

Issue 2

Proposed Regulatory Language

Team II - School-based Loan Issues

Origin: HEOA section 493(e)
Issue: PPA: Code of Conduct
Statutory cites: HEA section 487(a)(25) and (e)
Regulatory cites: New §668.14(b)(27)
DCL GEN-08-12 cite: Page 69
Status: Tentative agreement reached

Regulatory language:

§ 668.14 Program participation agreement.

(a)(1) An institution may participate in any Title IV, HEA program, other than the LEAP and ~~NEISP~~ GAP programs, only if the institution enters into a written program participation agreement with the Secretary, on a form approved by the Secretary. A program participation agreement conditions the initial and continued participation of an eligible institution in any Title IV, HEA program upon compliance with the provisions of this part, the individual program regulations, and any

additional conditions specified in the program participation agreement that the Secretary requires the institution to meet.

* * * * *

(b) By entering into a program participation agreement, an institution agrees that—

* * * * *

(27) In the case of an institution participating in a Title IV, HEA loan program, the institution--

(i) Will develop, publish, administer, and enforce a code of conduct with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs in accordance with 34 CFR 601.22 21; and

(ii) Must inform its officers, employees, and agents with responsibilities with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs annually of the provisions of the code required under paragraph (b) (27) of this section.

Issue 2

Amendatory Language

Team II - School-based Loan Issues

PART 668--STUDENT ASSISTANCE GENERAL PROVISIONS

x. The authority citation for part 668 continues to read as follows:

AUTHORITY: 20 U.S.C. 1001, 1002, 1003, 1070g, 1085, 1088, 1091, 1092, 1094, 1099c, and 1099c-1, unless otherwise noted.

x. Section 668.14 is amended by:

A. In paragraph (a)(1), removing the acronym "NEISP" and adding the acronym "GAP" in its place.

B. In paragraph (b), adding new paragraphs (27), (28) and (29).

[NOTE to negotiators: At this point, paragraph (28) is included with Issue 7 and paragraph (29) is included with Issue 4.]

The additions read as follows:

§668.14 Program participation agreement.

* * * * *

(b) * * *

(27) In the case of an institution participating in a Title IV, HEA loan program, the institution--

(i) Will develop, publish, administer, and enforce a code of conduct with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs in accordance with 34 CFR 601.21; and

(ii) Must inform its officers, employees, and agents with responsibilities with respect to loans made, insured or guaranteed under the Title IV, HEA loan programs annually of the provisions of the code required under paragraph (b) (27) of this section.