

Union Calendar No. 413

115TH CONGRESS
2^D SESSION

H. R. 4508

[Report No. 115–550]

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 1, 2017

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

FEBRUARY 8, 2018

Additional sponsors: Mr. WILSON of South Carolina, Mr. HUNTER, Mr. ROE of Tennessee, Mr. THOMPSON of Pennsylvania, Mr. WALBERG, Mr. ROKITA, Mr. BARLETTA, Mr. MESSER, Mr. BYRNE, Mr. BRAT, Ms. STEFANIK, Mr. ALLEN, Mr. LEWIS of Minnesota, Mr. FRANCIS ROONEY of Florida, Mr. MITCHELL, Mr. GARRETT, Mr. SMUCKER, Mr. FERGUSON, Mr. ESTES of Kansas, and Mrs. HANDEL

FEBRUARY 8, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on December 1, 2017]

A BILL

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

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

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Pro-*
 5 *moting Real Opportunity, Success, and Prosperity through*
 6 *Education Reform Act” or the “PROSPER Act”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 8 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. References.

Sec. 3. General effective date.

TITLE I—GENERAL PROVISIONS

PART A—DEFINITIONS

Sec. 101. Definition of institution of higher education.

Sec. 102. Institutions outside the United States.

Sec. 103. Additional definitions.

Sec. 104. Regulatory relief.

PART B—ADDITIONAL GENERAL PROVISIONS

Sec. 111. Free speech protections.

Sec. 112. Sense of Congress on inclusion and respect.

Sec. 113. National Advisory Committee on Institutional Quality and Integrity.

Sec. 114. Repeal of certain reporting requirements.

Sec. 115. Programs on drug and alcohol abuse prevention.

Sec. 116. Campus access for religious groups.

Sec. 117. Secretarial prohibitions.

Sec. 118. Ensuring equal treatment by governmental entities.

Sec. 119. Single-sex social student organizations.

Sec. 120. Department staff.

Sec. 120A. Department of Homeland Security Recruiting on Campus.

PART C—COST OF HIGHER EDUCATION

Sec. 121. College Dashboard website.

Sec. 122. Net price calculators.

Sec. 123. Text book information.

Sec. 124. Review of current data collection and feasibility study of improved data collection.

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

Sec. 131. Performance-based organization for the delivery of Federal student financial assistance.

- Sec. 132. Administrative data transparency.*
Sec. 133. Report by GAO on transfer of functions of the Office of Federal Student Aid to the Department of Treasury.

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

- Sec. 141. Modification of preferred lender arrangements.*

PART F—ADDRESSING SEXUAL ASSAULT

- Sec. 151. Addressing sexual assault.*

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

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

TITLE III—INSTITUTIONAL AID

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

TITLE IV—STUDENT ASSISTANCE

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

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

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Federal Direct Consolidation Loans.*
Sec. 422. Loan rehabilitation.
Sec. 423. Loan forgiveness for teachers.
Sec. 424. Loan forgiveness for service in areas of national need.
Sec. 425. Loan repayment for civil legal assistance attorneys.
Sec. 426. Sunset of cohort default rate and other conforming changes.
Sec. 427. Additional disclosures.
Sec. 428. Closed school and other discharges.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Purpose; authorization of appropriations.*
Sec. 442. Allocation formula.
Sec. 443. Grants for Federal work-study programs.
Sec. 444. Flexible use of funds.

- Sec. 445. Job location and development programs.*
Sec. 446. Community service.
Sec. 447. Work colleges.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

- Sec. 451. Termination of Federal Direct Loan Program under part D and other conforming amendments.*
Sec. 452. Borrower defenses.
Sec. 453. Plain language disclosure form.
Sec. 454. Administrative expenses.
Sec. 455. Loan cancellation for teachers.

PART E—FEDERAL ONE LOANS

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

PART F—NEED ANALYSIS

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

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

- Sec. 481. Definitions of academic year and eligible program.*
Sec. 482. Programmatic loan repayment rates.
Sec. 483. Master calendar.
Sec. 484. FAFSA Simplification.
Sec. 485. Student eligibility.
Sec. 486. Statute of limitations.
Sec. 487. Institutional refunds.
Sec. 488. Information disseminated to prospective and enrolled students.
Sec. 489. Early awareness of financial aid eligibility.
Sec. 490. Distance education demonstration programs.
Sec. 491. Contents of program participation agreements.
Sec. 492. Regulatory relief and improvement.
Sec. 493. Transfer of allotments.
Sec. 494. Administrative expenses.
Sec. 494A. Repeal of advisory committee.
Sec. 494B. Regional meetings and negotiated rulemaking.
Sec. 494C. Report to Congress.
Sec. 494D. Deferral of loan repayment following active duty.
Sec. 494E. Contracts; matching program.

PART H—PROGRAM INTEGRITY

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

TITLE V—DEVELOPING INSTITUTIONS

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

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

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

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

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

TITLE VIII—OTHER REPEALS

- Sec. 801. Repeal of additional programs.*

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986

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

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

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

PART C—GENERAL EDUCATION PROVISIONS ACT

- Sec. 921. Release of education records to facilitate the award of a recognized post-secondary credential.*

1 SEC. 2. REFERENCES.

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

8 SEC. 3. GENERAL EFFECTIVE DATE.

9 *Except as otherwise provided in this Act or the amend-*
 10 *ments made by this Act, this Act and the amendments made*

1 *by this Act shall take effect on the date of enactment of this*
2 *Act.*

3 **TITLE I—GENERAL PROVISIONS**

4 **PART A—DEFINITIONS**

5 **SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-** 6 **CATION.**

7 *Part A of title I (20 U.S.C. 1001 et seq.) is amended*
8 *by striking section 101 (20 U.S.C. 1001) and inserting the*
9 *following:*

10 **“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDU-** 11 **CATION.**

12 *“(a) INSTITUTION OF HIGHER EDUCATION.—For pur-*
13 *poses of this Act, the term ‘institution of higher education’*
14 *means an educational institution in any State that—*

15 *“(1) admits as regular students only persons*
16 *who—*

17 *“(A) have a certificate of graduation from*
18 *a school providing secondary education, or the*
19 *recognized equivalent of such a certificate, or*
20 *who meet the requirements of section 484(d);*

21 *“(B) are beyond the age of compulsory*
22 *school attendance in the State in which the insti-*
23 *tution is located; or*

24 *“(C) will be dually or concurrently enrolled*
25 *in the institution and a secondary school;*

1 “(2) is legally authorized by the State in which
2 it maintains a physical location to provide a pro-
3 gram of education beyond secondary education;

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

6 “(B) if not so accredited, is an institution that
7 has been granted preaccreditation status by such an
8 agency or association that has been recognized by the
9 Secretary for the granting of preaccreditation status,
10 and the Secretary has determined that there is satis-
11 factory assurance that the institution will meet the
12 accreditation standards of such an agency or associa-
13 tion within a reasonable time; and

14 “(4) provides—

15 “(A) an educational program for which the
16 institution awards a bachelor’s degree, graduate
17 degree, or professional degree;

18 “(B) not less than a 2-year educational pro-
19 gram which is acceptable for full credit towards
20 a bachelor’s degree; or

21 “(C) a non-degree program leading to a rec-
22 ognized educational credential that meets the def-
23 inition of an eligible program under section
24 481(b).

25 “(b) *ADDITIONAL LIMITATIONS.*—

1 “(1) *PROPRIETARY INSTITUTIONS OF HIGHER*
2 *EDUCATION.—*

3 “(A) *LENGTH OF EXISTENCE.—A propri-*
4 *etary institution shall not be considered an insti-*
5 *tution of higher education unless such institution*
6 *has been in existence for at least 2 years.*

7 “(B) *INSTITUTIONAL INELIGIBILITY FOR MI-*
8 *NORITY SERVING INSTITUTION PROGRAMS.—A*
9 *proprietary institution shall not be considered*
10 *an institution of higher education for the pur-*
11 *poses of any program under title III or V.*

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

18 “(3) *LIMITATIONS BASED ON MANAGEMENT.—An*
19 *institution shall not be considered an institution of*
20 *higher education if—*

21 “(A) *the institution, or an affiliate of the*
22 *institution that has the power, by contract or*
23 *ownership interest, to direct or cause the direc-*
24 *tion of the management or policies of the institu-*
25 *tion, has filed for bankruptcy; or*

1 “(B) *the institution, the institution’s owner,*
2 *or the institution’s chief executive officer has*
3 *been convicted of, or has pled nolo contendere or*
4 *guilty to, a crime involving the acquisition, use,*
5 *or expenditure of Federal funds, or has been ju-*
6 *dicially determined to have committed a crime*
7 *involving the acquisition, use, or expenditure in-*
8 *volving Federal funds.*

9 “(4) *LIMITATION ON COURSE OF STUDY OR EN-*
10 *ROLLMENT.—An institution shall not be considered*
11 *an institution of higher education if such institu-*
12 *tion—*

13 “(A) *offers more than 50 percent of such in-*
14 *stitution’s courses by correspondence education,*
15 *unless the institution is an institution that meets*
16 *the definition in section 3(3)(C) of the Carl D.*
17 *Perkins Career and Technical Education Act of*
18 *2006;*

19 “(B) *enrolls 50 percent or more of the insti-*
20 *tution’s students in correspondence education*
21 *courses, unless the institution is an institution*
22 *that meets the definition in section 3(3)(C) of*
23 *such Act;*

24 “(C) *has a student enrollment in which*
25 *more than 25 percent of the students are incar-*

1 cerated, except that the Secretary may waive the
2 limitation contained in this subparagraph for an
3 institution that provides a 2- or 4-year program
4 of instruction (or both) for which the institution
5 awards an associate's degree or a postsecondary
6 certificate, or a bachelor's degree, respectively; or

7 “(D) has a student enrollment in which
8 more than 50 percent of the students either do
9 not have a secondary school diploma or its recog-
10 nized equivalent, or do not meet the requirements
11 of section 484(d), and does not provide a 2- or
12 4-year program of instruction (or both) for
13 which the institution awards an associate's de-
14 gree or a bachelor's degree, respectively, except
15 that the Secretary may waive the limitation con-
16 tained in this subparagraph if an institution
17 demonstrates to the satisfaction of the Secretary
18 that the institution exceeds such limitation be-
19 cause the institution serves, through contracts
20 with Federal, State, or local government agen-
21 cies, significant numbers of students who do not
22 have a secondary school diploma or its recog-
23 nized equivalent or do not meet the requirements
24 of section 484(d).

1 “(c) *LIST OF ACCREDITING AGENCIES.*—For purposes
2 of this section, the Secretary shall publish a list of nation-
3 ally recognized accrediting agencies or associations that the
4 Secretary determines, pursuant to subpart 2 of part H of
5 title IV, to be reliable authority as to the quality of the
6 education offered.

7 “(d) *CERTIFICATION.*—The Secretary shall certify, for
8 the purposes of participation in title IV, an institution’s
9 qualification as an institution of higher education in ac-
10 cordance with the requirements of subpart 3 of part H of
11 title IV.

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

18 “(f) *RULE OF CONSTRUCTION.*—Nothing in subsection
19 (a)(2) relating to State authorization shall be construed
20 to—

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

24 “(2) limit, impede, or preclude a State’s ability
25 to collaborate or participate in a reciprocity agree-

1 *ment to permit an institution within such State to*
2 *meet any other State’s authorization requirements for*
3 *out-of-state institutions.”.*

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

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

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

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

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

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

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

1 *by the education ministry (or comparable agen-*
2 *cy) of the country in which the institution is lo-*
3 *cated;*

4 *“(B) is not located in a State;*

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

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

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

20 *“(iii) does not allow students to enroll*
21 *in any course offered by the foreign institu-*
22 *tion in the United States, including re-*
23 *search, work, internship, externship, or spe-*
24 *cial studies within the United States, except*
25 *that independent research done by an indi-*

1 *vidual student in the United States for not*
2 *more than one academic year is permitted,*
3 *if the research is conducted during the dis-*
4 *sertation phase of a doctoral program under*
5 *the guidance of faculty and the research is*
6 *performed at a facility in the United States;*

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

13 *“(E) meets the applicable requirements of*
14 *subsection (b).*

15 *“(3) INSTITUTIONS WITH LOCATIONS IN AND*
16 *OUTSIDE THE UNITED STATES.—In a case of an insti-*
17 *tution of higher education consisting of two or more*
18 *locations offering all or part of an educational pro-*
19 *gram that are directly or indirectly under common*
20 *ownership and that enrolls students both within a*
21 *State and outside the United States, and the number*
22 *of students who would be eligible to receive funds*
23 *under title IV attending locations of such institution*
24 *outside the United States, is at least twice the number*
25 *of students enrolled within a State—*

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

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

9 “(b) *TREATMENT OF CERTAIN REGULATIONS.—*

10 “(1) *FORCE AND EFFECT.—*

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

20 “(B) *APPLICABLE PROVISIONS.—The provi-*
21 *sions of title 34, Code of Federal Regulations, re-*
22 *ferred to in this subparagraph are the following:*

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

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

3 “(iii) Subject to paragraph (2)(C), sec-
4 tion 600.54.

5 “(iv) Subject to subparagraphs (D)
6 and (E) of paragraph (2), section 600.55,
7 except that paragraph (4) of subsection (f)
8 of such section shall have no force or effect.

9 “(v) Section 600.56.

10 “(vi) Subject to paragraph (2)(F), sec-
11 tion 600.57.

12 “(vii) Subject to subparagraphs (G)
13 and (H) of paragraph (2), section
14 668.23(h), except that clause (iii) of para-
15 graph (1) of such section shall have no force
16 or effect.

17 “(viii) Section 668.5.

18 “(C) APPLICATION TO FEDERAL ONE
19 LOANS.—With respect to the provisions of title
20 34, Code of Federal Regulations, referred to sub-
21 paragraph (B), as modified by paragraph (2)
22 any reference to a loan made under part D of
23 title IV shall also be treated as a reference to a
24 loan made under part E of title IV.

1 “(2) *MODIFICATIONS.*—*The following shall apply*
2 *to the provisions of title 34, Code of Federal Regula-*
3 *tions, referred to in paragraph (1)(B):*

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

1 *fect pursuant to paragraph (1)), the Educational*
2 *Commission for Foreign Medical Graduates’ cal-*
3 *culations of the school’s rates are conclusive; and*
4 *the presiding official has no authority to con-*
5 *sider challenges to the computation of the rate or*
6 *rates by the Educational Commission for For-*
7 *oreign Medical Graduates.*

8 *“(B) Notwithstanding section 600.52 of title*
9 *34, Code of Federal Regulations (as in effect pur-*
10 *suant to paragraph (1)), in this Act, the term*
11 *‘foreign institution’ means an institution de-*
12 *scribed in subsection (a).*

13 *“(C) Notwithstanding section 600.54(c) of*
14 *title 34, Code of Federal Regulations (as in effect*
15 *pursuant to paragraph (1)), to be eligible to par-*
16 *ticipate in programs under title IV, foreign in-*
17 *stitution may not enter into a written arrange-*
18 *ment under which an institution or organiza-*
19 *tions that is not eligible to participate in pro-*
20 *grams under title IV provides more than 25 per-*
21 *cent of the program of study for one or more of*
22 *the eligible foreign institution’s programs.*

23 *“(D) Notwithstanding section*
24 *600.55(f)(1)(ii) of title 34, Code of Federal Regu-*
25 *lations (as in effect pursuant to paragraph (1)),*

1 *for a foreign graduate medical school outside of*
2 *Canada, for Step 1, Step 2–CS, and Step 2–CK,*
3 *or the successor examinations, of the United*
4 *States Medical Licensing Examination adminis-*
5 *tered by the Educational Commission for For-*
6 *ign Medical Graduate, at least 75 percent of the*
7 *school’s students and graduates who receive or*
8 *have received title IV funds in order to attend*
9 *that school, and who completed the final of these*
10 *three steps of the examination in the year pre-*
11 *ceding the year for which any of the school’s stu-*
12 *dents seeks a loan under title IV shall have re-*
13 *ceived an aggregate passing score on the exam as*
14 *a whole; or except as provided in section*
15 *600.55(f)(2) of title 34, Code of Federal Regula-*
16 *tions (as in effect pursuant to paragraph (1)),*
17 *for no more than two consecutive years, at least*
18 *70 percent of the individuals who were students*
19 *or graduates of the graduate medical school out-*
20 *side the United States or Canada (who receive or*
21 *have received title IV funds in order to attend*
22 *that school) taking the United States Medical Li-*
23 *censing Examination exams in the year pre-*
24 *ceding the year for which any of the school’s stu-*
25 *dents seeks a loan under title IV shall have re-*

1 *ceived an aggregate passing score on the exam as*
2 *a whole.*

3 “(E) *Notwithstanding 600.55(h)(2) of title*
4 *34, Code of Federal Regulations (as in effect pur-*
5 *suant to paragraph (1)), not more than 25 per-*
6 *cent of the graduate medical educational pro-*
7 *gram offered to United States students, other*
8 *than the clinical training portion of the pro-*
9 *gram, may be located outside of the country in*
10 *which the main campus of the foreign graduate*
11 *medical school is located.*

12 “(F) *Notwithstanding section 600.57(a)(5)*
13 *of title 34, Code of Federal Regulations (as in ef-*
14 *fect pursuant to paragraph (1)), a nursing*
15 *school shall reimburse the Secretary for the cost*
16 *of any loan defaults for current and former stu-*
17 *dents during the previous fiscal year.*

18 “(G) *Notwithstanding section*
19 *668.23(h)(1)(ii), of title 34, Code of Federal Reg-*
20 *ulations (as in effect pursuant to paragraph*
21 *(1)), a foreign institution that received \$500,000*
22 *or more in funds under title IV during its most*
23 *recently completed fiscal year shall submit, in*
24 *English, for each most recently completed fiscal*
25 *year in which it received such funds, audited fi-*

1 *financial statements prepared in accordance with*
2 *generally accepted accounting principles of the*
3 *institution's home country provided that such*
4 *accounting principles are comparable to the*
5 *International Financial Reporting Standards.*

6 “(H) *Notwithstanding section*
7 *668.23(h)(1)(ii), of title 34, Code of Federal Reg-*
8 *ulations (as in effect pursuant to paragraph*
9 *(1)), only in a case in which the accounting*
10 *principles of an institution's home country are*
11 *not comparable to International Financial Re-*
12 *porting Standards shall the institution be re-*
13 *quired to submit corresponding audited financial*
14 *statements that meet the requirements of section*
15 *668.23(d) of title 34, Code of Federal Regulations*
16 *(as in effect pursuant to paragraph (1)).*

17 “(c) *SPECIAL RULES.—*

18 “(1) *IN GENERAL.—A foreign graduate medical*
19 *school at which student test passage rates are below*
20 *the minimum requirements set forth in subsection*
21 *(b)(2)(D) for each of the two most recent calendar*
22 *years for which data are available shall not be eligible*
23 *to participate in programs under part D or E of title*
24 *IV in the fiscal year subsequent to that consecutive*
25 *two year period and such institution shall regain eli-*

1 *gibility to participate in programs under such part*
2 *only after demonstrating compliance with require-*
3 *ments under section 600.55 of title 34, Code of Fed-*
4 *eral Regulations (as in effect pursuant to subsection*
5 *(b)) for one full calendar year subsequent to the fiscal*
6 *year the institution became ineligible unless, within*
7 *30 days of receiving notification from the Secretary*
8 *of the loss of eligibility under this paragraph, the in-*
9 *stitution appeals the loss of its eligibility to the Sec-*
10 *retary. The Secretary shall issue a decision on any*
11 *such appeal within 45 days after its submission. Such*
12 *decision may permit the institution to continue to*
13 *participate in programs under part D or E of title*
14 *IV, if—*

15 *“(A) the institution demonstrates to the sat-*
16 *isfaction of the Secretary that the test passage*
17 *rates on which the Secretary has relied are not*
18 *accurate, and that the recalculation of such rates*
19 *would result in rates that exceed the required*
20 *minimum for any of these two calendar years; or*

21 *“(B) there are, in the judgement of the Sec-*
22 *retary, mitigating circumstances that would*
23 *make the application of this paragraph inequi-*
24 *table.*

1 “(2) *STUDENT ELIGIBILITY.*—If, pursuant to this
2 subsection, a foreign graduate medical school loses eli-
3 gibility to participate in the programs under part D
4 or E of title IV, then a student at such institution
5 may, notwithstanding such loss of eligibility, continue
6 to be eligible to receive a loan under such part while
7 attending such institution for the academic year suc-
8 ceeding the academic year in which such loss of eligi-
9 bility occurred.

10 “(3) *TREATMENT OF CLINICAL TRAINING PRO-*
11 *GRAMS.*—

12 “(A) *IN GENERAL.*—Clinical training pro-
13 grams operated by a foreign graduate medical
14 school with an accredited hospital or clinic in
15 the United States or at an institution in Canada
16 accredited by the Liaison Committee on Medical
17 Education shall be deemed to be approved and
18 shall not require the prior approval of the Sec-
19 retary.

20 “(B) *ON-SITE EVALUATIONS.*—Any part of
21 a clinical training program operated by a for-
22 eign graduate medical school located in a foreign
23 country other than the country in which the
24 main campus is located, in the United States, or
25 at an institution in Canada accredited by the

1 *Liaison Committee on Medical Education, shall*
2 *not require an on-site evaluation or specific ap-*
3 *proval by the institution’s medical accrediting*
4 *agency if the location is a teaching hospital ac-*
5 *credited by and located within a foreign country*
6 *approved by the National Committee on Foreign*
7 *Medical Education and Accreditation.*

8 “(d) *FAILURE TO RELEASE INFORMATION.*—*An insti-*
9 *tution outside the United States that does not provide to*
10 *the Secretary such information as may be required by this*
11 *section shall be ineligible to participate in the loan program*
12 *under part D or E of title IV.*

13 “(e) *ONLINE EDUCATION.*—*Notwithstanding section*
14 *481(b)(2), an eligible program described in section 600.54*
15 *of title 34, Code of Federal Regulations (as in effect pursu-*
16 *ant to subsection (b)) may not offer more than 50 percent*
17 *of courses through telecommunications.”.*

18 **SEC. 103. ADDITIONAL DEFINITIONS.**

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

22 “(b) *CORRESPONDENCE EDUCATION.*—*Section 103(7)*
23 *(20 U.S.C. 1003(7)) is amended to read as follows:*

24 “(7) *CORRESPONDENCE EDUCATION.*—*The term*
25 *‘correspondence education’ means education that is*

1 *provided by an institution of higher education under*
2 *which—*

3 “(A) *the institution provides instructional*
4 *materials (including examinations on the mate-*
5 *rials) by mail or electronic transmission to stu-*
6 *dents who are separated from the instructor; and*

7 “(B) *interaction between the institution and*
8 *the student is limited and the academic instruc-*
9 *tion by faculty is not regular and substantive, as*
10 *assessed by the institution’s accrediting agency*
11 *or association under section 496.”.*

12 (c) *EARLY CHILDHOOD EDUCATION PROGRAM.—Sec-*
13 *tion 103(8) (20 U.S.C. 1003(8)) is amended to read as fol-*
14 *lows:*

15 “(8) *EARLY CHILDHOOD EDUCATION PRO-*
16 *GRAM.—The term ‘early childhood education pro-*
17 *gram’ means a program—*

18 “(A) *that serves children of a range of ages*
19 *from birth through age five that addresses the*
20 *children’s cognitive (including language, early*
21 *literacy, and early mathematics), social, emo-*
22 *tional, and physical development; and*

23 “(B) *that is—*

24 “(i) *a Head Start program or an*
25 *Early Head Start program carried out*

1 *under the Head Start Act (42 U.S.C. 9831*
2 *et seq.), including a migrant or seasonal*
3 *Head Start program, an Indian Head*
4 *Start program, or a Head Start program or*
5 *an Early Head Start program that also re-*
6 *ceives State funding;*

7 *“(ii) a State licensed or regulated child*
8 *care program;*

9 *“(iii) a State-funded prekindergarten*
10 *or child care program;*

11 *“(iv) a program authorized under sec-*
12 *tion 619 of the Individuals with Disabilities*
13 *Education Act or part C of such Act; or*

14 *“(v) a program operated by a local*
15 *educational agency.”.*

16 (d) *NONPROFIT.*—Section 103(13) (20 U.S.C.
17 *1003(13)) is amended to read as follows:*

18 *“(13) NONPROFIT.—*

19 *“(A) The term ‘nonprofit’, when used with*
20 *respect to a school, agency, organization, or in-*
21 *stitution means a school, agency, organization,*
22 *or institution owned and operated by one or*
23 *more nonprofit corporations or associations, no*
24 *part of the net earnings of which inures, or may*

1 *lawfully inure, to the benefit of any private*
2 *shareholder or individual.*

3 “(B) *The term ‘nonprofit’, when used with*
4 *respect to foreign institution means—*

5 “(i) *an institution that is owned and*
6 *operated only by one or more nonprofit cor-*
7 *porations or associations; and*

8 “(ii)(I) *if a recognized tax authority of*
9 *the institution’s home country is recognized*
10 *by the Secretary for purposes of making de-*
11 *terminations of an institution’s nonprofit*
12 *status for purposes of title IV, the institu-*
13 *tion is determined by that tax authority to*
14 *be a nonprofit educational institution; or*

15 “(II) *if no recognized tax authority of*
16 *the institution’s home country is recognized*
17 *by the Secretary for purposes of making de-*
18 *terminations of an institution’s nonprofit*
19 *status for purposes of title IV, the foreign*
20 *institution demonstrates to the satisfaction*
21 *of the Secretary that it is a nonprofit edu-*
22 *cational institution.”.*

23 (e) *COMPETENCY-BASED EDUCATION; COMPETENCY-*
24 *BASED EDUCATION PROGRAM.—Section 103 (20 U.S.C.*
25 *1003) is amended by adding at the end the following:*

1 “(25) *COMPETENCY-BASED EDUCATION; COM-*
2 *PETENCY-BASED EDUCATION PROGRAM.—*

3 “(A) *COMPETENCY-BASED EDUCATION.—*

4 *Except as otherwise provided, the term ‘com-*
5 *petency-based education’ means education that—*

6 “(i) *measures academic progress and*
7 *attainment—*

8 “(I) *by direct assessment of a stu-*
9 *dent’s level of mastery of competencies;*

10 “(II) *by expressing a student’s*
11 *level of mastery of competencies in*
12 *terms of equivalent credit or clock*
13 *hours; or*

14 “(III) *by a combination of the*
15 *methods described in subclauses (I) or*
16 *(II) and credit or clock hours; and*

17 “(ii) *provides the educational content,*
18 *activities, and resources, including sub-*
19 *stantive instructional interaction, including*
20 *by faculty, and regular support by the in-*
21 *stitution, necessary to enable students to*
22 *learn or develop what is required to dem-*
23 *onstrate and attain mastery of such com-*
24 *petencies, as assessed by the accrediting*

1 *agency or association of the institution of*
2 *higher education.*

3 “(B) *COMPETENCY-BASED EDUCATION PRO-*
4 *GRAM.—Except as otherwise provided, the term*
5 *‘competency-based education program’ means a*
6 *postsecondary program offered by an institution*
7 *of higher education that—*

8 “(i) *provides competency-based edu-*
9 *cation, which upon a student’s demonstra-*
10 *tion or mastery of a set of competencies*
11 *identified and required by the institution,*
12 *leads to or results in the award of a certifi-*
13 *cate, degree, or other recognized educational*
14 *credential;*

15 “(ii) *ensures title IV funds may be*
16 *used only for learning that results from in-*
17 *struction provided, or overseen, by the insti-*
18 *tution, not for the portion of the program of*
19 *which the student has demonstrated mastery*
20 *prior to enrollment in the program or tests*
21 *of learning that are not associated with*
22 *educational activities overseen by the insti-*
23 *tution; and*

24 “(iii) *is organized in such a manner*
25 *that an institution can determine, based on*

1 *the method of measurement selected by the*
2 *institution under subparagraph (A)(i),*
3 *what constitutes a full-time, three-quarter*
4 *time, half-time, and less than half-time*
5 *workload for the purposes of awarding and*
6 *administering assistance under title IV of*
7 *this Act, or assistance provided under an-*
8 *other provision of Federal law to attend an*
9 *institution of higher education.*

10 “(C) *COMPETENCY DEFINED.*—*In this para-*
11 *graph, the term ‘competency’ means the knowl-*
12 *edge, skill, or ability demonstrated by a student*
13 *in a subject area.”.*

14 (f) *PAY FOR SUCCESS INITIATIVE.*—*Section 103 (20*
15 *U.S.C. 1003) is amended by adding at the end the following:*

16 “(26) *PAY FOR SUCCESS INITIATIVE.*—*The term*
17 *‘pay for success initiative’ has the meaning given the*
18 *term in section 8101 of the Elementary and Sec-*
19 *ondary Education Act of 1965 (20 U.S.C. 7801).”.*

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

22 “(27) *EVIDENCE-BASED.*—*The term ‘evidence-*
23 *based’ has the meaning given the term in section*
24 *8101(21)(A) of the Elementary and Secondary Edu-*
25 *cation Act of 1965 (20 U.S.C. 7801(21)(A)), except*

1 *that such term shall also apply to institutions of*
2 *higher education.”.*

3 **SEC. 104. REGULATORY RELIEF.**

4 *(a) REGULATIONS REPEALED.—*

5 *(1) REPEAL.—The following regulations (includ-*
6 *ing any supplement or revision to such regulations)*
7 *are repealed and shall have no legal effect:*

8 *(A) DEFINITION OF CREDIT HOUR.—The*
9 *definition of the term “credit hour” in section*
10 *600.2 of title 34, Code of Federal Regulations, as*
11 *added by the final regulations published by the*
12 *Department of Education in the Federal Register*
13 *on October 29, 2010 (75 Fed. Reg. 66946).*

14 *(B) GAINFUL EMPLOYMENT.—Sections*
15 *600.10(c), 600.20(d), 668.401 through 668.415,*
16 *668.6, and 668.7, of title 34, Code of Federal*
17 *Regulations, as added or amended by the final*
18 *regulations published by the Department of Edu-*
19 *cation in the Federal Register on October 31,*
20 *2014 (79 Fed. Reg. 64889 et seq.).*

21 *(C) BORROWER DEFENSE.—Sections 668.41,*
22 *668.90, 668.93, 668.171, 668.175, 674.33,*
23 *682.211, 682.402(d), 682.405, 682.410, 685.200,*
24 *685.205, 685.206, 685.212(k), 685.214, 685.215,*
25 *685.222, appendix A to subpart B of part 685,*

1 685.300, 685.308, of title 34, Code of Federal
2 Regulations, as added or amended by the final
3 regulations published by the Department of Edu-
4 cation in the Federal Register on November 1,
5 2016 (81 Fed. Reg. 75926 et seq.).

6 (2) *EFFECT OF REPEAL.*—To the extent that reg-
7 ulations repealed—

8 (A) by subparagraph (A) or subparagraph
9 (B) of paragraph (1) amended regulations that
10 were in effect on June 30, 2011, the provisions
11 of the regulations that were in effect on June 30,
12 2011, and were so amended are restored and re-
13 vived as if the regulations repealed by such sub-
14 paragraph had not taken effect; and

15 (B) by paragraph (1)(C) amended regula-
16 tions that were in effect on October 31, 2016, the
17 provisions of the regulations that were in effect
18 on October 31, 2016, and were so amended are
19 restored and revived as if the regulations re-
20 pealed by paragraph (1)(C) had not taken effect.

21 (b) *CERTAIN REGULATIONS AND OTHER ACTIONS*
22 *PROHIBITED.*—

23 (1) *GAINFUL EMPLOYMENT.*—The Secretary of
24 Education shall not, on or after the date of enactment
25 of this Act, promulgate or enforce any regulation or

1 *rule with respect to the definition or application of*
2 *the term “gainful employment” for any purpose*
3 *under the Higher Education Act of 1965 (20 U.S.C.*
4 *1001 et seq.).*

5 (2) *CREDIT HOUR.—The Secretary of Education*
6 *shall not, on or after the date of enactment of this*
7 *Act, promulgate or enforce any regulation or rule*
8 *with respect to the definition of the term “credit*
9 *hour” for any purpose under the Higher Education*
10 *Act of 1965 (20 U.S.C. 1001 et seq.).*

11 (3) *POSTSECONDARY INSTITUTION RATINGS SYS-*
12 *TEM.—The Secretary of Education shall not carry*
13 *out, develop, refine, promulgate, publish, implement,*
14 *administer, or enforce a postsecondary institution*
15 *ratings system or any other performance system to*
16 *rate institutions of higher education (as defined in*
17 *section 101 or 102 of the Higher Education Act of*
18 *1965 (20 U.S.C. 1001; 1002)).*

19 **PART B—ADDITIONAL GENERAL PROVISIONS**

20 **SEC. 111. FREE SPEECH PROTECTIONS.**

21 *Part B of title I (20 U.S.C. 1011 et seq.) is amended*
22 *by redesignating section 112 as section 112A and section*
23 *112A, as so redesignated, is amended—*

24 (1) *in subsection (a)—*

1 (A) by redesignating paragraph (2) as
2 paragraph (4); and

3 (B) by inserting after paragraph (1) the fol-
4 lowing:

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

6 “(A) *every individual should be free to profess,*
7 *and to maintain, the opinion of such individual in*
8 *matters of religion, and that professing or maintain-*
9 *ing such opinion should in no way diminish, enlarge,*
10 *or affect the civil liberties or rights of such individual*
11 *on the campus of an institution of higher education;*
12 *and*

13 “(B) *no public institution of higher education*
14 *directly or indirectly receiving financial assistance*
15 *under this Act should limit religious expression, free*
16 *expression, or any other rights provided under the*
17 *First Amendment.*

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

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

23 “(B) *no public institution of higher education*
24 *directly or indirectly receiving financial assistance*

1 *under this Act should restrict the speech of such insti-*
2 *tution's students through such zones or codes.”;*

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

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

7 *“(b) DISCLOSURE OF FREE SPEECH POLICIES.—*

8 *“(1) IN GENERAL.—No institution of higher edu-*
9 *cation shall be eligible to receive funds under this Act,*
10 *including participation in any program under title*
11 *IV, unless the institution certifies to the Secretary*
12 *that the institution has annually disclosed to current*
13 *and prospective students any policies held by the in-*
14 *stitutions related to protected speech on campus, in-*
15 *cluding policies limiting where and when such speech*
16 *may occur, and the right to submit a complaint*
17 *under paragraph (2) if the institution is not in com-*
18 *pliance with any policy disclosed under this para-*
19 *graph or is enforcing a policy related to protected*
20 *speech that has not been disclosed by the institution*
21 *under this paragraph.*

22 *“(2) COMPLAINT ON SPEECH POLICIES.—*

23 *“(A) DESIGNATION OF AN EMPLOYEE.—The*
24 *Secretary shall designate an employee in the Of-*
25 *fice of Postsecondary Education of the Depart-*

1 *ment to receive complaints from students or stu-*
2 *dent organizations that believe an institution is*
3 *not in compliance with any policy disclosed*
4 *under paragraph (1) or is enforcing a policy re-*
5 *lated to protected speech that has not been dis-*
6 *closed by the institution under such paragraph.*

7 “(B) *COMPLAINT.*—*A complaint submitted*
8 *under subparagraph (A)—*

9 “(i) *shall—*

10 “(I) *include the provision of the*
11 *institution’s policy the complainant*
12 *believes the institution is not in com-*
13 *pliance with or how the institution is*
14 *enforcing a policy related to protected*
15 *speech that has not been disclosed*
16 *under paragraph (1); and*

17 “(II) *be filed not later than 7*
18 *days of the complainant’s denial of a*
19 *right to speak; and*

20 “(ii) *may affirmatively assert that the*
21 *violation described in clause (i)(I) is a vio-*
22 *lation of the complainant’s constitutional*
23 *rights.*

24 “(C) *SECRETARIAL REQUIREMENTS.*—

25 “(i) *REVIEW.*—

1 “(I) *IN GENERAL.*—Not later than
2 7 days after the receipt of the com-
3 plaint, the Secretary shall review the
4 complaint and request a response to
5 the complaint from the institution.

6 “(II) *RESPONSE OF SEC-*
7 *RETARY.*—Not later than 10 days after
8 the receipt of the complaint, the Sec-
9 retary shall make a decision with re-
10 spect to such complaint, without re-
11 gard to whether the institution pro-
12 vides a response to such complaint.

13 “(i) *DETERMINATION THAT INSTITU-*
14 *TION FAILED TO COMPLY.*—If, upon the re-
15 view required under clause (i), the Sec-
16 retary determines that the institution is not
17 in compliance with the institution’s policy
18 disclosed under paragraph (1), or the insti-
19 tution is enforcing a policy that was not
20 disclosed under paragraph (1), the Sec-
21 retary shall—

22 “(I)(aa) if the Secretary deter-
23 mines that the institution was not in
24 compliance with a disclosed policy, re-
25 quire the institution to comply with

1 *the disclosed policy and provide the*
2 *complainant an opportunity to speak*
3 *as any other speaker would be per-*
4 *mitted to speak; or*

5 “(bb) *if the Secretary determines*
6 *that the institution was enforcing an*
7 *undisclosed policy, require the institu-*
8 *tion to immediately comply with dis-*
9 *closure requirement under paragraph*
10 *(1) and to allow the complainant to*
11 *speak as if such policy were not held*
12 *by the institution; and*

13 “(II) *require the institution to*
14 *post the decision of the Secretary on*
15 *the website of the institution, except in*
16 *the case in which the complainant re-*
17 *quests that the decision not be shared.*

18 “(iii) *REFERRAL.—If the Secretary be-*
19 *lieves the denial of the right to speak may*
20 *be a violation of the Constitutional rights of*
21 *the complainant, the Secretary shall refer*
22 *the complaint to the Department of Justice.*

23 “(D) *LIMITATIONS.—*

24 “(i) *INSTITUTION’S RELIGIOUS BE-*
25 *LIEFS OR MISSION.—The Secretary shall*

1 *defer to the institution’s religious beliefs or*
2 *mission that the institution describes in its*
3 *response to the complaint as applicable to*
4 *the complaint.*

5 “(ii) *PROHIBITION ON REGULATIONS*
6 *OR GUIDANCE.—The Secretary—*

7 “(I) *shall not promulgate any reg-*
8 *ulations with respect to this para-*
9 *graph; and*

10 “(II) *may only issue guidance*
11 *that explains or clarifies the process for*
12 *filing or reviewing a complaint under*
13 *this paragraph.”; and*

14 (4) *in subsection (d), as redesignated by para-*
15 *graph (2)—*

16 (A) *in paragraph (2), by inserting “(in-*
17 *cluding such joining, assembling, and residing*
18 *for religious purposes)” after “Constitution”;*
19 *and*

20 (B) *in paragraph (3), by inserting “(in-*
21 *cluding speech relating to religion)” after “Con-*
22 *stitution”.*

1 **SEC. 112. SENSE OF CONGRESS ON INCLUSION AND RE-**
2 **SPECT.**

3 *Part B of title I (20 U.S.C. 1011 et seq.) is further*
4 *amended by inserting after section 112A (as redesignated*
5 *by section 111) the following:*

6 **“SEC. 112B. SENSE OF CONGRESS ON INCLUSION AND RE-**
7 **SPECT.**

8 *“It is the sense of Congress that—*

9 *“(1) harassment and violence targeted at stu-*
10 *dents because of their race, color, religion, sex, or na-*
11 *tional origin as listed in section 703 of the Civil*
12 *Rights Act of 1964 (42 U.S.C. 2000e–2) should be*
13 *condemned;*

14 *“(2) institutions of higher education and law-en-*
15 *forcement personnel should be commended for their ef-*
16 *forts to combat violence, extremism, and racism, and*
17 *to protect all members of the community from harm;*
18 *and*

19 *“(3) Congress is committed to supporting insti-*
20 *tutions of higher education in creating safe, inclusive,*
21 *and respectful learning environments that fully re-*
22 *spect community members from all backgrounds.”.*

23 **SEC. 113. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
24 **TIONAL QUALITY AND INTEGRITY.**

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

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

3 (2) *in subsection (b)—*

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

7 (B) *by striking paragraph (5) and inserting*
8 *the following:*

9 “(5) *SECRETARIAL APPOINTEES.—The Secretary*
10 *may remove any member who was appointed under*
11 *paragraph (1)(A) by a predecessor of the Secretary*
12 *and may fill the vacancy created by such removal in*
13 *accordance with paragraphs (3) and (4).”.*

14 (3) *in subsection (c)—*

15 (A) *in paragraph (2), by adding “and” at*
16 *the end;*

17 (B) *in paragraph (3), by striking the semi-*
18 *colon at the end and inserting a period; and*

19 (C) *by striking paragraphs (4) through (6);*

20 (4) *in subsection (e)(2)(D) by striking “, includ-*
21 *ing any additional functions established by the Sec-*
22 *retary through regulation”;* and

23 (5) *in subsection (f), by striking “September 30,*
24 *2017” and inserting “September 30, 2024”.*

1 **SEC. 114. REPEAL OF CERTAIN REPORTING REQUIRE-**
2 **MENTS.**

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

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

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

7 (b) *CONFORMING AMENDMENTS.*—

8 (1) *Section 118 is redesignated as section 117.*

9 (2) *Sections 120, 121, 122, and 123 are redesign-*
10 *ated as sections 118, 119, 120, and 121, respectively.*

11 (3) *Section 485(f)(1)(H) (20 U.S.C.*
12 *1092(f)(1)(H)) is amended by striking “section 120”*
13 *and inserting “section 118”.*

14 **SEC. 115. PROGRAMS ON DRUG AND ALCOHOL ABUSE PRE-**
15 **VENTION.**

16 *Section 118 (as so redesignated) is amended to read*
17 *as follows:*

18 **“SEC. 118. OPIOID MISUSE AND SUBSTANCE ABUSE PRE-**
19 **VENTION PROGRAM.**

20 *“(a) REQUIRED PROGRAMS.—Each institution of*
21 *higher education participating in any program under this*
22 *Act shall adopt and implement an evidence-based program*
23 *to prevent substance abuse by students and employees that,*
24 *at a minimum, includes the annual distribution to each*
25 *student and employee of—*

1 “(1) *institutional standards of conduct and sanc-*
2 *tions that clearly prohibit and address the unlawful*
3 *possession, use, or distribution of illicit drugs and al-*
4 *cohol by students and employees; and*

5 “(2) *the description of any drug or alcohol coun-*
6 *seling, treatment, rehabilitation, or re-entry programs*
7 *that are available to students or employees, including*
8 *information on opioid abuse prevention, harm reduc-*
9 *tion, and recovery.*

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

16 “(c) *BEST PRACTICES.—The Secretary, in consulta-*
17 *tion with the Secretary of Health and Human Services and*
18 *outside experts in the field of substance use prevention and*
19 *recovery support, shall—*

20 “(1) *share best practices for institutions of high-*
21 *er education to—*

22 “(A) *address and prevent substance use; and*

23 “(B) *support students in substance use re-*
24 *covery; and*

1 “(2) if requested by an institution of higher edu-
2 cation, provide technical assistance to such institution
3 to implement a practice under paragraph (1).”.

4 **SEC. 116. CAMPUS ACCESS FOR RELIGIOUS GROUPS.**

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

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

9 *“None of the funds made available under this Act may*
10 *be provided to any public institution of higher education*
11 *that denies to a religious student organization any right,*
12 *benefit, or privilege that is generally afforded to other stu-*
13 *dent organizations at the institution (including full access*
14 *to the facilities of the institution and official recognition*
15 *of the organization by the institution) because of the reli-*
16 *gious beliefs, practices, speech, leadership and membership*
17 *standards, or standards of conduct of the religious student*
18 *organization.”.*

19 **SEC. 117. SECRETARIAL PROHIBITIONS.**

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

23 **“SEC. 123. SECRETARIAL PROHIBITIONS.**

24 *“(a) IN GENERAL.—Nothing in this Act shall be con-*
25 *strued to authorize or permit the Secretary to promulgate*

1 *any rule or regulation that exceeds the scope of the explicit*
 2 *authority granted to the Secretary under this Act.*

3 “(b) *DEFINITIONS.*—*The Secretary shall not define*
 4 *any term that is used in this Act in a manner that is incon-*
 5 *sistent with the scope of this Act, including through regula-*
 6 *tion or guidance.*

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

12 **SEC. 118. ENSURING EQUAL TREATMENT BY GOVERN-**
 13 **MENTAL ENTITIES.**

14 *Part B of title I (20 U.S.C. 1011 et seq.) (as amended*
 15 *by sections 111 through 117 of this part) is further amended*
 16 *by adding at the end the following:*

17 **“SEC. 124. ENSURING EQUAL TREATMENT BY GOVERN-**
 18 **MENTAL ENTITIES.**

19 “(a) *IN GENERAL.*—*Notwithstanding any other provi-*
 20 *sion of law, no government entity shall take any adverse*
 21 *action against an institution of higher education that re-*
 22 *ceives funding under title IV, if such adverse action—*

23 *“(1)(A) is being taken by a government entity*
 24 *that—*

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

3 “(ii) receives Federal funds; or

4 “(B) would affect commerce with foreign nations,
5 among the several States, or with Indian Tribes; and

6 “(2) has the effect of prohibiting or penalizing
7 the institution for acts or omissions by the institution
8 that are in furtherance of its religious mission or are
9 related to the religious affiliation of the institution.

10 “(b) *ASSERTION BY INSTITUTION.*—An actual or
11 threatened violation of subsection (a) may be asserted by
12 an institution of higher education that receives funding
13 under title IV as a claim or defense in a proceeding before
14 any court. The court shall grant any appropriate equitable
15 relief, including injunctive or declaratory relief.

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

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

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

23 “(3) section 2 of the Elementary and Secondary
24 Education Amendments Act of 1969 (42 U.S.C.
25 2000d–6)

1 “(d) *DEFINITIONS.—In this section:*

2 “(1) *ADVERSE ACTION.—The term ‘adverse ac-*
3 *tion’ includes, with respect to an institution of higher*
4 *education or the past, current, or prospective students*
5 *of such institution—*

6 “(A) *the denial or threat of denial of fund-*
7 *ing, including grants, scholarships, or loans;*

8 “(B) *the denial or threat of denial of access*
9 *to facilities or programs;*

10 “(C) *the withholding or threat of with-*
11 *holding of any licenses, permits, certifications,*
12 *accreditations, contracts, cooperative agreements,*
13 *grants, guarantees, tax-exempt status, or exemp-*
14 *tions; or*

15 “(D) *any other penalty or denial, or threat*
16 *of such other penalty or denial, of an otherwise*
17 *available benefit.*

18 “(2) *GOVERNMENT ENTITY.—The term ‘govern-*
19 *ment entity’ means—*

20 “(A) *any department, agency, or instru-*
21 *mentality of the Federal Government;*

22 “(B) *a State or political subdivision of a*
23 *State, or any agency or instrumentality thereof;*
24 *and*

1 “(C) *any interstate or other inter-govern-*
2 *mental entity.*”

3 “(3) *INSTITUTION OF HIGHER EDUCATION.—The*
4 *term ‘institution of higher education’ has the meaning*
5 *given the term in section 101 or 102.*”

6 “(4) *RELIGIOUS MISSION.—The term ‘religious*
7 *mission’ includes an institution of higher education’s*
8 *religious tenets, beliefs, or teachings, and any policies*
9 *or decisions related to such tenets, beliefs, or teachings*
10 *(including any policies or decisions concerning hous-*
11 *ing, employment, curriculum, self-governance, or stu-*
12 *dent admission, continuing enrollment, or gradua-*
13 *tion).”.*”

14 **SEC. 119. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.**

15 *Part B of title I (20 U.S.C. 1011 et seq.) (as amended*
16 *by sections 111 through 118 of this part) is further amended*
17 *by adding at the end the following:*

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

19 “(a) *NON-RETALIATION AGAINST SINGLE-SEX STU-*
20 *DENT ORGANIZATIONS.—An institution of higher education*
21 *that has a policy allowing for the official recognition of a*
22 *single-sex social student organization may not—*

23 “(1) *require or coerce such a recognized organi-*
24 *zation to admit as a member an individual who does*

1 *not meet the organization’s criteria for single-sex sta-*
2 *tus;*

3 “(2) *require or coerce such a recognized organi-*
4 *zation to permit an individual described in para-*
5 *graph (1) to participate in the activities of the orga-*
6 *nization;*

7 “(3) *take any adverse action against a student*
8 *on the basis of the student’s membership in such rec-*
9 *ognized organization; or*

10 “(4) *impose any requirement or restriction, in-*
11 *cluding on timing for accepting new members or*
12 *membership recruitment, on such a recognized organi-*
13 *zation (or its current or prospective members) based*
14 *on the organization’s single-sex status or its criteria*
15 *for defining its single-sex status.*

16 “(b) *CONSTRUCTION.—Nothing in this Act shall be*
17 *construed—*

18 “(1) *to create any enforceable right—*

19 “(A) *by a local, college, or university stu-*
20 *dent organization against a national student or-*
21 *ganization; or*

22 “(B) *by a national student organization*
23 *against any local, college, or university student*
24 *organization;*

1 “(2) to require an institution of higher education
2 to have a policy allowing for the official recognition
3 of a single-sex social student organization; or

4 “(3) to prohibit an institution of higher edu-
5 cation from taking an adverse action against a mem-
6 ber of a single-sex social student organization for rea-
7 sons other than on the basis of such student’s member-
8 ship in such organization, such as academic or non-
9 academic misconduct.

10 “(c) *ADVERSE ACTION*.—For the purposes of this sec-
11 tion, the term ‘adverse action’ includes the following:

12 “(1) *Expulsion, suspension, probation, censure,*
13 *condemnation, reprimand, or any other disciplinary,*
14 *coercive, or adverse action taken by an institution of*
15 *higher education or administrative unit of such an*
16 *institution.*

17 “(2) *An oral or written warning made by an of-*
18 *ficial of an institution of higher education acting in*
19 *the official’s official capacity.*

20 “(3) *Denying participation in any education*
21 *program or activity.*

22 “(4) *Withholding, in whole or in part, any fi-*
23 *nancial assistance (including scholarships and on-*
24 *campus employment), or denying the opportunity to*

1 *apply for financial assistance, a scholarship, or on-*
2 *campus employment.*

3 “(5) *Denying or restricting access to on-campus*
4 *housing.*”

5 “(6) *Denying any certification or letter of rec-*
6 *ommendation that may be required by a student’s*
7 *current or future employer, a government agency, a*
8 *licensing board, or an educational institution or*
9 *scholarship program to which the student seeks to*
10 *apply.*”

11 “(7) *Denying participation in any sports team,*
12 *club, or other student organization, or denying any*
13 *leadership position in any sports team, club, or other*
14 *student organization.”.*

15 **SEC. 120. DEPARTMENT STAFF.**

16 *Part B of title I (20 U.S.C. 1011 et seq.) (as amended*
17 *by sections 111 through 119 of this part) is further amended*
18 *by adding at the end the following:*

19 **“SEC. 126. DEPARTMENT STAFF.**

20 *“The Secretary shall—*

21 *“(1) not later than 60 days after the date of en-*
22 *actment of the PROSPER Act, identify the number of*
23 *Department full-time equivalent employees who*
24 *worked on or administered each education program or*
25 *project authorized under this Act, as such program or*

1 *project was in effect on the day before such date, and*
2 *publish such information on the Department’s*
3 *website;*

4 *“(2) not later than 60 days after such date, iden-*
5 *tify the number of full-time equivalent employees who*
6 *worked on or administered each program or project*
7 *authorized under this Act, as such program or project*
8 *was in effect on the day before such date, that has*
9 *been eliminated or consolidated since such date;*

10 *“(3) not later than 1 year after such date, reduce*
11 *the workforce of the Department by the number of*
12 *full-time equivalent employees the Department identi-*
13 *fied under paragraph (2); and*

14 *“(4) not later than 1 year after such date, report*
15 *to the Congress on—*

16 *“(A) the number of full-time equivalent em-*
17 *ployees associated with each program or project*
18 *authorized under this Act and administered by*
19 *the Department;*

20 *“(B) the number of full-time equivalent em-*
21 *ployees who were determined to be associated*
22 *with eliminated or consolidated programs or*
23 *projects described in paragraph (2);*

1 “(C) how the Secretary has reduced the
2 number of full-time equivalent employees as de-
3 scribed in paragraph (3);

4 “(D) the average salary of the full-time
5 equivalent employees described in subparagraph
6 (B) whose positions were eliminated; and

7 “(E) the average salary of the full-time
8 equivalent employees who work on or administer
9 a program or project authorized by the Depart-
10 ment under this Act, disaggregated by employee
11 function within each such program or project.”.

12 **SEC. 120A. DEPARTMENT OF HOMELAND SECURITY RE-**
13 **CRUITING ON CAMPUS.**

14 Part B of title I (20 U.S.C. 1011 et seq.) (as amended
15 by sections 111 through 120 of this part) is further amended
16 by adding at the end the following:

17 **“SEC. 127. DEPARTMENT OF HOMELAND SECURITY RE-**
18 **CRUITING ON CAMPUS.**

19 “None of the funds made available under this Act may
20 be provided to any institution of higher education that has
21 in effect a policy or practice that either prohibits, or in
22 effect prevents, the Secretary of Homeland Security from
23 gaining access to campuses or access to students (who are
24 17 years of age or older) on campuses, for purposes of De-
25 partment of Homeland Security recruiting in a manner

1 *that is at least equal in quality and scope to the access to*
2 *campuses and to students that is provided to any other em-*
3 *ployer.”.*

4 **PART C—COST OF HIGHER EDUCATION**

5 **SEC. 121. COLLEGE DASHBOARD WEBSITE.**

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

8 *(1) in subsection (a)—*

9 *(A) by striking paragraph (1) and inserting*
10 *the following new paragraph:*

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

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

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

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

21 *(2) in subsection (b)—*

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

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

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

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

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

7 “(d) *CONSUMER INFORMATION.—*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 “(D) *The student-faculty ratio.*

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

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

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

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

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

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

24 “(I) \$0 to \$30,000.

25 “(II) \$30,001 to \$48,000.

1 “(III) \$48,001 to \$75,000.

2 “(IV) \$75,001 to \$110,000.

3 “(V) \$110, 001 to \$150,000.

4 “(VI) Over \$150,000.

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

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

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

14 “(ii) made available in a format that
15 allows a user of the College Dashboard
16 website to view such percentage by selecting
17 from a list of such educational programs.

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

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

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

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

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

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

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

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

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

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

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

16 “(ii) The percentages of undergraduate
17 students enrolled at the institution—

18 “(I) full-time; and

19 “(II) less than full-time.

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

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

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

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

9 “(iv) The percentages of undergraduate
10 students enrolled at the institution,
11 disaggregated by—

12 “(I) race and ethnic background;

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

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

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

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

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

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

7 “(ii) race and ethnic background;

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

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

17 “(v) recipients of a Federal student
18 loan.

19 “(C) COSTS.—The following cost informa-
20 tion:

21 “(i) The cost of attendance for full-time
22 undergraduate students enrolled in the in-
23 stitution who live on campus.

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

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

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

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

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

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

23 “(vi) *In the case of a public institution*
24 *of higher education that offers different tui-*
25 *tion rates for students who are residents of*

1 *a geographic subdivision smaller than a*
2 *State and students not located in such geo-*
3 *graphic subdivision and notwithstanding*
4 *subsection (b)(1), the costs described in*
5 *clauses (i) and (ii) for—*

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

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

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

17 *“(D) FINANCIAL AID.—The following infor-*
18 *mation with respect to financial aid:*

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

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

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

11 “(3) *OTHER DATA MATTERS.—*

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

22 “(B) *ADJUSTMENT OF INCOME CAT-*
23 *EGORIES.—The Secretary may annually adjust*
24 *the range of each of the income categories de-*
25 *scribed in paragraph (1)(F) to account for a*

1 *change in the Consumer Price Index for All*
2 *Urban Consumers as determined by the Bureau*
3 *of Labor Statistics if the Secretary determines*
4 *an adjustment is necessary.*

5 “(4) *INSTITUTIONAL COMPARISON.*—*The Sec-*
6 *retary shall include on the College Dashboard website*
7 *a method for users to easily compare the information*
8 *required under paragraphs (1) and (2) between insti-*
9 *tutions.*

10 “(5) *UPDATES.*—

11 “(A) *DATA.*—*The Secretary shall update the*
12 *College Dashboard website not less than annu-*
13 *ally.*

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

19 “(6) *CONSUMER TESTING.*—

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

1 *spective college students, family members of such*
2 *students, institutions of higher education, and*
3 *experts, to ensure that the College Dashboard*
4 *website is usable and easily understandable and*
5 *provides useful and relevant information to stu-*
6 *dents and families.*

7 “(B) *RECOMMENDATIONS FOR CHANGES.—*
8 *The Secretary shall submit to the authorizing*
9 *committees any recommendations that the Sec-*
10 *retary considers appropriate for changing the in-*
11 *formation required to be provided on the College*
12 *Dashboard website under paragraphs (1) and (2)*
13 *based on the results of the consumer testing con-*
14 *ducted under subparagraph (A).*

15 “(7) *PROVISION OF APPROPRIATE LINKS TO PRO-*
16 *SPECTIVE STUDENTS AFTER SUBMISSION OF*
17 *FAFSA.—The Secretary shall provide to each student*
18 *who submits a Free Application for Federal Student*
19 *Aid described in section 483 a link to the webpage of*
20 *the College Dashboard website that contains the infor-*
21 *mation required under paragraph (1) for each insti-*
22 *tution of higher education such student includes on*
23 *such Application.*

24 “(8) *INTERAGENCY COORDINATION.—The Sec-*
25 *retary, in consultation with each appropriate head of*

1 *a department or agency of the Federal Government,*
2 *shall ensure to the greatest extent practicable that any*
3 *information related to higher education that is pub-*
4 *lished by such department or agency is consistent*
5 *with the information published on the College Dash-*
6 *board website.*

7 *“(9) DATA COLLECTION.—The Commissioner for*
8 *Education Statistics shall continue to update and im-*
9 *prove the Integrated Postsecondary Education Data*
10 *System, including by reducing institutional reporting*
11 *burden and improving the timeliness of the data col-*
12 *lected.*

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

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

24 *(c) REFERENCES.—Any reference in any law (other*
25 *than this Act), regulation, document, record, or other paper*

1 *of the United States to the College Navigator website shall*
2 *be considered to be a reference to the College Dashboard*
3 *website.*

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

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

17 **SEC. 122. NET PRICE CALCULATORS.**

18 *Subsection (c) of section 132 (20 U.S.C. 1015a), as so*
19 *redesignated by section 121(a)(4) of this Act, is amended—*

20 *(1) by redesignating paragraph (4) as para-*
21 *graph (6); and*

22 *(2) by inserting after paragraph (3) the fol-*
23 *lowing new paragraphs:*

24 *“(4) MINIMUM REQUIREMENTS FOR NET PRICE*
25 *CALCULATORS.—Not later than 1 year after the date*

1 of the enactment of the *PROSPER Act*, a net price
2 calculator for an institution of higher education shall
3 meet the following requirements:

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

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

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

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

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

22 “(ii) Cost of attendance, including—

23 “(I) tuition and fees;

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

1 *time undergraduate student enrolled in*
2 *the institution;*

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

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

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

17 *“(iv) Percentage of the full-time under-*
18 *graduate students enrolled in the institution*
19 *that received any type of grant aid de-*
20 *scribed in clause (iii).*

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

23 *“(vi) In the case of a calculator that—*
24 *“(I) includes questions to estimate*
25 *the eligibility of a student or prospec-*

1 *tive student for veterans’ education*
2 *benefits (as defined in section 480) or*
3 *educational benefits for active duty*
4 *service members, such benefits are dis-*
5 *played on the results screen in a man-*
6 *ner that clearly distinguishes such ben-*
7 *efits from the grant aid described in*
8 *clause (iii); or*

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

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

20 *“(5) PROHIBITION ON USE OF DATA COLLECTED*
21 *BY THE NET PRICE CALCULATOR.—A net price calcu-*
22 *lator for an institution of higher education shall—*

23 *“(A) clearly indicate which questions are*
24 *required to be completed for an estimate of the*
25 *net price from the calculator;*

1 “(B) *in the case of a calculator that requests*
2 *contact information from users, clearly mark*
3 *such requests as optional and provide for an esti-*
4 *mate of the net price from the calculator without*
5 *requiring users to enter such information; and*

6 “(C) *prohibit any personally identifiable*
7 *information provided by users from being sold or*
8 *made available to third parties.”.*

9 **SEC. 123. TEXT BOOK INFORMATION.**

10 *Section 133(b)(5) (20 U.S.C. 1015b(b)(5)) is amended*
11 *by striking “section 102” and inserting “section 101 or*
12 *102”.*

13 **SEC. 124. REVIEW OF CURRENT DATA COLLECTION AND**
14 **FEASIBILITY STUDY OF IMPROVED DATA COL-**
15 **LECTION.**

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

18 **“SEC. 138. REVIEW OF CURRENT DATA COLLECTION AND**
19 **FEASIBILITY STUDY OF IMPROVED DATA COL-**
20 **LECTION.**

21 “(a) *IN GENERAL.—Not later than 2 years after the*
22 *date of the enactment of the PROSPER Act, the Secretary*
23 *shall, in order to help improve the information available*
24 *to students and families and to eliminate significant and*

1 *burdensome data collection requirements placed on institu-*
2 *tions under this Act—*

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

5 “(2) *determine which requirements are duplica-*
6 *tive or no longer necessary to provide meaningful in-*
7 *formation for compliance, accountability, or trans-*
8 *parency in decision making; and*

9 “(3) *examine the best way to collect data that in-*
10 *cludes all students from institutions that will—*

11 “(A) *eliminate or reduce the burden and*
12 *duplication of data reporting; and*

13 “(B) *capture the data necessary to ensure*
14 *compliance, accountability, and transparency in*
15 *decision making which shall include, at a min-*
16 *imum—*

17 “(i) *enrollment;*

18 “(ii) *retention;*

19 “(iii) *transfer;*

20 “(iv) *completion; and*

21 “(v) *post-collegiate earnings; and*

22 “(4) *implement the changes necessary to improve*
23 *the data reporting process for institutions, and sub-*
24 *mit a report to the authorizing committees on any*

1 *legislative changes necessary to make such improve-*
2 *ments.*

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

5 “(1) *all applicable offices within the Department*
6 *to ensure the review captures all data reporting re-*
7 *quirements under this Act; and*

8 “(2) *relevant stakeholders, including students,*
9 *parents, institutions of higher education, and privacy*
10 *experts.*

11 “(c) *DATA COLLECTION AND REPORTING.*—*In exam-*
12 *ining the best way to collect data under subsection (a)(3),*
13 *the Secretary shall explore the feasibility of working with*
14 *the National Student Clearinghouse to establish a third-*
15 *party method to collect and produce institution and pro-*
16 *gram-level analysis of the data determined necessary to re-*
17 *port, and how such data reported to the clearinghouse could*
18 *be secured, while considering the following:*

19 “(1) *Whether data reported to the clearinghouse*
20 *can accurately reflect institutional and program-level*
21 *enrollment, retention, transfer, and completion rates.*

22 “(2) *How much duplication of reporting can be*
23 *eliminated and if such reporting can replace the re-*
24 *porting to the Integrated Postsecondary Education*
25 *Data System (IPEDS), including whether the data*

1 *quality will be maintained or improved from the cur-*
2 *rent data provided to the Department through*
3 *IPEDS.*

4 “(3) *Whether such reporting to the clearinghouse*
5 *can protect the confidentiality of the reported data,*
6 *while providing more accurate institutional perform-*
7 *ance measures.*

8 “(4) *Whether such reporting can be made com-*
9 *patible with systems that include post-graduation out-*
10 *comes including employment and earnings data.*

11 “(5) *Whether the use of the clearinghouse for*
12 *such data reporting will change the current inter-*
13 *action between institutions and the clearinghouse.*

14 “(6) *Whether the clearinghouse can meet the re-*
15 *quirements of such reporting without transferring any*
16 *disaggregated data that would be personally identifi-*
17 *able to the Department of Education.*

18 “(7) *Whether the clearinghouse can ensure the*
19 *Department of Education would never have access to*
20 *any health data, student discipline records or data,*
21 *elementary and secondary education data, or infor-*
22 *mation relating to citizenship or national origin sta-*
23 *tus, course grades, individual postsecondary entrance*
24 *examination results, political affiliation, or religion,*
25 *as a result of producing information for program*

1 *level analysis of the data received from institutions of*
2 *higher education.*

3 “(8) *Whether the clearinghouse can provide the*
4 *analysis under this subsection without maintaining*
5 *or transferring, publishing, or submitting any data*
6 *containing the information described in paragraph*
7 *(7) to any entity, including any Federal or State*
8 *agency.*

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

13 “(e) *RULE OF CONSTRUCTION.—Nothing in this sec-*
14 *tion shall be construed to authorize the development of a*
15 *nationwide database of personally identifiable information*
16 *on individuals involved in studies or other collections of*
17 *data under this Act.”.*

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

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

24 *(1) in subsection (a)(2)—*

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

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

6 “(F) to maximize transparency in the oper-
7 ation of Federal student financial assistance pro-
8 grams;

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

12 (2) in subsection (b)—

13 (A) in paragraph (1)(C)—

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

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

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

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

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

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

9 (C) in paragraph (6)—

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

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

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

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

22 “(i) a summary of the consultation;

23 and

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

1 (3) *in subsection (c)*—

2 (A) *in paragraph (1)*—

3 (i) *in subparagraph (A)*—

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

7 (II) *by striking “succeeding 5”*
8 *and inserting “succeeding 3”;*

9 (ii) *by amending subparagraph (B) to*
10 *read as follows:*

11 “(B) *CONSULTATION.*—

12 “(i) *PLAN DEVELOPMENT.*—*Beginning*
13 *not later than 12 months before issuing each*
14 *3-year performance plan under subpara-*
15 *graph (A), the Secretary and the Chief Op-*
16 *erating Officer shall consult with students,*
17 *institutions of higher education, Congress,*
18 *lenders, and other interested parties regard-*
19 *ing the development of the plan. In carrying*
20 *out such consultation, the Secretary shall*
21 *seek public comment consistent with the re-*
22 *quirements of subchapter II of chapter 5 of*
23 *title 5, United States Code (commonly*
24 *known as the ‘Administrative Procedure*
25 *Act’).*

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

8 (iii) in subparagraph (C)—

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

14 (II) by redesignating clause (v) as
15 clause (vi);

16 (III) by inserting after clause (iv)
17 the following:

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

23 (B) in paragraph (2)—

24 (i) by striking “5-year” and inserting
25 “3-year”;

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

6 (iii) in subparagraph (D), by inserting
7 “, in the aggregate and per individual” be-
8 fore the period;

9 (iv) in subparagraph (E), by striking
10 “Recommendations” and inserting “Specific
11 recommendations”;

12 (v) by redesignating subparagraph (F)
13 as subparagraph (G); and

14 (vi) by inserting after subparagraph
15 (E), the following:

16 “(F) A description of the performance eval-
17 uation system developed under subsection
18 (d)(6).”.

19 (C) in paragraph (3)—

20 (i) in the matter preceding subpara-
21 graph (A), by striking “establish appro-
22 priate means to”;

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

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

4 (iv) by adding at the end the following:
5 “(C) through a nationally-representative
6 survey, that at a minimum shall evaluate the de-
7 gree of satisfaction with the delivery system and
8 the PBO.”;

9 (4) in subsection (d)—

10 (A) in paragraph (2), by striking “The Sec-
11 retary may reappoint” and inserting “Except as
12 provided in paragraph (4)(C),”

13 (B) in paragraph (4)—

14 (i) in subparagraph (A)—

15 (I) by inserting “specific,” after
16 “set forth”; and

17 (II) by inserting “and metrics
18 used to measure progress toward such
19 goals” before the period;

20 (ii) by amending subparagraph (B) to
21 read as follows:

22 “(B) TRANSMITTAL AND PUBLIC AVAIL-
23 ABILITY.—The Secretary shall—

24 “(i) transmit to the authorizing com-
25 mittees the final version of, and any subse-

1 *quent revisions to, the agreement entered*
2 *into under subparagraph (A); and*

3 *“(ii) before the expiration of the period*
4 *of 5 business days beginning after the date*
5 *on which the agreement is transmitted*
6 *under clause (i), make such agreement pub-*
7 *licly available on a publicly accessible*
8 *website of the Department of Education.”.*

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

11 *“(C) LOSS OF ELIGIBILITY.—If the agree-*
12 *ment under subparagraph (A) is not made pub-*
13 *licly available before the expiration of the period*
14 *described in subparagraph (B)(ii), the Chief Op-*
15 *erating Officer shall not be eligible for reappoint-*
16 *ment under paragraph (2).”;* and

17 *(C) in paragraph (5), by amending sub-*
18 *paragraph (B) to read as follows:*

19 *“(B) BONUS.—In addition, the Chief Oper-*
20 *ating Officer may receive a bonus in the fol-*
21 *lowing amounts:*

22 *“(i) For a period covered by a per-*
23 *formance agreement entered into under*
24 *paragraph (4) before the date of the enact-*
25 *ment of the PROSPER Act, an amount*

1 that does not exceed 50 percent of the an-
2 nual rate basic pay of the Chief Operating
3 Officer, based upon the Secretary’s evalua-
4 tion of the Chief Operating Officer’s per-
5 formance in relation to the goals set forth in
6 the performance agreement.

7 “(ii) For a period covered by a per-
8 formance agreement entered into under
9 paragraph (4) on or after the date of the en-
10 actment of the PROSPER Act, an amount
11 that does not exceed 40 percent of the an-
12 nual rate basic pay of the Chief Operating
13 Officer, based upon the Secretary’s evalua-
14 tion of the Chief Operating Officer’s per-
15 formance in relation to the goals set forth in
16 the performance agreement.”.

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

18 “(6) PERFORMANCE EVALUATION SYSTEM.—The
19 Secretary shall develop a system to evaluate the per-
20 formance of the Chief Operating Officer and any sen-
21 ior managers appointed by such Officer under sub-
22 section (e). Such system shall—

23 “(A) take into account the extent to which
24 each individual attains the specific, measurable
25 organizational and individual goals set forth in

1 *the performance agreement described in para-*
2 *graph (4)(A) and subsection (e)(2) (as the case*
3 *may be); and*

4 *“(B) evaluate each individual using a rat-*
5 *ing system that accounts for the full spectrum of*
6 *performance levels, from the failure of an indi-*
7 *vidual to meet the goals described in clause (i)*
8 *to an individual’s success in meeting or exceed-*
9 *ing such goals.”;*

10 *(5) in subsection (e)—*

11 *(A) in paragraph (2), by striking “organi-*
12 *zation and individual goals” and inserting “spe-*
13 *cific, measurable organization and individual*
14 *goals and the metrics used to measure progress*
15 *toward such goals”;*

16 *(B) in paragraph (3), by amending sub-*
17 *paragraph (B) to read as follows:*

18 *“(B) BONUS.—In addition, a senior man-*
19 *ager may receive a bonus in the following*
20 *amounts:*

21 *“(i) For a period covered by a per-*
22 *formance agreement entered into under*
23 *paragraph (2) before the date of the enact-*
24 *ment of the PROSPER Act, an amount*
25 *such that the manager’s total annual com-*

1 *compensation does not exceed 125 percent of the*
2 *maximum rate of basic pay for the Senior*
3 *Executive Service, including any applicable*
4 *locality-based comparability payment, based*
5 *upon the Chief Operating Officer’s evalua-*
6 *tion of the manager’s performance in rela-*
7 *tion to the goals set forth in the perform-*
8 *ance agreement.*

9 *“(ii) For a period covered by a per-*
10 *formance agreement entered into under*
11 *paragraph (2) on or after the date of the en-*
12 *actment of the PROSPER Act, an amount*
13 *such that the manager’s total annual com-*
14 *pensations does not exceed 120 percent of the*
15 *maximum rate of basic pay for the Senior*
16 *Executive Service, including any applicable*
17 *locality-based comparability payment, based*
18 *upon the Chief Operating Officer’s evalua-*
19 *tion of the manager’s performance in rela-*
20 *tion to the goals set forth in the perform-*
21 *ance agreement.”.*

22 *(6) by redesignating subsections (f), (g), (h), and*
23 *(i) as subsections (g), (h), (i), (j); and*

24 *(7) by inserting after subsection (e) the following:*

25 *“(f) ADVISORY BOARD.—*

1 “(1) *ESTABLISHMENT AND PURPOSE.*—Not later
2 *than one year after the date of the enactment of the*
3 *PROSPER Act, the Secretary shall establish an Advi-*
4 *sory Board (referred to in this subsection as the*
5 *‘Board’) for the PBO. The purpose of such Board*
6 *shall be to conduct oversight over the PBO and the*
7 *Chief Operating Officer and senior managers de-*
8 *scribed under subsection (e) to ensure that the PBO*
9 *is meeting the purposes described in this section and*
10 *the goals in the performance plan described under*
11 *such section.*

12 “(2) *MEMBERSHIP.*—

13 “(A) *BOARD MEMBERS.*—*The Board shall*
14 *consist of 7 members, one of whom shall be the*
15 *Secretary.*

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

19 “(C) *SECRETARY AS AN EX OFFICIO MEM-*
20 *BER.*—*The Secretary, ex officio—*

21 “(i) *shall—*

22 “(I) *serve as a member of the*
23 *Board;*

24 “(II) *be a voting member of the*
25 *Board; and*

1 “(III) be eligible to be elected by
2 the Board to serve as chairman or vice
3 chairman of the Board; and

4 “(ii) shall not be subject to the terms or
5 compensation requirements described in this
6 paragraph that are applicable to the other
7 members of the Board.

8 “(D) *ADDITIONAL BOARD MEMBERS.*—Each
9 member of the Board (excluding the Secretary)
10 shall be appointed by the Secretary.

11 “(E) *TERMS.*—

12 “(i) *IN GENERAL.*—Each Board mem-
13 ber, except for the Secretary and the Board
14 members described in clause (ii)(II), shall
15 serve 5-year terms.

16 “(ii) *INITIAL MEMBERS.*—

17 “(I) *FIRST 3 MEMBERS.*—The first
18 3 members confirmed to serve on the
19 Board after the date of enactment of
20 the *PROSPER* Act shall serve for 5-
21 year terms.

22 “(II) *OTHER MEMBERS.*—The
23 fourth, fifth, and sixth members con-
24 firmed to serve on the Board after such

1 *date of enactment shall serve for 3-year*
2 *terms.*

3 “(iii) *REAPPOINTMENT.*—*The Sec-*
4 *retary may reappoint a Board member for*
5 *one additional 5-year term.*

6 “(iv) *VACANCIES.*—

7 “(I) *IN GENERAL.*—*Not later than*
8 *30 days after a vacancy of the Board*
9 *occurs, the Secretary shall publish a*
10 *Federal Register notice soliciting nomi-*
11 *nations for the position.*

12 “(II) *FILLING VACANCY.*—*Not*
13 *later than 90 days after such vacancy*
14 *occurs, such vacancy shall be filled in*
15 *the same manner as the original ap-*
16 *pointment was made, except that—*

17 “(aa) *the appointment shall*
18 *be for the remainder of the*
19 *uncompleted term; and*

20 “(bb) *such member may be*
21 *reappointed under clause (iii).*

22 “(F) *MEMBERSHIP QUALIFICATIONS AND*
23 *PROHIBITIONS.*—

24 “(i) *QUALIFICATIONS.*—*The members*
25 *of the board, other than the Secretary, shall*

1 *be appointed without regard to political af-*
2 *filiation and solely on the basis of their pro-*
3 *fessional experience and expertise in—*

4 “(I) *the management of large and*
5 *financially significant organizations,*
6 *including banks and commercial lend-*
7 *ing companies; or*

8 “(II) *Federal student financial*
9 *assistance programs.*

10 “(i) *CONFLICTS OF INTEREST AMONG*
11 *BOARD MEMBERS.—Before appointing mem-*
12 *bers of the Board, the Secretary shall estab-*
13 *lish rules and procedures to address any po-*
14 *tential conflict of interest between a member*
15 *of the Board and responsibilities of the*
16 *Board, including prohibiting membership*
17 *for individuals with a pecuniary interest in*
18 *the activities of the PBO.*

19 “(G) *NO COMPENSATION.—Board members*
20 *shall serve without pay.*

21 “(H) *EXPENSES OF BOARD MEMBERS.—*
22 *Each member of the Board shall receive travel*
23 *expenses and other permissible expenses, includ-*
24 *ing per diem in lieu of subsistence, in accordance*

1 *with applicable provisions under title 5, United*
2 *States Code.*

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

5 “(A) *Conducting general oversight over the*
6 *functioning and operation of the PBO, includ-*
7 *ing—*

8 “(i) *ensuring that the reporting and*
9 *planning requirements of this section are*
10 *fulfilled by the PBO; and*

11 “(ii) *ensuring that the Chief Operating*
12 *Officer acquires senior managers with dem-*
13 *onstrated management ability and expertise*
14 *in consumer lending (as described in sub-*
15 *section (b)(1)(C)(iii)).*

16 “(B) *Approving the appointment or re-*
17 *appointment of a Chief Operating Officer, except*
18 *that the board shall have no authority to approve*
19 *or disapprove the reappointment of the Chief Op-*
20 *erating Officer who holds such position on the*
21 *date of enactment of the PROSPER Act.*

22 “(C) *Making recommendations with respect*
23 *to the suitability of any bonuses proposed to be*
24 *provided to the Chief Operating Officer or senior*
25 *managers described under subsections (d) and*

1 (e), to ensure that a bonus is not awarded to the
2 Officer or a senior manager in a case in which
3 such Officer or manager has failed to meet goals
4 set for them under the relevant performance plan
5 under subsections (d)(4) and (e)(2), respectively.

6 “(D) Approving any performance plan es-
7 tablished for the PBO.

8 “(4) BOARD OPERATIONS.—

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

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

16 “(i) establishing committees;

17 “(ii) setting meeting places and times;

18 “(iii) establishing meeting agendas;

19 and

20 “(iv) developing rules for the conduct
21 of business.

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

1 “(D) ADMINISTRATION.—*The Federal Advi-*
2 *sory Committee Act shall not apply with respect*
3 *to the Board, other than sections 10, 11 and 12*
4 *of such Act.*

5 “(5) ANNUAL REPORT.—

6 “(A) IN GENERAL.—*Not less frequently than*
7 *once annually, the Board shall submit to the au-*
8 *thorizing committees a report on the results of*
9 *the work conducted by the PBO.*

10 “(B) CONTENTS.—*Each report under clause*
11 *(i) shall include—*

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

14 “(ii) *a description of statutory require-*
15 *ments of this section and section 144 where*
16 *the PBO is not in compliance;*

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

20 “(iv) *recommendations regarding*
21 *bonus payments for the Chief Operating Of-*
22 *ficer and senior managers; and*

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

1 “(I) *any statutory changes needed*
2 *that would enhance the ability of the*
3 *PBO to meet the purposes of this sec-*
4 *tion; and*

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

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

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

21 “(C) *STAFF.—*

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

1 “(ii) *TECHNICAL EMPLOYEES.*—Such
2 *appointments may include, for terms not to*
3 *exceed 3 years and without regard to the*
4 *provisions of title 5, United States Code,*
5 *governing appointments in the competitive*
6 *service, not more than 3 technical employees*
7 *who may be paid without regard to the pro-*
8 *visions of chapter 51 and subchapter III of*
9 *chapter 53 of such title relating to classi-*
10 *fication and General Schedule pay rates,*
11 *but no individual so appointed shall be*
12 *paid in excess of the rate authorized for*
13 *GS–18 of the General Schedule.*

14 “(iii) *DETAILEES.*—The Secretary
15 *may detail, on a reimbursable basis, any of*
16 *the personnel of the Department for the pur-*
17 *poses described in clause (i). Such employ-*
18 *ees shall serve without additional pay, al-*
19 *lowances, or benefits.*

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

1 *other department or agency of the Federal*
2 *Government.*

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

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

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

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

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

17 “(b) *DISCLOSURES.—*

18 “(1) *IN GENERAL.—The Secretary and the Chief*
19 *Operating Officer shall publish on a publicly acces-*
20 *sible website of the Department of Education the fol-*
21 *lowing aggregate statistics with respect to the per-*
22 *formance of student loans under title IV:*

23 “(A) *The number of borrowers who paid off*
24 *the total outstanding balance of principal and*

1 *interest on their loans before the end of the 10-*
2 *year or consolidated loan repayment schedule.*

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

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

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

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

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

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

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

24 “(I) *With respect to the public service loan*
25 *forgiveness program under section 455(m)—*

1 “(i) the number of applications sub-
2 mitted and processed;

3 “(ii) the number of borrowers granted
4 loan forgiveness;

5 “(iii) the amount of loan debt forgiven;
6 and

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

13 “(I) the Federal Government, or a
14 State or local government;

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

20 “(III) a non-profit organization
21 not described in subclause (II).

22 “(J) Any other aggregate statistics the Sec-
23 retary and the Chief Operating Officer determine
24 to be necessary to adequately inform the public

1 *of the performance of the student loan programs*
2 *under title IV.*

3 “(2) *DISAGGREGATION.*—*The statistics described*
4 *in clauses (i) through (iii) of paragraph (1)(I) shall*
5 *be disaggregated—*

6 “(A) *by the number or amount for most re-*
7 *cent quarter;*

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

10 “(C) *by repayment plan;*

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

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

16 “(3) *QUARTERLY UPDATES.*—*The statistics pub-*
17 *lished under paragraph (1) shall be updated not less*
18 *frequently than once each fiscal quarter.*

19 “(c) *INFORMATION COLLECTION.*—

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

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

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

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

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

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

14 “(2) AVAILABILITY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

7 **SEC. 133. REPORT BY GAO ON TRANSFER OF FUNCTIONS OF**
8 **THE OFFICE OF FEDERAL STUDENT AID TO**
9 **THE DEPARTMENT OF TREASURY.**

10 (a) *STUDY.*—*The Comptroller General of the United*
11 *States shall conduct a study on the impact of transferring*
12 *the functions, in whole or in part, of the Office of Federal*
13 *Student Aid from the Department of Education to the De-*
14 *partment of the Treasury, which shall include—*

15 (1) *the potential impact of such transfer on the*
16 *Federal government, including—*

17 (A) *any change in cost of administering the*
18 *program; and*

19 (B) *the duplication of duties by Federal*
20 *agencies;*

21 (2) *an analysis of how the responsibilities and*
22 *operations of the Office of Federal Student Aid of the*
23 *Department of Education overlaps with relevant re-*
24 *sponsibilities and operations at the Department of*
25 *Treasury;*

1 (3) *an analysis of whether the employees of the*
2 *Department of Treasury possess the necessary exper-*
3 *tise and experience to manage and oversee the func-*
4 *tions of the Office of Federal Student Aid of the De-*
5 *partment of Education; and*

6 (4) *the potential impact of such transfer on ad-*
7 *ministrative costs and staff necessary for carrying out*
8 *such functions.*

9 (b) *CONSULTATION.—In conducting the study under*
10 *subsection (a), the Comptroller General of the United States*
11 *shall consult with stakeholders, including institutions of*
12 *higher education, financial aid administrators, and exist-*
13 *ing entities that contract with the Office of Federal Student*
14 *Aid of the Department of Education, that may be impacted*
15 *by the transfer studied under such subsection.*

16 (c) *REPORT.—Not later than 2 years after the date of*
17 *the enactment of this Act, the Comptroller General of the*
18 *United States shall complete the study under subsection (a)*
19 *and submit a report to the House Committee on Education*
20 *and the Workforce and the Senate Committee on Health,*
21 *Education, Labor, and Pensions that includes the results*
22 *of such study.*

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

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

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

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

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

10 (B) *in paragraph (3)*—

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

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

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

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

20 (C) *in paragraph (6)(A)*—

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

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

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

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

5 (D) in paragraph (8)(B)—

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

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

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

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

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

16 (A) in subsection (a)(1)—

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

19 “(i) make available to the prospective
20 borrower on a website or with informational
21 material, the information the Board of Gov-
22 ernors of the Federal Reserve System re-
23 quires the lender to provide to the covered
24 institution under section 128(e)(11) of the

1 *Truth in Lending Act (15 U.S.C.*
2 *1638(e)(11)) for such loan;”*; and

3 *(ii) by adding at the end the following:*

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

12 *(B) in subsection (b)(1)(A)(i), by striking*
13 *“part B or D” and inserting “part B, D, or E”;*
14 *(3) in section 153 (20 U.S.C. 1019b)—*

15 *(A) in subsection (a)—*

16 *(i) in paragraph (1)(B)—*

17 *(I) in clause (i), by adding “and”*
18 *at the end;*

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

22 *(III) by striking clause (iii); and*

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

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

5 (B) by amending subsection (c) to read as
6 follows:

7 “(c) DUTIES OF COVERED INSTITUTIONS AND INSTITU-
8 TION-AFFILIATED ORGANIZATIONS.—

9 “(1) CODE OF CONDUCT.—Each covered institu-
10 tion, and each institution-affiliated organization of
11 such covered institution, that has a preferred lender
12 arrangement, shall comply with the code of conduct
13 requirements of subparagraphs (A) through (C) of sec-
14 tion 487(a)(23).

15 “(2) APPLICABLE CODE OF CONDUCT.—For pur-
16 poses of subparagraph (A), an institution-affiliated
17 organization of a covered institution shall—

18 “(A) comply with the code of conduct devel-
19 oped and published by such covered institution
20 under subparagraphs (A) and (B) of section
21 487(a)(23);

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

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

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

8 (A) in the section heading, by inserting be-
9 fore the period at the end the following: “**OR**
10 **THE FEDERAL ONE LOAN PROGRAM**”;

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

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

17 (D) in subsection (a)—

18 (i) by striking “the development” and
19 inserting “the first update”;

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

22 (iii) by striking “Federal Direct Staf-
23 ford Loans, Federal Direct Unsubsidized
24 Stafford Loans, and Federal Direct PLUS”

1 and inserting “undergraduate, graduate,
2 and parent”.

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

11 ***PART F—ADDRESSING SEXUAL ASSAULT***

12 ***SEC. 151. ADDRESSING SEXUAL ASSAULT.***

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

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

16 ***“SEC. 161. APPLICATION.***

17 *“The requirements of this part shall apply to any in-*
18 *stitution of higher education receiving Federal financial as-*
19 *sistance under this Act, including financial assistance pro-*
20 *vided to students under title IV, other than—*

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

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

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

2 “(a) *SURVEYS TO MEASURE CAMPUS ATTITUDES AND*
3 *CLIMATE REGARDING SEXUAL ASSAULT AND MISCONDUCT*
4 *ON CAMPUS.—Each institution of higher education that is*
5 *subject to this part shall conduct surveys of its students to*
6 *measure campus attitudes towards sexual assault and the*
7 *general climate of the campus regarding the institution’s*
8 *treatment of sexual assault on campus, and shall use the*
9 *results of the survey to improve the institution’s ability to*
10 *prevent and respond appropriately to incidents of sexual*
11 *assault.*

12 “(b) *CONTENTS.—The institution’s survey under this*
13 *section shall consist of such questions as the institution con-*
14 *siders appropriate, which may (at the option of the institu-*
15 *tion) include any of the following:*

16 “(1) *Questions on the incidence and prevalence*
17 *of sexual assault experienced by students.*

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

21 “(3) *Questions on whether the alleged perpetra-*
22 *tors are students of the institution.*

23 “(4) *Questions to test the students’ knowledge*
24 *and understanding of institutional policies regarding*
25 *sexual assault and available campus support services*
26 *for victims of sexual assault.*

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

4 “(6) *Questions related to dating violence, domes-*
5 *tic violence, and stalking.*

6 “(c) *OTHER ISSUES RELATING TO THE ADMINISTRA-*
7 *TION OF SURVEYS.—*

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

13 “(2) *ENCOURAGING USE OF BEST PRACTICES*
14 *AND APPROPRIATE LANGUAGE.—The institution is en-*
15 *couraged to administer the surveys under this section*
16 *in accordance with best practices derived from peer-*
17 *reviewed research, and to use language that is sen-*
18 *sitive to potential respondents who may have been*
19 *victims of sexual assault.*

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

23 “(d) *ROLE OF SECRETARY.—*

24 “(1) *DEVELOPMENT OF SAMPLE SURVEYS.—The*
25 *Secretary, in consultation with relevant stakeholders,*

1 *shall develop sample surveys that an institution may*
2 *elect to use under this section, and shall post such*
3 *surveys on a publicly accessible website of the Depart-*
4 *ment of Education. The Secretary shall develop sam-*
5 *ple surveys that are suitable for the various popu-*
6 *lations who will participate in the surveys.*

7 “(2) *LIMIT ON OTHER ACTIVITIES.*—*In carrying*
8 *out this section, the Secretary—*

9 “(A) *may not regulate or otherwise impose*
10 *conditions on the contents of an institution’s sur-*
11 *veys under this section, except as may be nec-*
12 *essary to ensure that the institution meets the*
13 *confidentiality requirements of subsection (c)(1);*
14 *and*

15 “(B) *may not use the results of the surveys*
16 *to make comparisons between institutions of*
17 *higher education.*

18 “(e) *FREQUENCY.*—*An institution of higher education*
19 *that is subject to this part shall conduct a survey under*
20 *this section not less frequently than once every 3 academic*
21 *years.*

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

23 “(a) *REQUIRING INSTITUTIONS TO MAKE COUNSELOR*
24 *AVAILABLE.*—

1 “(1) *IN GENERAL.*—*Each institution of higher*
2 *education that is subject to this part shall retain the*
3 *services of qualified sexual assault survivors’ coun-*
4 *selors to counsel and support students who are victims*
5 *of sexual assault.*

6 “(2) *USE OF CONTRACTORS PERMITTED.*—*At the*
7 *option of the institution, the institution may retain*
8 *the services of counselors who are employees of the in-*
9 *stitution or may enter into agreements with other in-*
10 *stitutions of higher education, victim advocacy orga-*
11 *nizations, or other appropriate sources to provide*
12 *counselors for purposes of this section.*

13 “(3) *NUMBER.*—*The institution shall retain such*
14 *number of counselors under this section as the institu-*
15 *tion considers appropriate based on a reasonable de-*
16 *termination of the anticipated demand for such coun-*
17 *selors’ services, so long as the institution retains the*
18 *services of at least one such counselor at all times.*

19 “(b) *QUALIFICATIONS.*—*A counselor is qualified for*
20 *purposes of this section if the counselor has completed edu-*
21 *cation specifically designed to enable the counselor to pro-*
22 *vide support to victims of sexual assault, and is familiar*
23 *with relevant laws on sexual assault as well as the institu-*
24 *tion’s own policies regarding sexual assault.*

1 “(c) *INFORMING VICTIMS OF AVAILABLE OPTIONS AND*
2 *SERVICES.—In providing services pursuant to this section,*
3 *a counselor shall—*

4 “(1) *inform the victim of sexual assault of op-*
5 *tions available to victims, including the procedures*
6 *the victim may follow to report the assault to the in-*
7 *stitution or to a law enforcement agency; and*

8 “(2) *inform the victim of interim measures that*
9 *may be taken pending the resolution of institutional*
10 *disciplinary proceedings or the conclusion of criminal*
11 *justice proceedings.*

12 “(d) *CONFIDENTIALITY.—*

13 “(1) *MAINTAINING CONFIDENTIALITY OF INFOR-*
14 *MATION.—In providing services pursuant to this sec-*
15 *tion, a counselor shall—*

16 “(A) *maintain confidentiality with respect*
17 *to any information provided by a victim of sex-*
18 *ual assault to the greatest extent permitted under*
19 *applicable law; and*

20 “(B) *notify the victim of any circumstances*
21 *under which the counselor is required to report*
22 *information to others (including a law enforce-*
23 *ment agency) notwithstanding the general re-*
24 *quirement to maintain confidentiality under*
25 *subparagraph (A).*

1 “(2) *MAINTAINING PRIVACY OF RECORDS.*—A
2 *counselor providing services pursuant to this section*
3 *shall be considered a recognized professional for pur-*
4 *poses of section 444(a)(4)(B)(iv) of the General Edu-*
5 *cation Provisions Act (commonly known as the ‘Fam-*
6 *ily Educational Rights and Privacy Act of 1974’)* (20
7 *U.S.C. 1232g(a)(4)(B)(iv)).*

8 “(e) *LIMITATIONS.*—

9 “(1) *NO REPORTING OF INCIDENTS UNDER*
10 *CLERY ACT OR OTHER AUTHORITY.*—A *counselor pro-*
11 *viding services pursuant to this section is not re-*
12 *quired to report incidents of sexual assault that are*
13 *reported to the counselor for inclusion in any report*
14 *on campus crime statistics, and shall not be consid-*
15 *ered part of a campus police or security department*
16 *for purposes of section 485(f).*

17 “(2) *NO COVERAGE OF COUNSELORS AS RESPON-*
18 *SIBLE EMPLOYEES UNDER TITLE IX.*—A *counselor*
19 *providing services pursuant to this section on behalf*
20 *of an institution of higher education shall not be con-*
21 *sidered a responsible employee of the institution for*
22 *purposes of title IX of the Education Amendments of*
23 *1972 (20 U.S.C. 1681 et seq.) or the regulations pro-*
24 *mulgated pursuant to such title.*

1 *law, and a brief description of the circumstances*
2 *under which the counselor may be required to report*
3 *information notwithstanding the victim’s desire to*
4 *keep the information confidential.*

5 “(2) *Information about other appropriate cam-*
6 *pus resources and resources in the local community,*
7 *including contact information.*

8 “(3) *Information about where to obtain medical*
9 *treatment, and information about transportation*
10 *services to such medical treatment facilities, if avail-*
11 *able.*

12 “(4) *Information about the importance of pre-*
13 *servicing evidence after a sexual assault.*

14 “(5) *Information about how to file a report with*
15 *local law enforcement agencies.*

16 “(6) *Information about the victim’s right to re-*
17 *quest accommodations, and examples of accommoda-*
18 *tions that may be provided.*

19 “(7) *Information about the victim’s right to re-*
20 *quest that the institution begin an investigation of an*
21 *allegation of sexual assault and initiate an institu-*
22 *tional disciplinary proceeding if the alleged perpe-*
23 *trator of the assault is another student or a member*
24 *of the faculty or staff of the institution.*

1 *responding to reports of sexual assault on the institu-*
2 *tion’s campus is a useful tool to promote this coordi-*
3 *nation and cooperation.*

4 *“(2) PURPOSE.—It is the purpose of this section*
5 *to encourage each institution of higher education that*
6 *is subject to this part to enter into a memorandum*
7 *of understanding with the law enforcement agency*
8 *with primary jurisdiction for responding to reports of*
9 *sexual assault on the institution’s campus so that re-*
10 *ports of sexual assault on the institution’s campus*
11 *may be handled in an appropriate and effective man-*
12 *ner.*

13 *“(b) CONTENTS OF MEMORANDUM.—An institution of*
14 *higher education and a law enforcement agency entering*
15 *into a memorandum of understanding described in this sec-*
16 *tion are encouraged to include in the memorandum provi-*
17 *sions addressing the following:*

18 *“(1) An outline of the protocols and a delinea-*
19 *tion of responsibilities for responding to a report of*
20 *sexual assault occurring on campus.*

21 *“(2) A clarification of each party’s responsibil-*
22 *ities under existing Federal, State, and local law or*
23 *policies.*

24 *“(3) The need for the law enforcement agency to*
25 *know about institutional policies and resources so*

1 *that the agency can direct student-victims of sexual*
2 *assault to such resources.*

3 “(4) *The need for the institution to know about*
4 *resources available within the criminal justice system*
5 *to assist survivors, including the presence of special*
6 *prosecutor or police units specifically designated to*
7 *handle sexual assault cases.*

8 “(5) *If the institution has a campus police or se-*
9 *curity department with law enforcement authority,*
10 *the need to clarify the relationship and delineate the*
11 *responsibilities between such department and the law*
12 *enforcement agency with respect to handling incidents*
13 *of sexual assaults occurring on campus.*

14 “(c) *ROLE OF SECRETARY.—The Secretary, in con-*
15 *sultation with the Attorney General, shall develop best prac-*
16 *tices for memoranda of understanding described in this sec-*
17 *tion, and shall disseminate such best practices on a publicly*
18 *accessible website of the Department of Education.*

19 **“SEC. 166. DEFINITIONS.**

20 *“In this part:*

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

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

1 **TITLE II—EXPANDING ACCESS**
2 **TO IN-DEMAND APPRENTICE-**
3 **SHIPS**

4 **SEC. 201. REPEAL.**

5 (a) *REPEAL.*—Title II (20 U.S.C. 1021 et seq.) is re-
6 pealed.

7 (b) *PART A TRANSITION.*—Part A of title II (20
8 U.S.C. 1022 et seq.), as in effect on the day before the date
9 of the enactment of this Act, may be carried out using funds
10 that have been appropriated for such part until September
11 30, 2018.

12 **SEC. 202. GRANTS FOR ACCESS TO HIGH-DEMAND CAREERS.**

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

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

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

19 “(a) *PURPOSE.*—The purpose of this section is to ex-
20 pand student access to, and participation in, new industry-
21 led earn-and-learn programs leading to high-wage, high-
22 skill, and high-demand careers.

23 “(b) *AUTHORIZATION OF APPRENTICESHIP GRANT*
24 *PROGRAM.*—

1 “(1) *IN GENERAL.*—*From the amounts author-*
2 *ized under subsection (j), the Secretary shall award*
3 *grants, on a competitive basis, to eligible partnerships*
4 *for the purpose described in subsection (a).*

5 “(2) *DURATION.*—*The Secretary shall award*
6 *grants under this section for a period of—*

7 “(A) *not less than 1 year; and*

8 “(B) *not more than 4 years.*

9 “(3) *LIMITATIONS.*—

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

13 “(B) *NUMBER OF AWARDS.*—*An eligible*
14 *partnership or member of such partnership may*
15 *not be awarded more than one grant under this*
16 *section.*

17 “(C) *ADMINISTRATION COSTS.*—*An eligible*
18 *partnership awarded a grant under this section*
19 *may not use more than 5 percent of the grant*
20 *funds to pay administrative costs associated with*
21 *activities funded by the grant.*

22 “(c) *MATCHING FUNDS.*—*To receive a grant under this*
23 *section, an eligible partnership shall, through cash or in-*
24 *kind contributions, provide matching funds from non-Fed-*

1 *eral sources in an amount equal to or greater than 50 per-*
2 *cent of the amount of such grant.*

3 “(d) *APPLICATIONS.*—

4 “(1) *IN GENERAL.*—*To receive a grant under*
5 *this section, an eligible partnership shall submit to*
6 *the Secretary at such a time as the Secretary may re-*
7 *quire, an application that—*

8 “(A) *identifies and designates the business*
9 *or institution of higher education responsible for*
10 *the administration and supervision of the earn-*
11 *and-learn program for which such grant funds*
12 *would be used;*

13 “(B) *identifies the businesses and institu-*
14 *tions of higher education that comprise the eligi-*
15 *ble partnership;*

16 “(C) *identifies the source and amount of the*
17 *matching funds required under subsection (c);*

18 “(D) *identifies the number of students who*
19 *will participate and complete the relevant earn-*
20 *and-learn program within 1 year of the expira-*
21 *tion of the grant;*

22 “(E) *identifies the amount of time, not to*
23 *exceed 2 years, required for students to complete*
24 *the program;*

1 “(F) identifies the relevant recognized post-
2 secondary credential to be awarded to students
3 who complete the program;

4 “(G) identifies the anticipated earnings of
5 students—

6 “(i) 1 year after program completion;

7 and

8 “(ii) 3 years after program completion;

9 “(H) describes the specific project for which
10 the application is submitted, including a sum-
11 mary of the relevant classroom and paid struc-
12 tured on-the-job training students will receive;

13 “(I) describes how the eligible partnership
14 will finance the program after the end of the
15 grant period;

16 “(J) describes how the eligible partnership
17 will support the collection of information and
18 data for purposes of the program evaluation re-
19 quired under subsection (h); and

20 “(K) describes the alignment of the program
21 with State identified in-demand industry sectors.

22 “(2) APPLICATION REVIEW PROCESS.—

23 “(A) REVIEW PANEL.—Applications sub-
24 mitted under paragraph (1) shall be read by a
25 panel of readers composed of individuals selected

1 *by the Secretary. The Secretary shall assure that*
2 *an individual assigned under this paragraph*
3 *does not have a conflict of interest with respect*
4 *to the applications reviewed by such individual.*

5 “(B) *COMPOSITION OF REVIEW PANEL.—*

6 *The panel of reviewers selected by the Secretary*
7 *under subparagraph (A) shall be comprised as*
8 *follows:*

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

15 “(ii) *The remainder of the panel shall*
16 *be equally divided between individuals who*
17 *are—*

18 “(I) *representatives of institutions*
19 *of higher education that offer programs*
20 *of two years or less; and*

21 “(II) *representatives of State*
22 *workforce development boards estab-*
23 *lished under section 101 of the Work-*
24 *force Innovation and Opportunity Act*
25 *(29 U.S.C. 3111).*

1 “(C) *REVIEW OF APPLICATIONS.*—*The Sec-*
2 *retary shall instruct the review panel selected by*
3 *the Secretary under paragraph (2)(A) to evalu-*
4 *ate applications using only the criteria specified*
5 *in paragraph (1) and make recommendations*
6 *with respect to—*

7 “(i) *the quality of the applications;*

8 “(ii) *whether a grant should be award-*
9 *ed for a project under this title; and*

10 “(iii) *the amount and duration of such*
11 *grant.*

12 “(D) *NOTIFICATION.*—*Not later than June*
13 *30 of each year, the Secretary shall notify each*
14 *eligible partnership submitting an application*
15 *under this section of—*

16 “(i) *the scores given the applicant by*
17 *the panel pursuant to this section;*

18 “(ii) *the recommendations of the panel*
19 *with respect to such application; and*

20 “(iii) *the reasons for the decision of the*
21 *Secretary in awarding or refusing to award*
22 *a grant under this section; and*

23 “(iv) *modifications, if any, in the rec-*
24 *ommendations of the panel made to the Sec-*
25 *retary.*

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

3 “(1) *the number of participants to be served by*
4 *the grant;*

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

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

9 “(4) *the recommendations of the readers under*
10 *subsection (d)(2)(C).*

11 “(f) *USE OF FUNDS.*—*Grant funds provided under*
12 *this section may be used for—*

13 “(1) *the purchase of appropriate equipment,*
14 *technology, or instructional material, aligned with*
15 *business and industry needs, including machinery,*
16 *testing equipment, hardware and software;*

17 “(2) *student books, supplies, and equipment re-*
18 *quired for enrollment;*

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

22 “(4) *the development of industry-specific pro-*
23 *graming;*

1 “(5) supporting the transition of industry-based
2 professionals from an industry setting to an academic
3 setting;

4 “(6) industry-recognized certification exams or
5 other assessments leading to a recognized postsec-
6 ondary credential associated with the earn-and-learn
7 program; and

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

10 “(g) *TECHNICAL ASSISTANCE.*—*The Secretary may*
11 *provide technical assistance to eligible partnerships award-*
12 *ed under this section throughout the grant period for pur-*
13 *poses of grant management.*

14 “(h) *EVALUATION.*—

15 “(1) *IN GENERAL.*—*From the amounts made*
16 *available under subsection (j), the Secretary, acting*
17 *through the Director of the Institute for Education*
18 *Sciences, shall provide for the independent evaluation*
19 *of the grant program established under this section*
20 *that includes the following:*

21 “(A) *An assessment of the effectiveness of the*
22 *grant program in expanding earn-and-learn pro-*
23 *gram opportunities offered by employers in con-*
24 *junction with institutions of higher education.*

1 “(B) *The number of students who partici-*
2 *ated in programs assisted under this section.*

3 “(C) *The percentage of students partici-*
4 *pating in programs assisted under this section*
5 *who successfully completed the program in the*
6 *time described in subsection (d)(1)(E).*

7 “(D) *The median earnings of program par-*
8 *ticipants—*

9 “(i) *1 year after exiting the program;*
10 *and*

11 “(ii) *3 years after exiting the program.*

12 “(E) *The percentage of students partici-*
13 *pating in programs assisted under this section*
14 *who successfully receive a recognized postsec-*
15 *ondary credential.*

16 “(F) *The number of students served by pro-*
17 *grams receiving funding under this section—*

18 “(i) *2 years after the end of the grant*
19 *period;*

20 “(ii) *4 years after the end of the grant*
21 *period.*

22 “(2) *PROHIBITION.—Notwithstanding any other*
23 *provision of law, the evaluation required by this sub-*
24 *section shall not be subject to any review outside the*

1 *Institute for Education Sciences before such reports*
2 *are submitted to Congress and the Secretary.*

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

6 “(i) *DEFINITIONS.*—*In this section:*

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

13 “(A) *is for a period of between 3 months*
14 *and 2 years; and*

15 “(B) *leads to, on completion of the program,*
16 *a recognized postsecondary credential.*

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

20 “(A) *1 or more businesses; and*

21 “(B) *1 or more institutions of higher edu-*
22 *cation.*

23 “(3) *IN-DEMAND INDUSTRY SECTOR OR OCCUPA-*
24 *TION.*—*The term ‘in-demand industry sector or occu-*
25 *pation’ has the meaning given the term in section 3*

1 *of the Workforce Innovation and Opportunity Act (29*
2 *U.S.C. 3102).*

3 “(4) *ON-THE-JOB TRAINING.*—*The term ‘on-the-*
4 *job training’ has the meaning given the term in sec-*
5 *tion 3 of the Workforce Innovation and Opportunity*
6 *Act (29 U.S.C. 3102).*

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

12 “(j) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
13 *authorized to be appropriated to carry out this section*
14 *\$183,204,000 for fiscal year 2019 and each of the 5 suc-*
15 *ceeding fiscal years.”.*

16 **TITLE III—INSTITUTIONAL AID**

17 **SEC. 301. STRENGTHENING INSTITUTIONS.**

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

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

22 (2) *in section 311—*

23 (A) *by striking subsection (b) and redesign-*
24 *ating subsections (c) and (d) as subsections (b)*
25 *and (c), respectively;*

1 (B) in subsection (b) (as so redesignated)—

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

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

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

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

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

1 (v) by inserting after paragraph (12)
2 the following:

3 “(13) *Establishing community outreach pro-*
4 *grams that will encourage elementary school and sec-*
5 *ondary school students to develop the academic skills*
6 *and the interest to pursue postsecondary education.*

7 “(14) *The development, coordination, implemen-*
8 *tation, or improvement of career and technical edu-*
9 *cation programs as defined in section 135 of the Carl*
10 *D. Perkins Career and Technical Education Act of*
11 *2006 (20 U.S.C. 2355).*

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

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

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

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

24 “(4) *SCHOLARSHIP.—An institution that uses*
25 *grant funds provided under this part to establish or*

1 *increase an endowment fund may use the income*
2 *from such endowment fund to provide scholarships to*
3 *students for the purposes of attending such institu-*
4 *tion, subject to the limitation in section*
5 *331(c)(3)(B)(i).”;*

6 *(3) in section 312—*

7 *(A) in subsection (a), by striking “transfers*
8 *which the institution” and inserting “transfers*
9 *that the institution”;*

10 *(B) in subsection (b)(1)—*

11 *(i) by redesignating subparagraphs (E)*
12 *and (F) as subparagraphs (F) and (E), re-*
13 *spectively (and by reordering such subpara-*
14 *graphs accordingly);*

15 *(ii) in subparagraph (E) (as so redес-*
16 *ignated), by inserting “(as defined in sec-*
17 *tion 103(20)(A))” after “State”; and*

18 *(iii) in subparagraph (F) (as so redес-*
19 *ignated), by striking “and” at the end; and*
20 *(C) in subsection (b)—*

21 *(i) by striking the period at the end of*
22 *paragraph (2) and inserting “; and”; and*

23 *(ii) by inserting after paragraph (2)*
24 *the following:*

1 “(3) except as provided in section 392(b), an in-
2 stitution that has a completion rate of at least 25 per-
3 cent that is calculated by counting a student as com-
4 pleted if that student—

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

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

11 (4) in section 313—

12 (A) in subsection (a)—

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

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

22 (B) by striking subsection (d);

23 (5) in section 316—

24 (A) in subsection (c)—

25 (i) in paragraph (2)—

1 (I) by striking subparagraph (A)
2 and inserting the following:

3 “(A) the activities described in paragraphs
4 (1) through (12) and (14) through (17) of section
5 311(b);”;

6 (II) by striking subparagraphs
7 (E) through (J);

8 (III) by redesignating subpara-
9 graphs (K) and (L) as subparagraphs
10 (E) and (F), respectively;

11 (IV) by striking subparagraph
12 (M); and

13 (V) by redesignating subpara-
14 graph (N) as subparagraph (G); and

15 (VI) in subparagraph (G) (as so
16 redesignated), by striking “(M)” and
17 inserting “(F)”;

18 (ii) by striking paragraph (3) and in-
19 serting the following:

20 “(3) *ENDOWMENT FUND.*—A Tribal College or
21 University seeking to establish or increase an endow-
22 ment fund shall abide by the requirements in section
23 311(c).”; and

24 (B) in subsection (d)—

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

3 “(2) *APPLICATION.*—A Tribal College or Univer-
4 sity desiring to receive assistance under this section
5 shall submit an application to the Secretary pursuant
6 to section 391.”; and

7 (ii) in paragraph (4)—

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

10 (II) in subparagraph (B), by
11 striking “313(d)” and inserting
12 “312(b)(3)”;

13 (6) in section 317—

14 (A) in subsection (c)—

15 (i) by striking paragraph (2) and in-
16 serting the following:

17 “(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—
18 Such programs may include—

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

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

24 “(i) contribute to carrying out the pur-
25 pose of this section; and

1 “(ii) are approved by the Secretary as
2 part of the review and approval of an ap-
3 plication submitted under subsection (d).”;
4 and

5 (ii) by adding at the end the following:

6 “(3) *ENDOWMENT FUND.*—*An Alaska Native-*
7 *serving institution and Native Hawaiian-serving in-*
8 *stitution seeking to establish or increase an endow-*
9 *ment fund shall abide by the requirements in section*
10 *311(c).*”; and

11 (B) in subsection (d)—

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

15 (ii) in paragraph (1) (as so redesign-
16 ated)—

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

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

22 (iii) in paragraph (2) (as so redesign-
23 ated)—

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

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

2 *and*

3 *(II) by striking subparagraph (B)*

4 *and redesignating subparagraph (C) as*

5 *subparagraph (B);*

6 *(7) in section 318—*

7 *(A) in subsection (b)—*

8 *(i) in paragraph (1)—*

9 *(I) in subparagraph (E), by strik-*
10 *ing “and” at the end;*

11 *(II) in subparagraph (F)(ii), by*
12 *striking “part A of”;*

13 *(III) in subparagraph (F)(iii), by*
14 *striking the period at the end and in-*
15 *serting “; and”; and*

16 *(IV) by adding at the end the fol-*
17 *lowing;*

18 *“(G) is an eligible institution under section*
19 *312(b).”;* *and*

20 *(ii) by striking paragraph (7);*

21 *(B) in subsection (d)—*

22 *(i) in paragraph (2)—*

23 *(I) in subparagraph (A), by strik-*
24 *ing “through (12) of section 311(c)”*

1 and inserting “through (17) of section
2 311(b)”;

3 (II) by striking subparagraph
4 (D); and

5 (III) by redesignating subpara-
6 graph (E) as subparagraph (D); and

7 (ii) by striking paragraph (3) and in-
8 serting the following:

9 “(3) *ENDOWMENT FUND.*—A *Predominantly*
10 *Black Institution seeking to establish or increase an*
11 *endowment fund shall abide by the requirements in*
12 *section 311(c).”;*

13 (C) in subsection (f), by striking all after
14 “Secretary” the first place such term appears
15 and inserting “pursuant to section 391.”;

16 (D) by striking subsections (g) and (h);

17 (E) by redesignating subsection (i) as sub-
18 section (g); and

19 (F) in subsection (g) (as so redesignated),
20 by striking “part A of”;

21 (8) in section 319—

22 (A) in subsection (c)—

23 (i) by striking paragraph (2) and in-
24 serting the following:

1 “(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—

2 *Such programs may include—*

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

5 “(B) *other activities proposed in the appli-*
6 *cation submitted pursuant to subsection (d)*
7 *that—*

8 “(i) *contribute to carrying out the pur-*
9 *pose of this section; and*

10 “(ii) *are approved by the Secretary as*
11 *part of the review and approval of an ap-*
12 *plication submitted under subsection (d).”;*
13 *and*

14 *(ii) by adding at the end the following:*

15 “(3) *ENDOWMENT FUND.*—*A Native American-*
16 *servicing, nontribal institution seeking to establish or*
17 *increase an endowment fund shall abide by the re-*
18 *quirements in section 311(c).”;* *and*

19 *(B) in subsection (d)—*

20 *(i) by striking paragraph (1) and in-*
21 *serting the following:*

22 “(1) *APPLICATION.*—*A Native American-servicing,*
23 *nontribal institution desiring to receive assistance*
24 *under this section shall submit an application to the*
25 *Secretary pursuant to section 391.”;*

1 (ii) by striking paragraph (2) and re-
2 designating paragraph (3) as paragraph
3 (2); and

4 (iii) in paragraph (2) (as so redesign-
5 ated)—

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

8 (II) by striking subparagraph
9 (B); and

10 (III) by redesignating subpara-
11 graphs (C) and (D) as subparagraphs
12 (B) and (C), respectively; and

13 (9) in section 320—

14 (A) in subsection (c)—

15 (i) by striking paragraph (2) and in-
16 serting the following:

17 “(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—

18 *Such programs may include—*

19 “(A) *the activities described in paragraphs*
20 *(1) through (17) of section 311(b);*

21 “(B) *academic instruction in disciplines in*
22 *which Asian Americans and Native American*
23 *Pacific Islanders are underrepresented;*

1 “(C) conducting research and data collec-
2 tion for Asian American and Native American
3 Pacific Islander populations and subpopulations;

4 “(D) establishing partnerships with commu-
5 nity-based organizations serving Asian Ameri-
6 cans and Native American Pacific Islanders;
7 and

8 “(E) other activities proposed in the appli-
9 cation submitted pursuant to subsection (d)
10 that—

11 “(i) contribute to carrying out the pur-
12 pose of this section; and

13 “(ii) are approved by the Secretary as
14 part of the review and approval of an ap-
15 plication submitted under subsection (d).”;
16 and

17 (ii) by adding at the end the following:

18 “(3) *ENDOWMENT FUND.*—*An Asian American*
19 *and Native American Pacific Islander-serving institu-*
20 *tion seeking to establish or increase an endowment*
21 *fund shall abide by the requirements in section*
22 *311(c).”; and*

23 (B) in subsection (d)—

24 (i) by striking paragraph (1) and in-
25 serting the following:

1 “(1) *APPLICATION.*—*Each Asian American and*
2 *Native American Pacific Islander-serving institution*
3 *desiring to receive assistance under this section shall*
4 *submit an application to the Secretary pursuant to*
5 *section 391.*”;

6 (ii) *by striking paragraph (2) and re-*
7 *designating paragraph (3) as paragraph*
8 *(2); and*

9 (iii) *in paragraph (2) (as so redesign-*
10 *ated), by striking subparagraph (B) and*
11 *redesignating subparagraph (C) as subpara-*
12 *graph (B).*

13 **SEC. 302. STRENGTHENING HISTORICALLY BLACK COL-**
14 **LEGES AND UNIVERSITIES.**

15 *Part B of title III (20 U.S.C. 1060 et seq.) is amend-*
16 *ed—*

17 (1) *in section 323—*

18 (A) *by striking subsection (a) and inserting*
19 *the following :*

20 “(a) *AUTHORIZED ACTIVITIES.*—*From amounts avail-*
21 *able under section 399(a)(2) for any fiscal year, the Sec-*
22 *retary shall make grants (under section 324) to institutions*
23 *which have applications approved by the Secretary (under*
24 *section 325) for any of the following uses:*

1 “(1) *The activities described in paragraphs (1)*
2 *through (17) of section 311(b).*

3 “(2) *Academic instruction in disciplines in*
4 *which Black Americans are underrepresented.*

5 “(3) *Initiatives to improve the educational out-*
6 *comes of African American males.*

7 “(4) *Establishing or enhancing a program of*
8 *teacher education designed to qualify students to teach*
9 *in a public elementary or secondary school in the*
10 *State that shall include, as part of such program,*
11 *preparation for teacher certification.*

12 “(5) *Acquisition of real property in connection*
13 *with the construction, renovation, or addition to or*
14 *improvement of campus facilities.*

15 “(6) *Services necessary for the implementation of*
16 *projects or activities that are described in the grant*
17 *application and that are approved, in advance, by the*
18 *Secretary, except that not more than two percent of*
19 *the grant amount may be used for this purpose.*

20 “(7) *Other activities proposed in the application*
21 *submitted pursuant to section 325 that—*

22 “(A) *contribute to carrying out the purposes*
23 *of this part; and*

1 “(B) are approved by the Secretary as part
2 of the review and acceptance of such applica-
3 tion.”; and

4 (B) by striking subsection (b) and inserting
5 the following:

6 “(b) *ENDOWMENT FUND.*—An institution seeking to
7 establish or increase an endowment shall abide by the re-
8 quirements in section 311(c).”;

9 (2) in section 325(a), by striking “(C), (D), and
10 (E)” and inserting “(C) through (F)”;

11 (3) in section 326—

12 (A) by striking subsection (b) and inserting
13 the following:

14 “(b) *DURATION.*—The Secretary may award a grant
15 to an eligible institution under this part for a period of
16 5 years. Any funds awarded under this section that are not
17 expended or used for the purposes for which the funds were
18 paid within 10 years following the date on which the grant
19 was awarded, shall be repaid to the Treasury.”;

20 (B) by striking subsection (c) and inserting
21 the following:

22 “(c) *AUTHORIZED ACTIVITIES.*—A grant under this
23 section may be used for—

1 “(1) the activities described in paragraphs (1)
2 through (12), (14) through (15), and (17) of section
3 311(b);

4 “(2) scholarships, fellowships, and other finan-
5 cial assistance for needy graduate and professional
6 students to permit the enrollment of the students in
7 and completion of the doctoral degree in medicine,
8 dentistry, pharmacy, veterinary medicine, law, and
9 the doctorate degree in the physical or natural
10 sciences, engineering, mathematics, or other scientific
11 disciplines in which African Americans are underrep-
12 resented;

13 “(3) acquisition of real property that is adjacent
14 to the campus in connection with the construction,
15 renovation, or addition to or improvement of campus
16 facilities;

17 “(4) services necessary for the implementation of
18 projects or activities that are described in the grant
19 application and that are approved, in advance, by the
20 Secretary, except that not more than two percent of
21 the grant amount may be used for this purpose; and

22 “(5) other activities proposed in the application
23 submitted under subsection (d) that—

24 “(A) contribute to carrying out the purposes
25 of this part; and

1 “(B) are approved by the Secretary as part
2 of the review and acceptance of such applica-
3 tion.”;

4 (C) in subsection (e)(1)—

5 (i) in subparagraph (W), by striking
6 “and” at the end;

7 (ii) in subparagraph (X), by striking
8 the period at the end and inserting “; and”;

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

11 “(Y) University of the Virgin Islands School
12 of Medicine.”;

13 (iv) in each of paragraphs (2) and (3)
14 of subsection (f), by striking “(X)” and in-
15 sserting “(Y)”; and

16 (v) in subsection (g), by striking
17 “2008” each place such term appears and
18 inserting “2018”; and

19 (4) in section 327—

20 (A) by striking the designation and heading
21 for subsection (a); and

22 (B) by striking subsection (b).

1 **SEC. 303. HISTORICALLY BLACK COLLEGE AND UNIVERSITY**2 **CAPITAL FINANCING.**

3 *Part D of title III (20 U.S.C. 1066 et seq.) is amend-*
4 *ed—*

5 *(1) in section 343—*

6 *(A) in subsection (b)—*

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

10 *(ii) in paragraph (8)—*

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

16 *(II) in subparagraph (A), by*
17 *striking “the escrow account” and in-*
18 *serting “the bond insurance fund”; and*

19 *(iii) in paragraph (9)—*

20 *(I) by striking “the escrow ac-*
21 *count” and inserting “the bond insur-*
22 *ance fund or the escrow account de-*
23 *scribed in subsection (f)(1)(B)” and*

24 *(II) by striking “such escrow ac-*
25 *count” and inserting “such bond insur-*
26 *ance fund or escrow account”;*

1 (iv) in subsection (c)—

2 (I) in paragraph (2), by striking
3 “the escrow account described in sub-
4 section (b)(8)” and inserting “the bond
5 insurance fund described in subsection
6 (b)(8) and the escrow account described
7 in subsection (f)(1)(B)”;

8 (II) in paragraph (4), by striking
9 “and the escrow account” and insert-
10 ing “, the bond insurance fund, and
11 the escrow account described in sub-
12 section (f)(1)(B)”;

13 (III) in paragraph (5)(B), by
14 striking “and the escrow account” and
15 inserting “, the bond insurance fund,
16 and the escrow account described in
17 subsection (f)(1)(B)”;

18 (v) by adding at the end the following:

19 “*(f) APPLICABILITY OF BOND INSURANCE FUND AND*
20 *ESCROW ACCOUNT AND SPECIAL RULES.—*

21 “(1) *APPLICABILITY OF BOND INSURANCE FUND*
22 *AND ESCROW ACCOUNT.—Except as provided in para-*
23 *graph (2)—*

24 “(A) *the bond insurance fund established*
25 *under subsection (b)(8) on the date of enactment*

1 *of the PROSPER Act shall be made available*
2 *with respect to loans made under this part on or*
3 *after such date; and*

4 “(B) *the escrow account established under*
5 *subsection (b)(8) before the date of enactment of*
6 *the PROSPER Act and as in effect on the day*
7 *before such date of enactment shall be made*
8 *available with respect to loans made under this*
9 *part before the date of enactment of the PROS-*
10 *PER Act.*

11 “(2) *SPECIAL RULES.—Notwithstanding para-*
12 *graph (1)—*

13 “(A) *in a case in which the amount in the*
14 *bond insurance fund described in paragraph*
15 *(1)(A) is insufficient to make payments of prin-*
16 *cipal and interest on bonds under subsection*
17 *(b)(8)(B)(i) in the event of delinquency in loan*
18 *repayment on loans made under this part on or*
19 *after the date of enactment of the PROSPER*
20 *Act, amounts in the escrow fund described in*
21 *paragraph (1)(B) shall be made available to the*
22 *Secretary to make such payments;*

23 “(B) *in a case in which the amount in the*
24 *escrow account described in paragraph (1)(B) is*
25 *insufficient to make payments of principal and*

1 *interest on bonds under subsection (b)(8)(B)(i)*
2 *in the event of delinquency in loan repayment on*
3 *loans made under this part before the date of en-*
4 *actment of the PROSPER Act, amounts in the*
5 *bond insurance fund described in paragraph*
6 *(1)(A) shall be made available to the Secretary*
7 *to make such payments; and*

8 *“(C) in a case in which an institution is re-*
9 *quired to return an amount equal to any re-*
10 *maining portion of such institution’s 5 percent*
11 *deposit of loan proceeds under subsection*
12 *(b)(8)(B)(ii), the institution shall return to the*
13 *escrow account and the bond insurance fund an*
14 *amount that is proportionate to the amount that*
15 *was withdrawn from the escrow account and the*
16 *bond insurance fund, respectively, by such insti-*
17 *tution.”;*

18 *(2) in section 345, by striking paragraph (9)*
19 *and inserting the following:*

20 *“(9) may, directly or by grant or contract, pro-*
21 *vide financial counseling and technical assistance to*
22 *eligible institutions to prepare the institutions to*
23 *qualify, apply for, and maintain a capital improve-*
24 *ment loan, including a loan under this part; and”;*
25 *and*

1 (3) in section 347(c), by striking paragraph (2)
2 and inserting the following:

3 “(2) *REPORT.*—On an annual basis, the Advi-
4 sory Board shall prepare and submit to the author-
5 izing committees a report on the status of the histori-
6 cally Black colleges and universities described in
7 paragraph (1)(A) and an overview of all loans in the
8 capital financing program, including the most recent
9 loans awarded in the fiscal year in which the report
10 is submitted. The report shall include administrative
11 and legislative recommendations, as needed, for ad-
12 dressing the issues related to construction financing
13 facing historically Black colleges and universities.”.

14 **SEC. 304. MINORITY SCIENCE AND ENGINEERING IMPROVE-**
15 **MENT PROGRAM.**

16 Part E of title III (20 U.S.C. 1067 et seq.) is amend-
17 ed—

18 (1) in section 353(a)—

19 (A) in paragraph (1), by striking “365(6)”
20 and inserting “359(6)”;

21 (B) in paragraph (2), by striking “365(7)”
22 and inserting “359(7)”;

23 (C) in paragraph (3), by striking “365(8)”
24 and inserting “359(8)”; and

1 (D) in paragraph (4), by striking “365(9)”
2 and inserting “359(9)”;

3 (2) by striking subpart 2;

4 (3) by redesignating subpart 3 as subpart 2 and
5 redesignating sections 361 through 365 as sections
6 355 through 359, respectively;

7 (4) in section 355 (as so redesignated), by strik-
8 ing paragraph (5);

9 (5) in section 356(a) (as so redesignated), by
10 striking “determined under section 361” and insert-
11 ing “determined under section 355”;

12 (6) in section 359(2) (as so redesignated)—

13 (A) by inserting “American” after “Black”;

14 and

15 (B) by striking “Hispanic (including)” and
16 inserting “Hispanic American (including”.

17 **SEC. 305. STRENGTHENING HISTORICALLY BLACK COL-**

18 **LEGES AND UNIVERSITIES AND OTHER MI-**

19 **NORITY-SERVING INSTITUTIONS.**

20 Section 371 (20 U.S.C. 1067q) is amended—

21 (1) in subsection (b)(2)(D)(iii), by striking “sec-
22 tion 311(c)” and inserting “section 311(b)”;

23 (2) in subsection (c)(9)(F)(ii), by striking “part
24 A of”.

1 **SEC. 306. GENERAL PROVISIONS.**

2 *Part G of title III (20 U.S.C. 1068 et seq.) is amend-*
3 *ed—*

4 *(1) in section 391(b)—*

5 *(A) in paragraph (1), by striking “institu-*
6 *tional management” and all that follows through*
7 *the semicolon at the end and inserting “institu-*
8 *tional management, and use the grant to provide*
9 *for, and lead to, institutional self-sustainability*
10 *and growth (including measurable objectives for*
11 *the institution and the Secretary to use in moni-*
12 *toring the effectiveness of activities under this*
13 *title);”;*

14 *(B) in paragraph (7)—*

15 *(i) by striking subparagraph (C) and*
16 *redesignating subparagraphs (D) and (E)*
17 *as subparagraphs (C) and (D), respectively;*
18 *and*

19 *(ii) in subparagraph (D) (as so redesi-*
20 *gnated), strike “and” at the end;*

21 *(C) by striking paragraph (8) and inserting*
22 *the following:*

23 *“(8) set forth a 5-year plan for improving the*
24 *assistance provided by the institution; and”;* and

25 *(D) by adding at the end the following:*

1 “(9) submit such enrollment data as may be nec-
2 essary to demonstrate that the institution is a minor-
3 ity-serving institution.”;

4 (2) in section 392—

5 (A) in subsection (b)—

6 (i) in the subsection heading, after
7 “EXPENDITURES” insert “; COMPLETION
8 RATES”;

9 (ii) in paragraph (1), insert “or
10 312(b)(3)” after “312(b)(1)(B)”; and

11 (iii) in paragraph (2)—

12 (I) in the matter preceding sub-
13 paragraph (A)—

14 (aa) by inserting “or
15 312(b)(3)” after “312(b)(1)(B)”;
16 and

17 (bb) by inserting “American”
18 after “Hispanic”; and

19 (II) in subparagraph (A), by in-
20 serting “or section 312(b)(3)” after
21 “312(b)(1)”; and

22 (B) by striking subsection (c) and inserting
23 the following:

1 “(c) *WAIVER AUTHORITY WITH RESPECT TO INSTITU-*
2 *TIONS LOCATED IN AN AREA AFFECTED BY A MAJOR DIS-*
3 *ASTER.*—

4 “(1) *WAIVER AUTHORITY.*—*Notwithstanding any*
5 *other provision of law, unless enacted with specific*
6 *reference to this section, in the case of a major dis-*
7 *aster, the Secretary may waive for affected institu-*
8 *tions—*

9 “(A) *the eligibility data requirements set*
10 *forth in section 391(d) and section 521(e);*

11 “(B) *the allotment requirements under sec-*
12 *tion 324; and*

13 “(C) *the use of the funding formula devel-*
14 *oped pursuant to section 326(f)(3);*

15 “(2) *DEFINITIONS.*—*In this subsection:*

16 “(A) *AFFECTED INSTITUTION.*—*The term*
17 *‘affected institution’ means an institution of*
18 *higher education that—*

19 “(i) *is—*

20 “(I) *a part A institution (which*
21 *term shall have the meaning given the*
22 *term ‘eligible institution’ under section*
23 *312(b) or section 502(a)(6)); or*

1 “(II) a part B institution, as such
2 term is defined in section 322(2), or as
3 identified in section 326(e);

4 “(ii) is located in an area affected by
5 a major disaster; and

6 “(iii) is able to demonstrate that, as a
7 result of the impact of a major disaster, the
8 institution—

9 “(I) incurred physical damage;

10 “(II) has pursued collateral source
11 compensation from insurance, the Fed-
12 eral Emergency Management Agency,
13 and the Small Business Administra-
14 tion, as appropriate; and

15 “(III) was not able to fully reopen
16 in existing facilities or to fully reopen
17 to the pre-disaster enrollment levels.

18 “(B) MAJOR DISASTER.—The term ‘major
19 disaster’ has the meaning given such term in sec-
20 tion 102(2) of the Robert T. Stafford Disaster
21 Relief and Emergency Assistance Act (42 U.S.C.
22 5122(2)).”; and

23 (3) in section 399, by striking subsection (a) and
24 inserting the following:

25 “(a) AUTHORIZATIONS.—

1 “(1) *PART A.—(A) There are authorized to be*
2 *appropriated to carry out section 316, \$27,599,000*
3 *for each of fiscal years 2019 through 2024.*

4 “(B) *There are authorized to be appropriated to*
5 *carry out section 317, \$13,802,000 for each of fiscal*
6 *years 2019 through 2024.*

7 “(C) *There are authorized to be appropriated to*
8 *carry out section 318, \$9,942,000 for each of fiscal*
9 *years 2019 through 2024.*

10 “(D) *There are authorized to be appropriated to*
11 *carry out section 319, \$3,348,000 for each of fiscal*
12 *years 2019 through 2024.*

13 “(E) *There are authorized to be appropriated to*
14 *carry out section 320, \$3,348,000 for each of fiscal*
15 *years 2019 through 2024.*

16 “(2) *PART B.—(A) There are authorized to be*
17 *appropriated to carry out part B (other than section*
18 *326), \$244,694,000 for each of fiscal years 2019*
19 *through 2024.*

20 “(B) *There are authorized to be appropriated to*
21 *carry out section 326, \$63,281,000 for each of fiscal*
22 *years 2019 through 2024.*

23 “(3) *PART D.—There are authorized to be appro-*
24 *priated to carry out part D, \$20,484,000 for each of*
25 *fiscal years 2019 through 2024. Of the amount au-*

1 *thorized, 1.63 percent shall be reserved for adminis-*
2 *trative expenses.*

3 *“(4) PART E.—There are authorized to be appro-*
4 *priated to carry out subpart 1 of part E, \$9,648,000*
5 *for each of fiscal years 2019 through 2024.”.*

6 **TITLE IV—STUDENT ASSISTANCE**

7 **PART A—GRANTS TO STUDENTS IN ATTENDANCE**

8 **AT INSTITUTIONS OF HIGHER EDUCATION**

9 **SEC. 401. FEDERAL PELL GRANTS.**

10 *(a) REAUTHORIZATION.—Section 401(a)(1) (20 U.S.C.*
11 *1070a(a)(1)) is amended—*

12 *(1) by striking “fiscal year 2017” and inserting*
13 *“fiscal year 2024”; and*

14 *(2) by inserting “an eligible program at” after*
15 *“attendance at”.*

16 *(b) FEDERAL PELL GRANT BONUS.—*

17 *(1) AMENDMENTS.—Section 401(b) (20 U.S.C.*
18 *1070a(b)) is amended—*

19 *(A) in paragraph (7)(A)(iii)—*

20 *(i) by inserting “and paragraph (9)”*
21 *after “this paragraph”; and*

22 *(ii) by inserting before the semicolon at*
23 *the end the following: “and to provide the*
24 *additional amount required by paragraph*
25 *(9)”;* and

1 (B) by adding at the end the following:

2 “(9) *FEDERAL PELL GRANT BONUS.*—

3 “(A) *IN GENERAL.*—*Notwithstanding any*
4 *other provision of this subsection and from the*
5 *amounts made available pursuant to paragraph*
6 *(7)(A)(iii) for the purposes of this paragraph, an*
7 *eligible student who is receiving a Federal Pell*
8 *Grant for an award year shall receive an*
9 *amount in addition to such Federal Pell Grant*
10 *for each payment period of such award year for*
11 *which the student—*

12 “(i) *is receiving such Federal Pell*
13 *Grant as long as the amount of such Fed-*
14 *eral Pell Grant does not exceed the max-*
15 *imum amount of a Federal Pell Grant*
16 *award determined under paragraph (2)(A)*
17 *for such award year; and*

18 “(ii) *is carrying a work load that—*

19 “(I) *is greater than the normal*
20 *full-time work load for the course of*
21 *study the student is pursuing, as deter-*
22 *mined by the institution of higher edu-*
23 *cation; and*

24 “(II) *will lead to the completion*
25 *of not less than 30 credit hours (or the*

1 *equivalent coursework) upon the com-*
2 *pletion of the final payment period for*
3 *which the student is receiving the Fed-*
4 *eral Pell Grant described in clause (i).*

5 *“(B) AMOUNT OF BONUS.—The amount*
6 *provided to an eligible student under subpara-*
7 *graph (A) for an award year may not exceed*
8 *\$300, which shall be equally divided among each*
9 *payment period of such award year described in*
10 *clauses (i) and (ii) of subparagraph (A).”.*

11 *(2) EFFECTIVE DATE.—The amendments made*
12 *by paragraph (1) shall take effect with respect to*
13 *award year 2018–2019 and each succeeding award*
14 *year.*

15 *(c) PERIOD OF ELIGIBILITY FOR GRANTS.—Section*
16 *401(c) (20 U.S.C. 1070a(c)) is amended by adding at the*
17 *end the following:*

18 *“(6)(A) The Secretary shall issue to each student re-*
19 *ceiving a Federal Pell Grant, an annual status report*
20 *which shall—*

21 *“(i) inform the student of the remaining period*
22 *during which the student may receive Federal Pell*
23 *Grants in accordance with paragraph (5), and pro-*
24 *vide access to a calculator to assist the student in*
25 *making such determination;*

1 “(ii) include an estimate of the Federal Pell
2 Grant amounts which may be awarded for such re-
3 maining period based on the student’s award amount
4 determined under subsection (b)(2)(A) for the most re-
5 cent award year;

6 “(iii) explain how the estimate was calculated
7 and any assumptions underlying the estimate;

8 “(iv) explain that the estimate may be affected
9 if there is a change—

10 “(I) in the student’s financial cir-
11 cumstances; or

12 “(II) the availability of Federal funding;
13 and

14 “(v) describe how the remaining period during
15 which the student may receive Federal Pell Grants
16 will be affected by whether the student is enrolled as
17 a full-time student.

18 “(B) Nothing in this paragraph shall be construed to
19 prohibit an institution from offering additional counseling
20 to a student with respect to Federal Pell Grants, but such
21 counseling shall not delay or impede disbursement of a Fed-
22 eral Pell Grant award to the student.”.

23 (d) DISTRIBUTION OF GRANTS TO STUDENTS.—Sec-
24 tion 401(e) (20 U.S.C. 1070a(e)) is amended by striking
25 the first sentence and inserting “Payments under this sec-

1 *tion shall be made in the same manner as disbursements*
2 *under section 465(a).”.*

3 *(e) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT*
4 *RATES.—Section 401(j) of such Act (20 U.S.C. 1070a(j))*
5 *is amended by adding at the end the following:*

6 *“(3) SUNSET.—The provisions of this subsection*
7 *shall not apply after the transition period described*
8 *in section 481B(e)(3).”.*

9 *(f) PREVENTION OF FRAUD.—Section 401 (20 U.S.C.*
10 *1070a) is amended by adding at the end the following:*

11 *“(k) PREVENTION OF FRAUD.—*

12 *“(1) PROHIBITION OF AWARDS.—*

13 *“(A) IN GENERAL.—No Federal Pell Grant*
14 *shall be awarded under this subpart to any stu-*
15 *dent who—*

16 *“(i) received a Federal Pell Grant for*
17 *3 award years; and*

18 *“(ii) for each such award year, was en-*
19 *rolled in an institution of higher education*
20 *and did not earn any academic credit for*
21 *which the Federal Pell Grant was provided.*

22 *“(B) WAIVER.—The student financial aid*
23 *administrator at an institution of higher edu-*
24 *cation may waive the requirement of subpara-*

1 *graph (A) for a student, if the financial aid ad-*
2 *ministrator—*

3 “(i) *determines that the student was*
4 *unable to earn any academic credit as de-*
5 *scribed in subparagraph (A)(ii) due to cir-*
6 *cumstances beyond the student’s control;*
7 *and*

8 “(ii) *makes and documents such a de-*
9 *termination on an individual student basis.*

10 “(C) *DEFINITION OF CIRCUMSTANCES BE-*
11 *YOND A STUDENT’S CONTROL.—For purposes of*
12 *this paragraph, the term ‘circumstances beyond*
13 *the student’s control’, when used with respect to*
14 *an individual student—*

15 “(i) *may include the student with-*
16 *drawing from an institution of higher edu-*
17 *cation due to illness; and*

18 “(ii) *shall not include the student*
19 *withdrawing from an institution of higher*
20 *education to avoid a particular grade.*

21 “(2) *SECRETARIAL DISCRETION TO STOP*
22 *AWARDS.—With respect to a student who receives a*
23 *disbursement of a Federal Pell Grant for a payment*
24 *period of an award year and whom the Secretary de-*
25 *termines has had an unusual enrollment history, the*

1 *Secretary may prevent such student from receiving*
2 *any additional disbursements of such Federal Pell*
3 *Grant for such award year until the student financial*
4 *aid administrator at the student’s institution of high-*
5 *er education determines that the student’s enrollment*
6 *history should not be considered an unusual enroll-*
7 *ment history.”.*

8 *(g) REPORT ON COSTS OF FEDERAL PELL GRANT*
9 *PROGRAM.—Section 401 (20 U.S.C. 1070a), as amended by*
10 *subsections (a) through (f), is further amended by adding*
11 *at the end the following:*

12 *“(l) REPORT ON COSTS OF FEDERAL PELL GRANT*
13 *PROGRAM.—Not later than October 31 of each year, the Sec-*
14 *retary shall prepare and submit a report to the authorizing*
15 *committees that includes the following information with re-*
16 *spect to spending for the Federal Pell Grant program for*
17 *the preceding fiscal year:*

18 *“(1) The total obligations and expenditures for*
19 *the program for such fiscal year.*

20 *“(2) A comparison of the total obligations and*
21 *expenditures for the program for such fiscal year—*

22 *“(A) to the most recently available Congres-*
23 *sional Budget Office baseline for the program;*
24 *and*

1 “(B) in the case in which such fiscal year
2 is fiscal year 2019, 2020, 2021, 2022, 2023, or
3 2024, to the Congressional Budget Office cost es-
4 timate for the program included in the report of
5 the Committee on Education and the Workforce
6 of the House of Representatives accompanying
7 the PROSPER Act, as approved by the Com-
8 mittee.

9 “(3) The total obligations and expenditures for
10 the maximum Federal Pell Grant for which a student
11 is eligible, as specified in the last enacted appropria-
12 tion Act applicable to such fiscal year.

13 “(4) A comparison of the total obligations and
14 expenditures for the maximum Federal Pell Grant for
15 which a student is eligible, as specified in the last en-
16 acted appropriation Act applicable to such fiscal
17 year—

18 “(A) to the most recently available Congres-
19 sional Budget Office baseline for such maximum
20 Federal Pell Grant; and

21 “(B) in the case in which such fiscal year
22 is fiscal year 2019, 2020, 2021, 2022, 2023, or
23 2024, to the Congressional Budget Office cost es-
24 timate for such maximum Federal Pell Grant in-
25 cluded in the report of the Committee on Edu-

1 *cation and the Workforce of the House of Rep-*
2 *resentatives accompanying the PROSPER Act,*
3 *as approved by the Committee.*

4 “(5) *The total mandatory obligations and ex-*
5 *penditures for the amount of the increase in such*
6 *maximum Federal Pell Grant required by subsection*
7 *(b)(7)(B) for such fiscal year.*

8 “(6) *A comparison of the total mandatory obli-*
9 *gations and expenditures for the amount of the in-*
10 *crease in such maximum Federal Pell Grant required*
11 *by subsection (b)(7)(B)—*

12 “(A) *to the most recently available Congres-*
13 *sional Budget Office baseline for the increase;*
14 *and*

15 “(B) *in the case in which such fiscal year*
16 *is fiscal year 2019, 2020, 2021, 2022, 2023, or*
17 *2024, to the Congressional Budget Office cost es-*
18 *timate for the increase included in the report of*
19 *the Committee on Education and the Workforce*
20 *of the House of Representatives accompanying*
21 *the PROSPER Act, as approved by the Com-*
22 *mittee.*

23 “(7) *The total mandatory obligations and ex-*
24 *penditures for the Federal Pell Grant Bonus required*
25 *by subsection (b)(9) for such fiscal year.*

1 “(8) *A comparison of the total mandatory obli-*
2 *gations and expenditures for the Federal Pell Grant*
3 *Bonus required by subsection (b)(9) for such fiscal*
4 *year—*

5 “(A) *to the most recently available Congres-*
6 *sional Budget Office baseline for such bonus; and*

7 “(B) *in the case in which such fiscal year*
8 *is fiscal year 2019, 2020, 2021, 2022, 2023, or*
9 *2024, to the Congressional Budget Office cost es-*
10 *timate for such bonus included in the report of*
11 *the Committee on Education and the Workforce*
12 *of the House of Representatives accompanying*
13 *the PROSPER Act, as approved by the Com-*
14 *mittee.”.*

15 (h) *STUDY ON FEDERAL PELL GRANT BONUS.—Sec-*
16 *tion 401 (20 U.S.C. 1070a), as amended by subsections (a)*
17 *through (g), is further amended by adding at the end the*
18 *following:*

19 “(m) *REPORT AND STUDY ON FEDERAL PELL GRANT*
20 *BONUS.—*

21 “(1) *REPORT.—*

22 “(A) *IN GENERAL.—The Secretary shall re-*
23 *port annually, in accordance with subparagraph*
24 *(C), on the Federal Pell Grant Bonus required*
25 *by subsection (b)(9).*

1 “(B) *ELEMENTS.*—*Each report required*
2 *under subparagraph (A) shall include an assess-*
3 *ment of the following:*

4 “(i) *The number of students who re-*
5 *ceived the Federal Pell Grant Bonus under*
6 *subsection (b)(9).*

7 “(ii) *Of the students counted under*
8 *clause (i)—*

9 “(I) *the number of such students*
10 *who obtained a degree or certificate*
11 *within the normal time to completion*
12 *for the program for which the Federal*
13 *Pell Grant Bonus was awarded; and*

14 “(II) *the number of such students*
15 *who obtained a degree or certificate—*

16 “(aa) *within 4 years of be-*
17 *ginning the program of study for*
18 *which the Federal Pell Grant*
19 *Bonus was awarded;*

20 “(bb) *within 5 years of be-*
21 *ginning such program of study;*
22 *and*

23 “(cc) *within 6 years of begin-*
24 *ning such program of study.*

25 “(C) *SUBMISSION OF REPORTS.*—

1 “(i) *INITIAL REPORT.*—Not later than
2 *one year after the first cohort of students de-*
3 *scribed in subparagraph (B)(i) is expected*
4 *to complete their program of study, the Sec-*
5 *retary shall submit to the authorizing com-*
6 *mittees an initial report under subpara-*
7 *graph (A).*

8 “(ii) *ANNUAL UPDATES.*—On an an-
9 *annual basis, the Secretary shall update the*
10 *report under subparagraph (A) and submit*
11 *the updated report to the authorizing com-*
12 *mittees.*

13 “(2) *STUDY.*—Not later than 18 months after the
14 *date of the submission of the initial report under*
15 *paragraph (1)(C)(i), the Comptroller General of the*
16 *United States shall complete a study on the impact*
17 *of the Federal Pell Grant Bonus required under sub-*
18 *section (b)(9). The study shall include an assessment*
19 *of the following:*

20 “(A) *Of the students who received the Fed-*
21 *eral Pell Grant Bonus, the number of such stu-*
22 *dents who had a lower volume of student loans*
23 *upon completion of their program of study com-*
24 *pared to students who received a Federal Pell*

1 *Grant but did not receive the Federal Pell Grant*
2 *Bonus.*

3 “(B) *Whether students who received the*
4 *Federal Pell Grant Bonus took an increased*
5 *courseload as a result of the availability of the*
6 *Federal Pell Grant Bonus.*

7 “(C) *The completion rate of students who*
8 *received the Federal Pell Grant Bonus compared*
9 *to the completion rate of students who did not*
10 *receive the bonus.”.*

11 **SEC. 402. FEDERAL TRIO PROGRAMS.**

12 *(a) PROGRAM AUTHORITY; AUTHORIZATION OF AP-*
13 *PROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is*
14 *amended—*

15 *(1) in subsection (c)—*

16 *(A) by amending subparagraph (A) of*
17 *paragraph (2) to read as follows:*

18 “(A) *ACCOUNTABILITY FOR OUTCOMES.—In*
19 *making grants under this chapter, the Secretary*
20 *shall comply with the following requirements:*

21 “(i) *The Secretary shall consider each*
22 *applicant’s prior success in achieving high*
23 *quality service delivery, as determined*
24 *under subsection (f), under the particular*
25 *program for which funds are sought. The*

1 *level of consideration given the factor of*
2 *prior success in achieving high quality serv-*
3 *ice delivery shall not vary from the level of*
4 *consideration given such factor during fiscal*
5 *years 1994 through 1997, except that grants*
6 *made under section 402H shall not be given*
7 *such consideration.*

8 “(ii) *The Secretary shall not give*
9 *points for prior success in achieving high*
10 *quality service delivery to any current*
11 *grantee that, during the then most recent*
12 *period for which funds were provided, did*
13 *not meet or exceed two or more objectives es-*
14 *tablished in the eligible entity’s application*
15 *based on the performance measures de-*
16 *scribed in subsection (f).*

17 “(iii) *From the amounts awarded*
18 *under subsection (g) for a program under*
19 *this chapter (other than a program under*
20 *sections 402G and 402H) for any fiscal*
21 *year in which the Secretary conducts a*
22 *competition for the award of grants or con-*
23 *tracts under such programs, the Secretary*
24 *shall reserve not less than 10 percent of such*
25 *available amount to award grants or con-*

1 *tracts to applicants who have not previously*
2 *received a grant or contract under this*
3 *chapter. If the Secretary determines that*
4 *there are an insufficient number of quali-*
5 *fied applicants to use the full amount re-*
6 *served under the preceding sentence, the*
7 *Secretary shall use the remainder of such*
8 *amount to award grants or contracts to ap-*
9 *plicants who have previously received a*
10 *grant or contract under this chapter.”;*

11 *(B) in paragraph (3)—*

12 *(i) in subparagraph (A)—*

13 *(I) by striking “as provided in*
14 *subparagraph (B)” and inserting “as*
15 *provided in subparagraph (C)”;*

16 *(II) by striking “experience” and*
17 *inserting “success in achieving high*
18 *quality service delivery”;*

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

21 *(iii) by inserting after subparagraph*
22 *(A) the following new subparagraph:*

23 *“(B) To ensure that congressional priorities in*
24 *conducting competitions for grants and contracts*
25 *under this chapter are implemented, the Secretary*

1 *shall not impose additional criteria for the*
2 *prioritization of applications for such grants or con-*
3 *tracts (including additional competitive, absolute, or*
4 *other criteria) beyond the criteria described in this*
5 *chapter.”;*

6 *(C) in paragraph (6)—*

7 *(i) by striking the period at the end of*
8 *the second sentence and inserting “, as long*
9 *as the program is serving a different popu-*
10 *lation or a different campus.”;*

11 *(ii) by striking “the programs author-*
12 *ized by” and inserting “sections 402B,*
13 *402C, 402D, and 402F of”;*

14 *(iii) by striking “The Secretary shall*
15 *encourage” and inserting the following:*

16 *“(A) The Secretary shall encourage”;*

17 *(iv) by striking “The Secretary shall*
18 *permit” and inserting the following:*

19 *“(B) The Secretary shall permit”;*

20 *(D) in paragraph (7), by striking “8*
21 *months” each place it appears and inserting “90*
22 *days”;*

23 *(E) in paragraph (8)—*

24 *(i) in subparagraph (A)—*

1 (I) in the matter preceding clause
2 (i), by striking “Not later than 180
3 days after the date of enactment of the
4 Higher Education Opportunity Act,”
5 and inserting “Not later than 90 days
6 before the commencement of each com-
7 petition for a grant under this chap-
8 ter,”;

9 (II) in clause (iii), by striking
10 “prior experience points for high qual-
11 ity service delivery are awarded” and
12 inserting “application scores are ad-
13 justed for prior success in achieving
14 high quality service delivery”; and

15 (III) in clause (v), by striking
16 “prior experience points for” and in-
17 serting “the adjustment in scores for
18 prior success in achieving”;

19 (ii) by striking subparagraph (B) and
20 redesignating subparagraph (C) as subpara-
21 graph (B); and

22 (iii) in subparagraph (B), as so redес-
23 ignated—

24 (I) in clause (iii)—

1 (aa) *in the matter preceding*
2 *subclause (I), by striking “prior*
3 *experience points for” and insert-*
4 *ing “points for prior success in*
5 *achieving”;* and

6 (bb) *in subclause (II), by*
7 *striking “prior experience points”*
8 *and inserting “points for prior*
9 *success in achieving high quality*
10 *service delivery”;* and

11 (II) *in clause (vi), by inserting*
12 *before the period at the end the fol-*
13 *lowing: “from funds reserved under*
14 *subsection (g)”;* and

15 (F) *by adding at the end the following:*

16 “(9) *MATCHING REQUIREMENT.—*

17 “(A) *IN GENERAL.—The Secretary shall not*
18 *approve an application submitted under section*
19 *402B, 402C, 402D, 402E, or 402F unless such*
20 *application—*

21 “(i) *provides that the eligible entity*
22 *will provide, from State, local, institutional,*
23 *or private funds, not less than 20 percent of*
24 *the cost of the program, which matching*
25 *funds may be provided in cash or in kind*

1 *and may be accrued over the full duration*
2 *of the grant award period, except that the*
3 *eligible entity shall make substantial*
4 *progress towards meeting the matching re-*
5 *quirement in each year of the grant award*
6 *period;*

7 “(ii) *specifies the methods by which*
8 *matching funds will be paid; and*

9 “(iii) *includes provisions designed to*
10 *ensure that funds provided under this chap-*
11 *ter shall supplement and not supplant*
12 *funds expended for existing programs.*

13 “(B) *SPECIAL RULE.—Notwithstanding the*
14 *matching requirement described in subparagraph*
15 *(A), the Secretary may by regulation modify the*
16 *percentage requirement described in subpara-*
17 *graph (A). The Secretary may approve an eligi-*
18 *ble entity’s request for a reduced match percent-*
19 *age—*

20 “(i) *at the time of application if the el-*
21 *igible entity demonstrates significant eco-*
22 *nomical hardship that precludes the eligible*
23 *entity from meeting the matching require-*
24 *ment; or*

1 “(ii) in response to a petition by an el-
2 igible entity subsequent to a grant award
3 under section 402B, 402C, 402D, 402E, or
4 402F if the eligible entity demonstrates that
5 the matching funds described in its applica-
6 tion are no longer available and the eligible
7 entity has exhausted all revenues for replac-
8 ing such matching funds.”.

9 (2) in subsection (d)(3), by adding at the end the
10 following new sentence: “In addition, the Secretary
11 shall host at least one virtual, interactive education
12 session using telecommunications technology to ensure
13 that any interested applicants have access to technical
14 assistance.”;

15 (3) in subsection (e)—

16 (A) in paragraph (1)—

17 (i) in subparagraph (C), by striking
18 “or” at the end;

19 (ii) in subparagraph (D), by striking
20 the period at the end and inserting “; or”;
21 and

22 (iii) by adding at the end the following
23 new subparagraph:

1 “(E) documentation that the student has been de-
2 termined to be eligible for a Federal Pell Grant under
3 section 401.”; and

4 (B) in paragraph (2)—

5 (i) in subparagraph (C), by striking
6 “or” at the end;

7 (ii) in subparagraph (D), by striking
8 the period at the end and inserting “; or”;
9 and

10 (iii) by adding at the end the following
11 new subparagraph:

12 “(E) documentation that the student has been de-
13 termined to be eligible for a Federal Pell Grant under
14 section 401.”;

15 (4) in subsection (f)—

16 (A) in the heading of paragraph (1), by
17 striking “PRIOR EXPERIENCE” and inserting
18 “ACCOUNTABILITY FOR OUTCOMES”;

19 (B) in paragraph (1) by striking “experi-
20 ence of” and inserting “success in achieving”;

21 (C) in paragraph (3)—

22 (i) in subparagraph (A)—

23 (I) in clause (iv) by striking “rig-
24 orous secondary school program of
25 study that will make such students eli-

1 *gible for programs such as the Aca-*
2 *ademic Competitiveness Grants Pro-*
3 *gram” and inserting “secondary school*
4 *program of study that will prepare*
5 *such students to enter postsecondary*
6 *education without the need for reme-*
7 *dial education”;*

8 *(II) by redesignating clauses (v)*
9 *and (vi) as clauses (vi) and (vii), re-*
10 *spectively; and*

11 *(III) by inserting after clause (iv)*
12 *the following new clause:*

13 *“(v) the completion of financial aid*
14 *applications, including the Free Applica-*
15 *tion for Federal Student Aid described in*
16 *section 483(a) and college admission appli-*
17 *cations;”;*

18 *(ii) in subparagraph (B)—*

19 *(I) by redesignating clauses (i),*
20 *(ii), (iii), (iv), (v), (vi), and (vii) as*
21 *subclauses (I), (II), (III), (IV), (VI),*
22 *(VIII), and (IX), respectively;*

23 *(II) by inserting after subclause*
24 *(IV), as so redesignated, the following:*

1 “(V) *the enrollment of such stu-*
2 *dents into a general educational devel-*
3 *opment (commonly known as a ‘GED’)*
4 *program;”.*

5 *(III) in subclause (VI), as so re-*
6 *designated, by striking “rigorous sec-*
7 *ondary school program of study that*
8 *will make such students eligible for*
9 *programs such as the Academic Com-*
10 *petitiveness Grants Program” and in-*
11 *serting “secondary school program of*
12 *study that will prepare such students*
13 *to enter postsecondary education with-*
14 *out the need for remedial education”;*

15 *(IV) by inserting after subclause*
16 *(VI), as so redesignated, the following*
17 *new subclause:*

18 *“(VII) the completion of financial aid*
19 *applications, including the Free Applica-*
20 *tion for Federal Student Aid described in*
21 *section 483(a) and college admission appli-*
22 *cations;”;*

23 *(V) by striking “(B) For pro-*
24 *grams authorized under section 402C,”*
25 *and inserting “(B)(i) For programs*

1 *authorized under section 402C, except*
2 *in the case of projects that specifically*
3 *target veterans,”; and*

4 *(VI) by adding at the end the fol-*
5 *lowing new clause:*

6 *“(i) For programs authorized under section*
7 *402C that specifically target veterans, the extent*
8 *to which the eligible entity met or exceeded the*
9 *entity’s objectives for such program with respect*
10 *to—*

11 *“(I) the delivery of service to a total*
12 *number of students served by the program,*
13 *as agreed upon by the entity and the Sec-*
14 *retary for the period;*

15 *“(II) such students’ academic perform-*
16 *ance, as measured by standardized tests;*

17 *“(III) the retention and completion of*
18 *participants in the project;*

19 *“(IV) the provision of assistance to stu-*
20 *dents served by the program in completing*
21 *financial aid applications, including the*
22 *Free Application for Federal Student Aid*
23 *described in section 483(a) and college ad-*
24 *mission applications;*

1 “(V) the enrollment of such students in
2 an institution of higher education; and

3 “(VI) to the extent practicable, the
4 postsecondary education completion rate of
5 such students.”;

6 (iii) in subparagraph (C)(ii)—

7 (I) in subclause (I), by striking
8 “in which such students were enrolled”
9 and inserting “within six years of the
10 initial enrollment of such students in
11 the program”;

12 (II) in subclause (II);

13 (aa) in the matter preceding
14 item (aa), by striking “offer a
15 baccalaureate degree” and insert-
16 ing “primarily offer baccalaureate
17 degrees”; and

18 (bb) in item (aa), by striking
19 “students; and” and inserting
20 “students within 4 years of the
21 initial enrollment of such students
22 in the program; or”;

23 (iv) in subparagraph (D)—

1 (I) in clause (iii), by striking “;
2 and” and inserting “within two years
3 of receiving a baccalaureate degree;”;

4 (II) in clause (iv), by striking
5 “study and” and all that follows
6 through the period and inserting
7 “study; and”; and

8 (III) by adding at the end the fol-
9 lowing new clause:

10 “(v) the attainment of doctoral degrees
11 by former program participants within 10
12 years of receiving a baccalaureate degree.”;
13 and

14 (v) in subparagraph (E)(ii), by insert-
15 ing “, or re-enrollment,” after “enrollment”;

16 (5) in subsection (g)—

17 (A) in the first sentence, by striking
18 “\$900,000,000 for fiscal year 2009 and such
19 sums as may be necessary for” and inserting
20 “\$900,000,000 for fiscal year 2019 and”;

21 (B) in the second sentence—

22 (i) by striking “no more than $\frac{1}{2}$ of 1”
23 and inserting “not more than 1”;

1 (ii) by striking “and to provide tech-
2 nical” and inserting “to provide technical”;
3 and

4 (iii) by inserting before the period at
5 the end the following: “, and to support ap-
6 plications funded under the process outlined
7 in subsection (c)(8)(B)”;

8 (C) by striking the last sentence; and
9 (6) in subsection (h)—

10 (A) by striking “(5) VETERAN ELIGI-
11 BILITY.—No veteran” and inserting the fol-
12 lowing:

13 “(i) VETERAN ELIGIBILITY.—(1) No Veteran”;

14 (B) in paragraph (6), by striking “of para-
15 graph (5)” and inserting “of paragraph (1)”;

16 (C) by striking “(6) WAIVER.—The Sec-
17 retary” and inserting the following:

18 “(2) The Secretary”.

19 (b) TALENT SEARCH.—Section 402B (20 U.S.C.
20 1070a–12) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (2), by striking “and” at
23 the end;

24 (B) by redesignating paragraph (3) as
25 paragraph (4); and

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

3 “(3) to advise such youths on the postsecondary
4 institution selection process, including consideration
5 of the financial aid awards offered and the potential
6 loan burden required; and”;

7 (2) in subsection (b)—

8 (A) in paragraph (1), by inserting “and,
9 where necessary, remedial education services”
10 after “academic tutoring services”; and

11 (B) by striking paragraph (6) and inserting
12 the following:

13 “(6) connections to education or counseling serv-
14 ices designed to—

15 “(A) improve the financial literacy and eco-
16 nomic literacy of students or the students’ par-
17 ents in order to aid them in making informed
18 decisions about how to best finance their postsec-
19 ondary education; and

20 “(B) assist students and families regarding
21 career choice.”;

22 (3) in subsection (c)(2), by striking “career” and
23 inserting “academic”; and

24 (4) in subsection (d)—

1 (A) by redesignating paragraphs (2), (3),
2 and (4) as paragraphs (3), (4), and (5), respec-
3 tively;

4 (B) by inserting after paragraph (1) the fol-
5 lowing new paragraph:

6 “(2) require an assurance that the remaining
7 youths participating in the project proposed to be car-
8 ried out in any application be low-income individ-
9 uals, first generation college students, or students who
10 have a high risk for academic failure;”;

11 (C) in paragraph (4), as so redesignated—

12 (i) by inserting “, section 402C,” after
13 “under this section”; and

14 (ii) by striking “and” at the end;

15 (D) in paragraph (5), as so redesignated, by
16 striking the period at the end and inserting “;
17 and”; and

18 (E) by adding at the end the following:

19 “(6) require the grantee to maintain, to the ex-
20 tent practicable, a record of any services participants
21 receive during the project year from another program
22 under this chapter or other federally funded programs
23 serving similar populations to minimize the duplica-
24 tion of services.”.

1 (c) *UPWARD BOUND*.—Section 402C (20 U.S.C.
2 1070a–13) is amended—

3 (1) in subsection (b)—

4 (A) by striking paragraph (1) and insert-
5 ing:

6 “(1) academic tutoring, which may include in-
7 struction in reading, writing, study skills, mathe-
8 matics, science, and other subjects and, where nec-
9 essary, remedial education services, to enable students
10 to complete secondary or postsecondary courses;”.

11 (B) in paragraph (4), by adding “and” at
12 the end; and

13 (C) by striking paragraphs (5) and (6) and
14 inserting the following:

15 “(5) education or counseling services designed
16 to—

17 “(A) improve the financial literacy and eco-
18 nomic literacy of students or the students’ par-
19 ents in order to aid them in making informed
20 decisions about how to best finance their postsec-
21 ondary education; and

22 “(B) assist students and their families re-
23 garding career choice.”;

24 (2) in subsection (d)—

1 (A) in paragraph (1), by striking “youth”
2 and inserting “participants”;

3 (B) in paragraph (2), by striking “youth
4 participating in the project” and inserting
5 “project participants”; and

6 (C) in paragraph (5), by striking “youth
7 participating in the project” and inserting
8 “project participants”;

9 (3) in subsection (e)—

10 (A) in paragraph (4), by striking “and” at
11 the end;

12 (B) by redesignating paragraph (5) as
13 paragraph (6); and

14 (C) by inserting after paragraph (4) the fol-
15 lowing:

16 “(5) require an assurance that individuals par-
17 ticipating in the project proposed in any application
18 do not have access to services from another project
19 funded under this section, section 402B, or section
20 402F;”;

21 (D) in paragraph (6), as so redesignated, by
22 striking the period at the end and inserting “;
23 and”; and

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

1 “(7) for purposes of minimizing the duplication
2 of services, require that the grantee maintain, to the
3 extent practicable, a record of any services received by
4 participants during the program year from another
5 program funded under this chapter, or any other Fed-
6 erally funded program that serves populations similar
7 to the populations served by programs under this
8 chapter.”.

9 (4) by striking subsection (g) and redesignating
10 subsection (h) as subsection (g).

11 (d) *STUDENT SUPPORT SERVICES*.—Section 402D (20
12 U.S.C. 1070a–14) is amended—

13 (1) in subsection (a)(3), by inserting “low-in-
14 come and first generation college students, including”
15 after “success of”;

16 (2) in subsection (b)(4)—

17 (A) by striking “, including financial” and
18 inserting “, including—

19 “(A) financial”; and

20 (B) by adding at the end the following:

21 “(B) basic personal income, household
22 money management, and financial planning
23 skills; and

24 “(C) basic economic decisionmaking skills;”;

25 and

1 (3) *in subsection (e)—*

2 (A) *in paragraph (5), by striking “and” at*
3 *the end;*

4 (B) *by redesignating paragraph (6) as*
5 *paragraph (7);*

6 (C) *by inserting after paragraph (5) the fol-*
7 *lowing:*

8 “*(6) require the grantee to maintain, to the ex-*
9 *tent practicable, a record of any services participants*
10 *receive during the project year from another program*
11 *under this chapter or other federally funded programs*
12 *serving similar populations to minimize the duplica-*
13 *tion of services; and”.*

14 (e) *POSTBACCALAUREATE ACHIEVEMENT PROGRAM*
15 *AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is*
16 *amended—*

17 (1) *in subsection (b)(2), by striking “summer in-*
18 *ternships” and inserting “internships and faculty-led*
19 *research experiences”; and*

20 (2) *in subsection (d)—*

21 (A) *in paragraph (3), by striking “and” at*
22 *the end;*

23 (B) *in paragraph (4)—*

24 (i) *by striking “summer”;*

1 (ii) by striking the period at the end
2 and inserting “; and”; and

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

4 “(5) the grantee to maintain, to the extent prac-
5 ticable, a record of any services participants receive
6 during the project year from another program under
7 this chapter or other federally funded program serving
8 similar populations to minimize the duplication of
9 services.”; and

10 (3) in subsection (g), by striking “2009 through
11 2014” and inserting “2019 through 2024”.

12 (f) *EDUCATIONAL OPPORTUNITY CENTERS*.—Section
13 402F (20 U.S.C. 1070a–16) is amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1), by inserting “or re-
16 enter” after “pursue”; and

17 (B) in paragraph (3), by striking “of stu-
18 dents” and inserting “of such persons”;

19 (2) in subsection (b)(5), by striking “students;”
20 and inserting the following: “students, including—

21 “(A) financial planning for postsecondary
22 education;

23 “(B) basic personal income, household
24 money management, and financial planning
25 skills; and

1 “(C) *basic economic decisionmaking skills;*”;

2 *and*

3 (3) *in subsection (c)—*

4 (A) *by redesignating paragraphs (2) and*
5 (3) *as paragraphs (3) and (4), respectively; and*

6 (B) *by inserting after paragraph (1) the fol-*
7 *lowing new paragraph:*

8 “(2) *require an assurance that the remaining*
9 *persons participating in the project proposed to be*
10 *carried out under any application be low-income in-*
11 *dividuals or first generation college students;*”;

12 (C) *in paragraph (3), as so redesignated, by*
13 *striking “and” at the end;*

14 (D) *in paragraph (4), as so redesignated, by*
15 *striking the period at the end and inserting “;*
16 *and”;* *and*

17 (E) *by adding at the end the following:*

18 “(5) *require the grantee to maintain, to the ex-*
19 *tent practicable, a record of any services participants*
20 *receive during the project year from another program*
21 *under this chapter or other federally funded program*
22 *serving similar populations to minimize the duplica-*
23 *tion of services.”.*

24 (g) *STAFF DEVELOPMENT ACTIVITIES.—Section*
25 *402G(b) (20 U.S.C. 1070a–17(b)) is amended—*

1 (1) *in the matter preceding paragraph (1)—*

2 (A) *by inserting “webinars and online*
3 *classes,” after “seminars, workshops,”; and*

4 (B) *by striking “directors” and inserting*
5 *“staff”; and*

6 (2) *in paragraph (3), by inserting “and innova-*
7 *tive” after “model”.*

8 (h) *REPORTS, EVALUATIONS, AND GRANTS FOR*
9 *PROJECT IMPROVEMENT AND DISSEMINATION.—Subsection*
10 *(b) of section 402H (20 U.S.C. 1070a–18) is amended to*
11 *read as follows:*

12 “(b) *EVALUATIONS.—*

13 “(1) *IN GENERAL.—For the purpose of improv-*
14 *ing the effectiveness of the programs assisted under*
15 *this chapter, the Secretary shall make grants to or*
16 *enter into contracts with one or more organizations*
17 *to—*

18 “(A) *evaluate the effectiveness of the pro-*
19 *grams assisted under this chapter; and*

20 “(B) *disseminate information on the impact*
21 *of the programs in increasing the education level*
22 *of participants, as well as other appropriate*
23 *measures.*

24 “(2) *ISSUES TO BE EVALUATED.—The evalua-*
25 *tions described in paragraph (1) shall measure the ef-*

1 *fectiveness of programs funded under this chapter*
2 *in—*

3 “(A) *meeting or exceeding the stated objec-*
4 *tives regarding the outcome criteria under sub-*
5 *section (f) of section 402A;*

6 “(B) *enhancing the access of low-income in-*
7 *dividuals and first-generation college students to*
8 *postsecondary education;*

9 “(C) *preparing individuals for postsec-*
10 *ondary education;*

11 “(D) *comparing the level of education com-*
12 *pleted by students who participate in the pro-*
13 *grams funded under this chapter with the level*
14 *of education completed by students of similar*
15 *backgrounds who do not participate in such pro-*
16 *grams;*

17 “(E) *comparing the retention rates, dropout*
18 *rates, graduation rates, and college admission*
19 *and completion rates of students who participate*
20 *in the programs funded under this chapter with*
21 *the rates of students of similar backgrounds who*
22 *do not participate in such programs; and*

23 “(F) *such other issues as the Secretary con-*
24 *siders appropriate for inclusion in the evalua-*
25 *tion.*

1 “(3) *PROGRAM METHODS.*—*Such evaluations*
2 *shall also investigate the effectiveness of alternative*
3 *and innovative methods within programs funded*
4 *under this chapter of increasing access to, and reten-*
5 *tion of, students in postsecondary education.*

6 “(4) *RESULTS.*—*The Secretary shall submit to*
7 *the authorizing committees—*

8 “(A) *an interim report on the progress and*
9 *preliminary results of the evaluation of each pro-*
10 *gram funded under this chapter not later than 2*
11 *years following the date of enactment of the*
12 *PROSPER Act; and*

13 “(B) *a final report not later than 3 years*
14 *following the date of enactment of such Act.*

15 “(5) *PUBLIC AVAILABILITY.*—*All reports and un-*
16 *derlying data gathered pursuant to this subsection*
17 *shall be made available to the public upon request, in*
18 *a timely manner following submission of the applica-*
19 *ble reports under this subsection, except that any per-*
20 *sonally identifiable information with respect to a stu-*
21 *dent participating in a program or project assisted*
22 *under this chapter shall not be disclosed or made*
23 *available to the public.”.*

1 (i) *IMPACT GRANTS.—Part A of title IV (20 U.S.C.*
2 *1070 et seq.) is amended by inserting after section 402H*
3 *(20 U.S.C. 1070a–28) the following:*

4 **“SEC. 402I. IMPACT GRANTS.**

5 “(a) *IN GENERAL.—From funds reserved under sub-*
6 *section (e), the Secretary shall make grants to improve post-*
7 *secondary access and completion rates for qualified individ-*
8 *uals from disadvantaged backgrounds. These grants shall be*
9 *known as innovative measures promoting postsecondary ac-*
10 *cess and completion grants or ‘IMPACT Grants’ and allow*
11 *eligible entities to—*

12 “(1) *create, develop, implement, replicate, or take*
13 *to scale evidence-based, field-initiated innovations, in-*
14 *cluding through pay-for-success initiatives, to serve*
15 *qualified individuals from disadvantaged backgrounds*
16 *and improve student outcomes; and*

17 “(2) *rigorously evaluate such innovations, in ac-*
18 *cordance with subsection (d).*

19 “(b) *DESCRIPTION OF GRANTS.—The grants described*
20 *in subsection (a) shall include—*

21 “(1) *early-phase grants to fund the development,*
22 *implementation, and feasibility testing of a program,*
23 *which prior research suggests has a promise, for the*
24 *purpose of determining whether the program can suc-*

1 *cessfully improve postsecondary access and completion*
2 *rates;*

3 “(2) *mid-phase grants to fund implementation*
4 *and a rigorous evaluation of a program that has been*
5 *successfully implemented under an early-phase grant*
6 *described in paragraph (1); and*

7 “(3) *expansion grants to fund implementation*
8 *and a rigorous replication evaluation of a program*
9 *that has been found to produce sizable, important im-*
10 *pacts under a mid-phase grant described in para-*
11 *graph (2) for the purposes of—*

12 “(A) *determining whether such outcomes*
13 *can be successfully reproduced and sustained*
14 *over time; and*

15 “(B) *identifying the conditions in which the*
16 *project is most effective.*

17 “(c) *REQUIREMENTS FOR APPROVAL OF APPLICA-*
18 *TIONS.—To receive a grant under this section, an eligible*
19 *entity shall submit an application to the Secretary at such*
20 *time, and in such manner as the Secretary may require,*
21 *which shall include—*

22 “(1) *an assurance that not less than two-thirds*
23 *of the individuals who will participate in the pro-*
24 *gram proposed to be carried out with the grant will*
25 *be—*

1 “(A) *low-income individuals who are first*
2 *generation college students; or*

3 “(B) *individuals with disabilities;*

4 “(2) *an assurance that any other individuals*
5 *(not described in paragraph (1)) who will participate*
6 *in such proposed program will be—*

7 “(A) *low-income individuals;*

8 “(B) *first generation college students; or*

9 “(C) *individuals with disabilities;*

10 “(3) *a detailed description of the proposed pro-*
11 *gram, including how such program will directly ben-*
12 *efit students;*

13 “(4) *the number of projected students to be served*
14 *by the program;*

15 “(5) *how the program will be evaluated; and*

16 “(6) *an assurance that the individuals partici-*
17 *parting in the project proposed are individuals who do*
18 *not have access to services from another programs*
19 *funded under this section.*

20 “(d) *EVALUATION.—Each eligible entity receiving a*
21 *grant under this section shall conduct an independent eval-*
22 *uation of the effectiveness of the program carried out with*
23 *such grant and shall submit to the Secretary, on an annual*
24 *basis, a report that includes—*

1 “(1) a description of how funds received under
2 this section were used;

3 “(2) the number of students served by the project
4 carried out under this section; and

5 “(3) a quantitative analysis of the effectiveness of
6 the project.

7 “(e) *FUNDING.*—From amounts appropriated under
8 section 402A(g), the Secretary shall reserve not less than
9 10 percent of such funds to carry out this section.”.

10 **SEC. 403. GAINING EARLY AWARENESS AND READINESS**
11 **FOR UNDERGRADUATE PROGRAMS.**

12 (a) *EARLY INTERVENTION AND COLLEGE AWARENESS*
13 *PROGRAM.*—Section 404A (20 U.S.C. 1070a–21) is amend-
14 *ed—*

15 (1) in subsection (a)(1), by striking “academic
16 support” and inserting “academic support for college
17 readiness”;

18 (2) in subsection (b)—

19 (A) in paragraph (1), by inserting “new”
20 before “awards”; and

21 (B) in paragraph (3)—

22 (i) by amending subparagraph (A) to
23 read as follows:

24 “(A) give priority to eligible entities that
25 have a prior, demonstrated commitment to early

1 *intervention leading to college access and readi-*
2 *ness through collaboration and replication of*
3 *successful strategies; and”;* and

4 *(ii) in subparagraph (B), by striking*
5 *“the Higher Education Opportunity Act”*
6 *and inserting “the PROSPER Act”;* and
7 *(C) by adding at the end the following:*

8 *“(4) MULTIPLE AWARD PROHIBITION.—Eligible*
9 *entities described in subsection (c)(1) that receive a*
10 *grant under this chapter shall not be eligible to re-*
11 *ceive an additional grant under this chapter until*
12 *after the date on which the initial grant period ex-*
13 *pires.”.*

14 *(3) in subsection (c)(2)(B), by striking “institu-*
15 *tions or agencies sponsoring programs authorized*
16 *under subpart 4,”.*

17 *(b) APPLICATIONS.—Section 404C (20 U.S.C. 1070a–*
18 *23) is amended—*

19 *(1) in subsection (a)—*

20 *(A) in paragraph (2)—*

21 *(i) in the matter preceding subpara-*
22 *graph (A)—*

23 *(I) by striking “, contain or be*
24 *accompanied by such information or*
25 *assurances,”; and*

1 (ii) by striking “, at a min-
2 imum”;

3 (iii) by amending subparagraph (B) to
4 read as follows:

5 “(B) describe, in the case of an eligible enti-
6 ty described in section 404A(c)(2) that chooses to
7 provide scholarships, or an eligible entity de-
8 scribed in section 404A(c)(1)—

9 “(i) the eligible entity’s plan to estab-
10 lish or maintain a financial assistance pro-
11 gram in accordance with the requirements
12 of section 404E, including any eligibility
13 criteria other than the criteria described in
14 section 404E(g), such as—

15 “(I) demonstrating financial need;

16 “(II) meeting and maintaining
17 satisfactory academic progress; and

18 “(III) other criteria aligned with
19 State and local goals to increase post-
20 secondary readiness, access, and com-
21 pletion; and

22 “(ii) how the eligible entity will meet
23 the other requirements of section 404E;”;

24 (iii) by striking subparagraph (H);
25 and

1 (iv) by redesignating subparagraphs
2 (I) and (J) as subparagraphs (H) and (I),
3 respectively; and

4 (2) in subsection (b), by striking paragraph (2)
5 and inserting the following:

6 “(2) *SPECIAL RULE.*—Notwithstanding the
7 matching requirement described in paragraph (1)(A),
8 the Secretary may—

9 “(A) at the time of application—

10 “(i) approve a Partnership applicant’s
11 request for a waiver of up to 75 percent of
12 the matching requirement for up to two
13 years if the applicant demonstrates in its
14 application a significant economic hardship
15 that stems from a specific, exceptional, or
16 uncontrollable event, such as a natural dis-
17 aster, that has a devastating effect on the
18 members of the Partnership and the commu-
19 nity in which the project would operate;

20 “(ii)(I) approve a Partnership appli-
21 cant’s request to waive up to 50 percent of
22 the matching requirement for up to two
23 years if the applicant demonstrates in its
24 application a pre-existing and an on-going
25 significant economic hardship that pre-

1 *cludes the applicant from meeting its*
2 *matching requirement; and*

3 *“(II) provide tentative approval of an*
4 *applicant’s request for a waiver under sub-*
5 *clause (I) for all remaining years of the*
6 *project period;*

7 *“(iii) approve a Partnership appli-*
8 *cant’s request in its application to match*
9 *its contributions to its scholarship fund, es-*
10 *tablished under section 404E, on the basis*
11 *of two non-Federal dollars for every one dol-*
12 *lar of Federal funds provided under this*
13 *chapter; or*

14 *“(iv) approve a request by a Partner-*
15 *ship applicant that has three or fewer insti-*
16 *tutions of higher education as members to*
17 *waive up to 70 percent of the matching re-*
18 *quirement if the Partnership applicant in-*
19 *cludes—*

20 *“(I) a fiscal agent that is eligible*
21 *to receive funds under title V, or part*
22 *B of title III, or section 316 or 317, or*
23 *a local educational agency;*

24 *“(II) only participating schools*
25 *with a 7th grade cohort in which at*

1 *least 75 percent of the students are eli-*
2 *gible for free or reduced-price lunch*
3 *under the Richard B. Russell National*
4 *School Lunch Act; and*

5 *“(III) only local educational*
6 *agencies in which at least 50 percent of*
7 *the students enrolled are eligible for*
8 *free or reduced-price lunch under the*
9 *Richard B. Russell National School*
10 *Lunch Act; and*

11 *“(B) after a grant is awarded, approve a*
12 *Partnership grantee’s written request for a waiv-*
13 *er of up to—*

14 *“(i) 50 percent of the matching re-*
15 *quirement for up to two years if the grantee*
16 *demonstrates that—*

17 *“(I) the matching contributions*
18 *described for those two years in the*
19 *grantee’s approved application are no*
20 *longer available; and*

21 *“(II) the grantee has exhausted all*
22 *funds and sources of potential con-*
23 *tributions for replacing the matching*
24 *funds; or*

1 “(ii) 75 percent of the matching re-
2 quirement for up to two years if the grantee
3 demonstrates that matching contributions
4 from the original application are no longer
5 available due to an uncontrollable event,
6 such as a natural disaster, that has a dev-
7 astating economic effect on members of the
8 Partnership and the community in which
9 the project would operate.

10 “(3) *ADDITIONAL TERMS.*—

11 “(A) *ON-GOING ECONOMIC HARDSHIP.*—*In*
12 *determining whether a Partnership applicant is*
13 *experiencing an on-going economic hardship that*
14 *is significant enough to justify a waiver under*
15 *subparagraphs (A)(i) and (A)(ii)(I) of para-*
16 *graph (2), the Secretary may consider docu-*
17 *mentation of the following:*

18 “(i) *Severe distress in the local econ-*
19 *omy of the community to be served by the*
20 *grant (e.g., there are few employers in the*
21 *local area, large employers have left the*
22 *local area, or significant reductions in em-*
23 *ployment in the local area).*

24 “(ii) *Local unemployment rates that*
25 *are higher than the national average.*

1 “(iii) *Low or decreasing revenues for*
2 *State and County governments in the area*
3 *to be served by the grant.*

4 “(iv) *Significant reductions in the*
5 *budgets of institutions of higher education*
6 *that are participating in the grant.*

7 “(v) *Other data that reflect a signifi-*
8 *cant economic hardship for the geographical*
9 *area served by the applicant.*

10 “(B) *EXHAUSTION OF FUNDS.—In deter-*
11 *mining whether a Partnership grantee has ex-*
12 *hausted all funds and sources of potential con-*
13 *tributions for replacing matching funds under*
14 *paragraph (2)(B), the secretary may consider the*
15 *grantee’s documentation of key factors that have*
16 *had a direct impact on the grantee such as the*
17 *following:*

18 “(i) *A reduction of revenues from State*
19 *government, County government, or the*
20 *local educational agency.*

21 “(ii) *An increase in local unemploy-*
22 *ment rates.*

23 “(iii) *Significant reductions in the op-*
24 *erating budgets of institutions of higher*

1 *education that are participating in the*
2 *grant.*

3 “(iv) *A reduction of business activity*
4 *in the local area (e.g., large employers have*
5 *left the local area).*

6 “(v) *Other data that reflect a signifi-*
7 *cant decrease in resources available to the*
8 *grantee in the local geographical area served*
9 *by the grantee.*

10 “(C) *RENEWAL OF WAIVER.—A Partnership*
11 *applicant that receives a tentative approval of a*
12 *waiver under subparagraph (A)(ii)(II) of para-*
13 *graph (2) for more than two years under this*
14 *paragraph must submit to the Secretary every*
15 *two years by such time as the Secretary may di-*
16 *rect documentation that demonstrates that—*

17 “(i) *the significant economic hardship*
18 *upon which the waiver was granted still ex-*
19 *ists; and*

20 “(ii) *the grantee tried diligently, but*
21 *unsuccessfully, to obtain contributions need-*
22 *ed to meet the matching requirement.*

23 “(D) *MULTIPLE WAIVERS.—If a grantee has*
24 *received one or more waivers under paragraph*
25 *(2), the grantee may request an additional waiv-*

1 *er of the matching requirement under this sub-*
2 *section not earlier than 60 days before the expi-*
3 *ration of the grantee’s existing waiver.”.*

4 *(c) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–24)*
5 *is amended—*

6 *(1) in subsection (a)—*

7 *(A) in paragraph (1), by striking “finan-*
8 *cial aid for” and inserting “financial aid, in-*
9 *cluding loans, grants, scholarships, and institu-*
10 *tional aid for”;*

11 *(B) in paragraph (2) by striking “rigorous*
12 *and challenging curricula and coursework, in*
13 *order to” and inserting “curricula and*
14 *coursework designed to”;*

15 *(C) by redesignating paragraphs (3) and*
16 *(4) as paragraphs (5) and (6), respectively;*

17 *(D) by inserting after paragraph (2) the fol-*
18 *lowing:*

19 *“(3) Providing information to students and fam-*
20 *ilies about the advantages of obtaining a postsec-*
21 *ondary education.*

22 *“(4) Providing tutors and mentors, who may in-*
23 *clude adults or former participants of a program*
24 *under this chapter, for use by eligible students in*
25 *need.”;*

1 (E) in paragraph (5), as so redesignated, by
2 striking “Improving” and inserting “Providing
3 supportive services to improve”; and
4 (2) in subsection (b)—
5 (A) by striking paragraph (1); and
6 (B) by redesignating paragraphs (2)
7 through (15) as paragraphs (1) through (14), re-
8 spectively;
9 (C) in paragraph (3), as so redesignated, by
10 striking “rigorous” each place it appears;
11 (D) in paragraph (9), as so redesignated—
12 (i) by redesignating subparagraphs (E)
13 through (K) as subparagraphs (F) through
14 (L), respectively;
15 (ii) by inserting after subparagraph
16 (D) the following:
17 “(E) providing counseling or referral serv-
18 ices to address the behavioral, social-emotional,
19 and mental health needs of at-risk students;”;
20 (iii) in subparagraph (I), as so redesi-
21 gnated, by striking “skills assessments”
22 and inserting “skills, cognitive, non-cog-
23 nitive, and credit-by-examination assess-
24 ments”;

1 (iv) in subparagraph (K), as so redesi-
2 gnated, by striking “and” at the end;

3 (v) in subparagraph (L), as so redesi-
4 gnated, by striking the period at the end and
5 inserting “; and”; and

6 (vi) by adding at the end the following:

7 “(M) capacity building activities that create
8 college-going cultures in participating schools
9 and local education agencies.”; and

10 (E) by adding at the end the following:

11 “(15) Creating or expanding drop-out recovery
12 programs that allow individuals who drop out of
13 school to complete a regular secondary school diploma
14 and begin college-level work.”;

15 (3) in subsection (c)—

16 (A) in paragraph (3), by inserting “and
17 technical assistance” after “administrative sup-
18 port”; and

19 (B) by striking paragraph (9); and

20 (4) in subsection (e), by striking “institutions
21 and agencies sponsoring programs authorized under
22 subpart 4.”.

23 (d) *SCHOLARSHIP REQUIREMENTS*.—Section 404E
24 (20 U.S.C. 1070a–25) is amended—

1 (1) in subsection (a)(1), by inserting “described
2 in section 404C(a)(2)(B)(i)” after “financial assist-
3 ance program”; and

4 (2) in subsection (e)(1), by striking “an amount”
5 and all that follows through the period at the end and
6 inserting the following: “an estimated amount that is
7 based on the requirements of the financial assistance
8 program of the eligible entity described in section
9 404C(a)(2)(B)(i).”

10 (e) *EVALUATION AND REPORT.*—Section 404G(b) (20
11 *U.S.C. 1070a–27(b)*) is amended—

12 (1) in paragraph (1), by striking “and” at the
13 end;

14 (2) in paragraph (2), by striking the period at
15 the end and inserting “; and”

16 (3) by adding after paragraph (2) the following:
17 “(3) include the following metrics:

18 “(A) the number of students completing the
19 *Free Application for Federal Student Aid*;

20 “(B) the enrollment of participating stu-
21 dents in curricula and coursework designed to
22 reduce the need for remedial coursework at the
23 postsecondary level;

24 “(C) if applicable, the number of students
25 receiving a scholarship;

1 “(D) the graduation rate of participating
2 students from high school;

3 “(E) the enrollment of participating stu-
4 dents into postsecondary education; and

5 “(F) such other information as the Sec-
6 retary may require.”.

7 (f) *AUTHORIZATION OF APPROPRIATIONS.*—Section
8 404H (20 U.S.C. 1070a–28) is amended by striking
9 “\$400,000,000 for fiscal year 2009 and such sums as may
10 be necessary for each of the five succeeding fiscal years” and
11 inserting “\$339,754,000 for fiscal year 2019 and each of
12 the five succeeding fiscal years”.

13 **SEC. 404. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMI-**
14 **LIES ARE ENGAGED IN MIGRANT AND SEA-**
15 **SONAL FARMWORK.**

16 Section 418A(i) (20 U.S.C. 1070d—2(i)) is amended
17 by striking “\$75,000,000” and all that follows through the
18 period at the end and inserting “\$44,623,000 for each of
19 fiscal years 2019 through 2024.”.

20 **SEC. 405. CHILD CARE ACCESS MEANS PARENTS IN**
21 **SCHOOL.**

22 Section 419N (20 U.S.C. 1070e) is amended—

23 (1) in the heading of paragraph (6) of subsection
24 (b), by striking “CONSTRUCTION” and inserting
25 “RULE OF CONSTRUCTION”; and

1 (2) *in subsection (c)*—

2 (A) *in paragraph (4), by striking “assisted”*
3 *and inserting “funded”;*

4 (B) *in paragraph (5)*—

5 (i) *by striking “resources, including*
6 *technical expertise” and inserting “re-*
7 *sources, including non-Federal resources,*
8 *technical expertise,”;*

9 (ii) *by striking “the use of the” and in-*
10 *serting “these”; and*

11 (C) *in paragraph (9)*—

12 (i) *by inserting “provisional status,”*
13 *after “approval,”; and*

14 (ii) *by striking “; and” and inserting*
15 *“prior to serving children and families;*
16 *and”;*

17 (3) *in subsection (d)*—

18 (A) *in paragraph (1)*—

19 (i) *by striking “local” and inserting*
20 *“non-Federal, local,”; and*

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

22 (B) *in paragraph (2), by striking the period*
23 *at the end and inserting “; and”; and*

24 (C) *by adding at the end the following:*

1 “(3) coordinate with other community programs
2 where appropriate to improve the quality and limit
3 cost of the campus-based program.”;

4 (4) by amending subsection (e) to read as fol-
5 lows:

6 “(e) *REPORTING REQUIREMENTS; CONTINUING ELIGI-*
7 *BILITY.—*

8 “(1) *REPORTING REQUIREMENTS.—*

9 “(A) *REPORTS.—Each institution of higher*
10 *education receiving a grant under this section*
11 *shall report to the Secretary annually. The Sec-*
12 *retary shall annually publish such reports on a*
13 *publicly accessible website of the Department of*
14 *Education.*

15 “(B) *CONTENTS.—Each report shall in-*
16 *clude—*

17 “(i) *data on the population served*
18 *under this section, including the total num-*
19 *ber of children and families served;*

20 “(ii) *information on sources of campus*
21 *and community resources and the amount*
22 *of non-Federal funding used to help low-in-*
23 *come students access child care services on*
24 *campus;*

1 “(iii) documentation that the program
2 meets applicable licensing, certification, ap-
3 proval, or registration requirements; and

4 “(iv) a description of how funding was
5 used to pursue the goals of this section de-
6 termined by the institution under subsection
7 (c).

8 “(2) CONTINUING ELIGIBILITY.—The Secretary
9 shall make continuation awards under this section to
10 an institution of higher education only if the Sec-
11 retary determines, on the basis of the reports sub-
12 mitted under paragraph (1) and the application from
13 the institution, that the institution is—

14 “(A) using funds only for authorized pur-
15 poses;

16 “(B) providing low-income students at the
17 institution with priority access to affordable,
18 quality child care services as provided under this
19 section; and

20 “(C) documenting a continued need for Fed-
21 eral funding under this section, while dem-
22 onstrating how non-federal sources will be lever-
23 aged to support a continuation award.”; and

24 (5) in subsection (g), by striking “such sums as
25 may be necessary for fiscal year 2009 and each of the

1 *five succeeding fiscal years” and inserting*
2 *“\$15,134,000 for each of fiscal years 2019 through*
3 *2024”.*

4 **SEC. 406. REPEALS.**

5 *(a) ACADEMIC COMPETITIVENESS GRANTS.—Section*
6 *401A (20 U.S.C. 1070a–1) is repealed.*

7 *(b) FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-*
8 *TUNITY GRANTS.—*

9 *(1) REPEAL.—Subpart 3 of part A of title IV*
10 *(20 U.S.C. 1070b et seq.) is repealed.*

11 *(2) EFFECTIVE DATE.—The repeal made by*
12 *paragraph (1) shall take effect on June 30, 2018.*

13 *(3) APPROPRIATIONS.—Notwithstanding para-*
14 *graphs (1) and (2), sums appropriated under section*
15 *413A for fiscal year 2018 shall be available for pay-*
16 *ments to institutions of higher education under such*
17 *section (as in effect on June 29, 2018) until the end*
18 *of fiscal year 2019.*

19 *(c) LEVERAGING EDUCATIONAL ASSISTANCE PART-*
20 *nership Program.—Subpart 4 of part A of title IV (20*
21 *U.S.C. 1070c et seq.) is repealed.*

22 *(d) ROBERT C. BYRD HONORS SCHOLARSHIP PRO-*
23 *gram.—Subpart 6 of part A of title IV (20 U.S.C. 1070d–*
24 *31 et seq.) is repealed.*

1 **SEC. 407. SUNSET OF TEACH GRANTS.**

2 *Subpart 9 of part A of title IV (20 U.S.C. 1070g) is*
3 *amended—*

4 *(1) in section 420L(1) (20 U.S.C. 1070g(1), by*
5 *striking “section 102” and inserting “section 102 (as*
6 *in effect on the day before the date of enactment of*
7 *the PROSPER Act)”;*

8 *(2) in section 420N (20 U.S.C. 1070g-2)—*

9 *(A) by amending subparagraph (B) of sub-*
10 *section (b)(1) to read as follows:*

11 *“(B) teach—*

12 *“(i) in a public or other nonprofit pri-*
13 *ivate elementary school or secondary school,*
14 *which, for the purpose of this paragraph*
15 *and for that year—*

16 *“(I) has been determined by the*
17 *Secretary (pursuant to regulations of*
18 *the Secretary and after consultation*
19 *with the State educational agency of*
20 *the State in which the school is lo-*
21 *cated) to be a school in which the num-*
22 *ber of children meeting a measure of*
23 *poverty under section 1113(a)(5) of the*
24 *Elementary and Secondary Education*
25 *Act of 1965 (20 U.S.C. 6313(a)(5)), ex-*

1 ceeds 30 percent of the total number of
2 children enrolled in such school; and

3 “(II) is in the school district of a
4 local educational agency which is eligi-
5 ble in such year for assistance pursu-
6 ant to part A of title I of the Elemen-
7 tary and Secondary Education Act of
8 1965 (20 U.S.C. 6311 et seq.); or

9 “(ii) in one or more public, or non-
10 profit private, elementary schools or sec-
11 ondary schools or locations operated by an
12 educational service agency that have been
13 determined by the Secretary (pursuant to
14 regulations of the Secretary and after con-
15 sultation with the State educational agency
16 of the State in which the educational service
17 agency operates) to be a school or location
18 at which the number of children taught who
19 meet a measure of poverty under section
20 1113(a)(5) of the Elementary and Sec-
21 ondary Education Act of 1965 (20 U.S.C.
22 6313(a)(5)), exceeds 30 percent of the total
23 number of children taught at such school or
24 location;”; and

1 (B) in subsection (c), by inserting “(as in
2 effect on the day before the date of the enactment
3 of the PROSPER Act)” after “part D of title
4 IV”;

5 (3) in section 420M(a) (20 U.S.C. 1070g–1), by
6 adding at the end the following:

7 “(3) *TERMINATION.*—

8 “(A) *TERMINATION OF PROGRAM AUTHOR-*
9 *ITY.*—*Except as provided in paragraph (4), no*
10 *new grants may be made under this subpart*
11 *after June 30, 2018.*

12 “(B) *LIMITATION ON FUNDS.*—

13 “(i) *IN GENERAL.*—*No funds are au-*
14 *thorized to be appropriated, and no funds*
15 *may be obligated or expended under this*
16 *Act or any other Act, to make a grant to a*
17 *new recipient under this subpart.*

18 “(ii) *NEW RECIPIENT DEFINED.*—*For*
19 *purposes of this subparagraph, the term*
20 *‘new recipient’ means a teacher candidate*
21 *who has not received a grant under this*
22 *subpart for which the first disbursement*
23 *was on or before June 30, 2018.*

24 “(4) *STUDENT ELIGIBILITY BEGINNING WITH*
25 *AWARD YEAR 2018.*—*With respect to a recipient of a*

1 *fore the date of enactment of the PROSPER Act and*
2 *pursuant to section 461(a) of such Act”;* and

3 *(2) in subsection (b)(1)(F)(ii)—*

4 *(A) in the matter preceding subclause (I),*
5 *by inserting “, as in effect on the day before the*
6 *date of enactment of the PROSPER Act and*
7 *pursuant to section 461(a) of such Act” after*
8 *“part E”;*

9 *(B) in subclause (I), in the matter pre-*
10 *ceding item (aa), by inserting “, as so in effect,”*
11 *after “part E”;*

12 *(C) in subclause (I)(bb), by inserting “, as*
13 *so in effect” after “section 464(c)(1)(A)”;*

14 *(D) in subclause (II), by inserting “, as so*
15 *in effect” after “section 465(a)”;* and

16 *(E) in subclause (III)—*

17 *(i) by inserting “, as so in effect” after*
18 *“section 465”;* and

19 *(ii) by inserting “, as so in effect”*
20 *after “465(a)”.*

21 **SEC. 422. LOAN REHABILITATION.**

22 *Section 428F(a)(5) (20 U.S.C. 1078–6) is amended by*
23 *striking “one time” and inserting “two times”.*

1 **SEC. 423. LOAN FORGIVENESS FOR TEACHERS.**

2 *Section 428J(b)(1)(A) (20 U.S.C. 1078–10(b)(1)(A)) is*
3 *amended by striking “that qualifies under section*
4 *465(a)(2)(A) for loan cancellation for Perkins loan recipi-*
5 *ents who teach in such schools or locations” and inserting*
6 *“described in section 420N(b)(1)(B)”.*

7 **SEC. 424. LOAN FORGIVENESS FOR SERVICE IN AREAS OF**
8 **NATIONAL NEED.**

9 *Section 428K (20 U.S.C. 1078–11) is amended—*

10 *(1) in subsection (b)—*

11 *(A) in paragraph (4)(B), by striking “that*
12 *qualifies under section 465(a)(2)(A) for loan*
13 *cancellation for Perkins loan recipients who*
14 *teach in such a school” and inserting “described*
15 *in section 420N(b)(1)(B)”;*

16 *(B) in paragraph (5)(B)(ii), by striking*
17 *“that qualifies under section 465(a)(2)(A) for*
18 *loan cancellation for Perkins loan recipients who*
19 *teach in such a school” and inserting “described*
20 *in section 420N(b)(1)(B)”;*

21 *(C) in paragraph (7)(A), by striking “that*
22 *qualifies under section 465(a)(2)(A) for loan*
23 *cancellation for Perkins loan recipients who*
24 *teach in such a school” and inserting “described*
25 *in section 420N(b)(1)(B)”;*

1 (D) in paragraph (8)(B), by striking “that
2 qualifies under section 465(a)(2)(A) for loan
3 cancellation for Perkins loan recipients who
4 teach in such a school” and inserting “described
5 in section 420N(b)(1)(B)” ; and

6 (E) in paragraph (16), by striking “that
7 qualify under section 465(a)(2)(A) for loan can-
8 cellation for Perkins loan recipients who teach in
9 such a school” and inserting “described in sec-
10 tion 420N(b)(1)(B)” ; and

11 (2) in subsection (g)(6)(B), by striking “that
12 qualifies under section 465(a)(2)(A) for loan cancella-
13 tion for Perkins loan recipients who teach in such a
14 school” and inserting “described in section
15 420N(b)(1)(B)”.

16 **SEC. 425. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE**
17 **ATTORNEYS.**

18 Section 428L(b)(2)(A) (20 U.S.C. 1078–12(b)(2)(A)) is
19 amended—

20 (1) in clause (i), by inserting before the semi-
21 colon at the end “, as in effect on the day before the
22 date of enactment of the PROSPER Act and pursu-
23 ant to section 461(a) of such Act”; and

24 (2) in clause (ii)(III), by inserting “, as in effect
25 on the day before the date of enactment of the PROS-

1 institution shall be calculated in the manner de-
2 scribed in section 481B(e)(1).

3 “(B) *SUNSET.*—The Secretary shall not be
4 subject, and no institution shall be subject, to the
5 requirements of this subsection after the transi-
6 tion period.

7 “(C) *DEFINITION.*—In this paragraph, the
8 term ‘transition period’ has the meaning given
9 the term in section 481B(e)(3).”; and

10 (3) in subsection (o)(1), by inserting “, as in ef-
11 fect on the day before the date of enactment of the
12 *PROSPER Act* and pursuant to section 461(a) of
13 such Act” after “part E”.

14 **SEC. 427. ADDITIONAL DISCLOSURES.**

15 Section 433(a) (20 U.S.C. 1083(a)) is amended—

16 (1) in the matter preceding paragraph (1), by
17 striking the second sentence and inserting “Any dis-
18 closure required by this subsection shall be made on
19 the Plain Language Disclosure Form developed by the
20 Secretary under section 455(p).”;

21 (2) in paragraph (4), by striking “the origina-
22 tion fee and” and inserting “finance charges, the
23 origination fee, and”;

24 (3) by redesignating paragraphs (6) through (19)
25 as paragraphs (7) through (20), respectively; and

1 (4) by inserting after paragraph (5), the fol-
2 lowing:

3 “(6) the annual percentage rate of the loan, as
4 calculated using the standard 10-year repayment
5 term, and how interest accrues and is capitalized
6 during periods when the interest is not paid by the
7 borrower;”.

8 **SEC. 428. CLOSED SCHOOL AND OTHER DISCHARGES.**

9 Section 437(c) (20 U.S.C. 1087) is amended—

10 (1) in paragraph (1), by inserting “and the bor-
11 rower meets the applicable requirements of para-
12 graphs (6) through (8),” after “such student’s lend-
13 er,”;

14 (2) in paragraph (4), by inserting before the pe-
15 riod at the end “, as in effect on the day before the
16 date of enactment of the PROSPER Act and pursu-
17 ant to section 461(a) of such Act”; and

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

19 “(6) *BORROWER QUALIFICATIONS FOR A CLOSED*
20 *SCHOOL DISCHARGE.*—

21 “(A) *IN GENERAL.*—In order to qualify for
22 the discharge of a loan under this subsection due
23 to the closure of the institution in which the bor-
24 rower was enrolled, a borrower shall submit to

1 *the Secretary a written request and sworn state-*
2 *ment—*

3 “(i) *that contains true factual asser-*
4 *tions;*

5 “(ii) *that is made by the borrower*
6 *under penalty of perjury, and that may or*
7 *may not be notarized;*

8 “(iii) *under which the borrower (or the*
9 *student on whose behalf a parent borrowed)*
10 *states—*

11 “(I) *that the borrower or the stu-*
12 *dent—*

13 “(aa) *received, on or after*
14 *January 1, 1986, the proceeds of*
15 *a loan made, insured, or guaran-*
16 *teed under this title to attend a*
17 *program of study at an institu-*
18 *tion of higher education;*

19 “(bb)(AA) *did not complete*
20 *the program of study because the*
21 *institution closed while the stu-*
22 *dent was enrolled; or*

23 “(BB) *the student withdrew*
24 *from the institution not more*
25 *than 120 days before the institu-*

1 *tion closed, or in the case of excep-*
2 *tional circumstances described in*
3 *subparagraph (B), not more than*
4 *the period by which such 120-day*
5 *period is extended under such sub-*
6 *paragraph; and*

7 *“(cc) attempted but was un-*
8 *able to complete the program of*
9 *study through a teach-out at an-*
10 *other institution or by transfer-*
11 *ring academic credits or hours*
12 *earned at the closed institution to*
13 *another institution;*

14 *“(II) whether the borrower (or the*
15 *student) has made a claim with respect*
16 *to the institutions’s closing with any*
17 *third party, such as the holder of a*
18 *performance bond or a tuition recovery*
19 *program, and, if so, the amount of any*
20 *payment received by the borrower (or*
21 *the student) or credited to the bor-*
22 *rower’s loan obligation; and*

23 *“(III) that the borrower (or the*
24 *student)—*

1 “(aa) agrees to provide to the
2 Secretary or the holder of the loan
3 upon request other documentation
4 reasonably available to the bor-
5 rower that demonstrates that the
6 borrower meets the qualifications
7 for discharge under this sub-
8 section; and

9 “(bb) agrees to cooperate
10 with the Secretary in enforcement
11 actions in accordance with sub-
12 paragraph (C) and to transfer
13 any right to recovery against a
14 third party to the Secretary in
15 accordance with subparagraph
16 (D).

17 “(B) EXCEPTIONAL CIRCUMSTANCES.—

18 “(i) IN GENERAL.—The Secretary may
19 extend the 120-day period described in sub-
20 paragraph (A)(iii)(I)(bb)(BB) if the Sec-
21 retary determines that exceptional cir-
22 cumstances related to an institution’s clos-
23 ing justify an extension.

24 “(ii) DEFINITION.—For purposes of
25 this subsection, the term ‘exceptional cir-

1 *cumstances’, when used with respect to an*
2 *institution that closed, includes the loss of*
3 *accreditation of institution, the*
4 *institutions’s discontinuation of the major-*
5 *ity of its academic programs, action by the*
6 *State to revoke the institution’s license to*
7 *operate or award academic credentials in*
8 *the State, or a finding by a State or Fed-*
9 *eral Government agency that the institution*
10 *violated State or Federal law.*

11 “(C) *COOPERATION BY BORROWER IN EN-*
12 *FORCEMENT ACTIONS.—*

13 “(i) *IN GENERAL.—In order to obtain*
14 *a discharge described in subparagraph (A),*
15 *a borrower shall cooperate with the Sec-*
16 *retary in any judicial or administrative*
17 *proceeding brought by the Secretary to re-*
18 *cover amounts discharged or to take other*
19 *enforcement action with respect to the con-*
20 *duct on which the discharge was based. At*
21 *the request of the Secretary and upon the*
22 *Secretary’s tendering to the borrower the*
23 *fees and costs that are customarily provided*
24 *in litigation to reimburse witnesses, the bor-*
25 *rower shall—*

1 “(I) provide testimony regarding
2 any representation made by the bor-
3 rower to support a request for dis-
4 charge;

5 “(II) produce any documents rea-
6 sonably available to the borrower with
7 respect to those representations; and

8 “(III) if required by the Sec-
9 retary, provide a sworn statement re-
10 garding those documents and represen-
11 tations.

12 “(ii) DENIAL OF REQUEST FOR DIS-
13 CHARGE.—The Secretary shall deny the re-
14 quest for such a discharge or revoke the dis-
15 charge of a borrower who—

16 “(I) fails to provide the testimony,
17 documents, or a sworn statement re-
18 quired under clause (i); or

19 “(II) provides testimony, docu-
20 ments, or a sworn statement that does
21 not support the material representa-
22 tions made by the borrower to obtain
23 the discharge.

1 “(D) *TRANSFER TO THE SECRETARY OF*
2 *BORROWER’S RIGHT OF RECOVERY AGAINST*
3 *THIRD PARTIES.—*

4 “(i) *IN GENERAL.—*Upon receiving a
5 *discharge described in subparagraph (A) of*
6 *a loan, the borrower shall be deemed to have*
7 *assigned to and relinquished in favor of the*
8 *Secretary any right to a loan refund for*
9 *such loan (up to the amount discharged)*
10 *that the borrower (or student) may have by*
11 *contract or applicable law with respect to*
12 *the loan or the enrollment agreement for the*
13 *program for which the loan was received,*
14 *against the institution, its principals, its*
15 *affiliates and their successors, its sureties,*
16 *and any private fund, including the portion*
17 *of a public fund that represents funds re-*
18 *ceived from a private party.*

19 “(ii) *APPLICATION.—*The provisions of
20 *this subsection apply notwithstanding any*
21 *provision of State law that would otherwise*
22 *restrict transfer of such rights by the bor-*
23 *rower (or student), limit, or prevent a*
24 *transferee from exercising such rights, or es-*
25 *tablish procedures or a scheme of distribu-*

1 *tion that would prejudice the Secretary's*
2 *ability to recover on such rights.*

3 *“(iii) RULE OF CONSTRUCTION.—Not-*
4 *ing in this subsection shall limit or foreclose*
5 *the borrower's (or student's) right to pursue*
6 *legal and equitable relief regarding disputes*
7 *arising from matters unrelated to the dis-*
8 *charged loan.*

9 *“(E) DISCHARGE PROCEDURES.—*

10 *“(i) IN GENERAL.—After confirming*
11 *the date of an institution's closure, the Sec-*
12 *retary shall identify any borrower (or stu-*
13 *dent on whose behalf a parent borrowed)*
14 *who appears to have been enrolled at the in-*
15 *stitution on the closure date of the institu-*
16 *tion or to have withdrawn not more than*
17 *120 days prior to the closure date (or in the*
18 *case of exceptional circumstances described*
19 *in subparagraph (B), not more than the pe-*
20 *riod by which such 120-day period is ex-*
21 *tended under such subparagraph. In the*
22 *case of a loan made, insured, or guaranteed*
23 *under this part, a guaranty agency shall*
24 *notify the Secretary immediately whenever*

1 it becomes aware of reliable information in-
2 dicating an institution may have closed.

3 “(ii) *BORROWER ADDRESS.*—

4 “(I) *KNOWN.*—If the borrower’s
5 current address is known, the Sec-
6 retary shall mail the borrower a dis-
7 charge application and an explanation
8 of the qualifications and procedures for
9 obtaining a discharge. The Secretary
10 or the guaranty agency shall promptly
11 suspend any efforts to collect from the
12 borrower on any affected loan. The
13 Secretary may continue to receive bor-
14 rower payments of the loan for which
15 the discharge application has been
16 filed.

17 “(II) *UNKNOWN.*—If the bor-
18 rower’s current address is unknown,
19 the Secretary shall attempt to locate
20 the borrower and determine the bor-
21 rower’s potential eligibility for a dis-
22 charge described in subparagraph (A)
23 by consulting with representatives of
24 the closed institution, the institution’s
25 licensing agency, the institution’s ac-

1 crediting agency, and other appro-
2 priate parties. If the Secretary learns
3 the new address of a borrower, the Sec-
4 retary shall mail to the borrower a dis-
5 charge application and explanation,
6 and shall suspend collection on the
7 loan, as described in subclause (I).

8 “(iii) *SWORN STATEMENT.*—If a bor-
9 rower fails to submit the written request
10 and sworn statement described subpara-
11 graph (A) not later than 60 days after date
12 on which the Secretary mails the discharge
13 application under clause (ii), the Sec-
14 retary—

15 “(I) shall resume collection on the
16 loan and grant forbearance of prin-
17 cipal and interest for the period in
18 which collection activity was sus-
19 pended; and

20 “(II) may capitalize any interest
21 accrued and not paid during such pe-
22 riod.

23 “(iv) *NOTIFICATION.*—

24 “(I) *QUALIFICATIONS MET.*—If
25 the Secretary determines that a bor-

1 *rower who requests a discharge de-*
2 *scribed in subparagraph (A) meets the*
3 *qualifications for such a discharge, the*
4 *Secretary shall—*

5 *“(aa) notify the borrower in*
6 *writing of that determination;*
7 *and*

8 *“(bb) not regard a borrower*
9 *who has defaulted on a loan that*
10 *has been so discharged as in de-*
11 *fault on the loan after such dis-*
12 *charge, and such a borrower shall*
13 *be eligible to receive assistance*
14 *under this title.*

15 *“(II) QUALIFICATIONS NOT*
16 *MET.—If the Secretary determines that*
17 *a borrower who requests a discharge*
18 *described in subparagraph (A) does not*
19 *meet the qualifications for such a dis-*
20 *charge, the Secretary or guaranty*
21 *agency shall resume collection on the*
22 *loan and notify the borrower in writ-*
23 *ing of that determination and the rea-*
24 *sons for the determination.*

1 “(7) *BORROWER QUALIFICATIONS FOR A FALSE*
2 *CERTIFICATION DISCHARGE.*—

3 “(A) *APPLICATION.*—

4 “(i) *IN GENERAL.*—*In order to qualify*
5 *for false certification discharge under this*
6 *subsection, the borrower shall submit to the*
7 *Secretary, on a form approved by the Sec-*
8 *retary, an application for discharge that—*

9 “(I) *does not need not be nota-*
10 *rized, but shall be made by the bor-*
11 *rower under penalty of perjury; and*

12 “(II) *demonstrates to the satisfac-*
13 *tion of the Secretary that the require-*
14 *ments in subparagraphs (B) through*
15 *(G) have been met.*

16 “(ii) *NOTIFICATION.*—*If the Secretary*
17 *determines the application does not meet the*
18 *requirements of clause (i), the Secretary*
19 *shall notify the applicant and explain why*
20 *the application does not meet the require-*
21 *ments.*

22 “(B) *HIGH SCHOOL DIPLOMA OR EQUIVA-*
23 *LENT.*—*In the case of a borrower requesting a*
24 *false certification discharge based on not having*
25 *had a high school diploma and not having met*

1 *the alternative to graduation from high school*
2 *eligibility requirements under section 484(d) ap-*
3 *plicable at the time the loan was originated, and*
4 *the institution or a third party to which the in-*
5 *stitution referred the borrower falsified the stu-*
6 *dent's high school diploma, the borrower shall*
7 *state in the application that the borrower (or the*
8 *student on whose behalf a parent borrowed)—*

9 *“(i) reported not having a valid high*
10 *school diploma or its equivalent at the time*
11 *the loan was certified; and*

12 *“(ii) did not satisfy the alternative to*
13 *graduation from high school statutory or*
14 *regulatory eligibility requirements identi-*
15 *fied on the application form and applicable*
16 *at the time the institution certified the loan.*

17 *“(C) DISQUALIFYING CONDITION.—In the*
18 *case of a borrower requesting a false certification*
19 *discharge based on a condition that would dis-*
20 *qualify the borrower from employment in the oc-*
21 *cupation that the program for which the bor-*
22 *rower received the loan was intended, the bor-*
23 *rower shall state in the application that the bor-*
24 *rower (or student on whose behalf the parent bor-*
25 *rowed) did not meet State requirements for em-*

1 *ployment (in the student’s State of residence) in*
2 *the occupation that the program for which the*
3 *borrower received the loan was intended because*
4 *of a physical or mental condition, age, criminal*
5 *record, or other reason accepted by the Secretary.*

6 “(D) *UNAUTHORIZED LOAN.*—*In the case of*
7 *a borrower requesting a discharge under this*
8 *subsection because the institution signed the bor-*
9 *rower’s name on the loan application or promiss-*
10 *sory note without the borrower’s authorization,*
11 *the borrower shall—*

12 *“(i) state that the borrower did not*
13 *sign the document in question or authorize*
14 *the institution to do so; and*

15 *“(ii) provide 5 different specimens of*
16 *the borrower’s signature, 2 of which must be*
17 *within one year before or after the date of*
18 *the contested signature.*

19 “(E) *UNAUTHORIZED PAYMENT.*—*In the*
20 *case of a borrower requesting a false certification*
21 *discharge because the institution, without the*
22 *borrower’s authorization, endorsed the borrower’s*
23 *loan check or signed the borrower’s authorization*
24 *for electronic funds transfer, the borrower shall—*

1 “(i) state that the borrower did not en-
2 dorse the loan check or sign the authoriza-
3 tion for electronic funds transfer or author-
4 ize the institution to do so;

5 “(ii) provide 5 different specimens of
6 the borrower’s signature, 2 of which must be
7 within one year before or after the date of
8 the contested signature; and

9 “(iii) state that the proceeds of the con-
10 tested disbursement were not delivered to the
11 borrower or applied to charges owed by the
12 borrower to the institution.

13 “(F) *IDENTITY THEFT.*—

14 “(i) *IN GENERAL.*—In the case of an
15 individual whose eligibility to borrow was
16 falsely certified because the individual was
17 a victim of the crime of identity theft and
18 is requesting a discharge, the individual
19 shall—

20 “(I) certify that the individual
21 did not sign the promissory note, or
22 that any other means of identification
23 used to obtain the loan was used with-
24 out the authorization of the individual
25 claiming relief;

1 “(II) certify that the individual
2 did not receive or benefit from the pro-
3 ceeds of the loan with knowledge that
4 the loan had been made without the
5 authorization of the individual;

6 “(III) provide a copy of a local,
7 State, or Federal court verdict or judg-
8 ment that conclusively determines that
9 the individual who is named as the
10 borrower of the loan was the victim of
11 a crime of identity theft; and

12 “(IV) if the judicial determination
13 of the crime does not expressly state
14 that the loan was obtained as a result
15 of the crime of identity theft, provide—

16 “(aa) authentic specimens of
17 the signature of the individual, as
18 described in subparagraph
19 (D)(ii), or of other means of iden-
20 tification of the individual, as ap-
21 plicable, corresponding to the
22 means of identification falsely
23 used to obtain the loan; and

24 “(bb) statement of facts that
25 demonstrate, to the satisfaction of

1 *the Secretary, that eligibility for*
2 *the loan in question was falsely*
3 *certified as a result of the crime of*
4 *identity theft committed against*
5 *that individual.*

6 “(ii) *DEFINITIONS.—For purposes of*
7 *this subparagraph:*

8 “(I) *IDENTITY THEFT.—The term*
9 *‘identity theft’ means the unauthorized*
10 *use of the identifying information of*
11 *another individual that is punishable*
12 *under section 1028, 1028A, 1029, or*
13 *1030 of title 18, United States Code, or*
14 *substantially comparable State or local*
15 *law.*

16 “(II) *IDENTIFYING INFORMA-*
17 *TION.—The term ‘identifying informa-*
18 *tion’ includes—*

19 “(aa) *name, Social Security*
20 *number, date of birth, official*
21 *State or government issued driv-*
22 *er’s license or identification num-*
23 *ber, alien registration number,*
24 *government passport number, and*

1 *employer or taxpayer identifica-*
2 *tion number;*

3 *“(bb) unique biometric data,*
4 *such as fingerprints, voiceprint,*
5 *retina or iris image, or unique*
6 *physical representation;*

7 *“(cc) unique electronic iden-*
8 *tification number, address, or*
9 *routing code; or*

10 *“(dd) telecommunication*
11 *identifying information or access*
12 *device (as defined in 18 U.S.C.*
13 *1029(e)) borrower qualifications*
14 *for a false certification discharge*

15 *“(G) CLAIM TO THIRD PARTY.—The bor-*
16 *rower shall state whether the borrower has made*
17 *a claim with respect to the institutions’s false*
18 *certification or unauthorized payment with any*
19 *third party, such as the holder of a performance*
20 *bond or a tuition recovery program, and, if so,*
21 *the amount of any payment received by the bor-*
22 *rower or credited to the borrower’s loan obliga-*
23 *tion.*

1 “(H) COOPERATION WITH THE SEC-
2 RETARY.—*The borrower shall state that the bor-*
3 *rower—*

4 “(i) agrees to provide to the Secretary
5 upon request other documentation reason-
6 ably available to the borrower that dem-
7 onstrates that the borrower meets the quali-
8 fications for discharge under this subsection;
9 and

10 “(ii) agrees to cooperate with the Sec-
11 retary in enforcement actions and to trans-
12 fer any right to recovery against a third
13 party to the Secretary.

14 “(8) BORROWER QUALIFICATIONS FOR AN UN-
15 PAID REFUND DISCHARGE.—*To receive an unpaid re-*
16 *fund discharge of a portion of a loan under this sub-*
17 *section, a borrower shall submit to the holder or guar-*
18 *anty agency a written application—*

19 “(A) that requests the information required
20 to calculate the amount of the discharge;

21 “(B) that the borrower signs for the purpose
22 of swearing to the accuracy of the information;

23 “(C) that is made by the borrower under
24 penalty of perjury, and that may or may not be
25 notarized;

1 “(D) under which the borrower states—

2 “(i) that the borrower—

3 “(I) received, on or after January
4 1, 1986, the proceeds of a loan, in
5 whole or in part, made, insured, or
6 guaranteed under this title to attend
7 an institution of higher education;

8 “(II) did not attend, withdrew, or
9 was terminated from the institution
10 within a timeframe that entitled the
11 borrower to a refund; and

12 “(III) did not receive the benefit
13 of a refund to which the borrower was
14 entitled either from the institution or
15 from a third party, such as the holder
16 of a performance bond or a tuition re-
17 covery program;

18 “(ii) whether the borrower has any
19 other application for discharge pending for
20 this loan; and

21 “(iii) that the borrower—

22 “(I) agrees to provide to the Sec-
23 retary upon request other documenta-
24 tion reasonably available to the bor-
25 rower that demonstrates that the bor-

1 rower meets the qualifications for dis-
2 charge under this subsection; and

3 “(II) agrees to cooperate with the
4 Secretary in enforcement actions and
5 to transfer any right to recovery
6 against a third party to the Sec-
7 retary.”.

8 **PART C—FEDERAL WORK-STUDY PROGRAMS**

9 **SECTION 441. PURPOSE; AUTHORIZATION OF APPROPRIA-**
10 **TIONS.**

11 Section 441 (20 U.S.C. 1087–51) is amended—

12 (1) in subsection (a)—

13 (A) by striking “part-time” and inserting
14 “paid”;

15 (B) by striking “, graduate, or profes-
16 sional”; and

17 (C) by striking “community service” and
18 inserting “work-based learning”;

19 (2) in subsection (b), by striking “part, such
20 sums as may be necessary for fiscal year 2009 and
21 each of the five succeeding fiscal years.” and inserting
22 “part, \$1,722,858,000 for fiscal year 2019 and each
23 of the 5 succeeding fiscal years.”; and

24 (3) by amending subsection (c) to read as fol-
25 lows:

1 “(c) *WORK-BASED LEARNING.*—*For purposes of this*
2 *part, the term ‘work-based learning’ means paid inter-*
3 *actions with industry or community professionals in real*
4 *workplace settings that foster in-depth, first-hand engage-*
5 *ment with the tasks required of a given career field, that*
6 *are aligned to a student’s field of study.”.*

7 **SEC. 442. ALLOCATION FORMULA.**

8 *Section 442 (20 U.S.C. 1087–52) is amended to read*
9 *as follows:*

10 **“SEC. 442. ALLOCATION OF FUNDS.**

11 “(a) *RESERVATIONS.*—

12 “(1) *RESERVATION FOR IMPROVED INSTITU-*
13 *TIONS.*—

14 “(A) *AMOUNT OF RESERVATION FOR IM-*
15 *PROVED INSTITUTIONS.*—*For a fiscal year in*
16 *which the amount appropriated under section*
17 *441(b) exceeds \$700,000,000, the Secretary*
18 *shall—*

19 “(i) *reserve the lesser of—*

20 “(I) *an amount equal to 20 per-*
21 *cent of the amount by which the*
22 *amount appropriated under section*
23 *441(b) exceeds \$700,000,000; or*

24 “(II) *\$150,000,000; and*

1 “(i) allocate the amount reserved
2 under clause (i) to each improved institu-
3 tion in an amount—

4 “(I) that bears the same propor-
5 tion to the amount reserved under
6 clause (i) as the total amount of all
7 Federal Pell Grant funds awarded at
8 the improved institution for the second
9 preceding fiscal year bears to the total
10 amount of Federal Pell Grant funds
11 awarded at improved institutions par-
12 ticipating under this part for the sec-
13 ond preceding fiscal year; and

14 “(II) is not—

15 “(aa) less than \$10,000; or

16 “(bb) greater than

17 \$1,500,000.

18 “(B) IMPROVED INSTITUTION DESCRIBED.—

19 For purposes of this paragraph, an improved in-
20 stitution is an institution that, on the date the
21 Secretary makes an allocation under subpara-
22 graph (A)(i) is, with respect to—

23 “(i) the completion rate or graduation
24 rate of Federal Pell Grant recipients at the
25 institution, in the top 10 percent of—

1 “(I) if the institution is an insti-
2 tution described in any of clauses (iv)
3 through (ix) of section 132(d)(1)(B),
4 all such institutions participating
5 under this part for the preceding fiscal
6 year; or

7 “(II) if the institution is an insti-
8 tution described in any of clauses (i)
9 through (iii) of section 132(d)(1)(B),
10 all such institutions participating
11 under this part for the preceding fiscal
12 year; or

13 “(ii) the improvement of the comple-
14 tion rate or graduation rate between the
15 preceding fiscal year and such date, in the
16 top 10 percent of the institutions described
17 in clause (i).

18 “(C) *COMPLETION RATE OR GRADUATION*
19 *RATE.*—For purposes of determining the comple-
20 tion rate or graduation rate under this section,
21 a Federal Pell Grant recipient shall be counted
22 as a completor or graduate if, within the normal
23 time for completion of or graduation from the
24 program, the student has completed or graduated
25 from the program, or enrolled in any program of

1 *an institution participating in any program*
2 *under this title for which the prior program pro-*
3 *vides substantial preparation.*

4 “(D) *REALLOCATION OF RETURNED*
5 *AMOUNT.—If an institution returns to the Sec-*
6 *retary any portion of the sums allocated to such*
7 *institution under this paragraph for any fiscal*
8 *year, the Secretary shall reallocate such excess to*
9 *improved institutions on the same basis as under*
10 *subparagraph (A)(i)(I).*

11 “(2) *RESERVATION FOR WORK COLLEGES.—*
12 *From the amounts appropriated under section 441(b),*
13 *the Secretary shall reserve to carry out section 448*
14 *such amounts as may be necessary for fiscal year*
15 *2019 and each of the 5 succeeding fiscal years.*

16 “(b) *ALLOCATION FORMULA FOR FISCAL YEARS 2019*
17 *THROUGH 2023.—*

18 “(1) *IN GENERAL.—From the amount appro-*
19 *priated under section 441(b) for a fiscal year and re-*
20 *maining after the Secretary reserves funds under sub-*
21 *section (a), the Secretary shall allocate to each insti-*
22 *tution—*

23 “(A) *for fiscal year 2019, an amount equal*
24 *to the greater of—*

1 “(i) 90 percent of the amount the insti-
2 tution received under this subsection and
3 subsection (a) for fiscal year 2018, as such
4 subsections were in effect with respect to
5 such fiscal year (in this subparagraph re-
6 ferred to as the ‘2018 amount for the insti-
7 tution’); or

8 “(ii) the fair share amount for the in-
9 stitution determined under subsection (d);

10 “(B) for fiscal year 2020, an amount equal
11 to the greater of—

12 “(i) 80 percent of the 2018 amount for
13 the institution; or

14 “(ii) the fair share amount for the in-
15 stitution determined under subsection (d);

16 “(C) for fiscal year 2021, an amount equal
17 to the greater of—

18 “(i) 60 percent of the 2018 amount for
19 the institution; or

20 “(ii) the fair share amount for the in-
21 stitution determined under subsection (d);

22 “(D) for fiscal year 2022, an amount equal
23 to the greater of—

24 “(i) 40 percent of the 2018 amount for
25 the institution; or

1 “(ii) the fair share amount for the in-
2 stitution determined under subsection (d);
3 and

4 “(E) for fiscal year 2023, an amount equal
5 to the greater of—

6 “(i) 20 percent of the 2018 amount for
7 the institution; or

8 “(ii) the fair share amount for the in-
9 stitution determined under subsection (d).

10 “(2) *RATABLE REDUCTION.*—

11 “(A) *IN GENERAL.*—If the amount appro-
12 priated under section 441(b) for a fiscal year
13 and remaining after the Secretary reserves funds
14 under subsection (a) is less than the amount re-
15 quired to be allocated to the institutions under
16 this subsection, then the amount of the allocation
17 to each institution shall be ratably reduced.

18 “(B) *ADDITIONAL APPROPRIATIONS.*—If the
19 amounts allocated to each institution are ratably
20 reduced under subparagraph (A) for a fiscal year
21 and additional amounts are appropriated for
22 such fiscal year, the amount allocated to each in-
23 stitution from the additional amounts shall be
24 increased on the same basis as the amounts
25 under subparagraph (A) were reduced (until

1 *each institution receives the amount required to*
2 *be allocated under this subsection).*

3 “(c) *ALLOCATION FORMULA FOR FISCAL YEAR 2024*
4 *AND EACH SUCCEEDING FISCAL YEAR.—From the amount*
5 *appropriated under section 441(b) for fiscal year 2024 and*
6 *each succeeding fiscal year and remaining after the Sec-*
7 *retary reserves funds under subsection (a), the Secretary*
8 *shall allocate to each institution the fair share amount for*
9 *the institution determined under subsection (d).*

10 “(d) *DETERMINATION OF FAIR SHARE AMOUNT.—*

11 “(1) *IN GENERAL.—The fair share amount for*
12 *an institution for a fiscal year shall be equal to the*
13 *sum of the following:*

14 “(A) *An amount equal to 50 percent of the*
15 *amount that bears the same proportion to the*
16 *available appropriated amount for such fiscal*
17 *year as the total amount of Federal Pell Grant*
18 *funds disbursed at the institution for the pre-*
19 *ceding fiscal year bears to the total amount of*
20 *Federal Pell Grant funds awarded at all institu-*
21 *tions participating under this part for the pre-*
22 *ceding fiscal year.*

23 “(B) *An amount equal to 50 percent of the*
24 *amount that bears the same proportion to the*
25 *available appropriated amount for such fiscal*

1 year as the total amount of the undergraduate
2 student need at the institution for the preceding
3 fiscal year bears to the total amount of under-
4 graduate student need at all institutions partici-
5 pating under this part for the preceding fiscal
6 year.

7 “(2) DEFINITIONS.—In this subsection:

8 “(A) AVAILABLE APPROPRIATED AMOUNT.—
9 The term ‘available appropriated amount’
10 means—

11 “(i) the amount appropriated under
12 section 441(b) for a fiscal year, minus

13 “(ii) the amounts reserved under sub-
14 section (a) for such fiscal year.

15 “(B) AVERAGE COST OF ATTENDANCE.—The
16 term ‘average cost of attendance’ means, with re-
17 spect to an institution, the average of the attend-
18 ance costs for a fiscal year for students which
19 shall include—

20 “(i) tuition and fees, computed on the
21 basis of information reported by the institu-
22 tion to the Secretary, which shall include—

23 “(I) total revenue received by the
24 institution from undergraduate tuition
25 and fees for the second year preceding

1 *the year for which it is applying for*
2 *an allocation; and*

3 “(II) *the institution’s enrollment*
4 *for such second preceding year;*

5 “(ii) *standard living expenses equal to*
6 *150 percent of the difference between the in-*
7 *come protection allowance for a family of 5*
8 *with 1 in college and the income protection*
9 *allowance for a family of 6 with 1 in college*
10 *for a single independent student; and*

11 “(iii) *books and supplies, in an*
12 *amount not exceeding \$800.*

13 “(C) *UNDERGRADUATE STUDENT NEED.—*
14 *The term ‘undergraduate student need’ means,*
15 *with respect to an undergraduate student for a*
16 *fiscal year, the lesser of the following:*

17 “(i) *The total of the amount equal to*
18 *(except the amount computed by this clause*
19 *shall not be less than zero)—*

20 “(I) *the average cost of attendance*
21 *for the fiscal year, minus*

22 “(II) *the total amount of each*
23 *such undergraduate student’s expected*
24 *family contribution (computed in ac-*

1 cordance with part F of this title) for
2 the preceding fiscal year.

3 “(ii) \$12,500.

4 “(e) *RETURN OF SURPLUS ALLOCATED FUNDS.*—

5 “(1) *AMOUNT RETURNED.*—If an institution re-
6 turns more than 10 percent of its allocation under
7 subsection (d), the institution’s allocation for the next
8 fiscal year shall be reduced by the amount returned.

9 “(2) *WAIVER.*—The Secretary may waive this
10 paragraph for a specific institution if the Secretary
11 finds that enforcing this paragraph would be contrary
12 to the interest of the program.

13 “(f) *FILING DEADLINES.*—The Secretary shall, from
14 time to time, set dates before which institutions must file
15 applications for allocations under this part.”.

16 **SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.**

17 *Section 443 (20 U.S.C. 1087–53) is amended—*

18 (1) *in subsection (b)—*

19 (A) *in paragraph (1), in the matter pre-*
20 *ceding subparagraph (A), by striking “part-*
21 *time”;*

22 (B) *in paragraph (2), by striking “except*
23 *that—” and all that follows through “an institu-*
24 *tion may use a portion” and inserting “except*
25 *that an institution may use a portion”;*

1 (C) in paragraph (3), by inserting “under-
2 graduate” after “only”;

3 (D) in paragraph (4), by striking “300”
4 and inserting “500”;

5 (E) in paragraph (5)—

6 (i) by striking “shall not exceed 75
7 percent” and inserting “shall not exceed 75
8 percent in the first year after the date of the
9 enactment of PROSPER Act, 65 percent in
10 the first succeeding fiscal year, 60 percent
11 in the second succeeding fiscal year, 55 per-
12 cent in the third succeeding fiscal year, and
13 50 percent each succeeding fiscal year”;

14 (ii) by striking subparagraph (A);

15 (iii) in subparagraph (B)—

16 (I) by striking “75” and inserting
17 “50”; and

18 (II) by striking the semicolon and
19 inserting “; and”;

20 (iv) by redesignating subparagraph
21 (B) as subparagraph (A); and

22 (v) by adding at the end the following:

23 “(B) the Federal share may equal 100 per-
24 cent with respect to funds received under section
25 442(a)(1)(A);”;

1 (F) in paragraph (8)—

2 (i) in subparagraph (A)(i), by striking

3 “vocational” and inserting “career”; and

4 (ii) in subparagraph (B), by striking

5 “community service” and inserting “work-
6 based learning”;

7 (G) in paragraph (10), by striking “; and”

8 and inserting a semicolon;

9 (H) in paragraph (11), by striking the pe-
10 riod at the end and inserting a semicolon; and

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

12 “(12) provide assurances that the institution will
13 collect data from students and employers such that the
14 employment made available from funds under this
15 part will, to the maximum extent practicable, com-
16 plement and reinforce the educational goals or career
17 goals of each student receiving assistance under this
18 part; and

19 “(13) provide assurances that if the institution
20 receives funds under section 442(a)(1)(A), such insti-
21 tution shall—

22 “(A) use such funds to compensate students
23 participating in the work-study program; and

24 “(B) prioritize the awarding of such funds
25 to students—

1 “(i) who demonstrate exceptional need;

2 or

3 “(ii) who are employed in work-based
4 learning opportunities through the work-
5 study program.”;

6 (2) in subsection (c)—

7 (A) in paragraph (1)—

8 (i) by striking “program of part-time
9 employment” and inserting the following:

10 “program—

11 “(A) of employment”; and

12 (ii) by inserting “or” after “subsection
13 (b)(3);”; and

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

16 “(B) of full-time employment of its coopera-
17 tive education students in work for a private for-
18 profit organization under an arrangement be-
19 tween the institution and such organization that
20 complies with the requirements of subparagraphs
21 (A) through (D) of subsection (b)(1) of this sec-
22 tion and subsection (b)(4) of this section;”;

23 (B) by striking paragraph (2);

24 (C) in paragraph (4), by inserting “and
25 complement and reinforce the educational goals

1 or career goals of each student receiving assist-
2 ance under this part” after “relevant”; and

3 (D) by redesignating paragraphs (3), (4),
4 and (5) as paragraphs (2), (3), and (4), respec-
5 tively; and

6 (3) in subsection (d)—

7 (A) in paragraph (1)—

8 (i) by striking “In any academic year
9 to which subsection (b)(2)(A) applies, an
10 institution shall ensure that” and inserting
11 “An institution may use the” ; and

12 (ii) by striking “are used”; and

13 (B) in paragraph (3), by striking “may ex-
14 ceed 75 percent” and inserting “shall not exceed
15 50 percent”.

16 **SEC. 444. FLEXIBLE USE OF FUNDS.**

17 Section 445(a) (20 U.S.C. 1087–55(a)) is amended—

18 (1) in paragraph (2), by striking “in the same
19 State” and inserting “described under section
20 442(a)(1)(B)”; and

21 (2) by adding at the end the following new para-
22 graph:

23 “(3) In addition to the carry-over sums authorized
24 under paragraph (1) of this section, an institution may
25 permit a student who completed the previous award period

1 *to continue to earn unearned portions of the student’s work-*
2 *study award from that previous year if—*

3 “(A) *any reduction in the student’s need upon*
4 *which the award was based is accounted for in the re-*
5 *maining portion; and*

6 “(B) *the student is currently employed in a*
7 *work-based learning position.*”.

8 **SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.**

9 *Section 446 (20 U.S.C. 1087–56) is amended—*

10 (1) *in subsection (a)—*

11 (A) *in paragraph (1)—*

12 (i) *by striking “10 percent or \$75,000”*
13 *and inserting “20 percent or \$150,000”;*
14 *and*

15 (ii) *by striking “, including commu-*
16 *nity service jobs,”;*

17 (B) *in paragraph (2), by striking “voca-*
18 *tional” and inserting “career”; and*

19 (C) *by adding at the end the following:*

20 “(3) *An institution may use a portion of the funds*
21 *expended under this section to identify and expand oppor-*
22 *tunities for apprenticeships for students and to assist em-*
23 *ployers in developing jobs that are part of apprenticeship*
24 *programs.*”; *and*

25 (2) *in subsection (b)—*

1 (A) by striking paragraph (2);

2 (B) by redesignating paragraphs (3)
3 through (6) as paragraphs (4) through (7), re-
4 spectively; and

5 (C) by inserting before paragraph (4), as so
6 redesignated, the following:

7 “(2) provide satisfactory assurance that the in-
8 stitution will prioritize placing students with the low-
9 est expected family contribution and Federal work-
10 study recipients in jobs located and developed under
11 this section;

12 “(3) provide a satisfactory assurance that the in-
13 stitution will locate and develop work-based learning
14 opportunities through the job location development
15 programs;”; and

16 (D) in paragraph (7), as so redesignated, by
17 striking the period and inserting “, including—

18 “(A) the number of students employed in
19 work-based learning opportunities through such
20 program;

21 “(B) the number of students demonstrating
22 exceptional need and employed in a work-study
23 program through such program; and

1 “(C) the number of students demonstrating
2 exceptional need and employed in work-based
3 learning opportunities through such program.”.

4 **SEC. 446. COMMUNITY SERVICE.**

5 Section 447 (20 U.S.C. 1087–57) is repealed.

6 **SEC. 447. WORK COLLEGES.**

7 Section 448 (20 U.S.C. 1087–58) is amended—

8 (1) in subsection (b)—

9 (A) in paragraph (1)—

10 (i) by striking “and part E”; and

11 (ii) by striking “appropriated” and
12 inserting “allocated”;

13 (B) in paragraph (2), by striking “appro-
14 priated pursuant to” and inserting “allocated
15 under”; and

16 (2) in subsection (c), by striking “authorized by”
17 and inserting “allocated under”;

18 (3) in subsection (e)(1)—

19 (A) in subparagraph (C), by striking “;
20 and” and inserting a semicolon; and

21 (B) by adding at the end the following:

22 “(E) has administered Federal work-study
23 for at least 2 years; and”; and

24 (4) by amending subsection (f) to read as follows:

25 “(f) **ALLOCATION OF RESERVED FUNDS.**—

1 “(1) *IN GENERAL.*—Subject to paragraph (2),
2 from the amount reserved under section 442(a)(2) for
3 a fiscal year to carry out this section, the Secretary
4 shall allocate to each work college that submits an ap-
5 plication under subsection (c) an amount equal to the
6 amount that bears the same proportion to the amount
7 appropriated for such fiscal year as the number of
8 students eligible for employment under a work-study
9 program under this part who are enrolled at the work
10 college bears to the total number of students eligible
11 for employment under a work-study program under
12 this part who are enrolled at all work colleges.

13 “(2) *REALLOTMENT OF UNMATCHED FUNDS.*—If
14 a work college is unable to match funds received
15 under paragraph (1) in accordance with subsection
16 (d), any unmatched funds shall be returned to the
17 Secretary and the Secretary shall reallocate such funds
18 on the same basis as funds are allocated under para-
19 graph (1).”.

1 “(1) *NEW BORROWERS.*—No loan may be made
2 under this part to a new borrower for which the first
3 disbursement is after June 30, 2019.

4 “(2) *BORROWERS WITH OUTSTANDING BAL-*
5 *ANCES.*—Subject to paragraph (3), with respect to a
6 borrower who, as of July 1, 2019, has an outstanding
7 balance of principal or interest owing on a loan made
8 under this part, such borrower may—

9 “(A) in the case of such a loan made to the
10 borrower for enrollment in a program of under-
11 graduate education, borrow loans made under
12 this part for any program of undergraduate edu-
13 cation through the close of September 30, 2024;

14 “(B) in the case of such a loan made to the
15 borrower for enrollment in a program of grad-
16 uate or professional education, borrow loans
17 made under this part for any program of grad-
18 uate or professional education through the close
19 of September 30, 2024; and

20 “(C) in the case of such a loan made to the
21 borrower on behalf of a dependent student for the
22 student’s enrollment in a program of under-
23 graduate education, borrow loans made under
24 this part on behalf of such student through the
25 close of September 30, 2024.

1 “(3) *LOSS OF ELIGIBILITY*.—A borrower de-
2 scribed in paragraph (2) who borrows a loan made
3 under part E for which the first disbursement is
4 made on or after July 1, 2019, shall lose the bor-
5 rower’s eligibility to borrow loans made under this
6 part in accordance with paragraph (2).”.

7 (b) *PERKINS LOAN CONFORMING AMENDMENT*.—Sec-
8 tion 453(c)(2)(A) (20 U.S.C. 1087c(c)(2)(A)) is amended by
9 inserting “, as in effect on the day before the date of enact-
10 ment of the *PROSPER* Act and pursuant to section
11 461(a),” after “part E”;

12 (c) *APPLICABLE INTEREST RATES AND OTHER TERMS*
13 *AND CONDITIONS*.—Section 455 (20 U.S.C. 1087e) is
14 amended—

15 (1) in subsection (a)—

16 (A) in paragraph (1), by inserting “, and
17 first disbursed before October 1, 2024,” after
18 “under this part”;

19 (B) in paragraph (2), by inserting “, and
20 first disbursed before October 1, 2024,” after
21 “under this part”;

22 (2) in subsection (b)(8)—

23 (A) in the paragraph heading, by inserting
24 “AND BEFORE OCTOBER 1, 2024” after “2013”;

1 (B) in subparagraph (A), by inserting “and
2 before October 1, 2024,” after “July 1, 2013,”;

3 (C) in subparagraph (B), by inserting “and
4 before October 1, 2024,” after “July 1, 2013,”;

5 (D) in subparagraph (C), by inserting “and
6 before October 1, 2024,” after “July 1, 2013,”;

7 and

8 (E) in subparagraph (D), by inserting “and
9 before October 1, 2024,” after “July 1, 2013,”;

10 (3) in subsection (c)(2)(E), by inserting “, and
11 before October 1, 2024” after “July 1, 2010”;

12 (4) in subsection (e)(7), in the matter preceding
13 subparagraph (A), by inserting “, as in effect on the
14 day before the date of enactment of the PROSPER
15 Act and pursuant to section 461(a)” after “part E”;
16 and

17 (5) in subsection (g)—

18 (A) by inserting “, and first disbursed be-
19 fore October 1, 2024,” after “under this part” the
20 first place it appears; and

21 (B) by adding at the end the following:

22 “The authority to make consolidation loans
23 under this subsection expires at the close of Sep-
24 tember 30, 2024. No loan may be made under

1 *this subsection for which the disbursement is on*
2 *or after October 1, 2024.”; and*

3 *(6) in subsection (o)—*

4 *(A) in paragraph (1), by inserting “, and*
5 *before October 1, 2024” after “October 1, 2008”;*
6 *and*

7 *(B) in paragraph (2)—*

8 *(i) by inserting “and before October 1,*
9 *2024,” after “October 1, 2008,”; and*

10 *(ii) by inserting “, and before October*
11 *1, 2024” before the period at the end.*

12 **SEC. 452. BORROWER DEFENSES.**

13 *Section 455(h) (20 U.S.C. 1087e(h)) is amended to*
14 *read as follows:*

15 *“(h) BORROWER DEFENSES.—*

16 *“(1) IN GENERAL.—In any proceeding to collect*
17 *on a loan made under this part on or after July 1,*
18 *2018 to a borrower, the Secretary shall abide by the*
19 *following:*

20 *“(A) In no event may the borrower recover*
21 *any amount previously collected or be freed of*
22 *amounts owed to the Secretary without submit-*
23 *ting an individually-filed application for ap-*
24 *proval.*

1 “(B) In no event may the borrower recover
2 amounts previously collected by the Secretary, in
3 any action arising from or relating to a loan
4 made under this part, in an amount in excess of
5 the amount that has been paid by the borrower
6 on such loan.

7 “(C) In no event may the borrower submit
8 an application to recover amounts previously
9 collected by the Secretary later than 3 years after
10 the misconduct or breach of contract on behalf of
11 the institution takes place that gives rise to the
12 borrower to assert a defense to repayment of the
13 loan.

14 “(D) In no event may anyone other than an
15 administrative law judge or its equivalent pre-
16 side over hearings of any kind related to appli-
17 cations submitted under this subsection.

18 “(E) In no event may the Secretary ap-
19 prove or disapprove the borrower’s application
20 under this subsection without allowing for the
21 equal consideration of evidence and arguments
22 presented by a representative on behalf of the
23 student or students and a representative on be-
24 half of the institution, if either such party makes
25 a request.

1 “(F) *In no event may the Secretary with-*
2 *hold from an institution any materials, facts, or*
3 *evidence used when processing an application*
4 *submitted by the borrower.*

5 “(G) *In no event may the borrower of a*
6 *loan made, insured or guaranteed under this*
7 *title (other than a loan made under this part or*
8 *a Federal ONE Loan) submit an application*
9 *under this subsection without consolidating the*
10 *loans of the borrower into a Federal ONE Con-*
11 *solidation Loan.*

12 “(2) *BORROWER APPLICATION REQUIREMENTS.—*

13 “(A) *IN GENERAL.—An application sub-*
14 *mitted by a borrower under this subsection to the*
15 *Secretary shall—*

16 “(i) *certify the borrower’s receipt of*
17 *loan proceeds, in whole or in part, to attend*
18 *the named institution of higher education;*

19 “(ii) *provide evidence described in sub-*
20 *paragraph (B) that supports a borrower de-*
21 *fense to repayment of the loan; and*

22 “(iii) *indicate whether the borrower*
23 *has made a claim with respect to the infor-*
24 *mation underlying the borrower defense*
25 *with any third party and, if so, the amount*

1 of any payment received by the borrower or
2 credited to the borrower's loan obligation.

3 “(B) *EVIDENCE.*—The borrower has a bor-
4 rower defense if—

5 “(i) the borrower, whether as an indi-
6 vidual or as a member of a class, or a gov-
7 ernmental agency, has obtained against the
8 institution of higher education a nondefault,
9 favorable contested judgment based on State
10 or Federal law in a court or administrative
11 tribunal of competent jurisdiction;

12 “(ii) the institution of higher education
13 for which the borrower received the loan
14 made under this part failed to perform its
15 obligations under the terms of a contract
16 with the student; or

17 “(iii) the institution of higher edu-
18 cation described in clause (ii) or any of its
19 representatives engaged directly in mar-
20 keting, recruitment or admissions activities,
21 or any other institution of higher education,
22 organization, or person with whom such in-
23 stitution has an agreement to provide edu-
24 cational programs, or to provide marketing,
25 advertising, recruiting, or admissions serv-

1 *ices, made a substantial misrepresentation*
2 *within the meaning of section*
3 *487(c)(3)(B)(i)(II) that the borrower rea-*
4 *sonably relied on when the borrower decided*
5 *to attend, or to continue attending, such in-*
6 *stitution.*

7 “(3) *SECRETARIAL NOTIFICATION REQUIRE-*
8 *MENTS.—*

9 “(A) *RECEIPT OF APPLICATION.—*Upon re-
10 *ceipt of a borrower’s application, the Sec-*
11 *retary—*

12 “(i) *if the borrower is not in default on*
13 *the loan for which a borrower defense has*
14 *been asserted, shall grant a forbearance and*
15 *notify the borrower of the option to decline*
16 *the forbearance and to continue making*
17 *payments on the loan;*

18 “(ii) *if the borrower is in default on*
19 *the loan for which a borrower defense has*
20 *been asserted—*

21 “(I) *shall suspend collection activ-*
22 *ity on the loan until the Secretary*
23 *issues a decision on the borrower’s*
24 *claim;*

1 “(II) shall notify the borrower of
2 the suspension of collection activity
3 and explain that collection activity
4 will resume if the Secretary determines
5 that the borrower does not qualify for
6 a full discharge; and

7 “(III) shall notify the borrower of
8 the option to continue making pay-
9 ments under a rehabilitation agree-
10 ment or other repayment agreement on
11 the defaulted loan; and

12 “(iii) shall to the extent possible, notify
13 the institutions against which the applica-
14 tion is filed, which notification shall in-
15 clude—

16 “(I) the reasons that the applica-
17 tion has been filed; and

18 “(II) the amount of relief re-
19 quested.

20 “(B) APPROVED APPLICATION.—If a bor-
21 rower’s application is approved in full or in
22 part, the Secretary shall—

23 “(i) notify the borrower and the insti-
24 tution in writing of that determination and
25 of the relief provided; and

1 “(ii) inform the institution of the op-
2 portunity to request a one-time reconsider-
3 ation of the claim in the application if new
4 evidence that was not previously provided
5 can be identified.

6 “(C) APPLICATION NOT APPROVED.—If a
7 borrower’s application is not approved in full or
8 in part, the Secretary—

9 “(i) shall notify the borrower and the
10 institution of the reasons for the denial, the
11 evidence that was relied upon, any portion
12 of the loan that is due and payable to the
13 Secretary, whether the Secretary will reim-
14 burse any amounts previously collected, and
15 inform the borrower that the loan will re-
16 turn to its status prior to the borrower’s
17 submission of the application; and

18 “(ii) shall inform the borrower of the
19 opportunity to request a one-time reconsid-
20 eration of the claim in the application if
21 new evidence that was not previously pro-
22 vided can be identified.

23 “(D) CONSOLIDATION.—During a pro-
24 ceeding for an individual borrower, the Secretary
25 may consolidate individually-filed applications

1 that have common facts and claims and resolve
2 the borrowers' borrower defense claims for faster
3 processing.

4 “(E) *NEW EVIDENCE DEFINED.*—For pur-
5 poses of this paragraph, the term ‘new evidence’
6 means relevant evidence that the borrower or the
7 institution did not previously provide and that
8 was not identified in the final decision as evi-
9 dence that was relied upon for the final decision.
10 If accepted for reconsideration by the Secretary,
11 the Secretary shall follow the procedure under
12 this paragraph.

13 “(F) *NOTIFICATION.*—After a borrower sub-
14 mits an application, the Secretary shall include
15 in the notification to the borrower—

16 “(i) the actions, including deadlines
17 and document requests, that will be taken
18 by the Secretary when processing an appli-
19 cation by the borrower; and

20 “(ii) that the final action by the Sec-
21 retary shall be available for review under
22 subchapter II of chapter 5, and chapter 7,
23 of title 5, United States Code (commonly
24 known as the ‘Administrative Procedure
25 Act’).

1 “(G) *TIMELY APPROVAL PROCESS.*—During
2 a proceeding for an individual borrower, the Sec-
3 retary shall process a submitted application and
4 notify the borrower of the final determination in
5 a manner that is timely and efficient.

6 “(H) *REPORT.*—Not later than two years
7 after the date of enactment of the *PROSPER*
8 Act, the Secretary shall submit to the author-
9 izing committees a report that includes—

10 “(i) the established policies and proce-
11 dures for processing applications;

12 “(ii) the established policies and proce-
13 dures for approving an application;

14 “(iii) the established policies and pro-
15 cedures for denying an application;

16 “(iv) the method used to calculate the
17 amount and type of relief to be awarded to
18 borrowers who submit an application; and

19 “(v) the established timeframes for the
20 policies and procedures identified in clauses
21 (i) through (iii).

22 “(4) *CALCULATION OF RELIEF.*—The Secretary
23 shall determine the appropriate method for calcu-
24 lating the amount of relief to be awarded to a bor-
25 rower as a result of a proceeding described in this

1 *subsection based on the materials, facts, and evidence*
2 *presented during the proceeding.*

3 “(5) *FURTHER RELIEF.—The Secretary may af-*
4 *ford the borrower such further relief as the Secretary*
5 *determines is appropriate under the circumstances,*
6 *but which shall not exceed the following:*

7 “(A) *Reimbursing the borrower for amounts*
8 *paid toward the loan voluntarily or through en-*
9 *forced collection.*

10 “(B) *Restoring eligibility for assistance*
11 *under this title after determining that the bor-*
12 *rower is not in default on the loan.*

13 “(C) *Updating reports to consumer report-*
14 *ing agencies to which the Secretary previously*
15 *made adverse credit reports with regard to a*
16 *loan made under this part after July 1, 2018.*

17 “(6) *RECOVERY.—*

18 “(A) *IN GENERAL.—The Secretary may ini-*
19 *tiate an appropriate proceeding to require the*
20 *institution of higher education whose act or*
21 *omission resulted in the borrower’s successful de-*
22 *fense against repayment of a loan made under*
23 *this part to pay to the Secretary the amount of*
24 *the loan to which the defense applies not later*

1 *than 3 years from the end of the last award year*
2 *in which the student attended the institution.*

3 “(B) NOTICE.—*The Secretary may initiate*
4 *a proceeding to collect at any time if the institu-*
5 *tion received notice of the claim before the end of*
6 *the later of the periods described in subpara-*
7 *graph (A). For purposes of this subparagraph,*
8 *notice includes receipt of—*

9 “(i) *actual notice from the borrower,*
10 *from a representative of the borrower, or*
11 *from the Department;*

12 “(ii) *a class action complaint asserting*
13 *relief for a class that may include the bor-*
14 *rower; or*

15 “(iii) *written notice, including a civil*
16 *investigative demand or other written de-*
17 *mand for information, from a Federal or*
18 *State agency that has power to initiate an*
19 *investigation into conduct of the institution*
20 *of higher education relating to specific pro-*
21 *grams, periods, or practices that may have*
22 *affected the borrower.”.*

23 **SEC. 453. PLAIN LANGUAGE DISCLOSURE FORM.**

24 (a) *PLAIN LANGUAGE DISCLOSURE FORM.*—*Section*
25 *455(p) (20 U.S.C. 1087e(p)) is amended to read as follows:*

1 “(p) *DISCLOSURES.*—

2 “(1) *IN GENERAL.*—*The Secretary shall, with re-*
3 *spect to loans under this part and in accordance with*
4 *such regulations as the Secretary shall prescribe, com-*
5 *ply with each of the requirements under section 433*
6 *that apply to a lender with respect to a loan under*
7 *part B.*

8 “(2) *PLAIN LANGUAGE DISCLOSURE FORM.*—

9 “(A) *DEVELOPMENT AND ISSUANCE OF*
10 *FORM.*—*Not later than 24 months after the date*
11 *of the enactment of this paragraph, the Secretary*
12 *shall, based on consumer testing, develop and*
13 *issue a model form to be known as the ‘Plain*
14 *Language Disclosure Form’ that shall be used by*
15 *the Secretary to comply with paragraph (1).*

16 “(B) *FORMAT.*—*The Secretary shall ensure*
17 *that the Plain Language Disclosure Form—*

18 “(i) *enables borrowers to easily iden-*
19 *tify the information required to be disclosed*
20 *under section 433(a) with respect to a loan,*
21 *with emphasis on the loan terms determined*
22 *by the Secretary, based on consumer testing,*
23 *to be critical to understanding the total*
24 *costs of the loan and the estimated monthly*
25 *repayment;*

1 “(ii) has a clear format and design, in-
2 cluding easily readable font; and

3 “(iii) is as succinct as practicable.

4 “(C) CONSULTATION.—In developing Plain
5 Language Disclosure Form, the Secretary shall,
6 as appropriate, consult with—

7 “(i) the Federal Reserve Board;

8 “(ii) borrowers of loans under this
9 part; and

10 “(iii) other organizations involved in
11 the provision of financial assistance to stu-
12 dents, as identified by the Secretary.

13 “(3) ELECTRONIC SYSTEM FOR COMPLIANCE.—In
14 carrying out paragraph (2), Secretary shall develop
15 and implement an electronic system to generate a
16 Plain Language Disclosure Form for each borrower
17 that includes personalized information about the bor-
18 rower and the borrower’s loans.

19 “(4) LIMIT ON LIABILITY.—Nothing in this sub-
20 section shall be construed to create a private right of
21 action against the Secretary with respect to the form
22 or electronic system developed under this paragraph.

23 “(5) BORROWER SIGNATURE REQUIRED.—Begin-
24 ning after the issuance of the Plain Language Discl-
25 sure Form by the Secretary under paragraph (2), a

1 *loan may not be issued to a borrower under this part*
2 *unless the borrower acknowledges to the Secretary, in*
3 *writing (which may include an electronic signature),*
4 *that the borrower has read the Plain Language Dis-*
5 *closure Form for the loan concerned.*

6 *“(6) CONSUMER TESTING DEFINED.—In this sub-*
7 *section, the term ‘consumer testing’ means the solici-*
8 *tation of feedback from individuals, including bor-*
9 *rowers and prospective borrowers of loans under this*
10 *part (as determined by the Secretary), about the use-*
11 *fulness of different methods of disclosing material*
12 *terms of loans on the Plain Language Disclosure*
13 *Form to maximize borrowers’ understanding of the*
14 *terms and conditions of such loans.”.*

15 *(b) REPORT TO CONGRESS.—Not later than 3 years*
16 *after the date of the enactment of this Act, the Secretary*
17 *of Education shall submit to Congress a report that includes*
18 *a description of the methods and procedures used to develop*
19 *the Plain Language Disclosure Form required under section*
20 *455(p)(2) of the Higher Education Act of 1965 (as added*
21 *by subsection (a) of this section).*

22 **SEC. 454. ADMINISTRATIVE EXPENSES.**

23 *Section 458(a) (20 U.S.C. 1087h)—*

24 *(1) in paragraph (3)—*

1 (A) by striking “2007” each place it ap-
2 pears, including in any headings, and inserting
3 “2019”;

4 (B) by striking “2014” each place it ap-
5 pears, including in any headings, and inserting
6 “2024”; and

7 (C) by striking “part and part B, including
8 the costs of the direct student loan programs
9 under this part” and inserting “title”;

10 (2) in paragraph (4), by striking “2017” and in-
11 serting “2024”;

12 (3) in paragraph (6)—

13 (A) in subparagraph (B), by striking
14 “2010” and inserting “2019”; and

15 (B) in subparagraph (C), by striking
16 “training” and inserting “education”;

17 (4) by striking paragraph (7); and

18 (5) by redesignating paragraph (8) as para-
19 graph (7).

20 **SEC. 455. LOAN CANCELLATION FOR TEACHERS.**

21 Section 460(b)(1)(A) (20 U.S.C. 1087j(b)(1)(A)) is
22 amended by striking “that qualifies under section
23 465(a)(2)(A) for loan cancellation for Perkins loan recipi-
24 ents who teach in such schools or locations” and inserting
25 “described in section 420N(b)(1)(B)”.

PART E—FEDERAL ONE LOANS**SEC. 461. WIND-DOWN OF FEDERAL PERKINS LOAN PROGRAM.**

(a) *IN GENERAL.*—*Except as otherwise provided in this section and notwithstanding section 462, the provisions of part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect on the day before the date of enactment of this Act, are deemed to be incorporated in this subsection as though set forth fully in this subsection, and shall have the same force and effect as on such day.*

(b) *CLOSE-OUT AUDITS.*—

(1) *IN GENERAL.*—*In the case of an institution of higher education that desires to have a final audit of its participation under the program under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect pursuant to subsection (a), at the same time as its annual financial and compliance audit under section 487(c) of such Act (20 U.S.C. 1094(c)), such institution shall submit to the Secretary a request, in writing, for such an arrangement not later than 60 days after the institution terminates its participation under such program.*

(2) *TERMINATION OF PARTICIPATION.*—*For purposes of this subsection, an institution shall be considered to have terminated its participation under the*

1 *program described in paragraph (1), if the institu-*
2 *tion—*

3 *(A)(i) has made a determination not to*
4 *service and collect student loans made available*
5 *from funds under part E of title IV of the High-*
6 *er Education Act of 1965 (20 U.S.C. 1087aa et*
7 *seq.), as in effect pursuant to subsection (a); or*

8 *(ii) has completed the servicing and collec-*
9 *tion of such student loans; and*

10 *(B) has completed the asset distribution re-*
11 *quired under section 466(b) of the Higher Edu-*
12 *cation Act of 1965 (20 U.S.C. 1087ff(b)), as in*
13 *effect pursuant to subsection (a).*

14 *(c) COLLECTION OF INTEREST ON CERTAIN STUDENT*
15 *LOANS.—In the case of an institution of higher education*
16 *that, on or after October 1, 2006, loaned an amount to its*
17 *student loan fund established under part E of title IV of*
18 *the Higher Education Act of 1965 (20 U.S.C. 1087aa et*
19 *seq.), as in effect pursuant to subsection (a), for the purpose*
20 *of making student loans from such fund, and that, before*
21 *the date of enactment of this Act, has repaid to itself the*
22 *amount loaned to such student loan fund, the institution*
23 *shall collect any interest earned on such student loans.*

24 *(d) ASSIGNMENT OF LOANS TO SECRETARY.—Notwith-*
25 *standing the requirements of section 463(a)(5) of the Higher*

1 *Education Act of 1965 (20 U.S.C. 1087cc(a)(5)), as in effect*
2 *pursuant to subsection (a), if an institution of higher edu-*
3 *cation determines not to service and collect student loans*
4 *made available from funds under part E of such Act (20*
5 *U.S.C. 1087aa et seq.), as so in effect—*

6 (1) *the institution shall assign, during the re-*
7 *payment period, any notes or evidence of obligations*
8 *of student loans made from such funds to the Sec-*
9 *retary; and*

10 (2) *the Secretary shall deposit any sums collected*
11 *on such notes or obligations (less an amount not to*
12 *exceed 30 percent of any such sums collected to cover*
13 *that Secretary's collection costs) into the Treasury of*
14 *the United States.*

15 (e) *CLOSED SCHOOL DISCHARGE.—The amendments*
16 *made by section 428 to section 437(c) of the Higher Edu-*
17 *cation Act of 1965 (20 U.S.C. 1087), relating to closed*
18 *school discharge, shall apply with respect to any loans dis-*
19 *charged on or after the date of enactment of this Act under*
20 *section 464(g) of such Act (20 U.S.C. 10877dd(g)), as in*
21 *effect pursuant to subsection (a)).*

22 **SEC. 462. FEDERAL ONE LOAN PROGRAM.**

23 *Part E of title IV (20 U.S.C. 1087aa et seq.) is amend-*
24 *ed to read as follows:*

1 **“PART E—FEDERAL ONE LOAN PROGRAM**

2 **“SEC. 461. PROGRAM AUTHORITY.**

3 “(a) *IN GENERAL.*—*There are hereby made available,*
4 *in accordance with the provisions of this part, such sums*
5 *as may be necessary to make loans to all eligible students*
6 *(and the eligible parents of such students) in attendance*
7 *at participating institutions of higher education selected by*
8 *the Secretary to enable such students to pursue their courses*
9 *of study at such institutions during the period beginning*
10 *July 1, 2019. Loans made under this part shall be made*
11 *by participating institutions that have agreements with the*
12 *Secretary to originate loans.*

13 “(b) *DESIGNATION.*—*The program established under*
14 *this part shall be referred to as the ‘Federal ONE Loan Pro-*
15 *gram’.*

16 “(c) *ONE LOANS.*—*Except as otherwise specified in*
17 *this part, loans made to borrowers under this part shall*
18 *be known as ‘Federal ONE Loans’.*

19 **“SEC. 462. FUNDS FOR THE ORIGINATION OF ONE LOANS.**

20 “(a) *IN GENERAL.*—*The Secretary shall provide, on*
21 *the basis of eligibility of students at each participating in-*
22 *stitution, and parents of such students, for such loans, funds*
23 *for student and Parent Loans under this part directly to*
24 *an institution of higher education that has an agreement*
25 *with the Secretary under section 464(a) to participate in*
26 *the Federal ONE Loan Program under this part and that*

1 *also has an agreement with the Secretary under section*
2 *464(b) to originate loans under this part.*

3 “(b) *PARALLEL TERMS.*—Subsections (b), (c), and (d)
4 *of section 452 shall apply to the loan program under this*
5 *part in the same manner that such subsections apply to*
6 *the loan program under part D.*

7 **“SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPA-**
8 **TION AND ORIGINATION.**

9 “(a) *GENERAL AUTHORITY.*—The Secretary shall enter
10 *into agreements pursuant to section 464(a) with institu-*
11 *tions of higher education to participate in the Federal ONE*
12 *Loan Program under this part, and agreements pursuant*
13 *to section 464(b) with institutions of higher education, to*
14 *originate loans in such program, for academic years begin-*
15 *ning on or after July 1, 2019. Such agreements for the aca-*
16 *demie year 2019–2020 shall, to the extent feasible, be en-*
17 *tered into not later than January 1, 2019.*

18 “(b) *SELECTION CRITERIA AND PROCEDURE.*—The
19 *application and selection procedure for an institution of*
20 *higher education desiring to participate in the loan pro-*
21 *gram under this part shall be the application and selection*
22 *procedure described in section 453(b) for an institution of*
23 *higher education desiring to participate in the loan pro-*
24 *gram under part D.*

1 “(c) *ELIGIBLE INSTITUTIONS.*—*The Secretary may*
2 *not select an institution of higher education for participa-*
3 *tion under this part unless such institution is an eligible*
4 *institution under section 487(a).*

5 **“SEC. 464. AGREEMENTS WITH INSTITUTIONS.**

6 “(a) *PARTICIPATION AGREEMENTS.*—*An agreement*
7 *with any institution of higher education for participation*
8 *in the Federal ONE Loan Program under this part shall—*
9 “(1) *provide for the establishment and mainte-*
10 *nance of a direct student loan program at the institu-*
11 *tion under which the institution will—*

12 “(A) *identify eligible students who seek stu-*
13 *dent financial assistance at such institution in*
14 *accordance with section 484;*

15 “(B) *provide a statement that certifies the*
16 *eligibility of any student to receive a loan under*
17 *this part that is not in excess of the annual or*
18 *aggregate limit applicable to such loan, except*
19 *that the institution may, in exceptional cir-*
20 *cumstances identified by the Secretary pursuant*
21 *to section 454(a)(1)(C), refuse to certify a state-*
22 *ment that permits a student to receive a loan*
23 *under this part, if the reason for such action is*
24 *documented and provided in written form to*
25 *such student;*

1 “(C) set forth a schedule for disbursement of
2 the proceeds of the loan in installments, con-
3 sistent with the requirements of section 465(a);
4 and

5 “(D) provide timely and accurate informa-
6 tion, concerning the status of student borrowers
7 (and students on whose behalf parents borrow
8 under this part) while such students are in at-
9 tendance at the institution and concerning any
10 new information of which the institution becomes
11 aware for such students (or their parents) after
12 such borrowers leave the institution, to the Sec-
13 retary for the servicing and collecting of loans
14 made under this part;

15 “(2) provide assurances that the institution will
16 comply with requirements established by the Secretary
17 relating to student loan information with respect to
18 loans made under this part;

19 “(3) provide that the institution accepts respon-
20 sibility and financial liability stemming from its fail-
21 ure to perform its functions pursuant to the agree-
22 ment;

23 “(4) provide for the implementation of a quality
24 assurance system, as established by the Secretary and
25 developed in consultation with institutions of higher

1 *education, to ensure that the institution is complying*
2 *with program requirements and meeting program ob-*
3 *jectives; and*

4 “(5) *provide that the institution will not charge*
5 *any fees of any kind, however described, to student or*
6 *parent borrowers for origination activities or the pro-*
7 *vision of any information necessary for a student or*
8 *parent to receive a loan under this part, or any bene-*
9 *fits associated with such loan.*

10 “(b) *ORIGINATION.—An agreement with any institu-*
11 *tion of higher education for the origination of loans under*
12 *this part shall—*

13 “(1) *supplement the agreement entered into in*
14 *accordance with subsection (a);*

15 “(2) *include provisions established by the Sec-*
16 *retary that are similar to the participation agreement*
17 *provisions described in paragraphs (2), (3), (4), and*
18 *(5) of subsection (a), as modified to relate to the*
19 *origination of loans by the institution;*

20 “(3) *provide that the institution will originate*
21 *loans to eligible students and parents in accordance*
22 *with this part; and*

23 “(4) *provide that the note or evidence of obliga-*
24 *tion on the loan shall be the property of the Secretary.*

25 “(c) *WITHDRAWAL PROCEDURES.—*

1 “(1) *IN GENERAL.*—*An institution of higher edu-*
2 *cation participating in the Federal ONE Loan Pro-*
3 *gram under this part may withdraw from the pro-*
4 *gram by providing written notice to the Secretary of*
5 *the intent to withdraw not less than 60 days before*
6 *the intended date of withdrawal.*

7 “(2) *DATE OF WITHDRAWAL.*—*Except in cases in*
8 *which the Secretary and an institution of higher edu-*
9 *cation agree to an earlier date, the date of withdrawal*
10 *from the Federal ONE Loan Program under this part*
11 *of an institution of higher education shall be the later*
12 *of—*

13 “(A) *60 days after the institution submits*
14 *the notice required under paragraph (1); or*

15 “(B) *a date designated by the institution.*

16 **“SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIM-**
17 **ITS, INTEREST RATES, AND LOAN FEES.**

18 “(a) *REQUIREMENTS FOR DISBURSEMENT OF STU-*
19 *DENT LOANS.*—

20 “(1) *MULTIPLE DISBURSEMENT REQUIRED.*—

21 “(A) *REQUIRED DISBURSEMENTS.*—*The*
22 *proceeds of any loan made under this part that*
23 *is made for any period of enrollment shall be*
24 *disbursed as follows:*

1 “(i) *The disbursement of the first in-*
2 *stallment of proceeds shall, with respect to*
3 *any student other than a student described*
4 *in subparagraph (B)(i), be made not more*
5 *than 30 days prior to the beginning of the*
6 *period of enrollment, and not later than 30*
7 *days after the beginning of such period of*
8 *enrollment.*

9 “(ii) *The disbursement of an install-*
10 *ment of proceeds shall be made in substan-*
11 *tially equal monthly or weekly installments*
12 *over the period of enrollment for which the*
13 *loan was made, except that installments*
14 *may be unequal as necessary to permit the*
15 *institution to adjust for unequal costs*
16 *(which may include upfront costs such as*
17 *tuition and fees) incurred or estimated fi-*
18 *nanacial assistance received by the student,*
19 *or based on the academic progress of the*
20 *student.*

21 “(B) *DISBURSEMENT OF CREDIT BAL-*
22 *ANCES.—*

23 “(i) *TYPE OF DISBURSEMENT.—The*
24 *credit balances of any loan made under this*

1 *part that is made for any period of enroll-*
2 *ment shall be disbursed by—*

3 *“(I) an electronic transfer of*
4 *funds to the borrower’s financial ac-*
5 *count;*

6 *“(II) a check for the amount pay-*
7 *able to, and requiring the endorsement*
8 *of, the borrower;*

9 *“(III) an access device in accord-*
10 *ance with clause (ii); or*

11 *“(IV) a cash payment for which*
12 *the institution obtains a receipt signed*
13 *by the borrower.*

14 *“(ii) USAGE OF ACCESS DEVICE.—An*
15 *institution may enter into an agreement*
16 *with a third-party servicer for the delivery*
17 *of funds awarded under this part in which*
18 *the third-party servicer provides the bor-*
19 *rower with an unvalidated access device for*
20 *accessing credit balances of any loan if—*

21 *“(I) the agreement provides that*
22 *the access device must bear a promi-*
23 *nent disclosure informing the borrower*
24 *that the borrower is not required to use*
25 *such access device and open such an*

1 *account in order to access the student's*
2 *funds under this part;*

3 “(II) *the agreement provides that*
4 *the consent of the borrower is obtained*
5 *before the access device is validated to*
6 *enable the student to access the ac-*
7 *count;*

8 “(III) *the agreement provides for*
9 *the protection of the borrower against*
10 *fraud; and*

11 “(IV) *the institution documents*
12 *that it has conducted a reasonable due*
13 *diligence review before entering into*
14 *the agreement, and will conduct such a*
15 *review at least every two years to en-*
16 *sure that—*

17 “(aa) *the fees applicable to*
18 *such account are, considered as a*
19 *whole, below prevailing market*
20 *rates; and*

21 “(bb) *the terms and condi-*
22 *tions of such account are other-*
23 *wise consistent with prevailing*
24 *market terms and conditions.*

25 “(C) *FIRST YEAR STUDENTS.—*

1 “(i) *IN GENERAL.*—*The first install-*
2 *ment of the proceeds of any loan made*
3 *under this part that is made to a student*
4 *borrower who is entering the first year of a*
5 *program of undergraduate education, and*
6 *who has not previously obtained a loan*
7 *under this part, shall not (regardless of the*
8 *amount of such loan or the duration of the*
9 *period of enrollment) be presented by the in-*
10 *stitution of higher education to the student*
11 *for endorsement until 30 days after the bor-*
12 *rower begins a course of study, but may be*
13 *delivered to the eligible institution prior to*
14 *the end of that 30-day period.*

15 “(ii) *EXEMPTION.*—*An institution of*
16 *higher education in which each educational*
17 *program has a loan repayment rate (as de-*
18 *termined under section 481B(c)) for the*
19 *most recent fiscal year for which data are*
20 *available that is greater than 60 percent*
21 *shall be exempt from the requirements of*
22 *clause (i).*

23 “(2) *WITHDRAWING OF SUCCEEDING DISBURSE-*
24 *MENTS.*—

1 “(A) *WITHDRAWING STUDENTS.*—*In the*
2 *case in which the Secretary is informed by the*
3 *borrower or the institution that the borrower has*
4 *ceased to be enrolled before the disbursement of*
5 *the second or any succeeding installment, the*
6 *Secretary shall withhold such disbursement. Any*
7 *disbursement which is so withheld shall be cred-*
8 *ited to the borrower’s loan and treated as a pre-*
9 *payment on the principal of the loan.*

10 “(B) *STUDENTS RECEIVING OVER-*
11 *AWARDS.*—*If the sum of a disbursement for any*
12 *borrower and the other financial aid obtained by*
13 *borrower exceeds the amount of assistance for*
14 *which the borrower is eligible under this title, the*
15 *institution the borrower, or dependent student,*
16 *in the case of a parent borrower, is attending*
17 *shall withhold and return to the Secretary the*
18 *portion (or all) of such installment that exceeds*
19 *such eligible amount, except that overawards per-*
20 *mitted pursuant to section 443(b)(4) shall not be*
21 *construed to be overawards for purposes of this*
22 *subparagraph. Any portion (or all) of a dis-*
23 *bursement installment which is so returned shall*
24 *be credited to the borrower’s loan and treated as*
25 *a prepayment on the principal of the loan.*

1 “(3) *EXCLUSION OF CONSOLIDATION AND FOR-*
2 *EIGN STUDY LOANS.—The provisions of this sub-*
3 *section shall not apply in the case of a Federal ONE*
4 *Consolidation Loan, or a loan made to a student to*
5 *cover the cost of attendance in a program of study*
6 *abroad approved by the home eligible institution if*
7 *each of the educational programs of such home eligible*
8 *institution has a loan repayment rate (as calculated*
9 *under section 481B(c)) for the most recent fiscal year*
10 *for which data are available of greater than 70 per-*
11 *cent.*

12 “(4) *BEGINNING OF PERIOD OF ENROLLMENT.—*
13 *For purposes of this subsection, a period of enrollment*
14 *begins on the first day that classes begin for the ap-*
15 *plicable period of enrollment.*

16 “(b) *AMOUNT OF LOAN.—*

17 “(1) *IN GENERAL.—The determination of the*
18 *amount of a loan disbursed by an eligible institution*
19 *under this section shall be the lesser of—*

20 “(A) *an amount that is equal to the esti-*
21 *mated loan amount, as determined by the insti-*
22 *tution by calculating—*

23 “(i) *the estimated cost of attendance at*
24 *the institution; minus*

1 “(ii)(I) *any estimated financial assist-*
2 *ance reasonably available to such student,*
3 *including assistance that the student will*
4 *receive from a Federal grant, including a*
5 *Federal Pell Grant, a State grant, an insti-*
6 *tutional grant, or a scholarship or grant*
7 *from another source, that is known to the*
8 *institution at the time the student’s deter-*
9 *mination of need is made; and*

10 “(II) *in the case of a loan to a parent,*
11 *the amount of a loan awarded under this*
12 *part to the parent’s child; or*

13 “(B) *the maximum Federal loan amount for*
14 *which such borrower is eligible in accordance*
15 *with paragraph (2).*

16 “(2) *LOAN LIMITS.—*

17 “(A) *ANNUAL LIMITS.—Except as provided*
18 *under subparagraph (B), (C), or (D), the*
19 *amount of loans made under this part that an*
20 *eligible student or parent borrower may borrow*
21 *for an academic year shall be as follows:*

22 “(i) *UNDERGRADUATE STUDENTS.—*

23 *With respect to enrollment in a program of*
24 *undergraduate education at an eligible in-*
25 *stitution—*

1 “(I) in the case of a dependent
2 student—

3 “(aa) who has not success-
4 fully completed the first year of a
5 program of undergraduate edu-
6 cation, \$7,500;

7 “(bb) who has successfully
8 completed such first year but has
9 not successfully completed the re-
10 mainder of a program of under-
11 graduate education, \$8,500; and

12 “(cc) who has successfully
13 completed the first and second
14 years of a program of under-
15 graduate education but has not
16 successfully completed the remain-
17 der of such program, \$9,500;

18 “(II) in the case of an inde-
19 pendent student, or a dependent stu-
20 dent whose parents are unable to bor-
21 row a loan under this part on behalf of
22 such student—

23 “(aa) who has not success-
24 fully completed the first year of a

1 *program of undergraduate edu-*
2 *cation, \$11,500;*

3 *“(bb) who has successfully*
4 *completed such first year but has*
5 *not successfully completed the re-*
6 *mainder of a program of under-*
7 *graduate education, \$12,500; and*

8 *“(cc) who has successfully*
9 *completed the first and second*
10 *years of a program of under-*
11 *graduate education but has not*
12 *successfully completed the remain-*
13 *der of such program, \$14,500; and*

14 *“(III) in the case of a student who*
15 *is enrolled in a program of under-*
16 *graduate education that is less than*
17 *one academic year, the maximum an-*
18 *nual loan amount that such student*
19 *may receive may not exceed the*
20 *amount that bears the same ratio to*
21 *the amount specified in subclause (I)*
22 *or (II), as applicable, as the length of*
23 *such program measured in semester,*
24 *trimester, quarter, or clock hours bears*
25 *to one academic year.*

1 “(ii) *GRADUATE OR PROFESSIONAL*
2 *STUDENTS.—In the case of a graduate or*
3 *professional student for enrollment in a pro-*
4 *gram of graduate or professional education*
5 *at an eligible institution, \$28,500.*

6 “(iii) *PARENT BORROWERS.—In the*
7 *case of a parent borrowing a loan under*
8 *this part on behalf of a dependent student*
9 *for the student’s enrollment in a program of*
10 *undergraduate education at an eligible in-*
11 *stitution, \$12,500 per each such student.*

12 “(iv) *COURSEWORK FOR UNDER-*
13 *GRADUATE ENROLLMENT.—With respect to*
14 *enrollment in coursework specified in sec-*
15 *tion 484(b)(3)(B) necessary for enrollment*
16 *in an undergraduate degree or certificate*
17 *program—*

18 “(I) *in the case of a dependent*
19 *student, \$2,625;*

20 “(II) *in the case of a parent bor-*
21 *rowing a loan under this part on be-*
22 *half of a dependent student for the stu-*
23 *dent’s enrollment in such coursework,*
24 *\$6,000; and*

1 “(III) *in the case an independent*
2 *student, or a dependent student whose*
3 *parents are unable to borrow a loan*
4 *under this part on behalf of such stu-*
5 *dent, \$8,625.*

6 “(v) *COURSEWORK FOR GRADUATE OR*
7 *PROFESSIONAL ENROLLMENT OR TEACHER*
8 *EMPLOYMENT.—With respect to the enroll-*
9 *ment of a student who has obtained a bac-*
10 *calaureate degree in coursework specified in*
11 *section 484(b)(3)(B) necessary for enroll-*
12 *ment in a graduate or professional degree*
13 *or certificate program, or coursework speci-*
14 *fied in section 484(b)(4)(B) necessary for a*
15 *professional credential or certification from*
16 *a State required for employment as a teach-*
17 *er in an elementary or secondary school, in*
18 *the case of a student (without regard to*
19 *whether the student is a dependent student*
20 *or dependent student), \$12,500.*

21 “(B) *AGGREGATE LIMITS.—Except as pro-*
22 *vided under subparagraph (C), (D), or (E), the*
23 *maximum aggregate amount of loans under this*
24 *part and parts B and D that an eligible student*
25 *or parent borrower may borrow shall be—*

1 “(i) for enrollment in a program of
2 undergraduate education at an eligible in-
3 stitution, including for enrollment in
4 coursework described in clause (iv) or (v) of
5 subparagraph (A)—

6 “(I) in the case of a dependent
7 student, \$39,000;

8 “(II) in the case of an inde-
9 pendent student, or an dependent stu-
10 dent whose parents are unable to re-
11 ceive a loan under this part on behalf
12 of such student, \$60,250; and

13 “(III) in the case of a parent bor-
14 rowing a loan under this part on be-
15 half of a dependent student for the stu-
16 dent’s enrollment in such a program,
17 \$56,250 per each such student.

18 “(ii) in the case of a graduate or pro-
19 fessional student for enrollment in a pro-
20 gram of graduate or professional education
21 at an eligible institution, \$150,000.

22 “(C) APPLICATION OF LIMITS TO BOR-
23 ROWERS WITH PART B OR D LOANS.—

24 “(i) GRADUATE OR PROFESSIONAL
25 STUDENTS.—In the case of a graduate or

1 professional student who is not described in
2 subparagraph (E) and who has received
3 loans made under part B or D for enroll-
4 ment in a graduate or professional program
5 at an eligible institution, the total amount
6 of which equal or exceed \$28,500 as of the
7 time of disbursement, the student may con-
8 tinue to borrow the amount of loans under
9 this part necessary to complete such pro-
10 gram without regard to the aggregate limit
11 under subparagraph (B)(i), except that
12 the—

13 “(I) amount of such loans shall
14 not exceed the annual limits under
15 subparagraph (A)(i) for any academic
16 year beginning after June 30, 2019;
17 and

18 “(II) authority to borrow loans in
19 accordance with this subclause shall
20 terminate at the end of the academic
21 year ending before September 30, 2024.

22 “(i) PARENT BORROWERS.—In the
23 case of a parent borrower who has received
24 loans made under part B or D on behalf of
25 a dependent student for the student’s enroll-

1 *ment in a program of undergraduate edu-*
2 *cation at an eligible institution, the total*
3 *amount of which equal or exceed \$12,500 for*
4 *such student as of the time of disbursement,*
5 *the parent borrower may continue to borrow*
6 *the amount of loans under this part nec-*
7 *essary for such student to complete such*
8 *program without regard to the aggregate*
9 *limit under subparagraph (B)(i)(III), ex-*
10 *cept that the—*

11 *“(I) amount of such loans shall*
12 *not exceed the annual limits under*
13 *subparagraph (A)(iii) for any aca-*
14 *demie year beginning after June 30,*
15 *2019; and*

16 *“(II) the authority to borrow*
17 *loans in accordance with this subclause*
18 *shall terminate at the end of the aca-*
19 *demie year ending before September*
20 *30, 2024.*

21 *“(D) INSTITUTIONAL DETERMINED LIM-*
22 *ITS.—*

23 *“(i) IN GENERAL.—Notwithstanding*
24 *any other provision of this subsection, an el-*
25 *igible institution (at the discretion of a fi-*

1 *nancial aid administrator at the institu-*
2 *tion) may prorate or limit the amount of a*
3 *loan any student enrolled in a program of*
4 *study at that institution may borrow under*
5 *this part for an academic year—*

6 *“(I) if the institution, using the*
7 *most recently available data from the*
8 *Bureau of Labor Statistics for the av-*
9 *erage starting salary in the region in*
10 *which the institution is located for typ-*
11 *ical occupations pursued by graduates*
12 *of such program, can reasonably dem-*
13 *onstrate that student debt levels are or*
14 *would be excessive for such program;*

15 *“(II) in a case in which the stu-*
16 *dent is enrolled on a less than full-time*
17 *basis or the student is enrolled for less*
18 *than the period of enrollment to which*
19 *the annual loan limit applies under*
20 *this subsection, based on the student’s*
21 *enrollment status;*

22 *“(III) based on the credential level*
23 *(such as a degree, certificate, or other*
24 *recognized educational credential) that*

1 *the student would attain upon comple-*
2 *tion of such program; or*

3 *“(IV) based on the year of the*
4 *program for which the student is seek-*
5 *ing such loan.*

6 *“(ii) APPLICATION TO ALL STU-*
7 *DENTS.—Any proration or limiting of loan*
8 *amounts under clause (i) shall be applied in*
9 *the same manner to all students enrolled in*
10 *the institution or program of study.*

11 *“(iii) INCREASES FOR INDIVIDUAL*
12 *STUDENTS.—Upon the request of a student*
13 *whose loan amount for an academic year*
14 *has been prorated or limited under clause*
15 *(i), an eligible institution (at the discretion*
16 *of the financial aid administrator at the in-*
17 *stitution) may increase such loan amount*
18 *to an amount not exceeding the annual loan*
19 *amount applicable to such student under*
20 *this subparagraph for such academic year if*
21 *such student demonstrates special cir-*
22 *cumstances or exceptional need.*

23 *“(E) INCREASES FOR CERTAIN GRADUATE*
24 *OR PROFESSIONAL STUDENTS.—*

1 “(i) *ADDITIONAL ANNUAL AMOUNTS.—*
2 *Subject to clause (iii) of this subparagraph,*
3 *in addition to the loan amount for an aca-*
4 *demie year described in subparagraph*
5 *(A)(ii)—*

6 “(I) *a graduate or professional*
7 *student who is enrolled in a program*
8 *of study to become a doctor of*
9 *allopathic medicine, doctor of osteo-*
10 *pathic medicine, doctor of dentistry,*
11 *doctor of veterinary medicine, doctor of*
12 *optometry, doctor of podiatric medi-*
13 *cine, doctor of naturopathic medicine,*
14 *or doctor of naturopathy may borrow*
15 *an additional—*

16 “(aa) *in the case of a pro-*
17 *gram with a 9-month academic*
18 *year, \$20,000 for an academic*
19 *year; or*

20 “(bb) *in the case of a pro-*
21 *gram with a 12-month academic*
22 *year, \$26,667 for an academic*
23 *year; and*

24 “(II) *a graduate or professional*
25 *student who is enrolled in a program*

1 *of study to become a doctor of phar-*
2 *macy, doctor of chiropractic medicine,*
3 *or a physician's assistant, or receive a*
4 *graduate degree in public health, doc-*
5 *toral degree in clinical psychology, or*
6 *a masters or doctoral degree in health*
7 *administration may borrow an addi-*
8 *tional—*

9 *“(aa) in the case of a pro-*
10 *gram with a 9-month academic*
11 *year, \$12,500 for an academic*
12 *year; or*

13 *“(bb) in the case of a pro-*
14 *gram with a 12-month academic*
15 *year, \$16,667 for an academic*
16 *year.*

17 *“(ii) AGGREGATE LIMIT.—Subject to*
18 *clause (iii) of this subparagraph, the max-*
19 *imum aggregate amount of loans under this*
20 *part and parts B and D that a student de-*
21 *scribed in clause (i) may borrow shall be*
22 *\$235,500.*

23 *“(iii) LIMITATION.—In the case of a*
24 *graduate or professional student described*
25 *in clause (i) of this subparagraph who has*

1 *received loans made under part B or D for*
2 *enrollment in a graduate or professional*
3 *program at an eligible institution, the total*
4 *amount of which equal or exceed \$28,500 as*
5 *of the time of disbursement, the student may*
6 *continue to borrow the amount of loans*
7 *under this part necessary to complete such*
8 *program without regard to the aggregate*
9 *limit under clause (ii) of this subpara-*
10 *graph, except that the—*

11 *“(I) amount of such loans shall*
12 *not exceed the annual limits under*
13 *clause (i) of this subparagraph for any*
14 *academic year beginning after June*
15 *30, 2019; and*

16 *“(II) authority to borrow loans in*
17 *accordance with this subclause shall*
18 *terminate at the end of the academic*
19 *year ending before September 30, 2024.*

20 *“(c) INTEREST RATE PROVISIONS FOR FEDERAL ONE*
21 *LOANS.—*

22 *“(1) UNDERGRADUATE ONE LOANS.—For Fed-*
23 *eral ONE Loans issued to undergraduate students, the*
24 *applicable rate of interest shall, for loans disbursed*
25 *during any 12-month period beginning on July 1 and*

1 ending on June 30, be determined on the preceding
2 June 1 and be equal to the lesser of—

3 “(A) a rate equal to the high yield of the
4 10-year Treasury note auctioned at the final
5 auction held prior to such June 1 plus 2.05 per-
6 cent; or

7 “(B) 8.25 percent.

8 “(2) GRADUATE AND PROFESSIONAL ONE
9 LOANS.—For Federal ONE Loans issued to graduate
10 or professional students, the applicable rate of interest
11 shall, for loans disbursed during any 12-month period
12 beginning on July 1 and ending on June 30, be deter-
13 mined on the preceding June 1 and be equal to the
14 lesser of—

15 “(A) a rate equal to the high yield of the
16 10-year Treasury note auctioned at the final
17 auction held prior to such June 1 plus 3.6 per-
18 cent; or

19 “(B) 9.5 percent.

20 “(3) PARENT ONE LOANS.—For Federal ONE
21 Parent Loans, the applicable rate of interest shall, for
22 loans disbursed during any 12-month period begin-
23 ning on July 1 and ending on June 30, be determined
24 on the preceding June 1 and be equal to the lesser
25 of—

1 “(A) a rate equal to the high yield of the
2 10-year Treasury note auctioned at the final
3 auction held prior to such June 1 plus 4.6 per-
4 cent; or

5 “(B) 10.5 percent.

6 “(4) CONSOLIDATION LOANS.—Any Federal ONE
7 Consolidation Loan for which the application is re-
8 ceived on or after July 1, 2019, shall bear interest at
9 an annual rate on the unpaid principal balance of
10 the loan that is equal to the weighted average of the
11 interest rates on the loans consolidated, rounded to
12 the nearest higher one-eighth of one percent.

13 “(5) PUBLICATION.—The Secretary shall deter-
14 mine the applicable rates of interest under this sub-
15 section after consultation with the Secretary of the
16 Treasury and shall publish such rate in the Federal
17 Register as soon as practicable after the date of deter-
18 mination.

19 “(6) RATE.—The applicable rate of interest de-
20 termined under this subsection for a loan under this
21 part shall be fixed for the period of the loan.

22 “(d) PROHIBITION ON CERTAIN REPAYMENT INCEN-
23 TIVES.—Notwithstanding any other provision of this part,
24 the Secretary is prohibited from authorizing or providing
25 any repayment incentive or subsidy not otherwise author-

1 ized under this part to encourage on-time repayment of a
2 loan under this part, including any reduction in the inter-
3 est paid by a borrower of such a loan, except that the Sec-
4 retary may provide for an interest rate reduction of not
5 more than 0.25 percentage points for a borrower who agrees
6 to have payments on such a loan automatically debited
7 from a bank account.

8 “(e) *LOAN FEE.*—The Secretary shall not charge the
9 borrower of a loan made under this part an origination
10 fee.

11 “(f) *ARMED FORCES STUDENT LOAN INTEREST PAY-*
12 *MENT PROGRAM.*—

13 “(1) *AUTHORITY.*—Using funds received by
14 transfer to the Secretary under section 2174 of title
15 10, United States Code, for the payment of interest on
16 a loan made under this part to a member of the
17 Armed Forces, the Secretary shall pay the interest on
18 the loan as due for a period not in excess of 36 con-
19 secutive months. The Secretary may not pay interest
20 on such a loan out of any funds other than funds that
21 have been so transferred.

22 “(2) *DEFERMENT.*—During the period in which
23 the Secretary is making payments on a loan under
24 paragraph (1), the Secretary shall grant the borrower
25 administrative deferment, in the form of a temporary

1 *cessation of all payments on the loan other than the*
2 *payments of interest on the loan that are made under*
3 *that paragraph.*

4 “(g) *NO ACCRUAL OF INTEREST FOR ACTIVE DUTY*
5 *SERVICE MEMBERS.—*

6 “(1) *IN GENERAL .—Notwithstanding any other*
7 *provision of this part and in accordance with para-*
8 *graphs (2) and (4), interest shall not accrue for an*
9 *eligible military borrower on a loan made under this*
10 *part.*

11 “(2) *CONSOLIDATION LOANS.—In the case of any*
12 *consolidation loan made under this part, interest*
13 *shall not accrue pursuant to this subsection only on*
14 *such portion of such loan as was used to repay a loan*
15 *made under this part or a loan made under part D*
16 *for which the first disbursement was made on or after*
17 *October 1, 2008, and before July 1, 2019.*

18 “(3) *ELIGIBLE MILITARY BORROWER.—In this*
19 *subsection, the term ‘eligible military borrower’ means*
20 *an individual who—*

21 “(A)(i) *is serving on active duty during a*
22 *war or other military operation or national*
23 *emergency; or*

1 “(ii) is performing qualifying National
2 Guard duty during a war or other military op-
3 eration or national emergency; and

4 “(B) is serving in an area of hostilities in
5 which service qualifies for special pay under sec-
6 tion 310 of title 37, United States Code.

7 “(4) *LIMITATION.*—An individual who qualifies
8 as an eligible military borrower under this subsection
9 may receive the benefit of this subsection for not more
10 than 60 months.

11 **“SEC. 466. REPAYMENT.**

12 “(a) *REPAYMENT PERIOD; COMMENCEMENT OF RE-*
13 *PAYMENT.*—

14 “(1) *REPAYMENT PERIOD.*—

15 “(A) *IN GENERAL.*—In the case of a Federal
16 ONE Loan (other than a Federal ONE Consoli-
17 dation Loan or a Federal ONE Parent Loan)—

18 “(i) subject to clause (ii), the repay-
19 ment period shall—

20 “(I) exclude any period of author-
21 ized deferment under section 469A; and

22 “(II) begin the day after 6 months
23 after the date the student ceases to
24 carry at least one-half the normal full-

1 *time academic workload (as deter-*
2 *mined by the institution); and*

3 “(ii) *interest shall begin to accrue or*
4 *be paid by the borrower on the day the loan*
5 *is disbursed.*

6 “(B) *CONSOLIDATION AND PARENT*
7 *LOANS.—In the case of a Federal ONE Consoli-*
8 *dation Loan or a Federal ONE Parent Loan, the*
9 *repayment period shall—*

10 “(i) *exclude any period of authorized*
11 *deferral; and*

12 “(ii) *begin—*

13 “(I) *on the day the loan is dis-*
14 *tributed; or*

15 “(II) *if the loan is distributed in*
16 *multiple installments, on the day of the*
17 *last such distribution.*

18 “(C) *ACTIVE DUTY EXCLUSION.—There shall*
19 *be excluded from the 6-month period that begins*
20 *on the date on which a student ceases to carry*
21 *at least one-half the normal full-time academic*
22 *workload as described in subparagraph (A) any*
23 *period not to exceed 3 years during which a bor-*
24 *rower who is a member of a reserve component*
25 *of the Armed Forces named in section 10101 of*

1 *title 10, United States Code, is called or ordered*
2 *to active duty for a period of more than 30 days*
3 *(as defined in section 101(d)(2) of such title).*
4 *Such period of exclusion shall include the period*
5 *necessary to resume enrollment at the borrower's*
6 *next available regular enrollment period.*

7 “(2) *PAYMENT OF PRINCIPAL AND INTEREST.—*

8 “(A) *COMMENCEMENT OF REPAYMENT.—Re-*
9 *payment of principal on loans made under this*
10 *part shall begin at the beginning of the repay-*
11 *ment period described in paragraph (1).*

12 “(B) *CAPITALIZATION OF INTEREST.—*

13 “(i) *IN GENERAL.—Interest on loans*
14 *made under this part for which payments of*
15 *principal are not required during the 6-*
16 *month period described in paragraph*
17 *(1)(A)(i)(II) or for which payments are de-*
18 *ferred under section 469A shall—*

19 “(I) *be paid monthly or quarterly;*

20 *or*

21 “(II) *be added to the principal*
22 *amount of the loan only—*

23 “(aa) *when the loan enters*
24 *repayment;*

1 “(bb) at the expiration of a
2 the 6-month period described in
3 paragraph (1)(A)(i)(II);

4 “(cc) at the expiration of a
5 period of deferment, unless other-
6 wise exempted; or

7 “(dd) when the borrower de-
8 faults.

9 “(ii) *MAXIMUM AGGREGATE LIMIT.*—
10 Interest capitalized shall not be deemed to
11 exceed the amount equal to the maximum
12 aggregate limit of the loan under section
13 465(b).

14 “(C) *NOTICE.*—Not less than 60 days, and
15 again not less than 30 days, prior to the antici-
16 pated commencement of the repayment period for
17 a Federal ONE Loan, the Secretary shall provide
18 notice to the borrower—

19 “(i) that interest will accrue before re-
20 payment begins;

21 “(ii) that interest will be added to the
22 principal amount of the loan in the cases
23 described in subparagraph (B)(i)(II); and

1 “(iii) of the borrower’s option to begin
2 loan repayment prior to such repayment
3 period.

4 “(b) REPAYMENT AMOUNT.—

5 “(1) IN GENERAL.—The total of the payments by
6 a borrower, except as otherwise provided by an in-
7 come-based repayment plan under subsection (d), dur-
8 ing any year of any repayment period with respect
9 to the aggregate amount of all loans made under this
10 part to the borrower shall not (unless the borrower
11 and the Secretary otherwise agree), be less than \$600
12 or the balance of all such loans (together with interest
13 thereon), whichever amount is less (but in no instance
14 less than the amount of interest due and payable, not-
15 withstanding any repayment plan described in sub-
16 section (c)).

17 “(2) AMORTIZATION.—

18 “(A) INTEREST RATE.—The amount of the
19 periodic payment and the repayment schedule
20 for a loan made under this part shall be estab-
21 lished by assuming an interest rate equal to the
22 applicable rate of interest at the time of the first
23 disbursement of the loan.

24 “(B) ADJUSTMENT TO REPAYMENT
25 AMOUNT.—The note or other written evidence of

1 *a loan under this part shall require that the*
2 *amount of the periodic payment will be adjusted*
3 *annually in order to reflect adjustments in—*

4 “(i) *interest rates occurring as a con-*
5 *sequence of variable rate loans under parts*
6 *B or D paid in conjunction with Federal*
7 *ONE Loans under subsection (d)(1)(B)(i);*
8 *or*

9 “(ii) *principal occurring as a con-*
10 *sequence of interest capitalization under*
11 *subsection (a)(2)(B).*

12 “(c) *REPAYMENT PLANS.—*

13 “(1) *DESIGN AND SELECTION.—Not more than 6*
14 *months prior to the date on which a borrower’s first*
15 *payment on a loan made under this part is due, the*
16 *Secretary shall offer the borrower two plans for re-*
17 *payment of such loan, including principal and inter-*
18 *est on the loan. The borrower shall be entitled to ac-*
19 *celerate, without penalty, repayment on the bor-*
20 *rower’s loans under this part. The borrower may*
21 *choose—*

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

1 “(B) *an income-based repayment plan*
2 *under subsection (d).*”

3 “(2) *SELECTION BY SECRETARY.—If a borrower*
4 *of a loan made under this part does not select a re-*
5 *payment plan described in paragraph (1), the Sec-*
6 *retary shall provide the borrower with the repayment*
7 *plan described in paragraph (1)(A).*”

8 “(3) *CHANGES IN SELECTIONS.—*

9 “(A) *IN GENERAL.—Subject to subpara-*
10 *graph (B), the borrower of a loan made under*
11 *this part may change the borrower’s selection of*
12 *a repayment plan under paragraph (1), or the*
13 *Secretary’s selection of a plan for the borrower*
14 *under paragraph (2), as the case may be, under*
15 *such terms and conditions as may be established*
16 *by the Secretary, except that the Secretary may*
17 *not establish any terms or conditions with re-*
18 *spect to whether a borrower may change the bor-*
19 *rower’s repayment plan. Nothing in this sub-*
20 *section shall prohibit the Secretary from encour-*
21 *aging struggling borrowers from enrolling in the*
22 *income-driven repayment plan described in sec-*
23 *tion 466(d).*”

24 “(B) *SAME REPAYMENT PLAN REQUIRED.—*
25 *All loans made under this part to a borrower*

1 *shall be repaid under the same repayment plan*
2 *under paragraph (1), except that the borrower*
3 *may repay a Federal ONE Parent Loan or an*
4 *Excepted Federal ONE Consolidation Loan (as*
5 *defined in subsection (d)(5)) separately from*
6 *other loans made under this part to the bor-*
7 *rower.*

8 “(4) *REPAYMENT AFTER DEFAULT.*—*The Sec-*
9 *retary may require any borrower who has defaulted*
10 *on a loan made under this part to—*

11 “(A) *pay all reasonable collection costs asso-*
12 *ciated with such loan; and*

13 “(B) *repay the loan pursuant to the in-*
14 *come-based repayment plan under subsection (d).*

15 “(5) *REPAYMENT PERIOD.*—*For purposes of cal-*
16 *culating the repayment period under this subsection,*
17 *such period shall commence at the time the first pay-*
18 *ment of principal is due from the borrower.*

19 “(6) *INSTALLMENTS.*— *Repayment of loans*
20 *under this part shall be in installments in accordance*
21 *with the repayment plan selected under paragraph*
22 *(1) and commencing at the beginning of the repay-*
23 *ment period determined under paragraph (5).*

24 “(d) *INCOME-BASED REPAYMENT PROGRAM.*—

1 “(1) *IN GENERAL.*—Notwithstanding any other
2 *provision of this Act, the Secretary shall carry out a*
3 *program under which—*

4 “(A) *a borrower of any loan made under*
5 *this part (other than a Federal ONE Parent*
6 *Loan or an Excepted Federal ONE Consolida-*
7 *tion Loan) may elect to have the borrower’s ag-*
8 *gregate monthly payment for all such loans—*

9 “(i) *not to exceed the result obtained*
10 *by dividing by 12, 15 percent of the result*
11 *obtained by calculating, on at least an an-*
12 *ual basis, the amount by which—*

13 “(I) *the adjusted gross income of*
14 *the borrower or, if the borrower is mar-*
15 *ried and files a Federal income tax re-*
16 *turn jointly with or separately from*
17 *the borrower’s spouse, the adjusted*
18 *gross income of the borrower and the*
19 *borrower’s spouse; exceeds*

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

25 “(ii) *not to be less than \$25;*

1 “(B) the Secretary adjusts the calculated
2 monthly payment under subparagraph (A), if—

3 “(i) in addition to the loans described
4 in subparagraph (A), the borrower has an
5 outstanding loan made under part B or D
6 (other than an excepted parent loan or an
7 excepted consolidation loan, as such terms
8 are defined in section 493C(a)), by deter-
9 mining the borrower’s adjusted monthly
10 payment by multiplying—

11 “(I) the calculated monthly pay-
12 ment, by

13 “(II) the percentage of the total
14 outstanding principal amount of the
15 borrower’s loans described in the mat-
16 ter preceding subclause (I), which are
17 described in subparagraph (A);

18 “(ii) the borrower and borrower’s
19 spouse have loans described in subpara-
20 graph (A) and outstanding loans under
21 part B or D (other than an excepted parent
22 loan or an excepted consolidation loan, as
23 such terms are defined in section 493C(a))
24 and have filed a joint or separate Federal

1 *income tax return, in which case the Sec-*
2 *retary determines—*

3 *“(I) each borrower’s percentage of*
4 *the couple’s total outstanding amount*
5 *of principal on such loans;*

6 *“(II) the adjusted monthly pay-*
7 *ment for each borrower by multiplying*
8 *the borrower’s calculated monthly pay-*
9 *ment by the percentage determined*
10 *under subclause (I) applicable to the*
11 *borrower; and*

12 *“(III) if the borrower’s loans are*
13 *held by multiple holders, the borrower’s*
14 *adjusted monthly payment for loans*
15 *described in subparagraph (A) by mul-*
16 *tiplying the adjusted monthly payment*
17 *determined under subclause (II) by the*
18 *percentage of the total outstanding*
19 *principal amount of the borrower’s*
20 *loans described in the matter preceding*
21 *subclause (I), which are described in*
22 *subparagraph (A);*

23 *“(C) the holder of such a loan shall apply*
24 *the borrower’s monthly payment under this sub-*
25 *section first toward interest due on the loan, next*

1 *toward any fees due on the loan, and then to-*
2 *ward the principal of the loan;*

3 “(D) *any principal due and not paid under*
4 *subparagraph (C) shall be deferred;*

5 “(E) *any interest due and not paid under*
6 *subparagraph (C) shall be capitalized, at the*
7 *time the borrower—*

8 “(i) *ends the election to make income-*
9 *based repayment under this subsection; or*

10 “(ii) *begins making payments of not*
11 *less than the amount specified in subpara-*
12 *graph (G)(i);*

13 “(F) *the amount of time the borrower makes*
14 *monthly payments under subparagraph (A) may*
15 *exceed 10 years;*

16 “(G) *if the borrower no longer wishes to*
17 *continue the election under this subsection,*
18 *then—*

19 “(i) *the maximum monthly payment*
20 *required to be paid for all loans made to the*
21 *borrower under this part (other than a Fed-*
22 *eral ONE Parent Loan or an Excepted Fed-*
23 *eral ONE Consolidation Loan) shall not ex-*
24 *ceed the monthly amount calculated under*
25 *subsection (c)(1)(A), based on a 10-year re-*

1 *payment period, when the borrower first*
2 *made the election described in this sub-*
3 *section; and*

4 *“(ii) the amount of time the borrower*
5 *is permitted to repay such loans may exceed*
6 *10 years;*

7 *“(H) the Secretary shall cancel any out-*
8 *standing balance (other than an amount equal to*
9 *the interest accrued during any period of in-*
10 *school deferment under subparagraph (A), (B),*
11 *or (F) of section 469A(b)(1)) due on all loans*
12 *made under this part (other than a Federal ONE*
13 *Parent Loan or an Excepted Federal ONE Con-*
14 *solidation Loan) to a borrower—*

15 *“(i) who, at any time, elected to par-*
16 *ticipate in income-based repayment under*
17 *subparagraph (A);*

18 *“(ii) whose final monthly payment for*
19 *such loans prior to the loan cancellation*
20 *under this subparagraph was made under*
21 *such income-based repayment; and*

22 *“(iii) who has repaid, pursuant to in-*
23 *come-based repayment under subparagraph*
24 *(A), a standard repayment plan under sub-*
25 *section (c)(1)(A), or a combination—*

1 “(I) an amount on such loans
2 that is equal to the total amount of
3 principal and interest that the bor-
4 rower would have repaid under a
5 standard repayment plan under sub-
6 section (c)(1)(A), based on a 10-year
7 repayment period, when the borrower
8 entered repayment on such loans; and

9 “(II) the amount of interest that
10 accrues during a period of deferment
11 described in section 469A prior to the
12 completion of the repayment period de-
13 scribed in subclause (I) on the portion
14 of such loans remaining to be repaid
15 in accordance with such subclause; and

16 “(I) a borrower who is repaying a loan
17 made under this part pursuant to income-based
18 repayment under subparagraph (A) may elect, at
19 any time during the 10-year period beginning on
20 the date the borrower entered repayment on the
21 loan, to terminate repayment pursuant to such
22 income-based repayment and repay such loan
23 under the standard repayment plan.

24 “(2) *ELIGIBILITY DETERMINATIONS.*—

1 “(A) *IN GENERAL.*—*The Secretary shall es-*
2 *tablish procedures for annual verification of a*
3 *borrower’s annual income and the annual*
4 *amount due on the total amount of loans made*
5 *under this part (other than a Federal ONE Par-*
6 *ent Loan or an Excepted Federal ONE Consoli-*
7 *dation Loan), and such other procedures as are*
8 *necessary to implement effectively income-based*
9 *repayment under this subsection, including the*
10 *procedures established with respect to section*
11 *493C.*

12 “(B) *INCOME INFORMATION.*—*The Secretary*
13 *may obtain such information as is reasonably*
14 *necessary regarding the income of a borrower*
15 *(and the borrower’s spouse, if applicable) of a*
16 *loan made under this part that is, or may be, re-*
17 *paid pursuant to income-based repayment under*
18 *this subsection, for the purpose of determining*
19 *the annual repayment obligation of the borrower.*
20 *The Secretary shall establish procedures for de-*
21 *termining the borrower’s repayment obligation*
22 *on that loan for such year, and such other proce-*
23 *dures as are necessary to implement effectively*
24 *the income-based repayment under this sub-*
25 *section.*

1 “(C) *BORROWER REQUIREMENTS.*—A bor-
2 rower who chooses to repay a loan made under
3 this part pursuant to income-based repayment
4 under this subsection, and—

5 “(i) for whom adjusted gross income is
6 available and reasonably reflects the bor-
7 rower’s current income, shall, to the max-
8 imum extent practicable, provide to the Sec-
9 retary the Federal tax information of the
10 borrower; and

11 “(ii) for whom adjusted gross income is
12 unavailable or does not reasonably reflect
13 the borrower’s current income, shall provide
14 to the Secretary other documentation of in-
15 come satisfactory to the Secretary, which
16 documentation the Secretary may use to de-
17 termine an appropriate repayment schedule.

18 “(3) *NOTIFICATION TO BORROWERS.*—The Sec-
19 retary shall establish procedures under which a bor-
20 rower of a loan made under this part who chooses to
21 repay such loan pursuant to income-based repayment
22 under this subsection is notified of the terms and con-
23 ditions of such plan, including notification that if a
24 borrower considers that special circumstances, such as
25 a loss of employment by the borrower or the bor-

1 *borrower's spouse, warrant an adjustment in the bor-*
2 *rower's loan repayment as determined using the bor-*
3 *rower's Federal tax return information, or the alter-*
4 *native documentation described in paragraph (2)(C),*
5 *the borrower may contact the Secretary, who shall de-*
6 *termine whether such adjustment is appropriate, in*
7 *accordance with criteria established by the Secretary.*

8 *“(4) REDUCED PAYMENT PERIODS.—*

9 *“(A) IN GENERAL.—The Secretary shall au-*
10 *thorize borrowers meeting the criteria under sub-*
11 *paragraph (B) to make monthly payments of \$5*
12 *for a period not in excess of 3 years, except*
13 *that—*

14 *“(i) for purposes of subparagraph*
15 *(B)(i), the Secretary may authorize reduced*
16 *payments in 6-month increments, beginning*
17 *on the date the borrower provides to the*
18 *Secretary the evidence described in sub-*
19 *clause (I) or (II) of subparagraph (B)(i);*
20 *and*

21 *“(ii) for purposes of subparagraph*
22 *(B)(ii), the Secretary may authorize re-*
23 *duced payments in 3-month increments, be-*
24 *ginning on the date the borrower provides to*

1 the Secretary the evidence described in sub-
2 paragraph (B)(ii)(I).

3 “(B) *ELIGIBILITY DETERMINATIONS.*—The
4 Secretary shall authorize borrowers to make re-
5 duced payments under this paragraph in the fol-
6 lowing circumstances:

7 “(i) In a case of borrower who is seek-
8 ing and unable to find full-time employ-
9 ment, as demonstrated by providing to the
10 Secretary—

11 “(I) evidence of the borrower’s eli-
12 gibility for unemployment benefits to
13 the Secretary; or

14 “(II) a written certification or an
15 equivalent that—

16 “(aa) the borrower has reg-
17 istered with a public or private
18 employment agency that is avail-
19 able to the borrower within a 50-
20 mile radius of the borrower’s home
21 address; and

22 “(bb) in the case of a bor-
23 rower that has been granted a re-
24 quest under this subparagraph,
25 the borrower has made at least six

1 *diligent attempts during the pre-*
2 *ceding six-month period to secure*
3 *full-time employment.*

4 “(ii) *The Secretary determines that,*
5 *due to high medical expenses, the \$25*
6 *monthly payment the borrower would other-*
7 *wise make would be an extreme economic*
8 *hardship to the borrower, if—*

9 “(I) *the borrower documents the*
10 *reason why the \$25 minimum pay-*
11 *ment is an extreme economic hardship;*
12 *and*

13 “(II) *the borrower recertifies the*
14 *reason for the \$5 minimum payment*
15 *on a three-month basis.*

16 “(C) *DEFINITION.—For purpose of this sec-*
17 *tion, the term ‘full-time employment’ means em-*
18 *ployment that will provide not less than 30*
19 *hours of work a week and is expected to continue*
20 *for a period of not less than 3 months.*

21 “(5) *DEFINITIONS.—In this subsection:*

22 “(A) *ADJUSTED GROSS INCOME.—The term*
23 *‘adjusted gross income’ has the meaning given*
24 *the term in section 62 of the Internal Revenue*
25 *Code of 1986.*

1 “(B) *EXCEPTED FEDERAL ONE CONSOLIDA-*
2 *TION LOAN.*—*The term ‘Excepted Federal ONE*
3 *Consolidation Loan’ means a Federal ONE Con-*
4 *solidation Loan if the proceeds of such loan were*
5 *used to discharge the liability on—*

6 “(i) *a Federal ONE Parent Loan;*

7 “(ii) *a Federal Direct PLUS Loan, or*
8 *a loan under section 428B, that is made,*
9 *insured, or guaranteed on behalf of a de-*
10 *pendent student;*

11 “(iii) *an excepted consolidation loan*
12 *(defined in section 493C); or*

13 “(iv) *a Federal ONE Consolidation*
14 *loan that was used to discharge the liability*
15 *on a loan described in clause (i), (ii), or*
16 *(iii).*

17 “(e) *RULES OF CONSTRUCTION.*—*Nothing in this sec-*
18 *tion shall be construed to authorize, with respect to loans*
19 *made under this part—*

20 “(1) *eligibility for a repayment plan that is not*
21 *described in subsection (c)(1) or section 468(c); or*

22 “(2) *the Secretary to—*

23 “(A) *carry out a repayment plan, which is*
24 *not described in subsection (c)(1) or section*
25 *468(c); or*

1 “(B) modify a repayment plan that is de-
2 scribed in subsection (c)(1) or section 468(c).

3 **“SEC. 467. FEDERAL ONE PARENT LOANS.**

4 “(a) *AUTHORITY TO BORROW.*—

5 “(1) *AUTHORITY AND ELIGIBILITY.*—*The parent*
6 *of a dependent student shall be eligible to borrow*
7 *funds under this section in amounts specified in sub-*
8 *section (b), if—*

9 “(A) *the parent is borrowing to pay for the*
10 *educational costs of a dependent student who*
11 *meets the requirements for an eligible student*
12 *under section 484(a);*

13 “(B) *the parent meets the applicable re-*
14 *quirements concerning defaults and overpay-*
15 *ments that apply to a student borrower;*

16 “(C) *the parent complies with the require-*
17 *ments for submission of a statement of edu-*
18 *cational purpose that apply to a student bor-*
19 *rower under section 484(a)(4)(A) (other than the*
20 *completion of a statement of selective service reg-*
21 *istration status);*

22 “(D) *the parent meets the requirements that*
23 *apply to a student under section 437(a);*

24 “(E) *the parent—*

1 “(i) does not have an adverse credit
2 history; or

3 “(ii) has an adverse credit history, but
4 has—

5 “(I) obtained an endorser who
6 does not have an adverse credit history
7 or documented to the satisfaction of the
8 Secretary that extenuating cir-
9 cumstances exist in accordance with
10 paragraph (4)(D); and

11 “(II) completed Federal ONE
12 Parent Loan counseling offered by the
13 Secretary; and

14 “(F) in the case of a parent who has been
15 convicted of, or has pled nolo contendere or
16 guilty to, a crime involving fraud in obtaining
17 funds under this title, such parent has completed
18 the repayment of such funds to the Secretary, or
19 to the holder in the case of a loan under this title
20 obtained by fraud.

21 “(2) TERMS, CONDITIONS, AND BENEFITS.—Ex-
22 cept as provided in subsections (c), (d), and (e), loans
23 made under this section shall have the same terms,
24 conditions, and benefits as all other loans made under
25 this part.

1 “(3) *PARENT BORROWERS.*—

2 “(A) *DEFINITION.*—*For purposes of this sec-*
3 *tion, the term ‘parent’ includes a student’s bio-*
4 *logical or adoptive mother or father or the stu-*
5 *dent’s stepparent, if the biological parent or*
6 *adoptive mother or father has remarried at the*
7 *time of filing the common financial reporting*
8 *form under section 483(a), and that spouse’s in-*
9 *come and assets would have been taken into ac-*
10 *count when calculating the student’s expected*
11 *family contribution.*

12 “(B) *CLARIFICATION.*—*Whenever necessary*
13 *to carry out the provisions of this section, the*
14 *terms ‘student’ and ‘borrower’ as used in this*
15 *part shall include a parent borrower under this*
16 *section.*

17 “(4) *ADVERSE CREDIT HISTORY DEFINITIONS*
18 *AND ADJUSTMENTS.*—

19 “(A) *DEFINITIONS.*—*For purposes of this*
20 *section:*

21 “(i) *IN GENERAL.*—*The term ‘adverse*
22 *credit history’, when used with respect to a*
23 *borrower, means that the borrower—*

24 “(I) *has one or more debts with a*
25 *total combined outstanding balance*

1 equal to or greater than \$2,085, as
2 may be adjusted by the Secretary in
3 accordance with subparagraph (B),
4 that—

5 “(aa) are 90 or more days
6 delinquent as of the date of the
7 credit report; or

8 “(bb) have been placed in col-
9 lection or charged off during the
10 two years preceding the date of
11 the credit report; or

12 “(II) has been the subject of a de-
13 fault determination, bankruptcy dis-
14 charge, foreclosure, repossession, tax
15 lien, wage garnishment, or write-off of
16 a debt under this title during the 5
17 years preceding the date of the credit
18 report.

19 “(ii) *CHARGED OFF*.—The term
20 ‘charged off’ means a debt that a creditor
21 has written off as a loss, but that is still
22 subject to collection action.

23 “(iii) *IN COLLECTION*.— The term ‘in
24 collection’ means a debt that has been
25 placed with a collection agency by a cred-

1 itor or that is subject to more intensive ef-
2 forts by a creditor to recover amounts owed
3 from a borrower who has not responded sat-
4 isfactorily to the demands routinely made
5 as part of the creditor's billing procedures.

6 “(B) ADJUSTMENTS.—

7 “(i) IN GENERAL.—In a case of a bor-
8 rower with a debt amount described in sub-
9 paragraph (A)(i), the Secretary shall in-
10 crease such debt amount, or its inflation-ad-
11 justed equivalent, if the Secretary deter-
12 mines that an inflation adjustment to such
13 debt amount would result in an increase of
14 \$100 or more to such debt amount.

15 “(ii) INFLATION ADJUSTMENT.—In
16 making the inflation adjustment under
17 clause (i), the Secretary shall—

18 “(I) use the annual average per-
19 cent change of the All Items Consumer
20 Price Index for All Urban Consumers,
21 before seasonal adjustment, as the
22 measurement of inflation; and

23 “(II) if the adjustment calculated
24 under subclause (I) is equal to or
25 greater than \$100—

1 “(aa) add the adjustment to
2 the debt amount, or its inflation-
3 adjusted equivalent; and

4 “(bb) round up to the nearest
5 \$5.

6 “(iii) *PUBLICATION.*—The Secretary
7 shall publish a notice in the Federal Reg-
8 ister announcing any increase to the thresh-
9 old amount specified in subparagraph
10 (A)(i)(I).

11 “(C) *TREATMENT OF ABSENCE OF CREDIT*
12 *HISTORY.*—For purposes of this section, the Sec-
13 retary shall not consider the absence of a credit
14 history as an adverse credit history and shall not
15 deny a Federal ONE Parent loan on that basis.

16 “(D) *EXTENUATING CIRCUMSTANCES.*—For
17 purposes of this section, the Secretary may deter-
18 mine that extenuating circumstances exist based
19 on documentation that may include—

20 “(i) an updated credit report for the
21 parent; or

22 “(ii) a statement from the creditor that
23 the parent has repaid or made satisfactory
24 arrangements to repay a debt that was con-

1 sidered in determining that the parent has
2 an adverse credit history

3 “(b) *LIMITATION BASED ON NEED.*—Any loan under
4 this section may be counted as part of the expected family
5 contribution in the determination of need under this title,
6 but no loan may be made to any parent under this section
7 for any academic year in excess of the lesser of—

8 “(1) the student’s estimated cost of attendance
9 minus the student’s estimated financial assistance (as
10 calculated under section 465(b)(1)(A)); or

11 “(2) the established annual loan limits for such
12 loan under section 465(b).

13 “(c) *PARENT LOAN DISBURSEMENT.*—All loans made
14 under this section shall be disbursed in accordance with the
15 requirements of section 465(a) and shall be disbursed by—

16 “(1) an electronic transfer of funds from the
17 lender to the eligible institution; or

18 “(2) a check copayable to the eligible institution
19 and the parent borrower.

20 “(d) *PAYMENT OF PRINCIPAL AND INTEREST.*—

21 “(1) *COMMENCEMENT OF REPAYMENT.*—Repay-
22 ment of principal on loans made under this section
23 shall commence not later than 60 days after the date
24 such loan is disbursed by the Secretary, subject to de-
25 ferral—

1 “(A) during any period during which the
2 parent borrower meets the conditions required
3 for a deferral under section 469A; and

4 “(B) upon the request of the parent bor-
5 rower, during the 6-month period beginning, if
6 the parent borrower is also a student, the day
7 after the date such parent borrower ceases to
8 carry at least one-half such a workload.

9 “(2) *MAXIMUM REPAYMENT PERIOD.*—The max-
10 imum repayment period for a loan made under this
11 section shall be a 10-year period beginning on the
12 commencement of such period described in paragraph
13 (1).

14 “(3) *CAPITALIZATION OF INTEREST.*—Interest on
15 loans made under this section for which payments of
16 principal are deferred pursuant to paragraph (1)
17 shall, if agreed upon by the borrower and the Sec-
18 retary—

19 “(A) be paid monthly or quarterly; or

20 “(B) be added to the principal amount of
21 the loan not more frequently than quarterly by
22 the Secretary.

23 “(4) *APPLICABLE RATES OF INTEREST.*—Interest
24 on loans made pursuant to this section shall be at the

1 applicable rate of interest provided in section
2 465(c)(3) for loans made under this section.

3 “(5) *AMORTIZATION*.—Section 466(b)(2) shall
4 apply to each loan made under this section.

5 “(e) *VERIFICATION OF IMMIGRATION STATUS AND SO-*
6 *CIAL SECURITY NUMBER*.—A parent who wishes to borrow
7 funds under this section shall be subject to verification of
8 the parent’s—

9 “(1) immigration status in the same manner as
10 immigration status is verified for students under sec-
11 tion 484(g); and

12 “(2) social security number in the same manner
13 as social security numbers are verified for students
14 under section 484(p).

15 “(f) *DESIGNATION*.—For purposes of this Act, the Fed-
16 eral *ONE Loans* described in this section shall be known
17 as ‘Federal *ONE Parent Loans*’.

18 **“SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.**

19 “(a) *TERMS AND CONDITIONS*.—In making consolida-
20 tion loans under this section, the Secretary shall—

21 “(1) not make such a loan to an eligible bor-
22 rower, unless the Secretary has determined, in accord-
23 ance with reasonable and prudent business practices,
24 for each loan being consolidated, that the loan—

1 “(A) is a legal, valid, and binding obliga-
2 tion of the borrower; and

3 “(B) was made and serviced in compliance
4 with applicable laws and regulations;

5 “(2) ensure that each consolidation loan made
6 under this section will bear interest, and be subject to
7 repayment, in accordance with subsection (c), except
8 as otherwise provided under subsections (f) and (g) of
9 section 465;

10 “(3) ensure that each consolidation loan will be
11 made, notwithstanding any other provision of this
12 part limiting the annual or aggregate principal
13 amount for all loans made to a borrower, in an
14 amount which is equal to the sum of the unpaid prin-
15 cipal and accrued unpaid interest and late charges of
16 all eligible student loans received by the eligible bor-
17 rower which are selected by the borrower for consoli-
18 dation;

19 “(4) ensure that the proceeds of each consolida-
20 tion loan will be paid by the Secretary to the holder
21 or holders of the loans so selected to discharge the li-
22 ability on such loans;

23 “(5) disclose to a prospective borrower, in simple
24 and understandable terms, at the time the Secretary
25 provides an application for a consolidation loan—

1 “(A) with respect to a loan made, insured,
2 or guaranteed under this part, part B, or part
3 D, that if a borrower includes such a loan in the
4 consolidation loan—

5 “(i) that the consolidation would result
6 in a loss of loan benefits; and

7 “(ii) which specific loan benefits the
8 borrower would lose, including the loss of
9 eligibility for loan forgiveness (including
10 loss of eligibility for interest rate forgive-
11 ness), cancellation, deferment, forbearance,
12 interest-free periods, or loan repayment pro-
13 grams that would have been available for
14 such a loan; and

15 “(B) with respect to Federal Perkins Loans
16 under this part (as this part was in effect on the
17 day before the date of enactment of the PROS-
18 PER Act)—

19 “(i) that if a borrower includes such a
20 Federal Perkins Loan in the consolidation
21 loan, the borrower will lose all interest-free
22 periods that would have been available for
23 the Federal Perkins Loan, such as—

24 “(I) the periods during which no
25 interest accrues on such loan while the

1 *borrower is enrolled in an institution*
2 *of higher education at least half-time;*

3 *“(II) the grace period under sec-*
4 *tion 464(c)(1)(A) (as such section was*
5 *in effect on the day before the date of*
6 *enactment of the PROSPER Act); and*

7 *“(III) the periods during which*
8 *the borrower’s student loan repayments*
9 *are deferred under section 464(c)(2) (as*
10 *such section was in effect on the day*
11 *before the date of enactment of the*
12 *PROSPER Act); and*

13 *“(ii) that if a borrower includes such a*
14 *Federal Perkins Loan in the consolidation*
15 *loan, the borrower will no longer be eligible*
16 *for cancellation of part or all of the Federal*
17 *Perkins Loan under section 465(a) (as such*
18 *section was in effect on the day before the*
19 *date of enactment of the PROSPER Act);*
20 *and*

21 *“(iii) the occupations listed in section*
22 *465 that qualify for Federal Perkins Loan*
23 *cancellation under section 465(a) (as such*
24 *section was in effect on the day before the*
25 *date of enactment of the PROSPER Act);*

1 “(C) the repayment plans that are available
2 to the borrower under section (c);

3 “(D) the options of the borrower to prepay
4 the consolidation loan, to pay such loan on a
5 shorter schedule, and to change repayment plans;

6 “(E) the consequences of default on the con-
7 solidation loan; and

8 “(F) that by applying for a consolidation
9 loan, the borrower is not obligated to agree to
10 take the consolidation loan; and

11 “(6) not make such a loan to an eligible bor-
12 rower, unless—

13 “(A) the borrower has agreed to notify the
14 Secretary promptly concerning any change of
15 address; and

16 “(B) the loan is evidenced by a note or
17 other written agreement which—

18 “(i) is made without security and
19 without endorsement, except that if—

20 “(I) the borrower is a minor and
21 such note or other written agreement
22 executed by him or her would not,
23 under applicable law, create a binding
24 obligation, endorsement may be re-
25 quired; or

1 “(II) the borrower desires to in-
2 clude in the consolidation loan, a Fed-
3 eral ONE Parent Loan, or a loan
4 under section 428B, or a Federal Di-
5 rect PLUS loan, made on behalf of a
6 dependent student, endorsement shall
7 be required;

8 “(ii) provides for the payment of inter-
9 est and the repayment of principal as de-
10 scribed in paragraph (2);

11 “(iii) provides that during any period
12 for which the borrower would be eligible for
13 a deferral under section 469A, which period
14 shall not be included in determining the re-
15 payment schedule pursuant to subsection
16 (c)—

17 “(I) periodic installments of prin-
18 cipal need not be paid, but interest
19 shall accrue and be paid by the bor-
20 rower or be capitalized; and

21 “(II) except as otherwise provided
22 under subsections (f) and (g) of section
23 465, the Secretary shall not pay inter-
24 est on any portion of the consolidation
25 loan, without regard to whether the

1 *portion repays Federal Stafford Loans*
2 *for which the student borrower received*
3 *an interest subsidy under section 428*
4 *or Federal Direct Stafford Loans for*
5 *which the borrower received an interest*
6 *subsidy under section 455;*

7 *“(iv) entitles the borrower to accelerate*
8 *without penalty repayment of the whole or*
9 *any part of the loan; and*

10 *“(v) contains a notice of the system of*
11 *disclosure concerning such loan to consumer*
12 *reporting agencies under section 430A, and*
13 *provides that the Secretary on request of the*
14 *borrower will provide information on the*
15 *repayment status of the note to such con-*
16 *sumer reporting agencies.*

17 *“(b) NONDISCRIMINATION IN LOAN CONSOLIDATION.—*
18 *The Secretary shall not discriminate against any borrower*
19 *seeking a loan under this section—*

20 *“(1) based on the number or type of eligible stu-*
21 *dent loans the borrower seeks to consolidate;*

22 *“(2) based on the type or category of institution*
23 *of higher education that the borrower attended;*

24 *“(3) based on the interest rate to be charged to*
25 *the borrower with respect to the consolidation loan; or*

1 “(4) *with respect to the types of repayment*
2 *schedules offered to such borrower.*

3 “(c) *PAYMENT OF PRINCIPAL AND INTEREST.—*

4 “(1) *REPAYMENT SCHEDULES.—*

5 “(A) *ESTABLISHMENT.—*

6 “(i) *IN GENERAL.—Notwithstanding*
7 *any other provision of this part, the Sec-*
8 *retary shall—*

9 “(I) *establish repayment terms as*
10 *will promote the objectives of this sec-*
11 *tion; and*

12 “(II) *provide a borrower with the*
13 *option of the standard-repayment plan*
14 *or income-based repayment plan under*
15 *section 466(d) in lieu of such repay-*
16 *ment terms.*

17 “(ii) *SCHEDULE TERMS.—The repay-*
18 *ment terms established under clause (i)(I)*
19 *shall require that if the sum of the consoli-*
20 *dation loan and the amount outstanding on*
21 *other eligible student loans to the indi-*
22 *vidual—*

23 “(I) *is less than \$7,500, then such*
24 *consolidation loan shall be repaid in*
25 *not more than 10 years;*

1 “(II) is equal to or greater than
2 \$7,500 but less than \$10,000, then such
3 consolidation loan shall be repaid in
4 not more than 12 years;

5 “(III) is equal to or greater than
6 \$10,000 but less than \$20,000, then
7 such consolidation loan shall be repaid
8 in not more than 15 years;

9 “(IV) is equal to or greater than
10 \$20,000 but less than \$40,000, then
11 such consolidation loan shall be repaid
12 in not more than 20 years;

13 “(V) is equal to or greater than
14 \$40,000 but less than \$60,000, then
15 such consolidation loan shall be repaid
16 in not more than 25 years; or

17 “(VI) is equal to or greater than
18 \$60,000, then such consolidation loan
19 shall be repaid in not more than 30
20 years.

21 “(B) *LIMITATION.*—*The amount out-*
22 *standing on other eligible student loans which*
23 *may be counted for the purpose of subparagraph*
24 *(A) may not exceed the amount of the consolida-*
25 *tion loan.*

1 “(2) *ADDITIONAL REPAYMENT REQUIREMENTS.*—

2 *Notwithstanding paragraph (1)—*

3 “(A) *except in the case of an income-based*
4 *repayment schedule under section 466(d), a re-*
5 *payment schedule established with respect to a*
6 *consolidation loan shall require that the min-*
7 *imum installment payment be an amount equal*
8 *to not less than the accrued unpaid interest; and*

9 “(B) *an income-based repayment schedule*
10 *under section 466(d) shall not be available to a*
11 *consolidation loan borrower who—*

12 “(i) *used the proceeds of a Federal*
13 *ONE Consolidation loan to discharge the li-*
14 *ability—*

15 “(I) *on a loan under section 428B*
16 *made on behalf of a dependent student;*

17 “(II) *a Federal Direct PLUS loan*
18 *made on behalf of a dependent student;*

19 “(III) *a Federal ONE Parent*
20 *loan; or*

21 “(IV) *an excepted consolidation*
22 *loan (defined in section 493C); or*

23 “(ii) *used the proceeds of a subsequent*
24 *Federal ONE Consolidation loan to dis-*

1 *charge the liability on a Federal ONE Con-*
2 *solidation loan described in clause (i).*

3 “(3) *COMMENCEMENT OF REPAYMENT.*—*Repay-*
4 *ment of a consolidation loan shall commence within*
5 *60 days after all holders have, pursuant to subsection*
6 *(a)(4), discharged the liability of the borrower on the*
7 *loans selected for consolidation.*

8 “(4) *INTEREST RATE.*—*A consolidation loan*
9 *made under this section shall bear interest at an an-*
10 *nual rate described in section 465(c)(4).*

11 “(d) *INSURANCE RULE.*—*Any insurance premium*
12 *paid by the borrower under subpart I of part A of title*
13 *VII of the Public Health Service Act with respect to a loan*
14 *made under that subpart and consolidated under this sec-*
15 *tion shall be retained by the student loan insurance account*
16 *established under section 710 of the Public Health Service*
17 *Act.*

18 “(e) *DEFINITIONS.*—*For the purpose of this section:*

19 “(1) *ELIGIBLE BORROWER.*—

20 “(A) *IN GENERAL.*—*The term ‘eligible bor-*
21 *rower’ means a borrower who—*

22 “(i) *is not subject to a judgment se-*
23 *cured through litigation with respect to a*
24 *loan under this title or to an order for wage*
25 *garnishment under section 488A; and*

1 “(ii) at the time of application for a
2 consolidation loan—

3 “(I) is in repayment status as de-
4 termined under section 466(a)(1);

5 “(II) is in a grace period pre-
6 ceding repayment; or

7 “(III) is a defaulted borrower who
8 has made arrangements to repay the
9 obligation on the defaulted loans satis-
10 factory to the holders of the defaulted
11 loans.

12 “(B) *TERMINATION OF STATUS AS AN ELIGI-*
13 *BLE BORROWER.*—An individual’s status as an
14 eligible borrower under this section terminates
15 upon receipt of a consolidation loan under this
16 section, except that—

17 “(i) an individual who receives eligible
18 student loans after the date of receipt of the
19 consolidation loan may receive a subsequent
20 consolidation loan;

21 “(ii) loans received prior to the date of
22 the consolidation loan may be added during
23 the 180-day period following the making of
24 the consolidation loan;

1 “(iii) loans received following the mak-
2 ing of the consolidation loan may be added
3 during the 180-day period following the
4 making of the consolidation loan;

5 “(iv) loans received prior to the date of
6 the first consolidation loan may be added to
7 a subsequent consolidation loan; and

8 “(v) an individual may obtain a sub-
9 sequent consolidation loan for the purpose—

10 “(I) of income-based repayment
11 under section 466(d) only if the loan
12 has been submitted for default aversion
13 or if the loan is already in default;

14 “(II) of using the no accrual of
15 interest for active duty service members
16 benefit offered under section 465(g); of

17 “(III) of submitting an applica-
18 tion under section 469B(d) for a bor-
19 rower defense to repayment of a loan
20 made, insured, or guaranteed under
21 this title.

22 “(2) *ELIGIBLE STUDENT LOANS.*—For the pur-
23 pose of paragraph (1), the term ‘eligible student loans’
24 means loans—

1 “(A) made, insured, or guaranteed under
2 part B, and first disbursed before July 1, 2010,
3 including loans on which the borrower has de-
4 faulted (but has made arrangements to repay the
5 obligation on the defaulted loans satisfactory to
6 the Secretary or guaranty agency, whichever in-
7 sured the loans);

8 “(B) made under part D of this title, and
9 first disbursed before July 1, 2019;

10 “(C) made under this part before September
11 30, 2017;

12 “(D) made under this part on or after the
13 date of enactment of the PROSPER Act;

14 “(E) made under subpart II of part A of
15 title VII of the Public Health Service Act; or

16 “(F) made under part E of title VIII of the
17 Public Health Service Act.

18 “(f) DESIGNATION.—For purposes of this Act, the Fed-
19 eral ONE Loans described in this section shall be known
20 as ‘Federal ONE Consolidation Loans’.

21 **“SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.**

22 “(a) IN GENERAL.—A borrower who has 1 or more
23 loans in 2 or more of the categories described in subsection
24 (b), and who has not yet entered repayment on 1 or more
25 of those loans in any of the categories, may consolidate all

1 *of the loans of the borrower that are described in subsection*
2 *(b) into a Federal ONE Consolidation Loan during the pe-*
3 *riod described in subsection (c).*

4 “(b) *CATEGORIES OF LOANS THAT MAY BE CONSOLI-*
5 *DATED.—The categories of loans that may be consolidated*
6 *under this section are—*

7 “(1) *loans made under this part before October*
8 *1, 2017 and on or after July 1, 2019;*

9 “(2) *loans purchased by the Secretary pursuant*
10 *to section 459A;*

11 “(3) *loans made under part B that are held by*
12 *an eligible lender, as such term is defined in section*
13 *435(d); and*

14 “(4) *loans made under part D.*

15 “(c) *TIME PERIOD IN WHICH LOANS MAY BE CON-*
16 *SOLIDATED.—The Secretary may make a Federal ONE*
17 *Consolidation Loan under this section to a borrower whose*
18 *application for such Federal ONE Consolidation Loan is*
19 *received on or after July 1, 2019, and before July 1, 2024.*

20 “(d) *TERMS OF LOANS.—A Federal ONE Consolida-*
21 *tion Loan made under this subsection shall have the same*
22 *terms and conditions as a Federal ONE Consolidation*
23 *Loan made under section 468, except that in determining*
24 *the applicable rate of interest on the Federal ONE Consoli-*
25 *ation Loan made under this section, section 465(c)(4) shall*

1 *be applied without rounding the weighted average of the*
2 *interest rate on the loans consolidated to the nearest higher*
3 *one-eighth of one percent as in such section.*

4 **“SEC. 469A. DEFERMENT.**

5 “(a) *EFFECT ON PRINCIPAL AND INTEREST.*—A bor-
6 *rower of a loan made under this part who meets the require-*
7 *ments described in subsection (b) shall be eligible for a*
8 *deferment during which installments of principal need not*
9 *be paid and, unless otherwise provided in this subsection,*
10 *interest shall accrue and be capitalized or paid by the bor-*
11 *rower.*

12 “(b) *ELIGIBILITY.*—A borrower of a loan made under
13 *this part shall be eligible for a deferment—*

14 “(1) *during any period during which the bor-*
15 *rower—*

16 “(A) *is carrying at least one-half the nor-*
17 *mal full-time work load for the course of study*
18 *that the borrower is pursuing, as determined by*
19 *the eligible institution the borrower is attending;*

20 “(B) *is pursuing a course of study pursuant*
21 *to—*

22 “(i) *an eligible graduate fellowship*
23 *program in accordance with subsection (g);*
24 *or*

1 “(ii) an eligible rehabilitation training
2 program for individuals with disabilities in
3 accordance with subsection (i);

4 “(C) is serving on active duty during a war
5 or other military operation or national emer-
6 gency, and for the 180-day period following the
7 demobilization date for such service;

8 “(D) is performing qualifying National
9 Guard duty during a war or other military op-
10 eration or national emergency, and for the 180-
11 day period following the demobilization date for
12 such service;

13 “(E) is a member of the National Guard
14 who is not eligible for a post-active duty
15 deferment under section 493D and is engaged in
16 active State duty for a period of more than 30
17 consecutive days beginning—

18 “(i) the day after 6 months after the
19 date the student ceases to carry at least one-
20 half the normal full-time academic workload
21 (as determined by the institution); or

22 “(ii) the day after the borrower ceases
23 enrollment on at least a half-time basis, for
24 a loan in repayment;

1 “(F) is serving in a medical or dental in-
2 ternship or residency program, the successful
3 completion of which is required to begin profes-
4 sional practice or service, or is serving in a med-
5 ical or dental internship or residency program
6 leading to a degree or certificate awarded by an
7 institution of higher education, a hospital, or a
8 health care facility that offers postgraduate
9 training; or

10 “(G) is eligible for interest payments to be
11 made on a loan made under this part for service
12 in the Armed Forces under section 2174 of title
13 10, United States Code, and pursuant to that
14 eligibility, the interest is being paid on such loan
15 under section 465(f);

16 “(2) during a period sufficient to enable the bor-
17 rower to resume honoring the agreement to repay the
18 outstanding balance of principal and interest on the
19 loan after default, if—

20 “(A) the borrower signs a new agreement to
21 repay such outstanding balance;

22 “(B) the deferment period is limited to 120
23 days; and

24 “(C) such deferment is not granted for con-
25 secutive periods;

1 “(3) during a period of administrative deferment
2 described in subsection (j); or

3 “(4) in the case of a borrower of a Federal ONE
4 Parent Loan or an Excepted Federal ONE Consolida-
5 tion Loan, during a period described in subsection
6 (k).

7 “(c) *LENGTH OF DEFERMENT.*—A deferment granted
8 by the Secretary—

9 “(1) under subparagraph (F) or (G) of sub-
10 section (b)(1) shall be renewable at 12 month inter-
11 vals;

12 “(2) under subparagraph (F) of subsection (b)(1)
13 shall equal the length of time remaining in the bor-
14 rower’s medical or dental internship or residency pro-
15 gram; and

16 “(3) under subparagraph (G) of subsection (b)(1)
17 shall not exceed 3 years.

18 “(d) *REQUEST AND DOCUMENTATION.*—The Secretary
19 shall determine the eligibility of a borrower for a deferment
20 under paragraphs (1), (2), or (4) of subsection (b), or in
21 the case of a loan for which an endorser is required, an
22 endorser’s eligibility for a deferment under paragraph (2)
23 or (4) or eligibility to request a deferment under paragraph
24 (1), based on—

1 “(1) the receipt of a request for a deferment from
2 the borrower or the endorser, and documentation of
3 the borrower’s or endorser’s eligibility for the
4 deferment or eligibility to request the deferment;

5 “(2) receipt of a completed loan application that
6 documents the borrower’s eligibility for a deferment;

7 “(3) receipt of a student status information doc-
8 umenting that the borrower is enrolled on at least a
9 half-time basis; or

10 “(4) the Secretary’s confirmation of the bor-
11 rower’s half-time enrollment status, if the confirma-
12 tion is requested by the institution of higher edu-
13 cation.

14 “(e) NOTIFICATION.—The Secretary shall—

15 “(1) notify a borrower of a loan made under this
16 part—

17 “(A) the granting of a deferment under this
18 subsection on such loan; and

19 “(B) the option of the borrower to continue
20 making payments on the outstanding balance of
21 principal and interest on such loan in accord-
22 ance with subsection (f);

23 “(2) at the time the Secretary grants a deferment
24 to a borrower of a loan made under this part, and
25 not less frequently than once every 180 days during

1 *the period of such deferment, provide information to*
2 *the borrower to assist the borrower in under-*
3 *standing—*

4 “(A) *the effect of granting a deferment on*
5 *the total amount to be paid under the income-*
6 *based repayment plan under 466(d);*

7 “(B) *the fact that interest will accrue on the*
8 *loan for the period of deferment, other than for*
9 *a deferment granted under subsection (b)(1)(G);*

10 “(C) *the amount of unpaid principal and*
11 *the amount of interest that has accrued since the*
12 *last statement of such amounts provided to the*
13 *borrower;*

14 “(D) *the amount of interest that will be*
15 *capitalized, and the date on which capitalization*
16 *will occur;*

17 “(E) *the effect of the capitalization of inter-*
18 *est on the borrower’s loan principal and on the*
19 *total amount of interest to be paid on the loan;*

20 “(F) *the option of the borrower to pay the*
21 *interest that has accrued before the interest is*
22 *capitalized; and*

23 “(G) *the borrower’s option to discontinue*
24 *the deferment at any time.*

1 “(f) *FORM OF DEFERMENT.*—*The form of a deferment*
2 *granted under this subsection on a loan made under this*
3 *part shall be temporary cessation of all payments on such*
4 *loan, except that—*

5 “(1) *in the case of a deferment granted under*
6 *subsection (b)(1)(G), payments of interest on the loan*
7 *will be made by the Secretary under section 465(f)*
8 *during such period of deferment; and*

9 “(2) *a borrower may make payments on the out-*
10 *standing balance of principal and interest on such*
11 *loan during any period of deferment granted under*
12 *this subsection.*

13 “(g) *GRADUATE FELLOWSHIP DEFERMENT.*—

14 “(1) *IN GENERAL.*—*A borrower of a loan under*
15 *this part is eligible for a deferment under subsection*
16 *(b)(1)(B)(i) during any period for which an author-*
17 *ized official of the borrower’s graduate fellowship pro-*
18 *gram certifies that the borrower meets the require-*
19 *ments of paragraph (2) and is pursuing a course of*
20 *study pursuant to an eligible graduate fellowship pro-*
21 *gram.*

22 “(2) *BORROWER REQUIREMENTS.*—*A borrower*
23 *meets the requirements of this subparagraph if the*
24 *borrower—*

1 “(A) holds at least a baccalaureate degree
2 conferred by an institution of higher education;

3 “(B) has been accepted or recommended by
4 an institution of higher education for acceptance
5 on a full-time basis into an eligible graduate fel-
6 lowship program; and

7 “(C) is not serving in a medical internship
8 or residency program, except for a residency pro-
9 gram in dentistry.

10 “(h) *TREATMENT OF STUDY OUTSIDE THE UNITED*
11 *STATES.*—

12 “(1) *IN GENERAL.*—*The Secretary shall treat, in*
13 *the same manner as required under section 428(b)(4),*
14 *any course of study at a foreign university that is ac-*
15 *cepted for the completion of a recognized inter-*
16 *national fellowship program by the administrator of*
17 *such a program as an eligible graduate fellowship*
18 *program.*

19 “(2) *REQUESTS FOR DEFERMENT.*—*Requests for*
20 *deferment of repayment of loans under this subsection*
21 *by students engaged in graduate or postgraduate fel-*
22 *lowship-supported study (such as pursuant to a Ful-*
23 *bright grant) outside the United States shall be ap-*
24 *proved until completion of the period of the fellow-*

1 *ship, in the same manner as required under section*
2 *428(b)(4).*

3 “(i) *REHABILITATION TRAINING PROGRAM*
4 *DEFERMENT.—A borrower of a loan under this part is eli-*
5 *gible for a deferment under subsection (b)(1)(B)(ii) during*
6 *any period for which an authorized official of the borrower’s*
7 *rehabilitation training program certifies that the borrower*
8 *is pursuing an eligible rehabilitation training program for*
9 *individuals with disabilities.*

10 “(j) *ADMINISTRATIVE DEFERMENTS.—The Secretary*
11 *may grant a deferment to a borrower or, in the case of a*
12 *loan for which an endorser is required, an endorser, without*
13 *requiring a request and documentation from the borrower*
14 *or the endorser under subsection (d) for—*

15 “(1) *a period during which the borrower was de-*
16 *linquent at the time a deferment is granted, including*
17 *a period for which scheduled payments of principal*
18 *and interest were overdue at the time such deferment*
19 *is granted;*

20 “(2) *a period during which the borrower or the*
21 *endorser was granted a deferment under this sub-*
22 *section but for which the Secretary determines the*
23 *borrower or the endorser should not have qualified;*

24 “(3) *a period necessary for the Secretary to de-*
25 *termine the borrower’s eligibility for the cancellation*

1 *of the obligation of the borrower to repay the loan*
2 *under section 437;*

3 *“(4) a period during which the Secretary has*
4 *authorized deferment due to a national military mo-*
5 *bilization or other local or national emergency; or*

6 *“(5) a period not to exceed 60 days, during*
7 *which interest shall accrue but not be capitalized, if*
8 *the Secretary reasonably determines that a suspension*
9 *of collection activity is warranted to enable the Sec-*
10 *retary to process supporting documentation relating*
11 *to a borrower’s request—*

12 *“(A) for a deferment under this subsection;*

13 *“(B) for a change in repayment plan under*
14 *section 466(c); or*

15 *“(C) to consolidate loans under section 468.*

16 *“(k) DEFERMENTS FOR PARENT OR EXCEPTED CON-*
17 *SOLIDATION LOANS.—*

18 *“(1) IN GENERAL.—A qualified borrower shall be*
19 *eligible for deferments under paragraphs (3) through*
20 *(5).*

21 *“(2) QUALIFIED BORROWER DEFINED.—In this*
22 *subsection, the term ‘qualified borrower’ means—*

23 *“(A) a borrower of a Federal ONE Parent*
24 *Loan or an Excepted Federal ONE Consolida-*
25 *tion Loan; or*

1 “(B) *in the case of such a loan for which an*
2 *endorser is required, the endorser of such loan.*

3 “(3) *ECONOMIC HARDSHIP DEFERMENT.*—

4 “(A) *IN GENERAL.*—*A qualified borrower*
5 *shall be eligible for a deferment during periods,*
6 *not to exceed 3 years in total, during which the*
7 *qualified borrower experiences an economic hard-*
8 *ship described in subparagraph (B).*

9 “(B) *ECONOMIC HARDSHIP.*—*An economic*
10 *hardship described in this clause is a period dur-*
11 *ing which the qualified borrower—*

12 “(i) *is receiving payment under a*
13 *means-tested benefit program;*

14 “(ii) *is employed full-time and the*
15 *monthly gross income of the qualified bor-*
16 *rower does not exceed the greater of—*

17 “(I) *the minimum wage rate de-*
18 *scribed in section 6 of the Fair Labor*
19 *Standards Act of 1938 (29 U.S.C.*
20 *206); or*

21 “(II) *an amount equal to 150 per-*
22 *cent of the poverty line; or*

23 “(iii) *demonstrates that the sum of the*
24 *qualified borrower’s monthly payments on*
25 *the qualified borrower’s Federal ONE Par-*

1 *ent Loan or Excepted Federal ONE Consoli-*
2 *dation Loan is not less than 20 percent of*
3 *the qualified borrower’s monthly gross in-*
4 *come.*

5 “(C) *ELIGIBILITY.*—*To be eligible to receive*
6 *a deferment under this subparagraph, a qualified*
7 *borrower shall submit to the Secretary—*

8 *“(i) for the first period of deferment*
9 *under this subparagraph, evidence showing*
10 *the monthly gross income of the qualified*
11 *borrower; and*

12 *“(ii) for a subsequent period of*
13 *deferment that begins less than one year*
14 *after the end of a period of deferment grant-*
15 *ed under this subparagraph—*

16 *“(I) evidence showing the monthly*
17 *gross income of the qualified borrower;*
18 *or*

19 *“(II) the qualified borrower’s most*
20 *recently filed Federal income tax re-*
21 *turn, if such a return was filed in ei-*
22 *ther of the two tax years preceding the*
23 *year in which the qualified borrower*
24 *requests the subsequent period of*
25 *deferment.*

1 “(4) *UNEMPLOYMENT DEFERMENT.*—

2 “(A) *IN GENERAL.*—*A qualified borrower*
3 *shall be eligible for a deferment for periods dur-*
4 *ing which the qualified borrower is seeking, and*
5 *is unable to find, full-time employment.*

6 “(B) *ELIGIBILITY.*—

7 “(i) *IN GENERAL.*—*To be eligible to re-*
8 *ceive an deferment under this subpara-*
9 *graph, a qualified borrower shall submit to*
10 *the Secretary—*

11 “(I) *evidence of the qualified bor-*
12 *rower’s eligibility for unemployment*
13 *benefits; or*

14 “(II) *written confirmation, or an*
15 *equivalent as approved by the Sec-*
16 *retary, that—*

17 “(aa) *the qualified borrower*
18 *has registered with a public or*
19 *private employment agency, if one*
20 *is available to the borrower within*
21 *50 miles of the qualified bor-*
22 *rower’s address; and*

23 “(bb) *for requests submitted*
24 *after the initial request, the quali-*
25 *fied borrower has made at least*

1 *six diligent attempts during the*
2 *preceding six-month period to se-*
3 *cure full-time employment.*

4 “(i) *ACCEPTANCE OF EMPLOYMENT.*—

5 *A qualified borrower shall not be eligible for*
6 *a deferment under this subparagraph if the*
7 *qualified borrower refuses to seek or accept*
8 *employment in types of positions or at sal-*
9 *ary levels or responsibility levels for which*
10 *the qualified borrower feels overqualified*
11 *based on the qualified borrower’s education*
12 *or previous experience.*

13 “(C) *TERMS OF DEFERMENT.*—*The fol-*
14 *lowing terms shall apply to a deferment under*
15 *this subparagraph:*

16 “(i) *INITIAL PERIOD.*—*The first*
17 *deferment granted to a qualified borrower*
18 *under this subparagraph may be for a pe-*
19 *riod of unemployment beginning not more*
20 *than 6 months before the date on which the*
21 *Secretary receives the qualified borrower’s*
22 *request for deferment and may be granted*
23 *for a period of up to 6 months after that*
24 *date.*

1 “(ii) *RENEWALS.—Deferments under*
2 *this subparagraph shall be renewable at 6-*
3 *month intervals beginning after the expira-*
4 *tion of the first period of deferment under*
5 *clause (i). To be eligible to renew a*
6 *deferment under this subparagraph, a*
7 *qualified borrower shall submit to the Sec-*
8 *retary the information described in sub-*
9 *paragraph (B)(i).*

10 “(iii) *AGGREGATE LIMIT.—The period*
11 *of all deferments granted to a borrower*
12 *under this subparagraph may not exceed 3*
13 *years in aggregate.*

14 “(5) *HEALTH DEFERMENT.—*

15 “(A) *IN GENERAL.—A qualified borrower*
16 *shall be eligible for a deferment during periods*
17 *in which the qualified borrower is unable to*
18 *make scheduled loan payments due to high med-*
19 *ical expenses, as determined by the Secretary.*

20 “(B) *ELIGIBILITY.—To be eligible to receive*
21 *a deferment under this subparagraph, a qualified*
22 *borrower shall—*

23 “(i) *submit to the Secretary docu-*
24 *mentation demonstrating that making*
25 *scheduled loan payments would be an ex-*

1 *treme economic hardship to the borrower*
2 *due to high medical expenses, as determined*
3 *by the Secretary; and*

4 “(ii) resubmit such documentation to
5 *the Secretary not less frequently than once*
6 *every 3 months.*

7 “(l) *PROHIBITIONS.—*

8 “(1) *PROHIBITION ON FEES.—No administrative*
9 *fee or other fee may be charged to the borrower in*
10 *connection with the granting of a deferment under*
11 *this subsection.*

12 “(2) *PROHIBITION ON ADVERSE CREDIT REPORT-*
13 *ING.—No adverse information relating to a borrower*
14 *may be reported to a consumer reporting agency sole-*
15 *ly because of the granting of a deferment under this*
16 *subsection.*

17 “(3) *LIMITATION ON AUTHORITY.—The Secretary*
18 *shall not, through regulation or otherwise, authorize*
19 *additional deferment options or periods of deferment*
20 *other than the deferment options and periods of*
21 *deferment authorized under this subsection.*

22 “(m) *TREATMENT OF ENDORSERS.—With respect to*
23 *any Federal ONE Parent Loan or Federal ONE Consolida-*
24 *tion Loan for which an endorser is required—*

1 “(1) paragraphs (2) through (4) of subsection (b)
2 shall be applied—

3 “(A) by substituting ‘An endorser’ for ‘A
4 borrower’;

5 “(B) by substituting ‘the endorser’ for ‘the
6 borrower’; and

7 “(C) by substituting ‘an endorser’ for ‘a
8 borrower’; and

9 “(2) in the case in which the borrower of such
10 a loan is eligible for a deferment described in sub-
11 paragraph (C), (D), (E), (F), or (G) of subsection
12 (b)(1), but is not making payments on the loan, the
13 endorser of the loan may request a deferment under
14 such subparagraph for the loan.

15 “(n) DEFINITIONS.—In this section:

16 “(1) ELIGIBLE GRADUATE FELLOWSHIP PRO-
17 GRAM.—The term ‘eligible graduate fellowship pro-
18 gram’, when used with respect to a course of study
19 pursued by the borrower of a loan under this part,
20 means a fellowship program that—

21 “(A) provides sufficient financial support to
22 graduate fellows to allow for full-time study for
23 at least six months;

1 “(B) requires a written statement from each
2 applicant explaining the applicant’s objectives
3 before the award of that financial support;

4 “(C) requires a graduate fellow to submit
5 periodic reports, projects, or evidence of the fel-
6 low’s progress; and

7 “(D) in the case of a course of study at an
8 institution of higher education outside the
9 United States described in section 102, accepts
10 the course of study for completion of the fellow-
11 ship program.

12 “(2) *ELIGIBLE REHABILITATION TRAINING PRO-*
13 *GRAM FOR INDIVIDUALS WITH DISABILITIES.*—The
14 term ‘eligible rehabilitation training program for in-
15 dividuals with disabilities’, when used with respect a
16 course of study pursued by the borrower of a loan
17 under this part, means a program that—

18 “(A) is necessary to assist an individual
19 with a disability in preparing for, securing, re-
20 taining, or regaining employment;

21 “(B) is licensed, approved, certified, or oth-
22 erwise recognized as providing rehabilitation
23 training to disabled individuals by—

24 “(i) a State agency with responsibility
25 for vocational rehabilitation programs, drug

1 *abuse treatment programs, mental health*
2 *services programs, or alcohol abuse treat-*
3 *ment programs; or*

4 *“(ii) the Secretary of the Department*
5 *of Veterans Affairs; and*

6 *“(C) provides or will provide the borrower*
7 *with rehabilitation services under a written plan*
8 *that—*

9 *“(i) is individualized to meet the bor-*
10 *rower’s needs;*

11 *“(ii) specifies the date on which the*
12 *services to the borrower are expected to end;*
13 *and*

14 *“(iii) requires a commitment of time*
15 *and effort from the borrower that prevents*
16 *the borrower from being employed at least*
17 *30 hours per week, either because of the*
18 *number of hours that must be devoted to re-*
19 *habilitation or because of the nature of the*
20 *rehabilitation.*

21 *“(3) EXCEPTED FEDERAL ONE CONSOLIDATION*
22 *LOAN.—The ‘Excepted Federal ONE Consolidation*
23 *Loan’ have the meaning given the term in section*
24 *466(d)(5).*

1 “(4) *FAMILY SIZE*.—The term ‘family size’
2 means the number that is determined by counting—

3 “(A) the borrower;

4 “(B) the borrower’s spouse;

5 “(C) the borrower’s children, including un-
6 born children who are expected to be born during
7 the period covered by the deferment, if the chil-
8 dren receive more than half their support from
9 the borrower; and

10 “(D) another individual if, at the time the
11 borrower requests a deferment under this section,
12 the individual—

13 “(i) lives with the borrower;

14 “(ii) receives more than half of the in-
15 dividual’s support (which may include
16 money, gifts, loans, housing, food, clothes,
17 car, medical and dental care, and payment
18 of college costs) from the borrower; and

19 “(iii) is expected to receive such sup-
20 port from the borrower during the relevant
21 period of deferment.

22 “(5) *FULL-TIME*.—The term ‘full-time’, when
23 used with respect to employment, means employment
24 for not less than 30 hours per week that is expected
25 to continue for not less than three months.

1 “(6) *MEANS-TESTED BENEFIT PROGRAM.*—*The*
2 *term ‘means-tested benefit program’ means—*

3 “(A) *a State public assistance program*
4 *under which eligibility for the program’s bene-*
5 *fits, or the amount of such benefits, are deter-*
6 *mined on the basis of income or resources of the*
7 *individual or family seeking the benefit; or*

8 “(B) *a mandatory spending program of the*
9 *Federal Government, other than a program*
10 *under this title, under which eligibility for the*
11 *program’s benefits, or the amount of such bene-*
12 *fits, are determined on the basis of income or re-*
13 *sources of the individual or family seeking the*
14 *benefit, and may include such programs as*

15 “(i) *the supplemental security income*
16 *program under title XVI of the Social Secu-*
17 *rity Act (42 U.S.C. 1381 et seq.);*

18 “(ii) *the supplemental nutrition assist-*
19 *ance program under the Food and Nutri-*
20 *tion Act of 2008 (7 U.S.C. 2011 et seq.);*

21 “(iii) *the free and reduced price school*
22 *lunch program established under the Rich-*
23 *ard B. Russell National School Lunch Act*
24 *(42 U.S.C. 1751 et seq.);*

1 “(iv) the program of block grants for
2 States for temporary assistance for needy
3 families established under part A of title IV
4 of the Social Security Act (42 U.S.C. 601 et
5 seq.);

6 “(v) the special supplemental nutrition
7 program for women, infants, and children
8 established by section 17 of the Child Nutri-
9 tion Act of 1966 (42 U.S.C. 1786); and

10 “(vi) other programs identified by the
11 Secretary.

12 “(7) MONTHLY GROSS INCOME.—The term
13 ‘monthly gross income’, when used with respect to a
14 borrower, means—

15 “(A) the gross amount of income received by
16 the borrower from employment and other sources
17 for the most recent month; or

18 “(B) one-twelfth of the borrower’s adjusted
19 gross income, as recorded on the borrower’s most
20 recently filed Federal income tax return.

21 **“SEC. 469B. ADDITIONAL TERMS.**

22 “(a) APPLICABLE PART B PROVISIONS.—

23 “(1) DISCLOSURES.—Except as otherwise pro-
24 vided in this part, section 455(p) shall apply with re-
25 spect to loans under this part in the same manner

1 *that such section applies with respect to loans under*
2 *part D.*

3 “(2) *OTHER PROVISIONS.—Except as otherwise*
4 *provided in this part, the following provisions shall*
5 *apply with respect to loans made under this part in*
6 *the same manner that such provisions apply with re-*
7 *spect to loans made under part D:*

8 “(A) *Section 427(a)(2).*

9 “(B) *Section 428(d).*

10 “(C) *Section 428F*

11 “(D) *Section 430A.*

12 “(E) *Paragraphs (1), (2), (4), and (6) of*
13 *section 432(a).*

14 “(F) *Section 432(i).*

15 “(G) *Section 432(l).*

16 “(H) *Section 432(m), except that an insti-*
17 *tution of higher education shall have a separate*
18 *master promissory note under paragraph (1)(D)*
19 *of such section for loans made under this part.*

20 “(I) *Subsections (a), (c), and (d) of section*
21 *437.*

22 “(3) *APPLICATION OF PROVISIONS.—Any provi-*
23 *sion listed under paragraph (1) or (2) that applies*
24 *to—*

1 “(A) *Federal Direct PLUS Loans made on*
2 *behalf of dependent students shall apply to Fed-*
3 *eral ONE Parent Loans;*

4 “(B) *Federal Direct PLUS Loans made to*
5 *students shall apply to Federal ONE Loans for*
6 *graduate or professional students;*

7 “(C) *Federal Direct Unsubsidized Stafford*
8 *loans shall apply to Federal ONE Loans (other*
9 *than Federal ONE Consolidation Loans) for any*
10 *student borrower;*

11 “(D) *Federal Direct Consolidation Loans*
12 *shall apply to Federal ONE Consolidation*
13 *Loans; and*

14 “(E) *forbearance shall apply to deferment*
15 *under section 469A.*

16 “(b) *ELIGIBLE STUDENT.—A loan under this part*
17 *may only be made to a student who—*

18 “(1) *is an eligible student under section 484;*

19 “(2) *has agreed to notify promptly the Secretary*
20 *and the applicable contractors with which the Sec-*
21 *retary has a contract under section 493E con-*
22 *cerning—*

23 “(A) *any change of permanent address, tele-*
24 *phone number, or email address;*

1 “(B) when the student ceases to be enrolled
2 on at least a half-time basis; and

3 “(C) any other change in status, when such
4 change in status affects the student’s eligibility
5 for the loan; and

6 “(3) is carrying at least one-half the normal full-
7 time academic workload for the course of study the
8 student is pursuing (as determined by the institu-
9 tion).

10 “(c) *LOAN APPLICATION AND PROMISSORY NOTE.*—
11 *The common financial reporting form required in section*
12 *483(a)(1) shall constitute the application for loans made*
13 *under this part. The Secretary shall develop, print, and dis-*
14 *tribute to participating institutions a standard promissory*
15 *note and loan disclosure form.*

16 “(d) *BORROWER DEFENSES.*—*A borrower of a loan*
17 *under this part may assert a defense to repayment to such*
18 *loan under the provisions of section 455(h) that apply to*
19 *a borrower of a loan made under part D asserting, on or*
20 *after the date of enactment of the PROSPER Act, a defense*
21 *to repayment to such loan made under part D.*

22 “(e) *IDENTITY FRAUD PROTECTION.*—*The Secretary*
23 *shall ensure that monthly Federal ONE Loan statements*
24 *and other publications of the Department do not contain*

1 *more than four digits of the Social Security number of any*
2 *individual.*

3 “(f) *AUTHORITY TO SELL LOANS.*—*The Secretary, in*
4 *consultation with the Secretary of the Treasury, is author-*
5 *ized to sell loans made under this part on such terms deter-*
6 *mined to be in the best interest of the United States, except*
7 *that any such sale shall not result in any cost to the Federal*
8 *Government.”.*

9 ***PART F—NEED ANALYSIS***

10 ***SEC. 471. COST OF ATTENDANCE.***

11 *Section 472 (20 U.S.C. 1087ll) is amended—*

12 *(1) by striking paragraph (10); and*

13 *(2) by redesignating paragraphs (11), (12), and*
14 *(13) as paragraphs (10), (11), and (12), respectively.*

15 ***SEC. 472. SIMPLIFIED NEEDS TEST.***

16 *Section 479(b)(1) (20 U.S.C. 1087ss) is amended by*
17 *striking “\$50,000” both places it appears and inserting*
18 *“\$100,000”.*

19 ***SEC. 473. DISCRETION OF STUDENT FINANCIAL AID ADMIN-***
20 ***ISTRATORS.***

21 *Section 479A (20 U.S.C. 1087tt) is amended—*

22 *(1) in subsection (a), by striking “financial as-*
23 *sistance under section 428H or a Federal Direct Un-*
24 *subsidized Stafford Loan” and inserting “a Federal*

1 *Direct Unsubsidized Stafford Loan or a Federal ONE*
2 *Loan*”;

3 (2) *in subsection (c), by striking “part B or D”*
4 *and inserting “part D or E”*; and

5 (3) *by adding at the end the following:*

6 “(d) *ADJUSTMENT BASED ON DELIVERY OF INSTRUCC-*
7 *TION.—A student’s eligibility to receive grants, loans, or*
8 *work assistance under this title shall be reduced if a finan-*
9 *cial aid officer determines, in accordance with the discre-*
10 *tionary authority provided under this section, that the*
11 *model or method used to deliver instruction to the student*
12 *results in a substantially reduced cost of attendance to the*
13 *student.*”.

14 **SEC. 474. DEFINITIONS OF TOTAL INCOME AND ASSETS.**

15 *Section 480 (20 U.S.C. 1087vv) is amended—*

16 (1) *in subsection (a)(1), by striking subpara-*
17 *graph (B) and inserting the following:*

18 “(B) *Notwithstanding section 478(a), the Secretary*
19 *shall provide for the use of data from the second preceding*
20 *tax year to carry out the simplification of applications (in-*
21 *cluding simplification for a subset of applications) used for*
22 *the estimation and determination of financial aid eligi-*
23 *bility. Such simplification shall include the sharing of data*
24 *between the Internal Revenue Service and the Department,*
25 *pursuant to the consent of the taxpayer.*”;

1 (2) *in subsection (f)—*

2 (A) *in paragraph (2)—*

3 (i) *in subparagraph (B), by striking*
4 “or” *at the end;*

5 (ii) *in subparagraph (C), by striking*
6 *the period at the end and inserting “; or”;*
7 *and*

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

10 “(D) *a qualified tuition program (as de-*
11 *efined in section 529(b)(1)(A) of the Internal Rev-*
12 *enue Code of 1986).”;* *and*

13 (B) *in paragraph (5)(A)(i), by striking*
14 “*qualified tuition program (as defined in section*
15 *529(b)(1)(A) of the Internal Revenue Code of*
16 *1986) or other”.*

17 **PART G—GENERAL PROVISIONS RELATING TO**
18 **STUDENT ASSISTANCE**

19 **SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**
20 **PROGRAM.**

21 *Section 481 (20 U.S.C. 1088) is amended—*

22 (1) *in subsection (a)—*

23 (A) *in paragraph (2)(A)—*

1 (i) by striking “For the” and inserting
2 the following: “Except as provided in para-
3 graph (3), for the”; and

4 (ii) in clause (i), by striking “require
5 a minimum of 30 weeks” and inserting the
6 following: “require—

7 “(I) a minimum of 30 weeks”;

8 (iii) in clause (ii), by striking “re-
9 quire”;

10 (iv) by redesignating clause (ii) as sub-
11 clause (II) (and by adjusting the margin
12 accordingly); and

13 (v) by redesignating clause (iii) as
14 clause (ii); and

15 (B) by adding at the end the following:

16 “(3)(A) For the purpose of a competency-based
17 education program the term ‘academic year’ shall be
18 the published measured period established by the in-
19 stitution of higher education that is necessary for a
20 student with a normal full-time workload for the
21 course of study the student is pursuing (as measured
22 using the value of competencies or sets of competencies
23 required by such institution and approved by such in-
24 stitution’s accrediting agency or association) to
25 earn—

1 “(i) one-quarter of a bachelor’s degree;
2 “(ii) one-half of an associate’s degree; or
3 “(iii) with respect to a non-degree or graduate
4 program, the equivalent of a period described in
5 clause (i) or (ii).

6 “(B)(i) A competency-based education pro-
7 gram that is not a term-based program may be
8 treated as a term-based program for purposes of
9 establishing payment periods for disbursement of
10 loans and grants under this title if—

11 “(I) the institution of higher education
12 that offers such program charges a flat sub-
13 scription fee for access to instruction during
14 a period determined by the institution; and

15 “(II) the institution is able to deter-
16 mine the competencies a student is expected
17 to demonstrate for such subscription period.

18 “(ii) Clause (i) shall apply even in a case
19 in which instruction or other work with respect
20 to a competency that is expected to be attrib-
21 utable to a subscription period begins prior to
22 such subscription period.

23 “(iii) In a case in which a competency-
24 based education program offered by an institu-
25 tion of higher education is treated as a term-

1 *based program under clause (i), the institution*
2 *shall review the academic progress of each stu-*
3 *dent enrolled in such program in accordance*
4 *with section 484(c), except that such review shall*
5 *occur at the end of each payment period.”;*

6 *(2) by amending subsection (b) to read as fol-*
7 *lows:*

8 *“(b) ELIGIBLE PROGRAM.—(1) For purposes of this*
9 *title, the term ‘eligible program’ means—*

10 *“(A) a program of at least 300 clock hours of in-*
11 *struction, 8 semester hours, or 12 quarter hours, of-*
12 *fered during a minimum of 10 weeks; or*

13 *“(B) a competency-based program that—*

14 *“(i) has been evaluated and approved by an*
15 *accrediting agency or association that—*

16 *“(I) is recognized by the Secretary*
17 *under subpart 2 of part H; and*

18 *“(II) has evaluation of competency-*
19 *based education programs within the scope*
20 *of its recognition in accordance with section*
21 *496(a)(4)(C); or*

22 *“(ii) as of the day before the date of enact-*
23 *ment of the PROSPER Act, met the require-*
24 *ments of a direct assessment program under sec-*

1 *tion 481(b)(4) (as such section was in effect on*
2 *the day before such date of enactment).*

3 *“(2) An eligible program described in paragraph (1)*
4 *may be offered in whole or in part through telecommuni-*
5 *cations.*

6 *“(3) For purposes of this title, the term ‘eligible pro-*
7 *gram’ does not include a program that loses its eligibility*
8 *under section 481B(a).*

9 *“(4)(A) If an eligible institution enters into a written*
10 *arrangement with an institution or organization that is not*
11 *an eligible institution under which such ineligible institu-*
12 *tion or organization provides the educational program (in*
13 *whole or in part) of students enrolled in the eligible institu-*
14 *tion, the educational program provided by such ineligible*
15 *institution shall be considered to be an eligible program*
16 *if—*

17 *“(i) the ineligible institution or organiza-*
18 *tion has not—*

19 *“(I) had its eligibility to participate in*
20 *the programs under this title terminated by*
21 *the Secretary;*

22 *“(II) voluntarily withdrawn from par-*
23 *ticipation in the programs under this title*
24 *under a proceeding initiated by the Sec-*
25 *retary, accrediting agency or association,*

1 *guarantor, or the licensing agency for the*
2 *State in which the institution is located, in-*
3 *cluding a termination, show-cause, or sus-*
4 *pension;*

5 *“(III) had its certification under sub-*
6 *part 3 of part H to participate in the pro-*
7 *grams under this title revoked by the Sec-*
8 *retary;*

9 *“(IV) had its application for recertifi-*
10 *cation under subpart 3 of part H to par-*
11 *ticipate in the programs under this title de-*
12 *nied by the Secretary; or*

13 *“(V) had its application for certifi-*
14 *cation under subpart 3 of part H to par-*
15 *ticipate in the programs under this title de-*
16 *nied by the Secretary;*

17 *“(ii) the educational program offered by the*
18 *institution that grants the degree or certificate*
19 *otherwise satisfies the requirements of paragraph*
20 *(1); and*

21 *“(iii)(I) the ineligible institution or organi-*
22 *zation provides 25 percent or less of the edu-*
23 *cational program; or*

1 “(II)(aa) the ineligible institution or orga-
2 nization provides more than 25 percent of the
3 educational program; and

4 “(bb) the eligible institution’s accrediting
5 agency or association has determined that the el-
6 igible institution’s arrangement meets the agen-
7 cy’s standards for the contracting out of edu-
8 cational services in accordance with section
9 496(c)(5)(B)(iv).

10 “(B) For purposes of subparagraph (A), the term ‘eli-
11 gible institution’ means an institution described in section
12 487(a).”; and

13 (3) in subsection (c)(2), by striking “part B of”.

14 **SEC. 482. PROGRAMMATIC LOAN REPAYMENT RATES.**

15 Part G of title IV (20 U.S.C. 1088 et seq.) is amended,
16 as amended by section 481, is further amended by inserting
17 after section 481A (20 U.S.C. 1088a) the following:

18 **“SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.**

19 “(a) *INELIGIBILITY OF AN EDUCATIONAL PROGRAM*
20 *BASED ON LOW REPAYMENT RATES.*—

21 “(1) *IN GENERAL.*—With respect to fiscal year
22 2016 and each succeeding fiscal year, an educational
23 program at an institution of higher education whose
24 loan repayment rate is less than 45 percent for each
25 of the 3 most recent fiscal years for which data are

1 *available shall not be considered an eligible program*
2 *for the fiscal year in which the determination is made*
3 *and for the 2 succeeding fiscal years, unless, not later*
4 *than 30 days after receiving notification from the*
5 *Secretary of the loss of eligibility under this para-*
6 *graph, the institution appeals the loss of such pro-*
7 *gram's eligibility to the Secretary.*

8 “(2) *APPEAL.*—*The Secretary shall issue a deci-*
9 *sion on any such appeal within 45 days after its sub-*
10 *mission. Such decision may permit a program to be*
11 *considered an eligible program, if—*

12 “(A) *the institution demonstrates to the sat-*
13 *isfaction of the Secretary that—*

14 “(i) *the Secretary's calculation of such*
15 *program's loan repayment rate is not accu-*
16 *rate; and*

17 “(ii) *recalculation would increase such*
18 *program's loan repayment rate for any of*
19 *the 3 fiscal years equal to or greater than*
20 *45 percent; or*

21 “(B) *the program is not subject to para-*
22 *graph (1) by reason of paragraph (3).*

23 “(3) *PARTICIPATION RATE INDEX.*—

24 “(A) *IN GENERAL.*—*An institution that*
25 *demonstrates to the Secretary that a program's*

1 *participation rate index is equal to or less than*
2 *0.11 for any of the 3 most recent fiscal years for*
3 *which data is available shall not be subject to*
4 *paragraph (1).*

5 “(B) *INDEX CALCULATION.*—*The participa-*
6 *tion rate index for a program shall be deter-*
7 *mined by multiplying—*

8 “(i) *the amount of the difference be-*
9 *tween—*

10 “(I) *1.0; and*

11 “(II) *the quotient that results by*
12 *dividing—*

13 “(aa) *the program’s loan re-*
14 *payment rate for a fiscal year, or*
15 *the weighted average loan repay-*
16 *ment rate for a fiscal year, by*

17 “(bb) *100; and*

18 “(ii) *the quotient that results by divid-*
19 *ing—*

20 “(I) *the percentage of the pro-*
21 *gram’s regular students, enrolled on at*
22 *least a half-time basis, who received a*
23 *covered loan for a 12-month period*
24 *ending during the 6 months imme-*
25 *diately preceding the fiscal year for*

1 *which the program's loan repayment*
2 *rate or the weighted average loan re-*
3 *payment rate is determined, by*

4 “(II) 100.

5 “(C) *DATA.*—*An institution shall provide*
6 *the Secretary with sufficient data to determine*
7 *the program's participation rate index not later*
8 *than 30 days after receiving an initial notifica-*
9 *tion of the program's draft loan repayment rate*
10 *under subsection (d)(4)(C).*

11 “(D) *NOTIFICATION.*—*Prior to publication*
12 *of a final loan repayment rate under subsection*
13 *(d)(4)(A) for a program at an institution that*
14 *provides the data described in subparagraph (C),*
15 *the Secretary shall notify the institution of the*
16 *institution's compliance or noncompliance with*
17 *subparagraph (A).*

18 “(b) *REPAYMENT IMPROVEMENT AND ASSESSMENT OF*
19 *ELIGIBILITY BASED ON LOW LOAN REPAYMENT RATES.*—

20 “(1) *FIRST YEAR.*—

21 “(A) *IN GENERAL.*—*An institution with a*
22 *program whose loan repayment rate is less than*
23 *45 percent for any fiscal year shall establish a*
24 *repayment improvement task force to prepare a*
25 *plan to—*

1 “(i) identify the factors causing such
2 program’s loan repayment rate to fall below
3 such percent;

4 “(ii) establish measurable objectives
5 and the steps to be taken to improve the
6 program’s loan repayment rate; and

7 “(iii) specify actions that the institu-
8 tion can take to improve student loan re-
9 payment, including appropriate counseling
10 regarding loan repayment options.

11 “(B) TECHNICAL ASSISTANCE.—Each insti-
12 tution subject to this paragraph shall submit the
13 plan under subparagraph (A) to the Secretary,
14 who shall review the plan and offer technical as-
15 sistance to the institution to promote improved
16 student loan repayment.

17 “(2) SECOND CONSECUTIVE YEAR.—

18 “(A) IN GENERAL.—An institution with a
19 program whose loan repayment rate is less than
20 45 percent for two consecutive fiscal years,
21 shall—

22 “(i) require the institution’s repayment
23 improvement task force established under
24 paragraph (1) to review and revise the plan
25 required under such paragraph; and

1 “(i) submit such revised plan to the
2 Secretary.

3 “(B) REVIEW BY THE SECRETARY.—The
4 Secretary—

5 “(i) shall review each revised plan sub-
6 mitted in accordance with this paragraph;
7 and

8 “(ii) may direct that such plan be
9 amended to include actions, with measur-
10 able objectives, that the Secretary deter-
11 mines, based on available data and analyses
12 of student loan repayment and non-repay-
13 ment, will promote student loan repayment.

14 “(c) PROGRAMMATIC LOAN REPAYMENT RATE DE-
15 FINED.—

16 “(1) IN GENERAL.—Except as provided in sub-
17 section (d), for purposes of this section, the term ‘loan
18 repayment rate’ means, when used with respect to an
19 educational program at an institution—

20 “(A) with respect to any fiscal year in
21 which 30 or more current and former students in
22 such program enter repayment on a covered loan
23 received for attendance in such program, the per-
24 centage of such current and former students—

1 “(i) who enter repayment in such fis-
2 cal year on a covered loan received for at-
3 tendance in such program; and

4 “(ii) who are in a positive repayment
5 status on each such covered loan at the end
6 of the second fiscal year following the fiscal
7 year in which such students entered repay-
8 ment on such loan; and

9 “(B) with respect to any fiscal year in
10 which fewer than 30 of the current and former
11 students in such program enter repayment on a
12 covered loan received for attendance in such pro-
13 gram, the percentage of such current and former
14 students—

15 “(i) who, in any of the three most re-
16 cent fiscal years, entered repayment on a
17 covered loan received for attendance in such
18 program; and

19 “(ii) who are in a positive repayment
20 status on each such covered loan at the end
21 of the second fiscal year following the fiscal
22 year in which such students entered repay-
23 ment on such loan.

24 “(2) *GUARANTY AGENCY REQUIREMENTS.*—The
25 Secretary shall require that each guaranty agency

1 *that has insured loans for current or former students*
2 *of the institution afford such institution a reasonable*
3 *opportunity (as specified by the Secretary) to review*
4 *and correct errors in the information required to be*
5 *provided to the Secretary by the guaranty agency for*
6 *the purposes of calculating a loan repayment rate for*
7 *programs at such institution, prior to the calculation*
8 *of such rate.*

9 “(3) *POSITIVE REPAYMENT STATUS.*—*For pur-*
10 *poses of this section, the term ‘positive repayment sta-*
11 *tus’, when used with respect to a borrower of a cov-*
12 *ered loan, means—*

13 “(A) *the borrower has entered repayment on*
14 *such loan, and such loan is less than 90 days de-*
15 *linquent;*

16 “(B) *the loan is paid in full (but not*
17 *through consolidation); or*

18 “(C) *with respect to a covered loan that is*
19 *a Federal ONE Loan, the loan is in a deferment*
20 *described in 469A(b)(1), and with respect to a*
21 *covered loan made, insured, or guaranteed under*
22 *part B or made under part D, the loan is in a*
23 *deferment or forbearance that is comparable to a*
24 *deferment described in 469A(b)(1).*

1 “(4) *COVERED LOAN*.—*For purposes of this sec-*
2 *tion—*

3 “(A) *the term ‘covered loan’ means—*

4 “(i) *a loan made, insured, or guaran-*
5 *teed under section 428 or 428H;*

6 “(ii) *a Federal Direct Stafford Loan;*

7 “(iii) *a Federal Direct Unsubsidized*
8 *Stafford Loan;*

9 “(iv) *a Federal Direct PLUS Loan*
10 *issued to a graduate or professional student;*

11 “(v) *a Federal ONE Loan (other than*
12 *a Federal ONE Parent Loan or a Federal*
13 *ONE Consolidation Loan not described in*
14 *clause (vi)); or*

15 “(vi) *the portion of a loan made under*
16 *section 428C, a Federal Direct Consolida-*
17 *tion Loan, or a Federal ONE Consolidation*
18 *Loan that is used to repay any covered loan*
19 *described in clauses (i) through (v); and*

20 “(B) *the term ‘covered loan’ does not in-*
21 *clude a loan described in subparagraph (A) that*
22 *has been discharged under section 437(a).*

23 “(d) *SPECIAL RULES*.—

24 “(1) *IN GENERAL*.—*In the case of a student who*
25 *has attended and borrowed at more than one institu-*

1 *tion of higher education or for more than one edu-*
2 *cational program at an institution, the student (and*
3 *such student's subsequent positive repayment status*
4 *on a covered loan, if applicable)) shall be attributed*
5 *to each institution of higher education and edu-*
6 *cational program for attendance at which the student*
7 *received a loan that entered repayment for the fiscal*
8 *year for which the loan repayment rate is being cal-*
9 *culated.*

10 “(2) *DELINQUENT.*—*A loan on which a payment*
11 *is made by an institution of higher education, such*
12 *institutions's owner, agent, contractor, employee, or*
13 *any other entity or individual affiliated with such in-*
14 *stitution, in order to prevent the borrower from being*
15 *more than 90 days delinquent on the loan, shall be*
16 *considered more than 90 days delinquent for purposes*
17 *of this subsection.*

18 “(3) *REGULATIONS TO PREVENT EVASIONS.*—*The*
19 *Secretary shall prescribe regulations designed to pre-*
20 *vent an institution of higher education from evading*
21 *the application of a loan repayment rate determina-*
22 *tion under this section to an educational program at*
23 *such institution through—*

1 “(A) *the use of such measures as branching,*
2 *consolidation, change of ownership or control, or*
3 *any similar device; or*

4 “(B) *creating a new educational program*
5 *that is substantially similar to a program deter-*
6 *mined to be ineligible under subsection (a).*

7 “(4) *COLLECTION AND REPORTING OF LOAN RE-*
8 *PAYMENT RATES.—*

9 “(A) *IN GENERAL.—The Secretary shall*
10 *publish not less often than once every fiscal year*
11 *a report showing final loan repayment data for*
12 *each program at each institution of higher edu-*
13 *cation for which a loan repayment rate is cal-*
14 *culated under this section.*

15 “(B) *PUBLICATION.—The Secretary shall*
16 *publish the report described in subparagraph (A)*
17 *by September 30 of each year.*

18 “(C) *DRAFTS.—*

19 “(i) *IN GENERAL.—The Secretary shall*
20 *provide institutions with draft loan repay-*
21 *ment rates for each educational program at*
22 *the institution at least 6 months prior to*
23 *the release of the final rates under subpara-*
24 *graph (A).*

1 “(i) *CHALLENGE OF DRAFT RATES.*—
2 *An institution may challenge a program’s*
3 *draft loan repayment rate provided under*
4 *clause (i) for any fiscal year by dem-*
5 *onstrating to the satisfaction of the Sec-*
6 *retary that such draft loan repayment rate*
7 *is not accurate.*

8 “(e) *TRANSITION PERIOD.*—

9 “(1) *DURING THE TRANSITION PERIOD.*—*During*
10 *the transition period, the cohort default rate for each*
11 *institution of higher education shall be calculated*
12 *under section 435(m)(1) for each fiscal year for which*
13 *such rate has not yet been calculated and any require-*
14 *ments with respect to such rates shall continue to*
15 *apply, except that the loans with respect to which*
16 *such cohort default rate shall be calculated shall be the*
17 *covered loans defined in subsection (c)(4).*

18 “(2) *AFTER THE TRANSITION PERIOD.*—*After the*
19 *transition period, no new cohort default rates shall be*
20 *calculated for an institution of higher education and*
21 *any requirements with respect to such rates shall*
22 *cease to apply.*

23 “(3) *DEFINITIONS.*—*For purposes of this sub-*
24 *section—*

1 “(A) the term ‘cohort default rate’ has the
2 meaning given the term in section 435(m); and

3 “(B) the term ‘transition period’ means the
4 period—

5 “(i) beginning on the date of enact-
6 ment of the PROSPER Act; and

7 “(ii) ending on the date on which the
8 Secretary has published under subsection
9 (d)(4)(A) the final loan repayment rate for
10 each program at each institution of higher
11 education with respect to each of fiscal
12 years 2016, 2017, and 2018.”.

13 **SEC. 483. MASTER CALENDAR.**

14 Section 482 (20 U.S.C. 1089) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (1)—

17 (i) in subparagraph (A), by striking
18 “February 1” and inserting “January 15”;

19 (ii) in subparagraph (B), by striking
20 “March 1” and inserting “February 1”;

21 (iii) in subparagraph (C), by striking
22 “June 1” and inserting “May 1”;

23 (iv) in subparagraph (D), by striking
24 “August 15” and inserting “July 15”;

1 (v) by striking subparagraph (E), and
2 redesignating subparagraphs (F) and (G)
3 as subparagraphs (E) and (F), respectively;
4 and

5 (vi) in subparagraph (E), as so reded-
6 ignated, by striking “October 1” and insert-
7 ing “September 1”; and

8 (vii) in subparagraph (F), as so reded-
9 ignated, by striking “November 1” and in-
10 serting “October 1”;

11 (B) in paragraph (2)—

12 (i) in subparagraph (F), by striking
13 “and final Pell Grant payment schedule”;

14 (ii) in subparagraph (J), by striking
15 “June 1” and inserting “May 1”;

16 (iii) by redesignating subparagraphs
17 (C) through (J) as subparagraphs (D)
18 through (K), respectively; and

19 (iv) by inserting after subparagraph
20 (B) the following:

21 “(C) by November 1: final Pell Grant pay-
22 ment schedule;”; and

23 (2) in subsection (b)—

24 (A) by striking “413D(d), 442(d), or
25 462(i)” and inserting “442(d)”; and

1 (B) by striking “the programs under sub-
2 part 3 of part A, part C, and part E, respec-
3 tively” and inserting “part C”.

4 **SEC. 484. FAFSA SIMPLIFICATION.**

5 (a) *IN GENERAL.*—Section 483 (20 U.S.C. 1090) is
6 amended—

7 (1) in subsection (a)(3)—

8 (A) in subparagraph (E), by adding at the
9 end the following: “Notwithstanding the limita-
10 tions on sharing data described in this para-
11 graph, an institution of higher education may,
12 with explicit written consent of the applicant,
13 provide such information as is necessary to a
14 scholarship granting organization designated by
15 the applicant to assist the applicant in applying
16 for and receiving financial assistance for the ap-
17 plicant’s education at that institution. An orga-
18 nization that receives information pursuant to
19 the preceding sentence shall not maintain, ware-
20 house, sell, or otherwise store or share such infor-
21 mation after it has been used to determine the
22 additional aid available for such applicant and
23 the organization shall destroy the information
24 after such determination has been made.”; and

25 (B) by adding at the end the following:

1 “(I) *FORMAT*.—Not later than 1 year after
2 the date of the enactment of the *PROSPER Act*,
3 the Secretary shall make the electronic version of
4 the forms under this paragraph available
5 through a technology tool optimized for use on
6 mobile devices. Such technology tool shall, at
7 minimum, enable applicants to—

8 “(i) save data; and

9 “(ii) submit the *FAFSA* of such appli-
10 cant to the Secretary through such tool.

11 “(J) *CONSUMER TESTING*.—In developing
12 and maintaining the electronic version of the
13 forms under this paragraph and the technology
14 tool for mobile devices under subparagraph (I),
15 the Secretary shall conduct consumer testing
16 with appropriate persons to ensure the forms
17 and technology tool are designed to be easily usa-
18 ble and understandable by students and families.
19 Such consumer testing shall include—

20 “(i) current and prospective college
21 students, family members of such students,
22 and other individuals with expertise in stu-
23 dent financial assistance application proc-
24 esses;

1 “(ii) dependent students and inde-
2 pendent students who meet the requirements
3 under subsection (b) or (c) of section 479;
4 and

5 “(iii) dependent students and inde-
6 pendent students who do not meet the re-
7 quirements under subsection (b) or (c) of
8 section 479.”; and

9 (2) by amending subsection (f) to read as follows:

10 “(f) *USE OF INTERNAL REVENUE SERVICE DATA RE-*
11 *TRIEVAL TOOL TO POPULATE FAFSA.*—

12 “(1) *SIMPLIFICATION EFFORTS.*—*The Secretary*
13 *shall—*

14 “(A) *make every effort to allow applicants*
15 *to utilize the current data retrieval tool to trans-*
16 *fer, through a rigorous authentication process,*
17 *data available from the Internal Revenue Service*
18 *to reduce the amount of original data entry by*
19 *applicants and strengthen the reliability of data*
20 *used to calculate expected family contributions,*
21 *including through the use of technology to—*

22 “(i) *allow an applicant to automati-*
23 *cally populate the electronic version of the*
24 *forms under this paragraph with data*

1 *available from the Internal Revenue Serv-*
2 *ice; and*

3 “(ii) *direct an applicant to appro-*
4 *propriate questions on such forms based on the*
5 *applicant’s answers to previous questions;*
6 *and*

7 “(B) *allow single taxpayers, married tax-*
8 *payers filing jointly, and married taxpayers fil-*
9 *ing separately to utilize the current data re-*
10 *trieval tool to its full capacity.*

11 “(2) *USE OF TAX RETURN IN APPLICATION PROC-*
12 *ESS.—The Secretary shall continue to examine wheth-*
13 *er data provided by the Internal Revenue Service can*
14 *be used to generate an expected family contribution*
15 *without additional action on the part of the student*
16 *and taxpayer.*

17 “(3) *REPORTS ON FAFSA SIMPLIFICATION EF-*
18 *FORTS.—Not less than once every year, the Secretary*
19 *shall report to the authorizing committees on—*

20 “(A) *the progress of the simplification ef-*
21 *forts under this subsection; and*

22 “(B) *the security of the data retrieval tool.”.*

23 (b) *TECHNICAL AMENDMENT.—Section 483(a)(9)(C)*
24 *(20 U.S.C. 1090(a)(9)(C)) is amended by inserting “, in-*

1 *cluding through the tool described in section 485E(c)” before*
2 *the semicolon.*

3 **SEC. 485. STUDENT ELIGIBILITY.**

4 *Section 484 (20 U.S.C. 1091) is amended—*

5 *(1) in subsection (a)—*

6 *(A) in paragraph (1), by striking “a degree,*
7 *certificate, or other program (including a pro-*
8 *gram of study abroad approved for credit by the*
9 *eligible institution at which such student is en-*
10 *rolled) leading to a” and inserting “an eligible*
11 *program (including a program of study abroad*
12 *approved for credit by the eligible institution at*
13 *which such student is enrolled) leading to a de-*
14 *gree, certificate, or other”;* and

15 *(B) in paragraph (3), by inserting “as in*
16 *effect on the day before the date of enactment of*
17 *the PROSPER Act and pursuant to section*
18 *461(a) of such Act,” after “part E,”;*

19 *(2) in subsection (b)—*

20 *(A) in paragraph (3), by striking “part B*
21 *or D” and inserting “part B, D, or E”;* and

22 *(B) by adding at the end the following:*

23 *“(6) For purposes of competency-based education, in*
24 *order to be eligible to receive any loan under this title for*
25 *an award year, a student may be enrolled in coursework*

1 *attributable only to 2 academic years within the award*
2 *year.”;*

3 *(3) in subsection (c)—*

4 *(A) in paragraph (1)—*

5 *(i) in subparagraph (A)—*

6 *(I) by inserting “least as fre-*
7 *quently as” before “the end of each”;*
8 *and*

9 *(II) by striking “, and” at the end*
10 *and inserting a semicolon;*

11 *(ii) in subparagraph (B)—*

12 *(I) by striking “the student has a*
13 *cumulative” and inserting the fol-*
14 *lowing: “the student has—*

15 *“(i) a cumulative”;*

16 *(II) by striking “the second” and*
17 *inserting “each”;*

18 *(III) by striking the period at the*
19 *end and inserting “; or” ; and*

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

22 *“(ii) for the purposes of competency-*
23 *based programs, a non-grade equivalent*
24 *demonstration of academic standing con-*
25 *sistent with the requirements for gradua-*

1 *tion, as determined by the institution, at*
2 *the end of each such academic year; and”;*
3 *and*

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

6 *“(C) the student maintains a pace in his or her*
7 *educational program that—*

8 *“(i) ensures that the student completes the*
9 *program within the maximum timeframe; and*

10 *“(ii) is measured by a method determined*
11 *by the institution which may be based on credit*
12 *hours, clock hours, or competencies completed.”;*

13 *(B) in paragraph (2), by striking “grading*
14 *period” and inserting “evaluation period”; and*

15 *(C) by adding at the end the following:*

16 *“(4) For purposes of this subsection, the term ‘max-*
17 *imum timeframe’ means—*

18 *“(A) with respect to an undergraduate program*
19 *measured in credit hours, a period that is no longer*
20 *than 150 percent of the published length of the edu-*
21 *cational program, as measured in credit hours;*

22 *“(B) with respect to an undergraduate program*
23 *measured in competencies, a period that is no longer*
24 *than 150 percent of the published length of the edu-*
25 *cational program, as measured in competencies;*

1 “(C) *with respect to an undergraduate program*
2 *measured in clock hours, a period that is no longer*
3 *than 150 percent of the published length of the edu-*
4 *cational program, as measured by the cumulative*
5 *number of clock hours the student is required to com-*
6 *plete and expressed in calendar time; and*

7 “(D) *with respect to a graduate program, a pe-*
8 *riod defined by the institution that is based on the*
9 *length of the educational program.”;*

10 (4) *by amending subsection (d) to read as fol-*
11 *lows:*

12 “(d) *ADDITIONAL STUDENT ELIGIBILITY.—*

13 “(1) *ABILITY TO BENEFIT STUDENTS.—In order*
14 *for a student who does not have a certificate of grad-*
15 *uation from a school providing secondary education,*
16 *or the recognized equivalent of such certificate, to be*
17 *eligible for any assistance under subpart 1 of part A*
18 *and parts C, D, and E of this title, the student shall*
19 *be determined by the institution of higher education*
20 *as having the ability to benefit from the education of-*
21 *fered by the institution of higher education upon sat-*
22 *isfactory completion of 6 credit hours or the equiva-*
23 *lent coursework that are applicable toward a degree*
24 *or certificate offered by the institution of higher edu-*
25 *cation.*

1 “(2) *HOMESCHOOL STUDENTS*.—A student who
2 has completed a secondary school education in a home
3 school setting that is treated as a home school or pri-
4 vate school under State law shall be eligible for assist-
5 ance under subpart 1 of part A and parts C, D, and
6 E of this title.

7 “(3) *SECONDARY EDUCATION PROVIDED BY NON-*
8 *PROFIT CORPORATIONS*.—A student who has com-
9 pleted a secondary education provided by a school op-
10 erating as a nonprofit corporation that offers a pro-
11 gram of study determined acceptable for admission at
12 an institution of higher education shall be eligible for
13 assistance under subpart 1 of part A and parts C, D,
14 and E of this title.”.

15 (5) in subsection (f)(1), by striking “or part E”
16 both places it appears and inserting the following: “,
17 part E (as in effect on the day before the date of en-
18 actment of the *PROSPER Act* and pursuant to sec-
19 tion 461(a) of such Act), or part E (as in effect on
20 or after the date of enactment of the *PROSPER*
21 Act)”;

22 (6) by striking subsection (l);

23 (7) in subsection (n)—

24 (A) by striking “(n) *DATA BASE MATCH-*
25 *ING*.—To enforce”; and inserting the following:

1 “(n) *SELECTIVE SERVICE REGISTRATION.*—

2 “(1) *DATA BASE MATCHING.*—*To enforce*”; and

3 (B) *by adding at the end the following:*

4 “(2) *EFFECT OF FAILURE TO REGISTER FOR SE-*
5 *LECTIVE SERVICE.*—*A person who is 26 years of age*
6 *or older shall not be ineligible for assistance or a ben-*
7 *efit provided under this title by reason of failure to*
8 *present himself for, and submit to, registration under*
9 *section 3 of the Military Selective Service Act (50*
10 *U.S.C. 3802).*”; and

11 (8) *by redesignating subsections (m) through (t)*
12 *as subsections (l) through (s).*

13 **SEC. 486. STATUTE OF LIMITATIONS.**

14 *Section 484A (20 U.S.C. 1088) is amended—*

15 (1) *in subsection (a)(2)(C)—*

16 (A) *by striking “or 463(a)” and inserting “,*
17 *section 463(a) (as in effect on the day before the*
18 *date of enactment of the PROSPER Act and*
19 *pursuant to section 461(a) of such Act), or sec-*
20 *tion 463 (as in effect on or after the date of en-*
21 *actment of the PROSPER Act)*”; and

22 (B) *by striking “or E” and inserting “, E*
23 *(as in effect on the day before the date of enact-*
24 *ment of the PROSPER Act and pursuant to sec-*
25 *tion 461(a) of such Act), or E (as in effect on*

1 or after the date of enactment of the *PROSPER*
2 *Act*”); and

3 (2) in subsection (b)—

4 (A) by striking “and” at the end of para-
5 graph (2);

6 (B) in paragraph (3)—

7 (i) by inserting “(as in effect on the
8 day before the date of enactment of the
9 *PROSPER Act* and pursuant to section
10 461(a) of such Act)” after “part E”;

11 (ii) by inserting “(as so in effect)”
12 after “section 463(a)”; and

13 (iii) by striking the period at the end
14 and inserting “; and”; and

15 (C) by adding at the end the following:

16 “(4) in collecting any obligation arising from a
17 loan made under part E (as in effect on or after the
18 date of enactment of the *PROSPER Act*), an institu-
19 tion of higher education that has an agreement with
20 the Secretary pursuant to section 463(a) (as so in ef-
21 fect) shall not be subject to a defense raised by any
22 borrower based on a claim of infancy.”.

23 **SEC. 487. INSTITUTIONAL REFUNDS.**

24 Section 484B (20 U.S.C. 1091b) is amended—

25 (1) in subsection (a)—

1 (A) in paragraph (1)—

2 (i) by striking “If a recipient” and in-
3 serting the following:

4 “(A) CONSEQUENCE OF WITHDRAWAL.—If a
5 recipient”; and

6 (ii) by adding at the end the following:

7 “(B) SPECIAL RULE.—For purposes of sub-
8 paragraph (A), a student—

9 “(i) who is enrolled in a program of-
10 ferred in modules is not considered with-
11 drawn if the change in the student’s attend-
12 ance constitutes a change in enrollment sta-
13 tus within the payment period rather than
14 a discontinuance of attendance within the
15 payment period; and

16 “(ii) is considered withdrawn if the
17 student follows the institution’s official
18 withdrawal procedures or leaves without no-
19 tifying the institution and has not returned
20 before the end of the payment period.”;

21 (B) in paragraph (3)—

22 (i) in subparagraph (B), by striking
23 clauses (i) and (ii) and inserting the fol-
24 lowing:

1 “(i) 0 percent, if the day the student
2 withdrew occurs when the student has com-
3 pleted (as determined in accordance with
4 subsection (d)) 0 to 24 percent of the pay-
5 ment period or period of enrollment;

6 “(ii) 25 percent, if the day the student
7 withdrew occurs when the student has com-
8 pleted (as determined in accordance with
9 subsection (d)) 25 to 49 percent of the pay-
10 ment period or period of enrollment;

11 “(iii) 50 percent, if the day the student
12 withdrew occurs when the student has com-
13 pleted (as determined in accordance with
14 subsection (d)) 50 to 74 percent of the pay-
15 ment period or period of enrollment; or

16 “(iv) 75 percent, if the day the student
17 withdrew occurs when the student has com-
18 pleted (as determined in accordance with
19 subsection (d)) 75 to 99 percent of the pay-
20 ment period or period of enrollment.”.

21 (ii) in subparagraph (C)(i), by strik-
22 ing “subparts 1 and 3 of part A, or loan as-
23 sistance under parts B, D,” and inserting
24 “subpart 1 of part A or loan assistance
25 under parts D”; and

1 (C) in paragraph (4)—

2 (i) in subparagraph (A), by striking
3 “Secretary), the institution of higher edu-
4 cation shall contact the borrower” and in-
5 serting “Secretary), the institution of higher
6 education shall have discretion to determine
7 whether all or a portion of the late or post-
8 withdrawal disbursement should be made,
9 under a publicized institutional policy. If
10 the institution of higher education deter-
11 mines that a disbursement should be made,
12 the institution shall contact the borrower”;
13 and

14 (ii) in subparagraph (B) by striking
15 “institution or the student, or both, as may
16 be required under paragraphs (1) and (2) of
17 subsection (b), to the programs under this
18 title in the order specified in” and inserting
19 “institution, as may be required under
20 paragraph (1) of subsection (b), to the pro-
21 grams under this title in accordance with”;

22 (2) by amending subsection (b) to read as fol-
23 lows:

24 “(b) RETURN OF TITLE IV PROGRAM FUNDS.—

1 “(1) *RESPONSIBILITY OF THE INSTITUTION.*—
2 *The institution shall return not later than 60 days*
3 *from the determination of withdrawal, in accordance*
4 *with paragraph (3), the amount of grant and loan as-*
5 *stance awarded under this title that has not been*
6 *earned by the student, as calculated under subsection*
7 *(a)(3)(C).*

8 “(2) *RESPONSIBILITY OF THE STUDENT.*—

9 “(A) *IN GENERAL.*—*The student is not re-*
10 *sponsible to return assistance that has not been*
11 *earned, except that the institution may require*
12 *the student to pay to the institution up to 10*
13 *percent of the amount owed by the institution in*
14 *paragraph (1).*

15 “(B) *RULE OF CONSTRUCTION.*—*Nothing in*
16 *this section shall be construed to prevent an in-*
17 *stitution from enforcing the published institu-*
18 *tional refund policies of such institution.*

19 “(3) *ORDER OF RETURN OF TITLE IV FUNDS.*—

20 “(A) *IN GENERAL.*—*Excess funds returned*
21 *by the institution in accordance with paragraph*
22 *(1) shall be credited to awards under subpart 1*
23 *of part A for the payment period or period of en-*
24 *rollment for which a return of funds is required.*

1 “(B) *REMAINING EXCESSES.*—*If excess*
2 *funds remain after repaying all outstanding*
3 *grant amounts, the remaining excess shall be*
4 *credited in the following order:*

5 “(i) *To outstanding balances on loans*
6 *made under this title to the student or on*
7 *behalf of the student for the payment period*
8 *or period of enrollment for which a return*
9 *of funds is required.*

10 “(ii) *To other assistance awarded*
11 *under this title for which a return of funds*
12 *is required.”;*

13 (3) *by amending subsection (c) to read as fol-*
14 *lows:*

15 “(c) *WITHDRAWAL DATE.*—

16 “(1) *IN GENERAL.*—*In this section, the term ‘day*
17 *the student withdrew’—*

18 “(A) *for institutions not required to take at-*
19 *tendance, is the date as determined by the insti-*
20 *tution that—*

21 “(i) *the student began the withdrawal*
22 *process prescribed and publicized by the in-*
23 *stitution, or a later date if the student con-*
24 *tinued attendance despite beginning the*

1 *withdrawal process, but did not then com-*
2 *plete the payment period; or*

3 “*(ii) in the case of a student who does*
4 *not begin the withdrawal process, the date*
5 *that is the mid-point of the payment period*
6 *for which assistance under this title was*
7 *disbursed or another date documented by*
8 *the institution; or*

9 “*(B) for institutions required to take at-*
10 *tendance, is determined by the institution from*
11 *such attendance records.*

12 “*(2) SPECIAL RULE.—Notwithstanding para-*
13 *graph (1), if the institution determines that a student*
14 *did not begin the withdrawal process, due to illness,*
15 *accident, grievous personal loss, or other such cir-*
16 *cumstances beyond the student’s control, the institu-*
17 *tion may determine the appropriate withdrawal date*
18 *under its own defined policies.*

19 “*(3) ATTENDANCE.—An institution is required*
20 *to take attendance if an institution’s accrediting*
21 *agency or State licensing agency has a requirement*
22 *that the institution take attendance for all students in*
23 *an academic program throughout the entire payment*
24 *period.”; and*

25 *(4) by striking subsections (d) and (e).*

1 **SEC. 488. INFORMATION DISSEMINATED TO PROSPECTIVE**
2 **AND ENROLLED STUDENTS.**

3 (a) *USE OF WEBSITE TO DISSEMINATE INFORMA-*
4 *TION.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amend-*
5 *ed in the matter preceding subparagraph (A) by striking*
6 *the second and third sentences and inserting the following:*
7 *“The information required by this section shall be produced*
8 *and be made readily available to enrolled and prospective*
9 *students on the institution’s website (or in other formats*
10 *upon request).”.*

11 (b) *INFORMATION ON PROHIBITING COPYRIGHT IN-*
12 *FRINGEMENT.—Section 485(a)(1)(P) (20 U.S.C.*
13 *1092(a)(1)(P)) is amended by striking “, including—” and*
14 *all that follows and inserting a period.*

15 (c) *ELIMINATION OF CERTAIN REPORTING REQUIRE-*
16 *MENTS.—*

17 (1) *IN GENERAL.—Section 485(a)(1) (20 U.S.C.*
18 *1092(a)(1)) is amended—*

19 (A) *by striking subparagraph (L);*

20 (B) *by redesignating subparagraphs (M)*
21 *through (P) as subparagraphs (L) through (O);*
22 *and*

23 (C) *by striking subparagraphs (Q) through*
24 *(V) and inserting the following:*

25 “(P) *the fire safety report prepared by the*
26 *institution pursuant to subsection (i); and*

1 “(Q) the link to the institution’s informa-
2 tion on the College Dashboard website operated
3 under section 132.”.

4 (2) *CONFORMING AMENDMENTS.*—Section 485(a)
5 (20 U.S.C. 1092(a)) is amended by striking para-
6 graphs (3) through (7).

7 (d) *EXIT COUNSELING.*—Section 485(b) (20 U.S.C.
8 1092(b)) is amended—

9 (1) in paragraph (1)(A)—

10 (A) in the matter preceding clause (i)—

11 (i) by striking “through financial aid
12 offices or otherwise” and inserting “through
13 the use of an interactive program, during
14 an exit counseling session that is in-person
15 or online, or through the use of the online
16 counseling tool described in subsection
17 (n)(1)(A)”; and

18 (ii) by inserting “, as in effect on the
19 day before the date of enactment of the
20 *PROSPER* Act and pursuant to section
21 461(a) of such Act or made under part E
22 (other than Federal ONE Parent Loans), as
23 in effect on or after the date of enactment
24 of the *PROSPER* Act” after “part E”;

1 (B) by redesignating clauses (i) through (ix)
2 as clauses (iv) through (xii), respectively;

3 (C) by inserting before clause (iv), as so re-
4 designated, the following:

5 “(i) a summary of the outstanding balance of
6 principal and interest due on the loans made to the
7 borrower under this title;

8 “(ii) an explanation of the grace period pre-
9 ceding repayment and the expected date that the bor-
10 rower will enter repayment;

11 “(iii) an explanation of cases of interest capital-
12 ization and that the borrower has the option to pay
13 any interest that has accrued while the borrower was
14 in school or that may accrue during the grace period
15 preceding repayment or during an authorized period
16 of deferment or forbearance, prior to the capitaliza-
17 tion of the interest;”;

18 (D) in clause (iv), as so redesignated—

19 (i) by striking “sample information
20 showing the average” and inserting “infor-
21 mation, based on the borrower’s outstanding
22 balance described in clause (i), showing the
23 borrower’s”; and

24 (ii) by striking “of each plan” and in-
25 serting “of at least the standard repayment

1 *plan and the income-based repayment plan*
2 *under section 466(d)”;*

3 *(E) in clause (ix), as so redesignated—*

4 *(i) by inserting “decreased credit*
5 *score,” after “credit reports,”; and*

6 *(ii) by inserting “potential reduced*
7 *ability to rent or purchase a home or car,*
8 *potential difficulty in securing employ-*
9 *ment,” after “Federal law,”;*

10 *(F) in clause (x), as so redesignated, by*
11 *striking “consolidation loan under section 428C*
12 *or a”;*

13 *(G) in clauses (xi) and (xii), as so redesign-*
14 *ated, by striking “and” at the end; and*

15 *(H) by adding at the end the following:*

16 *“(xiii) for each of the borrower’s loans made*
17 *under this title for which the borrower is receiving*
18 *counseling under this subsection, the contact informa-*
19 *tion for the servicer of the loan and a link to the*
20 *Website of such servicer; and*

21 *“(xiv) an explanation that an individual has a*
22 *right to annually request a disclosure of information*
23 *collected by a consumer reporting agency pursuant to*
24 *section 612(a) of the Fair Credit Reporting Act (15*
25 *U.S.C. 1681j(a)).”;*

1 (2) *in paragraph (1)(B)—*

2 (A) *by inserting “online or” before “in*
3 *writing”; and*

4 (B) *by adding before the period at the end*
5 *the following: “, except that in the case of an in-*
6 *stitution using the online counseling tool de-*
7 *scribed in subsection (n)(1)(A), the Secretary*
8 *shall attempt to provide such information to the*
9 *student in the manner described in subsection*
10 *(n)(3)(C)”; and*

11 (3) *in paragraph (2)(C), by inserting “, such as*
12 *the online counseling tool described in subsection*
13 *(n)(1)(A),” after “electronic means”.*

14 (e) *DEPARTMENTAL PUBLICATION OF DESCRIPTIONS*
15 *OF ASSISTANCE PROGRAMS.—The third sentence of section*
16 *485(d)(1) (20 U.S.C. 1092(d)(1)) is amended by striking*
17 *“part D” and inserting “part D or E”.*

18 (f) *AMENDMENTS TO CLERY ACT.—*

19 (1) *PREVENTING INTERFERENCE WITH CRIMINAL*
20 *JUSTICE PROCEEDINGS; TIMELY WARNINGS; CONSIST-*
21 *ENCY OF INSTITUTIONAL CRIME REPORTING.—Section*
22 *485(f) (20 U.S.C. 1092(f)) is amended—*

23 (A) *by striking paragraph (3) and inserting*
24 *the following:*

1 “(3) *Each institution participating in any pro-*
2 *gram under this title, other than a foreign institution*
3 *of higher education, shall make timely reports to the*
4 *campus community on crimes described in paragraph*
5 *(1)(F) that have been reported to campus security of-*
6 *ficials and pose a serious and continuing threat to*
7 *other students and employees’ safety. Such reports*
8 *shall withhold the names of victims as confidential*
9 *and shall be provided in a timely manner, except that*
10 *an institution may delay issuing a report if the*
11 *issuance would compromise ongoing law enforcement*
12 *efforts, such as efforts to apprehend a suspect. The re-*
13 *port shall also include information designed to assist*
14 *students and employees in staying safe and avoiding*
15 *similar occurrences to the extent such information is*
16 *available and appropriate to include. In assessing in-*
17 *stitutional compliance with this section, the Secretary*
18 *shall defer to the institution’s determination of wheth-*
19 *er a particular crime poses a serious and continuing*
20 *threat to the campus community, and the timeliness*
21 *of such warning, provided that, in making its deci-*
22 *sion, the institution acted reasonably and based on*
23 *the considered professional judgement of campus secu-*
24 *rity officials, based on the facts and circumstances*
25 *known at the time.”;*

1 (B) by redesignating paragraph (18) as
2 paragraph (20); and

3 (C) by inserting after paragraph (17) the
4 following:

5 “(18) Nothing in this subsection may be construed to
6 prohibit an institution of higher education from delaying
7 the initiation of, or suspending, an investigation or institu-
8 tional disciplinary proceeding involving an allegation of
9 sexual assault in response to a request from a law enforce-
10 ment agency or a prosecutor to delay the initiation of, or
11 suspend, the investigation or proceeding, and any delay or
12 suspension of such an investigation or proceeding in re-
13 sponse to such a request may not serve as the grounds for
14 any sanction or audit finding against the institution or
15 for the suspension or termination of the institution’s par-
16 ticipation in any program under this title.

17 “(19)(A) Reporting carried out under this subsection
18 shall be conducted in a manner to ensure maximum consist-
19 ency with the Uniform Crime Reporting Program of the
20 Department of Justice.

21 “(B) The Secretary shall require institutions of higher
22 education to report crime statistics under this section using
23 definitions of such crimes, when available, from the Uni-
24 form Crime Reporting Program of the Department of Jus-
25 tice.

1 “(C) *The Secretary shall maintain a publicly available*
2 *and updated list of all applicable definitions from the Uni-*
3 *form Crime Reporting Program of the Department of Jus-*
4 *tice.*

5 “(D) *With respect to a report under this subsection,*
6 *in the case of a crime for which no Uniform Crime Report-*
7 *ing Program of the Department of Justice definition exists,*
8 *the Secretary shall require that institutions of higher edu-*
9 *cation report such crime according to a definition provided*
10 *by the Secretary.*

11 “(E) *An institution of higher education that reports*
12 *a crime described in subparagraph (D) shall not be subject*
13 *to any penalty or fine for reporting inaccuracies or omis-*
14 *sions if the institution of higher education can demonstrate*
15 *that it made a reasonable and good faith effort to report*
16 *crimes consistent with the definition provided by the Sec-*
17 *retary.*

18 “(F) *With respect to a report under this subsection,*
19 *the Secretary shall require institutions of higher education*
20 *to follow the Hierarchy Rule for reporting crimes under the*
21 *Uniform Crime Reporting Program of the Department of*
22 *Justice, so as to minimize duplicate reporting and ensure*
23 *greater consistency with national crime reporting sys-*
24 *tems.”.*

1 (2) *DUE PROCESS REQUIREMENTS FOR INSTITU-*
2 *TIONAL DISCIPLINARY PROCEEDINGS.*—Section
3 *485(f)(8)(B)(iv)(I) (20 U.S.C. 1092(f)(8)(B)(iv)(I)) is*
4 *amended to read as follows:*

5 “(I) *the investigation of the allegation*
6 *and any institutional disciplinary pro-*
7 *ceeding in response to the allegation shall be*
8 *prompt, impartial, and fair to both the ac-*
9 *cuser and the accused by, at a minimum—*

10 “(aa) *providing all parties to the*
11 *proceeding with adequate written no-*
12 *tice of the allegation not later than 2*
13 *weeks prior to the start of any formal*
14 *hearing or similar adjudicatory pro-*
15 *ceeding, and including in such notice a*
16 *description of all rights and respon-*
17 *sibilities under the proceeding, a state-*
18 *ment of all relevant details of the alle-*
19 *gation, and a specific statement of the*
20 *sanctions which may be imposed;*

21 “(bb) *providing each person*
22 *against whom the allegation is made*
23 *with a meaningful opportunity to*
24 *admit or contest the allegation;*

1 “(cc) ensuring that all parties to
2 the proceeding have access to all mate-
3 rial evidence not later than one week
4 prior to the start of any formal hear-
5 ing or similar adjudicatory proceeding;

6 “(dd) ensuring that the pro-
7 ceeding is carried out free from con-
8 flicts of interest by ensuring that there
9 is no commingling of administrative or
10 adjudicative roles; and

11 “(ee) ensuring that the investiga-
12 tion and proceeding shall be conducted
13 by officials who receive annual edu-
14 cation on issues related to domestic vi-
15 olence, dating violence, sexual assault,
16 and stalking, and on how to conduct
17 an investigation and an institutional
18 disciplinary proceeding that protects
19 the safety of victims, ensures fairness
20 for both the accuser and the accused,
21 and promotes accountability;”.

22 (3) *ESTABLISHMENT OF STANDARD OF EVIDENCE*
23 *FOR INSTITUTIONAL DISCIPLINARY PROCEEDINGS.—*

24 (A) *INCLUSION IN STATEMENT OF POLICY.—*

25 Section 485(f)(8)(B) (20 U.S.C. 1092(f)(8)(B)) is

1 amended by adding at the end the following new
2 clause:

3 “(viii) *The establishment of a standard of evi-*
4 *dence that will be used in institutional disciplinary*
5 *proceedings involving allegations of sexual assault,*
6 *which may be based on such standards and criteria*
7 *as the institution considers appropriate (including*
8 *the institution’s culture, history, and mission, the val-*
9 *ues reflected in its student code of conduct, and the*
10 *purpose of the institutional disciplinary proceedings)*
11 *so long as the standard is not arbitrary or capricious*
12 *and is applied consistently throughout all such pro-*
13 *ceedings.”.*

14 (B) *CONFORMING AMENDMENTS.*—Section
15 485(f)(8)(B)(iv) (20 U.S.C. 1092(f)(8)(B)(iv)) is
16 amended—

17 (i) by striking “and” at the end of sub-
18 clause (II);

19 (ii) by striking the period at the end of
20 subclause (III) and inserting “; and”; and

21 (iii) by adding at the end the following
22 new subclause:

23 “(IV) *in the case of a proceeding involving*
24 *an allegation of sexual assault, such proceedings*
25 *shall be conducted in accordance with the stand-*

1 *ard of evidence established by the institution*
2 *under clause (viii), together with a clear state-*
3 *ment describing such standard of evidence.”.*

4 (4) *EDUCATION MODULES FOR OFFICIALS CON-*
5 *DUCTING INVESTIGATIONS AND INSTITUTIONAL DIS-*
6 *CIPLINARY PROCEEDINGS.—Section 485(f)(8) (20*
7 *U.S.C. 1092(f)(8)) is amended by adding at the end*
8 *the following new subparagraph:*

9 “(D) *In consultation with experts from institutions of*
10 *higher education, law enforcement agencies, advocates for*
11 *sexual assault victims, experts in due process, and other ap-*
12 *propriate persons, the Secretary shall create and regularly*
13 *update modules which an institution of higher education*
14 *may use to provide the annual education described in sub-*
15 *paragraph (B)(iv)(I)(ee) for officials conducting investiga-*
16 *tions and institutional disciplinary proceedings involving*
17 *allegations described in such subparagraph. If the institu-*
18 *tion uses such modules to provide the education described*
19 *in such subparagraph, the institution shall be considered*
20 *to meet any requirement under such subparagraph or any*
21 *other Federal law regarding the education provided to offi-*
22 *cials conducting such investigations and proceedings.”.*

23 (g) *MODIFICATION OF CERTAIN REPORTING REQUIRE-*
24 *MENTS.—*

1 (1) *FIRE SAFETY*.—Section 485(i) (20 U.S.C.
2 1092(i)) is amended to read as follows:

3 “(i) *FIRE SAFETY REPORTS*.—

4 “(1) *ANNUAL REPORT*.—Each eligible institution
5 participating in any program under this title that
6 maintains on-campus student housing facilities shall,
7 on an annual basis, publish a fire safety report,
8 which shall contain information with respect to the
9 campus fire safety practices and standards of that in-
10 stitution, statistics on any fire related incidents or
11 injuries, and any preventative measures or tech-
12 nologies.

13 “(2) *RULES OF CONSTRUCTION*.—Nothing in this
14 subsection shall be construed to—

15 “(A) authorize the Secretary to require par-
16 ticular policies, procedures, programs, or prac-
17 tices by institutions of higher education with re-
18 spect to fire safety;

19 “(B) affect section 444 of the General Edu-
20 cation Provisions Act (commonly known as the
21 ‘Family Education Rights and Privacy Act of
22 1974’) or the regulations issued under section
23 264 of the Health Insurance Portability and Ac-
24 countability Act of 1996 (42 U.S.C. 1320d-2
25 note);

1 “(C) create a cause of action against any
2 institution of higher education or any employee
3 of such an institution for any civil liability; or

4 “(D) establish any standard of care.

5 “(3) EVIDENCE.—Notwithstanding any other
6 provision of law, evidence regarding compliance or
7 noncompliance with this subsection shall not be ad-
8 missible as evidence in any proceeding of any court,
9 agency, board, or other entity, except with respect to
10 an action to enforce this subsection.”.

11 (2) MISSING PERSONS PROCEDURES.—

12 (A) IN GENERAL.—Section 485(j)(1) (20
13 U.S.C. 1092(j)(1)) is amended to read as follows:

14 “(1) IN GENERAL.—Each institution of higher
15 education that provides on-campus housing and par-
16 ticipates in any program under this title shall estab-
17 lish a missing student policy for students who reside
18 in on-campus housing that, at a minimum, informs
19 each residing student that the institution will notify
20 such student’s designated emergency contact and the
21 appropriate law enforcement agency not later than 24
22 hours after the time that the student is determined
23 missing, and in the case of a student who is under
24 18 years of age, the institution will notify a custodial
25 parent or guardian.”.

1 (B) *RULE OF CONSTRUCTION.*—Section
2 485(j)(2) (20 U.S.C. 1092(j)(2)) is amended—

3 (i) by striking “or” at the end of sub-
4 paragraph (A);

5 (ii) by striking the period at the end of
6 subparagraph (B) and inserting “; or”; and

7 (iii) by adding at the end the following
8 new subparagraph:

9 “(C) to require an institution of higher edu-
10 cation to maintain separate missing student
11 emergency contact information, so long as the in-
12 stitution otherwise has an emergency contact for
13 students residing on campus.”.

14 (h) *ANNUAL COUNSELING.*—Section 485(l) (20 U.S.C.
15 1092(l)) is amended to read as follows:

16 “(l) *ANNUAL FINANCIAL AID COUNSELING.*—

17 “(1) *ANNUAL DISCLOSURE REQUIRED.*—

18 “(A) *IN GENERAL.*—Each eligible institu-
19 tion shall ensure, and annually affirm to the
20 Secretary, that each individual enrolled at such
21 institution who receives a Federal Pell Grant or
22 a loan made under this title (other than a Fed-
23 eral Direct Consolidation Loan or Federal ONE
24 Consolidation Loan) receives comprehensive in-
25 formation on the terms and conditions of such

1 *Federal Pell Grant or loan and the responsibil-*
2 *ities the individual has with respect to such Fed-*
3 *eral Pell Grant or loan. Such information shall*
4 *be provided, for each award year for which the*
5 *individual receives such Federal Pell Grant or*
6 *loan, in a simple and understandable manner—*

7 *“(i) during a counseling session con-*
8 *ducted in person;*

9 *“(ii) online, with the individual ac-*
10 *knowledging receipt of the information; or*

11 *“(iii) through the use of the online*
12 *counseling tool described in subsection*
13 *(n)(1)(B).*

14 *“(B) USE OF INTERACTIVE PROGRAMS.—In*
15 *the case of institutions not using the online*
16 *counseling tool described in subsection (n)(1)(B),*
17 *the Secretary shall require such institutions to*
18 *carry out the requirements of subparagraph*
19 *(A)—*

20 *“(i) through the use of interactive pro-*
21 *grams;*

22 *“(ii) during an annual counseling ses-*
23 *sion that is in-person or online that tests*
24 *the individual’s understanding of the terms*

1 *and conditions of the Federal Pell Grant or*
2 *loan awarded to the student; and*

3 *“(iii) using simple and understandable*
4 *language and clear formatting.*

5 *“(2) ALL INDIVIDUALS.—The information to be*
6 *provided under paragraph (1) to each individual re-*
7 *ceiving counseling under this subsection shall include*
8 *the following:*

9 *“(A) An explanation of how the student*
10 *may budget for typical educational expenses and*
11 *a sample budget based on the cost of attendance*
12 *for the institution.*

13 *“(B) An explanation that an individual has*
14 *a right to annually request a disclosure of infor-*
15 *mation collected by a consumer reporting agency*
16 *pursuant to section 612(a) of the Fair Credit Re-*
17 *porting Act (15 U.S.C. 1681j(a)).*

18 *“(C) Based on the most recent data avail-*
19 *able from the American Community Survey*
20 *available from the Department of Commerce, the*
21 *estimated average income and percentage of em-*
22 *ployment in the State of domicile of the borrower*
23 *for persons with—*

24 *“(i) a high school diploma or equiva-*
25 *lent;*

1 “(ii) *some post-secondary education*
2 *without completion of a degree or certifi-*
3 *cate;*

4 “(iii) *an associate’s degree;*

5 “(iv) *a bachelor’s degree; and*

6 “(v) *a graduate or professional degree.*

7 “(D) *An introduction to the financial man-*
8 *agement resources provided by the Financial Lit-*
9 *eracy and Education Commission.*

10 “(3) *STUDENTS RECEIVING FEDERAL PELL*
11 *GRANTS.—The information to be provided under*
12 *paragraph (1) to each student receiving a Federal*
13 *Pell Grant shall include the following:*

14 “(A) *An explanation of the terms and con-*
15 *ditions of the Federal Pell Grant.*

16 “(B) *An explanation of approved edu-*
17 *cational expenses for which the student may use*
18 *the Federal Pell Grant.*

19 “(C) *An explanation of why the student*
20 *may have to repay the Federal Pell Grant.*

21 “(D) *An explanation of the maximum num-*
22 *ber of semesters or equivalent for which the stu-*
23 *dent may be eligible to receive a Federal Pell*
24 *Grant, and a statement of the amount of time re-*

1 *maintaining for which the student may be eligible to*
2 *receive a Federal Pell Grant.*

3 “(E) *An explanation that if the student*
4 *transfers to another institution not all of the stu-*
5 *dent’s courses may be acceptable to apply toward*
6 *meeting specific degree or program requirements*
7 *at such institution, but the amount of time re-*
8 *maining for which a student may be eligible to*
9 *receive a Federal Pell Grant, as provided under*
10 *subparagraph (D), will not change.*

11 “(F) *An explanation of how the student*
12 *may seek additional financial assistance from*
13 *the institution’s financial aid office due to a*
14 *change in the student’s financial circumstances,*
15 *and the contact information for such office.*

16 “(4) *BORROWERS RECEIVING LOANS MADE THIS*
17 *TITLE (OTHER THAN FEDERAL DIRECT PLUS LOANS*
18 *MADE ON BEHALF OF DEPENDENT STUDENTS OR FED-*
19 *ERAL ONE PARENT LOANS).—The information to be*
20 *provided under paragraph (1) to a borrower of a loan*
21 *made under this title (other than other than a Federal*
22 *Direct PLUS Loan made on behalf of a dependent*
23 *student or a Federal ONE Parent Loan) shall include*
24 *the following:*

1 “(A) To the extent practicable, the effect of
2 accepting the loan to be disbursed on the eligi-
3 bility of the borrower for other forms of student
4 financial assistance.

5 “(B) An explanation of the use of the mas-
6 ter promissory note.

7 “(C) An explanation that the borrower is
8 not required to accept the full amount of the loan
9 offered to the borrower.

10 “(D) An explanation that the borrower
11 should consider accepting any grant, scholarship,
12 or State or Federal work-study jobs for which the
13 borrower is eligible prior to accepting Federal
14 student loans.

15 “(E) An explanation of treatment of loans
16 made under this title and private education
17 loans in bankruptcy, and an explanation that if
18 a borrower decides to take out a private edu-
19 cation loan—

20 “(i) the borrower has the ability to se-
21 lect a private educational lender of the bor-
22 rower’s choice;

23 “(ii) the proposed private education
24 loan may impact the borrower’s potential
25 eligibility for other financial assistance, in-

1 *cluding Federal financial assistance under*
2 *this title; and*

3 *“(iii) the borrower has a right—*

4 *“(I) to accept the terms of the pri-*
5 *vate education loan within 30 calendar*
6 *days following the date on which the*
7 *application for such loan is approved*
8 *and the borrower receives the required*
9 *disclosure documents, pursuant to sec-*
10 *tion 128(e)(6) of the Truth in Lending*
11 *Act; and*

12 *“(II) to cancel such loan within 3*
13 *business days of the date on which the*
14 *loan is consummated, pursuant to sec-*
15 *tion 128(e)(7) of such Act.*

16 *“(F) An explanation of the approved edu-*
17 *cational expenses for which the borrower may use*
18 *a loan made under this title.*

19 *“(G) Information on the annual and aggre-*
20 *gate loan limits for a loan made under this title.*

21 *“(H) Information on interest, including the*
22 *annual percentage rate of such loan, as cal-*
23 *culated using the standard 10-year repayment*
24 *term, and how interest accrues and is capitalized*

1 *during periods when the interest is not paid by*
2 *the borrower.*

3 “(I) *The option of the borrower to pay the*
4 *interest while the borrower is in school.*

5 “(J) *The definition of half-time enrollment*
6 *at the institution, during regular terms and*
7 *summer school, if applicable, and the con-*
8 *sequences of not maintaining at least half-time*
9 *enrollment.*

10 “(K) *An explanation of the importance of*
11 *contacting the appropriate offices at the institu-*
12 *tion of higher education if the borrower with-*
13 *draws prior to completing the borrower’s pro-*
14 *gram of study so that the institution can provide*
15 *exit counseling, including information regarding*
16 *the borrower’s repayment options and loan con-*
17 *solidation.*

18 “(L) *For a first-time borrower or a bor-*
19 *rower of a loan under this title who owes no*
20 *principal or interest on such loan—*

21 “(i) *a statement of the anticipated bal-*
22 *ance on the loan for which the borrower is*
23 *receiving counseling under this subsection;*

1 “(ii) based on such anticipated bal-
2 ance, the anticipated monthly payment
3 amount under, at minimum—

4 “(I) the standard repayment plan;

5 and

6 “(II) an income-based repayment
7 plan under section 466(d) or 493C, as
8 determined using available percentile
9 data from the Bureau of Labor Statis-
10 tics of the starting salary for the occu-
11 pation in which the borrower has an
12 interest in or intends to be employed;
13 and

14 “(iii) an estimate of the projected
15 monthly payment amount under each re-
16 payment plan described in clause (ii), based
17 on the average cumulative indebtedness at
18 graduation for borrowers of loans made
19 under this title who are in the same pro-
20 gram of study as the borrower.

21 “(M) For a borrower with an outstanding
22 balance of principal or interest due on a loan
23 made under this title—

1 “(i) a current statement of the amount
2 of such outstanding balance and interest ac-
3 crued;

4 “(ii) based on such outstanding bal-
5 ance, the anticipated monthly payment
6 amount under the standard repayment
7 plan, and the income-based repayment plan
8 under section 466(d) or 493C, as deter-
9 mined using available percentile data from
10 the Bureau of Labor Statistics of the start-
11 ing salary for the occupation the borrower
12 intends to be employed; and

13 “(iii) an estimate of the projected
14 monthly payment amount under each re-
15 payment plan described in clause (ii), based
16 on—

17 “(I) the outstanding balance de-
18 scribed in clause (i);

19 “(II) the anticipated outstanding
20 balance on the loan for which the stu-
21 dent is receiving counseling under this
22 subsection; and

23 “(III) a projection for any other
24 loans made under this title that the
25 borrower is reasonably expected to ac-

1 *cept during the borrower’s program of*
2 *study based on at least the expected in-*
3 *crease in the cost of attendance of such*
4 *program.*

5 *“(N) The obligation of the borrower to*
6 *repay the full amount of the loan, regardless of*
7 *whether the borrower completes or does not com-*
8 *plete the program in which the borrower is en-*
9 *rolled within the regular time for program com-*
10 *pletion.*

11 *“(O) The likely consequences of default on*
12 *the loan, including adverse credit reports, delin-*
13 *quent debt collection procedures under Federal*
14 *law, and litigation, and a notice of the institu-*
15 *tion’s most recent loan repayment rate (as de-*
16 *finied in section 481B) for the educational pro-*
17 *gram in which the borrower is enrolled, an ex-*
18 *planation of the loan repayment rate, and the*
19 *most recent national average loan repayment*
20 *rate for an educational program.*

21 *“(P) Information on the National Student*
22 *Loan Data System and how the borrower can*
23 *access the borrower’s records.*

24 *“(Q) The contact information for the insti-*
25 *tution’s financial aid office or other appropriate*

1 office at the institution the borrower may contact
2 if the borrower has any questions about the bor-
3 rower's rights and responsibilities or the terms
4 and conditions of the loan.

5 “(5) *BORROWERS RECEIVING FEDERAL DIRECT*
6 *PLUS LOANS FOR DEPENDENT STUDENTS OR FEDERAL*
7 *ONE PARENT LOANS.—The information to be provided*
8 *under paragraph (1) to a borrower of a Federal Di-*
9 *rect PLUS Loan for a dependent student or a Federal*
10 *ONE Parent Loan shall include the following:*

11 “(A) *The information described in subpara-*
12 *graphs (A) through (C) and (N) through (Q) of*
13 *paragraph (4).*

14 “(B) *An explanation of the treatment of the*
15 *loan and private education loans in bankruptcy.*

16 “(C) *Information on the annual and aggre-*
17 *gate loan limits.*

18 “(D) *Information on the annual percentage*
19 *rate of the loan.*

20 “(E) *The option of the borrower to pay the*
21 *interest on the loan while the loan is in*
22 *deferment.*

23 “(F) *For a first-time borrower of a loan or*
24 *a borrower of a loan under this title who owes*
25 *no principal or interest on such loan—*

1 “(i) a statement of the anticipated bal-
2 ance on the loan for which the borrower is
3 receiving counseling under this subsection;

4 “(ii) based on such anticipated bal-
5 ance, the anticipated monthly payment
6 amount under the standard repayment
7 plan; and

8 “(iii) an estimate of the projected
9 monthly payment amount under the stand-
10 ard repayment plan, based on the average
11 cumulative indebtedness of other borrowers
12 of loans made under this title on behalf of
13 dependent students who are in the same
14 program of study as the student on whose
15 behalf the borrower borrowed the loan.

16 “(G) For a borrower with an outstanding
17 balance of principal or interest due on such
18 loan—

19 “(i) a statement of the amount of such
20 outstanding balance;

21 “(ii) based on such outstanding bal-
22 ance, the anticipated monthly payment
23 amount under the standard repayment
24 plan; and

1 “(iii) an estimate of the projected
2 monthly payment amount under the stand-
3 ard repayment plan, based on—

4 “(I) the outstanding balance de-
5 scribed in clause (i);

6 “(II) the anticipated outstanding
7 balance on the loan for which the bor-
8 rower is receiving counseling under
9 this subsection; and

10 “(III) a projection for any other
11 Federal Direct PLUS Loan made on
12 behalf of the dependent student or Fed-
13 eral ONE Parent Loan that the bor-
14 rower is reasonably expected to accept
15 during the program of study of such
16 student based on at least the expected
17 increase in the cost of attendance of
18 such program.

19 “(H) Debt management strategies that are
20 designed to facilitate the repayment of such in-
21 debtedness.

22 “(I) An explanation that the borrower has
23 the options to prepay each loan, pay each loan
24 on a shorter schedule, and change repayment
25 plans.

1 “(J) For each Federal Direct PLUS Loan
2 and each Federal ONE Parent Loan for which
3 the borrower is receiving counseling under this
4 subsection, the contact information for the loan
5 servicer of the loan and a link to such servicer’s
6 Website.

7 “(6) ANNUAL LOAN ACCEPTANCE.—Prior to mak-
8 ing the first disbursement of a loan made under this
9 title (other than a Federal Direct Consolidation Loan
10 or Federal ONE Consolidation Loan) to a borrower
11 for an award year, an eligible institution, shall, as
12 part of carrying out the counseling requirements of
13 this subsection for the loan, ensure that after receiving
14 the applicable counseling under paragraphs (2), (4),
15 and (5) for the loan the borrower accepts the loan for
16 such award year by—

17 “(A) signing the master promissory note for
18 the loan;

19 “(B) signing and returning to the institu-
20 tion a separate written statement that affirma-
21 tively states that the borrower accepts the loan;
22 or

23 “(C) electronically signing an electronic
24 version of the statement described in subpara-
25 graph (B).

1 “(7) *PROHIBITION.*—*An institution of higher*
2 *education may not counsel a borrower of a loan under*
3 *this title to divorce or separate and live apart from*
4 *one another for the purpose of qualifying for, or ob-*
5 *taining an increased amount of, Federal financial as-*
6 *sistance under this Act.*

7 “(8) *CONSTRUCTION.*—*Nothing in this section*
8 *shall be construed to prohibit an eligible institution*
9 *from providing additional information and coun-*
10 *seling services to recipients of Federal student aid*
11 *under this title.”.*

12 *(i) ONLINE COUNSELING TOOLS.*—*Section 485 (20*
13 *U.S.C. 1092) is further amended by adding at the end the*
14 *following:*

15 “(n) *ONLINE COUNSELING TOOLS.*—

16 “(1) *IN GENERAL.*—*Beginning not later than 1*
17 *year after the date of enactment of the PROSPER*
18 *Act, the Secretary shall maintain—*

19 “(A) *an online counseling tool that provides*
20 *the exit counseling required under subsection (b)*
21 *and meets the applicable requirements of this*
22 *subsection; and*

23 “(B) *an online counseling tool that provides*
24 *the annual counseling required under subsection*

1 *(l) and meets the applicable requirements of this*
2 *subsection.*

3 “(2) *REQUIREMENTS OF TOOLS.—In maintain-*
4 *ing the online counseling tools described in paragraph*
5 *(1), the Secretary shall ensure that each such tool is—*

6 “(A) *consumer tested to ensure that the tool*
7 *is effective in helping individuals understand*
8 *their rights and obligations with respect to bor-*
9 *rowing a loan made this title or receiving a Fed-*
10 *eral Pell Grant;*

11 “(B) *understandable to students receiving*
12 *Federal Pell Grants and borrowers of loans made*
13 *this title; and*

14 “(C) *freely available to all eligible institu-*
15 *tions.*

16 “(3) *RECORD OF COUNSELING COMPLETION.—*
17 *The Secretary shall—*

18 “(A) *use each online counseling tool de-*
19 *scribed in paragraph (1) to keep a record of*
20 *which individuals have received counseling using*
21 *the tool, and notify the applicable institutions of*
22 *the individual’s completion of such counseling;*

23 “(B) *in the case of a borrower who receives*
24 *annual counseling for a loan made under this*
25 *title using the tool described in paragraph*

1 (1)(B), notify the borrower by when the borrower
2 should accept, in a manner described in sub-
3 section (l)(6), the loan for which the borrower
4 has received such counseling; and

5 “(C) in the case of a borrower described in
6 subsection (b)(1)(B) at an institution that uses
7 the online counseling tool described in paragraph
8 (1)(A) of this subsection, the Secretary shall at-
9 tempt to provide the information described in
10 subsection (b)(1)(A) to the borrower through such
11 tool.”.

12 (j) *PREVENTING HAZING ON CAMPUS.*—Section 485
13 (20 U.S.C. 1092) is further amended by adding at the end
14 the following:

15 “(o) *PREVENTING HAZING ON CAMPUS.*—

16 “(1) *SENSE OF CONGRESS.*—It is the Sense of
17 Congress that—

18 “(A) institutions of higher education should
19 have clear policies that prohibit unsafe practices,
20 such as hazing, on campus;

21 “(B) institutions of higher education should
22 ensure each student organization understands
23 what is considered an unsafe practice;

24 “(C) student organizations on campus
25 should ensure their policies and activities do not

1 *endanger students safety or cause harm to stu-*
2 *dents;*

3 “(D) administrators and faculty should take
4 *seriously any threats or acts of harm to students*
5 *through activities organized by student organiza-*
6 *tions and act quickly to prevent any potential*
7 *harm to students by these groups;*

8 “(E) institutions of higher education should
9 *ensure law enforcement has access to investigate*
10 *any crimes committed by student organizations*
11 *without obstruction from the students, student*
12 *organization, administrators, or faculty; and*

13 “(F) hazing is a dangerous practice and
14 *should not be allowed on any campus.*

15 “(2) *DISCLOSURE OF POLICIES.*—*Each institu-*
16 *tion of higher education participating in any pro-*
17 *gram under this title shall ensure that—*

18 “(A) *all policies and required procedures re-*
19 *lated to hazing are clearly posted for students,*
20 *faculty, and administrators; and*

21 “(B) *all student organizations are aware*
22 *of—*

23 “(i) *the policies described in subpara-*
24 *graph (A), including all prohibited activi-*
25 *ties; and*

1 “(ii) the dangers of hazing.

2 “(3) *HAZING DEFINED.*—In this subsection, the
3 term ‘hazing’ means any intentional, knowing, or
4 reckless act committed by a student, or a former stu-
5 dent, of an institution of higher education, whether
6 individually or with other persons, against another
7 student, that—

8 “(A) was committed in connection with an
9 initiation into, an affiliation with, or the main-
10 tenance of membership in, any organization that
11 is affiliated with such institution of higher edu-
12 cation; and

13 “(B)(i) contributes to a substantial risk of
14 physical injury, mental harm, or personal deg-
15 radation; or

16 “(ii) causes physical injury, mental harm
17 or personal degradation.”.

18 **SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
19 **BILITY.**

20 *Section 485E (20 U.S.C. 1092f) is amended—*

21 *(1) in subsection (b)—*

22 *(A) in paragraph (2)—*

23 *(i) strike “The Secretary,” and insert*
24 *“To improve the financial and economic lit-*
25 *eracy of students and parents of students in*

1 *order to make informed decisions with re-*
2 *spect to financing postsecondary education,*
3 *the Secretary,”;*

4 *(ii) by striking “junior year” and in-*
5 *serting “sophomore year”;*

6 *(iii) by striking “The Secretary shall*
7 *ensure that” and inserting “The Secretary*
8 *shall—*

9 *“(A) ensure that”; and*

10 *(iv) by adding at the end the following:*

11 *“(B) create an online platform—*

12 *“(i) for States, institutions of higher*
13 *education, other organizations involved in*
14 *college access and student financial aid, sec-*
15 *ondary schools, and programs under this*
16 *title that serve secondary school students to*
17 *share best practices on disseminating infor-*
18 *mation under this section; and*

19 *“(ii) on which the Secretary shall an-*
20 *nually—*

21 *“(I) summarize such best prac-*
22 *tices; and*

23 *“(II) describe the notification and*
24 *dissemination activities carried out*
25 *under this section.”.*

1 (B) in paragraph (4)—

2 (i) in the first sentence—

3 (I) by striking “Not later than
4 two years after the date of enactment
5 of the Higher Education Opportunity
6 Act, the” and inserting “The”; and

7 (II) by inserting “continue to” be-
8 fore “implement”; and

9 (ii) in the second sentence, by striking
10 “the Internet” and inserting “the Internet,
11 including through social media”; and

12 (2) by adding at the end the following:

13 “(c) *ONLINE ESTIMATOR TOOL.*—

14 “(1) *IN GENERAL.*—Not later than 1 year after
15 the date of enactment of the *PROSPER Act*, the Sec-
16 retary, in consultation with States, institutions of
17 higher education, and other individuals with experi-
18 ence or expertise in student financial assistance ap-
19 plication processes, shall develop an early estimator
20 tool to be available online and through a mobile ap-
21 plication, which—

22 “(A) allows an individual to—

23 “(i) enter basic financial and other rel-
24 evant information; and

1 “(ii) on the basis of such information,
2 receive non-binding estimates of potential
3 Federal grant, loan, or work study assist-
4 ance under this title for which a student
5 may be eligible upon completion of an ap-
6 plication form under section 483(a);

7 “(B) with respect to each institution of
8 higher education that participates in a program
9 under this title selected by an individual for
10 purposes of the estimator tool, provides the indi-
11 vidual with the net price (as defined in section
12 132) for the income category described in para-
13 graph (2) that is determined on the basis of the
14 information under subparagraph (A)(i) of this
15 paragraph entered by the individual;

16 “(C) includes a clear and conspicuous dis-
17 claimer that the amounts calculated using the es-
18 timator tool are estimates based on limited fi-
19 nancial information, and that—

20 “(i) each such estimate—

21 “(I) in the case of an estimate
22 under subparagraph (A), is only an es-
23 timate and does not represent a final
24 determination, or actual award, of fi-
25 nancial assistance under this title;

1 “(II) in the case of an estimate
2 under subparagraph (B), is only an es-
3 timate and not a guarantee of the ac-
4 tual amount that a student may be
5 charged;

6 “(III) shall not be binding on the
7 Secretary or an institution of higher
8 education; and

9 “(IV) may change; and

10 “(ii) a student must complete an ap-
11 plication form under section 483(a) in
12 order to be eligible for, and receive, an ac-
13 tual financial aid award that includes Fed-
14 eral grant, loan, or work study assistance
15 under this title; and

16 “(D) includes a clear and conspicuous ex-
17 planation of the differences between a grant and
18 a loan, and that an individual will be required
19 to repay any loan borrowed by the individual.

20 “(2) INCOME CATEGORIES.—The income cat-
21 egories for purposes of paragraph (1)(B) are as fol-
22 lows:

23 “(A) \$0 to \$30,000.

24 “(B) \$30,001 to \$48,000.

25 “(C) \$48,001 to \$75,000.

1 “(D) \$75,001 to \$110,000.

2 “(E) \$110,001 to \$150,000.

3 “(F) Over \$150,000.

4 “(3) *CONSUMER TESTING.*—*In developing and*
5 *maintaining the estimator tool described in para-*
6 *graph (1), the Secretary shall conduct consumer test-*
7 *ing with appropriate persons, including current and*
8 *prospective college students, family members of such*
9 *students, and other individuals with expertise in stu-*
10 *dent financial assistance application processes and*
11 *college access, to ensure that such tool is easily under-*
12 *standable by students and families and effective in*
13 *communicating early aid eligibility.*

14 “(4) *DATA STORAGE PROHIBITED.*—*In carrying*
15 *out this subsection, the Secretary shall not keep, store,*
16 *or warehouse any data inputted by individuals ac-*
17 *cessing the tool described in paragraph (1).*

18 “(d) *PELL TABLE.*—

19 “(1) *IN GENERAL.*—*The Secretary shall develop,*
20 *and annually update at the beginning of each award*
21 *year, the following electronic tables to be utilized in*
22 *carrying out this section and containing the informa-*
23 *tion described in paragraph (2) of this subsection:*

24 “(A) *An electronic table for dependent stu-*
25 *dents.*

1 “(B) *An electronic table for independent*
2 *students with dependents other than a spouse.*

3 “(C) *An electronic table for independent*
4 *students without dependents other than a spouse.*

5 “(2) *INFORMATION.—Each electronic table under*
6 *paragraph (1), with respect to the category of students*
7 *to which the table applies for the most recently com-*
8 *pleted award year for which information is available,*
9 *and disaggregated in accordance with paragraph (3),*
10 *shall contain the following information:*

11 “(A) *The percentage of undergraduate stu-*
12 *dents attending an institution of higher edu-*
13 *cation on a full-time, full-academic year basis*
14 *who file the financial aid form prescribed under*
15 *section 483 for the award year and received, for*
16 *their first academic year during such award*
17 *year (and not for any additional payment peri-*
18 *ods after such first academic year), the following:*

19 “(i) *A Federal Pell Grant equal to the*
20 *maximum amount of a Federal Pell Grant*
21 *award determined under section 401(b)(2)*
22 *for such award year.*

23 “(ii) *A Federal Pell Grant in an*
24 *amount that is—*

1 “(I) less than the maximum
2 amount described in clause (i); and

3 “(II) not less than $\frac{3}{4}$ of such
4 maximum amount for such award
5 year.

6 “(iii) A Federal Pell Grant in an
7 amount that is—

8 “(I) less than $\frac{3}{4}$ of such max-
9 imum amount; and

10 “(II) not less than $\frac{1}{2}$ of such
11 maximum amount for such award
12 year.

13 “(iv) A Federal Pell Grant in an
14 amount that is—

15 “(I) less than $\frac{1}{2}$ of such max-
16 imum amount; and

17 “(II) not less than the minimum
18 Federal Pell Grant amount determined
19 under section 401(b)(4) for such award
20 year.

21 “(B) The dollar amounts equal to—

22 “(i) the maximum amount of a Fed-
23 eral Pell Grant award determined under
24 section 401(b)(2) for an award year;

25 “(ii) $\frac{3}{4}$ of such maximum amount;

1 “(iii) $\frac{1}{2}$ of such maximum amount;

2 and

3 “(iv) the minimum Federal Pell Grant
4 amount determined under section 401(b)(4)
5 for such award year.

6 “(C) A clear and conspicuous notice that—

7 “(i) the Federal Pell Grant amounts
8 listed in subparagraph (B) are for a pre-
9 vious award year, and such amounts and
10 the requirements for awarding such
11 amounts may be different for succeeding
12 award years; and

13 “(ii) the Federal Pell Grant amount
14 for which a student may be eligible will be
15 determined based on a number of factors,
16 including enrollment status, once the stu-
17 dent completes an application form under
18 section 483(a).

19 “(D) A link to the early estimator tool de-
20 scribed in subsection (c) of this section, which in-
21 cludes an explanation that an individual may
22 estimate a student’s potential Federal aid eligi-
23 bility under this title by accessing the estimator
24 on the individual’s mobile phone or online.

1 “(3) *INCOME CATEGORIES.*—*The information*
2 *provided under paragraph (2)(A) shall be*
3 *disaggregated by the following income categories:*

4 “(A) *Less than \$5,000.*

5 “(B) *\$5,000 to \$9,999.*

6 “(C) *\$10,000 to \$19,999.*

7 “(D) *\$20,000 to \$29,999.*

8 “(E) *\$30,000 to \$39,999.*

9 “(F) *\$40,000 to \$49,999.*

10 “(G) *\$50,000 to \$59,999.*

11 “(H) *Greater than \$59,999.*

12 “(e) *LIMITATION.*—*The Secretary may not require a*
13 *State to participate in the activities or disseminate the ma-*
14 *terials described in this section.”.*

15 **SEC. 490. DISTANCE EDUCATION DEMONSTRATION PRO-**
16 **GRAMS.**

17 *Section 486 (20 U.S.C. 1093(b)) is repealed.*

18 **SEC. 491. CONTENTS OF PROGRAM PARTICIPATION AGREE-**
19 **MENTS.**

20 “(a) *PROGRAM PARTICIPATION AGREEMENTS.*—*Section*
21 *487(a) (20 U.S.C. 1094(a)) is amended in the matter before*
22 *paragraph (1) by striking “, except with respect to a pro-*
23 *gram under subpart 4 of part A”.*

24 “(b) *PERKINS CONFORMING CHANGES.*—*Section*
25 *487(a)(5) (20 U.S.C. 1094(a)(5)) is amended by striking*

1 “and, in the case of an institution participating in a pro-
2 gram under part B or part E, to holders of loans made
3 to the institution’s students under such parts”.

4 (c) *CERTIFICATIONS TO LENDERS*.—Section 487(a)
5 (20 U.S.C. 1094(a)) is amended by striking paragraph (6).

6 (d) *STATE GRANT ASSISTANCE*.—Section 487(a)(9)
7 (20 U.S.C. 1094(a)(9)) is amended by striking “in a pro-
8 gram under part B or D” and inserting “in a loan program
9 under this title”.

10 (e) *OPIOID MISUSE AND SUBSTANCE ABUSE PREVEN-*
11 *TION PROGRAM*.—Section 487(a)(10) (20 U.S.C.
12 1094(a)(10)) is amended by inserting “under section 118”
13 after “drug abuse prevention program”.

14 (f) *REPAYMENT SUCCESS PLAN*.—Section 487(a)(14)
15 (20 U.S.C. 1094(a)(14)) is amended—

16 (1) by striking “under part B or D” both places
17 it appears and inserting “a loan program under this
18 title”;

19 (2) by striking “Default Management Plan” both
20 places it appears and inserting “Repayment Success
21 Plan”; and

22 (3) in subparagraph (C), by striking “a cohort
23 default rate in excess of 10 percent” both places it ap-
24 pears and inserting “any program with a loan repay-
25 ment rate less than 65 percent”.

1 (g) *COMMISSIONS TO THIRD-PARTY ENTITIES.*—*Sec-*
2 *tion 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended—*

3 (1) *by striking “The institution” and inserting*
4 *“(A) Except as provided in subparagraph (B), the in-*
5 *stitution”;* *and*

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

8 *“(B) An institution described in section 101*
9 *may provide payment, based on—*

10 *“(i) the amount of tuition generated by the*
11 *institution from student enrollment, to a third-*
12 *party entity that provides a set of services to the*
13 *institution that includes student recruitment*
14 *services, regardless of whether the third-party en-*
15 *tity is affiliated with an institution that pro-*
16 *vides educational services other than the institu-*
17 *tion providing such payment, if—*

18 *“(I) the third-party entity is not affili-*
19 *ated with the institution providing such*
20 *payment;*

21 *“(II) the third-party entity does not*
22 *make compensation payments to its employ-*
23 *ees that would be prohibited under subpara-*
24 *graph (A) if such payments were made by*
25 *the institution;*

1 “(III) the set of services provided to the
2 institution by the third-party entity include
3 services in addition to student recruitment
4 services, and the institution does not pay
5 the third-party entity solely or separately
6 for student recruitment services provided by
7 the third-party entity; and

8 “(IV) any student recruitment infor-
9 mation available to the third-party entity,
10 including personally identifiable informa-
11 tion, will not be used by, shared with, or
12 sold to any other person or entity, including
13 any institution that is affiliated with the
14 third-party entity, unless written consent is
15 provided by the student; and

16 “(ii) students successfully completing their
17 educational programs, to persons who were en-
18 gaged in recruiting such students, but solely to
19 the extent that such payments—

20 “(I) are obligated to be paid, and are
21 actually paid, only after each student upon
22 whom such payments are based has success-
23 fully completed his or her educational pro-
24 gram; and

1 “(II) are paid only to employees of the
2 institution or its parent company, and not
3 to any other person or outside entity.”.

4 (h) *CLARIFICATION OF PROOF OF AUTHORITY TO OP-*
5 *ERATE WITHIN A STATE.*—Section 487(a)(21) (20 U.S.C.
6 1094(a)(21)) is amended by striking “within a State” and
7 inserting “within a State in which it maintains a physical
8 location”.

9 (i) *DISTRIBUTION OF VOTER REGISTRATION FORMS.*—
10 Section 487(a)(23) (20 U.S.C. 1094(a)(23)) is amended to
11 read as follows:

12 “(23) The institution, if located in a State to
13 which section 4(b) of the National Voter Registration
14 Act of 1993 (42 U.S.C. 1973gg–2(b)) does not apply,
15 will make a good faith effort to distribute, including
16 through electronic transmission, voter registration
17 forms to students enrolled and physically in attend-
18 ance at the institution.”.

19 (j) *PROHIBITING COPYRIGHT INFRINGEMENT.*—Sec-
20 tion 487(a)(29) (20 U.S.C. 1094(a)(29)) is amended to read
21 as follows:

22 “(29) The institution will have a policy prohib-
23 iting copyright infringement.”.

1 (k) *MODIFICATIONS TO PREFERRED LENDER LIST RE-*
2 *QUIREMENTS.—Section 487(h)(1) (20 U.S.C. 1094(h)(1)) is*
3 *amended—*

4 (1) *in subparagraph (A)—*

5 (A) *in clause (i), by inserting “and” after*
6 *the semicolon;*

7 (B) *by striking clause (ii); and*

8 (C) *by redesignating clause (iii) as clause*
9 *(ii);*

10 (2) *in subparagraph (D), by inserting “and”*
11 *after the semicolon;*

12 (3) *in subparagraph (E), by striking “; and”*
13 *and inserting a period; and*

14 (4) *by striking subparagraphs (C) and (F) and*
15 *redesignating subparagraphs (D) and (E) as subpara-*
16 *graphs (C) and (D), respectively.*

17 (l) *ELIMINATION OF NON-TITLE IV REVENUE RE-*
18 *QUIREMENT.—Section 487 (20 U.S.C. 1094), is further*
19 *amended—*

20 (1) *in subsection (a), by striking paragraph*
21 *(24);*

22 (2) *by striking subsection (d); and*

23 (3) *by redesignating subsections (e) through (j)*
24 *as subsections (d) through (i), respectively.*

1 (m) *CONFORMING AMENDMENTS.*—*The Higher Edu-*
2 *cation Act of 1965 (20 U.S.C. 1001 et seq.) is amended—*

3 (1) *in section 487(a) (20 U.S.C. 1094(a)), as*
4 *amended by this section—*

5 (A) *by redesignating paragraphs (7)*
6 *through (23), as paragraphs (6) through (22), re-*
7 *spectively; and*

8 (C) *by redesignating paragraphs (25)*
9 *through (29) as paragraphs (23) through (27),*
10 *respectively;*

11 (2) *in section 487(c)(1)(A)(iii) (20 U.S.C.*
12 *1094(c)(1)(A)(iii)), by striking “section 102(a)(1)(C)”*
13 *and inserting “section 102(a)(1)”; and*

14 (3) *in section 487(h)(4) (20 U.S.C. 1094(h)(4)),*
15 *as redesignated by subsection (l)(3), by striking “sec-*
16 *tion 102” and inserting “section 101 or 102”.*

17 **SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.**

18 Section 487A (20 U.S.C. 1094a) is amended—

19 (1) *in subsection (a)—*

20 (A) *in paragraph (1), by striking “The Sec-*
21 *retary is authorized to” and inserting “The Sec-*
22 *retary shall”; and*

23 (B) *in paragraph (5), by inserting “at least*
24 *once every two years” before the period at the*
25 *end; and*

1 (2) *in subsection (b)—*

2 (A) *in paragraph (2)—*

3 (i) *in the paragraph heading, by in-*
4 *serting “ANNUAL” before “REPORT”; and*

5 (ii) *by striking the first sentence and*
6 *inserting “The Secretary shall review the*
7 *experience, and rigorously evaluate the ac-*
8 *tivities, of all institutions participating as*
9 *experimental sites and shall, on an annual*
10 *basis, submit a report based on the review*
11 *and evaluation findings to the authorizing*
12 *committees.”;*

13 (B) *in paragraph (3), by amending sub-*
14 *paragraph (A) to read as follows:*

15 “(A) *IN GENERAL.—*

16 “(i) *EXPERIMENTAL SITES.—The Sec-*
17 *retary is authorized periodically to select a*
18 *limited number of institutions for voluntary*
19 *participation as experimental sites to pro-*
20 *vide recommendations to the Secretary and*
21 *to the Congress on the impact and effective-*
22 *ness of proposed regulations or new man-*
23 *agement initiatives.*

24 “(ii) *CONGRESSIONAL NOTICE AND*
25 *COMMENTS REQUIRED.—*

1 “(I) NOTICE.—Prior to announc-
2 ing a new experimental site and invit-
3 ing institutions to participate, the Sec-
4 retary shall provide to the authorizing
5 committees a notice that shall in-
6 clude—

7 “(aa) a description of the
8 proposed experiment and ration-
9 ale for the proposed experiment;
10 and

11 “(bb) a list of the institu-
12 tional requirements the Secretary
13 expects to waive and the legal au-
14 thority for such waivers.

15 “(II) CONGRESSIONAL COM-
16 MENTS.—The Secretary shall not pro-
17 ceed with announcing a new experi-
18 mental site and inviting institutions to
19 participate until 10 days after the Sec-
20 retary—

21 “(aa) receives and addresses
22 all comments from the authorizing
23 committees; and

24 “(bb) responds to such com-
25 mittees in writing with an expla-

1 *nation of how such comments have*
2 *been addressed.*

3 “(iii) *PROHIBITION.*—*The Secretary is*
4 *not authorized to carry out clause (i) in*
5 *any year in which an annual report de-*
6 *scribed in paragraph (2) relating to the*
7 *previous year is not submitted to the au-*
8 *thorizing committees.”;*

9 *(C) in paragraph (4)(A), by striking “bien-*
10 *ennial” and inserting “annual”; and*

11 *(D) by striking paragraph (1) and redesign-*
12 *ating paragraphs (2) through (4) as para-*
13 *graphs (1) through (3), respectively.*

14 **SEC. 493. TRANSFER OF ALLOTMENTS.**

15 *Section 488 (20 U.S.C. 1095) is amended—*

16 *(1) by inserting “, as in effect on the day before*
17 *the date of enactment of the PROSPER Act,” after*
18 *“section 462”; and*

19 *(2) by inserting “, as in effect on the day before*
20 *the date of enactment of the PROSPER Act,” after*
21 *“or 462”.*

22 **SEC. 494. ADMINISTRATIVE EXPENSES.**

23 *Section 489(a) (20 U.S.C. 1096(a)) is amended—*

24 *(1) in the second sentence—*

1 (A) by striking “subpart 3 of part A or part
2 C,” and inserting “part C” ; and

3 (B) by striking “or under part E of this
4 title”; and

5 (2) in the third sentence—

6 (A) by striking “its grants to students
7 under subpart 3 of part A,”; and

8 (B) by striking “, and the principal
9 amount of loans made during such fiscal year
10 from its student loan fund established under part
11 E, excluding the principal amount of any such
12 loans which the institution has referred under
13 section 463(a)(4)(B)”.

14 **SEC. 494A. REPEAL OF ADVISORY COMMITTEE.**

15 Section 491 (20 U.S.C. 1098) is repealed.

16 **SEC. 494B. REGIONAL MEETINGS AND NEGOTIATED RULE-**
17 **MAKING.**

18 Section 492 (20 U.S.C. 1098a) is amended—

19 (1) by redesignating subsections (c) and (d) as
20 subsections (f) and (g), respectively; and

21 (2) by striking subsections (a) and (b) and in-
22 serting the following:

23 “(a) *IN GENERAL.*—The Secretary may, in accordance
24 with this section, issue such regulations as are reasonably
25 necessary to ensure compliance with this title.

1 “(b) *PUBLIC INVOLVEMENT.*—*The Secretary shall ob-*
2 *tain public involvement in the development of proposed reg-*
3 *ulations for this title. Before carrying out a negotiated rule-*
4 *making process as described in subsection (d) or publishing*
5 *in the Federal Register proposed regulations to carry out*
6 *this title, the Secretary shall obtain advice and rec-*
7 *ommendations from individuals, and representatives of*
8 *groups, involved in student financial assistance programs*
9 *under this title, such as students, institutions of higher edu-*
10 *cation, financial aid administrators, accrediting agencies*
11 *or associations, State student grant agencies, guaranty*
12 *agencies, lenders, secondary markets, loan servicers, guar-*
13 *anty agency servicers, and collection agencies.*

14 “(c) *MEETINGS AND ELECTRONIC EXCHANGE.*—

15 “(1) *IN GENERAL.*—*The Secretary shall provide*
16 *for a comprehensive discussion and exchange of infor-*
17 *mation concerning the implementation of this title*
18 *through such mechanisms as regional meetings and*
19 *electronic exchanges of information. Such regional*
20 *meetings and electronic exchanges of information*
21 *shall be public and notice of such meetings and ex-*
22 *changes shall be provided to—*

23 “(A) *the authorizing committees at least 10*
24 *days prior to the notice to interested stakeholders*

1 *and the public described in subparagraph (B);*
2 *and*

3 “(B) *interested stakeholders and the public*
4 *at least 30 days prior to such meetings and ex-*
5 *changes.*

6 “(2) *CONSIDERATION.—The Secretary shall take*
7 *into account the information received through such*
8 *mechanisms in the development of proposed regula-*
9 *tions and shall publish a summary of such informa-*
10 *tion in the Federal Register prior to beginning the ne-*
11 *gotiated rulemaking process described in subsection*
12 *(d).*

13 “(d) *NEGOTIATED RULEMAKING PROCESS.—*

14 “(1) *NEGOTIATED RULEMAKING REQUIRED.—All*
15 *regulations pertaining to this title that are promul-*
16 *gated after the date of the enactment of this para-*
17 *graph shall be subject to the negotiated rulemaking*
18 *process described in this subsection (including the se-*
19 *lection of the issues to be negotiated), unless the Sec-*
20 *retary—*

21 “(A) *determines that applying such a re-*
22 *quirement with respect to given regulations is*
23 *impracticable, unnecessary, or contrary to the*
24 *public interest (within the meaning of section*
25 *553(b)(3)(B) of title 5, United States Code);*

1 “(B) publishes the basis for such determina-
2 tion in the *Federal Register* at the same time as
3 the proposed regulations in question are first
4 published; and

5 “(C) includes the basis for such determina-
6 tion in the congressional notice under subsection
7 (e)(1).

8 “(2) CONGRESSIONAL NOTICE AND COMMENTS
9 REQUIRED.—

10 “(A) NOTICE.—The Secretary shall provide
11 to the Committee on Education and the Work-
12 force of the House of Representatives and the
13 Committee on Health, Education, Labor, and
14 Pensions of the Senate notice of the intent estab-
15 lish a negotiated rulemaking committee that
16 shall include—

17 “(i) the need to issue regulations;

18 “(ii) the statutory and legal authority
19 of the Secretary to regulate the issue;

20 “(iii) the summary of public comments
21 described in paragraph (2) of subsection (c);

22 “(iv) the anticipated burden, including
23 the time, cost, and paperwork burden, the
24 regulations will have on institutions of

1 *higher education and other entities that*
2 *may be impacted by the regulations; and*

3 “(v) *any regulations that will be re-*
4 *pealed when the new regulations are issued.*

5 “(B) *CONGRESSIONAL COMMENTS.—The*
6 *Secretary shall not proceed with the negotiated*
7 *rulemaking process—*

8 “(i) *until 10 days after the Sec-*
9 *retary—*

10 “(I) *receives and addresses all*
11 *comments from the authorizing com-*
12 *mittees; and*

13 “(II) *responds to the authorizing*
14 *committees in writing with an expla-*
15 *nation of how such comments have*
16 *been addressed; or*

17 “(ii) *until 60 days after providing the*
18 *notice required under subparagraph (A) if*
19 *the Secretary has not received comments*
20 *under clause (i).*

21 “(3) *PROCESS.—After obtaining advice and rec-*
22 *ommendations under subsections (b) and (c), and be-*
23 *fore publishing proposed regulations, the Secretary*
24 *shall—*

1 “(A) establish a negotiated rulemaking
2 process;

3 “(B) select individuals to participate in
4 such process—

5 “(i) from among individuals or groups
6 that provided advice and recommendations
7 under subsections (b) and (c), including—

8 “(I) representatives of such groups
9 from Washington, D.C.; and

10 “(II) other industry participants;
11 and

12 “(ii) with demonstrated expertise or
13 experience in the relevant subjects under ne-
14 gotiation, reflecting the diversity in the in-
15 dustry, representing both large and small
16 participants, as well as individuals serving
17 local areas and national markets;

18 “(C) prepare a draft of proposed policy op-
19 tions, which shall take into account comments re-
20 ceived from both the public and the authorizing
21 committees, that shall be provided to the individ-
22 uals selected by the Secretary under subpara-
23 graph (B) and such authorizing committees not
24 less than 15 days before the first meeting under
25 such process; and

1 “(D) ensure that the negotiation process is
2 conducted in a timely manner in order that the
3 final regulations may be issued by the Secretary
4 within the 360-day period described in section
5 437(e) of the General Education Provisions Act
6 (20 U.S.C. 1232(e)).

7 “(4) AGREEMENTS AND RECORDS.—

8 “(A) AGREEMENTS.—All published proposed
9 regulations developed through the negotiation
10 process under this subsection shall conform to all
11 agreements resulting from such process unless the
12 Secretary reopens the negotiated rulemaking
13 process.

14 “(B) RECORDS.—The Secretary shall ensure
15 that a clear and reliable record is maintained of
16 agreements reached during a negotiation process
17 under this subsection.

18 “(e) PROPOSED RULEMAKING.—If the Secretary deter-
19 mines pursuant to subsection (d)(1) that a negotiated rule-
20 making process is impracticable, unnecessary, or contrary
21 to the public interest (within the meaning of section
22 553(b)(3)(B) of title 5, United States Code), or the individ-
23 uals selected to participate in the process under subsection
24 (d)(3)(B) fail to reach unanimous agreement on an issue

1 *being negotiated, the Secretary may propose regulations*
2 *subject to subsection (f).*

3 “(f) *REQUIREMENTS FOR PROPOSED REGULATIONS.—*
4 *Regulations proposed pursuant to subsection (e) shall meet*
5 *the following procedural requirements:*

6 “(1) *CONGRESSIONAL NOTICE.—Regardless of*
7 *whether congressional notice was submitted under*
8 *subsection (d)(2), the Secretary shall provide to the*
9 *Committee on Education and the Workforce of the*
10 *House of Representatives and the Committee on*
11 *Health, Education, Labor, and Pensions of the Senate*
12 *notice that shall include—*

13 “(A) *a copy of the proposed regulations;*

14 “(B) *the need to issue regulations;*

15 “(C) *the statutory and legal authority of the*
16 *Secretary to regulate the issue;*

17 “(D) *the anticipated burden, including the*
18 *time, cost, and paperwork burden, the regula-*
19 *tions will have on institutions of higher edu-*
20 *cation and other entities that may be impacted*
21 *by the regulations; and*

22 “(E) *any regulations that will be repealed*
23 *when the new regulations are issued.*

1 “(2) *CONGRESSIONAL COMMENTS.*—*The Sec-*
2 *retary may not proceed with the rulemaking proc-*
3 *ess—*

4 “(A) *until 10 days after the Secretary—*

5 “(i) *receives and addresses all com-*
6 *ments from the authorizing committees; and*

7 “(ii) *responds to the authorizing com-*
8 *mittees in writing with an explanation of*
9 *how such comments have been addressed; or*

10 “(B) *until 60 days after providing the no-*
11 *tice required under paragraph (1) if the Sec-*
12 *retary has not received comments under subpara-*
13 *graph (A).*

14 “(3) *COMMENT AND REVIEW PERIOD.*—*The com-*
15 *ment and review period for the proposed regulation*
16 *shall be 90 days unless an emergency requires a short-*
17 *er period, in which case such period shall be not less*
18 *than 45 days and the Secretary shall—*

19 “(A) *designate the proposed regulation as*
20 *an emergency, with an explanation of the emer-*
21 *gency, in the notice to the Congress under para-*
22 *graph (1);*

23 “(B) *publish the length of the comment and*
24 *review period in such notice and in the Federal*
25 *Register; and*

1 “(C) *conduct immediately thereafter re-*
2 *gional meetings to review such proposed regula-*
3 *tion before issuing any final regulation.*

4 “(4) *INDEPENDENT ASSESSMENT.—No regulation*
5 *shall be made final after the comment and review pe-*
6 *riod until the Secretary has published in the Federal*
7 *Register an independent assessment (which shall in-*
8 *clude a representative sampling of institutions of*
9 *higher education based on sector, enrollment, urban,*
10 *suburban, or rural character, and other factors im-*
11 *acted by the regulation) of—*

12 “(A) *the burden, including the time, cost,*
13 *and paperwork burden, the final regulation will*
14 *impose on institutions and other entities that*
15 *may be impacted by the regulation;*

16 “(B) *an explanation of how the entities de-*
17 *scribed in subparagraph (A) may cover the cost*
18 *of the burden assessed under such subparagraph;*
19 *and*

20 “(C) *the regulation, including a thorough*
21 *assessment, based on the comments received dur-*
22 *ing the comment and review period under para-*
23 *graph (3), of whether the rule is financially,*
24 *operationally, and educationally viable at the in-*
25 *stitutional level.”.*

1 **SEC. 494C. REPORT TO CONGRESS.**

2 *Section 493C (20 U.S.C. 1098e) is amended by adding*
3 *at the end the following:*

4 “(f) *REPORT.*—

5 “(1) *IN GENERAL.*—Not later than 180 days
6 *after the date of enactment of the PROSPER Act, the*
7 *Secretary shall submit to the authorizing committees*
8 *a report on the efforts of the Department to detect and*
9 *combat fraud in the income-driven repayment plans*
10 *described in paragraph (2).*

11 “(2) *INCOME DRIVEN REPAYMENT PLANS DE-*
12 *FINED.*—*The income-driven repayment plans de-*
13 *scribed in this paragraph are the repayment plans*
14 *made available under—*

15 “(A) *this section;*

16 “(B) *subparagraphs (D) and (E) of section*
17 *455(d)(1); and*

18 “(C) *section 455(e).*”.

19 **SEC. 494D. DEFERRAL OF LOAN REPAYMENT FOLLOWING**
20 **ACTIVE DUTY.**

21 *Section 493D(a) (20 U.S.C. 1098f) is amended, by*
22 *striking “or 464(c)(2)(A)(iii)” and inserting*
23 *“464(c)(2)(A)(iii) (as in effect on the day before the date*
24 *of enactment of the PROSPER Act and pursuant to section*
25 *461(a), or 469A(a)(2)(A)(iii)”.*

1 **SEC. 494E. CONTRACTS; MATCHING PROGRAM.**

2 (a) *CONTRACTS FOR SUPPLIES AND SERVICES.*—

3 (1) *IN GENERAL.*—*Part G of title IV (20 U.S.C.*
4 *1088 et seq.), as amended by this part, is further*
5 *amended by adding at the end the following:*

6 **“SEC. 493E. CONTRACTS.**

7 “(a) *CONTRACTS FOR SUPPLIES AND SERVICES.*—

8 “(1) *IN GENERAL.*—*The Secretary shall, to the*
9 *extent practicable, award contracts for origination,*
10 *servicing, and collection described in subsection (b).*
11 *In awarding such contracts, the Secretary shall en-*
12 *sure that such services and supplies are provided at*
13 *competitive prices.*

14 “(2) *ENTITIES.*—*The entities with which the*
15 *Secretary may enter into contracts shall include enti-*
16 *ties qualified to provide such services and supplies*
17 *and will comply with the procedures applicable to the*
18 *award of such contracts. In the case of awarding con-*
19 *tracts for the origination, servicing, and collection of*
20 *loans under parts D and E, the Secretary shall enter*
21 *into contracts with entities that have extensive and*
22 *relevant experience and demonstrated effectiveness.*
23 *The entities with which the Secretary may enter into*
24 *such contracts may include, where practicable, agen-*
25 *cies with agreements with the Secretary under sec-*
26 *tions 428(b) and (c), if such agencies meet the quali-*

1 *fications as determined by the Secretary under this*
2 *subsection and if those agencies have such experience*
3 *and demonstrated effectiveness. In awarding contracts*
4 *to such State agencies, the Secretary shall, to the ex-*
5 *tent practicable and consistent with the purposes of*
6 *parts D and E, give consideration to State agencies*
7 *with a history of high quality performance to perform*
8 *services for institutions of higher education within*
9 *their State.*

10 *“(3) ALLOCATIONS.—*

11 *“(A) IN GENERAL.—Except as provided in*
12 *subparagraph (B), the Secretary shall allocate*
13 *new borrower loan accounts to entities awarded*
14 *a contract under this section on the basis of—*

15 *“(i) the performance of each such enti-*
16 *ty compared to other such entities per-*
17 *forming similar work using common per-*
18 *formance metrics (which may take into ac-*
19 *count, as appropriate, portfolio risk factors,*
20 *including a borrower’s time in repayment,*
21 *category of institution of higher education*
22 *attended, and completion of an educational*
23 *program), as determined by the Secretary;*
24 *and*

1 “(ii) the capacity of each such entity
2 compared to other such entities performing
3 similar work to service new and existing
4 borrower loan accounts.

5 “(B) FEDERAL ONE CONSOLIDATION
6 LOANS.—Any borrower who receives a Federal
7 ONE Consolidation Loan may select the entity
8 awarded a contract under this section to service
9 such loan.

10 “(4) RULE OF CONSTRUCTION.—Nothing in this
11 section shall be construed as a limitation of the au-
12 thority of any State agency to enter into an agree-
13 ment for the purposes of this section as a member of
14 a consortium of State agencies.

15 “(b) CONTRACTS FOR ORIGINATION, SERVICING, AND
16 DATA SYSTEMS.—The Secretary may enter into contracts
17 for—

18 “(1) the servicing and collection of loans made or
19 purchased under part D or E;

20 “(2) the establishment and operation of 1 or
21 more data systems for the maintenance of records on
22 all loans made or purchased under part D or E; and

23 “(3) such other aspects of the direct student loan
24 program under part D or E necessary to ensure the
25 successful operation of the program.

1 “(c) *COMMON PERFORMANCE MANUAL.*—

2 “(1) *CONSULTATION.*—Not later than 180 days
3 after the date of enactment of the *PROSPER Act* and
4 biannually thereafter, the Secretary shall consult (in
5 writing and in person) with entities awarded con-
6 tracts for loan servicing under section 456 (as in ef-
7 fect on the day before the date of enactment of the
8 *PROSPER Act*) and this section, to the extent prac-
9 ticable, to develop and update as necessary, a guid-
10 ance manual for entities awarded contracts for loan
11 servicing under this section that provides such entities
12 with best practices to ensure borrowers receive ade-
13 quate and consistent service from such entities.

14 “(2) *PROVISION OF MANUAL.*—The Secretary
15 shall provide the most recent guidance manual devel-
16 oped and updated under paragraph (1) to each entity
17 awarded a contract for loan serving under this sec-
18 tion.

19 “(3) *ANNUAL REPORT.*—The Secretary shall pro-
20 vide to the authorizing committees a report, on a an-
21 nual basis, detailing the consultation required under
22 paragraph (1).

23 “(d) *FEDERAL PREEMPTION.*—

24 “(1) *IN GENERAL.*—Covered activities shall not
25 be subject to any law or other requirement of any

1 *State or political subdivision of a State with respect*
2 *to—*

3 “(A) *disclosure requirements;*

4 “(B) *requirements or restrictions on the*
5 *content, time, quantity, or frequency of commu-*
6 *nications with borrowers, endorsers, or references*
7 *with respect to such loans; or*

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

11 “(2) *SERVICING AND COLLECTION.—The require-*
12 *ments of this section with respect to any covered ac-*
13 *tivity shall preempt any law or other requirement of*
14 *a State or political subdivision of a State to the ex-*
15 *tent that such law or other requirement would, in the*
16 *absence of this subsection, apply to such covered activ-*
17 *ity.*

18 “(3) *STATE LICENSES.—No qualified entity en-*
19 *gaged in a covered activity shall be required to obtain*
20 *a license from, or pay a licensing fee or other assess-*
21 *ment to, any State or political subdivision of a State*
22 *relating to such covered activity.*

23 “(4) *DEFINITIONS.—For purposes of this section:*

1 “(A) *The term ‘covered activity’ means any*
2 *of the following activities, as carried out by a*
3 *qualified entity:*

4 “(i) *Origination of a loan made under*
5 *this title.*

6 “(ii) *Servicing of a loan made under*
7 *this title.*

8 “(iii) *Collection of a loan made under*
9 *this title.*

10 “(iv) *Any other activity related to the*
11 *activities described in clauses (i) through*
12 *(iii).*

13 “(B) *The term ‘qualified entity’ means an*
14 *organization, other than an institution of higher*
15 *education—*

16 “(i) *that is responsible for the servicing*
17 *or collection of a loan made under this title;*

18 “(ii) *that has agreement with the Sec-*
19 *retary under subsections (a) and (b) of sec-*
20 *tion 428; or*

21 “(iii) *that is under contract with an*
22 *entity described in clause (i) or clause (ii)*
23 *to support such entity’s responsibilities*
24 *under this title.*

1 “(5) *LIMITATION.*—*This subsection shall not*
2 *have any legal effect on any other preemption provi-*
3 *sion under Federal law with respect to this title.*”.

4 (2) *CONFORMING AMENDMENT.*—*Section 456 (20*
5 *U.S.C. 1087f) is repealed.*

6 (b) *MATCHING PROGRAM.*—*Part G of title IV (20*
7 *U.S.C. 1088 et seq.), as amended by subsection (a), is fur-*
8 *ther amended by adding at the end the following:*

9 “**SEC. 493F. MATCHING PROGRAM.**

10 “(a) *IN GENERAL.*—*The Secretary of Education and*
11 *the Secretary of Veterans Affairs shall carry out a computer*
12 *matching program under which the Secretary of Education*
13 *identifies, on at least a quarterly basis, borrowers—*

14 “(1) *who have been assigned a disability rating*
15 *of 100 percent (or a combination of ratings equaling*
16 *100 percent or more) by the Secretary of Veterans Af-*
17 *airs for a service-connected disability (as defined in*
18 *section 101 of title 38, United States Code); or*

19 “(2) *who have been determined by the Secretary*
20 *of Veterans Affairs to be unemployable due to a serv-*
21 *ice-connected condition, as described in section*
22 *437(a)(2).*

23 “(b) *BORROWER NOTIFICATION.*—*With respect to each*
24 *borrower who is identified under subsection (a), the Sec-*

1 *retary shall, as soon as practicable after such identifica-*
2 *tion—*

3 “(1) *notify the borrower of the borrower’s eligi-*
4 *bility for loan discharge under section 437(a); and*

5 “(2) *provide the borrower with simple instruc-*
6 *tions on how to apply for such loan discharge, includ-*
7 *ing an explanation that the borrower shall not be re-*
8 *quired to provide any documentation of the bor-*
9 *rower’s disability rating to receive such discharge.*

10 “(c) *DATA COLLECTION AND REPORT TO CONGRESS.—*

11 “(1) *IN GENERAL.—The Secretary shall annually*
12 *collect and submit to the Committees on Education*
13 *and the Workforce and Veterans’ Affairs of the House*
14 *of Representatives and the Committees on Health,*
15 *Education, Labor, and Pensions and Veterans Affairs*
16 *of the Senate, data about borrowers applying for and*
17 *receiving loan discharges under section 437(a), which*
18 *shall be disaggregated in the manner described in*
19 *paragraph (2) and include the following:*

20 “(A) *The number of applications received*
21 *under section 437(a).*

22 “(B) *The number of such applications that*
23 *were approved.*

24 “(C) *The number of loan discharges that*
25 *were completed under section 437(a).*

1 “(2) *DISAGGREGATION.*—*The data collected*
2 *under paragraph (1) shall be disaggregated—*

3 “(A) *by borrowers who applied under this*
4 *section for loan discharges under section 437(a);*

5 “(B) *by borrowers who received loan dis-*
6 *charges as a result of applying for such dis-*
7 *charges under this section;*

8 “(C) *by borrowers who applied for loan dis-*
9 *charges under section 437(a)(2); and*

10 “(D) *by borrowers who received loan dis-*
11 *charges as a result of applying for such dis-*
12 *charges under section 437(a)(2).*

13 “(d) *NOTIFICATION TO BORROWERS.*—*The Secretary*
14 *shall notify each borrower whose liability on a loan has been*
15 *discharged under section 437(a) that the liability on the*
16 *loan has been so discharged.”.*

17 ***PART H—PROGRAM INTEGRITY***

18 ***SEC. 495. REPEAL OF AND PROHIBITION ON STATE AU-***
19 ***THORIZATION REGULATIONS.***

20 “(a) *REGULATIONS REPEALED.*—*The following regula-*
21 *tions relating to State authorization (including any supple-*
22 *ments or revisions to such regulations) are repealed and*
23 *shall have no force or effect:*

1 (1) *The final regulations published by the De-*
2 *partment of Education in the Federal Register on Oc-*
3 *tober 29, 2010 (75 Fed. Reg. 66832 et seq.).*

4 (2) *The final regulations published by the De-*
5 *partment of Education in the Federal Register on De-*
6 *cember 19, 2016 (81 Fed. Reg. 92232 et seq.).*

7 (b) *PROHIBITION ON STATE AUTHORIZATION REGULA-*
8 *TIONS.—The Secretary of Education shall not, on or after*
9 *the date of enactment of this Act, promulgate or enforce any*
10 *regulation or rule with respect to the State authorization*
11 *for institutions of higher education to operate within a*
12 *State for any purpose under the Higher Education Act of*
13 *1965 (20 U.S.C. 1001 et seq.).*

14 (c) *INSTITUTIONAL RESPONSIBILITY; TREATMENT OF*
15 *RELIGIOUS INSTITUTIONS.—Section 495 (20 U.S.C. 1099a)*
16 *is amended by striking subsection (b) and inserting the fol-*
17 *lowing:*

18 “(b) *INSTITUTIONAL RESPONSIBILITY.—Each institu-*
19 *tion of higher education shall provide evidence to the Sec-*
20 *retary that the institution has authority to operate within*
21 *each State in which it maintains a physical location at*
22 *the time the institution is certified under subpart 3.*

23 “(c) *TREATMENT OF RELIGIOUS INSTITUTIONS.—An*
24 *institution shall be treated as legally authorized to operate*

1 *educational programs beyond secondary education in a*
2 *State under section 101(a)(2) if the institution is—*

3 *“(1) recognized as a religious institution by the*
4 *State; and*

5 *“(2) because of the institution’s status as a reli-*
6 *gious institution, exempt from any provision of State*
7 *law that requires institutions to be authorized by the*
8 *State to operate educational programs beyond sec-*
9 *ondary education.”.*

10 **SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR AS-**
11 **SOCIATION.**

12 *Section 496 (20 U.S.C. 1099b) is amended—*

13 *(1) in subsection (j), by striking “section 102”*
14 *and inserting “section 101”;*

15 *(2) in subsection (a)—*

16 *(A) in paragraph (2), by amending sub-*
17 *paragraph (A) to read as follows:*

18 *“(A) for the purpose of participation in*
19 *programs under this Act or other programs ad-*
20 *ministered by the Department of Education or*
21 *other Federal agencies, has a voluntary member-*
22 *ship of institutions of higher education or other*
23 *entities and has as a principal purpose the ac-*
24 *crediting of institutions of higher education or*
25 *programs;”;*

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(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “subparagraph (A)(i)” and inserting “subparagraph (A) or (C)”;

(II) by striking “separate” and inserting “separately incorporated”; and

(III) by adding “or” at the end;

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

(iii) by striking subparagraph (C);

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting “as defined by the institution” after “stated mission of the institution of higher education”;

(II) by striking “, including distance education or correspondence courses or programs,”; and

(III) by striking “and” at the end;

(ii) by striking subparagraph (B) and inserting the following:

1 “(B) such agency or association dem-
2 onstrates the ability to review, evaluate, and as-
3 sess the quality of any instruction delivery model
4 or method such agency or association has or
5 seeks to include within its scope of recognition,
6 without giving preference to or differentially
7 treating a particular instruction delivery model
8 or method offered by an institution of higher
9 education or program except that, in a case in
10 which the instruction delivery model allows for
11 the separation of the student from the instruc-
12 tor—

13 “(i) the agency or association requires
14 the institution to have processes through
15 which the institution establishes that the
16 student who registers in a course or pro-
17 gram is the same student who participates
18 in, including, to the extent practicable, test-
19 ing or other assessment, and completes the
20 program and receives the academic credit;
21 and

22 “(ii) the agency or association requires
23 that any process used by an institution to
24 comply with the requirement under clause
25 (i) does not infringe upon student privacy

1 *and is implemented in a manner that is*
2 *minimally burdensome to the student; and*

3 “(C) *if such an agency or association evalu-*
4 *ates or assesses the quality of competency-based*
5 *education programs, the agency’s or association’s*
6 *evaluation or assessment —*

7 “(i) *shall address effectively the quality*
8 *of an institution’s competency-based edu-*
9 *cation programs as set forth in paragraph*
10 *(5), except that the agency or association is*
11 *not required to have separate standards,*
12 *procedures, or policies for the evaluation of*
13 *competency-based education;*

14 “(ii) *shall establish whether an institu-*
15 *tion has demonstrated that its program sat-*
16 *isfies the definitions in section 103(25); and*

17 “(iii) *shall establish whether an insti-*
18 *tution has demonstrated that it has defined*
19 *an academic year for a competency-based*
20 *program in accordance with section*
21 *481(a)(3).”;*

22 “(D) *by amending paragraph (5) to read as*
23 *follows:*

24 “(5) *the standards for accreditation of the agen-*
25 *cy or association assess the institution’s success with*

1 *respect to student learning and educational outcomes*
2 *in relation to the institution’s mission, which may*
3 *include different standards for different institutions*
4 *or programs, except that the standards shall include*
5 *consideration of student learning and educational*
6 *outcomes in relation to expected measures of student*
7 *learning and educational outcomes, which at the*
8 *agency’s or association’s discretion are established—*

9 *“(A) by the agency or association; or*

10 *“(B) by the institution or program, at the*
11 *institution or program level, as the case may be,*
12 *if the institution or program—*

13 *“(i) defines expected student learning*
14 *goals and educational outcomes;*

15 *“(ii) measures and evaluates student*
16 *learning, educational outcomes, and, if ap-*
17 *propriate, other outcomes of the students*
18 *who complete their program of study;*

19 *“(iii) uses information about student*
20 *learning, educational outcomes, and, if ap-*
21 *propriate, other outcomes, to improve the*
22 *institution or program; and*

23 *“(iv) makes such information available*
24 *to appropriate constituencies;”;* and

1 (E) in paragraph (8), by striking “, upon
2 request,”;

3 (3) in subsection (b)—

4 (A) in the subsection heading, by striking
5 “SEPARATE” and inserting “SEPARATELY IN-
6 CORPORATED”;

7 (B) in the matter preceding paragraph (1),
8 by striking “separate” and inserting “separately
9 incorporated”;

10 (C) in paragraph (2), by inserting “who
11 shall represent business” after “one such public
12 member”; and

13 (D) in paragraph (4), by inserting before
14 the period at the end “and is maintained sepa-
15 rately from any such entity or organization”;

16 (4) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) by inserting “(which may vary
19 based on institutional risk consistent with
20 policies promulgated by the agency or asso-
21 ciation to determine such risk and interval
22 frequency as allowed under subsection (p))”
23 after “intervals”; and

1 (ii) by striking “distance education”
2 and inserting “competency-based edu-
3 cation”;

4 (B) by striking paragraph (5) and redesignig-
5 nating paragraphs (2), (3), and (4) as para-
6 graphs (3), (4), and (5), respectively;

7 (C) by inserting after paragraph (1), the
8 following:

9 “(2) develops a mechanism to identify institu-
10 tions or programs accredited by the agency or asso-
11 ciation that may be experiencing difficulties accom-
12 plishing their missions with respect to the student
13 learning and educational outcome goals established
14 under subsection (a)(5) and—

15 “(A) as appropriate, uses information such
16 as student loan default or repayment rates, re-
17 tention or graduation rates, evidence of student
18 learning, financial data, and other indicators to
19 identify such institutions;

20 “(B) not less than annually, evaluates the
21 extent to which those identified institutions or
22 programs continue to be in compliance with the
23 agency or association’s standards; and

24 “(C) as appropriate, requires the institution
25 or program to address deficiencies and ensure

1 *that any plan to address and remedy deficiencies*
2 *is successfully implemented.”;*

3 *(D) in paragraph (4)(A), as so redesign-*
4 *ated, by striking “487(f)” and inserting*
5 *“487(e)”;*

6 *(E) by amending paragraph (5), as so re-*
7 *designated, to read as follows:*

8 *“(5) establishes and applies or maintains poli-*
9 *cies which ensure that any substantive change to the*
10 *educational mission, program, or programs of an in-*
11 *stitution after the agency or association has granted*
12 *the institution accreditation or preaccreditation sta-*
13 *tus does not adversely affect the capacity of the insti-*
14 *tution to continue to meet the agency’s or associa-*
15 *tion’s standards for such accreditation or*
16 *preaccreditation status, which shall include policies*
17 *that—*

18 *“(A) require the institution to obtain the*
19 *agency’s or association’s approval of the sub-*
20 *stantive change before the agency or association*
21 *includes the change in the scope of the institu-*
22 *tion’s accreditation or preaccreditation status;*
23 *and*

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

1 “(i) any change in the established mis-
2 sion or objectives of the institution;

3 “(ii) any change in the legal status,
4 form of control, or ownership of the institu-
5 tion;

6 “(iii) the addition of courses, programs
7 of instruction, training, or study, or creden-
8 tials or degrees that represent a significant
9 departure from the courses, programs, or
10 credentials or degrees that were offered at
11 time the agency or association last evalu-
12 ated the institution; or

13 “(iv) the entering into a contract
14 under which an institution or organization
15 not certified to participate programs under
16 title IV provides a portion of an accredited
17 institution’s educational program that is
18 greater than 25 percent;”;

19 (F) in paragraph (7)—

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

23 (ii) in subparagraph (C), by inserting
24 before the semicolon at the end the fol-
25 lowing: “, and a summary of why such ac-

1 *tion was taken or such placement was*
2 *made”;*

3 *(G) in paragraph (8), by striking “and” at*
4 *the end;*

5 *(H) in paragraph (9), by striking the pe-*
6 *riod at the end and inserting a semicolon;*

7 *(I) by adding at the end the following:*

8 *“(10) makes publicly available, on the agency or*
9 *association’s website, a list of the institutions of high-*
10 *er education accredited by such agency or association,*
11 *which includes, with respect to each institution on the*
12 *list—*

13 *“(A) the year accreditation was granted;*

14 *“(B) the most recent date of a comprehen-*
15 *sive evaluation of the institution under para-*
16 *graph (1); and*

17 *“(C) the anticipated date of the next such*
18 *evaluation; and*

19 *“(11) confirms, as a part of the agency’s or asso-*
20 *ciation’s review for accreditation or reaccreditation,*
21 *that the institution’s website includes consumer infor-*
22 *mation described section paragraphs (1) and (2) of*
23 *section 132(d).”;*

24 *(5) in subsection (e)—*

1 (A) by striking “The Secretary” and insert-
2 ing the following:

3 “(1) *IN GENERAL.*—Subject to paragraph (2), the
4 Secretary”; and

5 (B) by adding at the end the following:

6 “(2) *EXCEPTION.*—Paragraph (1) shall not
7 apply in the case of an institution described in sub-
8 section (j).”.

9 (6) by striking subsection (h) and inserting the
10 following:

11 “(h) *CHANGE OF ACCREDITING AGENCY OR ASSOCIA-*
12 *TION.*—

13 “(1) *IN GENERAL.*—The Secretary shall not rec-
14 ognize the accreditation of any otherwise eligible in-
15 stitution of higher education if the institution is in
16 the process of changing its accrediting agency or asso-
17 ciation and is subject to one or more of the following
18 actions, unless the eligible institution submits to the
19 Secretary materials demonstrating a reasonable cause
20 for changing the accrediting agency or association:

21 “(A) A pending or final action brought by
22 a State agency to suspend, revoke, withdraw, or
23 terminate the institution’s legal authority to pro-
24 vide postsecondary education in the State.

1 “(B) A decision by a recognized accrediting
2 agency or association to deny accreditation or
3 preaccreditation to the institution.

4 “(C) A pending or final action brought by
5 a recognized accrediting agency or association to
6 suspend, revoke, withdraw, or terminate the in-
7 stitution’s accreditation or preaccreditation.

8 “(D) Probation or an equivalent status im-
9 posed on the institution by a recognized accred-
10 iting agency or association.

11 “(2) *RULE OF CONSTRUCTION.*—Nothing in this
12 subsection shall be construed to restrict the ability of
13 an institution of higher education not subject to an
14 action described in paragraph (1) and otherwise in
15 good standing to change accrediting agencies or asso-
16 ciations without the approval of the Secretary as long
17 as the institution notifies the Secretary of the
18 change.”;

19 (7) by striking subsection (k) and inserting the
20 following:

21 “(k) *RELIGIOUS INSTITUTION RULE.*—

22 “(1) *IN GENERAL.*—Notwithstanding subsection
23 (j), the Secretary shall allow an institution that has
24 had its accreditation withdrawn, revoked, or other-
25 wise terminated, or has voluntarily withdrawn from

1 *an accreditation agency, to remain certified as an in-*
2 *stitution of higher education under section 101 and*
3 *subpart 3 of this part for a period sufficient to allow*
4 *such institution to obtain alternative accreditation, if*
5 *the Secretary determines that the withdrawal, revoca-*
6 *tion, or termination—*

7 *“(A) is related to the religious mission or*
8 *affiliation of the institution; and*

9 *“(B) is not related to the accreditation cri-*
10 *teria provided for in this section.*

11 *“(2) REQUIREMENTS.—For purposes of this sec-*
12 *tion the following shall apply:*

13 *“(A) The religious mission of an institution*
14 *may be reflected in the institution’s religious te-*
15 *nets, beliefs, or teachings, and any policies or de-*
16 *isions related to such tenets, beliefs, or teachings*
17 *(including any policies or decisions concerning*
18 *housing, employment, curriculum, self-govern-*
19 *ance, or student admission, continuing enroll-*
20 *ment, or graduation).*

21 *“(B) An agency or association’s standard*
22 *fails to respect an institution’s religious mission*
23 *when the institution determines that the stand-*
24 *ard induces, pressures, or coerces the institution*

1 to act contrary to, or to refrain from acting in
2 support of, any aspect of its religious mission.

3 “(3) *ADMINISTRATIVE COMPLAINT FOR FAILURE*
4 *TO RESPECT RELIGIOUS MISSION.—*

5 “(A) *IN GENERAL.—*

6 “(i) *INSTITUTION.—If an institution of*
7 *higher education believes that an adverse*
8 *action of an accrediting agency or associa-*
9 *tion fails to respect the institution’s reli-*
10 *gious mission in violation of subsection*
11 *(a)(4)(A), the institution—*

12 “(I) *may file a complaint with*
13 *the Secretary to require the agency or*
14 *association to withdraw the adverse ac-*
15 *tion; and*

16 “(II) *prior to filing such com-*
17 *plaint, shall notify the Secretary and*
18 *the agency or association of an intent*
19 *to file such complaint not later than 30*
20 *days after—*

21 “(aa) *receiving the adverse*
22 *action from the agency or associa-*
23 *tion; or*

24 “(bb) *determining that dis-*
25 *ussions with or the processes of*

1 *the agency or association to rem-*
2 *edy the failure to respect the reli-*
3 *gious mission of the institution*
4 *will fail to result in the with-*
5 *drawal of the adverse action by*
6 *the agency or association.*

7 “(ii) *ACCREDITING AGENCY OR ASSO-*
8 *CIATION.—Upon notification of an intent to*
9 *file a complaint and through the duration*
10 *of the complaint process under this para-*
11 *graph, the Secretary and the accrediting*
12 *agency or association shall treat the accred-*
13 *itation status of the institution of higher*
14 *education as if the adverse action for which*
15 *the institution is filing the complaint had*
16 *not been taken.*

17 “(B) *COMPLAINT.—Not later than 45 days*
18 *after providing notice of the intent to file a com-*
19 *plaint, the institution shall file the complaint*
20 *with the Secretary (and provide a copy to the*
21 *accrediting agency or association), which shall*
22 *include—*

23 “(i) *a description of the adverse action;*

1 “(ii) *how the adverse action fails to re-*
2 *spect the institution’s religious mission in*
3 *violation of subsection (a)(4)(A); and*

4 “(iii) *any other information the insti-*
5 *tution determines relevant to the complaint.*

6 “(C) *RESPONSE.—*

7 “(i) *IN GENERAL.—The accrediting*
8 *agency or association shall have 30 days*
9 *from the date the complaint is filed with the*
10 *Secretary to file with the Secretary (and*
11 *provide a copy to the institution) a response*
12 *to the complaint, which response shall in-*
13 *clude—*

14 “(I) *how the adverse action is*
15 *based on a violation of the agency or*
16 *association’s standards for accredita-*
17 *tion; and*

18 “(II) *how the adverse action does*
19 *not fail to respect the religious mission*
20 *of the institution and is in compliance*
21 *with subsection (a)(4)(A).*

22 “(ii) *BURDEN OF PROOF.—*

23 “(I) *IN GENERAL.—The accred-*
24 *iting agency or association shall bear*
25 *the burden of proving that the agency*

1 *or association has not taken the ad-*
2 *verse action as a result of the institu-*
3 *tion’s religious mission, and that the*
4 *action does not fail to respect the insti-*
5 *tution’s religious mission in violation*
6 *of subsection (a)(4)(A), by showing*
7 *that the adverse action does not impact*
8 *the aspect of the religious claimed to be*
9 *affected in the complaint.*

10 *“(II) INSUFFICIENT PROOF.—Any*
11 *evidence that the adverse action results*
12 *from the application of a neutral and*
13 *generally applicable rule shall be insuf-*
14 *ficient to prove that the action does not*
15 *fail to respect an institution’s religious*
16 *mission.*

17 *“(D) ADDITIONAL INSTITUTION RE-*
18 *SPONSE.—The institution shall have 15 days*
19 *from the date on which the agency or associa-*
20 *tion’s response is filed with the Secretary to—*

21 *“(i) file with the Secretary (and pro-*
22 *vide a copy to the agency or association) a*
23 *response to any issues raised in the response*
24 *of the agency or association; or*

1 “(ii) inform the Secretary and the
2 agency or association that the institution
3 elects to waive the right to respond to the
4 response of the agency or association.

5 “(E) SECRETARIAL ACTION.—

6 “(i) IN GENERAL.—Not later than 15
7 days of receipt of the institution’s response
8 under subparagraph (D) or notification
9 that the institution elects not to file a re-
10 sponse under such subparagraph—

11 “(I) the Secretary shall review the
12 materials to determine if the accred-
13 iting agency or association has met its
14 burden of proof under subparagraph
15 (C)(ii)(I); or

16 “(II) in a case in which the Sec-
17 retary fails to conduct such review—

18 “(aa) the Secretary shall be
19 deemed as determining that the
20 adverse action fails to respect the
21 religious mission of the institu-
22 tion; and

23 “(bb) the accrediting agency
24 or association shall be required to
25 reverse the action immediately

1 *and take no further action with*
2 *respect to such adverse action.*

3 *“(ii) REVIEW OF COMPLAINT.—In re-*
4 *viewing the complaint under clause (i)(I)—*

5 *“(I) the Secretary shall consider*
6 *the institution to be correct in the as-*
7 *sertion that the adverse action fails to*
8 *respect the institution’s religious mis-*
9 *sion and shall apply the burden of*
10 *proof described in subparagraph*
11 *(C)(ii)(I) with respect to the accred-*
12 *iting agency or association; and*

13 *“(II) if the Secretary determines*
14 *that the accrediting agency or associa-*
15 *tion fails to meet such burden of*
16 *proof—*

17 *“(aa) the Secretary shall no-*
18 *tify the institution and the agency*
19 *or association that the agency or*
20 *association is not in compliance*
21 *with subsection (a)(4)(A), and*
22 *that such agency or association*
23 *shall carry out the requirements of*
24 *item (bb) to be in compliance sub-*
25 *section (a)(4)(A); and*

1 “(bb) the agency or associa-
2 tion shall reverse the adverse ac-
3 tion immediately and take no fur-
4 ther action with respect to such
5 adverse action.

6 “(iii) *FINAL DEPARTMENTAL AC-*
7 *TION.—The Secretary’s determination under*
8 *this subparagraph shall be the final action*
9 *of the Department on the complaint.*

10 “(F) *RULE OF CONSTRUCTION.—Nothing in*
11 *this paragraph shall prohibit—*

12 “(i) an accrediting agency or associa-
13 tion from taking an adverse action against
14 an institution of higher education for a fail-
15 ure to comply with the agency or associa-
16 tion’s standards of accreditation as long as
17 such standards are in compliance with sub-
18 section (a)(4)(A) and any other applicable
19 requirements of this section; or

20 “(ii) an institution of higher education
21 from exercising any other rights to address
22 concerns with respect to an accrediting
23 agency or association or the accreditation
24 process of an accrediting agency or associa-
25 tion.

1 “(G) *GUIDANCE.*—

2 “*(i) IN GENERAL.*—*The Secretary may*
3 *only issue guidance under this paragraph*
4 *that explains or clarifies the process for pro-*
5 *viding notice of an intent to file a com-*
6 *plaint or for filing a complaint under this*
7 *paragraph.*

8 “*(ii) CLARIFICATION.*—*The Secretary*
9 *may not issue guidance, or otherwise deter-*
10 *mine or suggest, when discussions to remedy*
11 *the failure by an accrediting agency or as-*
12 *sociation to respect the religious mission of*
13 *an institution of higher education referred*
14 *to in subparagraph (A)(i)(II)(bb) have*
15 *failed or will fail.”;*

16 (8) *in subsection (n)(3), by striking “distance*
17 *education courses or programs” each place it appears*
18 *and inserting “competency-based education pro-*
19 *grams”;*

20 (9) *in subsection (o), by inserting before the pe-*
21 *riod at the end the following: “, or with respect to the*
22 *policies and procedures of an accreditation agency or*
23 *association described in paragraph (2) or (5) of sub-*
24 *section (c) or how the agency or association carries*
25 *out such policies and procedures”;*

1 (10) by striking subsections (p) and (q); and

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

3 “(p) *RISK-BASED OR DIFFERENTIATED REVIEW PROC-*
4 *ESSES OR PROCEDURES.*—

5 “(1) *IN GENERAL.*—Notwithstanding any other
6 provision of law (including subsection (a)(4)(A)), an
7 accrediting agency or association may establish, with
8 the involvement of its membership, risk-based or dif-
9 ferentiated review processes or procedures for assess-
10 ing compliance with the accrediting agency or asso-
11 ciation’s standards, including policies related to sub-
12 stantive change and award of accreditation statuses,
13 for institutions of higher education or programs that
14 have demonstrated exceptional past performance with
15 respect to meeting the accrediting agency or associa-
16 tion’s standards.

17 “(2) *PROHIBITION.*—Risk-based or differentiated
18 review processes or procedures shall not discriminate
19 against, or otherwise preclude, institutions of higher
20 education based on institutional sector or category,
21 including an institution of higher education’s tax sta-
22 tus.

23 “(3) *RULE OF CONSTRUCTION.*—Nothing in this
24 subsection shall be construed to permit the Secretary
25 to establish any criterion that specifies, defines, or

1 *prescribes an accrediting agency or association’s risk-*
 2 *based or differentiated review process or procedure.*

3 “(q) *WAIVER.—The Secretary shall establish a process*
 4 *through which an agency or association may seek to have*
 5 *a requirement of this subpart waived, if such agency or as-*
 6 *sociation—*

7 “(1) *demonstrates that such waiver is necessary*
 8 *to enable an institution of higher education or pro-*
 9 *gram accredited by the agency or association to im-*
 10 *plement innovative practices intended to—*

11 “(A) *reduce administrative burdens to the*
 12 *institution or program without creating costs for*
 13 *the taxpayer; or*

14 “(B) *improve the delivery of services to stu-*
 15 *dents, improve instruction or learning outcomes,*
 16 *or otherwise benefit students; and*

17 “(2) *describes the terms and conditions that will*
 18 *be placed upon the program or institution to ensure*
 19 *academic integrity and quality.”.*

20 **SEC. 497. ELIGIBILITY AND CERTIFICATION PROCEDURES.**

21 (a) *ELIGIBILITY AND CERTIFICATION PROCEDURES.—*

22 *Section 498 (20 U.S.C. 1099c) is amended—*

23 (1) *in subsection (a)—*

24 (A) *by striking “For purposes of” and in-*
 25 *serting the following:*

1 “(1) *IN GENERAL.*—*For purposes of*”;

2 *(B) by inserting “, subject to paragraph*
3 *(2),” after “determine”; and*

4 *(C) by adding at the end the following:*

5 “(2) *SPECIAL RULE.*—*The determination of*
6 *whether an institution of higher education is legally*
7 *authorized to operate in a State under section*
8 *101(a)(2) shall be based solely on that State’s laws.”;*

9 *(2) in subsection (b)(5), by striking “B or D”*
10 *and inserting “E”;*

11 *(3) in subsection (c)—*

12 *(A) by redesignating paragraphs (4), (5),*
13 *and (6) as paragraphs (6), (7), and (8), respec-*
14 *tively;*

15 *(B) by striking the subsection designation*
16 *and all that follows through the end of para-*
17 *graph (3) and inserting the following:*

18 “(c) *FINANCIAL RESPONSIBILITY STANDARDS.*—(1)
19 *The Secretary shall determine whether an institution has*
20 *the financial responsibility required by this title in accord-*
21 *ance with paragraph (2).*

22 “(2) *An institution shall be determined to be finan-*
23 *cially responsible by the Secretary, as required by this title,*
24 *if the institution is able to provide the services described*
25 *in its official publications and statements, is able to provide*

1 *the administrative resources necessary to comply with the*
2 *requirements of this title, and meets one of the following*
3 *conditions:*

4 “(A) *Such institution has its liabilities backed*
5 *by the full faith and credit of a State, or its equiva-*
6 *lent.*

7 “(B) *Such institution has a bond credit quality*
8 *rating of investment grade or higher from a recog-*
9 *nized credit rating agency.*

10 “(C) *Such institution has expendable net assets*
11 *equal to not less than one-half of the annual potential*
12 *liabilities of such institution to the Secretary for*
13 *funds under this title, including loan obligations dis-*
14 *charged pursuant to section 437, and to students for*
15 *refunds of institutional charges, including funds*
16 *under this title, as calculated by an independent cer-*
17 *tified public accountant in accordance with generally*
18 *accepted auditing standards.*

19 “(D) *Such institution establishes, with the sup-*
20 *port of a financial statement audited by an inde-*
21 *pendent certified public accountant in accordance*
22 *with generally accepted auditing standards, that the*
23 *institution has sufficient resources to ensure against*
24 *the precipitous closure of the institution, including*
25 *the ability to meet all of its financial obligations (in-*

1 *cluding refunds of institutional charges and repay-*
2 *ments to the Secretary for liabilities and debts in-*
3 *curring in programs administered by the Secretary).*

4 *“(E) Such institution has met criteria, pre-*
5 *scribed by the Secretary by regulation in accordance*
6 *with paragraph (3), that—*

7 *“(i) establish ratios that demonstrate finan-*
8 *cial responsibility in accordance with generally*
9 *accepted auditing standards as described in*
10 *paragraph (7);*

11 *“(ii) incorporate the procedures described in*
12 *paragraph (4);*

13 *“(iii) establish consequences for failure to*
14 *meet the criteria described in paragraph (5); and*

15 *“(iv) take into account any differences in*
16 *generally accepted accounting principles, and the*
17 *financial statements required thereunder, that*
18 *are applicable to for-profit, public, and nonprofit*
19 *institutions.*

20 *“(3) The criteria prescribed pursuant to paragraph*
21 *(2)(E) shall provide that the Secretary shall—*

22 *“(A) not later than 6 months after an institution*
23 *that is subject to the requirements of paragraph*
24 *(2)(E) has submitted its annual financial statement,*

1 *provide to such institution a notification of its pre-*
2 *liminary score under such paragraph;*

3 *“(B) provide to each such institution a descrip-*
4 *tion of the method used, and complete copies of all the*
5 *calculations performed, to determine the institution’s*
6 *score, if such institution makes a request for such in-*
7 *formation within 45 days after receiving the notice*
8 *under subparagraph (A);*

9 *“(C) within 60 days of receipt by an institution*
10 *of the information described in subparagraph (B)—*

11 *“(i) allow the institution to correct or cure*
12 *an administrative, accounting, or recordkeeping*
13 *error if the error is not part of a pattern of er-*
14 *rors and there is no evidence of fraud or mis-*
15 *conduct related to the error;*

16 *“(ii) if the institution demonstrates that the*
17 *Secretary has made errors in its determination*
18 *of the initial score or has used non-standard ac-*
19 *counting practices in reaching its determination,*
20 *notify the institution that its composite score has*
21 *been corrected; and*

22 *“(iii) take into consideration any subse-*
23 *quent change in the institution’s overall fiscal*
24 *health that would raise the institution’s score;*

1 “(D) maintain and preserve at all times the con-
2 fidentiality of any review until such score is deter-
3 mined to be final; and

4 “(E) make a determination regarding whether
5 the institution has met the standards of financial re-
6 sponsibility based on an audited and certified finan-
7 cial statement of the institution as described in para-
8 graph (7).

9 “(4) If the Secretary determines, after conducting an
10 initial review, that the institution has not met at least one
11 of the conditions described in subparagraphs (A) through
12 (E) of paragraph (2) but has otherwise met the require-
13 ments of such paragraph—

14 “(A) the Secretary shall request information re-
15 lating to such conditions for any affiliated or parent
16 organization, company, or foundation owning or
17 owned by the institution; and

18 “(B) if such additional information dem-
19 onstrates that an affiliated or parent organization,
20 company, or foundation owning or owned by the in-
21 stitution meets at least one of the conditions describe
22 in subparagraphs (A) through (E) of paragraph (2),
23 the institution shall be determined to be financially
24 responsible as required by this title.

1 “(5) *The Secretary shall establish policies and proce-*
2 *dures to address an institution’s failure to meet the criteria*
3 *of paragraph (2) which shall include policies and proce-*
4 *dures that—*

5 “(A) *require an institution that fails to meet the*
6 *criteria for three consecutive years to provide to the*
7 *Secretary a financial plan;*

8 “(B) *provide for additional oversight and cash*
9 *monitoring restrictions, as appropriate;*

10 “(C) *allow an institution to submit to the Sec-*
11 *retary third-party financial guarantees that the Sec-*
12 *retary determines are reasonable, such as performance*
13 *bonds or letters of credit payable to the Secretary, ex-*
14 *cept that an institution may not be required to obtain*
15 *a letter of credit in order to be deemed financially re-*
16 *sponsible unless—*

17 “(i) *the institution has been deemed not to*
18 *be a going concern, as determined by an inde-*
19 *pendent certified public accountant in accord-*
20 *ance with generally accepted auditing standards;*

21 “(ii) *the institution is determined by the*
22 *Secretary to be at risk of precipitous closure*
23 *when the full financial resources of the institu-*
24 *tion, including the value of the institution’s ex-*
25 *pendable endowment, are considered; or*

1 “(iii) the institution is determined by the
2 Secretary to be at risk of not meeting all of its
3 financial obligations, including refunds of insti-
4 tutional charges and repayments to the Secretary
5 for liabilities and debts incurred in programs
6 administered by the Secretary; and

7 “(D) provide for the removal of all requirements
8 related to the institution’s failure to meet the criteria
9 once the criteria are met.”; and

10 (C) in paragraph (7), as so redesignated, by
11 striking “paragraphs (2) and (3)(C)” and insert-
12 ing “paragraph (2)”;

13 (4) in subsection (g)(3)—

14 (A) by striking “section 102(a)(1)(C)” and
15 inserting “section 102(a)(1)”;

16 (B) by striking “part B” and inserting
17 “part D or E”;

18 (5) in subsection (h)(2), by striking “18” and in-
19 serting “36”;

20 (6) in subsection (i)(1), by striking “section 102
21 (other than the requirements in subsections (b)(5) and
22 (c)(3))” and inserting “sections 101 (other than the
23 requirements in subsections (b)(1)(A) and (b)(2)) and
24 102”;

1 (7) *in subsection (j)(1), by striking “meet the re-*
2 *quirements of sections 102(b)(1)(E) and 102(c)(1)(C)”*
3 *and inserting “meet the requirements to be considered*
4 *an institution of higher education under sections*
5 *101(b)(1)(A) and 101(b)(2)”*; and

6 (8) *in subsection (k)—*

7 (A) *in paragraph (1), by striking “487(f)”*
8 *and inserting “487(e)”*; and

9 (B) *in paragraph (2)(A), by striking “meet*
10 *the requirements of sections 102(b)(1)(E) and*
11 *102(c)(1)(C)” and inserting “meet the require-*
12 *ments to be considered an institution of higher*
13 *education under sections 101(b)(1)(A) and*
14 *101(b)(2)”*.

15 (b) *PROGRAM REVIEW AND DATA.—Section 498A (20*
16 *U.S.C. 1099c–1) is amended—*

17 (1) *in subsection (a)(2)—*

18 (A) *by striking “part B of” both places it*
19 *appears;*

20 (B) *in subparagraph (A), by inserting be-*
21 *fore the semicolon at the end the following: “, or*
22 *after the transition period described in section*
23 *481B(e)(3), institutions in which 25 percent or*
24 *more of the educational programs have a loan re-*

1 *payment rate (defined in section 481B(c)) for the*
2 *most recent fiscal year of less than 50 percent”;*

3 *(C) in subparagraph (B), by inserting be-*
4 *fore the semicolon at the end the following: “, ex-*
5 *cept that this subparagraph shall not apply after*
6 *the transition period described in section*
7 *481B(e)(3)”;* and

8 *(D) in subparagraph (C)—*

9 *(i) by inserting “, Federal ONE Loan*
10 *volume” after “Stafford/Ford Loan vol-*
11 *ume”;* and

12 *(ii) by inserting “, Federal ONE Loan*
13 *program” after “Stafford/Ford Loan pro-*
14 *gram”;*

15 *(2) in subsection (b)—*

16 *(A) by redesignating paragraphs (3)*
17 *through (8) as paragraphs (4) through (9), re-*
18 *spectively;*

19 *(B) by inserting after paragraph (2) the fol-*
20 *lowing new paragraph:*

21 *“(3) as practicable, provide a written expla-*
22 *nation to the institution of higher education detailing*
23 *the Secretary’s reasons for initiating the program re-*
24 *view which, if applicable, shall include references to*
25 *specific criteria under subsection (a)(2);”;* and

1 (C) in paragraph (9), as so redesignated—

2 (i) by striking “paragraphs (6) and
3 (7)” and inserting “paragraphs (7) and
4 (8)”; and

5 (ii) by striking “paragraph (5)” and
6 inserting “paragraph (6)”; and

7 (3) by adding at the end the following new sub-
8 section:

9 “(f) *TIME LIMIT ON PROGRAM REVIEW ACTIVITIES.*—

10 *In conducting, responding to, and concluding program re-*
11 *view activities, the Secretary shall—*

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

15 “(2) upon each receipt of an institution’s re-
16 sponse during a program review inquiry, respond in
17 a substantive manner within 90 days;

18 “(3) upon each receipt of an institution’s written
19 response to a draft final program review report, pro-
20 vide the final program review report and accom-
21 panying enforcement actions, if any, within 90 days;
22 and

23 “(4) conclude the entire program review process
24 not later than 2 years after the initiation of a pro-
25 gram review, unless the Secretary determines that

1 *such a review is sufficiently complex and cannot rea-*
 2 *sonably be concluded before the expiration of such 2-*
 3 *year period, in which case the Secretary shall*
 4 *promptly notify the institution of the reasons for such*
 5 *delay and provide an anticipated date for conclusion*
 6 *of the review.”.*

7 *(c) REVIEW OF REGULATIONS.—Section 498B(b) (20*
 8 *U.S.C. 1099c–2(b)) is amended by striking “section*
 9 *102(a)(1)(C)” and inserting “section 102(a)(1)”.*

10 **TITLE V—DEVELOPING**
 11 **INSTITUTIONS**

12 **SEC. 501. HISPANIC-SERVING INSTITUTIONS.**

13 *Part A of title V (20 U.S.C. 1101 et seq.) is amended—*

14 *(1) in section 502(a)—*

15 *(A) in paragraph (1), by striking “institu-*
 16 *tion for instruction” and inserting “institution*
 17 *of higher education for instruction”;*

18 *(B) in paragraph (2)(A)—*

19 *(i) by redesignating clauses (v) and*
 20 *(vi) as clauses (vi) and (v), respectively;*

21 *(ii) in clause (v) (as so redesignated),*
 22 *by inserting “(as defined in section*
 23 *103(20)(A))” after “State”; and*

24 *(iii) in clause (vi) (as so redesignated),*
 25 *by striking “and” at the end; and*

1 (C) in paragraph (2)—

2 (i) by striking the period at the end of
3 subparagraph (B) and inserting “; and”;
4 and

5 (ii) by inserting after subparagraph
6 (B) the following:

7 “(C) except as provided in section 522(b),
8 an institution that has a completion rate of at
9 least 25 percent that is calculated by—

10 “(i) counting a student as completed if
11 that student graduated within 150 percent
12 of the normal time for completion; or

13 “(ii) counting a student as completed
14 if that student enrolled into another pro-
15 gram at an institution for which the pre-
16 vious program provided substantial prepa-
17 ration within 150 percent of normal time
18 for completion.”;

19 (2) in section 503—

20 (A) in subsection (b)—

21 (i) in paragraph (5), by striking
22 “counseling, and” and inserting “coun-
23 seling, advising, and’”

1 (ii) in paragraph (7), by striking
2 “funds management” and inserting “funds
3 and administrative management”;

4 (iii) in paragraph (11), by striking
5 “Creating” and all that follows through
6 “technologies,” and inserting “Innovative
7 learning models and creating or improving
8 facilities for Internet or other innovative
9 technologies,”; and

10 (iv) by redesignating paragraph (16)
11 as paragraph (20) and inserting after para-
12 graph (15) the following:

13 “(16) The development, coordination, implemen-
14 tation, or improvement of career and technical edu-
15 cation programs (as defined in section 135 of the Carl
16 D. Perkins Career and Technical Education Act of
17 2006 (20 U.S.C. 2355)).

18 “(17) Alignment and integration of career and
19 technical education programs with programs of study
20 leading to a bachelor’s degree, graduate degree, or
21 professional degree.

22 “(18) Developing or expanding access to dual or
23 concurrent enrollment programs and early college
24 high school programs.

1 “(19) *Pay for success initiatives that improve*
2 *time to completion and increase graduation rates.*”;
3 *and*

4 *(B) in subsection (c), by adding at the end*
5 *the following:*

6 “(4) *SCHOLARSHIP.—An institution that uses*
7 *grant funds provided under this part to establish or*
8 *increase an endowment fund may use the income*
9 *from such endowment fund to provide scholarships to*
10 *students for the purposes of attending such institu-*
11 *tion, subject to the limitation in section*
12 *331(c)(3)(B)(i).*”;

13 *(3) in section 504, by striking subsection (a) and*
14 *inserting the following:*

15 “(a) *AWARD PERIOD.—The Secretary may award a*
16 *grant to a Hispanic-serving institution under this part for*
17 *a period of 5 years. Any funds awarded under this part*
18 *that are not expended or used, before the date that is 10*
19 *years after the date on which the grant was awarded, for*
20 *the purposes for which the funds were paid shall be repaid*
21 *to the Treasury.*”;
21 *and*

22 *(4) in section 505, by striking “this title” each*
23 *place such term appears and inserting “this part”.*

1 **SEC. 502. PROMOTING POSTBACCALAUREATE OPPORTUNI-**
2 **TIES FOR HISPANIC AMERICANS.**

3 *Part B of title V (20 U.S.C. 1102 et seq.) is amended—*

4 *(1) in section 513—*

5 *(A) by striking paragraph (1) and inserting*
6 *the following:*

7 *“(1) The activities described in (1) through (4),*
8 *(11), and (19) of section 503(b).”;*

9 *(B) by striking paragraphs (2) and (3); and*

10 *(C) by redesignating paragraphs (4)*
11 *through (8) as paragraphs (2) through (6), re-*
12 *spectively; and*

13 *(D) in paragraph (4) (as so redesignated),*
14 *by striking “Creating” and all that follows*
15 *through “technologies,” and inserting “Innova-*
16 *tive learning models and creating or improving*
17 *facilities for Internet or other innovative tech-*
18 *nologies,”; and*

19 *(2) in section 514—*

20 *(A) by striking subsection (b) and inserting*
21 *the following:*

22 *“(b) DURATION.—The Secretary may award a grant*
23 *to a Hispanic-serving institution under this part for a pe-*
24 *riod of 5 years. Any funds awarded under this part that*
25 *are not expended or used for the purposes for which the*
26 *funds were paid within 10 years following the date on*

1 *which the grant was awarded shall be repaid to the Treas-*
2 *ury.”; and*

3 *(B) by adding at the end the following:*

4 *“(d) SPECIAL RULE.—No Hispanic-serving institu-*
5 *tion that is eligible for and receives funds under this part*
6 *may receive funds under part A or B of title III during*
7 *the period for which funds under this part are awarded.”.*

8 **SEC. 503. GENERAL PROVISIONS.**

9 *Part C of title V (20 U.S.C. 1103 et seq.) is amended—*

10 *(1) in section 521(c)(7)—*

11 *(A) by striking subparagraph (C);*

12 *(B) by redesignating subparagraphs (D)*
13 *and (E) as subparagraphs (C) and (D), respec-*
14 *tively; and*

15 *(C) in subparagraph (D), as so redesign-*
16 *ated, by striking “subparagraph (D)” and in-*
17 *serting “subparagraph (C)”;*

18 *(2) in section 522(b)—*

19 *(A) in the subsection heading, by inserting*
20 *“; COMPLETION RATES” after “EXPENDITURES”;*

21 *(B) in paragraph (1), by inserting “or*
22 *502(a)(2)(C)” after “502(a)(2)(A)(ii)”;* and

23 *(C) in paragraph (2)—*

1 (i) in the paragraph heading, by in-
2 serting “AND COMPLETION RATES” after
3 “EXPENDITURES”;

4 (ii) in the matter preceding subpara-
5 graph (A), by inserting “or 502(a)(2)(C)”
6 after “502(a)(2)(A)(ii)”; and

7 (iii) in subparagraph (A), by inserting
8 “or section 502(a)(2)(C)” after
9 “502(a)(2)(A)”;

10 (3) in section 524(c), by striking “section 505”
11 and inserting “section 504”; and

12 (4) in section 528—

13 (A) in subsection (a), by striking “parts A
14 and C” and all that follows through the period
15 at the end and inserting “parts A and C,
16 \$107,795,000 for each of fiscal years 2019
17 through 2024.”; and

18 (B) in subsection (b), by striking “part B”
19 and all that follows through the period at the end
20 and inserting “part B, \$9,671,000 for each of fis-
21 cal years 2019 through 2024.”.

1 **TITLE VI—INTERNATIONAL**
2 **EDUCATION PROGRAMS**

3 **SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUD-**
4 **IES.**

5 (a) *GRADUATE AND UNDERGRADUATE LANGUAGE AND*
6 *AREA CENTERS AND PROGRAMS.—Section 602 (20 U.S.C.*
7 *1122) is amended—*

8 (1) *in subsection (a)(4)(F), by inserting “(C),”*
9 *after “(B),”; and*

10 (2) *in subsection (e)—*

11 (A) *by redesignating paragraphs (1) and*
12 *(2) as subparagraphs (A) and (B), respectively,*
13 *and realigning such subparagraphs so as to be*
14 *indented 4 ems from the left margin;*

15 (B) *by striking “(e) APPLICATION.—Each*
16 *institution” and inserting the following:*

17 “(e) *APPLICATION.—*

18 “(1) *SUBMISSION; CONTENTS.—Each institu-*
19 *tion”; and*

20 (C) *by adding at the end the following new*
21 *paragraph:*

22 “(2) *APPROVAL.—The Secretary may approve an*
23 *application for a grant if an institution, in its appli-*
24 *cation, provides adequate assurances that it will com-*
25 *ply with paragraph (1)(A). The Secretary shall use*

1 *section (f)(3). The Secretary shall use the requirement of*
2 *subsection (f)(3) as part of the application evaluation, re-*
3 *view, and approval process when determining grant recipi-*
4 *ents for initial funding and continuation awards.”.*

5 *(b) DISCONTINUATION OF CERTAIN PROGRAMS.—Part*
6 *B of title VI (20 U.S.C. 1130 et seq.) is amended by striking*
7 *sections 613 and 614.*

8 **SEC. 603. REPEAL OF ASSISTANCE PROGRAM FOR INSTI-**
9 **TUTE FOR INTERNATIONAL PUBLIC POLICY.**

10 *Part C of title VI (20 U.S.C. 1131 et seq.) is repealed.*

11 **SEC. 604. GENERAL PROVISIONS.**

12 *(a) DEFINITIONS.—Section 631(a) (20 U.S.C.*
13 *1132(a)) is amended—*

14 *(1) by striking paragraphs (5) and (9);*

15 *(2) in paragraph (8), by inserting “and” after*
16 *the semicolon at the end; and*

17 *(3) by redesignating paragraphs (6), (7), (8),*
18 *and (10) as paragraphs (5), (6), (7), and (8), respec-*
19 *tively.*

20 *(b) SPECIAL RULE.—Section 632(2) (20 U.S.C. 1132–*
21 *1(2)) is amended by inserting “substantial” before “need”.*

22 *(c) REPORTS.—Section 636 (20 U.S.C. 1132–5) is*
23 *amended—*

1 (1) *by inserting “(a) BIENNIAL REPORT ON*
2 *AREAS OF NATIONAL NEED.—” before “The Sec-*
3 *retary”; and*

4 (2) *by adding at the end the following new sub-*
5 *section:*

6 “(b) *ANNUAL REPORT ON COMPLIANCE WITH DIVERSE*
7 *PERSPECTIVES AND A WIDE RANGE OF VIEWS REQUIRE-*
8 *MENT.—Not later than 180 days after the date of the enact-*
9 *ment of this subsection, and annually thereafter, the Sec-*
10 *retary shall submit to the authorizing committees a report*
11 *that identifies the efforts taken to ensure recipients’ compli-*
12 *ance with the requirements under this title relating to the*
13 *‘diverse perspectives and a wide range of views’ require-*
14 *ment, including any technical assistance the Department*
15 *has provided, any regulatory guidance the Department has*
16 *issued, and any monitoring the Department has conducted.*
17 *Such report shall be made available to the public.”.*

18 (d) *REPEAL OF SCIENCE AND TECHNOLOGY ADVANCED*
19 *FOREIGN LANGUAGE EDUCATION GRANT PROGRAM.—Sec-*
20 *tion 637 (20 U.S.C. 1132–6) is repealed.*

21 (e) *REPORTING BY INSTITUTIONS.—Section 638(b) (20*
22 *U.S.C. 1132–7(b)) is amended to read as follows:*

23 “(b) *DATA REQUIRED.—*

24 “(1) *IN GENERAL.—Except as provided in para-*
25 *graph (5), the Secretary shall require an institution*

1 *of higher education referred to in subsection (a) to file*
2 *a disclosure report under paragraph (2) with the Sec-*
3 *retary on January 31 or July 31, whichever is soon-*
4 *er, with respect to the date on which such institution*
5 *received a contribution—*

6 *“(A) less than 7 months from such date;*

7 *and*

8 *“(B) greater than 30 days from such date.*

9 *“(2) CONTENTS OF REPORT.—Each report to the*
10 *Secretary required by this section shall contain the*
11 *following information with respect to the institution*
12 *of higher education filing the report:*

13 *“(A) For gifts received from, or contracts*
14 *entered into with a foreign source other than a*
15 *foreign government, the following information:*

16 *“(i) The aggregate dollar amount of*
17 *such gifts and contracts attributable to each*
18 *country, including the fair market value of*
19 *the services of staff members, textbooks, and*
20 *other in-kind gifts.*

21 *“(ii) The legal name of the entity pro-*
22 *viding any such gift or contract.*

23 *“(iii) The country to which the gift is*
24 *attributable.*

1 “(B) For gifts received from, or contracts
2 entered into with, a foreign government, the ag-
3 gregate dollar amount of such gifts and contracts
4 received from each foreign government and the
5 legal name of the entity providing any such gift
6 or contract.

7 “(C) In the case of an institution of higher
8 education that is owned or controlled by a for-
9 eign source—

10 “(i) the identity of the foreign source;

11 “(ii) the date on which the foreign
12 source assumed ownership or control of the
13 institution; and

14 “(iii) any changes in program or
15 structure resulting from the change in own-
16 ership or control.

17 “(3) *ADDITIONAL DISCLOSURES FOR RE-*
18 *STRICTED AND CONDITIONAL GIFTS.*—Notwith-
19 standing paragraph (1), when an institution of high-
20 er education receives a restricted or conditional gift
21 or contract from a foreign source, the institution shall
22 disclose the following:

23 “(A) In the case of gifts received from, or
24 contracts entered into with, a foreign source
25 other than a foreign government, the amount, the

1 *date, and a description of such conditions or re-*
2 *strictions.*

3 “(B) *The country to which the gift is attrib-*
4 *utable.*

5 “(C) *In the case of gifts received from, or*
6 *contracts entered into with, a foreign govern-*
7 *ment, the amount, the date, a description of such*
8 *conditions or restrictions, and the name of the*
9 *foreign government.*

10 “(4) *ATTRIBUTION OF GIFTS.—For purposes of*
11 *this subsection, the country to which a gift is attrib-*
12 *utable is—*

13 “(A) *the country of citizenship; or*

14 “(B) *if the information described in sub-*
15 *paragraph (A) is not known—*

16 “(i) *the principal residence for a for-*
17 *ign source who is a natural person; or*

18 “(ii) *the principal place of business*
19 *and country of incorporation for a foreign*
20 *source that is a legal entity.*

21 “(5) *RELATION TO OTHER REPORTING REQUIRE-*
22 *MENTS.—*

23 “(A) *STATE REQUIREMENTS.—If an institu-*
24 *tion described under subsection (a) is located*
25 *within a State that has enacted requirements for*

1 *public disclosure of gifts from, or contracts with,*
2 *a foreign source that are substantially similar to*
3 *the requirements of this section, as determined by*
4 *the Secretary, a copy of the disclosure report*
5 *filed with the State may be filed with the Sec-*
6 *retary in lieu of a report required under para-*
7 *graph (1).*

8 “(B) *ASSURANCES.*—*With respect to an in-*
9 *stitution that submits a copy of a disclosure re-*
10 *port pursuant to subparagraph (A), the State in*
11 *which such institution is located shall provide to*
12 *the Secretary such assurances as the Secretary*
13 *may require to establish that the institution has*
14 *met the requirements for public disclosure under*
15 *the laws of such State.*

16 “(C) *USE OF OTHER FEDERAL REPORTS.*—
17 *If an institution receives a gift from, or enters*
18 *into a contract with, a foreign source, where any*
19 *other Federal law or regulation requires a report*
20 *containing requirements substantially similar to*
21 *the requirements under this section, as deter-*
22 *mined by the Secretary, a copy of the report*
23 *may be filed with the Secretary in lieu of a re-*
24 *port required under subsection (b).*

1 “(6) *PUBLIC INSPECTION.*—A disclosure report
2 required by this section shall be—

3 “(A) available as public records open to in-
4 spection and copying during business hours;

5 “(B) available electronically; and

6 “(C) made available under subparagraphs
7 (A) and (B) not later than 30 days after the Sec-
8 retary receives such report.

9 “(7) *ENFORCEMENT.*—

10 “(A) *COMPEL COMPLIANCE.*—Whenever it
11 appears that an institution has failed to comply
12 with the requirements of this section, including
13 any rule or regulation promulgated under this
14 section, a civil action may be brought by the At-
15 torney General, at the request of the Secretary,
16 in an appropriate district court of the United
17 States, or the appropriate United States court of
18 any territory or other place subject to the juris-
19 diction of the United States, to request such
20 court to compel compliance with the require-
21 ments of this section.

22 “(B) *COSTS.*—For knowing or willful fail-
23 ure to comply with the requirements of this sec-
24 tion, including any rule or regulation promul-
25 gated thereunder, an institution shall pay to the

1 *Treasury of the United States the full costs to the*
2 *United States of obtaining compliance, including*
3 *all associated costs of investigation and enforce-*
4 *ment.*

5 “(8) *DEFINITIONS.—In this section:*

6 “(A) *CONTRACT.—The term ‘contract’*
7 *means any agreement for the acquisition by pur-*
8 *chase, lease, gift, or barter of property or services*
9 *by the foreign source, for the direct benefit or use*
10 *of either of the parties.*

11 “(B) *FOREIGN SOURCE.—The term ‘foreign*
12 *source’ means—*

13 “(i) *a foreign government, including*
14 *an agency of a foreign government;*

15 “(ii) *a legal entity, governmental or*
16 *otherwise, created solely under the laws of a*
17 *foreign state or states;*

18 “(iii) *an individual who is not a cit-*
19 *izen or a national of the United States or*
20 *a trust territory or protectorate thereof; and*

21 “(iv) *an agent, including a subsidiary*
22 *or affiliate of a foreign legal entity, acting*
23 *on behalf of a foreign source.*

1 “(C) *GIFT*.—The term ‘gift’ means any gift
2 of money, property, human resources, or pay-
3 ment of any staff.

4 “(D) *RESTRICTED OR CONDITIONAL*.—The
5 term ‘restricted or conditional’, with respect to
6 an endowment, gift, grant, contract, award,
7 present, or property of any kind means includ-
8 ing as a condition on such endowment, gift,
9 grant, contract, award, present, or property pro-
10 visions regarding—

11 “(i) the employment, assignment, or
12 termination of faculty;

13 “(ii) the establishment of departments,
14 centers, research or lecture programs, insti-
15 tutes, instructional programs, or new fac-
16 ulty positions;

17 “(iii) the selection or admission of stu-
18 dents; or

19 “(iv) the award of grants, loans, schol-
20 arships, fellowships, or other forms of finan-
21 cial aid restricted to students of a specified
22 country, religion, sex, ethnic origin, or po-
23 litical opinion.”.

24 (f) *REDESIGNATIONS*.—Part D of title VI (20 U.S.C.
25 1132 et seq.) is amended—

1 **TITLE VII—GRADUATE AND**
2 **POSTSECONDARY IMPROVE-**
3 **MENT PROGRAMS**

4 **SEC. 701. GRADUATE EDUCATION PROGRAMS.**

5 (a) *REPEAL OF JACOB K. JAVITS FELLOWSHIP PRO-*
6 *GRAM.—Subpart 1 of part A of title VII (20 U.S.C. 1134*
7 *et seq.) is repealed.*

8 (b) *REPEAL OF THURGOOD MARSHALL LEGAL EDU-*
9 *CATIONAL OPPORTUNITY PROGRAM.—Subpart 3 of part A*
10 *of title VII (20 U.S.C. 1136) is repealed.*

11 (c) *AUTHORIZATION OF APPROPRIATIONS FOR GRAD-*
12 *UATE ASSISTANCE IN AREAS OF NATIONAL NEED.—Section*
13 *716 (20 U.S.C. 1135e) is amended striking “\$35,000,000”*
14 *and all that follows through the period at the end and in-*
15 *serting “\$28,047,000 for each of fiscal years 2019 through*
16 *2024.”.*

17 (d) *REDESIGNATIONS.—Part A of title VII (20 U.S.C.*
18 *1134 et seq.) is amended—*

19 (1) *by redesignating subparts 2, 4, and 5 as sub-*
20 *parts 1, 2, and 3 respectively;*

21 (2) *by redesignating sections 711 through 716 as*
22 *sections 701 through 706, respectively;*

23 (3) *by redesignating sections 723 through 725 as*
24 *sections 711 through 713, respectively; and*

25 (4) *by redesignating section 731 as section 721.*

1 (e) *AMENDMENT OF CROSS REFERENCES.—Part A of*
2 *title VII (20 U.S.C. 1134 et seq.) is amended—*

3 (1) *in section 703(b)(8), as so redesignated, by*
4 *striking “section 715” and inserting “section 705”;*

5 (2) *in section 704(c), as so redesignated—*

6 (A) *by striking “section 715(a)” and insert-*
7 *ing “section 705(a)”;* and

8 (B) *by striking “section 713(b)(2)” and in-*
9 *serting “section 703(b)(2)”;*

10 (3) *in section 711(e), as so redesignated, by*
11 *striking “724” and inserting “712”;*

12 (4) *in section 712(e), as so redesignated, by*
13 *striking “723” and inserting “711”;*

14 (5) *in section 713, as so redesignated—*

15 (A) *in subsection (a), by striking “section*
16 *723” and all that follows through the period at*
17 *the end and inserting “section 711, \$7,500,000*
18 *for fiscal year 2019 and each of the five suc-*
19 *ceeding fiscal years.”;* and

20 (B) *in subsection (b), by striking “section*
21 *724” and inserting “section 712”;* and

22 (6) *in section 721, as so redesignated—*

23 (A) *in the section heading, by striking*
24 *“**THROUGH 4**” and inserting “**AND 2**”;*

1 (B) by striking “subparts 1 through 4” each
2 place such term appears and inserting “subparts
3 1 and 2”;

4 (C) in subsection (c)—

5 (i) by striking “section 703(b) or
6 715(a)” and inserting “section 705(a)”; and

7 (ii) by striking “subpart 1 or 2, respec-
8 tively,” and inserting “subpart 1”; and

9 (D) in subsection (d), by striking “subpart
10 1, 2, 3, or 4” and inserting “subpart 1 or 2”.

11 **SEC. 702. REPEAL OF FUND FOR THE IMPROVEMENT OF**
12 **POSTSECONDARY EDUCATION.**

13 Part B of title VII (20 U.S.C. 1138 et seq.) is repealed.

14 **SEC. 703. PROGRAMS FOR STUDENTS WITH DISABILITIES.**

15 (a) **REDESIGNATIONS.**—

16 (1) **SUBPART.**—Part D of title VII (20 U.S.C.
17 1140 et seq.) is amended by striking subparts 1 and
18 3 and redesignating subparts 2 and 4 as subparts 1
19 and 2, respectively.

20 (2) **PART.**—Part D of title VII (20 U.S.C. 1140
21 et seq.), as amended by paragraph (1), is redesignated
22 as part B of such Act.

23 (3) **DEFINITIONS.**—Section 760 (20 U.S.C. 1140)
24 is redesignated as section 730 of such Act.

1 (b) *MODEL TRANSITION PROGRAMS; COORDINATING*
2 *CENTER.*—

3 (1) *PURPOSE.*—*Section 766 (20 U.S.C. 1140f) is*
4 *redesignated as section 731 of such Act.*

5 (2) *MODEL COMPREHENSIVE TRANSITION AND*
6 *POSTSECONDARY PROGRAMS.*—*Section 767 (20 U.S.C.*
7 *1140g) is amended—*

8 (A) *by redesignating such section as section*
9 *732 of such Act;*

10 (B) *in subsection (a)(1)—*

11 (i) *by striking “section 769(a)” and*
12 *inserting “section 736(a)”;* and

13 (ii) *by striking “institutions of higher*
14 *education (or consortia of institutions of*
15 *higher education), to enable the institutions*
16 *or consortia” and inserting “eligible appli-*
17 *cants, to enable the eligible applicants”;*

18 (C) *by striking subsection (b) and inserting*
19 *the following:*

20 “(b) *APPLICATION.*—*An eligible applicant desiring a*
21 *grant under this section shall submit to the Secretary, at*
22 *such time and in such manner as the Secretary may re-*
23 *quire, an application that—*

24 (1) *describes how the model program to be oper-*
25 *ated by the eligible applicant with grant funds re-*

1 *ceived under this section will meet the requirements*
2 *of subsection (d);*

3 *“(2) describes how the model program proposed*
4 *to be operated is based on the demonstrated needs of*
5 *students with intellectual disabilities served by the eli-*
6 *gible applicant and potential employers;*

7 *“(3) describes how the model program proposed*
8 *to be operated will coordinate with other Federal,*
9 *State, and local programs serving students with intel-*
10 *lectual disabilities, including programs funded under*
11 *the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);*

12 *“(4) describes how the model program will be*
13 *sustained once the grant received under this section*
14 *ends;*

15 *“(5) if applicable, describes how the eligible ap-*
16 *plicant will meet the preferences described in sub-*
17 *section (c)(3); and*

18 *“(6) demonstrates the ability of the eligible ap-*
19 *plicant to meet the requirement under subsection*
20 *(e).”.*

21 *(D) in subsection (c)(3)—*

22 *(i) in subparagraph (B), by striking*
23 *“institution of higher education” and in-*
24 *serting “eligible applicant”; and*

1 (ii) in subparagraph (C), by striking
2 “students attending the institution of higher
3 education” and inserting “the eligible ap-
4 plicant’s students”;

5 (E) in subsection (d)—

6 (i) in the matter preceding paragraph
7 (1), by striking “An institution of higher
8 education (or consortium)” and inserting
9 “An eligible applicant”;

10 (ii) in paragraph (2), by striking “in-
11 stitution of higher education’s” and insert-
12 ing “eligible applicant’s”;

13 (iii) in paragraph (3)(D), by striking
14 “that lead to gainful employment”;

15 (iv) in paragraph (5), by striking “sec-
16 tion 777(b)” and inserting “section 734”;

17 (v) in paragraph (6), by inserting
18 “and” after the semicolon at the end;

19 (vi) by striking paragraph (7); and

20 (vii) by redesignating paragraph (8)
21 as paragraph (7);

22 (F) in subsection (e), by striking “An insti-
23 tution of higher education (or consortium)” and
24 inserting “An eligible applicant”;

1 (G) in subsection (f), by striking “Not later
2 than five years after the date of the first grant
3 awarded under this section” and inserting “Not
4 less often than once every 5 years”; and

5 (H) by adding at the end the following new
6 subsection:

7 “(g) *DEFINITION.*—For purposes of this subpart, the
8 term ‘eligible applicant’ means an institution of higher edu-
9 cation or a consortium of institutions of higher education.”.

10 (3) *REDESIGNATIONS.*—Sections 768 and 769
11 (20 U.S.C. 1140i) are redesignated as sections 733
12 and 736, respectively.

13 (4) *COORDINATING CENTER AND COMMISSION.*—
14 Subpart 1 of part D of title VII, as so redesignated
15 by subsection (a)(1), is amended by inserting after
16 section 733 (as so redesignated by paragraph (3)) the
17 following:

18 **“SEC. 734. COORDINATING CENTER.**

19 “(a) *PURPOSE.*—It is the purpose of this section to
20 provide technical assistance and information on best and
21 promising practices to eligible applicants awarded grants
22 under section 732.

23 “(b) *COORDINATING CENTER.*—

24 “(1) *DEFINITION OF ELIGIBLE ENTITY.*—In this
25 section, the term ‘eligible entity’ means an entity, or

1 *a partnership of entities, that has demonstrated ex-*
2 *pertise in the fields of—*

3 *“(A) higher education;*

4 *“(B) the education of students with intellec-*
5 *tual disabilities;*

6 *“(C) the development of comprehensive tran-*
7 *sition and postsecondary programs for students*
8 *with intellectual disabilities; and*

9 *“(D) evaluation and technical assistance.*

10 *“(2) IN GENERAL.—From amounts appropriated*
11 *under section 736, the Secretary shall enter into a co-*
12 *operative agreement, on a competitive basis, with an*
13 *eligible entity for the purpose of establishing a coordi-*
14 *nating center for institutions of higher education that*
15 *offer inclusive comprehensive transition and postsec-*
16 *ondary programs for students with intellectual dis-*
17 *abilities, including eligible applicants receiving*
18 *grants under section 732, to provide—*

19 *“(A) recommendations related to the devel-*
20 *opment of standards for such programs;*

21 *“(B) technical assistance for such programs;*
22 *and*

23 *“(C) evaluations for such programs.*

24 *“(3) ADMINISTRATION.—The program under this*
25 *section shall be administered by the office in the De-*

1 *partment that administers other postsecondary edu-*
2 *cation programs.*

3 “(4) *DURATION.*—*A cooperative agreement en-*
4 *tered into pursuant to this section shall have a term*
5 *of 5 years.*

6 “(5) *REQUIREMENTS OF COOPERATIVE AGREE-*
7 *MENT.*—*The cooperative agreement entered into pur-*
8 *suant to this section shall provide that the eligible en-*
9 *tity entering into such agreement shall establish and*
10 *maintain a coordinating center that shall—*

11 “(A) *serve as the technical assistance entity*
12 *for all comprehensive transition and postsec-*
13 *ondary programs for students with intellectual*
14 *disabilities;*

15 “(B) *provide technical assistance regarding*
16 *the development, evaluation, and continuous im-*
17 *provement of such programs;*

18 “(C) *develop an evaluation protocol for such*
19 *programs that includes qualitative and quan-*
20 *titative methodologies for measuring student out-*
21 *comes and program strengths in the areas of aca-*
22 *ademic enrichment, socialization, independent liv-*
23 *ing, and competitive or supported employment;*

24 “(D) *assist recipients of grants under sec-*
25 *tion 732 in efforts to award a meaningful cre-*

1 *dential to students with intellectual disabilities*
2 *upon the completion of such programs, which*
3 *credential shall take into consideration unique*
4 *State factors;*

5 “(E) *develop recommendations for the nec-*
6 *essary components of such programs, such as—*

7 “(i) *academic, vocational, social, and*
8 *independent living skills;*

9 “(ii) *evaluation of student progress;*

10 “(iii) *program administration and*
11 *evaluation;*

12 “(iv) *student eligibility; and*

13 “(v) *issues regarding the equivalency of*
14 *a student’s participation in such programs*
15 *to semester, trimester, quarter, credit, or*
16 *clock hours at an institution of higher edu-*
17 *cation, as the case may be;*

18 “(F) *analyze possible funding sources for*
19 *such programs and provide recommendations to*
20 *such programs regarding potential funding*
21 *sources;*

22 “(G) *develop model memoranda of agree-*
23 *ment for use between or among institutions of*
24 *higher education and State and local agencies*
25 *providing funding for such programs;*

1 “(H) develop mechanisms for regular com-
2 munication, outreach, and dissemination of in-
3 formation about comprehensive transition and
4 postsecondary programs for students with intel-
5 lectual disabilities under section 732 between or
6 among such programs and to families and pro-
7 spective students;

8 “(I) host a meeting of all recipients of
9 grants under section 732 not less often than once
10 every 3 years; and

11 “(J) convene a workgroup to develop and
12 recommend model criteria, standards, and com-
13 ponents of such programs as described in sub-
14 paragraph (E) that are appropriate for the de-
15 velopment of accreditation standards, which
16 workgroup shall include—

17 “(i) an expert in higher education;

18 “(ii) an expert in special education;

19 “(iii) a representative of a disability
20 organization that represents students with
21 intellectual disabilities;

22 “(iv) a representative from the Na-
23 tional Advisory Committee on Institutional
24 Quality and Integrity; and

1 “(v) a representative of a regional or
2 national accreditation agency or associa-
3 tion.

4 “(6) *REPORT.*—Not less often than once every 5
5 years, the coordinating center shall report to the Sec-
6 retary, the authorizing committees, and the National
7 Advisory Committee on Institutional Quality and In-
8 tegrity on the recommendations of the workgroup de-
9 scribed in paragraph (5)(J).

10 **“SEC. 735. ACCESSIBLE INSTRUCTIONAL MATERIALS IN**
11 **HIGHER EDUCATION.**

12 “(a) *COMMISSION STRUCTURE.*—

13 “(1) *ESTABLISHMENT OF COMMISSION.*—

14 “(A) *IN GENERAL.*—The Speaker of the
15 House of Representatives, the President pro tem-
16 pore of the Senate, and the Secretary of Edu-
17 cation shall establish an independent commis-
18 sion, comprised of key stakeholders, to develop
19 voluntary guidelines for accessible postsecondary
20 electronic instructional materials and related
21 technologies in order—

22 “(i) to ensure students with disabilities
23 are afforded the same educational benefits
24 provided to nondisabled students through

1 *the use of electronic instructional materials*
2 *and related technologies;*

3 “(ii) *to inform better the selection and*
4 *use of such materials and technologies at in-*
5 *stitutions of higher education; and*

6 “(iii) *to encourage entities that*
7 *produce such materials and technologies to*
8 *make accessible versions more readily avail-*
9 *able in the market.*

10 *In fulfilling this duty, the commission shall re-*
11 *view applicable national and international in-*
12 *formation technology accessibility standards,*
13 *which it will compile and annotate as an addi-*
14 *tional information resource for institutions of*
15 *higher education and companies that service the*
16 *higher education market.*

17 “(B) *MEMBERSHIP.—*

18 “(i) *STAKEHOLDER GROUPS.—The*
19 *commission shall be composed of representa-*
20 *tives from the following categories:*

21 “(I) *DISABILITY.—Communities*
22 *of persons with disabilities for whom*
23 *the accessibility of postsecondary elec-*
24 *tronic instructional materials and re-*
25 *lated technologies is a significant fac-*

1 *tor in ensuring equal participation in*
2 *higher education, and nonprofit orga-*
3 *nizations that provide accessible elec-*
4 *tronic materials to these communities.*

5 *“(II) HIGHER EDUCATION.—*
6 *Higher education leadership, which in-*
7 *cludes: university presidents, provosts,*
8 *deans, vice presidents, deans of librar-*
9 *ies, chief information officers, and*
10 *other senior institutional executives.*

11 *“(III) INDUSTRY.—Relevant in-*
12 *dustry representatives, meaning—*

13 *“(aa) developers of postsec-*
14 *ondary electronic instructional*
15 *materials; and*

16 *“(bb) manufacturers of re-*
17 *lated technologies.*

18 *“(i) APPOINTMENT OF MEMBERS.—*
19 *The commission members shall be appointed*
20 *as follows:*

21 *“(I) Six members, 2 from each*
22 *category described in clause (i), shall*
23 *be appointed by the Speaker of the*
24 *House of Representatives, 3 of whom*
25 *shall be appointed on the recommenda-*

1 *tion of the majority leader of the House*
2 *of Representatives and 3 of whom shall*
3 *be appointed on the recommendation of*
4 *the minority leader of the House of*
5 *Representatives, with the Speaker en-*
6 *sureing that 1 developer of postsec-*
7 *ondary electronic instructional mate-*
8 *rials and 1 manufacturer of related*
9 *technologies are appointed. The Speak-*
10 *er shall also appoint 2 additional*
11 *members, 1 student with a disability*
12 *and 1 faculty member from an institu-*
13 *tion of higher education.*

14 *“(II) Six members, 2 from each*
15 *category described in clause (i), shall*
16 *be appointed by the President pro tem-*
17 *porare of the Senate, 3 of whom shall be*
18 *appointed on the recommendation of*
19 *the majority leader of the Senate and*
20 *3 of whom shall be appointed on the*
21 *recommendation of the minority leader*
22 *of the Senate, with the President pro*
23 *tempore ensuring that 1 developer of*
24 *postsecondary electronic instructional*
25 *materials and 1 manufacturer of re-*

1 *lated technologies are appointed. The*
2 *President pro tempore shall also ap-*
3 *point 2 additional members, 1 student*
4 *with a disability and 1 faculty member*
5 *from an institution of higher edu-*
6 *cation.*

7 *“(III) Three members, each of*
8 *whom must possess extensive, dem-*
9 *onstrated technical expertise in the de-*
10 *velopment and implementation of ac-*
11 *cessible postsecondary electronic in-*
12 *structional materials, shall be ap-*
13 *pointed by the Secretary of Education.*
14 *One of these members shall represent*
15 *postsecondary students with disabil-*
16 *ities, 1 shall represent higher education*
17 *leadership, and 1 shall represent devel-*
18 *opers of postsecondary electronic in-*
19 *structional materials.*

20 *“(iii) ELIGIBILITY TO SERVE ON THE*
21 *COMMISSION.—Federal employees are ineli-*
22 *gible for appointment to the commission.*
23 *An appointee to a volunteer or advisory po-*
24 *sition with a Federal agency or related ad-*
25 *visory body may be appointed to the com-*

1 *mission so long as his or her primary em-*
2 *ployment is with a non-Federal entity and*
3 *he or she is not otherwise engaged in finan-*
4 *cially compensated work on behalf of the*
5 *Federal Government, exclusive of any stand-*
6 *ard expense reimbursement or grant-funded*
7 *activities.*

8 “(2) *AUTHORITY AND ADMINISTRATION.*—

9 “(A) *AUTHORITY.*—*The commission’s execu-*
10 *tion of its duties shall be independent of the Sec-*
11 *retary of Education, the Attorney General, and*
12 *the head of any other agency or department of*
13 *the Federal Government with regulatory or*
14 *standard setting authority in the areas addressed*
15 *by the commission.*

16 “(B) *ADMINISTRATION.*—

17 “(i) *STAFFING.*—*There shall be no per-*
18 *manent staffing for the commission.*

19 “(ii) *LEADERSHIP.*—*Commission*
20 *members shall elect a chairperson from*
21 *among the 19 appointees to the commission.*

22 “(iii) *ADMINISTRATIVE SUPPORT.*—*The*
23 *Commission shall be provided administra-*
24 *tive support, as needed, by the Secretary of*
25 *Education through the Office of Postsec-*

1 *ondary Education of the Department of*
2 *Education.*

3 “(C) *TERMINATION.*—*The Commission shall*
4 *terminate on the day after the date on which the*
5 *Commission issues the voluntary guidelines and*
6 *annotated list of information technology stand-*
7 *ards described in subsection (b), or two years*
8 *from the date of enactment of the PROSPER*
9 *Act, whichever comes first.*

10 “(b) *DUTIES OF THE COMMISSION.*—

11 “(1) *PRODUCE VOLUNTARY GUIDELINES.*—*Not*
12 *later than 18 months after the date of enactment of*
13 *the PROSPER Act, subject to a 6-month extension*
14 *that it may exercise at its discretion, the commission*
15 *established in subsection (a) shall—*

16 “(A) *develop and issue voluntary guidelines*
17 *for accessible postsecondary electronic instruc-*
18 *tional materials and related technologies; and*

19 “(B) *in developing the voluntary guidelines,*
20 *the commission shall—*

21 “(i) *establish a technical panel pursu-*
22 *ant to paragraph (4) to support the com-*
23 *mission in developing the voluntary guide-*
24 *lines;*

1 “(ii) develop criteria for determining
2 which materials and technologies constitute
3 ‘postsecondary electronic instructional ma-
4 terials’ and ‘related technologies’ as defined
5 in subparagraphs (D) and (E) of subsection
6 (f);

7 “(iii) identify existing national and
8 international accessibility standards that
9 are relevant to student use of postsecondary
10 electronic instructional materials and re-
11 lated technologies at institutions of higher
12 education;

13 “(iv) identify and address any unique
14 pedagogical and accessibility requirements
15 of postsecondary electronic instructional
16 materials and related technologies that are
17 not addressed, or not adequately addressed,
18 by the identified, relevant existing accessi-
19 bility standards;

20 “(v) identify those aspects of accessi-
21 bility, and types of postsecondary instruc-
22 tional materials and related technologies,
23 for which the commission cannot produce
24 guidelines or which cannot be addressed by
25 existing accessibility standards due to—

1 “(I) *inherent limitations of com-*
2 *mercially available technologies; or*

3 “(II) *the challenges posed by a*
4 *specific category of disability that cov-*
5 *ers a wide spectrum of impairments*
6 *and capabilities which makes it dif-*
7 *ficult to assess the benefits from par-*
8 *ticular guidelines on a categorical*
9 *basis;*

10 “(vi) *ensure that the voluntary guide-*
11 *lines are consistent with the requirements of*
12 *section 504 of the Rehabilitation Act of*
13 *1973 (29 U.S.C. 794) and titles II and III*
14 *of the Americans with Disabilities Act (42*
15 *U.S.C. 12131 et seq.; 42 U.S.C. 12181 et*
16 *seq.);*

17 “(vii) *ensure that the voluntary guide-*
18 *lines are consistent, to the extent feasible*
19 *and appropriate, with the technical and*
20 *functional performance criteria included in*
21 *the national and international accessibility*
22 *standards identified by the commission as*
23 *relevant to student use of postsecondary*
24 *electronic instructional materials and re-*
25 *lated technologies;*

1 “(viii) allow for the use of an alter-
2 native design or technology that results in
3 substantially equivalent or greater accessi-
4 bility and usability by individuals with
5 disabilities than would be provided by com-
6 pliance with the voluntary guidelines; and

7 “(ix) provide that where electronic in-
8 structional materials or related technologies
9 that comply fully with the voluntary guide-
10 lines are not commercially available, or
11 where such compliance is not technically
12 feasible, the institution may select the prod-
13 uct that best meets the voluntary guidelines
14 consistent with the institution’s business
15 and pedagogical needs.

16 “(2) *PRODUCE ANNOTATED LIST OF INFORMA-*
17 *TION TECHNOLOGY STANDARDS.*—Not later than 18
18 months after the date of the enactment of the *PROS-*
19 *PER Act*, subject to a 6-month extension that it may
20 exercise at its discretion, the commission established
21 in subsection (a) shall, with the assistance of the tech-
22 nical panel established under paragraph (4), develop
23 and issue an annotated list of information technology
24 standards.

1 “(3) *SUPERMAJORITY APPROVAL.*—*Issuance of*
2 *the voluntary guidelines and annotated list of infor-*
3 *mation technology standards shall require approval of*
4 *at least 75 percent (at least 15) of the 19 members of*
5 *the commission.*

6 “(4) *ESTABLISHMENT OF TECHNICAL PANEL.*—
7 *Not later than 1 month after the Commission’s first*
8 *meeting, it shall appoint and convene a panel of 12*
9 *technical experts, each of whom shall have extensive,*
10 *demonstrated technical experience in developing, re-*
11 *searching, or implementing accessible postsecondary*
12 *electronic instructional materials or related tech-*
13 *nologies. The commission has discretion to determine*
14 *a process for nominating, vetting, and confirming a*
15 *panel of experts that fairly represents the stakeholder*
16 *communities on the commission. The technical panel*
17 *shall include a representative from the United States*
18 *Access Board.*

19 “(c) *PERIODIC REVIEW AND REVISION OF VOLUNTARY*
20 *GUIDELINES.*—*Not later than 5 years after issuance of the*
21 *voluntary guidelines and annotated list of information tech-*
22 *nology standards described in paragraphs (1) and (2) of*
23 *section (b), and every 5 years thereafter, the Secretary of*
24 *Education shall publish a notice in the Federal Register*
25 *requesting public comment about whether there is a need*

1 to reconstitute the commission to update the voluntary
2 guidelines and annotated list of information technology
3 standards to reflect technological advances, changes in post-
4 secondary electronic instructional materials and related
5 technologies, or updated national and international accessi-
6 bility standards. The Secretary shall submit a report to
7 Congress summarizing the public comments and presenting
8 the Secretary's decision on whether to reconstitute the com-
9 mission based on those comments. If the Secretary decides
10 to reconstitute the commission, the Secretary may imple-
11 ment that decision 30 days after the date on which the re-
12 port was submitted to Congress. That process shall begin
13 with the Secretary requesting the appointment of commis-
14 sion members as detailed in subsection (a)(1)(B)(ii). If the
15 Secretary reconstitutes the Commission, the Commission
16 shall terminate on the day after the date on which the Com-
17 mission issues updated voluntary guidelines and annotated
18 list of information technology standards, or two years from
19 the date on which the Secretary reconstitutes the Commis-
20 sion, whichever comes first.

21 “(d) *SAFE HARBOR PROTECTIONS.*—The following de-
22 fenses from liability may be asserted with respect to claims
23 regarding the use of postsecondary instructional materials
24 and related technologies arising under section 504 of the
25 Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II

1 *and III of the Americans with Disabilities Act of 1990 (42*
2 *U.S.C. 12131 et seq. and 12181 et seq.), subject to the judi-*
3 *cial review afforded under those Acts and without limiting*
4 *any other defenses provided under those Acts:*

5 “(1) *SAFE HARBOR FOR CONFORMING POSTSEC-*
6 *ONDARY ELECTRONIC INSTRUCTIONAL MATERIALS AND*
7 *RELATED TECHNOLOGIES.—An institution of higher*
8 *education that requires, provides, or both recommends*
9 *and provides, postsecondary electronic instructional*
10 *materials or related technologies that conform to the*
11 *voluntary guidelines shall be deemed in compliance*
12 *with, and qualify for a safe harbor from liability in*
13 *relation to, its obligations under section 504 of the*
14 *Rehabilitation Act of 1973 (29 U.S.C. 794) and titles*
15 *II and III of the Americans with Disabilities Act (42*
16 *U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.) with*
17 *respect to its selection of such materials or tech-*
18 *nologies.*

19 “(2) *LIMITED SAFE HARBOR FOR NONCON-*
20 *FORMING POSTSECONDARY ELECTRONIC INSTRU-*
21 *TIONAL MATERIALS OR RELATED TECHNOLOGIES.—*
22 *An institution of higher education that requires, pro-*
23 *vides, or both recommends and provides, postsec-*
24 *ondary electronic instructional materials or related*
25 *technologies that do not fully conform with the vol-*

1 *untary guidelines, but which institution otherwise*
2 *complies with all requirements set forth in subpara-*
3 *graphs (A), (B), and (C), will qualify for a limited*
4 *safe harbor from monetary damages under section 504*
5 *of the Rehabilitation Act of 1973 (29 U.S.C. 794) and*
6 *titles II and III of the Americans with Disabilities*
7 *Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et*
8 *seq.), with available remedies under section 505 of the*
9 *Rehabilitation Act of 1973 (29 U.S.C. 794a), section*
10 *103 of the Americans with Disabilities Act of 1990*
11 *(42 U.S.C. 12133), and section 308 of such Act (42*
12 *U.S.C. 12188) limited to declaratory and injunctive*
13 *relief, and for a prevailing party other than the*
14 *United States, a reasonable attorney’s fee, if the insti-*
15 *tution—*

16 *“(A) documented its efforts to incorporate*
17 *and use the voluntary guidelines in its policies*
18 *and practices regarding its selection or procure-*
19 *ment of postsecondary electronic instructional*
20 *materials and related technologies. These efforts*
21 *may include establishment of a written policy re-*
22 *garding the institution’s use of the voluntary*
23 *guidelines, identifying the official(s) authorized*
24 *to approve the selection of nonconforming post-*
25 *secondary electronic instructional materials or*

1 *related technologies, and procedures used by the*
2 *official(s) when making such authorizations;*

3 “(B) *documented instances where noncon-*
4 *forming postsecondary electronic instructional*
5 *materials or related technologies are selected or*
6 *procured, including an explanation of—*

7 “(i) *the process utilized for identifying*
8 *accessible options in the marketplace;*

9 “(ii) *the options considered, if any are*
10 *available;*

11 “(iii) *the choice the institution ulti-*
12 *mately made and why;*

13 “(iv) *what auxiliary aid or service,*
14 *reasonable modification, or other method the*
15 *institution will utilize to ensure that af-*
16 *ected students within categories of dis-*
17 *ability are afforded the rights to which they*
18 *are entitled under section 504 of the Reha-*
19 *ilitation Act of 1973 (29 U.S.C. 794) and*
20 *titles II and III of the Americans with Dis-*
21 *abilities Act (42 U.S.C. 12131 et seq.; 42*
22 *U.S.C. 12181 et seq.), including an equally*
23 *effective opportunity to receive the same*
24 *educational benefit as afforded to non-*
25 *disabled students; and*

1 “(v) where a student or students with
2 disabilities are affected by nonconforming
3 instructional materials or related tech-
4 nologies, what auxiliary aid or service, rea-
5 sonable modification, or other method the
6 institution is using to ensure the student or
7 students are afforded the rights described in
8 clause (iv); and

9 “(C) posted a link to an accessible copy of
10 the voluntary guidelines and annotated list of
11 information technology standards on a publicly
12 available page of its website.

13 “(e) CONSTRUCTION.—

14 “(1) NONCONFORMING POSTSECONDARY ELEC-
15 TRONIC INSTRUCTIONAL MATERIALS OR RELATED
16 TECHNOLOGIES.—Nothing in this section shall be con-
17 strued to require an institution of higher education to
18 require, provide, or both recommend and provide,
19 postsecondary electronic instructional materials or re-
20 lated technologies that conform to the voluntary
21 guidelines. However, an institution that selects or
22 uses nonconforming postsecondary electronic instruc-
23 tional materials or related technologies must other-
24 wise comply with existing obligations under section
25 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)

1 *and titles II and III of the Americans with Disabil-*
2 *ities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181*
3 *et seq.) to provide access to the educational benefit af-*
4 *forded by such materials and technologies through*
5 *provision of appropriate and reasonable modification,*
6 *accommodation, and auxiliary aids or services.*

7 “(2) *RELATIONSHIP TO EXISTING LAWS AND*
8 *REGULATIONS.—With respect to the Americans with*
9 *Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and*
10 *the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.),*
11 *except as provided in subsection (d), nothing in this*
12 *section may be construed—*

13 “(A) *to authorize or require conduct prohib-*
14 *ited under the Americans with Disabilities Act of*
15 *1990 and the Rehabilitation Act of 1973, includ-*
16 *ing the regulations issued pursuant to those*
17 *laws;*

18 “(B) *to expand, limit, or alter the remedies*
19 *or defenses under the Americans with Disabil-*
20 *ities Act of 1990 and the Rehabilitation Act of*
21 *1973;*

22 “(C) *to supersede, restrict, or limit the ap-*
23 *plication of the Americans with Disabilities Act*
24 *of 1990 and the Rehabilitation Act of 1973; or*

1 “(D) to limit the authority of Federal agen-
2 cies to issue regulations pursuant to the Ameri-
3 cans with Disabilities Act of 1990 and the Reha-
4 bilitation Act of 1973.

5 “(3) VOLUNTARY NATURE OF THE PRODUCTS OF
6 THE COMMISSION.—

7 “(A) VOLUNTARY GUIDELINES.—It is the
8 intent of the Congress that use of the voluntary
9 guidelines developed pursuant to this section is
10 and should remain voluntary. The voluntary
11 guidelines shall not confer any rights or impose
12 any obligations on commission participants, in-
13 stitutions of higher education, or other persons,
14 except for the legal protections set forth in sub-
15 section (d). Thus, no department or agency of the
16 Federal Government may incorporate the vol-
17 untary guidelines, whether produced as a dis-
18 crete document or electronic resource, into regu-
19 lations promulgated under the Rehabilitation
20 Act, the Americans with Disabilities Act, or any
21 other Federal law or instrument. This restriction
22 applies only to the voluntary guidelines as a dis-
23 crete document or resource; it imposes no limita-
24 tion on Federal use of standards or resources to
25 which the voluntary guidelines may refer.

1 “(B) *ANNOTATED LIST.*—*It is the intent of*
2 *Congress that use of the annotated list of infor-*
3 *mation technology standards developed pursuant*
4 *to this section is and should remain voluntary.*
5 *The Annotated List shall not confer any rights*
6 *or impose any obligations on Commission par-*
7 *ticipants, institutions of higher education, or*
8 *other persons. Thus, no department or agency of*
9 *the Federal Government may incorporate the An-*
10 *notated List, whether produced as a discrete doc-*
11 *ument or electronic resource into regulations*
12 *promulgated under the Rehabilitation Act, the*
13 *Americans with Disabilities Act, or any other*
14 *Federal law or instrument. This provision ap-*
15 *plies only to the Annotated List as a discrete*
16 *document or resource; it imposes no limitation*
17 *on Federal use of standards or resources to which*
18 *the Annotated List may refer.*

19 “(f) *DEFINITIONS.*—*In this section, the following defi-*
20 *nitions apply:*

21 “(1) *ANNOTATED LIST OF INFORMATION TECH-*
22 *NOLOGY STANDARDS.*—*The term ‘annotated list of in-*
23 *formation technology standards’ means a list of exist-*
24 *ing national and international accessibility standards*
25 *relevant to student use of postsecondary electronic in-*

1 *structional materials and related technologies, and to*
2 *other types of information technology common to in-*
3 *stitutions of higher education (such as institutional*
4 *websites and class registration systems), annotated by*
5 *the commission established pursuant to subsection (a)*
6 *to provide information about the applicability of such*
7 *standards in higher education settings. The annotated*
8 *list of information technology standards is intended*
9 *to serve solely as a reference tool to inform any con-*
10 *sideration of the relevance of such standards in higher*
11 *education contexts.*

12 “(2) *DISABILITY.*—*The term ‘disability’ has the*
13 *meaning given such term in section 3 of the Ameri-*
14 *cans with Disabilities Act of 1990 (42 U.S.C. 12102).*

15 “(3) *NONCONFORMING POSTSECONDARY ELEC-*
16 *TRONIC INSTRUCTIONAL MATERIALS OR RELATED*
17 *TECHNOLOGIES.*—*The term ‘nonconforming materials*
18 *or related technologies’ means postsecondary electronic*
19 *instructional materials or related technologies that do*
20 *not conform to the voluntary guidelines to be devel-*
21 *oped pursuant to this subpart.*

22 “(4) *POSTSECONDARY ELECTRONIC INSTRU-*
23 *CTIONAL MATERIALS.*—*The term ‘postsecondary elec-*
24 *tronic instructional materials’ means digital cur-*
25 *ricular content that is required, provided, or both rec-*

1 *ommended and provided by an institution of higher*
2 *education for use in a postsecondary instructional*
3 *program.*

4 “(5) *RELATED TECHNOLOGIES.*—*The term ‘re-*
5 *lated technologies’ refers to any software, applica-*
6 *tions, learning management or content management*
7 *systems, and hardware that an institution of higher*
8 *education requires, provides, or both recommends and*
9 *provides for student access to and use of postsec-*
10 *ondary electronic instructional materials in a postsec-*
11 *ondary instructional program.*

12 “(6) *TECHNICAL PANEL.*—*The term ‘technical*
13 *panel’ means a group of experts with extensive, dem-*
14 *onstrated technical experience in the development and*
15 *implementation of accessibility features for postsec-*
16 *ondary electronic instructional materials and related*
17 *technologies, established by the Commission pursuant*
18 *to subsection (b)(4), which will assist the commission*
19 *in the development of the voluntary guidelines and*
20 *annotated list of information technology standards*
21 *authorized under this subpart.*

22 “(7) *VOLUNTARY GUIDELINES.*—*The term ‘vol-*
23 *untary guidelines’ means a set of technical and func-*
24 *tional performance criteria to be developed by the*
25 *commission established pursuant to subsection (a)*

1 *that provide specific guidance regarding both the ac-*
2 *cessibility and pedagogical functionality of postsec-*
3 *ondary electronic instructional materials and related*
4 *technologies not addressed, or not adequately ad-*
5 *dressed, by existing accessibility standards.”.*

6 (5) *AUTHORIZATION OF APPROPRIATIONS.—Sec-*
7 *tion 736, as so redesignated by paragraph (3), is*
8 *amended—*

9 (A) *in subsection (a), by striking “such*
10 *sums as may be necessary for fiscal year 2009”*
11 *and inserting “\$11,800,000 for fiscal year 2019”;*
12 *and*

13 (B) *by striking subsection (b) and inserting*
14 *the following:*

15 “(b) *RESERVATION OF FUNDS.—For any fiscal year*
16 *for which appropriations are made for this subpart, the*
17 *Secretary—*

18 “(1) *shall reserve funds to enter into a coopera-*
19 *tive agreement to establish the coordinating center*
20 *under section 734, in an amount that is equal to—*

21 “(A) *not less than \$240,000 for any year in*
22 *which the amount appropriated to carry out this*
23 *subpart is \$8,000,000 or less; or*

24 “(B) *equal to 3 percent of the amount ap-*
25 *propriated to carry out this subpart for any year*

1 *in which such amount appropriated is greater*
2 *than \$8,000,000; and*

3 “(2) *may reserve funds to award the grant, con-*
4 *tract, or cooperative agreement described in section*
5 *742.”.*

6 (c) *NATIONAL TECHNICAL ASSISTANCE CENTER.—*

7 (1) *SUBPART HEADING.—The subpart heading*
8 *for subpart 2 of part B of title VII (20 U.S.C. 1140p*
9 *et seq.), as redesignated by subsection (a), is amended*
10 *by striking “; **Coordinating Center**”.*

11 (2) *PURPOSE.—Section 776 (20 U.S.C. 1140p) is*
12 *amended—*

13 (A) *by redesignating such section as section*
14 741 of such Act; and

15 (B) *by striking “grants, contracts, or coop-*
16 *erative agreements under subpart 1, 2, or 3” and*
17 *inserting “grants or a cooperative agreement*
18 *under subpart 1”.*

19 (3) *NATIONAL TECHNICAL ASSISTANCE.—Section*
20 777 (20 U.S.C. 1140q) *is amended—*

21 (A) *by redesignating such section as section*
22 742 of such Act;

23 (B) *in the section heading, by striking “;*
24 **COORDINATING CENTER***”;*

1 (C) in subsection (a)(1), by striking “appro-
2 priated under section 778” and inserting “re-
3 served under section 736(b)(2)”;

4 (D) by amending subsection (a)(3)(D) to
5 read as follows:

6 “(D) the subject supported by the grants or
7 cooperative agreement authorized in subpart 1.”;

8 (E) in subsection (a)(4)(A)(ii), by striking
9 “subparts 2, 4, and 5” and inserting “subparts
10 2 and 5”; and

11 (F) in subsection (a)(4)(B), by striking
12 “grants, contracts, or cooperative agreements au-
13 thorized under subparts 1, 2, and 3” each place
14 it appears and inserting “grants and cooperative
15 agreement authorized under subpart 1”.

16 (4) *AUTHORIZATION OF APPROPRIATIONS.*—Sec-
17 tion 778 (20 U.S.C. 1140r) is repealed.

18 **SEC. 704. REPEAL OF COLLEGE ACCESS CHALLENGE GRANT**

19 **PROGRAM.**

20 Part E of title VII (20 U.S.C. 1141) is repealed.

21 **TITLE VIII—OTHER REPEALS**

22 **SEC. 801. REPEAL OF ADDITIONAL PROGRAMS.**

23 (a) *HIGHER EDUCATION ACT OF 1965.*—Title VIII of
24 the Higher Education Act of 1965 (20 U.S.C. 1161a et seq.)
25 is repealed.

1 (b) *HIGHER EDUCATION OPPORTUNITY ACT.*—*The*
 2 *Higher Education Opportunity Act (Public Law 110–315;*
 3 *122 Stat. 3078 et seq.) is amended by repealing sections*
 4 *802 and 803.*

5 (c) *HIGHER EDUCATION AMENDMENTS OF 1998.*—*The*
 6 *Higher Education Amendments of 1998 (Public Law 105–*
 7 *244; 112 Stat. 1581 et seq.) is amended by repealing parts*
 8 *D and H of title VIII.*

9 (d) *HIGHER EDUCATION AMENDMENTS OF 1992.*—*The*
 10 *Higher Education Amendments of 1992 (Public Law 102–*
 11 *325; 106 Stat. 448 et seq.) is amended by repealing part*
 12 *E of title XV.*

13 ***TITLE IX—AMENDMENTS TO***
 14 ***OTHER LAWS***

15 ***PART A—EDUCATION OF THE DEAF ACT OF 1986***

16 ***SEC. 901. EDUCATION OF THE DEAF ACT OF 1986.***

17 (a) *BOARD OF TRUSTEES.*—*Section 103(a)(1) of the*
 18 *Education of the Deaf Act of 1986 (20 U.S.C. 4303(a)(1))*
 19 *is amended—*

20 (1) *in the matter preceding subparagraph (A),*
 21 *by striking “twenty-one” and inserting “twenty-*
 22 *three”;*

23 (2) *in subparagraph (A)—*

24 (A) *by striking “three public” and inserting*
 25 *“four public”;*

1 (B) by striking “one shall” and all that fol-
2 lows through “, and” and inserting “two shall be
3 United States Senators, of whom one shall be ap-
4 pointed by the Majority Leader of the Senate
5 and one shall be appointed by the Minority
6 Leader of the Senate, and”; and

7 (C) by striking “appointed by the Speaker
8 of the House of Representatives” and inserting “,
9 of whom one shall be appointed by the Speaker
10 of the House of Representatives and one shall be
11 appointed by the Minority Leader of the House
12 of Representatives”; and

13 (3) in subparagraph (B), by striking “eighteen”
14 and inserting “nineteen”.

15 (b) LAURENT CLERC NATIONAL DEAF EDUCATION
16 CENTER.—Section 104(b)(5) of the Education of the Deaf
17 Act of 1986 (20 U.S.C. 4304(b)(5)) is amended to read as
18 follows:

19 “(5) The University, for purposes of the elemen-
20 tary and secondary education programs carried out
21 by the Clerc Center, shall—

22 “(A)(i)(I) provide an assurance to the Sec-
23 retary that it has adopted and is implementing
24 challenging State academic standards that meet
25 the requirements of section 1111(b)(1) of the Ele-

1 *mentary and Secondary Education Act of 1965*
2 *(20 U.S.C. 6311(b)(1));*

3 *“(II) demonstrate to the Secretary that the*
4 *University is implementing a set of high-quality*
5 *student academic assessments in mathematics,*
6 *reading or language arts, and science, and any*
7 *other subjects chosen by the University, that meet*
8 *the requirements of section 1111(b)(2) of such*
9 *Act (20 U.S.C. 6311(b)(2)); and*

10 *“(III) demonstrate to the Secretary that the*
11 *University is implementing an accountability*
12 *system consistent with section 1111(c) of such*
13 *Act (20 U.S.C. 6311(c)); or*

14 *“(i)(I) select the challenging State aca-*
15 *demical standards and State academic assessments*
16 *of a State, adopted and implemented, as appro-*
17 *priate, pursuant to paragraphs (1) and (2) of*
18 *section 1111(b) of such Act (20 U.S.C. 6311(b));*
19 *and*

20 *“(II) adopt the accountability system, con-*
21 *sistent with section 1111(c) of such Act (20*
22 *U.S.C. 6311(c)), of such State; and*

23 *“(B) publicly report, except in a case in*
24 *which such reporting would not yield statis-*
25 *tically reliable information or would reveal per-*

1 *sonally identifiable information about an indi-*
2 *vidual student—*

3 *“(i) the results of the academic assess-*
4 *ments implemented under subparagraph*
5 *(A); and*

6 *“(ii) the results of the annual evalua-*
7 *tion of the programs at the Clerc Center, as*
8 *determined using the accountability system*
9 *adopted under subparagraph (A).”.*

10 *(c) REPEAL OF CULTURAL EXPERIENCES GRANTS*
11 *PROGRAM.—Part C of title I of the Education of the Deaf*
12 *Act of 1986 (20 U.S.C. 4341) is repealed.*

13 *(d) REPEAL OF AUTHORIZATION OF APPROPRIATIONS*
14 *FOR MONITORING AND EVALUATION.—Subsection (c) of sec-*
15 *tion 205 of the Education of the Deaf Act of 1986 (20*
16 *U.S.C. 4355(c)) is repealed.*

17 *(e) FEDERAL ENDOWMENT FUNDS.—Section 207 of the*
18 *Education of the Deaf Act of 1986 (20 U.S.C. 4357) is*
19 *amended—*

20 *(1) in the heading of subsection (b), by striking*
21 *“FEDERAL PAYMENTS” and inserting “PAYMENTS”;*

22 *(2) in subsection (b), by striking paragraphs (1)*
23 *and (2) and inserting the following:*

24 *“(1) From amounts provided by the Secretary*
25 *from funds appropriated under subsections (a) and*

1 **(b)** of section 212, respectively, the University and
2 **NTID** may make payments, in accordance with this
3 section, to the Federal endowment fund of the institu-
4 tion involved.

5 “(2) Subject to paragraph (3), in any fiscal
6 year, the total amount of payments made under para-
7 graph (1) to the Federal endowment fund may not ex-
8 ceed the total amount contributed to the fund from
9 non-Federal sources during such fiscal year.

10 “(3) For purposes of paragraph (2), the transfer
11 of funds by an institution involved to the Federal en-
12 dowment fund from another endowment fund of such
13 institution shall not be considered a contribution
14 from a non-Federal source.”;

15 (3) in subsection (e), by striking “Federal pay-
16 ment” and inserting “payment under subsection (b)”;

17 (4) in subsection (f), in the matter preceding
18 paragraph (1), by striking “Federal payments” and
19 inserting “payments”;

20 (5) in subsection (g)(1), by striking “Federal
21 payments to such fund” and inserting “payments
22 made under subsection (b)”;

23 (6) by repealing subsection (h); and

24 (7) by redesignating subsection (i) as subsection
25 (h).

1 (f) *REPEAL OF NATIONAL STUDY.*—Section 211 of the
2 *Education of the Deaf Act of 1986 (20 U.S.C. 4360)* is re-
3 *pealed.*

4 (g) *AUTHORIZATION OF APPROPRIATIONS.*—Section
5 *212 of the Education of the Deaf Act of 1986 (20 U.S.C.*
6 *4360a)* is amended—

7 (1) *in subsection (a), by striking “such sums as*
8 *may be necessary for each of the fiscal years 2009*
9 *through 2014” and inserting “\$121,275,000 for each*
10 *of the fiscal years 2019 through 2024”;* and

11 (2) *in subsection (b), by striking “such sums as*
12 *may be necessary for each of the fiscal years 2009*
13 *through 2014” and inserting “\$70,016,000 for each of*
14 *the fiscal years 2019 through 2024”.*

15 (h) *TECHNICAL AMENDMENTS.*—*The Education of the*
16 *Deaf Act of 1986 is further amended—*

17 (1) *in section 112(b)(3) (20 U.S.C. 4332(b)(3)),*
18 *by striking “Education and Labor” and inserting*
19 *“Education and the Workforce”;*

20 (2) *in section 203 (20 U.S.C. 4353)—*

21 (A) *in the heading of subsection (a), by*
22 *striking “GENERAL ACCOUNTING” and inserting*
23 *“GOVERNMENT ACCOUNTABILITY”;*

1 (B) in subsection (a), by striking “General
2 Accounting” and inserting “Government Ac-
3 countability”;

4 (C) in subsection (b)(3), by striking “Edu-
5 cation and Labor” and inserting “Education
6 and the Workforce”; and

7 (D) in subsection (c)(2)(A), by striking
8 “Education and Labor” and inserting “Edu-
9 cation and the Workforce”;

10 (3) in section 204 (20 U.S.C. 4354), by striking
11 “Education and Labor” and inserting “Education
12 and the Workforce”;

13 (4) in section 208(a) (20 U.S.C. 4359(a)), by
14 striking “Education and Labor” and inserting “Edu-
15 cation and the Workforce”; and

16 (5) in section 210(b) (20 U.S.C. 4359b(b)), by
17 striking “Education and Labor” and inserting “Edu-
18 cation and the Workforce”.

1 **PART B—TRIBALLY CONTROLLED COLLEGES AND**
2 **UNIVERSITIES ASSISTANCE ACT OF 1978;**
3 **DINE' COLLEGE ACT**

4 **SEC. 911. TRIBALLY CONTROLLED COLLEGES AND UNIVER-**
5 **SITIES ASSISTANCE ACT OF 1978.**

6 (a) *DEFINITIONS.*—Section 2 of the Tribally Con-
7 trolled Colleges and Universities Assistance Act of 1978 (25
8 U.S.C. 1801) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (7), by adding “and” at
11 the end;

12 (B) in paragraph (8), by striking “; and”
13 and inserting a period; and

14 (C) by striking paragraph (9); and

15 (2) in subsection (b)—

16 (A) by amending paragraph (1) to read as
17 follows:

18 “(1) Such number shall be calculated based on
19 the number of Indian students who are enrolled—

20 “(A) at the conclusion of the third week of
21 each academic term; or

22 “(B) on the fifth day of a shortened pro-
23 gram beginning after the conclusion of the third
24 full week of an academic term.”;

1 (B) in paragraph (3), by striking “for pur-
2 poses of obtaining” and inserting “solely for the
3 purpose of obtaining”; and

4 (C) by inserting after paragraph (5), the
5 following:

6 “(6) Enrollment data from the prior-prior aca-
7 demic year shall be used.”.

8 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*The Trib-*
9 *ally Controlled Colleges and Universities Assistance Act of*
10 *1978 (25 U.S.C. 1801 et seq.) is amended by inserting after*
11 *section 2 (25 U.S.C. 1801), the following:*

12 **“SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

13 “(a) *TITLES I AND IV.*—*There are authorized to be*
14 *appropriated \$57,412,000 for each of fiscal years 2019*
15 *through 2024 to carry out titles I and IV.*

16 “(b) *TITLE V.*—*There are authorized to be appro-*
17 *priated \$7,414,000 for each of fiscal years 2019 through*
18 *2024 to carry out title V.”.*”.

19 (c) *REPEAL OF PLANNING GRANTS.*—*Section 104 of*
20 *the Tribally Controlled Colleges and Universities Assistance*
21 *Act of 1978 (25 U.S.C. 1804a) is repealed.*

22 (d) *GRANTS TO TRIBALLY CONTROLLED COLLEGES*
23 *AND UNIVERSITIES.*—*Section 107 of the Tribally Controlled*
24 *Colleges and Universities Assistance Act of 1978 (25 U.S.C.*
25 *1807) is amended—*

1 (1) *by striking subsection (c); and*

2 (2) *by redesignating subsection (d) as subsection*

3 *(c).*

4 (e) *AMOUNT OF GRANTS.—Section 108(b)(1) of the*
5 *Tribally Controlled Colleges and Universities Assistance Act*
6 *of 1978 (25 U.S.C. 1808(b)(1)) is amended—*

7 (1) *by striking “of the funds available for allot-*
8 *ment by October 15 or no later than 14 days after ap-*
9 *propriations become available” and inserting “ of the*
10 *amounts appropriated for any fiscal year on or before*
11 *July 1 of that fiscal year”;* and

12 (2) *by striking “January 1” and inserting “Sep-*
13 *tember 30”;*

14 (f) *AUTHORIZATION OF APPROPRIATIONS.—Section*
15 *110(a) of the Tribally Controlled Colleges and Universities*
16 *Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—*

17 (1) *in paragraph (1)—*

18 (A) *by striking “\$3,200,000 for fiscal year*
19 *2009 and”;*

20 (B) *by striking “for each of the five suc-*
21 *ceeding fiscal years”;* and

22 (C) *by inserting “from the amount made*
23 *available under section 3(a) for each fiscal year”*
24 *after “necessary”;*

1 (2) *in paragraph (2), by striking “for fiscal year*
2 *2009” and all that follows through the period at the*
3 *end and inserting “from the amount made available*
4 *under section 3(a) for each fiscal year.”;*

5 (3) *in paragraph (3), by striking “for fiscal year*
6 *2009” and all that follows through the period at the*
7 *end and inserting “from the amount made available*
8 *under section 3(a) for each fiscal year.”; and*

9 (4) *in paragraph (4), by striking “2009” and in-*
10 *serting “2019”.*

11 (g) *RULES AND REGULATIONS.—The Tribally Con-*
12 *trolled Colleges and Universities Assistance Act of 1978 (25*
13 *U.S.C. 1801 et seq.) is amended by striking section 115 (25*
14 *U.S.C. 1815).*

15 (h) *REPEAL OF ENDOWMENT PROGRAM.—*

16 (1) *REPEAL.—Title III of the Tribally Con-*
17 *trolled Colleges and Universities Assistance Act of*
18 *1978 (25 U.S.C. 1831 et seq.) is repealed.*

19 (2) *TRANSITION.—*

20 (A) *IN GENERAL.—Subject to subparagraph*
21 *(B), title III of the Tribally Controlled Colleges*
22 *and Universities Assistance Act of 1978 (25*
23 *U.S.C. 1831 et seq.), as such title was in effect*
24 *on the day before the date of the enactment of*
25 *this Act, shall apply with respect to any endow-*

1 *ment fund established or funded under such title*
2 *before such date of enactment, except that the*
3 *Secretary of the Interior may not make any*
4 *grants or Federal capital contributions under*
5 *such title after such date.*

6 (B) *TERMINATION.*—Subparagraph (A)
7 *shall terminate on the date that is 20 years after*
8 *the date of the enactment of this Act. On or after*
9 *such date, a tribally controlled college or univer-*
10 *sity may use the corpus (including the Federal*
11 *and institutional capital contribution) of any*
12 *endowment fund described in such subparagraph*
13 *to pay any expenses relating to the operation or*
14 *academic programs of such college or university.*

15 (i) *TRIBAL ECONOMIC DEVELOPMENT; AUTHORIZA-*
16 *TION OF APPROPRIATIONS.*—Section 403 of the *Tribally*
17 *Controlled Colleges and Universities Assistance Act of 1978*
18 *(25 U.S.C. 1852) is amended by striking “for fiscal year*
19 *2009” and all that follows through the period at the end*
20 *and inserting “from the amount made available under sec-*
21 *tion 3(a) for each fiscal year.”.*

22 (j) *TRIBALLY CONTROLLED POSTSECONDARY CAREER*
23 *AND TECHNICAL INSTITUTIONS.*—Section 504 of the *Trib-*
24 *ally Controlled Colleges and Universities Assistance Act of*
25 *1978 (25 U.S.C. 1864) is amended by striking “for fiscal*

1 year 2009” and all that follows through the period at the
 2 end and inserting “from the amount made available under
 3 section 3(b) for each fiscal year.”

4 (k) *CLERICAL AMENDMENTS.*—*The Tribally Controlled*
 5 *Colleges and Universities Assistance Act of 1978 (25 U.S.C.*
 6 *1801 et seq.), as amended by subsections (a) through (j),*
 7 *is further amended—*

8 (1) *by striking “Bureau of Indian Affairs” each*
 9 *place it appears and inserting “Bureau of Indian*
 10 *Education”;*

11 (2) *by striking “Navajo Community College Act”*
 12 *each place it appears and inserting “Dine’ College*
 13 *Act”;*

14 (3) *by striking “colleges or universities” each*
 15 *place it appears, including in headings, and inserting*
 16 *“colleges and universities”; and*

17 (4) *in section 109 (25 U.S.C. 1809), by redesign-*
 18 *ating the second subsection (c) as subsection (d).*

19 **SEC. 912. DINE’ COLLEGE ACT.**

20 (a) *SHORT TITLE.*—*The first section of Public Law*
 21 *92–189 is amended by striking “this Act may be cited as*
 22 *the ‘Navajo Community College Act’” and inserting “this*
 23 *Act may be cited as the ‘Dine’ College Act’”.*

24 (b) *REFERENCES.*—*Any reference to the Navajo Com-*
 25 *munity College Act in any law (other than this Act), regula-*

1 *tion, map, document, record, or other paper of the United*
 2 *States shall be deemed to be a reference to the Dine’ College*
 3 *Act.*

4 *(c) AUTHORIZATION OF APPROPRIATIONS.—Section 5*
 5 *of Public Law 92–189 is amended—*

6 *(1) in subsection (a)(1), by striking “for fiscal*
 7 *years 2009 through 2014” and inserting “from the*
 8 *amount made available under subsection (b)(1) for*
 9 *each fiscal year”;* and

10 *(2) in subsection (b)(1), by striking “such sums*
 11 *as are necessary for fiscal years 2009 through 2014”*
 12 *and inserting “\$13,600,000 for each of fiscal years*
 13 *2019 through 2024”.*

14 ***PART C—GENERAL EDUCATION PROVISIONS ACT***

15 ***SEC. 921. RELEASE OF EDUCATION RECORDS TO FACILI-***
 16 ***TATE THE AWARD OF A RECOGNIZED POST-***
 17 ***SECONDARY CREDENTIAL.***

18 *Section 444(b) of the General Education Provisions*
 19 *Act (20 U.S.C. 1232g(b)) is amended—*

20 *(1) in paragraph (1)—*

21 *(A) in subparagraph (K)(ii), by striking “;*
 22 *and” and inserting a semicolon; and*

23 *(B) in subparagraph (L), by striking the*
 24 *period at the end and inserting “; and”;* and

1 (2) *by inserting after subparagraph (L) the fol-*
2 *lowing:*

3 “(M) *an institution of postsecondary education*
4 *in which the student was previously enrolled, to*
5 *which records of postsecondary coursework and credits*
6 *are sent for the purpose of applying such coursework*
7 *and credits toward completion of a recognized postsec-*
8 *ondary credential (as that term is defined in section*
9 *3 of the Workforce Innovation and Opportunity Act*
10 *(29 U.S.C. 3102)), upon condition that the student*
11 *provides written consent prior to receiving such cre-*
12 *denial.”.*

Union Calendar No. 413

115TH CONGRESS
2^D SESSION

H. R. 4508

[Report No. 115-550]

A BILL

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

FEBRUARY 8, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed