

113TH CONGRESS
2D SESSION

H. R. 4860

To clarify that a closure of a branch or campus of an institution of higher education may qualify a borrower for loan discharge under the Higher Education Act of 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2014

Ms. HAHN introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To clarify that a closure of a branch or campus of an institution of higher education may qualify a borrower for loan discharge under the Higher Education Act of 1965, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Students
5 from Failing Institutions Act”.

1 **SEC. 2. CLOSURE OF A CAMPUS OR BRANCH OF AN INSTI-**
2 **TUTION OF HIGHER EDUCATION.**

3 Section 437(c) of the Higher Education Act of 1965
4 (20 U.S.C. 1087(c)) is amended—

5 (1) in paragraph (1), by inserting “or the clo-
6 sure of a campus or branch of the institution,” after
7 “closure of the institution”;

8 (2) in paragraph (3)—

9 (A) by inserting “or the closing of a cam-
10 pus or branch of the institution” after “closing
11 of the institution”; and

12 (B) by inserting before the period the fol-
13 lowing: “and shall not count towards the stu-
14 dent’s duration limit for Federal Pell Grants
15 under section 401(c)(5)”; and

16 (3) by adding at the end the following:

17 “(6) CAMPUS OR BRANCH CLOSURE.—A bor-
18 rower who withdraws from an institution not more
19 than 120 days before the date of closure of the cam-
20 pus or branch of the institution in which the bor-
21 rower was enrolled and such closure would have pre-
22 vented the borrower from completing the program in
23 which the borrower was enrolled shall, for purposes
24 of discharging such borrower’s loans under para-
25 graph (1) and determining the borrower’s eligibility
26 for additional assistance under this title in accord-

1 ance with paragraphs (3) and (4), be considered to
2 be a student who is unable to complete the program
3 in which such student is enrolled due to the closure
4 of the campus or branch of the institution.

5 “(7) FEDERAL PELL GRANTS.—In a case of a
6 borrower that receives a Federal Pell Grant under
7 subpart 1 of part A of this title for an academic
8 year for enrollment in a program at a campus or
9 branch of an institution and such campus or branch
10 closes, even if for purposes of paragraph (1) the bor-
11 rower is considered to be able to complete the pro-
12 gram in which such borrower is enrolled, the bor-
13 rower may use the remaining amount of the Federal
14 Pell Grant for such academic year at another insti-
15 tution.

16 “(8) DEFINITION.—For purposes of this sub-
17 section, the terms ‘campus’ and ‘branch’ include the
18 term ‘branch campus’ as defined in section 600.2 of
19 title 34, Code of Federal Regulations (or a successor
20 regulation).”.

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