



CHANGE OF CONTROL MONITORING PROCEDURES

Policy Change Approved on First Reading

The Higher Learning Commission (HLC) Board of Trustees (“the Board”) approved this policy on first reading at its meeting on June 25–26, 2020.

Background

The proposed policy change would more precisely describe monitoring procedures that occur following the consummation of a Change of Control and simplify nomenclature and language related to Change of Control review procedures. The proposed revision also would remove language that might be construed as allowing a candidate institution to submit a Change of Control application. HLC only accepts such applications from accredited institutions.

Comments Invited

HLC invites comments on this change before the Board takes final action at its meeting on November 5–6, 2020. Comments can be sent to policycomments@hlcommission.org. Comments are due by September 14, 2020.

Proposed Change

Wording that was deleted or revised is shown as strikethrough (~~old wording~~); new language, whether through addition or revision, is shown in bold (**new wording**).

Policy Title: Monitoring Related to Change of Control, Structure or Organization

Number: INST.F.20.080

~~Focused or Other~~ Evaluation After the ~~Transaction~~ **Change of Control** (Post-~~Transaction~~ **Change of Control** Visit). If the Board votes to approve the Change of Control application with or without conditions, thereby authorizing accreditation for the institution subsequent to consummation of the Change of

Control, the Commission will conduct an evaluation of the institution no later than six months after such consummation. A previously scheduled focused or comprehensive evaluation may fulfill this task provided that it is scheduled, or can be rescheduled, to be within the six-month timeframe.

The ~~focused or other evaluation subsequent to the consummation of the transaction~~ **Post-Change of Control Visit** will be conducted according to the Commission's procedure for focused or ~~other~~ **comprehensive** evaluations, as **applicable**. The evaluation will review the appropriateness of the approval of the ~~change~~ **Change of Control** as well as whether the institution ~~met~~ **fulfilled** any commitments made to the Commission prior to that approval. The evaluation team will also document that the institution continues to meet the ~~Eligibility Requirements and~~ **Criteria for Accreditation** or other requirements specifically articulated by the Board.

The team may recommend further Commission monitoring, rescheduling of the next comprehensive evaluation, or Commission sanctions or withdrawal of accreditation. If ~~the institution had been accredited by the Commission prior to the transaction, and~~ the team determines that the institution ~~continues to meet the Eligibility Requirements and other requirements articulated by the Board, but not~~ **is out of compliance with** the **Criteria for Accreditation**, the team must recommend ~~that~~ a sanction or withdrawal, as applicable under these policies. Recommendations for sanction or withdrawal will be reviewed by an Institutional Actions Council Hearing Committee and decided by the Commission's Board of Trustees in keeping with Commission policy.

Comprehensive Evaluation After the Post-~~Transaction~~ Change of Control Visit. The next comprehensive evaluation shall take place no later than five years after the ~~Post-Transaction~~ **Change of Control Visit** and ~~shall assess whether the institution under new control continues to meet the Criteria for Accreditation and bears a substantial relationship to the institution accredited by the Commission prior to the transaction.~~

Policy Number Key

Section INST: Institutional Processes

Chapter F: Maintenance and Monitoring

Part 20: Intermittent Monitoring

Last Revised: November 2019

First Adopted: June 2009

Revision History: February 2010, February 2012, June 2012, November 2019

Notes: Policies combined November 2012 – 3.3(d)2, 3.3(d)3, 3.3(g)

Related Policies: INST.B.10.030 Related Entities, INST.B.20.040 Change of Control, Structure or Organization, INST.F.20.070 Processes for Seeking Approval of Change of Control