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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, United States Code, to provide restoration of entitlement to educational assistance to individuals defrauded by educational institutions receiving payment on behalf of such individuals under the laws administered by the Secretary of Veterans Affairs and to provide repayment of funds to the Secretary from such educational institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to provide restoration of entitlement to educational assistance to individuals defrauded by educational institutions receiving payment on behalf of such individuals under the laws administered by the Secretary of Veterans Affairs and to provide repayment of funds to the Secretary from such educational institutions, 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 of 2025”.

4 **SEC. 2. REQUIREMENTS FOR EDUCATIONAL INSTITUTIONS**
5 **THAT RECEIVE EDUCATIONAL ASSISTANCE**
6 **FROM PROGRAMS ADMINISTERED BY THE**
7 **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. Restoration of entitlement for pursuit of**
12 **courses or programs of education at cer-**
13 **tain educational institutions**

14 “(a) RESTORATION OF ENTITLEMENT.—The Sec-
15 retary shall determine that any payment of covered edu-
16 cational assistance for the pursuit by a covered individual
17 of a course or program of education at an educational in-
18 stitution occurring during a period set forth under sub-
19 section (b) is not—

20 “(1) charged against any entitlement of the
21 covered individual to the covered educational assist-
22 ance; or

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

1 “(b) COVERED PERIODS.—A period set forth under
2 this subsection with respect to a course or program of edu-
3 cation pursued by a covered individual at an educational
4 institution is any of the following:

5 “(1) Any period, occurring on or after the date
6 of enactment of the Student Veteran Benefit Res-
7 toration Act of 2025, in which the educational insti-
8 tution was not approved by a State approving agen-
9 cy or the Secretary acting as a State approving
10 agency, including periods in which an educational in-
11 stitution is not approved because an approval is re-
12 voked.

13 “(2) Any period, occurring on or after the date
14 of enactment of the Student Veteran Benefit Res-
15 toration Act of 2025, with regards to which the Sec-
16 retary has made a final determination that the edu-
17 cational institution, or the owner of the educational
18 institution, was in violation during such period of an
19 applicable provision of section 3696 of this title.

20 “(3) Any period, occurring on or after the date
21 of enactment of the Student Veteran Benefit Res-
22 toration Act of 2025, during which a court of com-
23 petent jurisdiction found the educational institution
24 guilty of, or liable for, fraud.

1 “(4) Any period, occurring on or after the date
2 of enactment of the Student Veteran Benefit Res-
3 toration Act of 2025, during which the educational
4 institution was closed by the Department of Justice
5 on the basis of fraud or a violation of a provision of
6 Federal or State law.

7 “(5) Any period occurring on or after the date
8 of enactment of the Student Veteran Benefit Res-
9 toration Act of 2025—

10 “(A) during which the educational institu-
11 tion engaged in fraud; and

12 “(B) after which the educational institu-
13 tion closes.

14 “(c) REPAYMENT OF FUNDS.—(1) As a condition of
15 the approval of a course or program of education under
16 this chapter, the educational institution offering the
17 course or program shall agree that if the educational insti-
18 tution receives payment of covered educational assistance
19 for a covered individual to pursue a course or program
20 of education at the educational institution and the Sec-
21 retary, pursuant to subsection (a), restores to such cov-
22 ered individual some portion of the entitlement of the cov-
23 ered individual to such covered educational assistance, the
24 educational institution shall repay to the Secretary the
25 amount of that portion of the covered educational assist-

1 ance that the educational institution received for that indi-
2 vidual.

3 “(2) In the case of an educational institution that has
4 been found guilty of, or liable for, fraud by a court of com-
5 petent jurisdiction and is ordered to pay financial relief
6 to the Federal Government, the Secretary may file a claim
7 with the Department of the Treasury for recoupment of
8 all amounts of educational assistance received by such
9 educational institution pursuant to the educational assist-
10 ance programs administered by the Secretary that the
11 Secretary determines were obtained through such fraud.

12 “(d) APPEALS.—(1) The Secretary shall establish a
13 process by which an educational institution or the owner
14 of an educational institution that is subject to a finding
15 by the Secretary that the educational institution is re-
16 quired to repay an amount under subsection (c) may re-
17 quest a review of such finding.

18 “(2) The process established pursuant to paragraph
19 (1) shall be distinct and separate from the process estab-
20 lished under section 3696(i) of this title.

21 “(e) DEFINITIONS.—In this section:

22 “(1) The term ‘covered educational assistance’
23 means educational assistance under chapter 30, 31,
24 32, 33, or 35 of this title, or chapter 1606 or 1607
25 of title 10.

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

5 “(3) The term ‘fraud’ means fraud or another
6 false, misleading, or deceptive act or omission.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 at the beginning of such chapter is amended by inserting
9 after the item relating to section 3699B the following new
10 item:

 “3699C. Restoration of entitlement for pursuit of courses or programs of edu-
 cation at certain educational institutions.”.