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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend title 38, United States Code, to provide for the restoration of entitlement of individuals entitled to educational assistance under the laws administered by the Secretary of Veterans Affairs who use such entitlement to pursue a course or program of education at an educational institution found to have violated certain prohibitions on advertising, sales, and enrollment practices, and for other purposes.

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**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 for the restoration of entitlement of individuals entitled to educational assistance under the laws administered by the Secretary of Veterans Affairs who use such entitlement to pursue a course or program of education at an educational institution found to have violated certain prohibitions on advertising, sales, and enrollment practices, 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 “\_\_\_\_\_ Act  
3 of 2024”.

4 **SEC. 2. TREATMENT BY DEPARTMENT OF VETERANS AF-**  
5 **FAIRS OF EDUCATIONAL INSTITUTIONS THAT**  
6 **VIOLATE CERTAIN PROHIBITIONS ON ADVER-**  
7 **TISING, SALES, AND ENROLLMENT PRAC-**  
8 **TICES.**

9 (a) RESTORATION OF ENTITLEMENT.—Section 3696  
10 of title 38, United States Code, is amended—

11 (1) by redesignating subsections (i) through (l)  
12 as subsections (j) through (m), respectively; and

13 (2) by inserting after subsection (h) the fol-  
14 lowing new subsection (i):

15 “(i) RESTORATION OF ENTITLEMENT.—Upon a final  
16 determination by the Under Secretary for Benefits under  
17 subsection (g), including the results of any appeal under  
18 subsection (i), that an educational institution or the owner  
19 of an educational institution violated subsection (a), (c),  
20 or (d), the Secretary may determine that any payment of  
21 educational assistance to an individual who used entitle-  
22 ment to educational assistance under chapter 30, 31, 32,  
23 33, or 35 of this title, or chapter 1606 or 1607 of title  
24 10, to pursue a course or program of education at such  
25 educational institution during the time period when the  
26 violation occurred, and who was unable to continue such

1 course or program at such educational institution by rea-  
2 son of such violation, is not—

3 “(1) charged against any entitlement to edu-  
4 cational assistance of the 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 individual.”.

8 (b) REPAYMENT OF FUNDS.—

9 (1) IN GENERAL.—Subsection (h) of such sec-  
10 tion is amended—

11 (A) in paragraph (4), by striking “sub-  
12 section (i)” and inserting “subsection (j)”; and

13 (B) by adding at the end the following new  
14 paragraph:

15 “(5)(A) In addition to any other enforcement action  
16 taken under this subsection, upon a final determination  
17 by the Under Secretary for Benefits under subsection (g)  
18 that an educational institution or the owner of an edu-  
19 cational institution violated subsection (a), (c), or (d), the  
20 Secretary shall require the educational institution to repay  
21 to the Secretary all amounts of educational assistance  
22 under chapter 30, 31, 32, 33, or 35 of this title, or chapter  
23 1606 or 1607 of title 10, paid to the educational institu-  
24 tion by or on behalf of an individual who pursued a course

1 or program of education at the educational institution dur-  
2 ing the time period when the violation occurred.

3 “(B) As a condition of the approval of a course or  
4 program of education under this chapter, the educational  
5 institution offering the course or program shall agree that  
6 if Under Secretary of Benefits makes a final determina-  
7 tion under subsection (g) that the educational institution  
8 or the owner of the educational institution violated sub-  
9 section (a), (c), or (d), the educational institution shall  
10 make the repayment required under subparagraph (A).

11 “(C) The Under Secretary shall establish a process  
12 for making a determination regarding the amount an edu-  
13 cational institution or an owner of an educational institu-  
14 tion is required to repay under subparagraph (A) in the  
15 case of a violation of subsection (a), (c), or (d). Such proc-  
16 ess shall include—

17 “(i) clearly defined factors to be used to deter-  
18 mine the amount attributable to the violation, in-  
19 cluding the degree to which individuals enrolled in a  
20 program of education offered by the educational in-  
21 stitution using entitlement to educational assistance  
22 under chapter 30, 31, 32, 33, or 35 of this title or  
23 chapter 1606 or 1607 of title 10 suffered a loss due  
24 to the violation;

1           “(ii) a requirement that the Under Secretary  
2           provide notice to the educational institution or the  
3           owner of the educational institution that the Under  
4           Secretary is in the process of making such a deter-  
5           mination with respect to the educational institution  
6           or owner; and

7           “(iii) a procedure under which the educational  
8           institution or owner may provide such information to  
9           the Under Secretary as the educational institution or  
10          owner determines appropriate within a specified pe-  
11          riod of time outlined by the Secretary for purposes  
12          of informing such determination.

13          “(D) A determination made pursuant to subpara-  
14          graph (C) shall be—

15                 “(i) made by the Under Secretary and may not  
16                 be delegated; and

17                 “(ii) subject to review under section 7104(a) of  
18                 this title.”.

19                 (2) DISAPPROVAL.—Section 3679 of title 38,  
20                 United States Code, is amended by adding at the  
21                 end the following new subsection:

22                 “(g) Notwithstanding any other provision of this  
23                 chapter, in the case of an educational institution that the  
24                 Secretary determines is required to repay to the Secretary  
25                 an amount under section 3696(h)(5) of this title and does

1 not repay such amount, the Secretary shall disapprove a  
2 course or program of education offered by the educational  
3 institution until the educational institution repays to the  
4 Secretary such amount.”.

5 (3) REINSTATEMENT.—Paragraph (2) of sub-  
6 section (k) of section 3696, as redesignated by sub-  
7 section (a)(1), is amended—

8 (A) in subparagraph (E)—

9 (i) by striking “that”; and

10 (ii) by striking “and” at the end;

11 (B) by redesignating subparagraph (F) as  
12 subparagraph (G); and

13 (C) by inserting after subparagraph (E)  
14 the following new subparagraph (F):

15 “(F) the educational institution repays any  
16 amount required to be repaid under subsection  
17 (h)(5); and”.

18 (c) APPLICABILITY.—The amendments made by this  
19 section shall apply with respect to a violation that occurs  
20 on or after the date that is 180 days after the date of  
21 the enactment of this Act.