To amend the Higher Education Act of 1965 to provide for new program review requirements.

IN THE SENATE OF THE UNITED STATES

Mr. Lautenberg (for himself, Mr. Harkin, Mr. Rockefeller, and Mr. Durbin) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Higher Education Act of 1965 to provide for new program review requirements.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Students First Act of 2013”.

SEC. 2. PROGRAM REVIEW AND DATA.

(a) In General.—Section 498A of the Higher Edu-
cation Act of 1965 (20 U.S.C. 1099c–1) is amended to read as follows:
“SEC. 498A. PROGRAM REVIEW AND DATA.

“(a) DEFINITIONS.—In this section:

“(1) DEFAULT MANIPULATION.—

“(A) IN GENERAL.—The term ‘default manipulation’ means the knowing and willful engagement in practices designed to evade sanctions resulting from the application of a default rate determination to an institution, such as branching, consolidation of campuses or Office of Postsecondary Education Identification codes that designate campuses, change of ownership or control, serial forbearance, or any similar device or practice, as determined by the Secretary.

“(B) EXCLUSION.—The term ‘default manipulation’ shall not include a practice carried out in accordance with a default management plan that has been approved by the Secretary.

“(2) EXECUTIVE COMPENSATION.—The term ‘executive compensation’ means the wages, salary, fees, commissions, fringe benefits, deferred compensation, retirement contributions, options, bonuses, property, and any other form of remuneration that the Secretary determines is appropriate, given to employees who are among the 25 highest compensated employees for the taxable year.
“(3) FEDERAL FUNDS.—The term ‘Federal funds’ means funds provided directly to an institution or to a student attending such institution under any of the following provisions of law:

“(A) This title.

“(B) Chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code.

“(C) Chapter 101, 105, 106A, 1606, 1607, or 1608 of title 10, United States Code.

“(D) Section 1784a, 2005, or 2007 of title 10, United States Code.


“(4) RECRUITING AND MARKETING ACTIVITIES.—

“(A) IN GENERAL.—The term ‘recruiting and marketing activities’ means—

“(i) advertising and promotion activities, including naming rights, paid announcements in newspapers, magazines, or electronic media, on radio, television, or billboards, or through any other public medium of communication, or paying for dis-
plays or promotions at job fairs, military installations, or college recruiting events;

“(ii) efforts to identify and attract prospective students, either directly or through a contractor or other third party, including contact concerning a prospective student’s potential enrollment or application for a grant or loan or work assistance under this title, or participation in preadmission or advising activities, including—

“(I) paying employees responsible for overseeing enrollment and for contacting potential students in person, by phone, by email, or by other internet communications regarding enrollment; and

“(II) soliciting an individual to provide contact information to an institution of higher education, including websites established for such purpose and funds paid to third parties for such purpose; and

“(iii) such other activities as the Secretary may prescribe, including paying for
promotion or sponsorship of education or
military-related associations.

“(B) EXCEPTIONS.—Any activity that is
required as a condition of receipt of funds by
an institution under this title or is specifically
authorized under this title, shall not be consid-
ered to be a recruiting or marketing activity
under subparagraph (A).

“(5) RELEVANT FEDERAL AGENCY.—The term
‘relevant Federal agency’ means—

“(A) the Department of Education;
“(B) the Department of Veterans Affairs;
“(C) the Department of Defense;
“(D) the Consumer Financial Protection
Bureau;
“(E) the Federal Trade Commission; or
“(F) any other Federal agency that pro-
vides Federal student assistance or that the
Secretary determines appropriate.

“(6) RELEVANT STATE ENTITY OR AGENCY.—
The term ‘relevant State entity or agency’ means—
“(A) an appropriate State licensing or au-
thorizing agency;
“(B) a State Attorney General; or
“(C) any other State entity or agency that
the Secretary determines appropriate.

“(7) SERIAL FORBEARANCE.—The term ‘serial
forbearance’ means repeatedly attempting to move
students’ loans into forbearance or default manage-
ment, especially when the forbearance and default
management is not in the best, long term financial
interests of the student.

“(8) STUDENT DEFAULT RISK.—The term ‘stu-
dent default risk’ means a risk that is reflected as
a percentage that is calculated by taking an institu-
tion’s 3-year cohort default rate, as defined in sec-
tion 435(m), for the most recent fiscal year avail-
able, and multiplying it by the percentage of stu-
dents enrolled at such institution receiving a Federal
student loan authorized under this title during the
previous academic year.

“(b) PROGRAM REVIEWS FOR INSTITUTIONS PAR-
TICIPATING UNDER TITLE IV.—

“(1) IN GENERAL.—The Secretary shall con-
duct program reviews, including on-site visits, of
each institution of higher education participating in
a program authorized under this title that poses a
significant risk of failure to comply with this title,
as described in paragraphs (2) and (3).
“(2) MANDATORY REVIEWS.—

“(A) IN GENERAL.—The Secretary shall, on an annual basis, conduct program reviews of each institution of higher education participating in a program authorized under this title that meets 1 or more of the following criteria:

“(i) As of the date of the determination—

“(I) more than 15 percent of the students enrolled at the institution have received a Federal Direct Unsubsidized Stafford Loan during the previous year; and

“(II) the institution has a cohort default rate, as defined in section 435(m), that is more than twice the average cohort default rate of all institutions participating in programs authorized under this title.

“(ii) As of the date of the determination—

“(I) the institution has a cohort default rate, as defined in section 435(m), that exceeds the national average; and
“(II) the institution has a cohort default rate, as so defined, in dollar volume that places the institution in the highest 1 percent of institutions participating in programs authorized under this title.

“(iii) In the case of proprietary institutions of higher education, the institution received more than 85 percent of the institution’s revenues from Federal funds, as defined in subsection (a), during the 2 most recent years for which data is available.

“(iv) The institution is among the top 1 percent of institutions participating in programs authorized under this title in terms of numbers or rates of complaints related to Federal student financial aid, educational practices and services, or recruiting and marketing practices, as reported in the system for collecting and tracking student complaints established under subsection (e)(4).

“(v) As of the date of the determination, the institution is among the top 1
percent of institutions in terms of low
graduation rates of all institutions particip-
pating in programs authorized under this
title.

“(vi) The institution spends more
than 20 percent of the institution’s reve-
nues on recruiting and marketing activities
and executive compensation.

“(vii) The institution’s enrollment has
increased by more than 50 percent in 2
years or has more than doubled in 5 years.

“(viii) The institution has engaged in
default manipulation.

“(ix) In the period immediately fol-
lowing the cohort default rate period, the
institution’s loan defaults increase by 50
percent or more.

“(x) The institution is found to have
deficiencies, or compliance problems, under
this title, or is at significant risk of failing
to comply with applicable Federal or State
laws, by a relevant Federal agency or a rel-
evant State entity or agency, including the
Comptroller General of the United States.
“(xi) The institution has been put on probation or show cause by its accrediting agency.

“(xii) The institution or the institution’s executives have publically acknowledged or disclosed that the institution is in violation or noncompliance with any provision of this title.

“(B) Publication of institutions reviewed.—The Secretary shall—

“(i) post, on a publically available website, the name of each institution of higher education that is reviewed under subparagraph (A);

“(ii) indicate, on such website, with respect to each such institution, which of the mandatory review criteria, outlined in subparagraph (A), such institution met; and

“(iii) indicate on the Department’s College Navigator website the name of each institution of higher education that is reviewed under subparagraph (A).

“(C) Institutional disclosure of review.—Each institution of higher education
that is reviewed under subparagraph (A) shall—

“(i) post on the home page of the institution’s website that the institution will be subject to a mandatory program review and why the institution is being reviewed and shall maintain such posting and explanation for 1 year or until the Department has issued its final program review report under subsection (c)(5)(C), whichever occurs sooner;

“(ii) provide a clear, conspicuous disclosure of the information described in clause (i) to students who inquire about admission to the institution or submit an application for admission to the institution prior to the student signing an enrollment agreement with the institution, for 1 year or until the Department has issued its final program review report under subsection (c)(5)(C), whichever occurs sooner; and

“(iii) include the information described in clause (i) on materials of acceptance or admission submitted to each stu-
dent before the student enrolls in the institution, for 1 year or until the Department has issued its final program review report under subsection (e)(5)(C), whichever occurs sooner.

“(3) Risk-based reviews.—

“(A) In general.—The Secretary shall use a risk-based approach to select on an annual basis not less than 2 percent of institutions of higher education participating in a program authorized under this title that are not reviewed under paragraph (2), for a program review. This approach shall prioritize program reviews of institutions that—

“(i) have received large increases in funding under this title during the 5-year period preceding the date of the determination;

“(ii) have a large proportion of overall revenue from Federal funds, as defined in subsection (a);

“(iii) have a significant fluctuation in Federal Stafford Loan volume, Federal Direct Stafford Loan volume, or Federal Pell Grant award volume, or any combination
thereof, in the year for which the determination is made, compared to the year prior to such year, that is not accounted for by the changes in the Federal Stafford Loan program, the Federal Direct Stafford Loan program, or the Federal Pell Grant program, or any combination thereof;

“(iv) have experienced sharp increases in enrollment in absolute numbers or rate of growth;

“(v) have high rates of defaults, relative to all other institutions of higher education participating in a program authorized under this title, for loans issued under this title over the lifetime of the loans;

“(vi) have high default rates, in dollar volume, or high cohort default rates for loans issued under this title;

“(vii) have a student default risk that is more than 2 times the national average student default risk for all institutions participating in a program under this title;

“(viii) have a high proportion or high rate of complaints related to Federal student financial aid, educational practices
and services, or recruiting and marketing practices, as reported in the system for collecting and tracking student complaints established under subsection (e)(4);

“(ix) have extremely low graduation rates;

“(x) are in poor financial health according to financial responsibility standards described in section 498(e);

“(xi) are spending more than 15 percent of the institution’s revenues on recruiting and marketing activities and executive compensation;

“(xii) in the case of proprietary institutions of higher education, have large profit margins and profit growth;

“(xiii) have been put on notice or warning by its accrediting agency;

“(xiv) in the case of proprietary institutions of higher education, have experienced a change in ownership of the institution, including a buyout;

“(xv) in the case of proprietary institutions of higher education, have acquired a nonprofit institution of higher education
at any point during the 1-year period preceding the date of the determination; or

“(xvi) were for-profit institutions of higher education and have become non-profit institutions of higher education at any time during the 1-year period preceding the date of the determination.

“(B) CHANGE IN OWNERSHIP.—In this paragraph, the term ‘change in ownership’ means 1 person or more than 1 person acting as a group, acquiring an ownership interest or a majority of the stock of the institution that, in the aggregate, constitutes more than 50 percent of the total fair market value or total voting power, as applicable, of such institution.

“(4) ADDITIONAL PROGRAM REVIEWS.—The Secretary may also conduct additional program reviews of institutions of higher education participating in a program authorized under this title that are not determined to pose a significant risk of failure to comply with provisions of this title.

“(5) PUBLIC DISCLOSURE OF VIOLATIONS.—The Secretary shall—

“(A) post, on a publically available website,
that is found to have violated a provision of this title knowingly and willfully or with gross negligence;

“(B) indicate on such website, with respect to each such institution, which of the provisions of this title the institution violated; and

“(C) maintain such posting until the date the institution of higher education rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under subsection (c)(5)(C) with respect to such institution, whichever date is later.

“(6) INSTITUTIONAL DISCLOSURE OF VIOLATIONS.—Each institution of higher education that is found to have violated a provision of this title knowingly and willfully or with gross negligence shall—

“(A) not later than 15 days after the date of issuance of the final program review report containing the finding, post on the home page of the institution’s website that the institution has been found to have violated a provision of this title knowingly and willfully or with gross negligence, including the provision the institution was found to have violated;
“(B) maintain such posting until the date the institution rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under subsection (c)(5)(C) with respect to such institution, whichever date is later; and

“(C) include the information described in subparagraph (A) on materials of acceptance or admission submitted to each student before the student enrolls in the institution until the date the institution rectifies the violation or the date that is 1 year after the date the Secretary issues the final program review report under subsection (c)(5)(C) with respect to such institution, whichever date is later.

“(c) CHARACTERISTICS OF PROGRAM REVIEWS.—

“(1) NOTICE.—The Secretary may give not more than 72 hours notice to an institution of higher education that will undergo a program review pursuant to subsection (b) of such review.

“(2) SHARING OF INFORMATION.—Without sharing personally identifiable information and in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the ‘Family Educational Rights and Pri-
vaey Act of 1974’), the Secretary shall share all final
program review results conducted under this section
with relevant Federal agencies and relevant State
entities or agencies, and appropriate accrediting
agencies and associations, to enable such agencies,
entities, and associations to determine the eligibility
of institutions for funds or accreditation.

“(3) COORDINATION OF REVIEWS.—To the ex-
tent practicable, the Secretary shall coordinate pro-
gram reviews conducted under this section with
other reviews and audits conducted by the Depart-
ment, and with relevant Federal agencies and rel-
evant State entities or agencies.

“(4) CONDUCT OF REVIEWS.—When conducting
program reviews under this section, the Secretary
shall assess the institution of higher education’s
compliance with the provisions of this title. The pro-
gram reviews shall include, at a minimum, the fol-
lowing:

“(A) With regard to the institutional infor-
mation, the Secretary shall assess financial ca-
pability, administrative capability, and program
integrity, including whether the institution—

“(i) knowingly and willfully misused
Federal student aid from any source;
“(ii) violated section 487(a)(20);
“(iii) engaged in substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates; or
“(iv) violated the Department’s program integrity regulations.
“(B) With regard to student information, the Secretary shall examine—
“(i) graduation rates compared with all other institutions participating in a program authorized under this title;
“(ii) student complaints, including interviews with current and former students, faculty and staff, and accrediting agencies; and
“(iii) information from the complaint data system established under subsection (e)(4).
“(5) ADMINISTRATIVE PROCESS.—
“(A) TRAINING.—The Secretary shall provide training to personnel of the Department designed to improve the quality of financial and compliance audits and program reviews conducted under this section, including instruction
about appropriately and effectively conducting such audits and reviews for institutions of higher education from different sectors of higher education. In providing the training, the Secretary shall not use funds appropriated to carry out this title.

“(B) Carrying out program reviews.—In carrying out program reviews under this section, the Secretary shall—

“(i) establish guidelines designed to ensure uniformity of practice in the conduct of such reviews;

“(ii) make available to each institution of higher education participating in a program authorized under this title complete copies of all review guidelines and procedures used in program reviews, except that internal training materials for Department staff related to identifying instances of fraud, misrepresentation, or intentional noncompliance shall not be disclosed;

“(iii) permit an institution of higher education to correct or cure an administrative, accounting, or recordkeeping error within 90 days of the issuance of the final
program review report, if the error is not part of a pattern of error and there is no evidence of fraud or misconduct related to the error;

“(iv) without sharing personally identifiable information and in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the ‘Family Educational Rights and Privacy Act of 1974’), inform the relevant Federal agencies and relevant State entities or agencies, and accrediting agency or association, whenever the Secretary finds a violation of this title or sanctions an institution of higher education under this section, section 498, or section 432; and

“(v) provide to an institution of higher education 90 calendar days to review and respond to any program review report and relevant materials related to the report before any final program review report is issued.

“(C) FINAL PROGRAM REVIEW REPORT.—
“(i) IN GENERAL.—Not later than 180 calendar days after issuing a program review report under this section, the Secretary shall review and consider an institution of higher education’s response, and issue a final program review report or audit determination. The final report shall include—

“(I) a written statement addressing the institution of higher education’s response;

“(II) a written statement of the basis for such report or determination; and

“(III) a copy of the institution’s response.

“(ii) CONFIDENTIALITY.—The Secretary shall maintain and preserve at all times the confidentiality of any program review report until a final program review report is issued, other than to inform the relevant Federal agencies and relevant State entities or agencies, and accrediting agency or association, as required under this section.
“(iii) Reports disclosed to the institution.—The Secretary shall promptly disclose each program review report to the institution of higher education under review.

“(iv) Removal of personally identifiable information.—Any personally identifiable information from the education records of students shall be removed from any program review report before the report is shared with any relevant Federal agency, State entity or agency, or accrediting agency or association.

“(D) Follow-up reviews after violations.—The Secretary shall conduct follow-up reviews of each institution of higher education that has been found in violation of a provision of this title not later than 1 year after the date of such finding. Such follow-up reviews may only assess whether the institution of higher education has corrected violations found in a previous program review.

“(d) Sanctions.—

“(1) In general.—The Secretary shall immediately sanction any institution of higher education
that, after the full program review process under this section, is found to have violated a provision of this title.

“(2) AVAILABLE SANCTIONS.—

“(A) CRITERIA.—

“(i) IN GENERAL.—Not later than 180 days after the date of enactment of the Students First Act of 2012, the Secretary shall establish in regulations, without regard to sections 482(e) and 492, section 437 of the General Education Provisions Act, and section 553 of title 5, United States Code, a comprehensive methodology and criteria for sanctions against institutions of higher education that, after the full program review process under this section, are found to have violated a provision of this title.

“(ii) PARAMETERS OF SANCTIONS.—

The sanctions described in clause (i) shall—

“(I) be in addition to other sanctions available to the Secretary under this Act; and

“(II) take into account—
“(aa) the severity of the violation of this title;

“(bb) whether the institution violated this title knowingly and willfully or with gross negligence;

“(cc) whether the violation represents a persistent and documented pattern of violating this title; and

“(dd) the extent of the harm or potential harm that such violations caused or had the potential to cause upon students and borrowers.

“(B) Sanctions for failure to comply with the program review process.—The Secretary may sanction an institution that fails to fully comply with the program review process described in this section, including the reporting requirements described in paragraphs (2)(C) and (6) of subsection (b).

“(C) Waiver.—The Secretary may waive sanctions described in subparagraph (A) with respect to an institution that has committed a minor violation of a provision of this title if—
“(i) the violation was not committed knowingly and willfully or with gross negli-
gence; and

“(ii) the violation has been rectified by such institution not later than 60 days after publication of the institution’s final program review report.

“(3) Revocation of Title IV Eligibility.—Notwithstanding section 487(d)(2), the Secretary shall revoke the eligibility to participate in student aid programs under this title of an institution of higher education that, after undergoing a program review, is determined to have—

“(A) knowingly and willfully misused Federal student aid from any source;

“(B) violated section 487(a)(20);

“(C) engaged in substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates; or

“(D) violated the Department’s program integrity regulations.

“(4) Sanctions for Officers of Institutions.—
“(A) OFFICER.—In this paragraph, the term ‘officer of an institution of higher education’ includes the President, Chief Executive Officer, and Chief Financial Officer of an institution of higher education.

“(B) SANCTIONS.—The Secretary shall extend sanctions, including financial penalties, to an officer of an institution of higher education that participates in a program under this title that knowingly and willfully or with gross negligence, violates a provision of this title. Such sanctions shall include—

“(i) prohibiting an officer of an institution of higher education that has knowingly and willfully or with gross negligence violated a provision of this title from being employed by such institution or another institution of higher education that participates in a program under this title for a period of 5 years from the date of the determination of the violation; and

“(ii) assessing a financial penalty against an officer of an institution of higher education that has knowingly and willfully or with gross negligence violated a
provision of this title that is equal to the officer’s annual compensation for the year for which the determination is made.

“(5) **Financial penalties for institutions.** —

“(A) **In general.** —With respect to each institution of higher education for which the Secretary has revoked eligibility to participate in student aid programs under this title or has determined to have violated this title knowingly and willfully or with gross negligence, the Secretary shall assign penalties of not less than 20 percent of the amount of funds received by the institution from Federal funds, as defined in subsection (a), for the last year for which data are available, which, notwithstanding any other provision of law, shall be retained by the Secretary and placed in the Student Relief Fund established by the Secretary under subparagraph (C).

“(B) **Penalties for institutions that do not have Title IV eligibility revoked.** —Notwithstanding any other provision of law, with respect to each institution of higher education that has violated a provision of this
title and for which the Secretary has determined has harmed a student or the taxpayers but is not an institution described in subparagraph (A), the Secretary shall assign penalties of not more than $100,000, which shall be retained by the Secretary and placed in the Student Relief Fund established by the Secretary under subparagraph (C).

“(C) STUDENT RELIEF FUND.—

“(i) ESTABLISHMENT.—The Secretary shall establish a Student Relief Fund that shall be used, subject to the availability of funds, to provide financial relief, in a manner determined by the Secretary and which may include relief such as tuition reimbursement or full or partial loan forgiveness, to any student enrolled in an institution of higher education that has failed to comply with the standards and agreements created for program participation eligibility under section 487 or has been sanctioned under this subsection.

“(ii) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds derived from financial penalties assessed pursuant to
subparagraph (A), there are authorized to be appropriated such sums as may be neces-
sary to carry out this subparagraph.

“(6) Lifting of Sanctions.—Notwithstanding any other provision of this title, an institution of higher education that has been sanctioned by the Secretary under this subsection or any other provision of this title may not have such sanctions lifted until the Secretary has conducted a subsequent follow-up review and found the institution to be in compliance with this title.

“(e) Data Collection and Complaint Tracking.—

“(1) Establishment of Database.—The Secretary shall establish and operate a central database of information on institutional accreditation, eligibility, and certification that includes all relevant information—

“(A) available to the Department;

“(B) made available to the Secretary by the heads of relevant Federal agencies;

“(C) from accrediting agencies or associations; and

“(D) available from a guaranty agency.
“(2) Development of plan.—In order to carry out the responsibilities described in paragraph (1), the Secretary shall develop a plan to carry out and collect all relevant information.

“(3) Information available.—The Secretary shall make the information obtained pursuant to paragraph (1) readily available to the relevant Federal agencies and relevant State entities or agencies, all institutions of higher education, guaranty agencies, States, and other organizations participating in the programs authorized under this title.

“(4) Complaint tracking.—

“(A) Establishment of complaint tracking system.—The Secretary shall establish a single, toll-free telephone number, a website, and a database, to facilitate the centralized collection of, monitoring of, and response to student and staff complaints regarding Federal student financial aid, educational practices and services, and recruiting and marketing practices.

“(B) Establishment of complaint tracking office.—The Secretary shall establish within the Department an office whose functions shall include establishing, admin-
istering, and disseminating widely information about the complaint tracking system established under subparagraph (A).

“(C) SHARING INFORMATION WITH FEDERAL AGENCIES.—The Secretary shall coordinate with relevant Federal agencies to collect complaints from and route complaints to such agencies, as appropriate, with respect to educational products or services.

“(D) PARTICIPATION OF INSTITUTIONS.—

“(i) IN GENERAL.—The Secretary shall communicate with an institution of higher education about complaints received through the complaint tracking system with respect to such institution.

“(ii) SUMMARY.—Without sharing any personally identifiable information and in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the ‘Family Educational Rights and Privacy Act of 1974’), the Secretary shall provide a summary to an institution of higher education, at least once a year, of the numbers and
types of complaints that have been filed with respect to such institution.

“(iii) **Sharing Individual Complaints.**—Notwithstanding any other provision of law, the Secretary may share a complaint and the information of the individual submitting the complaint with the institution against which the complaint has been filed, if such individual who has filed the complaint affirms that the Secretary may share that individual’s personal information and complaint with the institution.

“(iv) **Responses from Institutions.**—The Secretary shall—

“(I) provide an institution with 90 days to respond to a complaint filed with respect to the institution with the complaint tracking system established under subparagraph (A); and

“(II) consider such response and any resolution of the complaint when utilizing the information from the complaint during a program review.
“(5) DATA SHARING REQUIRED.—The Secretary shall share consumer complaint information with, and collect such information from, relevant Federal agencies and relevant State entities or agencies regarding educational products or services, in accordance with applicable data privacy laws and regulations, except that any personally identifiable information from the education records of students shall not be shared.

“(6) TRANSPARENCY.—The Secretary shall publish on a publically accessible website information and analyses about complaint numbers, complaint types, and, where applicable, information about the resolution of complaints collected under this subsection.”.

(b) PROGRAM PARTICIPATION AGREEMENTS.—Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

“(30) The President, Chief Executive Officer, and Chief Financial Officer of the institution shall each—

“(A) personally sign each program participation agreement for the institution; and
“(B) be liable for the institution’s compliance with such agreement and with the provisions of this title, as provided in section 498A(d)(4).”.