Preventing Risky Operations from Threatening the Education and Career Trajectories of (PROTECT) Students Act of 2025
Senator Dick Durbin (D-IL)

The for-profit college industry has a long record of precipitous closures and predatory practices, including misrepresenting costs, transferability of credits, and job opportunities. For-profit colleges also historically have targeted service members, veterans, students of color, low-income students, and immigrant students. For-profit colleges enroll only eight percent of all postsecondary students but account for 30 percent of all federal student loan defaults. Despite their poor track record, they received more than $16 billion in federal student aid in the 2023-2024 school year.

The first Trump Administration let for-profit colleges off the hook—it rolled back projections like Gainful Employment and stopped processing borrower defense to repayment claims. Now more than ever, protections are needed to ensure that students are treated fairly and that taxpayer investments in higher education are protected from high-risk, for-profit programs and schools. The *PROTECT Students Act* takes common-sense steps to prevent abusive practices and safeguard taxpayer dollars.

TITLE I—Student and Taxpayer Protections

- Creates a new statutory framework that ensures career programs do not leave students with debt they cannot repay and that career programs deliver promised earnings to students that exceed those of high-school graduates.
- Improves Borrower Defense to Repayment, which provides federal student loan relief to borrowers who have been defrauded by their school.
- Improves Closed School Discharge, which provides federal student loan relief to borrowers whose school precipitously closes.
- Creates a statutory requirement mirroring existing regulations that ensures students are not forced into arbitration, may bring class action lawsuits, and can hold institutions directly accountable for wrongdoing through the courts.
- Addresses widespread abuse by Online Program Managers by closing a loophole that allows commission-style payments for enrollment that are otherwise prohibited in higher education and that often result from aggressive recruiting practices.

TITLE II—Ensuring Integrity at Institutions of Higher Education

- Ensures that companies contracting with colleges to provide core services, including recruitment, retention, and instruction delivery are subject to the same rules as colleges.
- Requires the Secretary of Education to establish a single, uniform definition of job placement rates to create consistency and reduce manipulation.
- Sets a requirement that at least 30 percent of revenues received by colleges must be spent on student instruction, and improves this threshold over time to ensure schools invest in student supports and student success rather than marketing and advertising.
- Ensures schools may not to employ owners who previously engaged in misconduct.
- Authorizes the Department of Education to ensure financially interested parties are signatories to the federal contract that makes a college eligible to receive Title IV aid, and

improves the ability of the Department to recoup funds from schools that engage in misconduct.

TITLE III—Improving Oversight of High-Risk Colleges

- Codifies the Federal Student Aid Enforcement Unit to investigate fraud and predatory practices by for-profit colleges and ensures the Department of Education has the staff and resources to adequately respond to allegations of institutional misconduct.
- Improves federal oversight of for-profit colleges by coordinating the various federal agencies responsible for enforcing federal regulations and laws related to for-profit colleges.
- Codifies the Federal Student Aid's student complaint resolution and tracking system to ensure student complaints are taken seriously, adequately responded to, and appropriately referred to other agencies.
- Requires high-risk institutions to comply with additional terms and conditions in the institution's contract to mitigate the risk of sudden closure and large liabilities resulting from mismanagement or misconduct.
- Clarifies that states may always enforce the higher education and consumer protection laws of the state on behalf of students residing in the state.
- Requires accrediting agencies to review and assess risks when institutions outsource instructional programs.
- Sets the student loan program on solid financial footing by restoring a set-aside from funding provided for the Title IV program to administer the program.

TITLE IV—Improving Access to Student and Taxpayer Information

- Requires that all schools publicly disclose data on their debt-to-earnings ratio and whether their graduates' earnings exceed those of high-school graduates.
- Creates better transparency with regard to high-risk institutions and institutions seeking to convert to non-profit status, including compliance with the 90/10 rule and number of borrower defense claims filed and granted.
- Improves required transparency by accrediting agencies.

Groups endorsing the legislation include: Institute for College Access & Success (TICAS), the Century Foundation, American Federation of Teachers (AFT), National Consumer Law Center, Project on Predatory Student Lending PPSL), Student Borrower Protection Center (SBPC), National Education Association (NEA), New America, National Association for College Admission Counseling (NACAC), Center for American Progress, EdTrust, and Young Invincibles.