

116TH CONGRESS
1ST SESSION

H. R. 4625

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2019

Received; read twice and referred to the Committee on Veterans' Affairs

AN ACT

To amend title 38, United States Code, to require that educational institutions abide by certain principles as a condition of approval for purposes of the educational assistance programs of the Department of Veterans Affairs, and for other purposes.

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Protect the GI Bill Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Clarification of educational assistance for individuals who pursue an approved program of education leading to a degree while on active duty.
- Sec. 3. Verification of enrollment for purposes of receipt of Post-9/11 Educational Assistance benefits.
- Sec. 4. Clarification regarding the dependents to whom entitlement to educational assistance may be transferred under the Post 9/11 Educational Assistance Program.
- Sec. 5. Expansion of reasons for which a course of education may be disapproved.
- Sec. 6. Oversight of educational institutions subject to Government action for purposes of the educational assistance programs of the Department of Veterans Affairs.
- Sec. 7. Additional requirement for approval of educational institutions for purposes of the educational assistance programs of the Department of Veterans Affairs.
- Sec. 8. Clarification of accreditation for law schools for purposes of the educational assistance programs of the Department of Veterans Affairs.
- Sec. 9. Clarification of grounds for disapproval of a course for purposes of the educational assistance programs of the Department of Veterans Affairs.
- Sec. 10. Requirements for educational institutions participating in the educational assistance programs of the Department of Veterans Affairs.
- Sec. 11. Overpayments to eligible persons or veterans.
- Sec. 12. Improvements to limitation on certain advertising, sales, and enrollment practices.
- Sec. 13. Additional limitation on certain advertising, sales, and enrollment practices of educational institutions.
- Sec. 14. Charge to entitlement to educational assistance for individuals who do not transfer credits from certain closed or disapproved programs of education.
- Sec. 15. Determination of budgetary effects.

1 **SEC. 2. CLARIFICATION OF EDUCATIONAL ASSISTANCE**
 2 **FOR INDIVIDUALS WHO PURSUE AN AP-**
 3 **PROVED PROGRAM OF EDUCATION LEADING**
 4 **TO A DEGREE WHILE ON ACTIVE DUTY.**

5 Section 3313(e) of title 38, United States Code, is
 6 amended—

7 (1) in the heading, by inserting “FOR A PERIOD
 8 OF MORE THAN 30 DAYS” after “ACTIVE DUTY”;

9 (2) in paragraph (1), by inserting “for a period
 10 of more than 30 days” after “active duty”; and

11 (3) in paragraph (2), in the matter preceding
 12 subparagraph (A), by inserting “for a period of
 13 more than 30 days” after “active duty”.

14 **SEC. 3. VERIFICATION OF ENROLLMENT FOR PURPOSES OF**
 15 **RECEIPT OF POST-9/11 EDUCATIONAL ASSIST-**
 16 **ANCE BENEFITS.**

17 (a) IN GENERAL.—Section 3313 of title 38, United
 18 States Code, as amended by section 2, is further amended
 19 by adding at the end the following new subsection:

20 “(1) VERIFICATION OF ENROLLMENT.—(1) The Sec-
 21 retary shall require—

22 “(A) each educational institution to submit to
 23 the Secretary verification of each individual who is
 24 enrolled in a course or program of education at the
 25 educational institution and is receiving educational
 26 assistance under this chapter for each month during

1 which the individual is so enrolled and receiving such
2 educational assistance; and

3 “(B) each individual who is enrolled in a course
4 or program of education and is receiving educational
5 assistance under this chapter to submit to the Sec-
6 retary verification of such enrollment for each month
7 during which the individual is so enrolled and receiv-
8 ing such educational assistance.

9 “(2) Verification under this subsection shall be in an
10 electronic form prescribed by the Secretary.

11 “(3) If an individual fails to submit the verification
12 required under paragraph (1)(B) for two consecutive
13 months, the Secretary may not make a monthly stipend
14 payment to the individual under this section until the indi-
15 vidual submits such verification.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect on August 1, 2020.

18 **SEC. 4. CLARIFICATION REGARDING THE DEPENDENTS TO**
19 **WHOM ENTITLEMENT TO EDUCATIONAL AS-**
20 **SISTANCE MAY BE TRANSFERRED UNDER**
21 **THE POST 9/11 EDUCATIONAL ASSISTANCE**
22 **PROGRAM.**

23 (a) IN GENERAL.—Section 3319(c) of title 38,
24 United States Code, is amended to read as follows:

25 “(c) ELIGIBLE DEPENDENTS.—

(b) APPLICABILITY.—The amendment made by sub-
section (a) shall apply with respect to educational assist-
ance payable under chapter 33 of title 38, United States
Code, before, on, or after the date of the enactment of
this Act.

18 (a) IN GENERAL.—Section 3672(b)(2) of title 38,
19 United States Code, is amended—

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

HR 4625 RFS

stitution that is at risk of losing accreditation shall not be deemed to be approved for purposes of this chapter. For purposes of this subparagraph, an educational institution is at risk of losing accreditation if that educational institution has received from the relevant accrediting agency or association a notice described in section 3673(e)(2)(D) of this title.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is 180 days after the date of the enactment of this Act.

SEC. 6. OVERSIGHT OF EDUCATIONAL INSTITUTIONS SUBJECT TO GOVERNMENT ACTION FOR PURPOSES OF THE EDUCATIONAL ASSISTANCE PROGRAMS OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—Section 3673 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(e) NOTICE OF GOVERNMENT ACTION.—(1)(A) If the Secretary receives notice under paragraph (2), or otherwise becomes aware of an action or event described in paragraph (3), with respect to an educational institution, the Secretary shall transmit such notice or provide notice of such action or event to the State approving agency for the State where the educational institution is located by

1 not later than 30 days after the date on which the Sec-
2 retary receives such notice or becomes aware of such ac-
3 tion or event. A State approving agency shall perform a
4 risk-based oversight survey to the educational institution
5 by not later than 60 days after receiving notice under this
6 subparagraph.

7 “(B) If a State approving agency receives notice as
8 described in paragraph (2), or otherwise becomes aware
9 of an action or event described in paragraph (3), with re-
10 spect to an educational institution, the State approving
11 agency shall perform a risk-based oversight survey to the
12 educational institution by not later than 60 days after re-
13 ceiving such notice or otherwise becoming aware of such
14 action or event.

15 “(2) Notice under this paragraph is any of the fol-
16 lowing:

17 “(A) Notice from the Secretary of Education of
18 an event under paragraph (3)(A).

19 “(B) Notice of an event under paragraph
20 (3)(B).

21 “(C) Notice from a State of an action take by
22 that State under paragraph (3)(C).

23 “(D) Notice provided by an accrediting agency
24 or association of an action described in paragraph
25 (3)(D) taken by that agency or association.

1 “(E) Notice that the Secretary of Education
2 has placed the educational institution on provisional
3 status.

4 “(3) An action or event under this paragraph is any
5 of the following:

6 “(A) The receipt by an educational institution
7 of payments under the heightened cash monitoring
8 payment method pursuant to section 487(c)(1)(B) of
9 the Higher Education Act of 1965 (20 U.S.C.
10 1094).

11 “(B) Final punitive action taken by the Attor-
12 ney General, the Federal Trade Commission, or any
13 other Federal department or agency against an edu-
14 cational institution relating to misconduct or mis-
15 leading marketing practices, as defined by the Sec-
16 retary of Veterans Affairs.

17 “(C) Final punitive action taken by a State
18 against an educational institution.

19 “(D) The loss, or risk of loss, by an educational
20 institution of an accreditation from an accrediting
21 agency or association, including notice of probation,
22 suspension, an order to show cause, or revocation of
23 accreditation.

1 “(E) The placement of an educational institu-
 2 tion on provisional status by the Secretary of Edu-
 3 cation.

4 “(4) If a State approving agency disapproves or sus-
 5 pends an educational institution, the State approving
 6 agency shall provide notice of such disapproval or suspen-
 7 sion to the Secretary and to the other State approving
 8 agencies.

9 “(5) This subsection shall be carried out using
 10 amounts made available pursuant to section 3674(a)(4)
 11 of this title as long as such amounts remain available.”.

12 (b) EFFECTIVE DATE.—The amendment made by
 13 subsection (a) shall take effect on August 1, 2020.

14 **SEC. 7. ADDITIONAL REQUIREMENT FOR APPROVAL OF**
 15 **EDUCATIONAL INSTITUTIONS FOR PURPOSES**
 16 **OF THE EDUCATIONAL ASSISTANCE PRO-**
 17 **GRAMS OF THE DEPARTMENT OF VETERANS**
 18 **AFFAIRS.**

19 (a) IN GENERAL.—Section 3675 of title 38, United
 20 States Code, is amended—

21 (1) in subsection (b), by adding at the end the
 22 following new paragraph:

23 “(4) The educational institution is approved
 24 and participates in a program under title IV of the
 25 Higher Education Act of 1965 (20 U.S.C. 1070 et

1 seq.) or the Secretary has waived the requirement
2 under this paragraph with respect to an educational
3 institution and submits to the Committees on Vet-
4 erans' Affairs of the Senate and House of Rep-
5 resentatives notice of such waiver.”.

6 (2) by adding at the end the following new sub-
7 section:

8 “(d) The Secretary shall submit to Congress an an-
9 nual report on any waivers issued pursuant to subsection
10 (b)(4) or section 3672(b)(2)(A)(i) of this title. Each such
11 report shall include, for the year covered by the report—

12 “(1) the name of each educational institution
13 for which a waiver was issued;

14 “(2) the justification for each such waiver; and

15 “(3) the total number of waivers issued.”.

16 (b) REQUIREMENT FOR APPROVAL OF STANDARD
17 COLLEGE DEGREE PROGRAMS.—Clause (i) of subpara-
18 graph (A) of paragraph (2) of subsection (b) of section
19 3672 of such title is amended to read as follows:

20 “(i) Except as provided in subparagraph
21 (C) or (D), an accredited standard college de-
22 gree program offered at a public or not-for-
23 profit proprietary educational institution that—

1 “(I) is accredited by an agency or as-
2 sociation recognized for that purpose by
3 the Secretary of Education; and

4 “(II) is approved and participates in a
5 program under title IV of the Higher Edu-
6 cation Act of 1965 (20 U.S.C. 1070 et
7 seq.), unless the Secretary has waived the
8 requirement to participate in a program
9 under title IV of the Higher Education Act
10 of 1965 (20 U.S.C. 1070 et seq.).”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 subsections (a) and (b) shall take effect on August 1,
13 2020.

14 **SEC. 8. CLARIFICATION OF ACCREDITATION FOR LAW**
15 **SCHOOLS FOR PURPOSES OF THE EDU-**
16 **CATIONAL ASSISTANCE PROGRAMS OF THE**
17 **DEPARTMENT OF VETERANS AFFAIRS.**

18 (a) IN GENERAL.—Paragraphs (14)(B) and (15)(B)
19 of section 3676(c) of title 38, United States Code, are
20 each amended by striking “an accrediting agency” both
21 places it appears and inserting “a specialized accrediting
22 agency”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall take effect on August 1, 2020.

1 **SEC. 9. CLARIFICATION OF GROUNDS FOR DISAPPROVAL**
2 **OF A COURSE FOR PURPOSES OF THE EDU-**
3 **CATIONAL ASSISTANCE PROGRAMS OF THE**
4 **DEPARTMENT OF VETERANS AFFAIRS.**

5 (a) IN GENERAL.—Section 3679(a)(1) of title 38,
6 United States Code, is amended by inserting “(including
7 failure to comply with a risk-based survey under section
8 3673(d) of this title and secure an affirmation of approval
9 by the appropriate State approving agency following the
10 survey)” after “requirements of this chapter”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect on August 1, 2020.

13 **SEC. 10. REQUIREMENTS FOR EDUCATIONAL INSTITUTIONS**
14 **PARTICIPATING IN THE EDUCATIONAL AS-**
15 **SISTANCE PROGRAMS OF THE DEPARTMENT**
16 **OF VETERANS AFFAIRS.**

17 (a) IN GENERAL.—Section 3679 of title 38, United
18 States Code, as amended by section 6, is further amended
19 by adding at the end the following new subsection:

20 “(f)(1) Except as provided by paragraph (5), a State
21 approving agency, or the Secretary when acting in the role
22 of the State approving agency, may take an action de-
23 scribed in paragraph (4)(A) if the State approving agency
24 or the Secretary determines that an educational institution
25 does not perform any of the following:

1 “(A) Prior to the enrollment of a covered indi-
2 vidual in a course of education at the educational in-
3 stitution, provide the individual with a form that
4 contains information personalized to the individual
5 that describes—

6 “(i) the estimated total cost of the course,
7 including tuition, fees, books, supplies, and any
8 other additional costs;

9 “(ii) an estimate of the cost for living ex-
10 penses for students enrolled in the course;

11 “(iii) the amount of the costs under
12 clauses (i) and (ii) that are covered by the edu-
13 cational assistance provided to the individual
14 under chapter 30, 32, 33, or 35 of this title, or
15 chapter 1606 or 1607 of title 10, as the case
16 may be;

17 “(iv) the type and amount of Federal fi-
18 nancial aid not administered by the Secretary
19 and financial aid offered by the institution that
20 the individual may qualify to receive;

21 “(v) an estimate of the amount of student
22 loan debt the individual would have upon grad-
23 uation;

24 “(vi) information regarding graduation
25 rates;

1 “(vii) job-placement rates for graduates of
2 the course, if available;

3 “(viii) information regarding the accept-
4 ance by the institution of transfer of credits, in-
5 cluding military credits;

6 “(ix) any conditions or additional require-
7 ments, including training, experience, or exami-
8 nations, required to obtain the license, certifi-
9 cation, or approval for which the course of edu-
10 cation is designed to provide preparation; and

11 “(x) other information to facilitate com-
12 parison by the individual of aid packages of-
13 fered by different educational institutions.

14 “(B) Not later than 15 days after the date on
15 which the institution (or the governing body of the
16 institution) determines tuition rates and fees for an
17 academic year that is different than the amount
18 being charged by the institution, provide a covered
19 individual enrolled in a course of education at the
20 educational institution with the form under subpara-
21 graph (A) that contains updated information.

22 “(C) Maintain policies to—

23 “(i) inform each covered individual enrolled
24 in a course of education at the educational in-
25 stitution of the availability of Federal financial

1 aid not administered by the Secretary and fi-
2 nancial aid offered by the institution; and

3 “(ii) alert such individual of the potential
4 eligibility of the individual for such financial aid
5 before packaging or arranging student loans or
6 alternative financing programs for the indi-
7 vidual.

8 “(D) Maintain policies to—

9 “(i) prohibit the automatic renewal of a
10 covered individual in courses and programs of
11 education; and

12 “(ii) ensure that each covered individual
13 approves of the enrollment of the individual in
14 a course.

15 “(E) Provide to a covered individual enrolled in
16 a course of education at the educational institution
17 with information regarding the requirements to
18 graduate from such course, including information re-
19 garding when required classes will be offered and a
20 timeline to graduate.

21 “(F) With respect to an accredited educational
22 institution, obtain the approval of the accrediting
23 agency for each new course or program of the insti-
24 tution before enrolling covered individuals in such
25 courses or programs if the accrediting agency deter-

1 mines that such approval is appropriate under the
2 substantive change requirements of the accrediting
3 agency regarding the quality, objectives, scope, or
4 control of the institution.

5 “(G) Maintain a policy that—

6 “(i) ensures that members of the Armed
7 Forces, including the reserve components and
8 the National Guard, who enroll in a course of
9 education at the educational institution may be
10 readmitted at such institution if such members
11 are temporarily unavailable or have to suspend
12 such enrollment by reason of serving in the
13 Armed Forces; and

14 “(ii) otherwise accommodates such mem-
15 bers during short absences by reason of such
16 service.

17 “(H) Designate an employee of the educational
18 institution to serve as a point of contact for covered
19 individuals and the family of such individuals need-
20 ing assistance with respect to academic counseling,
21 financial counseling, disability counseling, and other
22 information regarding completing a course of edu-
23 cation at such institution, including by referring
24 such individuals and family to the appropriate per-
25 sons for such counseling and information.

1 “(2) Except as provided by paragraph (5), a State
2 approving agency, or the Secretary when acting in the role
3 of the State approving agency, may take an action de-
4 scribed in paragraph (4)(A) if the State approving agency,
5 the Secretary, or the Federal Trade Commission, deter-
6 mines that an educational institution does any of the fol-
7 lowing:

8 “(A) Carries out deceptive or persistent recruit-
9 ing techniques, including on military installations,
10 that may include—

11 “(i) misrepresentation (as defined in sec-
12 tion 3696(e)(2)(B) of this title) or payment of
13 incentive compensation;

14 “(ii) during any 1-month period making
15 three or more unsolicited contacts to a covered
16 individual, including contacts by phone, email,
17 or in-person; or

18 “(iii) engaging in same-day recruitment
19 and registration.

20 “(B) Pays inducements, including any gratuity,
21 favor, discount, entertainment, hospitality, loan,
22 transportation, lodging, meals, or other item having
23 a monetary value of more than a de minimis
24 amount, to any individual or entity, or its agents in-
25 cluding third party lead generators or marketing

1 firms other than salaries paid to employees or fees
2 paid to contractors in conformity with all applicable
3 laws for the purpose of securing enrollments of cov-
4 ered individuals or obtaining access to educational
5 assistance under this title, with the exception of
6 scholarships, grants, and tuition reductions provided
7 by the educational institution.

8 “(3) A State approving agency, or the Secretary when
9 acting in the role of the State approving agency, may take
10 an action described in paragraph (4)(A) if the State ap-
11 proving agency or the Secretary determines that an edu-
12 cational institution is the subject of a negative action
13 made by the accrediting agency that accredits the institu-
14 tion, including any of the following:

15 “(A) A show cause order.

16 “(B) Accreditor sanctions.

17 “(C) Accreditation probation.

18 “(D) The loss of accreditation or candidacy for
19 accreditation.

20 “(4)(A) An action described in this subparagraph is
21 any of the following:

22 “(i) Publishing a warning on the internet
23 website of the Department described in section
24 3698(c)(2) of this title, or such other similar inter-
25 net website of the Department, that describes how

1 an educational institution is failing to meet a re-
2 quirement under paragraph (1) or (2).

3 “(ii) Prohibiting the pursuit by an individual of
4 a course of education at an educational institution
5 under chapter 30, 32, 33, or 35 of this title during
6 the period beginning on the date of such prohibition
7 and ending on a date specified by the State approv-
8 ing agency, in consultation with the Secretary, or
9 the Secretary when acting in the role of the State
10 approving agency, unless the individual was enrolled
11 at the institution before such period.

12 “(B) The Secretary shall establish guidelines to en-
13 sure that the actions described in subparagraph (A) are
14 applied in a proportional and uniform manner by State
15 approving agencies, or the Secretary when acting in the
16 role of the State approving agency.

17 “(5)(A) The Secretary may waive the requirements
18 of paragraph (1) or waive the requirements of paragraph
19 (2) with respect to an educational institution for a 1-aca-
20 demic-year period beginning in August of the year in
21 which the waiver is made. A single educational institution
22 may not receive waivers under this paragraph for more
23 than 2 consecutive academic years.

24 “(B) To be considered for a waiver under this para-
25 graph, an educational institution shall submit to the Sec-

1 retary an application prior to the first day of the academic
2 year for which the waiver is sought.

3 “(6) On an annual basis, the Secretary shall submit
4 to the Committees on Veterans’ Affairs of the House of
5 Representatives and the Senate the following reports:

6 “(A) A report, which shall be made publicly
7 available, that includes the following:

8 “(i) A summary of each action described in
9 paragraph (4)(A) made during the year covered
10 by the report, including—

11 “(I) the name of the educational insti-
12 tution;

13 “(II) the type of action taken;

14 “(III) the rationale for the action, in-
15 cluding how the educational institution was
16 not in compliance with this subsection;

17 “(IV) the length of time that the edu-
18 cational institution was not in such compli-
19 ance; and

20 “(V) whether the educational institu-
21 tion was also not in compliance with this
22 subsection during any of the 2 years prior
23 to the year covered by the report.

24 “(ii) A summary and justifications for the
25 waivers made under paragraph (5) during the

1 year covered by the report, including the total
2 number of waivers each educational institution
3 has received.

4 “(B) A report containing the recommendations
5 of the Secretary with respect to any legislative ac-
6 tions the Secretary determines appropriate to ensure
7 that this subsection is carried out in a manner that
8 is consistent with the requirements that educational
9 institutions must meet for purposes of other depart-
10 ments or agencies of the Federal Government.

11 “(7) In this subsection, the term ‘covered individual’
12 means an individual who is pursuing a course of education
13 at an educational institution under chapter 30, 32, 33,
14 or 35 of this title.”.

15 (b) APPLICATION DATE.—The amendment made by
16 this section shall take effect on June 15, 2020, and shall
17 apply to an educational institution beginning on August
18 1, 2020, except that an educational institution may submit
19 an application for a waiver under subsection (f)(5) of sec-
20 tion 3679 of title 38, United States Code, as added by
21 subsection (a), beginning on June 15, 2020.

22 **SEC. 11. OVERPAYMENTS TO ELIGIBLE PERSONS OR VET-**
23 **ERANS.**

24 Subsection (b) of section 3685 of title 38, United
25 States Code, is amended to read as follows:

1 “(b) Any overpayment by an educational institution
 2 to a veteran or eligible person shall constitute a liability
 3 of the educational institution to the United States if—

4 “(1) the Secretary finds that the overpayment
 5 has been made as the result of—

6 “(A) the willful or negligent failure of an
 7 educational institution to report, as required
 8 under this chapter or chapter 34 or 35 of this
 9 title, to the Department of Veterans Affairs ex-
 10 cessive absences from a course, or discontinu-
 11 ance or interruption of a course by the veteran
 12 or eligible person; or

13 “(B) the willful or negligent false certifi-
 14 cation by an educational institution; or

15 “(2) the payment is made pursuant to—

16 “(A) section 3313(h) of this title;

17 “(B) section 3317 of this title; or

18 “(C) section 3680(d) of this title.”.

19 **SEC. 12. IMPROVEMENTS TO LIMITATION ON CERTAIN AD-**
 20 **VERTISING, SALES, AND ENROLLMENT PRAC-**
 21 **TICES.**

22 (a) SUBSTANTIAL MISREPRESENTATION.—

23 (1) IN GENERAL.—Subsection (a) of section
 24 3696 of title 38, United States Code, is amended to
 25 read as follows:

1 “(a) The Secretary, or a State approving agency act-
2 ing in the role of the Secretary, shall not approve the en-
3 rollment of an eligible veteran or eligible person in any
4 course offered by an institution, or by an entity that owns
5 the institution, engaged in substantial misrepresentation
6 described in subsection (e)(1).”.

7 (2) DEFINITIONS.—Such section is further
8 amended by adding at the end the following new
9 subsection:

10 “(e)(1) Substantial misrepresentation described in
11 this paragraph is substantial misrepresentation by an edu-
12 cational institution, a representative of the institution, or
13 any person with whom the institution has an agreement
14 to provide educational programs, marketing, advertising,
15 recruiting or admissions services, concerning any of the
16 following:

17 “(A) The nature of the educational program of
18 the institution, including misrepresentation regard-
19 ing—

20 “(i) the particular type, specific source, or
21 nature and extent, of the accreditation of the
22 institution or a course of education at the insti-
23 tution;

24 “(ii) whether a student may transfer
25 course credits to another institution;

1 “(iii) conditions under which the institu-
2 tion will accept transfer credits earned at an-
3 other institution;

4 “(iv) whether successful completion of a
5 course of instruction qualifies a student—

6 “(I) for acceptance to a labor union or
7 similar organization; or

8 “(II) to receive, to apply to take, or to
9 take an examination required to receive a
10 local, State, or Federal license, or a non-
11 governmental certification required as a
12 precondition for employment, or to perform
13 certain functions in the States in which the
14 educational program is offered, or to meet
15 additional conditions that the institution
16 knows or reasonably should know are gen-
17 erally needed to secure employment in a
18 recognized occupation for which the pro-
19 gram is represented to prepare students;

20 “(v) the requirements for successfully com-
21 pleting the course of study or program and the
22 circumstances that would constitute grounds for
23 terminating the student’s enrollment;

24 “(vi) whether the courses of education at
25 the institution are recommended or have been

1 the subject of unsolicited testimonials or en-
2 dorsements by—

3 “(I) vocational counselors, high
4 schools, colleges, educational organizations,
5 employment agencies, members of a par-
6 ticular industry, students, former students,
7 or others; or

8 “(II) officials of a local or State gov-
9 ernment or the Federal Government;

10 “(vii) the size, location, facilities, or equip-
11 ment of the institution;

12 “(viii) the availability, frequency, and ap-
13 propriateness of the courses of education and
14 programs to the employment objectives that the
15 institution states the courses and programs are
16 designed to meet;

17 “(ix) the nature, age, and availability of
18 the training devices or equipment of the institu-
19 tion and the appropriateness to the employment
20 objectives that the institution states the courses
21 and programs are designed to meet;

22 “(x) the number, availability, and quali-
23 fications, including the training and experience,
24 of the faculty and other personnel of the insti-
25 tution;

1 “(xi) the availability of part-time employ-
2 ment or other forms of financial assistance;

3 “(xii) the nature and availability of any tu-
4 torial or specialized instruction, guidance and
5 counseling, or other supplementary assistance
6 the institution ill provide students before, dur-
7 ing, or after the completion of a course of edu-
8 cation;

9 “(xiii) the nature or extent of any pre-
10 requisites established for enrollment in any
11 course of education;

12 “(xiv) the subject matter, content of the
13 course of education, or any other fact related to
14 the degree, diploma, certificate of completion,
15 or any similar document that the student is to
16 be, or is, awarded upon completion of the
17 course of education; and

18 “(xv) whether the degree that the institu-
19 tion will confer upon completion of the course
20 of education has been authorized by the appro-
21 priate State educational agency, including with
22 respect to cases where the institution fails to
23 disclose facts regarding the lack of such author-
24 ization in any advertising or promotional mate-
25 rials that reference such degree.

1 “(B) The financial charges of the institution,
2 including misrepresentation regarding—

3 “(i) offers of scholarships to pay all or
4 part of a course charge;

5 “(ii) whether a particular charge is the
6 customary charge at the institution for a
7 course;

8 “(iii) the cost of the program and the re-
9 fund policy of the institution if the student does
10 not complete the program;

11 “(iv) the availability or nature of any fi-
12 nancial assistance offered to students, including
13 a student’s responsibility to repay any loans, re-
14 gardless of whether the student is successful in
15 completing the program and obtaining employ-
16 ment; and

17 “(v) the student’s right to reject any par-
18 ticular type of financial aid or other assistance,
19 or whether the student must apply for a par-
20 ticular type of financial aid, such as financing
21 offered by the institution.

22 “(C) The employability of the graduates of the
23 institution, including misrepresentation regarding—

24 “(i) the relationship of the institution with
25 any organization, employment agency, or other

1 agency providing authorized training leading di-
2 rectly to employment;

3 “(ii) the plans of the institution to main-
4 tain a placement service for graduates or other-
5 wise assist graduates to obtain employment;

6 “(iii) the knowledge of the institution
7 about the current or likely future conditions,
8 compensation, or employment opportunities in
9 the industry or occupation for which the stu-
10 dents are being prepared;

11 “(iv) job market statistics maintained by
12 the Federal Government in relation to the po-
13 tential placement of the graduates of the insti-
14 tution; and

15 “(v) other requirements that are generally
16 needed to be employed in the fields for which
17 the training is provided, such as requirements
18 related to commercial driving licenses or per-
19 mits to carry firearms, and failing to disclose
20 factors that would prevent an applicant from
21 qualifying for such requirements, such as prior
22 criminal records or preexisting medical condi-
23 tions.

24 “(2) In this subsection:

1 “(A) The term ‘misleading statement’ includes
2 any communication, action, omission, or intimation
3 made in writing, visually, orally, or through other
4 means, that has the likelihood or tendency to mis-
5 lead the intended recipient of the communication
6 under the circumstances in which the communication
7 is made. Such term includes the use of student en-
8 dorsements or testimonials for an educational insti-
9 tution that a student gives to the institution either
10 under duress or because the institution required the
11 student to make such an endorsement or testimonial
12 to participate in a program of education.

13 “(B) The term ‘misrepresentation’ means any
14 false, erroneous, or misleading statement, action,
15 omission, or intimation made directly or indirectly to
16 a student, a prospective student, the public, an ac-
17 crediting agency, a State agency, or to the Secretary
18 by an eligible institution, one of its representatives,
19 or any person with whom the institution has an
20 agreement to provide educational programs, mar-
21 keting, advertising, recruiting or admissions services.

22 “(C) The term ‘substantial misrepresentation’
23 means misrepresentation in which the person to
24 whom it was made could reasonably be expected to

1 rely, or has reasonably relied, to that person’s det-
2 riment.”.

3 (b) REFERRAL.—Subsection (c) of such section is
4 amended by striking the last sentence and inserting the
5 following: “The findings and results of any such investiga-
6 tions shall be referred to the State approving agency, or
7 the Secretary when acting in the role of the State approv-
8 ing agency, who shall take appropriate action in such cases
9 not later than 60 days after the date of such referral.”.

10 (c) REQUIREMENTS FOR NONACCREDITED
11 COURSES.—Paragraph (10) of section 3676(c) of such
12 title is amended to read as follows:

13 “(10) The institution, and any entity that owns
14 the institution, does not engage in substantial mis-
15 representation described in section 3696(e) of this
16 title. The institution shall not be deemed to have
17 met this requirement until the State approving agen-
18 cy—

19 “(A) has ascertained that no Federal de-
20 partment or agency has taken a punitive action,
21 not including a settlement agreement, against
22 the school for misleading or deceptive practices;

23 “(B) has, if such an order has been issued,
24 given due weight to that fact; and

1 “(C) has reviewed the complete record of
 2 advertising, sales, or enrollment materials (and
 3 copies thereof) used by or on behalf of the insti-
 4 tution during the preceding 12-month period.”.

5 (d) APPLICATION DATE.—The amendments made by
 6 this section shall apply to an educational institution begin-
 7 ning on August 1, 2020.

8 **SEC. 13. ADDITIONAL LIMITATION ON CERTAIN ADVER-**
 9 **TISING, SALES, AND ENROLLMENT PRAC-**
 10 **TICES OF EDUCATIONAL INSTITUTIONS.**

11 (a) IN GENERAL.—Section 3696(a) of title 38,
 12 United States Code, as amended by section 11, is further
 13 amended—

14 (1) by inserting “(1)” before “The Secretary”;
 15 and

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

18 “(2) Not later than 120 days after a State or Federal
 19 department or agency takes final punitive action against
 20 an educational institution relating to practices described
 21 in paragraph (1), the Secretary or the relevant State ap-
 22 proving agency may—

23 “(A) take an action described in subsection
 24 (f)(4)(A) of section 3679 of this title; or

1 “(B) disapprove under such section each course
2 offered by that educational institution.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall take effect on August 1, 2020.

5 **SEC. 14. CHARGE TO ENTITLEMENT TO EDUCATIONAL AS-**
6 **SISTANCE FOR INDIVIDUALS WHO DO NOT**
7 **TRANSFER CREDITS FROM CERTAIN CLOSED**
8 **OR DISAPPROVED PROGRAMS OF EDU-**
9 **CATION.**

10 (a) IN GENERAL.—Subsection (c) of section 3699 of
11 title 38, United States Code, is amended to read as fol-
12 lows:

13 “(c) PERIOD NOT CHARGED.—(1) The period for
14 which, by reason of this subsection, educational assistance
15 is not charged against entitlement or counted toward the
16 applicable aggregate period under section 3695 of this title
17 shall not exceed the aggregate of—

18 “(A) the portion of the period of enrollment in
19 the course from which the individual did not receive
20 credit or with respect to which the individual lost
21 training time, as determined under subsection
22 (b)(2); and

23 “(B) the period by which a monthly stipend is
24 extended under section 3680(a)(2)(B) of this title.

1 “(2)(A) An individual described in subparagraph (B)
2 who transfers fewer than 12 credits from a program of
3 education that is closed or disapproved as described in
4 subsection (b)(1) shall be deemed to be an individual who
5 did not receive such credits, as described in subsection
6 (b)(2), except that the period for which such individual’s
7 entitlement is not charged shall be the entire period of
8 the individual’s enrollment in the program of education.
9 In carrying out this subparagraph, the Secretary, in con-
10 sultation with the Secretary of Education, shall establish
11 procedures to determine whether the individual trans-
12 ferred credits to a comparable course or program of edu-
13 cation.

14 “(B) An individual described in this subparagraph is
15 an individual who is enrolled in a course or program of
16 education closed or discontinued as described in subsection
17 (b)(1) during the period beginning on the date that is 120
18 days before the date of such closure or discontinuance and
19 ending on the date of such closure or discontinuance, as
20 the case may be.

21 “(C) This paragraph shall apply with respect to a
22 course or program of education closed or discontinued be-
23 fore September 30, 2023.”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 subsection (a) shall take effect on August 1, 2020.

Passed the House of Representatives November 12,
2019.

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