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**FOR IMMEDIATE RELEASE**

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**New COVID-19 Law Saves American Students From Losing Access to Student Loans**

WASHINGTON, DC March 30, 2020 -- Congress has waived a law that would have cut off access to federal student loans for tens of thousands of Americans enrolled at colleges and universities around the world impacted by the COVID-19 coronavirus pandemic, including thousands of medical school students.

The U.S. House of Representatives on March 27 passed and President Trump signed into law the CARES Act, [COVID-19 coronavirus emergency legislation](#) that waives the law that would have immediately cancelled access to federal student loans for Americans pursuing degrees at universities and colleges abroad who take any portion of their educational program via online education. Without quick action by Congress and the Trump Administration, as many as 30,000 students worldwide faced having their financial support abruptly cut off because their “foreign school” has gone to on-line learning due to the novel coronavirus pandemic.

The CARES Act also waived a prohibition on students taking any classes in the United States while enrolled at a ‘foreign school’, with the penalty also being the loss of access to federal loans under “written arrangements” regulations. Both the waiver on taking online classes and taking classes in the United States are effective retroactive to March 1, 2020, through the term following the end of the national emergency in the country where the student’s college or university is located.

“Students studying to earn degrees internationally faced enormous stress at the prospect of losing the government loans that finance their education, for the remainder of their studies simply because they have to take classes online during the pandemic,” said International Education Council (IEC) Executive Director Harrison Wadsworth. “IEC members are grateful that Congress listened to us and took quick action, with the strong support of the Department of Education, to allow thousands of students to continue their studies and complete their degrees.”

The foreign institutions of higher education are required to report to the U.S. Department of Education which students are impacted by the waivers. In addition, separate legislation passed March 14 keeps normal GI Bill funding available to veterans enrolled at eligible foreign institutions, including housing stipends, during the pandemic. Without that bi-partisan legislation and speedy follow-up by the Department of Veterans Affairs, veterans would have also immediately lost access to GI Bill benefits they depend on to finance their educations.

The CARES Act also includes some helpful provisions regarding leaves of absence, Satisfactory Academic Progress and Return of Title IV Funds. Institutions are exempted from having to return Title IV student aid to the Education Department for students forced to withdraw due to the emergency. Loans are cancelled for students forced to withdraw due to the emergency for the payment period (term) during which the student withdrew. The law creates more flexibility for institutions to allow leaves of absence, including not requiring the student to return at the same point in the academic program after a leave and not counting uncompleted credits against a student’s Satisfactory Academic Progress calculation.

The CARES Act is [bill number H.R. 748](#). The text of the “foreign school” part is pasted at the end of this document.

Even with this success, IEC’s work is not done. **This is a critical juncture to protect American student enrolment at institutions around the world.** The law that created the U.S. Direct Loan Program is up for review and renewal. IEC has already been in close contact with the U.S. Congress and with senior officials at the Department of Education to advocate for IEC member priorities. IEC continues its mission to resolve long-term, ongoing

restrictions on American students' ability to study overseas with federal loans, particularly issues regarding distance education, written arrangements, nursing, medical schools, and US GAAP. IEC needs the support of as many institutions as possible to effect change. Highlights of IEC's key proposals:

- **Distance education:** requesting a correction to the law to **permanently** permit a portion of a student's academic program to be taught via distance education, using online technologies, as is already permitted for US institutions.
- **Written Arrangements:** requesting a portion of a student's program of study be allowed at a foreign school which does not itself offer US Loans, allowing for valuable opportunities such as exchanges and internships despite host schools choosing not to participate in the US loan program.
- **US GAAP Financial Statements:** advocating for recognition of generally accepted international auditing standards by the US Department of Education for all institutions, avoiding costly requirement to produce duplicate financial statements for US Loans compliance only.
- **Medical School requirements:** requesting a major modification or elimination of the passage rate requirement for foreign medical schools with relatively small numbers of American students and related reforms to reduce regulatory burdens.
- **Nursing schools:** advocating for a technical correction to US law needed to re-instate nursing schools forced out of the US loan programs.

### The CARES Act provision for foreign schools

The CARES Act is [bill number H.R. 748](#). The text of the "foreign school" part is pasted below. Other relevant parts begin in Section 3506. Section 3513 waives payments and interest for six months for most federal student loan borrowers.

Here is the "foreign school" section of the new law.

#### SEC. 3510. CONTINUING EDUCATION AT AFFECTED FOREIGN INSTITUTIONS.

(a) IN GENERAL—Notwithstanding section 481(b) 25 of the Higher Education Act of 1965 with respect to a foreign institution, in the case of a public health emergency, major disaster or emergency, or national emergency declared by the applicable government authorities in the country in which the foreign institution is located, the Secretary may permit any part of an otherwise eligible program to be offered via distance education for the duration of such emergency or disaster and the following payment period for purposes of title IV of the

(b) ELIGIBILITY—An otherwise eligible program that is offered in whole or in part through distance education by a foreign institution between March 1, 2020, and the date of enactment of this Act shall be deemed eligible for the purposes of part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) for the duration of the qualifying emergency and the following payment period for purposes of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.). An institution of higher education that uses the authority provided in the previous sentence shall report such use to the Secretary— (1) for the 2019–2020 award year, not later than June 30, 2020; and (2) for an award year subsequent to the 2019– 2020 award year, not later than 30 days after such use.

(c) REPORT—Not later than 180 days after the date of enactment of this Act, and every 180 days thereafter for the duration of the qualifying emergency and the following payment period, the Secretary shall submit to the authorizing committees (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003)) a report that identifies each foreign institution that carried out a distance education program authorized under this section.

#### (d) WRITTEN ARRANGEMENTS—

(1) IN GENERAL—Notwithstanding section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002), for the duration of a qualifying emergency and the following payment period, the Secretary may allow a foreign institution to enter into a written arrangement with an institution of higher education located in the United States that participates in the Federal Direct Loan Program under part D of title IV of the Higher Education Act of 1965 (20 U.S.C.1087a et seq.) for the purpose of allowing a student of the foreign institution who is a borrower of a loan made under such part to take courses from the institution of higher education located in the United States.

(2) FORM OF ARRANGEMENTS—(A) PUBLIC OR OTHER NONPROFIT INSTITUTIONS—A foreign institution that is a public or other nonprofit institution may enter into a written arrangement under subsection (a) only with an institution of higher education described in section 101 of such Act (20 U.S.C.10 1001) (B) OTHER INSTITUTIONS—A foreign institution that is a graduate medical school, nursing school, or a veterinary



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school and that is not a public or other nonprofit institution may enter into a written arrangement under subsection (a) with an institution of higher education described in section 101 or section 102 of such Act (20 U.S.C. 1001 and 1002).

(3) REPORT ON USE—An institution of higher education that uses the authority described in paragraph (2) shall report such use to the Secretary—for the 2019–2020 award year, not later than June 30, 2020; and for an award year subsequent to the 2019–2020 award year, not later than 30 days after such use.

(4) REPORT FROM THE SECRETARY—Not later than 180 days after the date of enactment of this Act, and every 180 days thereafter for the duration of the qualifying emergency and the following payment period, the Secretary shall submit to the authorizing committees (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C.1003) a report that identifies each foreign institution that entered into a written arrangement authorized under subsection (a)