

Committee Print

**Reflecting the actions of the Subcommittee on Economic
Opportunity on July 19, 2023**

118TH CONGRESS
1ST SESSION

H. R. 1767

To amend title 38, United States Code, to provide that educational assistance paid under Department of Veterans Affairs educational assistance programs to an individual who pursued a program or course of education that was suspended or terminated for certain reasons shall not be charged against the entitlement of the individual, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

A BILL

To amend title 38, United States Code, to provide that educational assistance paid under Department of Veterans Affairs educational assistance programs to an individual who pursued a program or course of education that was suspended or terminated for certain reasons shall not be charged against the entitlement of the individual, 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,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. TREATMENT OF EDUCATIONAL INSTITUTIONS**
5 **FOUND TO HAVE COMMITTED FRAUD.**

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

9 **“§ 3699C. Treatment of educational institutions found**
10 **to have committed fraud**

11 “(a) RESTORATION OF ENTITLEMENT.—(1) If the
12 Secretary makes a determination under subsection (b)
13 with respect to an educational institution, the Secretary
14 may determine that any payment of educational assistance
15 to an individual under chapter 30, 31, 32, 33, or 35 of
16 this title, or chapter 1606 or 1607 of title 10, for the pur-
17 suit of a course or program of education at such edu-
18 cational institution during a period affected by an act or
19 omission that contributed to the determination of the Sec-
20 retary under subsection (b) is not—

21 “(A) charged against any entitlement to edu-
22 cational assistance of the individual concerned; or

23 “(B) counted against the aggregate period for
24 which section 3695 of this title limits the receipt of
25 educational assistance by such individual.

1 “(2) An individual described in this paragraph is an
2 individual whom the Secretary determines participated in
3 an activity that contributed to an act or omission referred
4 to in subsection (b).

5 “(b) DETERMINATION OF FRAUDULENT BEHAV-
6 IOR.—A determination under this subsection is a deter-
7 mination by the Secretary, with respect to an educational
8 institution, that—

9 “(1) after the date that is one year after the
10 date of the enactment of this section, the edu-
11 cational institution committed an act or omission
12 that resulted in the failure of the institution to se-
13 cure an affirmation of approval by the appropriate
14 State approving agency following a risk-based survey
15 under section 3673A of this title;

16 “(2) the Secretary of Education determines,
17 based on a preponderance of the evidence, that at
18 any time before December 31, 2028, the educational
19 institution committed an actionable act or omission
20 under regulations under the authority of the Sec-
21 retary of Education, and as a result, direct loan bor-
22 rowers at such educational institution suffered det-
23 riments of a nature and degree warranting the relief
24 provided by a borrower defense to repayment;

1 “(3) the Attorney General or the Commissioner
2 of the Federal Trade Commission determined, based
3 on a preponderance of the evidence, that at any time
4 before, on, or after the date of the enactment of this
5 section, the educational institution committed an act
6 or omission that constituted fraudulent behavior
7 under regulations under the authority of the Attor-
8 ney General or Commissioner; or

9 “(4) at any time before, on, or after the date
10 of the enactment of this section, a Federal or State
11 civil or criminal investigation into the alleged false,
12 misleading, deceptive, or otherwise unlawful acts or
13 omissions of the educational institution resulted in
14 financial relief to students.

15 “(c) REPAYMENT OF FUNDS; DISAPPROVAL.—(1) As
16 a condition of the approval of a course or program of edu-
17 cation under this chapter, the educational institution of-
18 fering the course or program shall agree that if the Sec-
19 retary determines that the educational institution has
20 committed an act or omission referred to in subsection (b),
21 the educational institution shall repay to the Secretary all
22 amounts of educational assistance received pursuant to
23 the educational assistance programs administered by the
24 Secretary during the period when such act or omission was
25 determined to have occurred.

1 “(2) In the case of an educational institution that the
2 Secretary determines has committed an act or omission
3 referred to in subsection (b), including such an act or
4 omission occurring before the date of the enactment of this
5 section, the Secretary shall disapprove the enrollment of
6 an eligible veteran in any course or program of education
7 offered by the educational institution unless the edu-
8 cational institution repays to the Secretary all amounts
9 of educational assistance received pursuant to the edu-
10 cational assistance programs administered by the Sec-
11 retary during the period when such act or omission was
12 determined to have occurred.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 at the beginning of such chapter is amended by adding
15 after the item relating to section 3699B the following new
16 item:

“3699C. Treatment of educational institutions found to have committed fraud.”.