student cohort.—If a qual-
ifying student loan is consolidated into a
consolidation loan under this title after
such qualifying student loan has been in-
cluded in a student cohort, the percentage
of the consolidation loan that was attrib-
utable to such student cohort at the time
of consolidation shall remain attributable
to the student cohort for the life of the
consolidation loan.
“(3) Calculation of risk-sharing payments.—

“(A) Risk-sharing payment formula.—

For each student cohort of an institution of higher education established under this subsection, the annual risk-sharing payment for such cohort shall be equal to—

“(i) the risk-sharing percentage determined for the cohort in accordance with subparagraph (B); multiplied by

“(ii) the non-repayment balance for the cohort for the award year, determined in accordance with subparagraph (C).

“(B) Risk-sharing percentage.—The risk-sharing percentage of a student cohort of an institution shall be determined by the Secretary when the cohort is established, shall remain constant for the life of the student cohort, and shall be determined as follows:

“(i) Completing student cohorts.—The risk-sharing percentage of a completing student cohort shall be equal to the percentage determined by—

“(I) subtracting from one the quotient of—
“(aa) the median value-added earnings (as defined in section 103) of students who completed such program of study in the most recent award year for which data is available, as reported on the College Scorecard at the time the cohort was established; divided by

“(bb) the median total price charged to students included in such cohort; and

“(II) multiplying the difference determined under subclause (I) by 100.

“(ii) SPECIAL CIRCUMSTANCES FOR COMPLETING STUDENT COHORTS.—

“(I) HIGH-RISK COHORTS.—Notwithstanding clause (i), if the median value-added earnings of a completing student cohort under clause (i)(I)(aa) is negative, the risk-sharing percentage of the student cohort shall be 100 percent.
(II) LOW-RISK COHORTS.—Notwithstanding clause (i), if the median value-added earnings of a completing student cohort under clause (i)(I)(aa) exceeds the median total price of such cohort under clause (i)(I)(bb), the risk-sharing percentage of the student cohort shall be 0 percent.

(iii) NON-COMPLETING STUDENT COHORTS.—The risk-sharing percentage of a non-completing student cohort shall be determined based on the most recent data available in the award year in which the cohort is established, and—

(I) for an undergraduate non-completing student cohort, shall be equal to the percentage of undergraduate students who received Federal financial assistance under this title at such institution who—

(aa) did not complete an undergraduate program of study at the institution within 150 percent of the program length of such program; or
“(bb) only in the case of a two-year institution, did not, within 6 years after first enrolling at the two-year institution, complete a program of study at a four-year institution for which a bachelor’s degree (or substantially similar credential) is awarded; and

“(II) for a graduate non-completing student cohort, shall be equal to the percentage of students who received Federal financial assistance under this title at the institution for the applicable graduate program of study and who did not complete such program of study within 150 percent of the program length.

“(C) NON-REPAYMENT LOAN BALANCE.—

“(i) IN GENERAL.—For each award year, the Secretary shall determine the non-repayment loan balance for such award year for each student cohort of an institution of higher education by calculating the sum of—
“(I) for loans in such cohort in repayment status that are being repaid under a standard 10-year repayment plan under section 455(d)(1), the difference between the total amount of payments due from all borrowers on such loans during such year, as required under section 455(d)(1)(A), and the total amount of payments made by all such borrowers on such loans during such year; plus

“(II) for loans in such cohort in repayment status that are being repaid under the repayment assistance plan under section 455(e)(9)—

“(aa) the difference between the total amount of payments due from all borrowers on such loans during such year, as required under section 455(e)(9), and the total amount of payments made by all such borrowers on such loans during such year; plus
“(bb) the total amount of repayment assistance for such loans under such section 455(e)(9) during such year, including the unpaid principal reduced, and interest subtracted, by the Secretary.

“(ii) SPECIAL CIRCUMSTANCES.—For the purpose of calculating the non-repayment loan balance of student cohorts under this paragraph, the Secretary shall—

“(I) for each qualifying student loan in a student cohort that is included in another student cohort because the student who borrowed such loan completed two or more programs of study during the same award year, the total amount of repayment assistance and amounts due but not paid for such qualifying student loan shall be divided equally among each of the student cohorts in which such loan is included; and

“(II) for each consolidation loan in a student cohort—
“(aa) determine the percentage of the outstanding principal balance of the consolidation loan attributable to such student cohort—

“(AA) at the time of that loan was included in such cohort, in the case of a loan consolidated before inclusion in such cohort; or

“(BB) at the time of consolidation, in the case of a loan consolidated after inclusion in such cohort; and

“(bb) include in the calculations under clause (i) for such student cohort only the percentage of the total amount of repayment assistance and amounts due but not paid for the consolidation loan for such year that is equal to the percentage of the consolidation loan determined under item (aa).
“(D) Total Price.—With respect to a student who received Federal financial assistance under this title and who completes a program of study, the term ‘total price’ means the total amount, before Federal financial assistance under this title was applied, a student was required to pay to complete the program of study. A student’s total price shall be calculated by the Secretary as the difference between—

“(i) the total amount of tuition and fees (including the required costs described in section 484(b)(3)(A)(i)(I)) that were charged to such student before the application of any Federal financial assistance provided under this title; minus

“(ii) the total amount of grants and scholarships described in section 480(i) awarded to such student from non-Federal sources for such program of study.

“(4) Notification and Remittance.—Beginning with the first award year for which risk-sharing payments are required under this subsection, and for each succeeding award year, the Secretary shall—

“(A) notify each institution of higher education of the amounts and due dates of each
annual risk-sharing payment calculated under paragraph (3) for each student cohort of the institution within 30 days of calculating such amounts; and

“(B) require the institution to remit such payments within 90 days of such notification.

“(5) PENALTY FOR LATE PAYMENTS.—

“(A) THREE-MONTH DELINQUENCY.—If an institution fails to remit to the Secretary a risk-sharing payment for a student cohort as required under this subsection within 90 days of receiving notification from the Secretary in accordance with paragraph (4), the institution shall pay to the Secretary, in addition to such risk-sharing payment, interest on such payment, at a rate that is the average rate applicable to the loans in such student cohort.

“(B) TWELVE-MONTH DELINQUENCY.—If an institution fails to remit to the Secretary a risk-sharing payment for a student cohort as required under this subsection, plus interest owed in under subparagraph (A), within 12 months of receiving notification from the Secretary in accordance with paragraph (4), the institution shall be ineligible to make direct loans
to any student enrolled in the program of study
for which the institution has failed to make the
risk-sharing payments until such payment is
made.

“(C) EIGHTEEN-MONTH DELINQUENCY.—
If an institution fails to remit to the Secretary
a risk-sharing payment for a student cohort as
required under this subsection, plus interest
owed under subparagraph (A), within 18
months of receiving notification from the Sec-
retary in accordance with paragraph (4), the in-
stitution shall be ineligible to make direct loans
or award Federal Pell grants under section 401
to any student enrolled in the institution until
such payment is made.

“(D) TWO-YEAR DELINQUENCY.—If an in-
stitution fails to remit to the Secretary a risk-
sharing payment for a student cohort as re-
quired under this subsection, plus interest owed
under subparagraph (A), within 2 years of re-
ceiving notification from the Secretary in ac-
cordance with paragraph (4), the institution
shall be ineligible to participate in any program
under this title for a period of not less than 10
years.
“(6) Relief for Voluntary Cessation of Federal Direct Loans for a Program of Study.—The Secretary shall, upon the request of an institution that voluntarily ceases to make Federal direct loans to students enrolled in a specific program of study, reduce the amount of the annual risk-sharing payment owed by the institution for each student cohort associated with such program by 50 percent if the institution assures the Secretary that the institution will not make Federal direct loans to any student enrolled in such program of study (or any substantially similar program of study) for a period of not less than 10 award years, beginning with the first award year that begins after the date on which the Secretary reduces such risk-sharing payment.

“(7) Reservation of Funds for Promise Grants.—Notwithstanding any other provision of law, the Secretary shall reserve the funds remitted to the Secretary as risk-sharing payments in accordance with this subsection, and such funds shall be made available to the Secretary only for the purpose of awarding PROMISE grants in accordance with subpart 4 of part A of this title.”
SEC. 302. REGULATORY RELIEF.

(a) 90/10.—

(1) Regulation repealed.—Section 668.28 of title 34, Code of Federal Regulations (relating to the 90/10 rule), as added or amended by the final regulations published by the Department of Education in the Federal Register on October 28, 2022 (87 Fed. Reg. 65426 et seq.) is repealed and will have no force or effect.

(2) Amendments.—Section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094) is amended—

(A) in subsection (a), by striking paragraph (24);

(B) by striking subsection (d); and

(C) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively.

(b) Financial Value Transparency and Gainful Employment.—

(1) Regulation repealed.—Sections 600.10, 600.21, 668.2, 668.13, 668.43, 668.91, 668.402 through 668.409 (excluding section 668.408), and 668.601 through 668.606 of title 34, Code of Federal Regulations (relating to financial value transparency and gainful employment), as added or amended.
amended by the final regulations published by the Department of Education in the Federal Register on October 10, 2023 (88 FR 70004 et seq.) are repealed and will have no force or effect.

(2) PROHIBITION. — The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the definition or application of the term “gainful employment” for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(c) CHANGES IN OWNERSHIP. —

(1) REGULATION REPEALED. — Sections 600.2, 600.4, 600.20, 600.21, and 600.31 of title 34, Code of Federal Regulations (relating to changes in ownership), as added or amended by the final regulations published by the Department of Education in the Federal Register on October 28, 2022 (87 Fed. Reg. 65426 et seq.) are repealed and will have no force or effect.

(2) AMENDMENTS. — Section 498(i) of the Higher Education Act of 1965 (20 U.S.C. 1099c(i)) is amended —
(A) in the subsection heading, by inserting
“AND PROPOSED CHANGES OF OWNERSHIP”
after “OWNERSHIP”;

(B) in paragraph (1)—

(i) by striking “(1) An eligible institu-
tion”, and inserting the following: “(1)(A)
An eligible institution”;

(ii) by striking “the requirements of
section 102 (other than the requirements
in subsections (b)(5) and (c)(3))” and in-
serting “the applicable requirements of
section 102 or 103(13)”

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

“(B)(i) Prior to a change in ownership re-
sulting in a change of control, an institution
may seek a pretransaction determination about
whether the institution will meet the applicable
requirements of section 102 or 103(13) and
this section after such proposed change in own-
ership by submitting to the Secretary a materi-
ally complete pretransaction review application.

“(ii) In reviewing applications submitted
under clause (i), the Secretary shall only pro-
vide a comprehensive review of each such appli-
cation, and may not provide an abbreviated or partial review.

“(iii) If an institution submits a materially complete pretransaction review application at least 90 days prior to the transaction and the Secretary approves the application, the subsequent change in ownership application shall also be approved and the institution shall be certified as meeting the requirements for such transaction, provided that the institution—

“(I) complies with the applicable terms of this section; and

“(II) the transaction resulting in a change of control does not differ materially in its terms from the transaction proposed in the pretransaction review application.”;

(C) in paragraph (2)—

(i) in subparagraph (E), by striking “or” at the end;

(ii) in subparagraph (F), by striking the period at the end and inserting “; or”; and

(iii) by adding the following at the end:
“(G) in the case of a proprietary institution of higher education, a conversion to a public or other nonprofit institution of higher education.”;

(D) by adding at the end the following:

“(5)(A) Subject to subparagraph (B), when any institution submits an application for a change in ownership resulting in a change in control under this section or submits a pretransaction review application under paragraph (1)(B) (other than in the case of a conversion transaction), the institution shall be required to pay to the Secretary an administrative fee that shall—

“(i) be in an amount equal to 0.15 percent of the total institutional revenue derived from this title by such institution for the most fiscal year for which data is available; and

“(ii) be used exclusively for expenses related to the processing of such application, and be available to the Secretary without further appropriation, exclusively for expenses related to the processing of such approval or application.

“(B) In the case of a proprietary institution submitting an application for conversion, or a pretransaction review application for conversion, the institution shall be required to pay to the Secretary an administrative fee that shall—
“(i) be in an amount equal to 0.30 percent of the total institutional revenue derived from this title by such institution for the most fiscal year for which data is available; and

“(ii) be used exclusively for expenses related to the processing of such application, and of which—

“(I) 50 percent shall be available to the Secretary without further appropriation, exclusively for expenses related to the processing of such application; and

“(II) 50 percent shall be remitted by the Secretary to the Commissioner of the Internal Revenue, and shall be available, without further appropriation, to the Commissioner of Internal Revenue exclusively for purposes of determining whether the institution seeking such conversion or pretransaction review is an institution exempt from tax and is otherwise in compliance with applicable requirements of the Internal Revenue Code of 1986.

“(C) An institution that pays a fee under subparagraph (A) or (B) for a pretransaction application with respect to a proposed transaction shall not be required to pay another fee under such subparagraph for a change in ownership application with respect to such transaction.
“(D) In no case may any fee remitted under subparagraph (A) or (B) exceed $120,000 for any transaction (or pretransaction) application, nor may the Secretary require an institution that has paid a fee under subparagraph (B) to pay an additional fee under subparagraph (A).

“(6)(A) The Secretary shall approve or deny a materially complete application (including pretransaction reviews and conversion applications) submitted under this section as soon as practicable and not later than the 90-day period beginning on the date of receipt of such an application, except that in a case in which the Secretary determines, on a nondelegable basis, that good cause exists to not make the determination during such 90-day period, the Secretary shall notify the institution in writing detailing the reasons for a good cause extension.

“(B) If the Secretary fails to approve or deny a materially complete application during the period described in subparagraph (A) and does not find good cause for extension, the materially complete application shall be deemed approved.

“(C) In no case may the Secretary grant a good cause extension under this section to an institution for more than one month at a time, or for a total of more than more than 12 months.
“(D) To ensure timely submission of all relevant documentation, the Secretary may deny an application if an institution does not make a good faith effort to submit to the Secretary, in a timely manner—

“(i) all relevant documentation; or

“(ii) a materially complete application.

“(E)(i) Upon approving or denying an application under this paragraph, the Secretary shall publish in the Federal Register the reasoning for such approval or denial, including—

“(I) a copy of the approval or denial letter sent to the institution; and

“(II) any analysis regarding how the Secretary determined under paragraph 7(A)(iii) that a director of the institution was an interested or disinterested party to the transaction.

“(ii) The Secretary shall not publish under clause (i) any information that is otherwise exempt from disclosure under section 552 of title 5, United States Code (relating to the Freedom of Information Act), including trade secrets and commercial or financial information that is privileged or confidential.

“(7)(A) In the case of a proprietary institution that subsequent to the transaction would be owned and operated by an entity (in this paragraph referred to as the
buyer) seeking to be recognized as a public or other nonprofit institution, the buyer shall meet the definition of a nonprofit institution under section 103(13) if—

“(i) the buyer pays no more than fair market value for any assets of the proprietary institution;

“(ii) the buyer pays no more than fair market value for any service or lease contracts, including such service and lease contracts provided by the entity selling the proprietary institution; and

“(iii) to prevent self-dealing in the case where one or more individuals with a substantial ownership or controlling interests in the proprietary institution will also have substantial or controlling interests in the institution seeking to be recognized as a public or other nonprofit institution (meaning that one or more individuals are on both sides of the transaction), the change of control transaction, and any substantial asset acquisition, service, or lease agreements with the proprietary institution shall be approved by a disinterested committee of directors of the entity that seeks to be recognized as a public or other nonprofit institution.

“(B) For the purposes of this paragraph, parties to the transaction are entitled to a rebuttable presumption that the assets, lease contracts, and service contracts that
are part of the transaction are purchased at fair market value if—

“(i) the acquiring entity pays no more than fair market value for such assets, lease contracts, or service contracts; and

“(ii) the value of the assets, lease contracts, or service contracts are evaluated by at least one independent third-party entity hired by parties on both sides of the transaction.

“(8)(A) An institution that has been approved for conversion by the Secretary shall be subject to a monitoring period for a 5-year period beginning on the day after the date of such approval. In conducting the monitoring of the institution under this paragraph, the Secretary—

“(i) shall only conduct monitoring to ensure that the institution is in compliance with the requirements of section 103(13) and paragraph (7) of this subsection; and

“(ii) may require the institution to submit regular reports or conduct audits of such institution relating to such compliance.

“(B) Each institution that is subject to the monitoring period under this paragraph shall remit an annual fee to the Secretary—
“(i) in an amount equal to 0.15 percent of the total revenue derived from this title by such institution for the most recent fiscal year for which data is available; and

“(ii) that shall be exclusively for expenses related to monitoring of the institution for the period described in subparagraph (A)—

“(I) of which 50 percent shall be used by the Secretary, without further appropriation, exclusively for expenses related to monitoring of the institution during such period; and

“(II) of which 50 percent shall be remitted by the Secretary to the Commissioner of Internal Revenue, to be available to such Commissioner, without further appropriation, exclusively for monitoring compliance with the Internal Revenue Code of such institution during such period.

“(C) An institution may not be subject to an annual fee under subparagraph (B) for monitoring related to a conversion that exceeds $60,000.

“(D) If the Secretary determines that an institution should be subject to the monitoring under this paragraph beyond the 5-year period described in subparagraph (A), the Secretary shall provide the reasons justifying an exten-
sion in writing to the institution (and in the Federal Reg-
ister) at least 30 days before the expiration of such period.

“(E) Any institution that is subject to monitoring
under this paragraph may seek a waiver to be exempt from
such monitoring (including the annual fee under subpara-
graph (B)) on an annual basis for any year during the
monitoring period and the Secretary shall grant such waiv-
er if there is no ongoing contractual or financial relation-
ship between the institution and the former entity or indi-
viduals that previously owned the institution. The Sec-
retary may grant a waiver for more than 1 year in the
case where the entity that formerly owned the proprietary
institution has closed or no longer exists and the Secretary
determines the institution is not at risk of violating the
requirements of section 103(13) or paragraph (7) of this
subsection.

“(9) Any institution that submits an application for
conversion shall not promote or market itself, in any man-
ner, as a public or other nonprofit institution of higher
education unless—

“(A) the Secretary has provided final approval
of the conversion of the institution to a public or
other nonprofit institution of higher education under
this section;
“(B) an accrediting agency or association recognized by the Secretary pursuant to section 496 has approved such public or nonprofit status of the institution;

“(C) the State has given final approval to the institution as a public or nonprofit institution of higher education, as applicable; and

“(D) in the case of an institution seeking nonprofit status, the Commissioner of Internal Revenue has approved the institution as tax exempt pursuant to the Internal Revenue Code of 1986.

“(10) Not later than 270 days after the date of enactment of the College Cost Reduction Act, and periodically thereafter, the Secretary shall publish (and update as necessary) in the Federal Register—

“(A) descriptions of the documents and materials the Secretary expects or requires institutions of higher education to submit (including any standardized forms) as part of any pretransaction application or change in ownership application under this section, including a description of what the Secretary considers to be a materially complete application; and

“(B) after at least a 30-day notice and comment period, responses to any public comments re-
received with respect to such descriptions or updates to such descriptions.

“(11) In a case in which the Secretary requests a document under this section as part of a pretransaction or change in ownership application that is not described in the Federal Register under paragraph (10), the Secretary shall—

“(A) substantiate, in writing to the institution, the reasons why the Secretary is requesting such documents; and

“(B) publish such reasons in the Federal Register, including whether the Secretary may request other institutions that submit applications under this section to produce similar documentation.

“(12)(A) Not later than 18 months after the date of enactment of the College Cost Reduction Act, and annually thereafter, the Secretary shall submit a report to authorizing committees, and post such report on a publicly available website regarding implementation of the amendments made to this section by such Act, including the following information:

“(i) The mean and median length of time taken by the Secretary to review applications under this section during the preceding 12-month period.
“(ii) The number of applications approved or denied during the preceding 12-month period.

“(iii) For any application not processed during the 90-day period beginning on the date of receipt of the application for which the Secretary found good cause under paragraph (6)(A) to extend the deadline in which the application shall be processed, a copy of the letter sent to the institution explaining why the Secretary believed good cause existed for such extension.

“(iv) For any application not processed during such 90-day period, which was deemed to be automatically approved by the requirements of this section under paragraph (6)(B), the name of each institution involved and an explanation for why the application was not processed in a timely manner.

“(v) Any legislative suggestions the Secretary may have to improve the application or monitoring process under this section.

“(B) If the Secretary fails to submit a report under this paragraph by not later than 90 days after the deadline for such submission under subparagraph (A), the Secretary may not, for the 12-month period following such failure, spend the fees remitted by institutions under this
section or remit such fees to the Commissioner unless Congress provides for such use by further appropriation.

“(13) For the purposes of this subsection, the term ‘conversion’ means any transaction under which—

“(A) a proprietary institution is reorganized and seeks recognition as a public or other nonprofit institution; or

“(B) the control of a proprietary institution is transferred as a result of a sale, donation, or other method to an entity that seeks certification under this section as a public or other nonprofit institution.”.

(3) APPLICATION.—The amendments made by this section shall be apply with respect to applications submitted for change of control or conversion submitted on or after January 1, 2023.

(4) REPORT.— Not later than 5 years after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, a report on the implementation of the amendments made by this subsection, including recommendations to improve—
(A) the application process under section 498(i) of the Higher Education Act of 1965 (20 U.S.C. 1099c(i)), as amended by paragraph (2), for institutions of higher education seeking a change in ownership resulting in a change in control; or

(B) the monitoring process under such section for institutions of higher education that have recently converted from being recognized as a proprietary institution to a public or other nonprofit institution.

(d) FInancial Responsibility.—

(1) Regulation repealed.—Sections 668.15, 668.23, 668.171, and 668.174 through 668.177 of title 34, Code of Federal Regulations (relating to financial responsibility), as added or amended by the final regulations published by the Department of Education in the Federal Register on October 31, 2023 (87 Fed. Reg. 74568 et seq.) are repealed and will have no force or effect.

(2) Amendments.—Section 498(c) of the Higher Education Act of 1965 (20 6 U.S.C. 1099c(c)) is amended—
(A) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively;

(B) in paragraph (2)—

(i) by striking “paragraph (1), if” and inserting “paragraph (1), the Secretary shall prescribe criteria regarding ratios that aid in the determination financial responsibility. Such ratios shall be first issued in draft form to the institution to allow for adequate review, consisting of an appeals process, by such institutions of higher education. If”; and

(ii) by striking “prescribed by the Secretary regarding ratios” and inserting “prescribed by the Secretary regarding the final ratios”;

(C) by inserting after paragraph (2) the following:

“(3) Notwithstanding paragraph (2), the Secretary shall take into account an institution’s current total financial circumstances, including any subsequent change in the institution’s overall fiscal health based on the standards in paragraph (2), when making a determination of its ability to meet the standards herein required before any sub-
sequent action is taken under paragraph (4). If an institution meets the standards in paragraph (2), the institution shall be seen as financially responsible.”;

(D) in subparagraph (C) of paragraph (4), as so redesignated, by striking “establishes to the satisfaction of the Secretary, with” and inserting “establishes, with”;

(E) in paragraph (5), as so redesignated—

(i) in subparagraph (A), by inserting “and” after the semicolon at the end;

(ii) in subparagraph (B), by striking “; and” and inserting a period; and

(iii) by striking subparagraph (C);

(F) in paragraph (6), as so redesignated, by striking “(3)(C)” and inserting “(4)(C)”;

and

(G) by adding at the end the following new paragraph:

“(8) Not later than 18 months after the date of enactment of the College Cost Reduction Act, the Secretary shall pursue a process to update the ratios regarding financial responsibility as identified in paragraph (2). The Secretary shall report the revised ratios to—

“(A) the Committee on Education and the Workforce of the House of Representatives; and
“(B) the Committee on Health, Education, Labor, and Pensions of the Senate.”

(e) INCENTIVE COMPENSATION; THIRD PARTY SERVICER.—

(1) AMENDMENTS.—Section 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended to read as follows:

“(20) The institution will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities, or in making decisions regarding the award of student financial assistance, except that this paragraph shall not apply—

“(A) to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance; or

“(B) to a third-party where—

“(i) the third party is providing the institution recruiting or admissions activities as part of a larger bundle of services not covered by this paragraph and which may include marketing or advertising activities that broadly disseminate or distribute widely available information;
“(ii) the third-party does not provide any commission, bonus, or other incentive-based payments to its employees or subcontractors who are providing services to the institution covered in this paragraph; and

“(iii) the third-party is not awarding or disbursing Federal financial aid awards.”.

(2) DEFINITION.—Section 481(c) (20 U.S.C. 1088(c)) is amended to read as follows:

“(c) THIRD PARTY SERVICER.—

“(1) For purposes of this title, the term ‘third party servicer’—

“(A) means any individual, any State, or any private, for-profit or nonprofit organization, which enters into a contract with—

“(i) any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution’s student assistance programs under this title; or

“(ii) any guaranty agency, or any eligible lender, to administer, through either manual or automated processing, any as-
pect of such guaranty agency’s or lender’s student loan programs under part B of this title, including originating, guaranteeing, monitoring, processing, servicing, or collecting loans; and

“(B) does not include any individual, any State, or any private, for-profit or nonprofit organization, which conducts activities or interacts with prospective or enrolled students for the purposes of—

“(i) marketing or recruiting, such as soliciting potential enrollments through the dissemination of information and advertising;

“(ii) assisting with the completion of applications for enrollment, such as screening pre-enrollment information and offering admission counseling;

“(iii) administering ability-to-benefit tests or establishing any aspect of an eligible career pathway program;

“(iv) conducting activities for the retention of students, such as monitoring academic engagement and conducting outreach to student regarding attendance; and
“(v) providing instructional content, such as evaluating course completion, delivering mandatory tutoring, assessing student learning, including through electronic means, or developing curricula or course materials.

“(2) The Secretary shall not regulate on the definition of a ‘third party servicer’.”.

(f) OTHER REPEALS.—The following regulations (including any supplement or revision to such regulations) are repealed and shall have no legal effect:

(1) CLOSED SCHOOL DISCHARGES.—Sections 674.33(g), 682.402(d), and 685.214 of title 34, Code of Federal Regulations (relating to closed school discharges), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).

(2) BORROWER DEFENSE TO REPAYMENT.—Section 685.401 of title 34, Code of Federal Regulations (relating to borrower defense to repayment), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).
(3) **Pre-dispute Arbitration.**—Sections 668.41, 685.300, and 685.304 of title 34, Code of Federal Regulations (relating to pre-dispute arbitration), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).

(4) **False Certification.**—Sections 682.402(e), 685.215(c) and 685.215(d) of title 34, Code of Federal Regulations (relating to false certification), as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2022 (87 Fed. Reg. 65904 et seq.).

(5) **Administrative Capability.**—Sections 668.16 of title 34, Code of Federal Regulations (relating to administrative capability), as added or amended by the final regulations published by the Department of Education in the Federal Register on October 31, 2023 (87 Fed. Reg. 74568 et seq.).

(6) **Certification Procedures.**—Sections 668.13, 668.14, and 668.43 of title 34, Code of Federal Regulations (relating to certification procedures) as added or amended by the final regulations published by the Department of Education in the
Federal Register on October 31, 2023 (87 Fed. Reg. 74568 et seq.).

(7) Ability to Benefit.—Sections 668.2, 668.32, 668.156, and 668.157 of title 34, Code of Federal Regulations (relating to ability to benefit) as added or amended by the final regulations published by the Department of Education in the Federal Register on October 31, 2023 (87 Fed. Reg. 74568 et seq.).


(g) Effect of Repeal.—Any regulations repealed by subsections (c) through (e) that were in effect on June 30, 2023, are restored and revived as if the repeal of such regulations under such subsections had not taken effect.

(h) Prohibition.—The Secretary of Education may not implement any rule, regulation, policy, or executive action specified in this section (or a substantially similar rule, regulation, policy, or executive action) unless authority for such implementation is explicitly provided in an Act of Congress.
(i) Program Review and Data.—Section 498A (20 U.S.C. 1099c–1) is amended by adding at the end the following:

“(f) Time Limit on Program Review Activities.—In conducting, responding to, and concluding program review activities, the Secretary shall—

“(1) provide to the institution the initial report finding not later than 90 days after concluding an initial site visit;

“(2) upon each receipt of an institution’s response during a program review inquiry, respond in a substantive manner within 90 days;

“(3) upon each receipt of an institution’s written response to a draft final program review report, provide the final program review report and accompanying enforcement actions, if any, within 90 days; and

“(4) conclude the entire program review process not later than 2 years after the initiation of a program review, unless the Secretary determines that such a review is sufficiently complex and cannot reasonably be concluded before the expiration of such 2-year period, in which case the Secretary shall promptly notify the institution of the reasons for
such delay and provide an anticipated date for con-
clusion of the review.”

SEC. 303. LIMITATION ON AUTHORITY OF SECRETARY TO
PROPOSE OR ISSUE REGULATIONS AND EX-
ECUTIVE ACTIONS.

Part G of title IV of the Higher Education Act of
1965 (20 U.S.C. 1088 et seq.) is amended by inserting
after section 492 the following:

“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-
RETARY TO PROPOSE OR ISSUE REGULA-
TIONS AND EXECUTIVE ACTIONS.

“(a) DRAFT REGULATIONS.—Beginning after the
date of enactment of this section, a draft regulation imple-
menting this title (as described in section 492(b)(1)) that
is determined by the Secretary to be economically signifi-
cant shall be subject to the following requirements (re-
gardless of whether negotiated rulemaking occurs):

“(1) The Secretary shall determine whether the
draft regulation, if implemented, would result in an
increase in a subsidy cost.

“(2) If the Secretary determines under para-
graph (1) that the draft regulation would result in
an increase in a subsidy cost, then the Secretary
may take no further action with respect to such reg-
ulation.
“(b) PROPOSED OR FINAL REGULATIONS AND EXECUTIVE ACTIONS.—Beginning after the date of enactment of this section, the Secretary may not issue a proposed rule, final regulation, or executive action implementing this title if the Secretary determines that the rule, regulation, or executive action—

“(1) is economically significant; and

“(2) would result in an increase in a subsidy cost.

“(c) RELATIONSHIP TO OTHER REQUIREMENTS.—The analyses required under subsections (a) and (b) shall be in addition to any other cost analysis required under law for a regulation implementing this title, including any cost analysis that may be required pursuant to Executive Order 12866 (58 Fed. Reg. 51735; relating to regulatory planning and review), Executive Order 13563 (76 Fed. Reg. 3821; relating to improving regulation and regulatory review), or any related or successor orders.

“(d) DEFINITION.—In this section, the term ‘economically significant’, when used with respect to a draft, proposed, or final regulation or executive action, means that the regulation or executive action is likely, as determined by the Secretary—

“(1) to have an annual effect on the economy of $100,000,000 or more; or
“(2) adversely to affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.”

SEC. 304. OFFICE OF FEDERAL STUDENT AID.

(a) Federal Preemption.—Section 456 (20 U.S.C. 1087f) is amended by adding at the end the following:

“(c) Federal Preemption.—

“(1) IN GENERAL.—Covered activities shall not be subject to any law or other requirement of any State or political subdivision of a State with respect to—

“(A) disclosure requirements;

“(B) requirements or restrictions on the content, time, quantity, or frequency of communications with borrowers, endorsers, or references with respect to such loans; or

“(C) any other requirement relating to the servicing or collection of a loan made under this title.

“(2) COVERED ACTIVITIES DEFINED.—In this subsection, the term ‘covered activities’ means any of the following activities, as carried out by a qualified entity:
“(A) Origination of a loan made under this title.

“(B) Servicing of a loan made under this title.

“(C) Collection of a loan made under this title.

“(D) Any other activity related to the activities described in subparagraphs (A) through (C).”.

(b) PROCUREMENT FLEXIBILITY.—Section 142 (20 U.S.C. 1018a) is amended—

(1) by redesignating subsection (l) as subsection (m); and

(2) by inserting after subsection (k) the following:

“(l) GUIDANCE TO STUDENT LOAN SERVICERS.—

“(1) IN GENERAL.—In notifying a student loan servicer of a final contract modification (as such term is defined in section 2.101 of title 48, Code of Federal Regulations) that instructs such loan servicer to perform a function that is new or different from a function such servicer performs pursuant to an existing contract, the PBO shall, not later than 30 days before such contract change takes ef-
fect, provide such servicers with written guidance in the form of—

“(A) a change order (as such term is defined in section 2.101 of title 48, Code of Federal Regulations);

“(B) a dear colleague letter; or

“(C) an electronic announcement.

“(2) NON-BINDING DIRECTIVES.—A student loan servicer that is notified of a final contract modification described in paragraph (1) and receives guidance in a form other than a form described in paragraph (1) (including through emails or phone calls) shall not be subject to such contract modification.”

Subpart 2—Accreditors

SEC. 311. ACCREDITING AGENCY RECOGNITION.

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

(1) in the matter preceding paragraph (1), in the first sentence, by striking “or training” and inserting “skills development”;

(2) by amending paragraph (1) to read as follows:
“(1) the accrediting agency or association (other than an accrediting agency or association described in paragraph (2)(D)) shall be a State or national agency or association and shall demonstrate the ability to operate as an institutional or programmatic accrediting agency or association within the State or nationally, as appropriate;”;

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) in clause (i), by striking “principal”; and

(ii) in clause (ii), by striking “its principal” and inserting “a”; and

(B) in subparagraph (C), by inserting “or” at the end; and

(C) by adding at the end the following:

“(D) is an entity (such as an industry-specific quality assurance entity) that has been—

“(i) determined by a State to be a reliable authority as to the quality of education or skills development offered in such State for the purposes of this Act; and

“(ii) designated (in accordance with subsection (b)(1)) by such State as an ac-
crediting agency or association with respect to such State for such purposes;’’;

(4) in paragraph (3)—

(A) by amending subparagraph (A) to read as follows:

“(A) subparagraph (A), (C), or (D) of paragraph (2), then such agency or association is—

“(i) distinctly incorporated or organized; and

“(ii) both administratively and financially separate from, and independent of, any related, associated, or affiliated trade association or membership organization, by ensuring that—

“(I) the members of the board or governing body of the accrediting agency or association are not elected or selected by the board or chief executive officer (or the representative of such board or officer) of any related, associated, or affiliated trade association or membership organization;
“(II) among the membership of
the board or governing body of the ac-
crediting agency or association—

“(aa) if such board or body
is comprised of 5 or fewer mem-
ers, there is a minimum of one
public member who represents
business and who is not a mem-
ber of any related, associated, or
affiliated trade association or
membership organization; and

“(bb) if such board or body
is comprised of 6 or more mem-
bers, there is a minimum of 1
such public member for every 6
members;

“(III) guidelines are established
for such members to avoid conflicts of
interest, including specific guidelines
to ensure that no such member is an
employee of any institution accredited
by the agency or association or has a
financial interest in any such institu-
tion;
“(IV) dues to the accrediting agency or association are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and

“(V) the budget of the accrediting agency or association is developed, decided, and maintained by the accrediting agency or association without any review by, consultation with, or approval by any related, associated, or affiliated trade association or membership organization;”;

(B) by striking “or” at the end of subparagraph (B); and

(C) by striking subparagraph (C);

(5) in paragraph (4)—

(A) in subparagraph (A)—

(i) by inserting “(in the manner described in subparagraph (B))” after “religious missions”; and

(ii) by striking “and” at the end; and

(B) by striking subparagraph (B) and inserting the following:
“(B) such accrediting agency or association consistently applies and enforces standards that respect the stated religious mission of an institution of higher education by—

“(i) basing decisions regarding accreditation and preaccreditation on the standards of accreditation of such agency or association; and

“(ii) not using as a negative factor the institution’s religious mission based policies, decisions, and practices in the areas covered by subparagraphs (B), (C), (D), (E), and (F) of paragraph (5), except that the agency or association may require that the institution’s or a program of study’s curricula include all core components required by the agency or association that are not inconsistent with the institution’s religious mission; and

“(C) such agency or association demonstrates the ability to review, evaluate, and assess the quality of any instruction delivery model or method such agency or association has or seeks to include within its scope of recognition, without giving preference to or different-
tially treating a particular instruction delivery model or method offered by an institution of higher education or program, except that—

“(i) in a case in which the instruction delivery model allows for the separation of the student from the instructor, the agency or association shall not be required to have separate standards, procedures, or policies for the evaluation of the quality of any instruction delivery model or method in order to meet the requirements of this subparagraph; and

“(i) in the case in which the instruction delivery model allows for the separation of the student from the instructor—

“(I) the agency or association requires the institution to have processes through which the institution establishes that the student who registers in a course or program is the same student who participates in the program (including, to the extent practicable, the testing or other assessments required under the pro-
gram), completes the program, and receives the academic credit; and

"(II) the agency or association requires that any process used by an institution to comply with the requirement under clause (I) does not infringe upon student privacy and is implemented in a manner that is minimally burdensome to the student;";

and

(6) in paragraph (5)—

(A) by amending subparagraph (A) to read as follows:

"(A) success with respect to student achievement outcomes in relation to the institution’s mission and to the programs the institution offers, or the mission of a specific degree, certificate, or credential program, which may include different standards for different institutions or programs, and which shall include—

"(i) standards for consideration of the median total price charged to students for a program of study in relation to the median value-added earnings of students who completed such program;"
“(ii) standards for consideration of learning outcomes measures (such as competency attainment and licensing examination passage rates);

“(iii) standards for consideration of labor market outcomes measures (such as employer satisfaction surveys, employability measures, earnings gains, employment rates, or other similar approaches); and

“(iv) standards for consideration of student success outcomes measures (such as completion rates, retention rates, and loan repayment rates);”;

(B) by amending subparagraph (I) to read as follows:

“(I) record of student complaints received by, or available to, the agency or association, and a process for resolving complaints received by the institution; and”; and

(C) in subparagraph (J), by inserting “and the median total price charged to students for a program of study in relation to the median value-added earnings of students who completed such program provided by the Secretary” after
“student loan default rate data provided by the Secretary”.

(b) SECRETARIAL REQUIREMENTS AND AUTHORITY.—Subsection (b) of section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b) is amended to read as follows:

“(b) SECRETARIAL REQUIREMENTS AND AUTHORITY.—

“(1) STATE DESIGNATED ACCREDITING AGENCY.—

“(A) APPROVAL OF STATE PLANS.—The Secretary shall—

“(i) approve a State’s designation of an entity as an accrediting agency or association for the purposes described in subsection (a)(2)(D) for a 5-year period, beginning not later than 30 days after receipt of the plan from such State with respect to such designation, if such plan includes each of the elements listed in sub-paragraph (B);

“(ii) submit to the State and the authorizing committees, and make publicly available the Secretary’s response to the State with respect to such plan, including
whether the plan includes each of the elements listed in subparagraph (B); and

“(iii) if a State’s designation of an entity as an accrediting agency or association is approved pursuant to this subparagraph, publish in the Federal Register with a 30-day public comment period—

“(I) the plan submitted by such State with respect to such designation; and

“(II) the Secretary’s response to such plan.

“(B) REQUIRED PLAN ELEMENTS.—The required elements of a State plan submitted under subparagraph (A) with respect to the designation of an entity as an accrediting agency or association are as follows:

“(i) A description of the process the State used to select the entity for such designation.

“(ii) A justification of the State’s decision to select the entity for such designation.

“(iii) A description of any requirements (in addition to the requirements of
this section), that the State required the entity to comply with as a condition of receiving and maintaining such designation.

“(iv) A copy of the standards, policies, and procedures of the entity that the State considered in selecting the entity for such designation.

“(v) The State’s assessment of how the standards for accreditation of the entity will be effective in meeting the requirements of subsection (a)(5).

“(vi) Evidence that at least one other State has determined that such entity is a reliable authority as to the quality of education offered for the purposes of this Act.

“(vii) An assurance that the State will comply with the monitoring requirements described in subparagraph (C).

“(C) STATE MONITORING.—

“(i) IN GENERAL.—A State that has designated an entity as an accrediting agency or association for the purposes described in subsection (a)(2)(D) shall submit to the Secretary, and to the State authorizing entity, as appropriate, a report at
the end of the 5-year period for which the entity has received such designation, which shall include, with respect to each postsecondary education program or institution that has been accredited by such entity during such period, and disaggregated by type of credential, certification, or degree—

“(I) the number and percentage of students who have successfully obtained a postsecondary education credential, certification, or degree offered by such program or institution; and

“(II) the number and percentage of students who were enrolled and did not successfully obtain such a credential, certification, or degree within 150 percent of the program length.

“(ii) COUNTING TRANSFER STUDENTS.—For purposes of clause (i)(I), a student shall be counted as obtaining a credential, certification, or degree offered by a program or institution that was accredited by the entity during the period for which the report under this subparagraph
is being submitted, if the student obtains
such credential, certification, or degree
after transferring to another institution
during such period.

“(2) AUTHORITY TO PROVIDE AN ACCELERATED PATH TO RECOGNITION.—With respect to a
prospective accrediting agency or association that
submits to the Secretary an application for initial
recognition under this Act, the Secretary may pro-
vide such recognition to such agency or association
within 2 years after receipt of such application, if
such application—

“(A) demonstrates that the agency or assoc-
iation—

“(i) has at least one year of experi-
ence in making accreditation or
preaccreditation decisions; and

“(ii) has policies in place that meet all
the criteria under subsection (a) for rec-
ognition covering the range of the specific
degrees, certificates, institutions, or pro-
gram of study for which the agency or as-
sociation seeks such recognition; and

“(B) provides an assurance that if the
agency or association receives such recognition,
the agency or association will submit to the Secretary monitoring reports regarding accreditation or preaccreditation decisions, as appropriate.

“(3) Development of Common Terminology.—Not later than 18 months after the date of enactment of the College Cost Reduction Act, the Secretary shall—

“(A) convene a panel of experts to develop common terminology for accrediting agencies or associations to use in making accrediting decisions with respect to program of study or institutions, such as a common understanding of monitoring, warning, show cause, and other relevant statuses, as appropriate; and

“(B) publish the recommendations for such common terminology in the Federal Register with a 60-day public comment period.”.

(c) Operating Procedures Required.—

(1) On-site Inspections and Reviews.—

Paragraph (1) of section 496(c) (20 U.S.C. 1099b(c)) is amended—

(A) by inserting “(which may vary based on institutional risk consistent with policies promulgated by the agency or association to deter-
mine such risk and interval frequency as authorized under subsection (p))’’ after ‘‘intervals’’; and

(B) by striking ‘‘, including those regarding distance education’’.

(2) MECHANISM TO IDENTIFY INSTITUTIONS AND PROGRAMS EXPERIENCING DIFFICULTIES.—

Section 496(c) (20 U.S.C. 1099b(c)) is further amended—

(A) by redesignating paragraphs (2) through (9) as paragraphs (3) through (10), respectively; and

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

‘‘(2) develops a policy process to identify any institution or program of study accredited by the agency or association that is not meeting the standards for accreditation of the agency or association, with a focus on the standards assessing an institution’s or program of study’s student achievement outcomes described in subsection (a)(5)(A), and other indicators, which shall include—

(A) not less than annually, evaluating the extent to which such an identified institution or
program of study continues to be in compliance
with such standards or other indicators; and

“(B) as appropriate, requiring the institution or program of study to submit a plan, on
an annual basis, to the accrediting agency or association to—

“(i) address and remedy performance
issues with respect to such compliance; and

“(ii) ensure that such plan is success-
fully implemented.”.

(3) PROCEDURES WITH RESPECT TO SUB-
STANTIVE CHANGES.—Paragraph (5) of section
496(c) (20 U.S.C. 1099b(c)) (as redesignated by
paragraph (2)(A)) is amended to read as follows:

“(5) establishes and applies or maintains poli-
cies, which ensure that any substantive change to
the educational mission, program of study, or pro-
gram of study of an institution after the agency or
association has granted the institution accreditation
or preaccreditation status does not adversely affect
the capacity of the institution to continue to meet
the agency’s or association’s standards for such ac-
creditation or preaccreditation status, which shall in-
clude policies that—
“(A) require the institution to obtain the agency’s or association’s approval of the substantive change before the agency or association includes the change in the scope of the institution’s accreditation or preaccreditation status; and

“(B) define substantive change to include, at a minimum—

“(i) any change in the established mission or objectives of the institution;

“(ii) any change in the legal status, form of control, or ownership of the institution, including the acquisition or addition of any other institution or new location where more than 50 percent of a program is offered;

“(iii) the addition of program of study at a higher credential level from the credential level previously accredited by the agency or association; or

“(iv) the entering into a contract under which an institution or organization not certified to participate in programs under this title offers more than 25 percent but less than 50 percent of the in-
struction of an educational program of the
institution with such accreditation or
preaccreditation status;”.

(4) PUBLIC AVAILABILITY.—Section 496(c) (20
U.S.C. 1099b(c)) is further amended—

(A) in paragraph (8) (as redesignated by
paragraph (2)(A))—

(i) in the matter preceding subpara-
graph (A), by inserting “, on the agency’s
or association’s website,” after “public”; and

(ii) in subparagraph (C), by inserting
before the semicolon at the end the fol-
lowing: “, and a summary of why such ac-
tion was taken or such placement was
made”;

(B) in paragraph (9) (as so redesignated),
by striking “and” at the end;

(C) in paragraph (10)(B) (as so redesig-
nated), by inserting before the period at the end
the following: “, including an assurance that
the institution does not deny a transfer of cred-
it based solely on the accreditation of the insti-
tution at which the credit was earned”; and

(D) by adding at the end the following:
“(11) such agency or association shall make publicly available, on the agency or association’s website, a list of the institutions of higher education or program of study accredited by such agency or association, which includes, with respect to each such institution or program of study—

“(A) the year accreditation was granted;

“(B) the most recent date of an award of accreditation or reaccreditation; and

“(C) the anticipated date of the institution’s next evaluation for reaccreditation.”.

(5) PROHIBITION ON LITMUS TESTS.—Section 496(c) (20 U.S.C. 1099b(c)) is further amended by adding at the end the following:

“(12) confirms that the standards for accreditation of the agency or association do not—

“(A) except as provided in subparagraph (B)—

“(i) require, encourage, or coerce any institution to—

“(I) support, oppose, or commit to supporting or opposing—

“(aa) a specific partisan, political, or ideological viewpoint or
belief or set of such viewpoints or beliefs; or

“(bb) a specific viewpoint or belief or set of viewpoints or beliefs on social, cultural, or political issues; or

“(II) support or commit to supporting the disparate treatment of any individual or group of individuals on the basis of any protected class under Federal civil rights law, except as required by Federal law or a court order; or

“(ii) assess an institution’s or program of study’s commitment to any ideology, belief, or viewpoint; or

“(B) prohibit an institution—

“(i) from having a religious mission or from requiring an applicant, student, employee, or independent contractor (such as an adjunct professor) of such an institution to—

“(I) provide or adhere to a statement of faith; or
“(II) adhere to a code of conduct consistent with the stated religious mission of such institution or the religious tenets of such organization; or

“(ii) from requiring an applicant, student, employee, or contractor to take an oath to uphold the Constitution of the United States; or

“(C) require, encourage, or coerce an institution of higher education to violate any right protected by the Constitution;”.

(6) PROHIBITION ON ASSESSMENT OF ELECTED OR APPOINTED OFFICIALS.—Section 496(c) (20 U.S.C. 1099b(c)) is further amended by adding at the end the following:

“(13) confirms that the standards for accreditation of the agency or association do not assess the roles (including actions or statements) of elected and appointed State and Federal officials and legislative bodies;”.

(7) PROHIBITION OF PRACTICES THAT DRIVE CREDENTIAL INFLATION.—Section 496(c) (20 U.S.C. 1099b(c)) is further amended by adding at the end the following:
“(14) confirms that the standards for accreditation of the agency or association do not require an institution to develop a program of study leading to a degree, certificate, or recognized postsecondary credential that is not in response to the needs of an industry or occupation.”.

(d) LENGTH OF RECOGNITION.—Subsection (d) of section 496 (20 U.S.C. 1099b) is amended—

(1) by striking “No accrediting” and inserting the following:

“(1) IN GENERAL.—Except as otherwise provided in paragraph (2), no accrediting”; and

(2) by adding at the end the following new paragraph:

“(2) LONGER RECOGNITION AUTHORIZED FOR CERTAIN AGENCIES AND ASSOCIATIONS.—Notwithstanding paragraph (1), an accrediting agency or association that has been recognized by the Secretary for the purpose of this Act for a period of 5 years, may be recognized for an additional period of up to 3 years, if the Secretary determines, based on the performance of the accrediting agency or association during its recognition period under this Act, that the accrediting agency or association—
“(A) has the capability to evaluate the
quality of institutions or program of study; and
“(B) has maintained compliance with the
criteria for accrediting agencies or associations
required by this section.”.

(e) LIMITATION ON SCOPE OF CRITERIA.—Section
496 (20 U.S.C. 1099b) is further amended by amending
subsection (g) to read as follows:

“(g) LIMITATION ON SCOPE OF CRITERIA.—
“(1) IN GENERAL.—The Secretary shall not es-
tablish criteria for accrediting agencies or associa-
tions that are not required by this section.
“(2) INSTITUTIONAL ELIGIBILITY.—An institu-
tion of higher education shall be eligible for partici-
ipation in programs under this title if the institution
is in compliance with the standards of its accrediting
agency or association that assess the institution in
accordance with subsection (a)(5), regardless of any
additional standards adopted by the agency or assos-
ciation for purposes unrelated to participation in
programs under this title.”.

(f) CHANGE OF ACCREDITING AGENCY.—Section 496
(20 U.S.C. 1099b) is further amended by amending sub-
section (h) to read as follows:
“(h) Change of Accrediting Agency or Association.—

“(1) In General.—The Secretary shall recognize the accreditation of any otherwise eligible institution or program of study if the institution (or program) is in the process of changing its accrediting agency or association, unless the institution (or program) is subject to one or more covered actions.

“(2) Covered Action Defined.—For purposes of this subsection, the term ‘covered action’ means one or more of the following, when used with respect to an institution or program of study:

“(A) A pending or final action brought by a State agency to suspend, revoke, withdraw, or terminate the institution’s legal authority to provide postsecondary education in the State.

“(B) A decision by a recognized accrediting agency or association to deny accreditation or preaccreditation to the institution or program of study.

“(C) A pending or final action brought by a recognized accrediting agency or association to suspend, revoke, withdraw, or terminate the institution’s or program of study’s accreditation or preaccreditation.
“(D) Probation or an equivalent status imposed on the institution or program of study by a recognized accrediting agency or association.

“(3) INSTITUTIONS OF HIGHER EDUCATION NOT SUBJECT TO COVERED ACTIONS.—An institution (or program of study) that is not subject to a covered action described in paragraph (1) and that desires to change its accrediting agency or association for a reason not related to any such covered action (such as compliance with State law) may make such a change without the approval of the Secretary, as long as the institution (or program) and the new accrediting agency or association of the institution (or program), not later than 30 days after the accreditation decision by such agency or association, notify the Secretary, in writing, of the effective date of the institution’s (or program’s) accreditation by such agency or association.”.

(g) DUAL ACCREDITATION RULE.—Section 496 (20 U.S.C. 1099b) is further amended by amending subsection (i) to read as follows:

“(i) DUAL ACCREDITATION RULE.—

“(1) RECOGNITION BY SECRETARY.—The Secretary shall recognize the accreditation of any otherwise eligible institution of higher education if the in-
institution of higher education is accredited, as an institution, by more than one accrediting agency or association.

“(2) Designation by Institution.—If the institution is accredited, as an institution, by more than one accrediting agency or association, the institution—

“(A) shall designate which agency’s or association’s accreditation shall be utilized in determining the institution’s eligibility for participation in programs under this Act; and

“(B) may change this designation at the end of the institution’s period of recognition.”.

(h) Religious Institutions Rule.—Section 496 (20 U.S.C. 1099b) is further amended by amending subsection (k) to read as follows:

“(k) Religious Institution Rule.—

“(1) In General.—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 102 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if
the Secretary determines that the withdrawal, revocation, or termination—

“(A) is related to the religious mission or affiliation of the institution; and

“(B) is not related to the accreditation criteria provided for in this section.

“(2) ADMINISTRATIVE COMPLAINT FOR FAILURE TO RESPECT RELIGIOUS MISSION.—

“(A) IN GENERAL.—

“(i) INSTITUTION.—If an institution of higher education believes that an adverse action of an accrediting agency or association fails to respect the institution’s religious mission in violation of subsection (a)(4)(B), the institution—

“(I) may file a complaint with the Secretary to review the adverse action of the agency or association; and

“(II) prior to filing such complaint, shall notify the Secretary and the agency or association of an intent to file such complaint not later than 30 days after—
“(aa) receiving the adverse action from the agency or association; or

“(bb) determining that discussions with or the processes of the agency or association to remedy the failure to respect the religious mission of the institution will fail to result in the withdrawal of the adverse action by the agency or association.

“(ii) ACCREDITING AGENCY OR ASSOCIATION.—Upon notification of an intent to file a complaint and through the duration of the complaint process under this paragraph, the Secretary and the accrediting agency or association shall treat the accreditation status of the institution of higher education as if the adverse action for which the institution is filing the complaint had not been taken.

“(B) COMPLAINT.—Not later than 45 days after providing notice of the intent to file a complaint, the institution shall file the complaint with the Secretary (and provide a copy to
the accrediting agency or association), which shall include—

“(i) a description of the adverse action;

“(ii) how the adverse action fails to respect the institution’s religious mission in violation of subsection (a)(4)(B); and

“(iii) any other information the institution determines relevant to the complaint.

“(C) RESPONSE.—

“(i) IN GENERAL.—The accrediting agency or association shall have 30 days from the date the complaint is filed with the Secretary to file with the Secretary (and provide a copy to the institution) a response to the complaint, which response shall include—

“(I) how the adverse action is based on a violation of the agency or association’s standards for accreditation; and

“(II) how the adverse action does not fail to respect the religious mis-
sion of the institution and is in compliance with subsection (a)(4)(B).

“(ii) BURDEN OF PROOF.—

“(I) IN GENERAL.—The accrediting agency or association shall bear the burden of proving that the agency or association has not taken the adverse action as a result of the institution’s religious mission, and that the action does not fail to respect the institution’s religious mission in violation of subsection (a)(4)(B), by showing that the adverse action does not impact the aspect of the religious mission claimed to be affected in the complaint.

“(II) INSUFFICIENT PROOF.—Any evidence that the adverse action results from the application of a neutral and generally applicable rule shall be insufficient to prove that the action does not fail to respect an institution’s religious mission.

“(D) ADDITIONAL INSTITUTION RESPONSE.—The institution shall have 30 days
from the date on which the agency or association’s response is filed with the Secretary to—

“(i) file with the Secretary (and provide a copy to the agency or association) a response to any issues raised in the response of the agency or association; or

“(ii) inform the Secretary and the agency or association that the institution elects to waive the right to respond to the response of the agency or association.

“(E) SECRETARIAL ACTION.—

“(i) IN GENERAL.—Not later than 30 days of receipt of the institution’s response under subparagraph (D) or notification that the institution elects not to file a response under such subparagraph—

“(I) the Secretary shall review the materials to determine if the accrediting agency or association has met its burden of proof under subparagraph (C)(ii)(I); or

“(II) in a case in which the Secretary fails to conduct such review—

“(aa) the Secretary shall be deemed as determining that the
adverse action fails to respect the religious mission of the institution; and

“(bb) the accrediting agency or association shall be required to reverse the action immediately and take no further action with respect to such adverse action.

“(ii) REVIEW OF COMPLAINT.—In reviewing the complaint under clause (i)(I)—

“(I) the Secretary shall consider the institution to be correct in the assertion that the adverse action fails to respect the institution’s religious mission and shall apply the burden of proof described in subparagraph (C)(ii)(I) with respect to the accrediting agency or association; and

“(II) if the Secretary determines that the accrediting agency or association fails to meet such burden of proof—

“(aa) the Secretary shall notify the institution and the agency or association that the agency
or association is not in compliance with subsection (a)(4)(B),
and that such agency or association shall carry out the requirements of item (bb) to be in compliance with subsection (a)(4)(B);
and
“(bb) the agency or association shall reverse the adverse action immediately and take no further action with respect to such adverse action.

“(iii) Final Departmental Action.—The Secretary’s determination under this subparagraph shall be the final action of the Department on the complaint.

“(F) Rule of Construction.—Nothing in this paragraph shall prohibit—

“(i) an accrediting agency or association from taking an adverse action against an institution of higher education for a failure to comply with the agency or association’s standards of accreditation as long as such standards are in compliance with
subsection (a)(4)(B) and any other applicable requirements of this section; or

“(ii) an institution of higher education from exercising any other rights to address concerns with respect to an accrediting agency or association or the accreditation process of an accrediting agency or association.

“(G) GUIDANCE.—

“(i) IN GENERAL.—The Secretary may only issue guidance under this paragraph that explains or clarifies the process for providing notice of an intent to file a complaint or for filing a complaint under this paragraph.

“(ii) CLARIFICATION.—The Secretary may not issue guidance, or otherwise determine or suggest, when discussions to remedy the failure by an accrediting agency or association to respect the religious mission of an institution of higher education referred to in subparagraph (A)(i)(II)(bb) have failed or will fail.

“(3) RELIGIOUS MISSION DEFINED.—In this Act, the term ‘religious mission’—
“(A) means a published institutional mission that is approved by the governing body of an institution of higher education and that includes, refers to, or is predicated upon religious tenets, beliefs, or teachings; and

“(B) may be reflected in any of the institution’s policies, decisions, or practices related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).”.

(i) Independent Evaluation.—Section 496(n)(3) (20 U.S.C. 1099b(n)(3)) is amended by striking the last sentence.

(j) Regulations.—Section 496(o) (20 U.S.C. 1099b(o)) is amended by inserting before the period at the end the following: “, or with respect to the policies and procedures of an accreditation agency or association described in paragraph (2) or (5) of subsection (c) or how the agency or association carries out such policies and procedures”.

(k) Risk-Based Review Processes or Procedures; Waiver.—Section 496 (20 U.S.C. 1099b) is further amended—
(1) by striking subsections (p) and (q); and

(2) by adding at the end the following:

“(p) **Risk-Based or Differentiated Review Processes or Procedures.**—

“(1) **In General.**—Notwithstanding any other provision of law (including subsection (a)(4)(A)), an accrediting agency or association shall establish risk-based processes or procedures for assessing compliance with the accrediting agency or association’s standards (including policies related to substantive change and award of accreditation statuses) under which the agency or association—

“(A) creates a system for designating each institution of higher education and program of study that the agency or association evaluates, such as through using peer benchmarking to understand an institution’s or program of study’s performance in comparison with its peers (which may include past performance with respect to meeting the accrediting agency or association’s standards, including the standards relating to the student achievement outcomes described in subclauses (I) through (IV) of subsection (a)(5)(A));
“(B) requires for each institution and program of study designated as high-risk, in accordance with the accrediting agency or association’s system in subparagraph (A), to submit the annual plans described in subsection (c)(2)(B) to the agency or association that address the performance issues of such institution or program of study that resulted in such designation;

“(C) with respect to institutions or program of study meeting or exceeding performance as described in subparagraph (A), reduces any compliance requirements with the standards of accreditation of the agency that are not assessing an institution or program of study under subsection (a)(5), such as on-site inspections; and

“(D) may require an institution or program of study that has declining performance (such as an institution or program of study with a high-risk designation under subparagraph (B)), which has not improved as required by the annual plan submitted under subsection (c)(2)(B), to take actions to avoid or minimize the risks that may lead to revocation of accredi-
tation (such as limiting certain program of
study enrollment or recommending to the Sec-
retary to limit funds under this title for such an
institution or program.

“(2) PROHIBITION.—Any risk-based review
process or procedure established pursuant to this
subsection shall not discriminate against, or other-
wise preclude, institutions of higher education based
on institutional sector or category, including an in-
stitution of higher education’s tax status.”.

(l) TOTAL PRICE DEFINED.—Section 496 (20 U.S.C.
1099b) is further amended by adding at the end the fol-
lowing:

“(q) TOTAL PRICE DEFINED.—For purposes of this
section, the term ‘total price’ has the meaning given such
term in section 454(d)(3).”.

SEC. 312. NATIONAL ADVISORY COMMITTEE ON INSTITU-
TIONAL QUALITY AND INTEGRITY (NACIQI).

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

(1) in subsection (b)—

(A) in paragraph (2), by redesignating
subparagraphs (A) through (C) as clauses (i)
through (iii), respectively, and adjusting the
margins accordingly;
(B) by striking “Individuals” and inserting the following:

“(A) IN GENERAL.—Individuals”;

(C) in clause (ii), as so redesignated, by striking “and training” and inserting “skills development”;

(D) by adding at the end the following:

“(B) DISQUALIFICATION.—No individual may be appointed as a member of the Committee if such individual has a significant conflict of interest, such as being a current regulator (such as a State authorizer) that would require the individual to frequently be recused from serving as a member of the Committee.”;

and

(F) in paragraph (3), by striking “Except as provided in paragraph (5), the term” and inserting “The term”;

(2) in subsection (e)—

(A) in paragraph (4), by adding “and” at the end;

(B) in paragraph (5), by striking “; and” at the end and inserting a period; and

(C) by striking paragraph (6);
(3) in subsection (d)(2), by inserting at the end the following: “The name of any member of the Committee who has been recused with respect to an agenda item of the meeting shall be included in such agenda.”;

(4) in subsection (e)(2)(D), by striking “, including any additional functions established by the Secretary through regulation”; and

(5) in subsection (f), by striking “September 30, 2021” and inserting “September 30, 2028”.

SEC. 313. ALTERNATIVE QUALITY ASSURANCE EXPERIMENTAL SITE INITIATIVE.

Section 487A of the Higher Education Act of 1965 (20 U.S.C. 1094a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the end the following:

“(c) ALTERNATIVE QUALITY ASSURANCE EXPERIMENTAL SITE INITIATIVE.—

“(1) EXPERIMENTAL SITE AUTHORIZED.—The Secretary shall select, in accordance with paragraph (4), eligible entities that voluntarily seek to participate in an Alternative Quality Assurance experimental site initiative for a duration of 5 years and
receive the waivers or other flexibility described in paragraph (5) to evaluate whether the eligible entities, during such 5-year period, can maintain high student achievement outcomes while participating in programs under this title without being accredited by an accrediting agency or association recognized under section 496.

“(2) ELIGIBLE ENTITY DEFINED.—For purposes of this subsection, an eligibility entity means—

“(A) an institution of higher education (as defined in section 102); or

“(B) an educational provider that—

“(i) is not an institution of higher education;

“(ii) does not receive funding under this Act;

“(iii) is not accredited by an accrediting agency or association for the purposes of this title; and

“(iv) is authorized to operate in the State in which the provider is located.

“(3) APPLICATION.—

“(A) IN GENERAL.—Each eligible entity desiring to participate in the experimental site initiative under this subsection shall submit an
application to the Secretary, at such time and in such manner as the Secretary may require, which shall contain the information described in subparagraph (B). The Secretary may not require any information in such an application that is not described in subparagraph (B).

“(B) CONTENTS.—Each application under paragraph (1) shall include—

“(i) a description of which program of study offered at the eligible entity will be included in the experimental site initiative, including—

“(I) in the case of an eligible entity that is an institution of higher education, an attestation that such program meets the standards of accreditation of the institution’s accrediting agency or association described in clauses (i) through (iv) of section 496(a)(5)(A) (including the standard requiring that the median value-added earnings of students who complete the program are greater than the median total price charged to students for the program); and
“(II) in the case of an eligible entity defined in paragraph (2)(B), documentation and verified administrative data that the program meets standards similar to the standards of accreditation referenced in subclause (I);

“(ii) a justification of the reason why the eligible entity seeks to receive the waiver described in paragraph (5)(A), including estimates or documentation of the potential savings to the entity of receiving such waiver; and

“(iii) a description of how the eligible entity plans to share the financial risk with the Secretary of receiving the waivers described in paragraph (5), such as by—

“(I) providing matching non-Federal funds to the Secretary to cover the cost of at least half of the expected disbursements under this title to the students that enroll in such program for the first year of the experiment;
“(II) providing a letter of credit to the Secretary to cover the cost described in subclause (I); or

“(III) requesting to be placed on a reimbursement system of payment.

“(4) SELECTION.—No later than 6 months after the experimental site initiative is announced, the Secretary shall select eligible entities to participate in the initiative based on the applications submitted under paragraph (3). In making such selections, the Secretary—

“(A) shall consider—

“(i) the number and quality of applications;

“(ii) each applicant’s ability to effectively share the financial risk as required under paragraph (3)(B)(iii); and

“(iii) in the case of an applicant that is an institution of higher education, the applicant’s history of compliance with the requirements of this Act;

“(B) shall ensure that the selected eligible entities represent a variety of eligible entities with respect to size, mission, and geographic distribution;
“(C) shall ensure that the number of eligible entities selected that are institutions of higher education described in paragraph (2)(B) is equal to the number of eligible entities selected that are educational providers described in paragraph (2)(B); and

“(D) may not select any eligible entity whose approval to operate in a State is at risk.

“(5) WAIVERS.—The Secretary is authorized to waive, for any eligible entity participating in the experimental site initiative under this subsection—

“(A) any requirements conditioning an eligible entity’s eligibility to participate in programs under this title to being accredited by an accrediting agency or association recognized under section 496; and

“(B) any other requirements of this title determined necessary by the Secretary to carry out such initiative (including requirements related to the award process and disbursement of student financial aid, or other management procedures or processes), except that the Secretary shall not waive any provisions with respect to award rules (other than an award rule related to an experiment in modular or compressed
schedules), grant and loan maximum award amounts, and need analysis requirements, unless the waiver of such provisions is authorized by another provision under this title.

“(6) REVIEW AND EVALUATION.—

“(A) IN GENERAL.—The Secretary shall review and evaluate the experimental site initiative conducted under this subsection, including by evaluating, with respect to each participating program of each participating eligible entity, whether—

“(i) the median value-added earnings of students who complete the program of study are greater than the median total price charged to students for such program; and

“(ii) the program of study is meeting other student achievement outcomes (such as outcomes based on standards of accreditation described in section 496(a)(5)(A)), as appropriate for the program.

“(B) RECOMMENDATIONS.—If, based on such evaluation, the Secretary determines that participating eligible entities were able to meet the requirement of subparagraph (A)(i) and the
other student achievement outcomes evaluated by the Secretary under subparagraph (A)(ii), the Secretary shall submit to the authorizing committees recommendations regarding amendments to this Act that will streamline and enhance the quality assurance process of institutions of higher education, and educational providers described in paragraph (2)(B).”.

PART B—STUDENT SUCCESS

SEC. 321. POSTSECONDARY STUDENT SUCCESS GRANTS.


(1) in section 741—

(A) by striking subsections (b), (e), (e), and (f);

(B) by redesignating subsection (d) as subsection (c); and

(C) by inserting after subsection (a) the following:

“(b) GRANTS.—

“(1) DEFINITIONS.—In this subsection:

“(A) COMPLETION RATE.—The term ‘completion rate’ means—

“(i) the percentage of students from an initial cohort enrolled at an institution
of higher education that is a 2-year institution who have graduated from the institution or transferred to a 4-year institution of higher education; or

“(ii) the percentage of students from an initial cohort enrolled at an institution of higher education in the State that is a 4-year institution who have graduated from the institution.

“(B) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(i) an institution of higher education;

“(ii) a partnership between a non-profit educational organization and an institution of higher education; and

“(iii) a consortium of institutions of higher education.

“(C) ELIGIBLE INDIAN ENTITY.—The term ‘eligible Indian entity’ means the entity responsible for the governance, operation, or control of a Tribal College or University.

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

“(E) Evidence tiers.—

“(i) Evidence tier 1 reform or practice.—The term ‘evidence tier 1 reform or practice’ means a reform or practice that prior research suggests has promise for the purpose of successfully improving student achievement or attainment for high-need students.

“(ii) Evidence tier 2 reform or practice.—The term ‘evidence tier 2 reform or practice’ means a reform or practice described in clause (i), or other practice meeting similar criteria, that measures impact and cost effectiveness of student success activities, and, through rigorous evaluation (including through the use of existing administrative data, as applicable), has been found to be successfully implemented.

“(iii) Evidence tier 3 reform or practice.—The term ‘evidence tier 3 reform or practice’ means a reform or practice described in clause (ii), or other practice...
tice meeting similar criteria, that has been
found to produce sizable, important im-
parts on student success and—
“(I) determines whether such im-
pacts can be successfully reproduced
and sustained over time; and
“(II) identifies the conditions in
which such reform or practice is most
effective.
“(F) First generation college stu-
dent.—The term ‘first generation college stu-
dent’ has the meaning given the term in section
402A(h) of the Higher Education Act of 1965
(20 U.S.C. 1070a–11(h)).
“(G) High-need student.—The term
‘high-need student’ means—
“(i) a student from low-income back-
ground;
“(ii) first generation college students;
“(iii) caregiver students;
“(iv) students with disabilities;
“(v) students who stopped out before
completing;
“(vi) reentering justice-impacted stu-
dents; and
“(vii) military-connected students.

“(H) SECRETARY.—The term ‘Secretary’ means the Secretary of Education.

“(I) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘Tribal College or University’ has the meaning given the term in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)).

“(2) RESERVATION OF FUNDS FOR ELIGIBLE INDIAN ENTITIES.—From the total amount appropriated to carry out this subsection for a fiscal year, the Secretary shall reserve 2 percent for grants to eligible Indian entities to increase participation and completion rates of high-need students.

“(3) AUTHORIZATION OF POSTSECONDARY STUDENT SUCCESS COMPETITIVE GRANTS.—

“(A) GRANT AUTHORIZATION.—For each of fiscal years 2025 through 2030, the Secretary shall award, on a competitive basis, grants to eligible entities to provide student services to increase participation, retention, and completion rates of high-need students.

“(B) APPLICATION.—An eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in
such manner, and containing the information required under subparagraph (C).

“(C) CONTENTS.—An application submitted under this paragraph shall include the following:

“(i) A plan to increase, with respect to all students enrolled at the institution of higher education, attainment and completion rates or graduation rates, including—

“(I) a description of which evidence tiers would be met by the evidence-based reforms or practices; and

“(II) a particular focus on serving high-need students through student services and collaboration among 2-year programs, 4-year programs, and workforce systems.

“(ii) Annual benchmarks for student outcomes with respect to evidence-based reforms or practices.

“(iii) A plan to evaluate the evidence-based reforms or practices carried out pursuant to a grant received under this subsection.
“(iv) Rates of enrolled students who received a Federal Pell Grant under section 401.

“(v) Demographics of enrolled students, including high-need students.

“(vi) A description of how the eligible entity will, directly or in collaboration with institutions of higher education or non-profit organizations, use the grant funds to implement 1 or more of the following evidence-based reforms or practices:

“(I) Providing comprehensive academic, career, and student services, which may include mentoring, advising, or case management services.

“(II) Providing accelerated learning opportunities, which may include dual or concurrent enrollment programs and early college high school programs.

“(III) Reforming course scheduling or credit-awarding policies.

“(IV) Improving transfer pathways between the institution of higher education or non-profit organizations, and high-need students.
education, or eligible Indian entity,
and other institutions of higher edu-
cation.

“(vii) A description of how the evi-
dence-based reforms or practices carried
out pursuant to a grant under this sub-
section will be sustained once the grant ex-
pires.

“(D) EVIDENCE-BASED STUDENT SUCCESS
PROGRAMS.—From the total amount appro-
priated to carry out this subsection for a fiscal
year and not reserved under paragraph (4), the
Secretary shall reserve not less than 20 percent
to award grants to eligible entities with applica-
tions that propose to include reforms or prac-
tices—

“(i) at least 1 of which is a tier 3 re-
form or practice; and

“(ii) the rest of which are tier 1 or
tier 2 reforms or practices.

“(E) REQUIRED USE OF FUNDS.—An eligi-
ble entity that receives a grant under this sec-
section shall use the grant funds to carry out the
plans submitted pursuant to subparagraph (C)
and for evidence-based reforms or practices for
improving retention and completion rates of students that may include the following:

“(i) Student services to support retention, completion, and success, which may include—

“(I) faculty and peer counseling;

“(II) use of real-time data on student progress;

“(III) improving transfer student success; and

“(IV) incentives for students to re-enroll or stay on track.

“(ii) Direct student support services, including a combination of—

“(I) tutoring, academic supports, and enrichment services; and

“(II) emergency financial assistance.

“(iii) Efforts to prepare students for a career, which may include—

“(I) career coaching, career counseling and planning services, and efforts to lower student to advisor ratios;
“(II) networking and work-based learning opportunities to support the development of skills and professional relationships;

“(III) utilizing career pathways; and

“(IV) boosting experiences necessary to obtain and succeed in high-wage, high-skilled, (as described in section 122 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2342)) or in-demand sectors or occupations (as defined in section 3(23) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(23)).

“(iv) Efforts to recruit and retain faculty and other instructional staff.

“(F) PERMISSIVE USE OF FUNDS.—From the total amount appropriated to carry out this subsection for a fiscal year, and not reserved under paragraph (4) or subparagraph (D), the Secretary may set aside—
“(i) not more than 5 percent for administration, capacity building, research, evaluation, and reporting; and

“(ii) not more than 2 percent for technical assistance to eligible entities.

“(G) EVALUATIONS.—

“(i) IN GENERAL.—For the purpose of improving the effectiveness of the evidence-based reforms or practices carried out by eligible entities pursuant to a grant under this subsection, the Secretary shall make grants to or enter into contracts with one or more organizations to—

“(I) evaluate the effectiveness of such reforms or practices; and

“(II) disseminate information on the impact of such reforms or practices in increasing completion and retention activities of students, as well as other appropriate measures.

“(ii) ISSUES TO BE EVALUATED.—

The evaluations required under clause (i) shall measure the effectiveness of the evidence-based reforms or practices carried
out by eligible entities pursuant to a grant under this subsection in—

“(I) whether such eligible entity implemented the plans, and carried out the activities, described in subparagraph (C); and

“(II) comparing the completion and retention rates of students who participated in such reforms or practices with the rates of students of similar backgrounds who did not participate in such reforms or practices.

“(iii) RESULTS.—Not later than 18 months after the date of the enactment of this subsection, the Secretary shall submit to the authorizing committees a final report.

“(H) GRANT LIMIT.—An institution with branch campuses that is an eligible entity may only receive a grant under this subsection for 1 campus of such institution at a time.

“(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $45,000,000, for each of fiscal years 2026 through 2031.”; and
(2) by striking sections 742 through 745.

**SEC. 322. REVERSE TRANSFER EFFICIENCY ACT.**

Section 444(b)(1) of the General Education Provisions Act (20 U.S.C. 1232g(b)(1)) is amended—

(1) in subparagraph (K)(ii), by striking “; and” and inserting a semicolon;

(2) in subparagraph (L), by striking the period at the end and inserting “; and”; and

(3) by inserting after subparagraph (L) the following:

“(M) an institution of postsecondary education in which a student was previously enrolled, to which records of postsecondary coursework and credits are sent for the purpose of applying such coursework and credits toward completion of a recognized postsecondary credential (as that term is defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102)), upon condition that the student provides written consent prior to receiving such credential.”.

**SEC. 323. TRANSPARENT AND FAIR TRANSFER OF CREDIT POLICIES.**

Section 485(h) of the Higher Education Act of 1965 (20 U.S.C. 1092(h)) is amended—
(1) in paragraph (1)(A), by inserting “, including with respect to the acceptance or denial of such credit” after “higher education”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) DENIAL OF CREDIT TRANSFER.—An institution may not establish a transfer of credit policy which denies credit earned at another institution based solely on the source of accreditation of such other institution, provided that such other institution is accredited by an agency or association that is recognized by the Secretary pursuant to section 496.”.