

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 4625  
OFFERED BY MR. TAKANO OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

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

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

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

Sec. 1. Short title; table of contents.

Sec. 2. Clarification of educational assistance for individuals who pursue an approved program of education leading to a degree while on active duty.

Sec. 3. Verification of enrollment for purposes of receipt of Post-9/11 Educational Assistance benefits.

Sec. 4. Clarification regarding the dependents to whom entitlement to educational assistance may be transferred under the Post 9/11 Educational Assistance Program.

Sec. 5. Oversight of educational institutions subject to Government action for purposes of the educational assistance programs of the Department of Veterans Affairs.

Sec. 6. Additional requirement for approval of educational institutions for purposes of the educational assistance programs of the Department of Veterans Affairs.

Sec. 7. Clarification of accreditation for law schools for purposes of the educational assistance programs of the Department of Veterans Affairs.

Sec. 8. Clarification of grounds for disapproval of a course for purposes of the educational assistance programs of the Department of Veterans Affairs.

Sec. 9. Requirements for educational institutions participating in the educational assistance programs of the Department of Veterans Affairs.

Sec. 10. Overpayments to eligible persons or veterans.

Sec. 11. Improvements to limitation on certain advertising, sales, and enrollment practices.

Sec. 12. Additional limitation on certain advertising, sales, and enrollment practices of educational institutions.

Sec. 13. Change to entitlement to educational assistance for individuals who do not transfer credits from certain closed or disapproved programs of education.

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

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

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

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

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

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

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

20 “(1) VERIFICATION OF ENROLLMENT.—The Sec-  
21 retary shall require each educational institution to submit  
22 to the Secretary verification of each individual who is en-  
23 rolled in a course or program of education at the edu-

1 cational institution and is receiving educational assistance  
2 under this chapter for each month during which the indi-  
3 vidual is so enrolled and receiving such educational assist-  
4 ance. Verification under this subsection shall be in an elec-  
5 tronic form prescribed by the Secretary.”.

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

8 **SEC. 4. CLARIFICATION REGARDING THE DEPENDENTS TO**  
9 **WHOM ENTITLEMENT TO EDUCATIONAL AS-**  
10 **SISTANCE MAY BE TRANSFERRED UNDER**  
11 **THE POST 9/11 EDUCATIONAL ASSISTANCE**  
12 **PROGRAM.**

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

15 “(c) ELIGIBLE DEPENDENTS.—

16 “(1) TRANSFER.—An individual approved to  
17 transfer an entitlement to educational assistance  
18 under this section may transfer the individual’s enti-  
19 tlement to an eligible dependent or a combination of  
20 eligible dependents.

21 “(2) DEFINITION OF ELIGIBLE DEPENDENT.—

22 For purposes of this subsection, the term ‘eligible  
23 dependent’ has the meaning given the term ‘depend-  
24 ent’ under paragraph (2) of section 1072 of title 10,  
25 except that—

1           “(A) subparagraphs (D) of such paragraph  
2 shall be applied—

3           “(i) in clause (i), by substituting ‘26’  
4 for ‘21’; and

5           “(ii) in clause (ii), by substituting ‘26’  
6 for 23; and

7           “(B) subparagraph (I)(ii) of such para-  
8 graph shall be applied—

9           “(i) in subclause (I), by substituting  
10 ‘26’ for ‘21’; and

11           “(ii) in subclause (II), by substituting  
12 ‘26’ for ‘23’.”.

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

18 **SEC. 5. EXPANSION OF REASONS FOR WHICH A COURSE OF**  
19 **EDUCATION MAY BE DISAPPROVED.**

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

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

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

1           “(D) A program that is described in subparagraph  
2 (A)(i) of this paragraph and offered by an educational in-  
3 stitution that is at risk of losing accreditation shall not  
4 be deemed to be approved for purposes of this chapter.  
5 For purposes of this subparagraph, an educational institu-  
6 tion is at risk of losing accreditation if that educational  
7 institution has received from the relevant accrediting  
8 agency or association a notice described in section  
9 3673(e)(2)(D) of this title.”.

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

13 **SEC. 6. OVERSIGHT OF EDUCATIONAL INSTITUTIONS SUB-**  
14 **JECT TO GOVERNMENT ACTION FOR PUR-**  
15 **POSES OF THE EDUCATIONAL ASSISTANCE**  
16 **PROGRAMS OF THE DEPARTMENT OF VET-**  
17 **ERANS AFFAIRS.**

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

21           “(e) NOTICE OF GOVERNMENT ACTION.—(1)(A) If  
22 the Secretary receives notice under paragraph (2), or oth-  
23 erwise becomes aware of an action or event described in  
24 paragraph (3), with respect to an educational institution,  
25 the Secretary shall transmit such notice or provide notice

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

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

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

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

21 “(B) Notice of an event under paragraph  
22 (3)(B).

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

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

4           “(E) Notice that the Secretary of Education  
5           has placed the educational institution on provisional  
6           status.

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

9           “(A) The receipt by an educational institution  
10          of payments under the heightened cash monitoring  
11          payment method pursuant to section 487(e)(1)(B) of  
12          the Higher Education Act of 1965 (20 U.S.C.  
13          1094).

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

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

22          “(D) The loss, or risk of loss, by an educational  
23          institution of an accreditation from an accrediting  
24          agency or association, including notice of probation,

1 suspension, an order to show cause, or revocation of  
2 accreditation.

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

6 “(4) If a State approving agency disapproves or sus-  
7 pends an educational institution, the State approving  
8 agency shall provide notice of such disapproval or suspen-  
9 sion to the Secretary and to the other State approving  
10 agencies. Upon receipt of notice under this paragraph re-  
11 lating to an educational institution located in the State  
12 of a State approving agency, the State approving agency  
13 shall perform a risk-based oversight visit to the edu-  
14 cational institution.

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

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



1 **SEC. 7. ADDITIONAL REQUIREMENT FOR APPROVAL OF**  
2 **EDUCATIONAL INSTITUTIONS FOR PURPOSES**  
3 **OF THE EDUCATIONAL ASSISTANCE PRO-**  
4 **GRAMS OF THE DEPARTMENT OF VETERANS**  
5 **AFFAIRS.**

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

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

10 “(4) The educational institution is approved  
11 and participates in a program under title IV of the  
12 Higher Education Act of 1965 (20 U.S.C. 1070 et  
13 seq.) or the Secretary has waived the requirement  
14 under this paragraph with respect to an educational  
15 institution and submits to the Committees on Vet-  
16 erans’ Affairs of the Senate and House of Rep-  
17 resentatives notice of such waiver.”.

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

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

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

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

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

2 (b) REQUIREMENT FOR APPROVAL OF STANDARD  
3 COLLEGE DEGREE PROGRAMS.—Clause (i) of subpara-  
4 graph (A) of paragraph (2) of subsection (b) of section  
5 3672 of such title is amended to read as follows:

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

10 “(I) is accredited by an agency or as-  
11 sociation recognized for that purpose by  
12 the Secretary of Education; and

13 “(II) is approved and participates in a  
14 program under title IV of the Higher Edu-  
15 cation Act of 1965 (20 U.S.C. 1070 et  
16 seq.), unless the Secretary has waived the  
17 requirement to participate in a program  
18 under title IV of the Higher Education Act  
19 of 1965 (20 U.S.C. 1070 et seq.)”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 subsections (a) and (b) shall take effect on August 1,  
22 2020.

1 **SEC. 8. CLARIFICATION OF ACCREDITATION FOR LAW**  
2 **SCHOOLS FOR PURPOSES OF THE EDU-**  
3 **CATIONAL ASSISTANCE PROGRAMS OF THE**  
4 **DEPARTMENT OF VETERANS AFFAIRS.**

5 (a) **IN GENERAL.**—Paragraphs (14)(B) and (15)(B)  
6 of section 3676(c) of title 38, United States Code, are  
7 each amended by striking “an accrediting agency” both  
8 places it appears and inserting “a specialized accrediting  
9 agency”.

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

12 **SEC. 9. CLARIFICATION OF GROUNDS FOR DISAPPROVAL**  
13 **OF A COURSE FOR PURPOSES OF THE EDU-**  
14 **CATIONAL ASSISTANCE PROGRAMS OF THE**  
15 **DEPARTMENT OF VETERANS AFFAIRS.**

16 (a) **IN GENERAL.**—Section 3679(a)(1) of title 38,  
17 United States Code, is amended by inserting “(including  
18 failure to comply with a risk-based survey under section  
19 3673(d) of this title)” after “requirements of this chap-  
20 ter”.

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

1 **SEC. 10. REQUIREMENTS FOR EDUCATIONAL INSTITUTIONS**  
2 **PARTICIPATING IN THE EDUCATIONAL AS-**  
3 **SISTANCE PROGRAMS OF THE DEPARTMENT**  
4 **OF VETERANS AFFAIRS.**

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

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

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

19 “(i) the estimated total cost of the course,  
20 including tuition, fees, books, supplies, and any  
21 other additional costs;

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

24 “(iii) the amount of the costs under  
25 clauses (i) and (ii) that are covered by the edu-  
26 cational assistance provided to the individual

1 under chapter 30, 32, 33, or 35 of this title, or  
2 chapter 1606 or 1607 of title 10, as the case  
3 may be;

4 “(iv) the type and amount of Federal fi-  
5 nancial aid not administered by the Secretary  
6 and financial aid offered by the institution that  
7 the individual may qualify to receive;

8 “(v) an estimate of the amount of student  
9 loan debt the individual would have upon grad-  
10 uation;

11 “(vi) information regarding graduation  
12 rates;

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

15 “(viii) any conditions or additional require-  
16 ments, including training, experience, or exami-  
17 nations, required to obtain the license, certifi-  
18 cation, or approval for which the course of edu-  
19 cation is designed to provide preparation; and

20 “(ix) other information to facilitate com-  
21 parison by the individual of aid packages of-  
22 fered by different educational institutions.

23 “(B) Not later than 15 days after the date on  
24 which the institution (or the governing body of the  
25 institution) determines tuition rates and fees for an

1 academic year that is different than the amount  
2 being charged by the institution, provide a covered  
3 individual enrolled in a course of education at the  
4 educational institution with the form under subpara-  
5 graph (A) that contains updated information.

6 “(C) Maintain policies to—

7 “(i) inform each covered individual enrolled  
8 in a course of education at the educational in-  
9 stitution of the availability of Federal financial  
10 aid not administered by the Secretary and fi-  
11 nancial aid offered by the institution; and

12 “(ii) alert such individual of the potential  
13 eligibility of the individual for such financial aid  
14 before packaging or arranging student loans or  
15 alternative financing programs for the indi-  
16 vidual.

17 “(D) Maintain policies to—

18 “(i) prohibit the automatic renewal of a  
19 covered individual in courses and programs of  
20 education; and

21 “(ii) ensure that each covered individual  
22 approves of the enrollment of the individual in  
23 a course.

24 “(E) Provide to a covered individual enrolled in  
25 a course of education at the educational institution

1 with information regarding the requirements to  
2 graduate from such course, including information re-  
3 garding when required classes will be offered and a  
4 timeline to graduate.

5 “(F) With respect to an accredited educational  
6 institution, obtain the approval of the accrediting  
7 agency for each new course or program of the insti-  
8 tution before enrolling covered individuals in such  
9 courses or programs if the accrediting agency deter-  
10 mines that such approval is appropriate under the  
11 substantive change requirements of the accrediting  
12 agency regarding the quality, objectives, scope, or  
13 control of the institution.

14 “(G) Maintain a policy that—

15 “(i) ensures that members of the Armed  
16 Forces, including the reserve components and  
17 the National Guard, who enroll in a course of  
18 education at the educational institution may be  
19 readmitted at such institution if such members  
20 are temporarily unavailable or have to suspend  
21 such enrollment by reason of serving in the  
22 Armed Forces; and

23 “(ii) otherwise accommodates such mem-  
24 bers during short absences by reason of such  
25 service.

1           “(H) Designate an employee of the educational  
2           institution to serve as a point of contact for covered  
3           individuals and the family of such individuals need-  
4           ing assistance with respect to academic counseling,  
5           financial counseling, disability counseling, and other  
6           information regarding completing a course of edu-  
7           cation at such institution, including by referring  
8           such individuals and family to the appropriate per-  
9           sons for such counseling and information.

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

17                 “(A) Carries out deceptive or persistent recruit-  
18                 ing techniques, including on military installations,  
19                 that may include—

20                         “(i) misrepresentation (as defined in sec-  
21                         tion 3696(e)(2)(B) of this title) or payment of  
22                         incentive compensation;

23                         “(ii) during any one-month period making  
24                         three or more unsolicited contacts to a covered



1 individual, including contacts by phone, email,  
2 or in-person; or

3 “(iii) engaging in same-day recruitment  
4 and registration.

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

18 “(3) A State approving agency, or the Secretary when  
19 acting in the role of the State approving agency, may take  
20 an action described in paragraph (4)(A) if the State ap-  
21 proving agency or the Secretary determines that an edu-  
22 cational institution is the subject of a negative action  
23 made by the accrediting agency that accredits the institu-  
24 tion, including any of the following:

25 “(A) A show cause order.

1 “(B) Accreditor sanctions.

2 “(C) Accreditation probation.

3 “(D) The loss of accreditation or candidacy for  
4 accreditation.

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

7 “(i) Publishing a warning on the internet  
8 website of the Department described in section  
9 3698(c)(2) of this title, or such other similar inter-  
10 net website of the Department, that describes how  
11 an educational institution is failing to meet a re-  
12 quirement under paragraph (1) or (2).

13 “(ii) Prohibiting the pursuit by an individual of  
14 a course of education at an educational institution  
15 under chapter 30, 32, 33, or 35 of this title during  
16 the period beginning on the date of such prohibition  
17 and ending on a date specified by the State approv-  
18 ing agency, in consultation with the Secretary, or  
19 the Secretary when acting in the role of the State  
20 approving agency, unless the individual was enrolled  
21 at the institution before such period.

22 “(B) The Secretary shall establish guidelines to en-  
23 sure that the actions described in subparagraph (A) are  
24 applied in a proportional and uniform manner by State

1 approving agencies, or the Secretary when acting in the  
2 role of the State approving agency.

3 “(5)(A) The Secretary may waive the requirements  
4 of paragraph (1) or waive the requirements of paragraph  
5 (2) with respect to an educational institution for a one-  
6 academic-year period beginning in August of the year in  
7 which the waiver is made. A single educational institution  
8 may not receive waivers under this paragraph for more  
9 than two consecutive academic years.

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

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

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

19 “(i) A summary of each action described in  
20 paragraph (4)(A) made during the year covered  
21 by the report, including—

22 “(I) the name of the educational insti-  
23 tution;

24 “(II) the type of action taken;

1                   “(III) the rationale for the action, in-  
2                   cluding how the educational institution was  
3                   not in compliance with this subsection;

4                   “(IV) the length of time that the edu-  
5                   cational institution was not in such compli-  
6                   ance; and

7                   “(V) whether the educational institu-  
8                   tion was also not in compliance with this  
9                   subsection during any of the two years  
10                  prior to the year covered by the report.

11                  “(ii) A summary and justifications for the  
12                  waivers made under paragraph (5) during the  
13                  year covered by the report, including the total  
14                  number of waivers each educational institution  
15                  has received.

16                  “(B) A report containing the recommendations  
17                  of the Secretary with respect to any legislative ac-  
18                  tions the Secretary determines appropriate to ensure  
19                  that this subsection is carried out in a manner that  
20                  is consistent with the requirements that educational  
21                  institutions must meet for purposes of other depart-  
22                  ments or agencies of the Federal Government.

23                  “(7) In this subsection, the term ‘covered individual’  
24                  means an individual who is pursuing a course of education

1 at an educational institution under chapter 30, 32, 33,  
2 or 35 of this title.”.

3 (b) APPLICATION DATE.—The amendment made by  
4 this section shall take effect on June 15, 2020, and shall  
5 apply to an educational institution beginning on August  
6 1, 2020, except that an educational institution may submit  
7 an application for a waiver under subsection (f)(5) of sec-  
8 tion 3679 of title 38, United States Code, as added by  
9 subsection (a), beginning on June 15, 2020.

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

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

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

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

19 “(A) the willful or negligent failure of an  
20 educational institution to report, as required  
21 under this chapter or chapter 34 or 35 of this  
22 title, to the Department of Veterans Affairs ex-  
23 cessive absences from a course, or discontinu-  
24 ance or interruption of a course by the veteran  
25 or eligible person; or

1           “(B) the willful or negligent false certifi-  
2           cation by an educational institution; or  
3           “(2) the payment is made pursuant to—  
4           “(A) section 3313(h) of this title;  
5           “(B) section 3317 of this title; or  
6           “(C) section 3680(d) of this title.”.

7 **SEC. 12. IMPROVEMENTS TO LIMITATION ON CERTAIN AD-**  
8 **VERTISING, SALES, AND ENROLLMENT PRAC-**  
9 **TICES.**

10       (a) SUBSTANTIAL MISREPRESENTATION.—

11           (1) IN GENERAL.—Subsection (a) of section  
12       3696 of title 38, United States Code, is amended to  
13       read as follows:

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

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

23       “(e)(1) Substantial misrepresentation described in  
24       this paragraph is substantial misrepresentation by an edu-  
25       cational institution, a representative of the institution, or

1 any person with whom the institution has an agreement  
2 to provide educational programs, marketing, advertising,  
3 recruiting or admissions services, concerning any of the  
4 following:

5           “(A) The nature of the educational program of  
6 the institution, including misrepresentation regard-  
7 ing—

8                   “(i) the particular type, specific source, or  
9 nature and extent, of the accreditation of the  
10 institution or a course of education at the insti-  
11 tution;

12                   “(ii) whether a student may transfer  
13 course credits to another institution;

14                   “(iii) conditions under which the institu-  
15 tion will accept transfer credits earned at an-  
16 other institution;

17                   “(iv) whether successful completion of a  
18 course of instruction qualifies a student—

19                           “(I) for acceptance to a labor union or  
20 similar organization; or

21                           “(II) to receive, to apply to take, or to  
22 take an examination required to receive a  
23 local, State, or Federal license, or a non-  
24 governmental certification required as a  
25 precondition for employment, or to perform

1 certain functions in the States in which the  
2 educational program is offered, or to meet  
3 additional conditions that the institution  
4 knows or reasonably should know are gen-  
5 erally needed to secure employment in a  
6 recognized occupation for which the pro-  
7 gram is represented to prepare students;

8 “(v) the requirements for successfully com-  
9 pleting the course of study or program and the  
10 circumstances that would constitute grounds for  
11 terminating the student’s enrollment;

12 “(vi) whether the courses of education at  
13 the institution are recommended or have been  
14 the subject of unsolicited testimonials or en-  
15 dorsements by—

16 “(I) vocational counselors, high  
17 schools, colleges, educational organizations,  
18 employment agencies, members of a par-  
19 ticular industry, students, former students,  
20 or others; or

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

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



1           “(viii) the availability, frequency, and ap-  
2 propriateness of the courses of education and  
3 programs to the employment objectives that the  
4 institution states the courses and programs are  
5 designed to meet;

6           “(ix) the nature, age, and availability of  
7 the training devices or equipment of the institu-  
8 tion and the appropriateness to the employment  
9 objectives that the institution states the courses  
10 and programs are designed to meet;

11           “(x) the number, availability, and quali-  
12 fications, including the training and experience,  
13 of the faculty and other personnel of the insti-  
14 tution;

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

17           “(xii) the nature and availability of any tu-  
18 torial or specialized instruction, guidance and  
19 counseling, or other supplementary assistance  
20 the institution ill provide students before, dur-  
21 ing, or after the completion of a course of edu-  
22 cation;

23           “(xiii) the nature or extent of any pre-  
24 requisites established for enrollment in any  
25 course of education;

1           “(xiv) the subject matter, content of the  
2           course of education, or any other fact related to  
3           the degree, diploma, certificate of completion,  
4           or any similar document that the student is to  
5           be, or is, awarded upon completion of the  
6           course of education; and

7           “(xv) whether the degree that the institu-  
8           tion will confer upon completion of the course  
9           of education has been authorized by the appro-  
10          prium State educational agency, including with  
11          respect to cases where the institution fails to  
12          disclose facts regarding the lack of such author-  
13          ization in any advertising or promotional mate-  
14          rials that reference such degree.

15          “(B) The financial charges of the institution,  
16          including misrepresentation regarding—

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

19                 “(ii) whether a particular charge is the  
20                 customary charge at the institution for a  
21                 course;

22                 “(iii) the cost of the program and the re-  
23                 fund policy of the institution if the student does  
24                 not complete the program;

1           “(iv) the availability or nature of any fi-  
2           nancial assistance offered to students, including  
3           a student’s responsibility to repay any loans, re-  
4           gardless of whether the student is successful in  
5           completing the program and obtaining employ-  
6           ment; and

7           “(v) the student’s right to reject any par-  
8           ticular type of financial aid or other assistance,  
9           or whether the student must apply for a par-  
10          ticular type of financial aid, such as financing  
11          offered by the institution.

12          “(C) The employability of the graduates of the  
13          institution, including misrepresentation regarding—

14               “(i) the relationship of the institution with  
15               any organization, employment agency, or other  
16               agency providing authorized training leading di-  
17               rectly to employment;

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

21               “(iii) the knowledge of the institution  
22               about the current or likely future conditions,  
23               compensation, or employment opportunities in  
24               the industry or occupation for which the stu-  
25               dents are being prepared;

1           “(iv) job market statistics maintained by  
2           the Federal Government in relation to the po-  
3           tential placement of the graduates of the insti-  
4           tution; and

5           “(v) other requirements that are generally  
6           needed to be employed in the fields for which  
7           the training is provided, such as requirements  
8           related to commercial driving licenses or per-  
9           mits to carry firearms, and failing to disclose  
10          factors that would prevent an applicant from  
11          qualifying for such requirements, such as prior  
12          criminal records or preexisting medical condi-  
13          tions.

14       “(2) In this subsection:

15           “(A) The term ‘misleading statement’ includes  
16           any communication, action, omission, or intimation  
17           made in writing, visually, orally, or through other  
18           means, that has the likelihood or tendency to mis-  
19           lead the intended recipient of the communication  
20           under the circumstances in which the communication  
21           is made. Such term includes the use of student en-  
22           dorsements or testimonials for an educational insti-  
23           tution that a student gives to the institution either  
24           under duress or because the institution required the

1 student to make such an endorsement or testimonial  
2 to participate in a program of education.

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

12 “(C) The term ‘substantial misrepresentation’  
13 means misrepresentation in which the person to  
14 whom it was made could reasonably be expected to  
15 rely, or has reasonably relied, to that person’s det-  
16 riment.”.

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

1           (c)     REQUIREMENTS     FOR     NONACCREDITED  
2 COURSES.—Paragraph (10) of section 3676(e) of such  
3 title is amended to read as follows:

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

10                           “(A) has ascertained from the Federal  
11 Trade Commission whether the Commission has  
12 issued an order to the institution to cease and  
13 desist from any act or practice described in  
14 such subsection;

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

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

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

1 **SEC. 13. ADDITIONAL LIMITATION ON CERTAIN ADVER-**  
2 **TISING, SALES, AND ENROLLMENT PRAC-**  
3 **TICES OF EDUCATIONAL INSTITUTIONS.**

4 (a) **IN GENERAL.**—Section 3696(a) of title 38,  
5 United States Code, as amended by section 11, is further  
6 amended—

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

8 and

9 (2) by adding at the end the following new  
10 paragraph:

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

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

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

20 (b) **EFFECTIVE DATE.**—The amendment made by  
21 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 paragraph (2) who  
22 transfers fewer than 12 credits from a program of edu-  
23 cation that is closed or disapproved as described in sub-  
24 section (b)(1) shall be deemed to be an individual who did  
25 not receive such credits, as described in subsection (b)(2),  
26 except that the period for which such individual’s entitle-



1 ment is not charged shall be the entire period of the indi-  
2 vidual's enrollment in the program of education. In car-  
3 rying out this subparagraph, the Secretary, in consultation  
4 with the Secretary of Education, shall establish procedures  
5 to determine whether the individual transferred credits to  
6 a comparable course or program of education.

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

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

