

Suspend the Rules and Pass the Bill, HR. 4625

(The amendment strikes all after the enacting clause and inserts a new text)

116TH CONGRESS
1ST SESSION

H. R. 4625

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2019

Mr. LEVIN of California introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

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

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

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

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

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

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

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

7 Section 3313(e) of title 38, United States Code, is
8 amended—

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

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

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

8 **SEC. 3. VERIFICATION OF ENROLLMENT FOR PURPOSES OF**
9 **RECEIPT OF POST-9/11 EDUCATIONAL ASSIST-**
10 **ANCE BENEFITS.**

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

14 “(1) VERIFICATION OF ENROLLMENT.—(1) The Sec-
15 retary shall require—

16 “(A) each educational institution to submit to
17 the Secretary verification of each individual who is
18 enrolled in a course or program of education at the
19 educational institution and is receiving educational
20 assistance under this chapter for each month during
21 which the individual is so enrolled and receiving such
22 educational assistance; and

23 “(B) each individual who is enrolled in a course
24 or program of education and is receiving educational
25 assistance under this chapter to submit to the Sec-

1 retary verification of such enrollment for each month
2 during which the individual is so enrolled and receiv-
3 ing such educational assistance.

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

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

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

13 **SEC. 4. CLARIFICATION REGARDING THE DEPENDENTS TO**
14 **WHOM ENTITLEMENT TO EDUCATIONAL AS-**
15 **SISTANCE MAY BE TRANSFERRED UNDER**
16 **THE POST 9/11 EDUCATIONAL ASSISTANCE**
17 **PROGRAM.**

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

20 “(c) ELIGIBLE DEPENDENTS.—

21 “(1) TRANSFER.—An individual approved to
22 transfer an entitlement to educational assistance
23 under this section may transfer the individual’s enti-
24 tlement to an eligible dependent or a combination of
25 eligible dependents.

1 “(2) DEFINITION OF ELIGIBLE DEPENDENT.—
2 For purposes of this subsection, the term ‘eligible
3 dependent’ has the meaning given the term ‘depend-
4 ent’ under paragraph (2) of section 1072 of title
5 10.”.

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

11 **SEC. 5. EXPANSION OF REASONS FOR WHICH A COURSE OF**
12 **EDUCATION MAY BE DISAPPROVED.**

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

15 (1) in subparagraph (A)(i), by inserting or “or
16 (D)” after “subparagraph (C)”; and

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

19 “(D) A program that is described in subparagraph
20 (A)(i) of this paragraph and offered by an educational in-
21 stitution that is at risk of losing accreditation shall not
22 be deemed to be approved for purposes of this chapter.
23 For purposes of this subparagraph, an educational institu-
24 tion is at risk of losing accreditation if that educational
25 institution has received from the relevant accrediting

1 agency or association a notice described in section
2 3673(e)(2)(D) of this title.”.

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

6 **SEC. 6. OVERSIGHT OF EDUCATIONAL INSTITUTIONS SUB-**
7 **JECT TO GOVERNMENT ACTION FOR PUR-**
8 **POSES OF THE EDUCATIONAL ASSISTANCE**
9 **PROGRAMS OF THE DEPARTMENT OF VET-**
10 **ERANS AFFAIRS.**

11 (a) IN GENERAL.—Section 3673 of title 38, United
12 States Code, is amended by adding at the end the fol-
13 lowing new subsection:

14 “(e) NOTICE OF GOVERNMENT ACTION.—(1)(A) If
15 the Secretary receives notice under paragraph (2), or oth-
16 erwise becomes aware of an action or event described in
17 paragraph (3), with respect to an educational institution,
18 the Secretary shall transmit such notice or provide notice
19 of such action or event to the State approving agency for
20 the State where the educational institution is located by
21 not later than 30 days after the date on which the Sec-
22 retary receives such notice or becomes aware of such ac-
23 tion or event. A State approving agency shall perform a
24 risk-based oversight survey to the educational institution

1 by not later than 60 days after receiving notice under this
2 subparagraph.

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

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

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

15 “(B) Notice of an event under paragraph
16 (3)(B).

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

19 “(D) Notice provided by an accrediting agency
20 or association of an action described in paragraph
21 (3)(D) taken by that agency or association.

22 “(E) Notice that the Secretary of Education
23 has placed the educational institution on provisional
24 status.

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

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

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

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

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

21 “(E) The placement of an educational institu-
22 tion on provisional status by the Secretary of Edu-
23 cation.

24 “(4) If a State approving agency disapproves or sus-
25 pends an educational institution, the State approving

1 agency shall provide notice of such disapproval or suspen-
2 sion to the Secretary and to the other State approving
3 agencies.

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

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

9 **SEC. 7. ADDITIONAL REQUIREMENT FOR APPROVAL OF**
10 **EDUCATIONAL INSTITUTIONS FOR PURPOSES**
11 **OF THE EDUCATIONAL ASSISTANCE PRO-**
12 **GRAMS OF THE DEPARTMENT OF VETERANS**
13 **AFFAIRS.**

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

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

18 “(4) The educational institution is approved
19 and participates in a program under title IV of the
20 Higher Education Act of 1965 (20 U.S.C. 1070 et
21 seq.) or the Secretary has waived the requirement
22 under this paragraph with respect to an educational
23 institution and submits to the Committees on Vet-
24 erans’ Affairs of the Senate and House of Rep-
25 resentatives notice of such waiver.”.

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

3 “(d) The Secretary shall submit to Congress an an-
4 nual report on any waivers issued pursuant to subsection
5 (b)(4) or section 3672(b)(2)(A)(i) of this title. Each such
6 report shall include, for the year covered by the report—
7 “(1) the name of each educational institution
8 for which a waiver was issued;
9 “(2) the justification for each such waiver; and
10 “(3) the total number of waivers issued.”.

11 (b) REQUIREMENT FOR APPROVAL OF STANDARD
12 COLLEGE DEGREE PROGRAMS.—Clause (i) of subpara-
13 graph (A) of paragraph (2) of subsection (b) of section
14 3672 of such title is amended to read as follows:

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

19 “(I) is accredited by an agency or as-
20 sociation recognized for that purpose by
21 the Secretary of Education; and

22 “(II) is approved and participates in a
23 program under title IV of the Higher Edu-
24 cation Act of 1965 (20 U.S.C. 1070 et
25 seq.), unless the Secretary has waived the

1 requirement to participate in a program
2 under title IV of the Higher Education Act
3 of 1965 (20 U.S.C. 1070 et seq.).”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 subsections (a) and (b) shall take effect on August 1,
6 2020.

7 **SEC. 8. CLARIFICATION OF ACCREDITATION FOR LAW**
8 **SCHOOLS FOR PURPOSES OF THE EDU-**
9 **CATIONAL ASSISTANCE PROGRAMS OF THE**
10 **DEPARTMENT OF VETERANS AFFAIRS.**

11 (a) IN GENERAL.—Paragraphs (14)(B) and (15)(B)
12 of section 3676(e) of title 38, United States Code, are
13 each amended by striking “an accrediting agency” both
14 places it appears and inserting “a specialized accrediting
15 agency”.

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

18 **SEC. 9. CLARIFICATION OF GROUNDS FOR DISAPPROVAL**
19 **OF A COURSE FOR PURPOSES OF THE EDU-**
20 **CATIONAL ASSISTANCE PROGRAMS OF THE**
21 **DEPARTMENT OF VETERANS AFFAIRS.**

22 (a) IN GENERAL.—Section 3679(a)(1) of title 38,
23 United States Code, is amended by inserting “(including
24 failure to comply with a risk-based survey under section
25 3673(d) of this title and secure an affirmation of approval

1 by the appropriate State approving agency following the
2 survey)” after “requirements of this chapter”.

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

5 **SEC. 10. REQUIREMENTS FOR EDUCATIONAL INSTITUTIONS**
6 **PARTICIPATING IN THE EDUCATIONAL AS-**
7 **SISTANCE PROGRAMS OF THE DEPARTMENT**
8 **OF VETERANS AFFAIRS.**

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

12 “(f)(1) Except as provided by paragraph (5), a State
13 approving agency, or the Secretary when acting in the role
14 of the State approving agency, may take an action de-
15 scribed in paragraph (4)(A) if the State approving agency
16 or the Secretary determines that an educational institution
17 does not perform any of the following:

18 “(A) Prior to the enrollment of a covered indi-
19 vidual in a course of education at the educational in-
20 stitution, provide the individual with a form that
21 contains information personalized to the individual
22 that describes—

23 “(i) the estimated total cost of the course,
24 including tuition, fees, books, supplies, and any
25 other additional costs;

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

3 “(iii) the amount of the costs under
4 clauses (i) and (ii) that are covered by the edu-
5 cational assistance provided to the individual
6 under chapter 30, 32, 33, or 35 of this title, or
7 chapter 1606 or 1607 of title 10, as the case
8 may be;

9 “(iv) the type and amount of Federal fi-
10 nancial aid not administered by the Secretary
11 and financial aid offered by the institution that
12 the individual may qualify to receive;

13 “(v) an estimate of the amount of student
14 loan debt the individual would have upon grad-
15 uation;

16 “(vi) information regarding graduation
17 rates;

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

20 “(viii) information regarding the accept-
21 ance by the institution of transfer of credits, in-
22 cluding military credits;

23 “(ix) any conditions or additional require-
24 ments, including training, experience, or exami-
25 nations, required to obtain the license, certifi-

1 cation, or approval for which the course of edu-
2 cation is designed to provide preparation; and

3 “(x) other information to facilitate com-
4 parison by the individual of aid packages of-
5 fered by different educational institutions.

6 “(B) Not later than 15 days after the date on
7 which the institution (or the governing body of the
8 institution) determines tuition rates and fees for an
9 academic year that is different than the amount
10 being charged by the institution, provide a covered
11 individual enrolled in a course of education at the
12 educational institution with the form under subpara-
13 graph (A) that contains updated information.

14 “(C) Maintain policies to—

15 “(i) inform each covered individual enrolled
16 in a course of education at the educational in-
17 stitution of the availability of Federal financial
18 aid not administered by the Secretary and fi-
19 nancial aid offered by the institution; and

20 “(ii) alert such individual of the potential
21 eligibility of the individual for such financial aid
22 before packaging or arranging student loans or
23 alternative financing programs for the indi-
24 vidual.

25 “(D) Maintain policies to—

1 “(i) prohibit the automatic renewal of a
2 covered individual in courses and programs of
3 education; and

4 “(ii) ensure that each covered individual
5 approves of the enrollment of the individual in
6 a course.

7 “(E) Provide to a covered individual enrolled in
8 a course of education at the educational institution
9 with information regarding the requirements to
10 graduate from such course, including information re-
11 garding when required classes will be offered and a
12 timeline to graduate.

13 “(F) With respect to an accredited educational
14 institution, obtain the approval of the accrediting
15 agency for each new course or program of the insti-
16 tution before enrolling covered individuals in such
17 courses or programs if the accrediting agency deter-
18 mines that such approval is appropriate under the
19 substantive change requirements of the accrediting
20 agency regarding the quality, objectives, scope, or
21 control of the institution.

22 “(G) Maintain a policy that—

23 “(i) ensures that members of the Armed
24 Forces, including the reserve components and
25 the National Guard, who enroll in a course of

1 education at the educational institution may be
2 readmitted at such institution if such members
3 are temporarily unavailable or have to suspend
4 such enrollment by reason of serving in the
5 Armed Forces; and

6 “(ii) otherwise accommodates such mem-
7 bers during short absences by reason of such
8 service.

9 “(H) Designate an employee of the educational
10 institution to serve as a point of contact for covered
11 individuals and the family of such individuals need-
12 ing assistance with respect to academic counseling,
13 financial counseling, disability counseling, and other
14 information regarding completing a course of edu-
15 cation at such institution, including by referring
16 such individuals and family to the appropriate per-
17 sons for such counseling and information.

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

1 “(A) Carries out deceptive or persistent recruit-
2 ing techniques, including on military installations,
3 that may include—

4 “(i) misrepresentation (as defined in sec-
5 tion 3696(e)(2)(B) of this title) or payment of
6 incentive compensation;

7 “(ii) during any one-month period making
8 three or more unsolicited contacts to a covered
9 individual, including contacts by phone, email,
10 or in-person; or

11 “(iii) engaging in same-day recruitment
12 and registration.

13 “(B) Pays inducements, including any gratuity,
14 favor, discount, entertainment, hospitality, loan,
15 transportation, lodging, meals, or other item having
16 a monetary value of more than a de minimis
17 amount, to any individual or entity, or its agents in-
18 cluding third party lead generators or marketing
19 firms other than salaries paid to employees or fees
20 paid to contractors in conformity with all applicable
21 laws for the purpose of securing enrollments of cov-
22 ered individuals or obtaining access to educational
23 assistance under this title, with the exception of
24 scholarships, grants, and tuition reductions provided
25 by the educational institution.

1 “(3) A State approving agency, or the Secretary when
2 acting in the role of the State approving agency, may take
3 an action described in paragraph (4)(A) if the State ap-
4 proving agency or the Secretary determines that an edu-
5 cational institution is the subject of a negative action
6 made by the accrediting agency that accredits the institu-
7 tion, including any of the following:

8 “(A) A show cause order.

9 “(B) Accreditor sanctions.

10 “(C) Accreditation probation.

11 “(D) The loss of accreditation or candidacy for
12 accreditation.

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

15 “(i) Publishing a warning on the internet
16 website of the Department described in section
17 3698(e)(2) of this title, or such other similar inter-
18 net website of the Department, that describes how
19 an educational institution is failing to meet a re-
20 quirement under paragraph (1) or (2).

21 “(ii) Prohibiting the pursuit by an individual of
22 a course of education at an educational institution
23 under chapter 30, 32, 33, or 35 of this title during
24 the period beginning on the date of such prohibition
25 and ending on a date specified by the State approv-

1 ing agency, in consultation with the Secretary, or
2 the Secretary when acting in the role of the State
3 approving agency, unless the individual was enrolled
4 at the institution before such period.

5 “(B) The Secretary shall establish guidelines to en-
6 sure that the actions described in subparagraph (A) are
7 applied in a proportional and uniform manner by State
8 approving agencies, or the Secretary when acting in the
9 role of the State approving agency.

10 “(5)(A) The Secretary may waive the requirements
11 of paragraph (1) or waive the requirements of paragraph
12 (2) with respect to an educational institution for a one-
13 academic-year period beginning in August of the year in
14 which the waiver is made. A single educational institution
15 may not receive waivers under this paragraph for more
16 than two consecutive academic years.

17 “(B) To be considered for a waiver under this para-
18 graph, an educational institution shall submit to the Sec-
19 retary an application prior to the first day of the academic
20 year for which the waiver is sought.

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

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

1 “(i) A summary of each action described in
2 paragraph (4)(A) made during the year covered
3 by the report, including—

4 “(I) the name of the educational insti-
5 tution;

6 “(II) the type of action taken;

7 “(III) the rationale for the action, in-
8 cluding how the educational institution was
9 not in compliance with this subsection;

10 “(IV) the length of time that the edu-
11 cational institution was not in such compli-
12 ance; and

13 “(V) whether the educational institu-
14 tion was also not in compliance with this
15 subsection during any of the two years
16 prior to the year covered by the report.

17 “(ii) A summary and justifications for the
18 waivers made under paragraph (5) during the
19 year covered by the report, including the total
20 number of waivers each educational institution
21 has received.

22 “(B) A report containing the recommendations
23 of the Secretary with respect to any legislative ac-
24 tions the Secretary determines appropriate to ensure
25 that this subsection is carried out in a manner that

1 is consistent with the requirements that educational
2 institutions must meet for purposes of other depart-
3 ments or agencies of the Federal Government.

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

8 (b) APPLICATION DATE.—The amendment made by
9 this section shall take effect on June 15, 2020, and shall
10 apply to an educational institution beginning on August
11 1, 2020, except that an educational institution may submit
12 an application for a waiver under subsection (f)(5) of sec-
13 tion 3679 of title 38, United States Code, as added by
14 subsection (a), beginning on June 15, 2020.

15 **SEC. 11. OVERPAYMENTS TO ELIGIBLE PERSONS OR VET-**
16 **ERANS.**

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

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

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

24 “(A) the willful or negligent failure of an
25 educational institution to report, as required

1 under this chapter or chapter 34 or 35 of this
2 title, to the Department of Veterans Affairs ex-
3 cessive absences from a course, or discontinu-
4 ance or interruption of a course by the veteran
5 or eligible person; or

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

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

9 “(A) section 3313(h) of this title;

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

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

12 **SEC. 12. IMPROVEMENTS TO LIMITATION ON CERTAIN AD-**
13 **VERTISING, SALES, AND ENROLLMENT PRAC-**
14 **TICES.**

15 (a) **SUBSTANTIAL MISREPRESENTATION.**—

16 (1) **IN GENERAL.**—Subsection (a) of section
17 3696 of title 38, United States Code, is amended to
18 read as follows:

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

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

4 “(e)(1) Substantial misrepresentation described in
5 this paragraph is substantial misrepresentation by an edu-
6 cational institution, a representative of the institution, or
7 any person with whom the institution has an agreement
8 to provide educational programs, marketing, advertising,
9 recruiting or admissions services, concerning any of the
10 following:

11 “(A) The nature of the educational program of
12 the institution, including misrepresentation regard-
13 ing—

14 “(i) the particular type, specific source, or
15 nature and extent, of the accreditation of the
16 institution or a course of education at the insti-
17 tution;

18 “(ii) whether a student may transfer
19 course credits to another institution;

20 “(iii) conditions under which the institu-
21 tion will accept transfer credits earned at an-
22 other institution;

23 “(iv) whether successful completion of a
24 course of instruction qualifies a student—

1 “(I) for acceptance to a labor union or
2 similar organization; or

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

15 “(v) the requirements for successfully com-
16 pleting the course of study or program and the
17 circumstances that would constitute grounds for
18 terminating the student’s enrollment;

19 “(vi) whether the courses of education at
20 the institution are recommended or have been
21 the subject of unsolicited testimonials or en-
22 dorsements by—

23 “(I) vocational counselors, high
24 schools, colleges, educational organizations,
25 employment agencies, members of a par-

1 ticular industry, students, former students,
2 or others; or

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

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

7 “(viii) the availability, frequency, and ap-
8 propriateness of the courses of education and
9 programs to the employment objectives that the
10 institution states the courses and programs are
11 designed to meet;

12 “(ix) the nature, age, and availability of
13 the training devices or equipment of the institu-
14 tion and the appropriateness to the employment
15 objectives that the institution states the courses
16 and programs are designed to meet;

17 “(x) the number, availability, and quali-
18 fications, including the training and experience,
19 of the faculty and other personnel of the insti-
20 tution;

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

23 “(xii) the nature and availability of any tu-
24 torial or specialized instruction, guidance and
25 counseling, or other supplementary assistance

1 the institution ill provide students before, dur-
2 ing, or after the completion of a course of edu-
3 cation;

4 “(xiii) the nature or extent of any pre-
5 requisites established for enrollment in any
6 course of education;

7 “(xiv) the subject matter, content of the
8 course of education, or any other fact related to
9 the degree, diploma, certificate of completion,
10 or any similar document that the student is to
11 be, or is, awarded upon completion of the
12 course of education; and

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

21 “(B) The financial charges of the institution,
22 including misrepresentation regarding—

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

1 “(ii) whether a particular charge is the
2 customary charge at the institution for a
3 course;

4 “(iii) the cost of the program and the re-
5 fund policy of the institution if the student does
6 not complete the program;

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

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

18 “(C) The employability of the graduates of the
19 institution, including misrepresentation regarding—

20 “(i) the relationship of the institution with
21 any organization, employment agency, or other
22 agency providing authorized training leading di-
23 rectly to employment;

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

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

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

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

22 “(2) In this subsection:

23 “(A) The term ‘misleading statement’ includes
24 any communication, action, omission, or intimation
25 made in writing, visually, orally, or through other

1 means, that has the likelihood or tendency to mis-
2 lead the intended recipient of the communication
3 under the circumstances in which the communication
4 is made. Such term includes the use of student en-
5 dorsements or testimonials for an educational insti-
6 tution that a student gives to the institution either
7 under duress or because the institution required the
8 student to make such an endorsement or testimonial
9 to participate in a program of education.

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

19 “(C) The term ‘substantial misrepresentation’
20 means misrepresentation in which the person to
21 whom it was made could reasonably be expected to
22 rely, or has reasonably relied, to that person’s det-
23 riment.”.

24 (b) REFERRAL.—Subsection (c) of such section is
25 amended by striking the last sentence and inserting the

1 following: “The findings and results of any such investiga-
2 tions shall be referred to the State approving agency, or
3 the Secretary when acting in the role of the State approv-
4 ing agency, who shall take appropriate action in such cases
5 not later than 60 days after the date of such referral.”.

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

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

15 “(A) has ascertained that no Federal de-
16 partment or agency has taken a punitive action,
17 not including a settlement agreement, against
18 the school for misleading or deceptive practices;

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

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

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

4 **SEC. 13. ADDITIONAL LIMITATION ON CERTAIN ADVER-**
5 **TISING, SALES, AND ENROLLMENT PRAC-**
6 **TICES OF EDUCATIONAL INSTITUTIONS.**

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

10 (1) by inserting “(1)” before “The Secretary”;

11 and

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

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

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

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

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

1 **SEC. 14. CHARGE TO ENTITLEMENT TO EDUCATIONAL AS-**
2 **SISTANCE FOR INDIVIDUALS WHO DO NOT**
3 **TRANSFER CREDITS FROM CERTAIN CLOSED**
4 **OR DISAPPROVED PROGRAMS OF EDU-**
5 **CATION.**

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

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

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

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

21 “(2)(A) An individual described in subparagraph (B)
22 who transfers fewer than 12 credits from a program of
23 education that is closed or disapproved as described in
24 subsection (b)(1) shall be deemed to be an individual who
25 did not receive such credits, as described in subsection
26 (b)(2), except that the period for which such individual’s

1 entitlement is not charged shall be the entire period of
2 the individual's enrollment in the program of education.
3 In carrying out this subparagraph, the Secretary, in con-
4 sultation with the Secretary of Education, shall establish
5 procedures to determine whether the individual trans-
6 ferred credits to a comparable course or program of edu-
7 cation.

8 “(B) An individual described in this subparagraph is
9 an individual who is enrolled in a course or program of
10 education closed or discontinued as described in subsection
11 (b)(1) during the period beginning on the date that is 120
12 days before the date of such closure or discontinuance and
13 ending on the date of such closure or discontinuance, as
14 the case may be.

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

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