

**TABLE 1 Automatic Triggering Actions for Nonprofit Institutions**

Automatic triggering actions for nonprofit institutions	Actions related to the following situations:	Calculation of the amount of the loss	Reporting requirement for notifying ED of actions or events
<p><b>Debts and borrower defense-related lawsuits</b></p>	<p>(A) Institution is required to pay debt or incurs liability from a final judgment in a judicial or administrative proceeding, determination, or settlement; or                      (B) Institution is being sued (on or after July 1, 2017) by a federal or state authority for financial relief on claims related to making Direct Loans or provision of educational services and suit has been pending for 120 days.</p>	<p>(A) Amount of debt;                      (B) For a suit, the amount set by a court ruling, or, if no ruling:                      (1) Amount of relief claimed;                      (2) If no specific relief demanded, the amount demanded prior to the suit or a lesser settlement amount offered by the agency; or                      (3) If none of above, amount of tuition and fees received by institution for relevant period, program, or location.</p>	<p>(A) For lawsuits, 10 days after institution is served with complaint <i>and</i> 10 days after the suit has been pending for 120 days; and                      (B) For debts arising from lawsuits and for other actions or events, 10 days after a payment was required or a liability was incurred.</p>
<p><b>Other litigation</b></p>	<p>Institution is being sued in an action brought on or after July 1, 2017 that is not described above and:                      (A) The institution has filed a motion for summary judgment, which has been denied or court has reserved judgment;                      (B) Institution has not filed a motion for summary judgment by applicable deadline; or                      (C) If no deadline is set for filing for summary judgment and no motion is filed, court has set a pretrial conference or trial date and case is pending on earlier of those two dates.</p>	<p>Amount set by court ruling, or, if no court ruling:                      (A) Relief claimed in complaint;                      (B) If no specific relief demanded, amount stated in final written demand or settlement offer by claimant to institution; or                      (C) If no specific demand in complaint, pre-filing demand, or written offer of settlement, amount of claim stated in response to discovery request, including an expert witness report.</p>	<p>(A) Ten days after institution is served with complaint;                      (B) Ten days after court sets dates for the earliest of events; and                      (C) Ten days after the earliest of the applicable events occurs.</p>
<p><b>Accrediting agency actions</b></p>	<p>Institution was required by its accrediting agency to submit a teach-out plan that covers the closing of the institution or any of its branches or additional locations.</p>	<p>Amount of Title IV, HEA funds institution received in its most recently completed fiscal year for that location or institution, or for those general education programs.</p>	<p>Ten days after the institution is notified by its accrediting agency that it must submit a teach-out plan.</p>
<p><b>Gainful employment</b></p>	<p>As determined annually by ED, institution has gainful employment programs that, under §668.403, could become ineligible based on their final debt-to-earnings rates for next award year.</p>	<p>Amount of Title IV, HEA funds the institution received in its most recently completed fiscal year for that location or institution, or for those general education programs.</p>	<p>None</p>
<p><b>Cohort default rates</b></p>	<p>Institution's two most recent official cohort default rates are 30 percent or greater.</p>	<p>No composite score recalculation; institution considered unable to meet financial and administrative obligations.</p>	<p>None</p>