

8. Policy on Bankruptcy of Institutions

As stated in C.1. Policy on Substantive Change and Notification, any significant changes in the institution’s financial condition is considered a “substantive change” and must be reported to the Commission.

An accredited institution, which involuntarily or voluntarily enters bankruptcy, is in immediate violation of the Accrediting Commission’s financial responsibility standard. This violation results in the institution’s automatic termination of accreditation.

The institution will, however, be expected to abide by all requirements of the “Teach-Out Commitment,” which it signed guaranteeing to teach-out all of its students.

Action

An institution must notify the Commission immediately in writing if it enters bankruptcy. (12/11)

The institution must submit in a timely manner for Commission approval a comprehensive, written plan for the teach-out of its enrolled students when it enters bankruptcy (see C.27. Policy on Teach-Out Plans). (12/11)

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(Please Note: This page was left blank on purpose.)