AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1767
OFFERED BY MRS. RAMIREZ OF ILLINOIS

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**
2 This Act may be cited as the “Student Veteran Benefit Restoration Act”.
3
4 **SEC. 2. TREATMENT OF EDUCATIONAL INSTITUTIONS FOUND TO HAVE COMMITTED FRAUD.**
5 (a) **IN GENERAL.**—Subchapter III of chapter 36 of title 38, United States Code, is amended by adding at the end the following new section:
6
7 “§ 3699C. Treatment of educational institutions found to have committed fraud
8 “(a) **RESTORATION OF ENTITLEMENT.**—(1) If the Secretary makes a determination under subsection (b) with respect to an educational institution, the Secretary may determine that any payment of educational assistance to an individual (other than an individual described in paragraph (2)) under chapter 30, 31, 32, 33, or 35 of this title, or chapter 1606 or 1607 of title 10, for the pursuit of a course or program of education at such edu-
cational institution during a period affected by an act or omission that contributed to the determination of the Secretary under subsection (b) is not—

“(A) charged against any entitlement to educational assistance of the individual concerned; or

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

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

“(b) DETERMINATION OF FRAUDULENT BEHAVIOR.—A determination under this subsection is a determination by the Secretary, with respect to an educational institution, that—

“(1) after the date that is one year after the date of the enactment of this section, the educational institution committed an act or omission that resulted in the failure of the institution to secure an affirmation of approval by the appropriate State approving agency following a risk-based survey under section 3673A of this title;

“(2) the Secretary of Education has made a final determination, based on a preponderance of the
evidence, that at any time before December 31, 2028, the educational institution committed an actionable act or omission under regulations under the authority of the Secretary of Education, and as a result, direct loan borrowers at such educational institution suffered detriments of a nature and degree warranting the relief provided by a borrower defense to repayment;

“(3) the Attorney General or the Commissioner of the Federal Trade Commission has made a final determination, based on a preponderance of the evidence, that at any time before, on, or after the date of the enactment of this section, the educational institution committed an act or omission that constituted fraudulent behavior under regulations under the authority of the Attorney General or Commissioner; or

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

“(c) Repayment of Funds; Disapproval.—(1) As a condition of the approval of a course or program of edu-
cation under this chapter, the educational institution offering the course or program shall agree that if the Secretary determines that the educational institution has committed an act or omission referred to in subsection (b), the educational institution shall repay to the Secretary all amounts of educational assistance received pursuant to the educational assistance programs administered by the Secretary that the Secretary determines were obtained through such act or omission.

“(2) In the case of an educational institution that the Secretary determines has committed an act or omission referred to in subsection (b), including such an act or omission occurring before the date of the enactment of this section, the Secretary shall disapprove the enrollment of an eligible veteran in any course or program of education offered by the educational institution unless the educational institution repays to the Secretary all amounts of educational assistance received pursuant to the educational assistance programs administered by the Secretary that the Secretary determines were obtained through such act or omission.”.

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

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