Institutions contemplating a Change of Control, Structure or Organization should contact HLC as early in the process as possible. Candid and timely communication between HLC and an institution helps facilitate the review process. Institutions should review policies INST.B.20.040, INST.F.20.070 and INST.F.20.080 for the complete suite of Change of Control policies.

**POLICY BACKGROUND**

HLC policies on Change of Control, Structure or Organization define HLC’s oversight regarding proposals that change, or have the potential to change, the governance of an institution or its fundamental structure or organization. This includes, but extends beyond, change of ownership transactions (such as merger or sale). As a result, per HLC’s Glossary, the term “Change of Control” more broadly refers to any proposed change to which these policies apply.

**APPROVAL OF CHANGE OF CONTROL**

The policy also stipulates that the only decision-making body that can take action to approve an application for Change of Control, Structure, or Organization is the Board of Trustees. Peer reviewers, with the support of HLC staff, work together to provide the Board of Trustees a report analyzing the evidence available and evaluating whether the application submitted by an institution satisfies the Key Factors articulated in policy for approval.

Institutions should review policies INST.B.20.040, INST.F.20.070 and INST.F.20.080 for a list of potential changes to which these policies apply. These changes include, but are not limited to, eight major types of Change of Control. Additional scenarios may also trigger a Change of Control review:

1. If an institution forms a relationship with an entity that has no corporate or financial relationship with the institution to perform certain services;
2. If an institution works with other related accredited institutions to pool or consolidate services into another related entity that may be another corporation or may be a division of one of the institutions;
3. If an institution has a parent or affiliated corporation that provides various services to the institution, or if an institution intends to purchase or merge with another accredited institution that has an existing relationship with a parent or affiliated corporation, and the relationship with the parent or affiliated entity is to be maintained after the purchase through a shared services relationship with the former parent or affiliated corporation; or
4. If an institution forms a new related or separate corporation into which the institution transfers some of its existing operations and/or services.
and this new corporation would then provide services to the accredited institution; or if an institution may transfer assets related to academics and student services into the new related or separate corporation, and the institution is expected to become the services corporation (which may also be authorized to sell its services to other institutions with which it had no previous relationship).

NOTIFICATION OF CHANGE OF CONTROL
Finally, as with any category of substantive change, there are certain circumstances in which only notification to HLC is required. Institutions contemplating a Change of Control should consult with their staff liaison as soon as possible to confirm whether notification or approval is appropriate under HLC policy. When notification is appropriate, it should be made in advance of consummating any such Change of Control. Any notification to HLC must also comply with procedures described in the Process Overview on page 3.

INSTITUTIONAL ELIGIBILITY
Approval of any proposed Change of Control, Structure or Organization is at the discretion of the Board and represents HLC’s willingness to extend accreditation to an institution following consummation of a proposed change.

An institution must file an application that includes an institutional statement that addresses all elements articulated in Materials for Application on page 6 and that attaches any legal, financial or state regulatory documentation necessary for the proposed Change of Control. The Board will determine whether the application meets HLC requirements prior to taking action. The Board may approve, deny or defer action on any application. Action to deny or defer action on any Change of Control application does not constitute an adverse action and cannot be appealed. Absent separate evidence of current noncompliance with HLC requirements, an institution’s accreditation status with HLC remains unchanged if its Change of Control application is denied.

Only institutions that are currently accredited by HLC are eligible to apply for a Change of Control, Structure or Organization. Institutions in candidate status will need to file a new Eligibility Filing and seek a new candidacy status if they must undergo a Change of Control, Structure or Organization. Applying institutions are strongly encouraged to complete any changes in their structure, governance, organization or ownership prior to submitting an Eligibility Filing.

The Board may consider a Change of Control, Structure or Organization for an HLC-accredited institution under sanction or Show-Cause only when there is substantial evidence that the proposed transaction will help the institution resolve all the issues that led to the sanction or the Show-Cause order. The Board will not consider a Change of Control, Structure or Organization for an institution that has had its HLC accreditation withdrawn, even if that action is not yet a final decision, or where the institution has been notified of the Board’s intent to withdraw accreditation.

An institution that is not accredited by HLC or that has had its accreditation withdrawn or that has been placed on sanction or under a Show-Cause order by another institutional accreditor recognized by the U.S. Department of Education or by the Council for Higher Education Accreditation will not be considered for inclusion as a component of an institution accredited by HLC.

HLC also will take into account any sanctions or loss of accreditation by specialized or professional accreditors in considering a proposed Change of Control.

RESPONSIBILITY FOR REVIEWING HLC POLICIES
HLC amends and publishes policies multiple times a year. Institutions are responsible for reviewing these and related policies on HLC’s website. Each policy contains cross-references to other related policies for which institutions are responsible. Policies in effect on the date of Board action govern that action. Institutions with Change of Control applications being reviewed by the Board are responsible to provide additional information, whether by supplementing their applications or as part of their institutional responses, to ensure they are responsive to policies in effect on the date of Board action.
PROCESS OVERVIEW

NOTIFICATION TO HLC
An accredited institution must notify HLC when it is considering any change that is subject to review under the Change of Control, Structure or Organization policy. The notification should be submitted electronically via hlcommission.org/upload. Select “Change of Control, Structure or Organization” from the list of submission options to ensure that the notification is sent to the correct HLC staff member. The notification should include a brief explanation of the proposed change, the parties involved and supporting documentation, such as a letter of intent, term sheet, and a proposed timeline. Upon receipt of this notification, HLC will review the materials to determine whether an application for Change of Control, Structure or Organization and approval by the Board of Trustees is required. HLC will either confirm that the notification process is complete or notify the institution that approval is required and identify the next steps in the process.

PROCESS TIMELINE FOR BOARD APPROVAL
Because the Change of Control, Structure or Organization policy designates the Board of Trustees as the decision-making body for applications requiring approval, the deadline for the application is based on the Board’s meeting schedule. An institution applying for Change of Control approval should submit its application no later than seven to eight months prior to the Board meeting during which it expects the Board to review its application.

Submission of an application for a particular Board meeting does not guarantee that the application will be reviewed at that Board meeting. The Board of Trustees has the discretion to determine the final review and approval schedule for an application and HLC will notify an institution of the timeline. In addition, federal regulations require any approved Change of Control to be consummated no later than 30 days from HLC’s approval. For that reason, HLC reserves the right, at the time of an Initial Interaction with staff, to determine which Board meeting is most appropriate given the applicant’s realistic timeframe for consummating the proposed Change of Control.

DEADLINE FOR SUBMISSION OF CHANGE OF CONTROL APPLICATIONS
(Earlier deadline for November approval due to summer recess at many institutions.)

<table>
<thead>
<tr>
<th>Date (of the previous year)</th>
<th>First week of January.</th>
<th>Last week of February.</th>
<th>Within 30 days of any Board approval.</th>
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<tr>
<td>August 1</td>
<td>First week of May.</td>
<td>Last week of June.</td>
<td>Within 30 days of any Board approval.</td>
</tr>
<tr>
<td>November 1</td>
<td>Last week of August.</td>
<td>First week of November.</td>
<td>Within 30 days of any Board approval.</td>
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Step 1: Initial Interaction With Staff
The Initial Interaction provides a formal opportunity for HLC staff, after having reviewed the materials submitted in Notification, to learn more about the parties’ intentions. HLC will determine whether the Initial Interaction is to be conducted in person at the HLC office or by conference call. The Initial Interaction also serves to assist HLC staff in confirming whether an institution will be required to submit an application for Change of Control, Structure or Organization for prior Board approval and what form of review will apply based on the expected complexity of the application.
Step 2: Application Submission
A Change of Control application explains the proposed Change of Control, any potential impact on the institution, its ability to continue meeting the Criteria for Accreditation following consummation of the Change of Control and any information that is pertinent to understand legal, financial and state regulatory underpinnings that may be required. More information about the contents of the application is under Typical Materials for Application on page 6. HLC reserves the right to schedule an Initial Interaction with an institution that skips Step 1 of the application procedure (Initial Interaction).

The application must accurately address the Key Factors for approval as detailed in HLC policies. The applying institution and, if applicable, any other parties expected to have future involvement in a proposed Change of Control should work together to provide information that describes the institution after the transaction’s closing. (For example, the projections for enrollment or the business plan should be provided by a buyer or should be reviewed and endorsed by a buyer.) Significant changes to information provided to HLC in the course of the review could result in a delay of Board action on the application.

Information regarding compliance with HLC’s Eligibility Requirements and Criteria for Accreditation, must address an institution’s compliance after the transaction, not its compliance at the time of the application or its last comprehensive evaluation.

Peer reviewers, assisted by HLC staff, will review these materials and may request additional information as needed to better assess the projected impact of the change. All institutional materials must be submitted at hlcommission.org/upload. Materials should not be emailed or mailed.

The application must be submitted in accordance with HLC guidelines and requirements. The application must be thorough and contain all documents necessary to explain the proposed Change of Control and the expected effect on the accredited institution. HLC provides a sample list of materials that may be submitted as part of an application. The list is neither a universal list of requirements nor is it exhaustive. In some cases, the institution may need to submit information not listed to establish that the Change of Control application meets the Key Factors. In other cases, not all materials in the list may be applicable. An institution seeking approval for a Change of Control must file an application that includes an institutional statement that is responsive to all elements articulated in this Procedure and that attaches any legal, financial or state regulatory documentation necessary to effectuate the proposed change.

Importantly, HLC’s review of a Change of Control application is not intended to replicate or re-examine any institution’s (or other party’s) due diligence, or to confirm the wisdom of pursuing a particular Change of Control. Documents prepared ordinarily to satisfy due diligence demands may not all be helpful to the Board’s determination that a Change of Control application satisfies the Key Factors articulated in HLC policy for approval. The onus is on the applying institution to exercise good judgment in determining what information is germane to HLC’s quality assurance interests as an institutional accreditor.

Submissions that do not conform to guidelines, or that lack required information, may be rejected and the institution will be required to resubmit its application. HLC will not initiate the review process for any Change of Control until it determines that the application is complete.

Step 3: Review of the Application, Fact-Finding Review
An application for Change of Control, Structure of Organization requiring Board approval also requires additional review known as a Fact-Finding Review. A Fact-Finding Review can take a variety of forms:

- A two- to three-day campus visit that includes a Fact-Finding team led by peer reviewers (Fact-Finding Visit).
- A panel review of the application led by peer reviewers (Fact-Finding Panel).

Regardless of format, a Fact-Finding Review includes consultation with and support of HLC staff and may include appropriate external experts (such as transactional attorneys or corporate finance experts, as needed). All Fact-Finding Reviews result in the issuance of a Summary Report.

Step 4: Summary Report
A Summary Report is prepared by the peer reviewers who conduct the Fact-Finding Review that analyzes
the Change of Control according to applicable HLC policy. The Summary Report provides an assessment of the proposed Change of Control and advises the Board as to any potential concerns expected to arise after the consummation of the Change of Control represented in the application.

**Step 5: Institutional Response (and Supplement to Change of Control Application, if applicable)**

The institution will receive the final Summary Report and will have 14 calendar days to respond. In this response, the institution should address any concerns raised in the report as well as provide any corrections of errors of fact. The response will be provided to the Board with the application and Summary Report. Any institutional response, or any supplement to the Change of Control application in the event new information material to the Board’s consideration becomes available, is due to HLC no later than eight weeks in advance of the Board meeting.

**Step 6: Board Decision**

The Board will consider the Key Factors articulated in policy in determining whether to approve an application for Change of Control, Structure or Organization. If the Board determines that the application does not meet one or more of the Key Factors, the Board will not approve the application.

The Board has several options available to it upon review of the application, the Summary Report and the institutional response. They include, but are not limited to, the following:

- Approve the proposed Change of Control, Structure or Organization with or without conditions, such as limitations on new educational programs, student enrollment growth, development of new campuses or additional locations (no condition would alter an institution’s accreditation status).
- Defer consideration of the proposed Change of Control until the next scheduled Board meeting pending receipt of additional information or action by a third party.
- Require additional review through the Eligibility Process or a Fact-Finding Review regarding whether the proposed Change of Control constitutes the creation of a new institution that bypasses ordinary processes for seeking accreditation.
- Deny the proposed Change of Control, Structure or Organization.

HLC will communicate the Board of Trustees’ decision to the institution and the U.S. Department of Education through an official action letter. The Board’s action will also be included in the list of Board actions available on HLC’s website. In those circumstances where the proposed Change of Control is highly publicized, HLC may, at its discretion, post a Public Statement on its website. As required by HLC policy, any denial of a proposed Change of Control, Structure or Organization will result in a Public Disclosure Notice being posted on HLC’s website. The next steps for the institution depend on the action taken by the Board:

- In the event of approval or approval with conditions: See Steps 7 and 8.
- In the event of additional review through the Eligibility Process or a Fact-Finding Review, the Board will set forth the purpose and timeline for this review, and the results of the additional review will be available to the Board at a subsequent meeting.
- In the event of deferral: The Board will outline the specific information it requires and will set a timeline for the submission of that information and the Board’s review of the Change of Control, Structure or Organization.
- In the event of denial: Denial of a Change of Control is not an adverse action and is therefore not subject to appeal. An institution denied a Change of Control may resubmit its request for approval after six months from the date of the Board’s denial. However, it will be treated as a new request, subject to the same processes and fees as the previous review. HLC will provide a timetable for consideration of the new application at the time of submission, unless explicitly waived by the Board.

An institution that proceeds to consummate a Change of Control following a denial from HLC is subject to a range of consequences articulated in HLC policy. However, a Board action denying an application for Change of Control represents a refusal to extend accreditation if the Change of Control is consummated.

Should the transaction close without the prior approval of the Board, HLC policy allows the Board to withhold the accreditation of the institution. If the Board elects this option, it would take action at a Board meeting. This action is an appealable action under HLC Policy INST.D.90.010 Appeals.
**Step 7: Institutional Acknowledgement and Transaction Closing**

If the Board approves the transaction (with or without conditions), the institution and other parties involved in the transaction have 14 calendar days after receipt of the Board action letter to indicate in writing that they accept the approval and any conditions. If the institution and other parties do not respond in writing to accept or decline the approval and any conditions, the Board may act to rescind approval. The action to rescind approval may be taken through a regularly scheduled or special meeting of the Board as provided for in HLC’s Bylaws. The Board’s action may designate an effective date of approval of a Change of Control, Structure or Organization provided that such effective date will be not later than 30 days from the date of Board action.

The institution must also notify HLC in writing when the transaction is closed. HLC policy and federal regulation require that the transaction close within 30 days of the date of the Board’s approval. If the institution is not able to close the action within 30 days of the Board’s approval, the institution should indicate this in its application or should contact HLC as soon as possible for further guidance.

Additionally, if the transaction involves the termination of an institution’s affiliation with HLC, the institution will need to formally resign its accreditation with HLC at the time of the transaction closing. Institutions should consult HLC Policy INST.B.30.010: Termination of Affiliation or Accreditation and the applicable procedure for more information.

**Step 8: Subsequent Evaluation**

HLC will conduct a focused visit, or other evaluation as determined by the Board, to the institution within six months of the consummation of the approved Change of Control. Additionally, the next comprehensive evaluation will take place no more than five years after such consummation. These visits will verify that the institution, subsequent to the change, continues to meet HLC’s Criteria for Accreditation and Eligibility Requirements, that it is making appropriate progress on any concerns identified as part of the review, and that it is fulfilling any commitments it made to HLC as part of the recommendation and approval process.

**MATERIALS FOR APPLICATION**

All applications should be submitted as a single PDF document that includes section headings and bookmarks, with titles, for navigation. All documents and exhibits should be named in a List of Exhibits/Table of Contents that is included as a page in the application immediately after the General Introduction. Each Exhibit should be numbered (e.g., Exhibit 1, 2, 3, etc.).

Applications may not contain links to external sites or documents. If the institution elects to include supporting materials as appendices, these should be labeled and bookmarked. All applications for Change of Control, Structure or Organization must be submitted to HLC at hlcommission.org/upload.

An institution with any questions regarding the documents for a Change of Control, Structure or Organization Application is encouraged to contact legalaffairs@hlcommission.org.

**A. GENERAL INTRODUCTION**

The introduction provides a narrative description of the change, including the nature of the transaction, names and addresses of all relevant parties, the name of the institution, the institution’s standing with its other U.S. Department of Education recognized accreditors, the name of the parent corporation or subsidiary entities that have a controlling relationship with the institution, any other institutions that are a part of the transaction and their relationship to U.S. Department of Education recognized accrediting agencies, any required internal or external approvals and anticipated dates of those approvals, and the projected closing date of the transaction. This information should provide readers with a broad overview of what change is proposed and how the controlling party intends to transform the institution subsequent to the transaction. This section should be no more than 10 pages.

**B. LEGAL, FINANCIAL AND STATE REGULATORY DOCUMENTS**

An institution’s application should include the following documents and any additional documents that are appropriate for the nature of the proposal and that provide information relevant to understanding
the effect of the consummation of the change on the institution. If a transaction will occur at the level of a parent corporation or a subsidiary of a parent corporation holding a controlling relationship to the institution, include documents relevant to the outcome for the accredited institution as well as documents that explain the changes in the parent or other entity.

Begin this section with a short introduction that describes what documents from this list are included in the application and what documents from this list are not relevant to the proposal and therefore are not included in the application. These documents, to the extent applicable to the proposal, must be submitted. Additional documentation necessary for the Board’s understanding of the change must also be submitted. In all cases, any documentation submitted must accurately represent all of the terms that are material to HLC’s evaluation as detailed in HLC policies. References to “the transaction” in the following list may be understood to mean any change of control represented in the application:

1. Contract of sale or transfer, or purchase agreement, including all attachments, exhibits and related agreements or merger agreement, as applicable.

2. Revised or new Articles of Incorporation, Articles of Merger, etc., arising out of the transaction. Institutions must include the Articles of Incorporation for any buyer, its related corporations, and related investors.

3. New or revised corporate documents including Corporate Bylaws, Operating Agreement (LLC), Partnership or Joint Venture Agreement, etc. arising out of the Change of Control. Institutions must include the Bylaws for any buyer, its related corporations, and related investors.

4. For stock-related transactions, relevant filings completed with the Securities and Exchange Commission (SEC) including the S-1 and the 8-K, as applicable.

5. Pre-acquisition packet filed with the U.S. Department of Education (if filed) and information filed with the relevant state higher education agencies.

6. Pre-acquisition review letter issued by the U.S. Department of Education (if available) and letter of approval from state higher education agency or a letter from such agency explicitly indicating that approval is not required.

7. Financial information to include the most recent external audit, current budget, Form 990, and six months of cash statements for any buyer, for the institution, and for any parent corporation or for a subsidiary holding a controlling interest or other relationship with the accredited institution. Buyers and institutions that are for-profit entities should submit two years of federal income tax forms for their corporation and related corporations under the same parent entity. Investors or other third parties must also provide their most recent external audit and tax return. If they do not have an audit, they must provide third-party verification from a bank or other source documenting the funds to support the transaction and other funds to support any investment to be made in the institution within the first year subsequent to the closing of the transaction.

8. Organizational chart showing the institution, any parent or holding companies, governing boards, and key administrators at all levels, currently in place and as anticipated by the transaction. Such charts should outline the relationship between the accredited institution and the corporate structure after the close of the transaction.

9. Lists of key administrators and governing board members, including qualifications and disclosure statements, at the institution and at each corporate level senior to the institution subsequent to the transaction. Identify any hiring or recruiting that must be done at these levels as a result of the transaction.

10. If the buyers own other institutions of higher education not accredited by HLC in the United States or abroad, the records of those institutions with their institutional accreditors or quality assurance agency during the preceding ten years.

11. If the transaction involves including institutional assets from an institution accredited by another accreditor that is not HLC, the institution not accredited by HLC will need to provide its accreditation files with the other accreditor for the ten years preceding the proposed transaction. This institution will also need to complete a separate Eligibility Filing and submit it with the application.
12. If an institution accredited by HLC is seeking to incorporate a separately accredited (by HLC or another U.S. Department of Education recognized accreditor), free-standing institution under its HLC accreditation, it will need to include a branch campus substantive change application with the application for Change of Control, Structure or Organization.

13. If an institution accredited by HLC anticipates offering new academic programs that represent a significant departure from its existing academic offerings after the Change of Control, Structure or Organization, it will need to include a new program(s) substantive change application with the application for Change of Control, Structure or Organization.

14. If the institution forms a relationship with an entity that has no corporate or financial relationship with the institution to perform certain services, documentation is required specifically describing the services to be provided by the services provider, the costs thereof and how those costs will be financed.

15. If the institution works with other related accredited institutions to pool or consolidate services into another related entity that may be another corporation or may be a division of one of the institutions, documentation is required specifically describing the structure of the entity, the services it provides, the costs thereof and how those costs will be financed.

16. If the institution has a parent or affiliated corporation that provides various services to the institution, or if the institution intends to purchase or merge with another accredited institution that has an existing relationship with a parent or affiliated corporation, and the relationship with the parent or affiliated entity is to be maintained after the purchase through a shared services relationship with the former parent or affiliated corporation, documentation is required specifically describing the services to be provided, the costs thereof and how those costs will be financed.

17. If the institution forms a new related or separate corporation into which the institution transfers some of its existing operations and/or services and this new corporation would then provide services to the accredited institution or, if the institution may transfer assets related to academics and student services into the new related or separate corporation, and the institution may become the services corporation (which may also be authorized to sell its services to other institutions with which it had no previous relationship), documentation is required specifically describing the structure of the new entity, the services to be provided, the costs thereof and how those costs will be financed.

C. INSTITUTIONAL STATEMENT

The institution should provide a narrative response to each of the following points. Include any additional exhibits not provided as Transactional Documents that substantiate and help explain the response. The institution should respond to each question with specific information about the institution as anticipated subsequent to the consummation of the Change of Control and over the course of the next five years, and compare the current characteristics of the institution to those anticipated subsequent to the close of the transaction.

1. Explain the mission of the institution before the consummation of the Change of Control. How will the mission change subsequent to consummation? If the current mission will continue, how will the institution with new buyers or investors support the mission under new control or structure?

2. Outline the educational programs that the institution currently offers and explain how those programs will be continued and supported subsequent to consummation of the Change of Control. Identify any new programs the parties intend to initiate in the next five years and how these programs will be developed and by whom. (Explain the learning and support resources for current and future programs. Include an academic plan prepared by the institution and the proposed buyers or investors that outlines planned academic programs and support services for the next five years.)

3. Explain the current delivery mode(s) (on-ground, online, iTV, etc.) of the institution’s programs. Outline plans to change or expand any of the delivery modes and timeframe for such changes or expansion.
4. Provide the current student enrollment by department and modality (on-ground, online, iTV, etc.) at the institution. Outline any plans that are in progress to support students through the transition and to assist students who may need or want to be transferred and taught-out if existing programs will be terminated or modified in the next 12 months. Describe the anticipated student body subsequent to consummation of the Change of Control, the plans and targets for recruitment, and the basis on which these plans are deemed attainable.

5. Identify the projected enrollment for each quarter or semester for the next five years by campus, additional location, and distance or correspondence modality by department at each degree level.

6. Provide the marketing plan for the institution for the next five years after the consummation of the Change of Control. How will the institution market to new or continuing students as well as to different populations of students?

7. Provide the business plan for the next five years after the closing. How will the institution assure it can meet its debt or other financial obligations? What improvements or expansions to technology or infrastructure will be necessary to sustain financial operations, support current or planned enrollment increases, new educational programming, etc., and what will be the source of the funds? If the institution intends to use funds provided by an investor(s), what is the evidence of the investors’ commitment to continue to provide funds over time to sustain operations and expansion?

8. Describe immediate and long-range strategic planning for the institution and at the parent or corporate level as contemplated by the Change of Control application and how it will affect the institution.

9. Explain the governance and management structure at the institution and at the parent or corporate level as contemplated by the Change of Control application and how it will affect the institution.

10. Explain the knowledge of and experience in higher education, or with accreditation, of any of the buyers, investors or other key parties involved in the Change of Control. Include key administrators in place or being hired.

11. Describe the current faculty including the number of faculty members in each department, a summary of their qualifications, the nature of their employment relationship (tenured, union, etc.) at the institution, and plans in progress to terminate, retain, or supplement those faculty members after the consummation of the Change of Control. Provide numbers of full- and part-time faculty before the consummation and numbers anticipated within one year of consummation. Provide drafts of all employment agreements or employment documents anticipated for update at or subsequent to closing as well as evidence that faculty have seen the draft documents and provided an acceptance or rejection of an offer of employment.

12. Explain the institution’s current efforts to assess student learning and what efforts will be undertaken subsequent to the consummation of the Change of Control to ensure continuity or improvement of these efforts.

13. Explain how the institution will continue to meet each of the Eligibility Requirements and each of the Criteria for Accreditation, including each Core Component, subsequent to the consummation of the Change of Control. (If the Change of Control is designed to consolidate another institutional entity into the structure of an institution affiliated with HLC, the narrative must establish that the accredited institution will have sufficient academic and corporate control of the other component as outlined in HLC’s Eligibility Requirements.)

14. Outline how the institution has been working to address any challenges identified by the last comprehensive evaluation and any issues to have been addressed in upcoming HLC monitoring. How will the Change of Control assist the institution in resolving the issues identified by HLC?

15. Provide any other information important to understanding the Change of Control or the effect it is expected to have on the institution.

**TEACH OUT**

An institution that pursues a Change of Control, Structure or Organization during a period of financial exigency, or other circumstances that could force the institution to close, must submit a Provisional Plan (See Teach Out Procedure) for HLC approval.
with the application. The Provisional Plan should address what arrangements the institution would provide for students if the Change of Control were denied and the institution did not proceed with the proposed Change of Control. The Provisional Plan should also address what arrangements the institution would provide for students if the Change of Control were denied and the institution did proceed with the transaction, risking withdrawal of accreditation. HLC reserves the right to require an institution to submit a Provisional Plan with its application.

FEES FOR CHANGE OF CONTROL, STRUCTURE OR ORGANIZATION

HLC assesses fees for Change of Control, Structure or Organization requests. All fees must be paid before the Board will review the proposed transactions. The fees for a Change of Control, Structure or Organization are listed in HLC’s schedule of dues and fees. The fee schedule is revised annually; new fees are effective on September 1.

- The Initial Interaction fee is nonrefundable, even if the institution withdraws its request, the transaction does not proceed, or HLC determines that it does not need to approve the Change of Control, following an Initial Interaction.
- If the process continues and HLC determines that what is proposed is a Change of Control, Structure or Organization requiring prior HLC approval, then HLC will bill the Filing Fee upon the formal application filing. The Filing Fee is nonrefundable, even if the institution withdraws its application prior to Board action.
- If HLC incurs costs through the Fact-Finding Review or because of additional fees charged by professionals retained by HLC to assist with the review, HLC will bill the institution for those costs plus 15 percent. (Referred to as Legal and Consultancy Expenses + 15 percent)
- HLC reserves the right, after its preliminary determination at the time of the Initial Interaction, to reclassify applications as either more or less complex than initially contemplated after receipt of the full application. Institutions will be timely notified and charged or reimbursed accordingly.

QUESTIONS

Institutions should contact their assigned HLC staff liaison or legalaffairs@hlcommission.org with questions or concerns.