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1 **PART F—NEED ANALYSIS**2 **SEC. 446. COST OF ATTENDANCE.**

3 Section 472 (20 U.S.C. 1087*ll*) is amended—

4 (1) in paragraph (2), by inserting after “per-  
5 sonal expenses” the following: “, including a reason-  
6 able allowance for the rental or purchase of a per-  
7 sonal computer,”; and

8 (2) in paragraph (10), by striking everything  
9 after “determining costs” and inserting a semicolon.

10 **SEC. 447. DATA ELEMENTS.**

11 Section 474(b)(3) (20 U.S.C. 1087nm(b)(3)) is  
12 amended by inserting “, excluding the student’s parents,”  
13 after “family of the student”.

14 **SEC. 448. FAMILY CONTRIBUTION FOR DEPENDENT STU-**  
15 **DENTS.**

16 (a) PARENTS’ CONTRIBUTION FROM ADJUSTED  
17 AVAILABLE INCOME.—Section 475(b)(3) (20 U.S.C.  
18 1087oo(b)(3)) is amended by inserting “, excluding the  
19 student’s parents,” after “number of family members”.

20 (b) FAMILY CONTRIBUTION FROM ASSETS.—Section  
21 475 is amended—

22 (1) in subsection (b)(1)(B), by striking “par-  
23 ents’ contribution” and inserting “family contribu-  
24 tion”;

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1 (2) in the heading of subsection (d), by striking  
2 “PARENTS’ CONTRIBUTION” and inserting “FAMILY  
3 CONTRIBUTION”;

4 (3) in subsection (d)(1), by striking “parents’  
5 contribution” and inserting “family contribution”;

6 (4) in the heading of paragraph (2) of sub-  
7 section (d), by striking “PARENTAL” and inserting  
8 “FAMILY”;

9 (5) in subsection (d)(2), by inserting “, for both  
10 the parents and the dependent student” after “by  
11 adding”;

12 (6) by striking subsection (h); and

13 (7) by redesignating subsection (i) as subsection  
14 (h).

15 (c) STUDENT CONTRIBUTION FROM AVAILABLE IN-  
16 COME.—Section 475(g) is amended—

17 (1) in paragraph (2)—

18 (A) by striking “and” at the end of sub-  
19 paragraph (C);

20 (B) by striking “\$1,750.” in subparagraph  
21 (D) and inserting “\$3,000, or a successor  
22 amount prescribed by the Secretary under sec-  
23 tion 478; and”;

24 (C) by inserting after subparagraph (D)  
25 the following new subparagraph:

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1           “(E) an allowance for parents’ negative  
2           available income, determined in accordance with  
3           paragraph (6).”; and

4           (2) by adding at the end the following new  
5           paragraph:

6           “(6) ALLOWANCE FOR PARENTS’ NEGATIVE  
7           AVAILABLE INCOME.—The allowance for parents’  
8           negative available income is the negative amount, if  
9           any, remaining after all allowances have been sub-  
10          tracted from parents’ total income under subsection  
11          (c)(1).”.

12          (e) ADJUSTMENTS TO STUDENTS CONTRIBUTION  
13          FOR ENROLLMENT PERIODS OTHER THAN NINE  
14          MONTHS.—Section 475 is amended by adding at the end  
15          the following new subsection:

16          “(i) ADJUSTMENTS TO STUDENTS CONTRIBUTION  
17          FOR ENROLLMENT PERIODS OF LESS THAN NINE  
18          MONTHS.—For periods of enrollment of less than nine  
19          months, the student’s contribution from adjusted available  
20          income (as determined under subsection (g)) is deter-  
21          mined, for purposes other than subpart 2 of part A, by  
22          dividing amount determined under such subsection by  
23          nine, and multiplying the result by the number of months  
24          in the period of enrollment.”.

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1 **SEC. 449. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**  
2 **DENTS WITHOUT DEPENDENTS OTHER THAN**  
3 **A SPOUSE.**

4 (a) ADJUSTMENTS FOR ENROLLMENT PERIODS  
5 OTHER THAN NINE MONTHS.—Section 476(a) (20  
6 U.S.C. 1087pp(a)) is amended—

7 (1) by striking “and” at the end of paragraph  
8 (1)(B);

9 (2) by inserting “and” after the semicolon at  
10 the end of paragraph (2); and

11 (3) by inserting after paragraph (2) the follow-  
12 ing new paragraph:

13 “(3) for periods of enrollment of other than 9  
14 months—

15 “(A) dividing the quotient resulting under  
16 paragraph (2) by nine; and

17 “(B) multiplying the result by the number  
18 of months in the period of enrollment;”.

19 (b) CONTRIBUTION FROM AVAILABLE INCOME.—Sec-  
20 tion 476(b)(1)(A)(iv) is amended—

21 (1) by striking “allowance of—” and inserting  
22 “allowance of the following amount (or a successor  
23 amount prescribed by the Secretary under section  
24 478)—”;

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1           (2) by striking “\$3,000” each place it appears  
2           in subclauses (I) and (II) and inserting “\$5,500”;  
3           and  
4           (3) by striking “\$6,000” in subclause (III) and  
5           inserting “\$8,500”.

6 **SEC. 450. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**  
7                           **DENTS WITH DEPENDENTS OTHER THAN A**  
8                           **SPOUSE.**

9           Section 477(a) (20 U.S.C. 1087qq(a) is amended—  
10           (1) by striking “and” at the end of paragraph

11           (2);

12           (2) by inserting “and” after the semicolon at  
13           the end of paragraph (3); and

14           (3) by inserting after paragraph (3) the follow-  
15           ing new paragraph:

16           “(4) for periods of enrollment of other than 9  
17           months—

18                       “(A) dividing the quotient resulting under  
19                       paragraph (3) by nine; and

20                       “(B) multiplying the result by the number  
21                       of months in the period of enrollment;”.

22 **SEC. 451. REGULATIONS; UPDATED TABLES AND AMOUNTS.**

23           Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

24           (1) by striking “For each academic year” and  
25           inserting the following:

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1           “(1) REVISED TABLES.—For each academic  
2 year”; and

3           (2) by adding at the end the following new  
4 paragraph:

5           “(2) REVISED AMOUNTS.—For each academic  
6 year after academic year 1997–1998, the Secretary  
7 shall publish in the Federal Register revised income  
8 protection allowances for the purpose of sections  
9 475(g)(2)(D) and 476(b)(1)(A)(iv). Such revised al-  
10 lowances shall be developed by increasing each of the  
11 dollar amounts contained in such section by a per-  
12 centage equal to the estimated percentage increase  
13 in the Consumer Price Index (as determined by the  
14 Secretary) between December 1996 and the Decem-  
15 ber next preceding the beginning of such academic  
16 year, and rounding the result to the nearest \$10.”.

17 **SEC. 452. DISCRETION OF STUDENT FINANCIAL AID ADMIN-**  
18 **ISTRATORS.**

19           (a) SPECIAL CIRCUMSTANCES.—Section 479A(a) (20  
20 U.S.C. 1087tt(a)) is amended—

21           (1) in the first sentence, by insert after “(or  
22 both)” the following: “or, in extraordinary cir-  
23 cumstances, the amount of the expected family con-  
24 tribution,”; and

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1           (2) by inserting after the second sentence the  
2 following new sentence: “Special circumstances may  
3 include tuition expenses at an elementary or second-  
4 ary school, medical or dental expenses not covered  
5 by insurance, recent unemployment of a family  
6 member, or other changes in a family’s income or  
7 assets or a student’s status. Extraordinary cir-  
8 cumstances shall be defined by the Secretary by reg-  
9 ulation.”.

10       (b) REFUSAL OR ADJUSTMENT OF LOAN CERTIFI-  
11 CATIONS.—Section 479A is amended by striking sub-  
12 section (c) and inserting the following:

13       “(c) REFUSAL OR ADJUSTMENT OF LOAN CERTIFI-  
14 CATIONS.—An eligible institution may refuse to certify a  
15 statement which permits a student to receive a loan under  
16 part B, or refuse to make a loan under part D, or may  
17 certify a loan amount or make a loan that is less than  
18 the student’s determination of need (as determined under  
19 this part), if the reason for the action is documented and  
20 provided in written form to the student. No eligible insti-  
21 tution shall discriminate against any borrower or applicant  
22 in obtaining a loan on the basis of race, national origin,  
23 religion, sex, marital status, age, or handicapped status.”.

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**1 SEC. 453. TREATMENT OF OTHER FINANCIAL ASSISTANCE.**

2 Section 480(j)(3) (20 U.S.C. 1087vv(j)(3)) is amend-  
3 ed by inserting after “paragraph (1),” the following: “a  
4 post-service benefit under chapter 30 of title 38, United  
5 States Code, or”.

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1 **Part G—General Provisions**2 **SEC. 461. DEFINITIONS.**

3 Section 481 (20 U.S.C. 1088), as amended by section  
4 102(b), is further amended by adding at the end the fol-  
5 lowing new subsection:

6 “(d) DISTANCE LEARNING.—For the purpose of any  
7 program under this title, the term ‘distance learning’  
8 means an educational process that is characterized by the  
9 separation, in time or place, between instructor and stu-  
10 dent. Distance learning may include courses offered prin-  
11 cipally through the use of—

12 “(1) television, audio, or computer trans-  
13 mission, such as open broadcast, closed circuit,  
14 cable, microwave, or satellite transmission;

15 “(2) audio or computer conferencing;

16 “(3) video cassettes or discs; or

17 “(4) correspondence.”

18 **SEC. 462. MASTER CALENDAR.**

19 (a) REQUIRED SCHEDULE.—Section 482(a) (20  
20 U.S.C. 1089(a)) is amended by adding at the end the fol-  
21 lowing new paragraphs:

22 “(3) The Secretary shall, to the extent prac-  
23 ticable, notify eligible institutions, guaranty agen-  
24 cies, lenders, interested software providers, and,  
25 upon request, other interested parties, by December  
26 1 prior to the start of an award year of minimal

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1 hardware and software requirements necessary to  
2 administer programs under this title.

3 “(4) The Secretary shall attempt to conduct  
4 training activities for financial aid administrators  
5 and others in an expeditious and timely manner  
6 prior to the start of such award year in order to en-  
7 sure that all participants are informed of all admin-  
8 istrative requirements.”.

9 (b) DELAY OF EFFECTIVE DATE.—Section 482(c) is  
10 amended by striking the second sentence and inserting the  
11 following: “The Secretary shall provide a period for public  
12 comment of not less than 60 days after publication of any  
13 notice of proposed rulemaking affecting programs under  
14 this title.”.

15 **SEC. 463. FORMS AND REGULATIONS.**

16 (a) COMMON FINANCIAL AID FORM.—Section 483(a)  
17 (20 U.S.C. 1090(a) is amended—

18 (1) in paragraph (1)—

19 (A) by striking “A, C, D, and E” and in-  
20 serting “A through E”;

21 (B) by striking “and to determine the need  
22 of a student for the purpose of part B of this  
23 title”; and

24 (C) by striking the last sentence and in-  
25 serting the following: “The Secretary shall in-

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1           clude, on the first page of the form, a promi-  
2           nently displayed notice to students and parents  
3           advising them to check with the college finan-  
4           cial aid office in the event that they have un-  
5           usual circumstances which may affect their eli-  
6           gibility for financial aid.”;

7           (2) in paragraph (2)—

8                 (A) by striking “A, C, D, and E” each  
9                 place it appears and inserting “A through E”;

10                (B) by striking “and the need of a student  
11                for the purpose of part B of this title,”; and

12                (C) by striking “or have the student’s need  
13                established for the purpose of part B of this  
14                title”;

15           (3) in the first sentence of paragraph (3), by  
16           inserting “processing loan applications and” after  
17           “for the purposes of”; and

18           (4) by adding at the end the following new  
19           paragraph:

20                “(5) ELECTRONIC FORMS.—(A) The Secretary,  
21                in cooperation with representatives of agencies and  
22                organizations involved in student financial assist-  
23                ance, shall develop an electronic version of the form  
24                described in paragraph (1). Such an electronic ver-  
25                sion shall not require a signature to be collected at

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1 the time such version is submitted, as permitted by  
2 the Secretary. The Secretary shall prescribe such  
3 version no later than 120 days after the date of en-  
4 actment of the Higher Education Amendments of  
5 1998.

6 “(B) Nothing in this section shall prohibit the  
7 use of the version of the form developed by the Sec-  
8 retary pursuant to subparagraph (A) by an eligible  
9 institution, eligible lender, State guaranty agency,  
10 State grant agency, a consortium thereof, or such  
11 other entities as the Secretary may designate.

12 “(C) No fee may be charged to a student or an  
13 eligible institution (as defined in section 435(a)) for  
14 use of the electronic version of the form described in  
15 subparagraph (A), or for any other electronic form  
16 used with such version.

17 “(D) The Secretary shall ensure that data col-  
18 lection complies with section 552a of title 5, United  
19 States Code, and that any entity using the version  
20 of the form developed by the Secretary pursuant to  
21 subparagraph (A) shall maintain reasonable and ap-  
22 propriate administrative, technical, and physical  
23 safeguards to ensure the integrity and confidentiality  
24 of the information, and to protect against security  
25 threats, or unauthorized uses or disclosures of the

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1 information provided on the version of the form.  
2 Data collected by such version of the form shall be  
3 used only for the application, award, and adminis-  
4 tration of aid awarded under this title, State aid, or  
5 aid awarded by eligible institutions or such entities  
6 as the Secretary may designate. No data collected by  
7 such version of the form shall be used for making  
8 final aid awards under this title until such data have  
9 been processed by the Secretary or a contractor or  
10 designee of the Secretary.”.

11 (b) STREAMLINED REAPPLICATION PROCESS.—Sec-  
12 tion 483(b) is amended by striking “, within 240 days”  
13 and everything that follows through “of 1992,”.

14 (c) INFORMATION TO COMMITTEES.—Section 483(c)  
15 is amended by striking “Labor” and inserting “the  
16 Workforce”.

17 (d) TOLL-FREE INFORMATION.—Section 483(d) is  
18 amended by striking “section 633(c)” and inserting “sec-  
19 tion 685(d)(2)(C)”.

20 (e) REPEAL.—Subsection (f) of section 483 is re-  
21 pealed.

22 **SEC. 464. STUDENT ELIGIBILITY.**

23 (a) IN GENERAL.—Section 484(a) (20 U.S.C.  
24 1091(a))—

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1           (1) in paragraph (4), by striking “the institu-  
2           tion” and everything that follows through “lender),  
3           a document” and inserting “the Federal Govern-  
4           ment, as part of the original financial aid application  
5           process, a certification”; and

6           (2) in paragraph (4)(B), by inserting after “so-  
7           cial security number,” the following: “and if a de-  
8           pendent student, the social security number of any  
9           parent of such student whose income information is  
10          required to be included on the form,”.

11          (b) TERMINATION OF ELIGIBILITY.—Section 484(j)  
12          is amended by inserting “until September 30, 2001,” after  
13          “a student shall be eligible”.

14          (c) VERIFICATION OF INCOME DATA.—Section 484  
15          is amended by adding at the end the following new sub-  
16          section:

17          “(q) VERIFICATION OF INCOME DATA.—

18                 “(1) CONFIRMATION WITH IRS.—The Secretary  
19                 of Education, in cooperation with the Secretary of  
20                 the Treasury, is authorized to confirm with the In-  
21                 ternal Revenue Service the adjusted gross income,  
22                 filing status, and exemptions reported by applicants  
23                 (including parents) under this title on their Federal  
24                 income tax returns for the purpose of verifying the

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1 information reported by applicants on student finan-  
2 cial aid applications.

3 “(2) NOTIFICATION.—The Secretary shall es-  
4 tablish procedures under which an applicant is noti-  
5 fied that the Internal Revenue Service will disclose  
6 to the Secretary tax return information as author-  
7 ized under section 6103(l)(13) of the Internal Reve-  
8 nue Code of 1986.”.

9 **SEC. 465. STATE COURT JUDGMENTS.**

10 Section 484A (20 U.S.C. 1091a) is amended by add-  
11 ing at the end the following new subsection:

12 “(c) STATE COURT JUDGMENTS.—A judgment of a  
13 State court for the recovery of money provided as grant,  
14 loan, or work assistance under this title that has been as-  
15 signed or transferred to the Secretary under this title may  
16 be registered in any district court by filing a certified copy  
17 of the judgment and the assignment or other transfer to  
18 the Secretary. A judgment so registered shall have the  
19 same force and effect, and may be enforced in the same  
20 manner, as a judgment of the district court of the district  
21 in which the judgment is registered.”.

22 **SEC. 466. INFORMATION FOR STUDENTS.**

23 (a) INFORMATION DISSEMINATION.—Section 485(a)  
24 (20 U.S.C. 1092(a) is amended—

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1           (1) in paragraph (1), by striking the second  
2 sentence and inserting the following: “The informa-  
3 tion required by this section shall be produced and  
4 be made readily available upon request, through ap-  
5 propriate publications, mailings, and electronic  
6 media to all current students and to any prospective  
7 student. Each eligible institution shall, on an annual  
8 basis, provide to all enrolled students a list of the in-  
9 formation that is required to be provided by institu-  
10 tions to students by this Act and section 444 of the  
11 General Education Provisions Act (also referred to  
12 as the Family Educational Rights and Privacy Act  
13 of 1974), together with a statement of the proce-  
14 dures required to obtain such information.”;

15           (2) in paragraph (3)—

16           (A) in the first sentence, by striking “, or  
17 enrolled in any program of an eligible institu-  
18 tion for which the prior program provides sub-  
19 stantial preparation”; and

20           (B) by striking subparagraph (A) and in-  
21 serting the following:

22           “(A) shall be made available by July 1  
23 each year to current and prospective students  
24 prior to enrolling or entering into any financial  
25 obligation; and”;

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1           (3) by adding at the end the following new  
2 paragraph:

3           “(6) Each institution may, but is not required to,  
4 provide supplemental information to enrolled and prospec-  
5 tive students showing the completion or graduation rate  
6 for students transferring into the institution or informa-  
7 tion showing the rate at which students transfer out of  
8 the institution.”.

9           (b) DEPARTMENTAL PUBLICATIONS.—Section  
10 485(d) is amended—

11           (1) by striking “(1) assist” and inserting “(A)  
12 assist”;

13           (2) by striking “(2) assist” and inserting “(B)  
14 assist”;

15           (3) by inserting “(1)” before “The Secretary”  
16 the first place it appears; and

17           (4) by adding at the end the following new  
18 paragraphs:

19           “(2) The Secretary shall, to the extent such informa-  
20 tion is available, compile information describing State pre-  
21 paid tuition programs and disseminate such information  
22 to States, eligible institutions, students, and parents in de-  
23 partmental publications.

24           “(3) The Secretary shall, to the extent practicable,  
25 update the Department’s Internet site to include direct

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1 links to databases which contain information on public  
2 and private financial assistance programs. The Secretary  
3 shall only provide direct links to databases which can be  
4 accessed without charge and shall verify with appropriate  
5 parties that the databases included in the direct link are  
6 not in any way providing fraudulent information. The Sec-  
7 retary shall prominently display adjacent to the direct link  
8 a disclaimer indicating that a direct link to a database  
9 does not constitute an endorsement or recommendation of  
10 the database or its provider or any services or products  
11 of such provider. The Secretary shall provide additional  
12 direct links to information resources from which students  
13 may obtain information about fraudulent and deceptive  
14 practices in the provision of services related to student fi-  
15 nancial aid.”.

16 (c) DISCLOSURES.—Section 485(e) is amended—

17 (1) in paragraph (2)—

18 (A) by striking “his parents, his guidance”  
19 and inserting “the student’s parents, guid-  
20 ance”; and

21 (B) by adding at the end the following new  
22 sentence: “If the institution is a member of a  
23 national collegiate athletic association that com-  
24 piles graduation rate data on behalf of its mem-  
25 ber institutions that the Secretary determines is

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1 substantially comparable to the information de-  
2 scribed in paragraph (1), the distribution of the  
3 compilation of such data to all secondary  
4 schools in the United States shall fulfill the re-  
5 sponsibility of the institution to provide infor-  
6 mation to a prospective student athlete's guid-  
7 ance counselor and coach.”;

8 (2) in paragraph (4), by striking “when such  
9 completion or graduation rate includes students  
10 transferring into and out of such institution” and  
11 inserting “for students transferring into the institu-  
12 tion or information showing the rate at which stu-  
13 dents transfer out of the institution”; and

14 (3) by striking paragraph (9) and inserting the  
15 following:

16 “(9) The reports required by this subsection  
17 shall be due on each July 1 and shall cover the 1-  
18 year period ending August 31 of the preceding  
19 year.”.

20 (d) **CAMPUS CRIME REPORTING AND DISCLOSURE.**—  
21 Section 485(f) is amended—

22 (1) in paragraph (1)—

23 (A) by striking subparagraph (F) and in-  
24 serting the following:

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1           “(F) Statistics concerning the occurrence on  
2           campus, during the most recent calendar year, and  
3           during the 2 preceding calendar years, of the follow-  
4           ing criminal offenses or arrests reported to campus  
5           security authorities, campus officials who have direct  
6           administrative responsibility for student or campus  
7           activities, disciplinary officers and other officials re-  
8           sponsible for resolving student disciplinary matters,  
9           athletic department officials, or local police agencies  
10          (including offenses handled through the campus dis-  
11          ciplinary system):

12                   “(i) murder;  
13                   “(ii) sex offenses, forcible or nonforcible;  
14                   “(iii) robbery;  
15                   “(iv) aggravated assault;  
16                   “(v) burglary;  
17                   “(vi) motor vehicle theft;  
18                   “(vii) manslaughter;  
19                   “(viii) larceny;  
20                   “(ix) arson; and  
21                   “(x) arrests or persons referred for campus  
22          disciplinary action for liquor law violations,  
23          drug-related violations, and weapons posses-  
24          sion.”;

25                   (B) by striking subparagraph (H); and

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1 (C) by redesignating subparagraph (I) as  
2 subparagraph (H);

3 (2) in paragraph (4)—

4 (A) by striking “Upon request of the Sec-  
5 retary, each” and inserting “On an annual  
6 basis, each”;

7 (B) by striking “paragraphs (1)(F) and  
8 (1)(H)” and inserting “paragraph (1)(F)”;

9 (C) by striking “Labor” and inserting “the  
10 Workforce”;

11 (D) by striking “1995” and inserting  
12 “2000”;

13 (E) by striking “and” at the end of sub-  
14 paragraph (A);

15 (F) by redesignating subparagraph (B) as  
16 subparagraph (C); and

17 (G) by inserting after subparagraph (A)  
18 the following new subparagraph:

19 “(B) make copies of the statistics submitted to  
20 the Secretary available to the public; and”;

21 (3) in paragraph (6)—

22 (A) by striking “paragraphs (1)(F) and  
23 (1)(H)” and inserting “paragraph (1)(F)”;

24 (B) by adding at the end the following new  
25 sentence: “Such statistics shall not identify vic-

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1           tims of crimes or persons accused of crimes.”;

2           and

3           (4) by adding at the end the following new  
4 paragraphs:

5           “(8)(A) Each institution participating in any  
6 program under this title that maintains either a po-  
7 lice or security department of any kind shall make,  
8 keep, and maintain a daily log, written in a form  
9 that can be easily understood, recording in chrono-  
10 logical order all crimes reported to such police or se-  
11 curity department, including the nature, date, time,  
12 and general location of each crime and the dispo-  
13 sition of the complaint, if known.

14           “(B) All entries that are required by this para-  
15 graph shall be open to public inspection during nor-  
16 mal business hours within two business days of the  
17 initial report being made to the department, un-  
18 less—

19                   “(i) disclosure of such information is pro-  
20 hibited by law; or

21                   “(ii) the release of such information is like-  
22 ly to jeopardize an ongoing criminal investiga-  
23 tion or the safety of an individual, cause a sus-  
24 pect to flee or evade detection, or result in the  
25 destruction of evidence.

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1 “Any information withheld under clause (ii) shall be  
2 open to public inspection as soon as the damage that  
3 is the basis for such withholding is no longer likely  
4 to occur.

5 “(9) The Secretary shall provide technical as-  
6 sistance in complying with the provisions of this sec-  
7 tion to an institution of higher education who re-  
8 quests such assistance.”.

9 (e) DATA REQUIRED.—Section 485(g) is amended—  
10 (1) in paragraph (1), by adding at the end the  
11 following new subparagraphs:

12 “(I)(i) The total revenues, and the reve-  
13 nues from football, men’s basketball, women’s  
14 basketball, all other men’s sports combined and  
15 all other women’s sports combined, derived by  
16 the institution from its intercollegiate athletics  
17 activities.

18 “(ii) For the purpose of clause (i), reve-  
19 nues from intercollegiate athletics activities allo-  
20 cable to a sport shall include (without limita-  
21 tion) gate receipts, broadcast revenues, appear-  
22 ance guarantees and options, concessions, and  
23 advertising, but revenues such as student activi-  
24 ties fees or alumni contributions not so alloca-

## IV-G-16

1 ble shall be included in the calculation of total  
2 revenues only.

3 “(J)(i) The total expenses, and the ex-  
4 penses attributable to football, men’s basketball,  
5 women’s basketball, all other men’s sports com-  
6 bined, and all other women’s sports combined,  
7 made by the institution for its intercollegiate  
8 athletics activities.

9 “(ii) For the purpose of clause (i) expenses  
10 for intercollegiate athletics activities allocable to  
11 a sport shall include (without limitation)  
12 grants-in-aid, salaries, travel, equipment, and  
13 supplies, but expenses such as general and ad-  
14 ministrative overhead not so allocable shall be  
15 included in the calculation of total expenses  
16 only.

17 “(K) A statement of any reduction that  
18 may or is likely to occur during the ensuing 4  
19 academic years in the number of athletes that  
20 will be permitted to participate in any collegiate  
21 sport, or in the financial resources that the in-  
22 stitution will make available to any such sport,  
23 and the reasons for any such reduction.”; and  
24 (2) by striking paragraph (5).

## IV-G-17

**1 SEC. 467. NATIONAL STUDENT LOAN DATA SYSTEM.**

2 Section 485B(a) (20 U.S.C. 1092b(a)) is amended by  
3 inserting before the period at the end of the third sentence  
4 the following: “no later than one year after the date of  
5 enactment of the Higher Education Amendments of  
6 1997”.

**7 SEC. 468. PROGRAM PARTICIPATION AGREEMENTS.**

8 (a) REQUIRED CONTENT.—Section 487(a) (20  
9 U.S.C. 1094(a)) is amended—

10 (1) in the first sentence, by striking “, except  
11 with respect to a program under subpart 4 of part  
12 A,”;

13 (2) in paragraph (3), by striking subparagraph  
14 (B) and inserting the following:

15 “(B) the appropriate State agency;”;

16 (3) in paragraph (4), by striking “subsection  
17 (b)” and inserting “subsection (c)”;

18 (4) in paragraph (15), by striking “State review  
19 entities under subpart 1 of part H” and inserting  
20 “appropriate State agencies”;

21 (5) by striking paragraph (18) and inserting  
22 the following:

23 “(18) The institution will meet the require-  
24 ments established pursuant to section 485(g).”; and

25 (6) by striking paragraph (21) and inserting  
26 the following:

## IV-G-18

1           “(21) The institution will meet the require-  
2           ments established by the Secretary, appropriate  
3           State agencies, and accrediting agencies, pursuant to  
4           part H of this title.”.

5           (b) AUDITS; FINANCIAL RESPONSIBILITY.—Section  
6           487(c) is amended—

7           (1) in paragraph (1)(A)(i), by striking “State  
8           agencies” and everything that follows through the  
9           semicolon and inserting “and appropriate State  
10          agencies”;

11          (2) in paragraph (2), by striking “subpart 3”  
12          and inserting “subpart 2”;

13          (3) in paragraph (4), by striking “, after con-  
14          sultation” and everything that follows through “part  
15          H,”; and

16          (4) in paragraph (5), by striking “State review”  
17          and everything that follows through “part H” and  
18          inserting “appropriate State agencies”.

19   **SEC. 469. QUALITY ASSURANCE AND REGULATORY SIM-**  
20                           **PLIFICATION.**

21          Section 487A (20 U.S.C. 1094a) is amended to read  
22          as follows:

## IV-G-19

1 **“SEC. 487A. QUALITY ASSURANCE AND REGULATORY SIM-**  
2 **PLIFICATION PROGRAM.**

3 “(a) IN GENERAL.—The Secretary is authorized to  
4 select institutions for voluntary participation in a Regu-  
5 latory Simplification Program that provides participating  
6 institutions with the opportunity to develop and implement  
7 an alternative management program that—

8 “(1) shall allow alternative methods of comply-  
9 ing with regulations issued with respect to parts A  
10 through E and G of this title;

11 “(2) shall not modify or waive the application  
12 of any requirement or other provision of this Act;  
13 and

14 “(3) may include a Quality Assurance Program  
15 through which individual schools develop and imple-  
16 ment their own comprehensive systems to verify stu-  
17 dent financial aid application data, thereby enhanc-  
18 ing program integrity within the student aid delivery  
19 system.

20 “(b) SELECTION CRITERIA.—The criteria for select-  
21 ing institutions for participation in the Regulatory Sim-  
22 plification Program shall be based on criteria that include  
23 demonstrated institutional performance, as determined by  
24 the Secretary, and shall take into consideration regulatory  
25 simplification goals, as determined by the Secretary. The  
26 selection criteria shall ensure the participation of rep-

## IV-G-20

1 representatives of institutions of higher education according  
2 to size, mission, and geographical distribution.

3 “(c) REMOVAL FROM THE PROGRAM.—The Sec-  
4 retary is authorized to determine—

5 “(1) when an institution that is unable to ad-  
6 minister the Regulatory Simplification Program  
7 must be removed from such program, and

8 “(2) when institutions desiring to cease partici-  
9 pation in such Program will be required to complete  
10 the current award year under the requirements of  
11 the Program.

12 “(d) EXPERIMENTAL SITES.—The Secretary is au-  
13 thorized to designate institutions selected for participation  
14 in the Regulatory Simplification Program as Experimental  
15 Sites.

16 “(e) DEFINITIONS.—For purposes of this section, the  
17 term ‘current award year’ means the award year during  
18 which the participating institution indicates its intention  
19 to cease participation.”.

20 **SEC. 470. DISTANCE EDUCATION DEMONSTRATION PRO-**  
21 **GRAMS.**

22 Part G of title IV is amended—

23 (1) by redesignating section 487B (20 U.S.C.  
24 1094b) as section 487C; and

## IV-G-21

1           (2) by inserting after section 487A (as amended  
2           by section 469) the following new section:

3   **“SEC. 487B. DISTANCE EDUCATION DEMONSTRATION PRO-**  
4                                   **GRAMS.**

5           “(a) PURPOSE.—It is the purpose of this section—

6                   “(1) to allow demonstration programs that are  
7                   strictly monitored by the Department of Education  
8                   to test the quality and viability of expanded distance  
9                   education programs currently restricted under this  
10                  Act;

11                   “(2) to provide for increased student access to  
12                   higher education through distance education pro-  
13                   grams;

14                   “(3) to help determine the most effective means  
15                   of delivering quality education via distance education  
16                   course offerings; and

17                   “(4) to help determine the appropriate level of  
18                   Federal assistance for students enrolled in distance  
19                   education programs.

20           “(b) DEMONSTRATION PROGRAMS AUTHORIZED.—

21                   “(1) IN GENERAL.—The Secretary is authorized  
22                   to select institutions or a consortia of institutions for  
23                   voluntary participation in a Distance Education  
24                   Demonstration Program that provides participating  
25                   institutions with the ability to offer distance edu-

## IV-G-22

1 cation programs without regard to the current re-  
2 strictions in part F or G of this title or part A of  
3 title I.

4 “(2) EXEMPTIONS.—The Secretary is author-  
5 ized to exempt any institution or consortia partici-  
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participating in a Distance Education Demonstration Pro-  
gram from any of the requirements of parts F or G  
of this title, or part A of title I, or the regulations  
prescribed under such parts.

10 “(c) APPLICATION.—Each institution or consortia of  
11 institutions desiring to participate in a demonstration pro-  
12 gram under this section shall submit an application to the  
13 Secretary at such time, in such manner, and accompanied  
14 by such information as the Secretary may require.

15 “(d) SELECTION.—To the extent feasible, the Sec-  
16 retary shall select a representative sample institutions for  
17 participation in the demonstration program authorized  
18 under this section. In selecting institutions for participa-  
19 tion, the Secretary shall take into consideration the insti-  
20 tution’s financial and administrative capability and the  
21 type of program or programs being offered via distance  
22 education course offerings. The Secretary shall, in the ex-  
23 ercise of his discretion, determine the number of dem-  
24 onstration programs to be allowed based on the number  
25 and quality of applications received and the Department’s

## IV-G-23

1 capacity to oversee and monitor each demonstration pro-  
2 gram.

3 “(e) EVALUATION AND REPORT.—

4 “(1) EVALUATION.—The Secretary shall, on an  
5 annual basis, evaluate the demonstration programs  
6 authorized under this section. Such evaluations shall  
7 specifically review—

8 “(A) the quality of the programs being of-  
9 fered;

10 “(B) issues related to student financial as-  
11 sistance for distance education; and

12 “(C) effective technologies for delivering  
13 distance education course offerings.

14 “(2) POLICY ANALYSIS.—In addition, the Sec-  
15 retary shall review current policies and identify those  
16 policies which present impediments to the develop-  
17 ment and use of distance learning and other non-  
18 traditional methods of expanding access to edu-  
19 cation.

20 “(3) REPORT.—The Secretary shall report to  
21 the appropriate committees of Congress with respect  
22 to—

23 “(A) the evaluations of the demonstration  
24 programs authorized under this section; and

## IV-G-24

1                   “(B) any proposed legislative changes de-  
2                   signed to enhance the use of distance edu-  
3                   cation.”.

4 **SEC. 471. GARNISHMENT REQUIREMENTS.**

5           (a) **MAXIMUM PERCENTAGE.**—Section 488A(a)(1)  
6 (20 U.S.C. 1095a(a)(1)) is amended by striking “10 per-  
7 cent” and inserting “15 percent”.

8           (b) **NO ATTACHMENT OF STUDENT ASSISTANCE.**—  
9 Section 488A is further amended—

10           (1) by redesignating subsection (d) as sub-  
11           section (e); and

12           (2) by inserting after subsection (c) the follow-  
13           ing new subsection:

14           “(d) **NO ATTACHMENT OF STUDENT ASSISTANCE.**—  
15 Except as authorized in this section, notwithstanding any  
16 other provision of Federal or State law, no grant, loan,  
17 or work assistance awarded under this title, or property  
18 traceable to such assistance, shall be subject to garnish-  
19 ment or attachment in order to satisfy any debt owed by  
20 the student awarded such assistance, other than a debt  
21 owed to the Secretary and arising under this title.”.

22 **SEC. 472. ADMINISTRATIVE SUBPOENA AUTHORITY.**

23           Part G of title IV of the Act is further amended by  
24 inserting immediately after section 490 (20 U.S.C. 1097)  
25 the following new section:

## IV-G-25

1 **“SEC. 490A. ADMINISTRATIVE SUBPOENAS.**

2       “(a) **AUTHORITY.**—To assist the Secretary in the  
3 conduct of investigations of possible violations of the provi-  
4 sions of this title, the Secretary is authorized to require  
5 by subpoena the production of information, documents, re-  
6 ports, answers, records, accounts, papers, and other docu-  
7 mentary evidence pertaining to participation in any pro-  
8 gram under this title. The production of any such records  
9 may be required from any place in a State.

10       “(b) **ENFORCEMENT.**—In case of contumacy by, or  
11 refusal to obey a subpoena issued to, any person, the Sec-  
12 retary may request the Attorney General to invoke the aid  
13 of any court of the United States where such person re-  
14 sides or transacts business for a court order for the en-  
15 forcement of this section.”.

16 **SEC. 473. ADVISORY COMMITTEE ON STUDENT FINANCIAL**  
17 **ASSISTANCE.**

18       Section 491 (20 U.S.C. 1098) is amended—

19               (1) in subsection (b)—

20                       (A) by inserting “and staffing levels” after  
21 “allocations, expenditures”; and

22                       (B) by striking the fourth and fifth sen-  
23 tences and inserting the following: “Reports,  
24 publications, and other documents, including  
25 documents in electronic form, shall not be sub-  
26 ject to review by the Secretary.”;

## IV-G-26

1 (2) in subsection (c)(1)—

2 (A) by striking “11 members” and insert-  
3 ing “15 members”; and

4 (B) by striking “3 members” each place it  
5 appears in subparagraphs (A) and (B) and in-  
6 serting “5 members”;

7 (3) in subsection (c)(2), by striking “7 mem-  
8 bers” and inserting “11 members”;

9 (3) in subsection (e)—

10 (A) by striking everything after “except  
11 that,” in paragraph (1) and inserting the fol-  
12 lowing:

13 “within 90 days after the date of enactment of the Higher  
14 Education Amendments of 1998, 2 additional members  
15 shall be appointed by the President pro tempore of the  
16 Senate (one upon the recommendation of the Majority  
17 Leader and one upon the recommendation of the Minority  
18 Leader) and 2 additional members shall be appointed by  
19 the Speaker of the House (one upon the recommendation  
20 of the Majority Leader and one upon the recommendation  
21 of the Minority Leader). Of the additional members—

22 “(A) 2 shall be appointed for a term of 1 year;

23 “(B) 1 shall be appointed for a term of 2 years;

24 and

## IV-G-27

1           “(C) 1 shall be appointed for a term of 3  
2           years.”;

3           (B) by striking “Six members” in para-  
4           graph (4) and inserting “Eight”; and

5           (C) by adding at the end the following new  
6           paragraph:

7           “(6) No officer or full-time employee of the United  
8           States shall serve as members of the Advisory Commit-  
9           tee.”;

10          (4) by striking subsection (g) and inserting the  
11          following:

12          “(g) COMPENSATION AND EXPENSES.—Members of  
13          the Advisory Committee may each receive reimbursement  
14          for travel expenses incident to attending Advisory Com-  
15          mittee meetings, including per diem in lieu of subsistence,  
16          as authorized by section 5703 of title 5, United States  
17          Code, for persons in the Government service employed  
18          intermittently.”;

19          (5) in subsection (h), by striking “may be nec-  
20          essary by the Chairman without regard to” and in-  
21          serting “may be deemed necessary by the Chairman  
22          without regard to personnel ceilings or”;

23          (6) in subsection (i), by striking “\$750,000”  
24          and inserting “\$850,000”;

## IV-G-28

1           (7) by striking subsection (j) and inserting the  
2 following:

3           “(j) SPECIAL ANALYSES AND ACTIVITIES.—The com-  
4 mittee shall—

5           “(1) monitor and evaluate the modernization of  
6 student financial aid systems and delivery processes;

7           “(2) monitor and evaluate the implementation  
8 of a performance-based organization within the De-  
9 partment of Education and report to Congress, on  
10 not less than an annual basis, including rec-  
11 ommendations for improvements; and

12           “(3) assess the adequacy of current methods for  
13 disseminating information about programs under  
14 this title and recommend improvements, as appro-  
15 priate, regarding early needs assessment and infor-  
16 mation for first-year high school students.”;

17           (8) in subsection (k), by striking “1998” and  
18 inserting “2004”; and

19           (9) by striking subsection (l).

20 **SEC. 474. MEETINGS AND NEGOTIATED RULEMAKING.**

21           Section 492 (20 U.S.C. 1098a) is amended to read  
22 as follows:

23 **“SEC. 492. NEGOTIATED RULEMAKING.**

24           “(a) IN GENERAL.—

## IV-G-29

1           “(1) REGULATION DEVELOPMENT.—In develop-  
2           ing regulations and revisions thereof under this title,  
3           the Secretary shall obtain the advice and rec-  
4           ommendations of individuals and representatives of  
5           the groups involved in student financial assistance  
6           programs under this title, such as students, legal as-  
7           sistance organizations that represent students, insti-  
8           tutions of higher education, guaranty agencies, lend-  
9           ers, secondary markets, loan servicers, guaranty  
10          agency servicers, and collection agencies.

11          “(2) INPUT.—Such advice and recommenda-  
12          tions may be obtained through such mechanisms as  
13          national meetings and electronic exchanges of infor-  
14          mation.

15          “(b) PROPOSED REGULATIONS.—After obtaining  
16          such advice and recommendations, and prior to publishing  
17          any proposed regulations and revisions thereof under this  
18          title in the Federal Register, the Secretary shall prepare  
19          draft regulations and submit such regulations to a nego-  
20          tiated rulemaking process. In establishing the negotiated  
21          rulemaking process under this section, the Secretary  
22          shall—

23                 “(1) follow the procedural requirements used in  
24                 implementing section 1601(b) of the Elementary and  
25                 Secondary Education Act of 1965;

## IV-G-30

1           “(2) select participants in the negotiations proc-  
2           ess from individuals and groups participating in the  
3           exchanges described in subsection (a)(1), including  
4           both representatives of such groups from the Dis-  
5           trict of Columbia, and industry participants, and to  
6           the extent possible, the Secretary shall select individ-  
7           uals reflecting the diversity in the industry, rep-  
8           resenting both large and small participants, as well  
9           as individuals serving local areas and national mar-  
10          kets;

11           “(3) conduct the negotiations process in a time-  
12          ly manner in order that final regulations may be is-  
13          sued by the Secretary within the 240-day period de-  
14          scribed in section 431(g) of the General Education  
15          Provisions Act, and any subsequent revisions to reg-  
16          ulations under this title may be issued in accordance  
17          with the master calendar provisions of section 482  
18          of this title; and

19           “(4) prepare a transcript of the negotiated rule-  
20          making proceedings that shall be available to the  
21          public prior to the issuance of any final regulations.

22          “(c) FEDERAL ADVISORY COMMITTEE ACT.—The  
23          Federal Advisory Committee Act shall not apply to activi-  
24          ties carried out under this section.”.

## IV-H-1

1                   **PART H—PROGRAM INTEGRITY**2   **SEC. 476. STATE POSTSECONDARY REVIEW PROGRAM.**

3           (a) AMENDMENTS.—Part H of title IV is amended—

4               (1) in the heading of the part, by striking

5               “**TRIAD**”;

6               (2) by striking subpart 1 (20 U.S.C. 1099a

7               through 1099a-3); and

8               (3) by redesignating subparts 2 and 3 as sub-

9               parts 1 and 2, respectively.

10          (b) CONFORMING AMENDMENTS.—Section 496 (20

11   U.S.C. 1099b) is amended by striking “subpart 3” each

12   place it appears in subsections (j) and (k) and inserting

13   “subpart 2”.

14   **SEC. 477. ACCREDITING AGENCY RECOGNITION.**

15          (a) RECOGNITION.—

16               (1) The heading of subpart 1 of part H (as re-

17               designated by section 494(a)(3)) is amended by

18               striking “**Approval**” and inserting “**Recogni-**19               **tion**”.

20               (2) The heading of section 496 is amended by

21               striking “**APPROVAL**” and inserting “**RECOGNI-**22               **TION**”.

23          (b) STANDARDS.—Section 496(a) is amended—

24               (1) by striking “standards” each place it ap-

25               pears and inserting “criteria”;

26               (2) in paragraph (5)—

## IV-H-2

1 (A) by striking “of accreditation” and in-  
2 serting “for accreditation”;

3 (B) by inserting “quality (including the  
4 quality of distance learning programs or  
5 courses) of” before “the institution’s”;

6 (C) in subparagraph (G), by striking “pro-  
7 gram length and tuition and fees in relation to  
8 the subject matters taught” and inserting  
9 “measures of program length”;

10 (D) by striking subparagraph (J);

11 (E) in subparagraph (L), by inserting “the  
12 most recent student loan default rate data pro-  
13 vided by the Secretary and” after “including”;

14 (F) by striking “and” at the end of sub-  
15 paragraph (K);

16 (G) by inserting “and“ after the semicolon  
17 at the end of subparagraph (L);

18 (H) by redesignating subparagraphs (K)  
19 and (L) as subparagraphs (J) and (K), respec-  
20 tively;

21 (I) by inserting after subparagraph (K) (as  
22 so redesignated) the following new subpara-  
23 graph:

24 “(L) refund policy;”; and

## IV-H-3

1 (I) by striking “(J), and (L)” and insert-  
2 ing “(K) and (L)”;

3 (3) in paragraph (7), by striking “State post-  
4 secondary review entity” and inserting “State licens-  
5 ing or authorizing agency”; and

6 (4) in paragraph (8), by striking “State post-  
7 secondary” and everything that follows through “is  
8 located” and inserting “State licensing or authoriz-  
9 ing agency”.

10 (c) OPERATING PROCEDURES.—Section 496(c) is  
11 amended—

12 (1) by striking “approved by the Secretary”  
13 and inserting “recognized by the Secretary”;

14 (2) in paragraph (1), by striking “(at least”  
15 and everything that follows through “unan-  
16 nounced),” and inserting “(which may include unan-  
17 nounced site visits)”;

18 (3) in paragraph (3), by inserting before the  
19 semicolon at the end the following: “, except that  
20 new sites offered through telecommunications for  
21 programs previously included in the scope of accredi-  
22 tation approval need not be subject to such on-site  
23 visits.”.

24 (d) CONFORMING AMENDMENTS.—Section 496 is  
25 further amended—

## IV-H-4

1 (1) in subsection (d)—

2 (A) by striking “APPROVAL” in the head-  
3 ing of such subsection and inserting “RECOGNI-  
4 TION”; and

5 (B) by striking “approved” and inserting  
6 “recognized”;

7 (2) in subsection (f), by striking “approved”  
8 and inserting “recognized”;

9 (3) in subsection (g)—

10 (A) by striking “STANDARDS” and insert-  
11 ing “CRITERIA”; and

12 (B) by striking “standards” and inserting  
13 “criteria”;

14 (4) in subsection (k)(2), by striking “stand-  
15 ards” and inserting “criteria”;

16 (5) in subsection (l)—

17 (A) by striking “APPROVAL” in the head-  
18 ing of such subsection and inserting “RECOGNI-  
19 TION”; and

20 (B) by striking “the standards” and in-  
21 sserting “its standards”;

22 (6) in subsection (n)—

23 (A) by striking “standards” each place it  
24 appears and inserting “criteria”;

## IV-H-5

1 (B) in paragraph (3), by striking “ap-  
2 proval or disapproval” and inserting “recognition or denial of recognition”;

3  
4 (C) by striking paragraph (4) and insert-  
5 ing the following:

6 “(4) The Secretary shall maintain sufficient docu-  
7 mentation to support the conclusions reached in the rec-  
8 ognition process, and, if the Secretary does not recognize  
9 any accreditation agency or association, shall make pub-  
10 licly available the reason for denying recognition, including  
11 reference to the specific criteria under this section which  
12 have not been fulfilled.”.

13 **SEC. 478. ELIGIBILITY AND CERTIFICATION PROCEDURES.**

14 (a) SINGLE APPLICATION FORM.—Section 498(b)(1)  
15 (20 U.S.C. 1099c(b)(1)) is amended by striking “accredi-  
16 tation, and capability” and inserting “accreditation, finan-  
17 cial responsibility, and administrative capacity”.

18 (b) FINANCIAL RESPONSIBILITY STANDARDS.—Sec-  
19 tion 498(c) is amended—

20 (1) in paragraph (1), in the matter preceding  
21 subparagraph (A), by striking “is able” and insert-  
22 ing “has sufficient resources to ensure against the  
23 precipitous closure of the institution and is able”;

24 (2) in paragraph (2)—

## IV-H-6

1 (A) in the first sentence, by inserting  
2 “with respect to ratios that demonstrate finan-  
3 cial responsibility” after “fund deficits”;

4 (B) in the second sentence, by inserting “,  
5 public,” after “for profit”; and

6 (C) by inserting before the period at the  
7 end the following: “, and develop an appropriate  
8 and cost effective process under this subpart  
9 that does not duplicate other reporting require-  
10 ments for assessing and reviewing financial re-  
11 sponsibility”; and

12 (3) in the first sentence of paragraph (4), by  
13 inserting “criteria” after “current liabilities”.

14 (c) ADMINISTRATIVE CAPACITY.—Section 498(d)(1)  
15 is amended—

16 (1) in subparagraph (A), by striking “student  
17 aid programs; and” and inserting “student financial  
18 assistance under this title.”;

19 (2) by redesignating subparagraph (B) as sub-  
20 paragraph (D); and

21 (3) by inserting after subparagraph (A) the fol-  
22 lowing new subparagraphs:

23 “(B) written procedures for, or written in-  
24 formation relating to, each office with respect

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1 to, the approval, disbursement, and delivery of  
2 student financial assistance under this title;

3 “(C)(i) a division of functions for authoriz-  
4 ing payments of student financial assistance  
5 under this title and the disbursement or deliv-  
6 ery of such assistance, so that no office at the  
7 institution has responsibility for both functions;  
8 and

9 “(ii) an adequate system of checks and  
10 balances for internal control at the institution  
11 with respect to student financial assistance  
12 under this title;”.

13 (d) ACTIONS ON APPLICATIONS.—Section 498(f) is  
14 amended—

15 (1) by striking “shall conduct” and inserting  
16 “may conduct”;

17 (2) by striking “may establish” and inserting  
18 “shall establish”;

19 (3) by striking “may coordinate” and inserting  
20 “shall, to the extent practicable, coordinate”; and

21 (4) by adding at the end the following new sen-  
22 tence: “The Secretary may exempt from the site  
23 visit requirement any institution that is participating  
24 in the Quality Assurance Program established under

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1 section 487A at the time such site visit would be re-  
2 quired under this subsection.”.

3 (e) TIME LIMITATIONS.—Section 498(g) is amended  
4 to read as follows:

5 “(g) TIME LIMITATIONS.—(1) After the expiration of  
6 the certification of any institution or upon request for ini-  
7 tial certification from an institution not previously cer-  
8 tified, the Secretary may certify the eligibility for the pur-  
9 poses of any program authorized under this title of each  
10 such institution for a period not to exceed 6 years.

11 “(2) The Secretary shall notify each institution of the  
12 expiration of its eligibility no later than six months prior  
13 to such expiration.”.

14 (f) CONFORMING AMENDMENT.—Section 498(h)(2)  
15 is amended by striking “approval” and inserting “recog-  
16 nition”.

17 (g) PROVISIONAL CERTIFICATION.—Section 498(i) is  
18 amended by adding at the end the following new sub-  
19 section:

20 “(4)(A) The Secretary may provisionally certify an  
21 institution seeking approval of a change in ownership  
22 based on the preliminary review by the Secretary of a ma-  
23 terially complete application that is received by the Sec-  
24 retary within 10 business days of the transaction for which  
25 the approval is sought.

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1           “(B) A provisional certification under this paragraph  
2 shall expire no later than the end of the month following  
3 the month in which the transaction occurred, except that  
4 if the Secretary has not issued a decision on the applica-  
5 tion for the change of ownership within that period, the  
6 Secretary may continue such provisional certification on  
7 a month-to-month basis until such decision has been is-  
8 sued.”.

9 **SEC. 479. PROGRAM REVIEW AND DATA.**

10           (a) GENERAL AUTHORITY.—Section 498A(a) (20  
11 U.S.C. 1099c-1(a)) is amended—

12                   (1) in paragraph (2)—

13                           (A) by striking “may give” and inserting  
14 “shall give”;

15                           (B) by inserting before the semicolon at  
16 the end of subparagraph (C) the following: “,  
17 that are not accounted for by changes in those  
18 programs”;

19                           (C) in subparagraph (D), by striking “the  
20 appropriate” and everything that follows  
21 through “of this part” and inserting “the State  
22 licensing or authorizing agency”;

23                           (D) by striking subparagraph (F); and

24                           (E) by redesignating subparagraph (G) as  
25 subparagraph (F); and

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1           (2) in paragraph (3)(A), by inserting “relevant”  
2           after “all”.

3           (b) SPECIAL ADMINISTRATIVE RULES.—Section  
4 498A(b) is amended to read as follows:

5           “(b) SPECIAL ADMINISTRATIVE RULES.—(1) In car-  
6 rying out paragraphs (1) and (2) of subsection (a), the  
7 Secretary shall—

8           “(A) establish guidelines designed to ensure  
9           uniformity of practice in the conduct of program re-  
10           views of institutions; and

11           “(B) inform the appropriate State agency and  
12           accrediting agency or association whenever taking  
13           action against an institution under this section, sec-  
14           tion 498, or section 432.

15           “(2) The Secretary shall review the regulations of the  
16 Department and the application of such regulations to en-  
17 sure the uniformity of interpretation and application of  
18 the regulations. In conducting such review, the Secretary  
19 shall consult with relevant representatives of institutions  
20 participating in the programs authorized by this title.”.