

118TH CONGRESS  
2D SESSION

# H. R. 7880

To amend the Higher Education Act of 1965 to require that institutions of higher education maintain certain adjusted cohort default rates to participate in programs under title IV of such Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 2024

Ms. PORTER introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend the Higher Education Act of 1965 to require that institutions of higher education maintain certain adjusted cohort default rates to participate in programs under title IV of such Act, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accountability in Stu-  
5 dent Loan Data Act of 2024”.

6 **SEC. 2. PROGRESS PERIOD STATUS.**

7 Section 103 of the Higher Education Act of 1965 (20  
8 U.S.C. 1003) is amended—

1           (1) by redesignating paragraphs (14) through  
2           (24) as paragraphs (15) through (25), respectively;  
3           and

4           (2) by inserting after paragraph (13) the fol-  
5           lowing:

6           “(14) **PROGRESS PERIOD STATUS.**—The term  
7           ‘progress period status’ means the status of an insti-  
8           tution of higher education that is determined by the  
9           Secretary to be in danger of failing to meet title IV  
10          eligibility criteria relating to student debt because  
11          the institution has an adjusted cohort default rate of  
12          not less than 10 percent and not more than 15 per-  
13          cent.”.

14 **SEC. 3. CONSUMER INFORMATION.**

15          Section 132 of the Higher Education Act of 1965 (20  
16 U.S.C. 1015a) is amended in subsection (i)(1)(T), by  
17 striking “rate,” and inserting “rate and adjusted cohort  
18 default rate,”.

19 **SEC. 4. FEDERAL PELL GRANTS.**

20          (a) **AMENDMENT.**—Section 401(j) of the Higher  
21 Education Act of 1965 (20 U.S.C. 1070a(j)), as amended  
22 by section 703 of the FAFSA Simplification Act (title VII  
23 of division FF of Public Law 116–260), is amended—

24                 (1) in paragraph (1), by inserting before the pe-  
25                 riod the following: “, or if such institution of higher

1 education is subject to an ineligibility determination  
2 under section 435(a)(9)”; and

3 (2) in paragraph (2), by inserting “, final ad-  
4 justed cohort default rate, or on-time repayment  
5 rate,” before “determination”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 paragraph (1) shall take effect as if included in section  
8 703 of the FAFSA Simplification Act (title VII of division  
9 FF of Public Law 116–260) and subject to the effective  
10 date of section 701(b) of such Act, as amended by section  
11 102(a) of the FAFSA Simplification Act Technical Cor-  
12 rections Act (division R of Public Law 117–103) (includ-  
13 ing the authorization provided under section 102(c)(1)(A)  
14 of such Act).

15 **SEC. 5. DISBURSEMENT OF STUDENT LOANS.**

16 Section 428G of the Higher Education Act of 1965  
17 (20 U.S.C. 1078–7(a)) is amended—

18 (1) in subsection (a), by adding at the end the  
19 following:

20 “(5) ADJUSTED COHORT DEFAULT RATE.—Be-  
21 ginning on the date on which the final adjusted co-  
22 hort default rates are published by the Secretary for  
23 not less than 3 fiscal years under section 435(m), an  
24 institution whose adjusted cohort default rate (as de-  
25 termined under section 435(m)) for each of the 3

1 most recent fiscal years for which data are available  
2 is less than 5 percent may disburse any loan made,  
3 insured, or guaranteed under this part in a single in-  
4 stallment for any period of enrollment that is not  
5 more than 1 semester, 1 trimester, 1 quarter, or 4  
6 months.”; and

7 (2) in subsection (e), by inserting before the pe-  
8 riod the following: “or, beginning on the date on  
9 which the final adjusted cohort default rates are  
10 published by the Secretary for fiscal year 2023  
11 under section 435(m), an adjusted cohort default  
12 rate (as determined under section 435(m)) of less  
13 than 2 percent”.

14 **SEC. 6. COHORT DEFAULT RATES.**

15 (a) INELIGIBILITY BASED ON HIGH DEFAULT  
16 RATES.—

17 (1) IN GENERAL.—Section 435(a) of the High-  
18 er Education Act of 1965 (20 U.S.C. 1085(a)) is  
19 amended—

20 (A) in paragraph (7)(A), by adding at the  
21 end the following:

22 “(iii) DEFAULT MANAGEMENT  
23 PLAN.—The default management plan re-  
24 quired under clause (i) may not include  
25 placing students in forbearance as a means

1 of reducing the cohort default rate or the  
2 adjusted cohort default rate of the institu-  
3 tion.”; and

4 (B) by adding at the end the following:

5 “(9) INELIGIBILITY BASED ON HIGH ADJUSTED  
6 COHORT DEFAULT RATES.—

7 “(A) IN GENERAL.—Except as provided in  
8 subparagraphs (B) and (D), beginning on the  
9 date that is one year after the date on which  
10 the final adjusted cohort default rates are pub-  
11 lished by the Secretary for not less than 3 fiscal  
12 years, in a case in which one of the following  
13 determinations is made with respect to an insti-  
14 tution, such institution shall be ineligible to  
15 participate in a program under this title for the  
16 fiscal year for which the determination is made  
17 and for the two succeeding fiscal years:

18 “(i) The institution’s adjusted cohort  
19 default rate is greater than 20 percent for  
20 each of the three most recent fiscal years  
21 for which the final adjusted cohort default  
22 rates are published.

23 “(ii) With respect to the six most re-  
24 cent fiscal years for which the final ad-  
25 justed cohort default rates are published—

1           “(I) the institution’s adjusted co-  
2           hort default rate is greater than 15  
3           percent for each such fiscal year; and

4           “(II) the Secretary determines  
5           that, during such 6-year period, the  
6           institution has not made adequate  
7           progress in meeting standards for stu-  
8           dent achievement established by the  
9           relevant accrediting agency or associa-  
10          tion pursuant to section 496(a)(5)(A).

11          “(iii) With respect to the eight most  
12          recent fiscal years for which the final ad-  
13          justed cohort default rates are published—

14                 “(I) the institution’s adjusted co-  
15                 hort default rate is greater than 10  
16                 percent for each such fiscal year; and

17                 “(II) the Secretary determines  
18                 that, during such 8-year period, the  
19                 institution has not made adequate  
20                 progress in meeting standards for stu-  
21                 dent achievement established by the  
22                 relevant accrediting agency or associa-  
23                 tion pursuant to section 496(a)(5)(A).

24                 “(B) EXCEPTIONS FOR CERTAIN CAT-  
25                 EGORIES OF EDUCATIONAL PROGRAMS.—With

1           respect to an institution that loses eligibility to  
2           participate in a program under this title in ac-  
3           cordance with subparagraph (A)(ii), such insti-  
4           tution may request and be granted an exception  
5           to such loss of eligibility for a category of edu-  
6           cational programs at such institution by dem-  
7           onstrating to the Secretary that the adjusted  
8           cohort default rate for the category of edu-  
9           cational programs is 15 percent or less for each  
10          fiscal year of the 6-year period on which such  
11          loss of eligibility for the institution is based.

12                   “(C) DETERMINATION OF THE ADJUSTED  
13                   COHORT RATE FOR A CATEGORY OF EDU-  
14                   CATIONAL PROGRAMS.—In determining the ad-  
15                   justed cohort default rate for a category of edu-  
16                   cational programs for purposes of this para-  
17                   graph—

18                           “(i) subsection (m) shall be applied—

19                                   “(I) in paragraph (1)—

20   “(aa) in subparagraph (A),  
21   by substituting ‘received for en-  
22   rollment in the category of edu-  
23   cational programs for which such  
24   rate is being determined’ for ‘re-

1 received for attendance at the insti-  
2 tution'; and

3 “(bb) in subparagraph  
4 (E)(i)(II), by substituting, ‘per-  
5 centage of students enrolled in  
6 the category of educational pro-  
7 grams for which such rate is  
8 being determined’ for ‘percentage  
9 of students enrolled at the insti-  
10 tution’; and

11 “(II) as if the following were  
12 added at the end of paragraph (2):

13 ““(E) In the case of a student who has re-  
14 ceived a loan for enrollment in more than one  
15 category of educational programs, the student  
16 (and such student’s subsequent repayment or  
17 default) is attributed to the last category of  
18 educational programs in which such student  
19 was enrolled.’.

20 “(D) TRANSITION EXCEPTION.—

21 “(i) IN GENERAL.—A covered institu-  
22 tion with an adjusted cohort default rate  
23 that is greater than 20 percent for the  
24 first fiscal year for which such rates are  
25 published by the Secretary may request



1 that any determination of such covered in-  
2 stitution's ineligibility under subparagraph  
3 (A) not be based on the adjusted cohort  
4 default rate of such covered institution for  
5 any or all of the first 3 fiscal years for  
6 which such rates are published by the Sec-  
7 retary.

8 “(ii) REQUIREMENT.—To be granted  
9 a request under clause (i), a covered insti-  
10 tution shall submit to the Secretary a de-  
11 fault management plan as specified in  
12 paragraph (7).

13 “(iii) DEFINITION OF COVERED INSTI-  
14 TUTION.—In this subparagraph, the term  
15 ‘covered institution’ means—

16 “(I) a public institution of higher  
17 education;

18 “(II) a part B institution (as de-  
19 fined in section 322); or

20 “(III) a private, nonprofit insti-  
21 tution of higher education at which  
22 not less than 45 percent of the total  
23 student enrollment consists of low-in-  
24 come students (as such term is de-  
25 fined in section 419N(b)(7)).

1           “(E) CATEGORY OF EDUCATIONAL PRO-  
2 GRAMS DEFINED.—The term ‘category of edu-  
3 cational programs’, when used with respect to  
4 an institution, means one of the following:

5           “(i) The educational programs at the  
6 institution leading to an undergraduate,  
7 non-degree credential.

8           “(ii) The educational programs at the  
9 institution leading to an associate’s degree.

10           “(iii) The educational programs at the  
11 institution leading to a bachelor’s degree.

12           “(iv) The educational programs at the  
13 institution leading to a graduate, non-de-  
14 gree credential.

15           “(v) The educational program at the  
16 institution leading to a graduate degree.

17           “(10) APPLICATION OF ADJUSTED COHORT DE-  
18 FAULT RATE.—Beginning on the date on which the  
19 final adjusted cohort default rates are published by  
20 the Secretary for not less than 3 fiscal years—

21           “(A) paragraph (1) shall be applied by  
22 substituting ‘paragraph (9)’ for ‘paragraph (2)’;

23           “(B) paragraph (3) shall be applied by  
24 substituting ‘adjusted cohort default rate, cal-  
25 culated in accordance with subsection

1 (m)(1)(D), is greater than 20 percent for any  
2 3 consecutive fiscal years’ for ‘cohort default  
3 rate, calculated in accordance with subsection  
4 (m), is equal to or greater than the threshold  
5 percentage specified in paragraph (2)(B)(iv) for  
6 any two consecutive fiscal years’;

7 “(C) paragraph (4) shall be applied—

8 “(i) in subparagraph (C), by sub-  
9 stituting ‘adjusted cohort default rate is  
10 greater than 15 percent’ for ‘cohort default  
11 rate equals or exceeds 20 percent’; and

12 “(ii) in the matter following subpara-  
13 graph (C), by substituting ‘adjusted cohort  
14 default rate to reflect the percentage of de-  
15 faulted loans in the representative sample  
16 that are required to be excluded pursuant  
17 to subsection (m)(1)(B)’ for ‘cohort default  
18 rate to reflect the percentage of defaulted  
19 loans in the representative sample that are  
20 required to be excluded pursuant to sub-  
21 section (m)(1)(B)’;

22 “(D) paragraph (5)(A) shall be applied by  
23 substituting ‘paragraph (9)’ for ‘paragraph (2)’;  
24 and

25 “(E) paragraph (7) shall be applied—

1 “(i) in subparagraph (A)(i)—

2 “(I) in the matter preceding sub-  
3 clause (I), by substituting ‘adjusted  
4 cohort default rate is greater than 20  
5 percent’ for ‘cohort default rate is  
6 equal to or greater than the threshold  
7 percentage specified in paragraph  
8 (2)(B)(iv)’; and

9 “(II) in subclauses (I) and (II),  
10 by substituting ‘adjusted cohort de-  
11 fault rate’ for ‘cohort default rate’;  
12 and

13 “(ii) in subparagraph (B)(i), by sub-  
14 stituting ‘adjusted cohort default rate is  
15 greater than 20 percent’ for ‘cohort default  
16 rate is equal to or greater than the thresh-  
17 old percentage specified in paragraph  
18 (2)(B)(iv)’.”.

19 (2) CONFORMING AMENDMENTS.—Section  
20 435(a)(2) of the Higher Education Act of 1965 (20  
21 U.S.C. 1085(a)) is amended—

22 (A) in the paragraph heading, by adding at  
23 the end the following: “BEFORE FISCAL YEAR  
24 2023”; and

1 (B) in subparagraph (B)(iv), by striking  
2 “and any succeeding fiscal year” and inserting  
3 “through fiscal year 2022”.

4 (b) ADJUSTED COHORT DEFAULT RATE DEFINED.—  
5 Section 435(m)(1) of the Higher Education Act of 1965  
6 (20 U.S.C. 1085(m)(1)) is amended by adding at the end  
7 the following:

8 “(D)(i) With respect to a cohort default rate  
9 calculated for an institution under this paragraph  
10 for fiscal year 2023 and for each succeeding fiscal  
11 year, such cohort default rate shall be adjusted as  
12 follows:

13 “(I) In determining the number of current  
14 and former students at an institution who enter  
15 repayment for such fiscal year—

16 “(aa) any such student who is in non-  
17 mandatory forbearance for such fiscal year  
18 for a period of greater than 18 months but  
19 less than 36 months shall not be counted  
20 as entering repayment for such fiscal year;

21 “(bb) such a student shall be counted  
22 as entering repayment for the first fiscal  
23 year for which the student ceases to be in  
24 a period of forbearance and otherwise

1           meets the requirements for being in repay-  
2           ment; and

3                   “(cc) any such student who is in a pe-  
4           riod of forbearance for three or more years  
5           shall be counted as in default and included  
6           in the institution’s total number of stu-  
7           dents in default.

8                   “(II) Such rate shall be multiplied by the  
9           percentage of students enrolled at the institu-  
10          tion for such fiscal year who are borrowing a  
11          loan under part D of this title.

12                   “(ii) The result obtained under this subpara-  
13          graph for an institution shall be referred to in this  
14          Act as the ‘adjusted cohort default rate’.”.

15          (c) PUBLICATION OF ADJUSTED COHORT DEFAULT  
16          RATE.—Section 435(m) of the Higher Education Act of  
17          1965 (20 U.S.C. 1085(m)) is further amended by adding  
18          at the end the following:

19                   “(5) Beginning on the date on which the final  
20          adjusted cohort default rates for fiscal year 2023 are  
21          made available for publication by the Secretary,  
22          paragraph (4) shall be applied by substituting ‘ad-  
23          justed cohort default’ for ‘cohort default’ each place  
24          it appears.”.

1 **SEC. 7. ADJUSTED COHORT DEFAULT RATE.**

2 Section 487(a)(14) of the Higher Education Act of  
3 1965 is amended by adding at the end the following:

4 “(D) Beginning on the date on which the  
5 final adjusted cohort default rates are published  
6 by the Secretary for fiscal year 2023 under sec-  
7 tion 435(m), subparagraph (C) shall be applied  
8 by substituting ‘adjusted cohort default rate in  
9 excess of 5 percent’ for ‘cohort default rate in  
10 excess of 10 percent’ each place it appears.”.

11 **SEC. 8. PROGRAM REVIEW AND DATA.**

12 Section 498A of the Higher Education Act of 1965  
13 (20 U.S.C. 1099e–1) is amended in subsection (a)(2), by  
14 striking subparagraph (A) and inserting the following:

15 “(A) institutions with an adjusted cohort  
16 default rate for loans under part D of this title  
17 in excess of 18 percent or which places such in-  
18 stitutions in the highest 25 percent of such in-  
19 stitutions;”.

20 **SEC. 9. ASSISTANCE TO PROGRESS PERIOD INSTITUTIONS.**

21 Part H of title IV of the Higher Education Act of  
22 1965 (20 U.S.C. 1099a et seq.) is amended by adding at  
23 the end the following:

1 **“SEC. 498C. ASSISTANCE TO PROGRESS PERIOD INSTITU-**  
2 **TIONS.**

3 “(a) IN GENERAL.—The Secretary shall provide  
4 grants and technical assistance to covered progress period  
5 institutions in accordance with this section.

6 “(b) AUTHORIZED ACTIVITIES.—Grants and assist-  
7 ance provided under this section shall be used to improve  
8 student achievement (as described in section  
9 496(a)(5)(A)) at covered progress period institutions.

10 “(c) DURATION.—Grants and assistance may be pro-  
11 vided under this section for a period of not less than one  
12 year and not more than three years.

13 “(d) CONDITIONS.—

14 “(1) BENCHMARKS.—

15 “(A) IN GENERAL.—To continue to receive  
16 support under this section after the first year in  
17 which such support is provided, an institution  
18 must show progress, as determined by the Sec-  
19 retary, toward meeting the standards for stu-  
20 dent achievement established by the relevant ac-  
21 crediting agency or association pursuant to sec-  
22 tion 496(a)(5)(A).

23 “(B) CONSIDERATIONS.—In determining  
24 the progress of an institution under subpara-  
25 graph (A), the Secretary may take into consid-  
26 eration extenuating circumstances that may



1           have contributed to the poor performance of the  
2           institution in the first year of the review period.

3           “(2) DEADLINE FOR COMPLIANCE.—An institu-  
4           tion that does not achieve an adjusted cohort default  
5           rate of less than 10 percent after receiving support  
6           under this section for three consecutive years shall  
7           be ineligible to receive further support under this  
8           section.

9           “(3) PROHIBITION.—An institution shall be in-  
10          eligible to receive further support under this section  
11          if, while the institution was receiving such support,  
12          the total enrollment of low-income students (as such  
13          term is defined in section 419N(b)(7)) at the institu-  
14          tion decreased by 10 percent or more.

15          “(e) COVERED PROGRESS PERIOD INSTITUTION.—In  
16          this section, the term ‘covered progress period institution’  
17          means—

18                 “(1) a public institution of higher education  
19                 that is determined to be in progress period status;

20                 “(2) a part B institution (as defined in section  
21                 322) that is determined to be in progress period sta-  
22                 tus; or

23                 “(3) a private, nonprofit institution of higher  
24                 education—

1           “(A) that is determined to be in progress  
2           period status; and

3           “(B) at which not less than 45 percent of  
4           the total student enrollment consists of low-in-  
5           come students (as such term is defined in sec-  
6           tion 419N(b)(7)).

7           “(f) FUNDING.—

8           “(1) IN GENERAL.—There are appropriated  
9           such funds as the Secretary, using the formula de-  
10          scribed in paragraph (2), determines necessary to  
11          meet the needs of all eligible institutions under this  
12          subsection.

13          “(2) FORMULA.—Not later than 1 year after  
14          the date of the enactment of this section, the Sec-  
15          retary shall establish through negotiated rulemaking  
16          a formula to determine the—

17                 “(A) proportional amount of institutional  
18                 need under this section; and

19                 “(B) total amount of institutional need  
20                 under this section.

21          “(3) SPECIAL RULE.—Such formula must at  
22          minimum take into consideration the severity of the  
23          problem, size of the institution, institutional re-  
24          sources, historical underfunding, and the number of

1 low-income students (as such term is defined in sec-  
2 tion 419N(b)(7)) being served.”.

○