

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 1767  
OFFERED BY MR. BOST OF ILLINOIS**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Student Veteran Ben-  
3 efit Restoration Act”.

4 **SEC. 2. FRAUDULENT BEHAVIOR BY EDUCATIONAL INSTI-  
5 TUTIONS THAT RECEIVE EDUCATIONAL AS-  
6 SISTANCE PROGRAMS ADMINISTERED BY  
7 THE SECRETARY OF VETERANS AFFAIRS.**

8       (a) IN GENERAL.—Subchapter III of chapter 36 of  
9 title 38, United States Code, is amended by adding at the  
10 end the following new section:

11 **“§ 3699C. Fraudulent behavior by educational institu-  
12 tions**

13       “(a) RESTORATION OF ENTITLEMENT.—If the Sec-  
14 retary determines that an educational institution has, at  
15 any time, engaged in fraudulent behavior that affected a  
16 covered individual, the Secretary may determine that any  
17 payment of covered educational assistance, for the pursuit

1 of a course or program of education at such educational  
2 institution, is not—

3 “(1) charged against any entitlement to covered  
4 educational assistance of such covered individual; or

5 “(2) counted against the aggregate period for  
6 which section 3695 of this title limits the receipt of  
7 educational assistance by such covered individual.

8 “(b) REPAYMENT OF FUNDS; DISAPPROVAL.—(1) As  
9 a condition of the approval of a course or program of edu-  
10 cation under this chapter, the educational institution of-  
11 fering the course or program shall agree that if the Sec-  
12 retary determines that the educational institution has en-  
13 gaged in fraudulent behavior on or after the date of the  
14 enactment of this section, the educational institution shall  
15 repay to the Secretary all amounts of educational assist-  
16 ance received pursuant to the educational assistance pro-  
17 grams administered by the Secretary that the Secretary  
18 determines were obtained through such fraudulent behav-  
19 ior.

20 “(2) In the case of an educational institution that the  
21 Secretary determines has engaged in fraudulent behavior  
22 on or after the date of the enactment of this section, the  
23 Secretary shall disapprove the enrollment of a covered in-  
24 dividual in any course or program of education offered by  
25 the educational institution unless the educational institu-

1 tion repays to the Secretary all amounts of educational  
2 assistance received pursuant to the educational assistance  
3 programs administered by the Secretary that the Sec-  
4 retary determines were obtained through such fraudulent  
5 behavior.

6 “(c) EVIDENCE OF FRAUDULENT BEHAVIOR.—In  
7 making a determination whether an educational institu-  
8 tion has engaged in fraudulent behavior, the Secretary  
9 shall consider evidence which may include any of the fol-  
10 lowing:

11 “(1) That, on or after the day that is two years  
12 after the date of the enactment of this section, the  
13 educational institution failed to secure an affirma-  
14 tion of approval by the appropriate State approving  
15 agency—

16 “(A) following a risk-based survey under  
17 section 3673A of this title; and

18 “(B) on the basis of fraudulent behavior  
19 by the educational institution.

20 “(2) That the Secretary of Education has made  
21 a final determination that, during the period begin-  
22 ning on the date of the enactment of this section  
23 and ending on December 31, 2028, the educational  
24 institution committed an actionable act or omission  
25 under regulations under the authority of the Sec-

1       retary of Education, and as a result, direct loan bor-  
2       rowers at such educational institution suffered det-  
3       riments of a nature and degree warranting the relief  
4       provided by a borrower defense to repayment.

5               “(3) That—

6                       “(A) a court of competent jurisdiction—

7                               “(i) has found the educational institu-  
8                               tion guilty of, or liable for, fraudulent be-  
9                               havior; and

10                              “(ii) has ordered the educational insti-  
11                              tution to pay financial relief to a student;  
12                              and

13                              “(B) a covered individual has filed a claim  
14                              with the Secretary of Veterans Affairs for relief  
15                              based on a finding described in subparagraph  
16                              (A).

17       “(d) DEFINITIONS.—In this section:

18               “(1) The term ‘covered educational assistance’  
19               means educational assistance under chapter 30, 31,  
20               32, 33, or 35 of this title, or chapter 1606 or 1607  
21               of title 10.

22               “(2) The term ‘covered individual’ means a vet-  
23               eran or other individual using covered educational  
24               assistance to pursue a course or program of edu-  
25               cation that has been approved under this chapter.

1           “(3) The term ‘fraudulent behavior’ means  
2           fraud or another false, misleading, or deceptive act  
3           or omission.”.

4           (b) CLERICAL AMENDMENT.—The table of sections  
5           at the beginning of such chapter is amended by adding  
6           after the item relating to section 3699B the following new  
7           item:

          “3699C. Fraudulent behavior by educational institutions.”.

8           **SEC. 3. MODIFICATION OF CERTAIN HOUSING LOAN FEES.**

9           The loan fee table in section 3729(b)(2) of title 38,  
10          United States Code, is amended by striking “November  
11          14, 2031” each place it appears and inserting “November  
12          18, 2031”.

