

Secretary deems necessary to the sound administration of the financial aid programs, such as the pertinent actions of any owner, shareholder, or person exercising control over an eligible institution”.

Subsec. (c)(1)(C). Pub. L. 102-325, § 490(d)(3), added subpar. (C). Former subpar. (C) redesignated (E).

Subsec. (c)(1)(D). Pub. L. 102-325, § 490(d)(3), added subpar. (D). Former subpar. (D) redesignated (F).

Pub. L. 102-325, § 490(b)(2)(B), struck out “on the record” after “opportunity for hearing”.

Subsec. (c)(1)(E). Pub. L. 102-325, § 490(d)(2), redesignated subpar. (C) as (E). Former subpar. (E) redesignated (G).

Subsec. (c)(1)(F). Pub. L. 102-325, § 490(d)(2), redesignated subpar. (D) as (F). Former subpar. (F) redesignated (H).

Pub. L. 102-325, § 490(b)(2)(C), struck out “on the record” after “opportunity for a hearing”.

Subsec. (c)(1)(G). Pub. L. 102-325, § 490(d)(2), redesignated subpar. (E) as (G). Former subpar. (G) redesignated (I).

Subsec. (c)(1)(H). Pub. L. 102-325, § 490(d)(2), (4), redesignated subpar. (F) as (H) and substituted “a third party servicer” for “an individual or an organization”.

Subsec. (c)(1)(I). Pub. L. 102-325, § 490(d)(2), (5), redesignated subpar. (G) as (I) and substituted “a third party servicer” for “an individual or an organization”.

Subsec. (c)(2). Pub. L. 102-325, § 490(d)(8), added par. (2). Former par. (2) redesignated (3).

Pub. L. 102-325, § 490(b)(2)(D), struck out “on the record” after “opportunity for a hearing” in subpars. (A) and (B)(i).

Subsec. (c)(3). Pub. L. 102-325, § 490(d)(7), redesignated par. (2) as (3). Former par. (3) redesignated (4).

Pub. L. 102-325, § 490(d)(6), inserted “, after consultation with each State review entity designated under subpart 1 of part H,” after “shall publish”.

Subsec. (c)(4). Pub. L. 102-325, § 490(d)(7), redesignated par. (3) as (4).

Subsec. (c)(5) to (7). Pub. L. 102-325, § 490(d)(9), added pars. (5) to (7).

Subsec. (d). Pub. L. 102-325, § 490(f)(3), substituted “section 1088” for “section 1085(a)”.

Subsec. (e). Pub. L. 102-325, § 490(e), added subsec. (e). 1991—Subsec. (a)(11). Pub. L. 102-26 substituted “whose students receive financial assistance pursuant to section 1091(d) of this title,” for “which admits students on the basis of their ability to benefit from the education or training provided by such institution (as determined under section 1091(d) of this title),”.

1990—Subsec. (a)(12). Pub. L. 101-542 added par. (12).

1989—Subsec. (a)(11). Pub. L. 101-239, § 2003(c)(2), added par. (11).

Subsec. (c)(1)(D). Pub. L. 101-239, § 2006(c)(2), substituted “, any regulation” for “or any regulation” and inserted “or any applicable special arrangement, agreement, or limitation,”.

Subsec. (c)(1)(E) to (G). Pub. L. 101-239, § 2006(c)(3), added subpars. (E) to (G).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2021 AMENDMENT

Pub. L. 117-2, title II, § 2013(c), Mar. 11, 2021, 135 Stat. 29, provided that: “The amendments made under this section [amending this section] shall—

“(1) be subject to the master calendar requirements under section 482 of the Higher Education Act of 1965 (20 U.S.C. 1089) and the public involvement and negotiated rulemaking requirements under section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a), except that such negotiated rulemaking shall commence not earlier than October 1, 2021; and

“(2) apply to institutional fiscal years beginning on or after January 1, 2023.”

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-39 effective as if enacted on the date of enactment of Pub. L. 110-315 (Aug. 14,

2008), see section 3 of Pub. L. 111-39, set out as a note under section 1001 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-315, title IV, § 493(a)(1)(B), Aug. 14, 2008, 122 Stat. 3309, provided that: “The amendment made by subparagraph (A) [amending this section] with respect to section 487(a)(26) of the Higher Education Act of 1965 [20 U.S.C. 1094(a)(26)] (as added by subparagraph (A)) shall apply with respect to any disciplinary proceeding conducted by an institution on or after the day that is one year after the date of enactment of this Act [Aug. 14, 2008].”

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-244 effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see section 3 of Pub. L. 105-244, set out as a note under section 1001 of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of Pub. L. 103-208, set out as a note under section 1051 of this title.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-26 applicable to any grant, loan, or work assistance to cover the cost of instruction for periods of enrollment beginning on or after July 1, 1991, see section 2(d)(1) of Pub. L. 102-26, set out as a note under section 1085 of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title II, § 2003(c)(3), Dec. 19, 1989, 103 Stat. 2114, provided that: “The amendments made by this subsection [amending this section and section 1078-1 of this title] shall apply with respect to periods of enrollment beginning on or after January 1, 1990.”

EFFECTIVE DATE

Section effective Oct. 17, 1986, except as otherwise provided, see section 2 of Pub. L. 99-498, set out as a note under section 1001 of this title.

Subsec. (a)(10) of this section applicable only to periods of enrollment beginning on or after July 1, 1987, see section 407(b) of Pub. L. 99-498, set out as a note under section 1091 of this title.

REGULATION PROHIBITED

Pub. L. 105-244, title IV, § 489(b)(2), Oct. 7, 1998, 112 Stat. 1751, provided that: “No officer of the executive branch is authorized to instruct the institution in the manner in which the amendment made by this subsection [amending this section] is carried out.”

§ 1094a. Regulatory relief and improvement

(a) Quality Assurance Program

(1) In general

The Secretary is authorized to select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems, related to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews, thereby enhancing program integrity within the student aid delivery system.

(2) Criteria and consideration

The Quality Assurance Program authorized by this section shall be based on criteria that

include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary. The selection criteria shall ensure the participation of a diverse group of institutions of higher education with respect to size, mission, and geographical distribution.

(3) Waiver

The Secretary is authorized to waive for any institution participating in the Quality Assurance Program any regulations dealing with reporting or verification requirements in this subchapter that are addressed by the institution's alternative management system, and may substitute such quality assurance reporting as the Secretary determines necessary to ensure accountability and compliance with the purposes of the programs under this subchapter. The Secretary shall not modify or waive any statutory requirements pursuant to this paragraph.

(4) Determination

The Secretary is authorized to determine—

(A) when an institution that is unable to administer the Quality Assurance Program shall be removed from such program; and

(B) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

(5) Review and evaluation

The Secretary shall review and evaluate the Quality Assurance Program conducted by each participating institution and, on the basis of that evaluation, make recommendations regarding amendments to this chapter that will streamline the administration and enhance the integrity of Federal student assistance programs. Such recommendations shall be submitted to the authorizing committees.

(b) Regulatory improvement and streamlining experiments

(1) In general

The Secretary shall continue the voluntary participation of any experimental sites in existence as of July 1, 2007, unless the Secretary determines that such site's participation has not been successful in carrying out the purposes of this section. Any experimental sites approved by the Secretary prior to such date that have not been successful in carrying out the purposes of this section shall be discontinued not later than June 30, 2010.

(2) Report

The Secretary shall review and evaluate the experience of institutions participating as experimental sites and shall, on a biennial basis, submit a report based on the review and evaluation to the authorizing committees. Such report shall include—

(A) a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;

(B) the findings and conclusions reached regarding each of the experiments conducted; and

(C) recommendations for amendments to improve and streamline this chapter, based on the results of the experiment.

(3) Selection

(A) In general

The Secretary is authorized to periodically select a limited number of additional institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

(B) Waivers

The Secretary is authorized to waive, for any institution participating as an experimental site under subparagraph (A), any requirements in this subchapter, including requirements related to the award process and disbursement of student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student financial aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 1098a of this title, or regulations prescribed under this subchapter, that will bias the results of the experiment, except that the Secretary shall not waive any provisions with respect to award rules (other than an award rule related to an experiment in modular or compressed schedules), grant and loan maximum award amounts, and need analysis requirements unless the waiver of such provisions is authorized by another provision under this subchapter.

(4) Determination of success

For the purposes of paragraph (1), the Secretary shall make a determination of success regarding an institution's participation as an experimental site based on—

(A) the ability of the experimental site to reduce administrative burdens to the institution, as documented in the Secretary's biennial report under paragraph (2), without creating costs for the taxpayer; and

(B) whether the experimental site has improved the delivery of services to, or otherwise benefitted, students.

(c) "Current award year" defined

For purposes of this section, the term "current award year" means the award year during which the participating institution indicates the institution's intention to cease participation.

(Pub. L. 89-329, title IV, §487A, as added Pub. L. 102-325, title IV, §491, July 23, 1992, 106 Stat. 629; amended Pub. L. 105-244, title IV, §490, Oct. 7, 1998, 112 Stat. 1751; Pub. L. 110-315, title I, §103(b)(13), title IV, §494, Aug. 14, 2008, 122 Stat. 3090, 3318; Pub. L. 111-39, title IV, §407(b)(9), July 1, 2009, 123 Stat. 1952.)

Editorial Notes

AMENDMENTS

2009—Subsec. (b)(1). Pub. L. 111-39, §407(b)(9)(A), substituted "Any experimental sites" for "Any activities" and "June 30, 2010" for "June 30, 2009".

Subsec. (b)(4). Pub. L. 111-39, § 407(b)(9)(B), added par. (4).

2008—Subsec. (a)(5). Pub. L. 110-315, § 103(b)(13), substituted “authorizing committees” for “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives”.

Subsec. (b)(1). Pub. L. 110-315, § 494(1), amended par. (1) generally. Prior to amendment, text read as follows: “The Secretary may continue any experimental sites in existence on October 7, 1998. Any activities approved by the Secretary prior to October 7, 1998, that are inconsistent with this section shall be discontinued not later than June 30, 1999.”

Subsec. (b)(2). Pub. L. 110-315, § 494(2), added introductory provisions and struck out former introductory provisions which read as follows: “The Secretary shall review and evaluate the experience of institutions participating as experimental sites during the period of 1993 through 1998 under this section (as such section was in effect on the day before October 7, 1998), and shall submit a report based on this review and evaluation to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 6 months after October 7, 1998. Such report shall include—”.

Subsec. (b)(3)(A). Pub. L. 110-315, § 494(3)(A), substituted “The” for “Upon the submission of the report required by paragraph (2), the” and inserted “periodically” after “authorized to”.

Subsec. (b)(3)(B). Pub. L. 110-315, § 494(3)(D), inserted “, including requirements related to the award process and disbursement of student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student financial aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 1098a of this title” before “, or regulations prescribed”, “(other than an award rule related to an experiment in modular or compressed schedules)” after “award rules”, and “unless the waiver of such provisions is authorized by another provision under this subchapter” before period at end.

Pub. L. 110-315, § 494(3)(B), (C), redesignated subpar. (C) as (B) and struck out former subpar. (B). Text of former subpar. (B) read as follows: “Prior to approving any additional experimental sites, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives and shall provide to such Committees—

“(i) a list of institutions proposed for participation in the experiment and the specific statutory or regulatory waivers proposed to be granted to each institution;

“(ii) a statement of the objectives to be achieved through the experiment; and

“(iii) an identification of the period of time over which the experiment is to be conducted.”

Subsec. (b)(3)(C). Pub. L. 110-315, § 494(3)(C), redesignated subpar. (C) as (B).

1998—Pub. L. 105-244 amended section catchline and text generally. Prior to amendment, section authorized a Quality Assurance Program for institutions to develop and implement systems for verifying student financial aid application data.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-39 effective as if enacted on the date of enactment of Pub. L. 110-315 (Aug. 14, 2008), see section 3 of Pub. L. 111-39, set out as a note under section 1001 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-244 effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see sec-

tion 3 of Pub. L. 105-244, set out as a note under section 1001 of this title.

§ 1094b. Assignment of identification numbers

The Secretary shall assign to each participant in subchapter IV programs, including institutions, lenders, and guaranty agencies, a single Department of Education identification number to be used to identify its participation in each of the subchapter IV programs.

(Pub. L. 89-329, title IV, § 487B, as added Pub. L. 102-325, title IV, § 491, July 23, 1992, 106 Stat. 630.)

§ 1095. Transfer of allotments

In order to offer an arrangement of types of aid, including institutional and State aid which best fits the needs of each individual student, an institution may (1) transfer a total of 25 percent of the institutions¹ allotment under section 1087bb of this title to the institution's allotment under section 1070b-3 or 1087-52 of this title (or both); (2) transfer 25 percent of the institution's allotment under section 1087-52 of this title to the institution's allotment under section 1070b-3 or 1087bb of this title (or both); and (3) transfer 25 percent of the institution's allotment under section 1070b-3 of this title to the institution's allotment under section 1087-52 of this title. Funds transferred to an institution's allotment under another section may be used as a part of and for the same purposes as funds allotted under that section. The Secretary shall have no control over such transfer, except as specifically authorized, except for the collection and dissemination of information.

(Pub. L. 89-329, title IV, § 488, as added Pub. L. 99-498, title IV, § 407(a), Oct. 17, 1986, 100 Stat. 1490; amended Pub. L. 100-50, § 15(14), June 3, 1987, 101 Stat. 357; Pub. L. 102-325, title IV, § 492, July 23, 1992, 106 Stat. 630; Pub. L. 110-315, title IV, § 494A, Aug. 14, 2008, 122 Stat. 3319.)

Editorial Notes

PRIOR PROVISIONS

A prior section 1095, Pub. L. 89-329, title IV, § 488, as added Pub. L. 96-374, title IV, § 451(a), Oct. 3, 1980, 94 Stat. 1452, related to transfer of allotments, prior to the general revision of this part by Pub. L. 99-498.

AMENDMENTS

2008—Pub. L. 110-315 struck out “and” after semicolon in par. (1), substituted “section 1070b-3 or 1087bb of this title (or both); and” for “section 1070b-3 of this title.” in par. (2), and added par. (3).

1992—Pub. L. 102-325 inserted first two sentences and struck out former first sentence which read as follows: “Up to 10 percent of the allotment of an eligible institution for a fiscal year under section 1070b-3 or 1087-52 of this title, may be transferred to, and used for the purposes of, the institution's allotment under the other section within the discretion of such institution in order to offer an arrangement of types of aid, including institutional and State aid, which best fits the needs of each individual student.”

1987—Pub. L. 100-50 substituted “or 1087-52” for “or 1087-56”.

¹ So in original. Probably should be “institution's”.