



# HOW STATES CAN HELP STUDENTS HARMED BY HIGHER EDUCATION FRAUD

## APPENDIX C

### CHECKLIST TO EVALUATE A STATE STUDENT PROTECTION FUND (SPF)

**1. Does the SPF have sufficient funding?**

- Current amount in SPF: \$\_\_\_\_\_
- SPF minimum: \$\_\_\_\_\_.
- SPF cap: \$\_\_\_\_\_.
- State has process for estimating and updating amount of funds necessary to pay for costs of student relief and administration.
- Agency required to take action against school that fails to pay into SPF.
- Agency has discretion to levy and set amount of SPF assessments.
- SPF fund not available to state's general fund.

**2. Does state law require schools to post surety bond to:**

- Indemnify SPF losses
- Reimburse agency for administration of SPF claims from school's students

**3. Are students of the following schools eligible for relief?**

- All for-profit degree-granting institutions
- All for-profit non-degree granting institutions
- All private nonprofit non-degree granting institutions that generate profits for owners or board members
- All private nonprofit degree granting institutions that generate profits for owners or board members
- In-state students enrolled in distance education programs offered by out-of-state schools that lack a physical presence
- Out-of-state students enrolled in distance education programs offered by schools whose physical headquarters is located in-state

4.  **Are the above students covered by one SPF?**

5. **Does SPF provide relief to students based on the following?**

- Student unable to complete program due to school closure
- Student unable to complete program due to program discontinuance, including students on a leave of absence
- Student unable to obtain their diploma or degree after school has closed, even though student completed his/her program
- Student withdrew from a school within 180 days of the school or campus closure, or a period commensurate with any longer federal period as determined by the U.S. Department of Education or state agency
- State agency has determined that the school violated any state consumer protection law, including a state's Unfair and Deceptive or Abusive Practices (UDAP) law or higher education consumer protection law, based on a preponderance of the evidence presented to the agency
- School failed to pay a refund ordered by state agency
- State agency has determined that the school breached the enrollment agreement
- Student withdrew from a program before completion and institution failed to pay or refund tuition loan or grant proceeds as required by federal or state law
- School failed to pay judgment or arbitration award granting monetary relief to students based on violation of state law
- School lost institutional accreditation
- Program lost the accreditation necessary to find employment after graduation
- U.S. Department of Education or a guaranty agency granted the student's borrower defense claim

6. **Group Claims and Automatic Relief – Does the SPF law authorize:**

- State attorney general, state agency or other government agency to file a group claim based on judgment or administrative findings?
- State agency to grant claims automatically, without an application from students?

7.  **Are people who financially contributed to a student's education eligible for SPF relief?**

**8. Is there a limited time period for filing SPF claims?**

- No claims period
- Students may file claims as long as they are facing private student loan debt collection
- Other: \_\_\_\_\_
- Does the law specify that the limitations period does not begin to run, for events of which a state agency should be aware, until the state agency notifies students of their potential eligibility?

**9. SPF Relief:**

**a. Does the SPF cover all of the following?**

- Full amount of federal loans
- Full amount of private loans
- All cash paid by student to school
- All local, state and federal grants, funds or monies paid to the school or student
- All third-party payments, including payments made by private entities, paid to the school or student
- All cash paid by student to obtain instructional equipment and supplies

**b. Teach-outs and transfers:**

- Students who enroll in teach-outs are eligible for full relief unless they complete teach-outs approved by accrediting agency and state
- Students who transfer credits are eligible for full or partial relief unless they transfer all credits and complete the same or similar program at another school

**10. Does state law require timely resolution of SPF applications?**

- State agency must decide eligibility of student receiving completed application within \_\_\_\_\_ days
- State must provide relief on all non-federal sources of granting application within \_\_\_\_\_ days
- State does not delay awarding relief for federal financial aid more than one year

## 11. **SPF Claim Procedures:**

- School required to provide contact information to state for all students potentially eligible for SPF relief
- State must notify all potentially eligible students regarding SPF relief and process
- School or state required to maintain all student records for as long as a student is eligible to apply for SPF relief (at least 10 years)
- If school is not able to maintain student records, then state is required to maintain them
- School and/or state required to provide student records at no charge to students
- Clear and readable information about how to file SPF claims must be available online and in all languages in which licensed schools provide instruction
- Application must be easy for students to complete and be available in all languages in which licensed schools provide instruction
- A government office separate from the oversight agency is charged with helping students complete and submit SPF claims
- Legal services who help students obtain private or federal loan discharges are eligible for reimbursement for their legal services from the SPF

## 12. **Are state agencies required to publicly report annual SPF data?**