

Memorandum

From: Michale McComis, Ed.D., Accreditation Constituency Representative

To: U.S. Department of Education Regulatory Negotiation Team

Date: January 7, 2026

Re: Suggested Revisions in the Areas of Tech-out Plans and Warnings.

In order to help establish pathways for students, the accreditation constituency suggests the following additions and revisions:

First, the addition of a requirement under the Secretary's Criteria for Recognized Accrediting Agencies that agencies require a teach-out plan (program-level or institutional level as appropriate) when the Secretary has provided notification that a program has lost eligibility to participate in the *Direct Loan Program*.

Second, in order to create better informed pathways for students we suggest that the Department maintain much of the Warning notification requirements set forth in § 668.605.

Red Text = Department's Original Markup

Blue Text = New Proposed Language

§ 602.24 Additional procedures certain institutional agencies must have.

(c) Teach-out plans and agreements.

(1) The agency must require an institution it accredits to submit a teach-out plan as defined in [34 CFR 600.2](#) to the agency for approval upon the occurrence of any of the following events:

(iii) The Secretary notifies the agency that the institution is participating in title IV, HEA programs under a provisional program participation agreement and the Secretary has required a teach-out plan as a condition of participation.

(2) The agency must require an institution it accredits or preaccredits to submit a teach-out plan and, if practicable, teach-out agreements (as defined in [34 CFR 600.2](#)) to the agency for approval upon the occurrence of any of the following events:

(i) The Secretary notifies the agency that it has placed the institution on the reimbursement payment method under [34 CFR 668.162\(c\)](#) or the heightened cash

monitoring payment method requiring the Secretary's review of the institution's supporting documentation under [34 CFR 668.162\(d\)\(2\)](#).

(ii) The Secretary notifies the agency that the Secretary has initiated an emergency action against an institution, in accordance with section 487(c)(1)(G) of the HEA, or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA.

(iii.) The Secretary notifies the agency that a GE program or eligible non-GE program eligible program has failed to meet the earnings premium measure in § 668.402 for two out of any three consecutive years and has had its eligibility to participate in the *Direct Loan Program* terminated in accordance with § 668.91 (in such instance the teach-out plan or teach-out agreement may be limited to the affected program).

Note to Negotiators: See § 602.24 (c) for the full array of teach-out plan and teach-out agreement requirements established by the Secretary for the recognition of accrediting agencies.

§ 668.605 Student Warnings.

(e) *Content of warning.* The institution must provide in the warning—

(1) A warning, as specified by the Secretary in a notice published in the *Federal Register*, that—

(i) The program has not passed standards established by the U.S. Department of Education based on the ~~amounts students borrow for enrollment in the program and their~~ reported earnings ~~of program graduates, as applicable~~; and

(ii) The program could lose access to ~~Federal grants and Direct H~~Loans based on the next calculated program metrics;

(2) The relevant information to access the program information website maintained by the Secretary described in §668.43(d); ~~and~~

(3) ~~A statement that the student must acknowledge having viewed the warning through the program information website~~ before the institution may disburse any title IV, HEA funds to the student;

(4) An ~~description~~ explanation of the academic and financial options available to students to include

~~to continue their education in another program at the institution, including whether the students could transfer credits earned in the program to another program at the institution and which course credits would transfer, in the event that the program loses eligibility for title IV, HEA program funds;~~

~~(5) An indication of whether, in the event that the program loses eligibility for title IV, HEA program funds, the institution will—~~

~~(i) Continue to provide instruction in the program to allow students to complete the program; and~~

~~(ii) Refund the tuition, fees, and other required charges paid to the institution by, or on behalf of, students for enrollment in the program; and~~

~~(6) An explanation of whether, if the program loses eligibility for title IV, HEA program funds, the students could transfer credits earned in the program to another institution in accordance with an established articulation agreement or teach-out plan or agreement.~~