



CHANGE OF CONTROL, STRUCTURE OR ORGANIZATION

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 and 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 stipulates that the only decision-making body that can take action to approve an application for Change of Control is the Board of Trustees. Peer reviewers, with the support of HLC, provide the Board of Trustees a report analyzing the evidence and evaluating whether the application satisfies the Key Factors 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:

1. Sale or transfer to, or acquisition by, a new owner

of all, or a substantial portion, of the institution's assets, or the assets of a branch campus or site (not including any transfer that constitutes only the granting of a security interest);

2. Merger or consolidation of an institution with one or more institutions or entities. This includes the consolidation of an institution not accredited or in candidate status with HLC into the structure of an institution holding status with HLC;
3. The division of the member institution into one or more institutions or entities;
4. Stock transactions including Initial Public Offerings of stock as well as those transactions wherein an individual, entity or group acquires and controls 25% of the total outstanding shares of stock of the member institution, or an individual, entity or group increases or decreases its control of shares to greater or less than 25%, through individual or cumulative transactions, of the total outstanding shares of the stock of the institution;
5. Change of corporate form, governance structure, or conversion, including, but not limited to, change from Limited Partnership to Corporation, from Limited Liability Corporation to a Corporation, from a Not-for-Profit Corporation to a For-Profit Corporation, a Private to Public, a

Not-for-Profit Corporation controlled by members to one controlled by its Board of Directors, significant change in the size of the institution's governing board;

6. Any of the transactions in items 1 through 5 above involving a parent corporation that owns or controls the member institution or in any intermediate subsidiary of a parent corporation where that subsidiary has a controlling relationship to the institution and where the transaction may reasonably affect the control of the accredited institution as determined by HLC or by the U.S. Department of Education;
7. Sale, transfer, or release of an interest in the member institution such that there is change in the management or governance of the institution; and
8. Transfer of substantial academic or operational control of the member institution to a third-party entity.

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

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 to confirm whether notification or approval is required. When notification is required, 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 is at the discretion of the Board of Trustees and represents HLC's willingness to extend accreditation to an institution following completion 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 includes 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 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. Institutions in candidate status will need to file a new Eligibility Filing and seek a new candidacy status if they undergo a Change of Control. 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 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 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 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 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 any required 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

HLC's procedure related to Change of Control seeks to enable HLC to conduct a prompt and thorough review of an application. Because of the breadth of scenarios subject to the policy, as well as the uniqueness of every application, timely and accurate information from the institution(s) is needed to facilitate a review for Change of Control. Institutions are encouraged to consult with their HLC Staff Liaison, review HLC's policies and adhere to these procedural steps.

HLC does not provide submission deadlines for applications, but works with institutions seeking a Change of Control to facilitate the review and accept applications on a rolling basis. The review timeline, generally ranging from four to six months, depends on the exact change proposed by the institution(s), and will generally follow these steps:

Step 1: Initial Interaction Submission

An accredited institution should promptly notify HLC when it is considering any change that is subject to review under the Change of Control policy once the prospect is reasonably certain. HLC defines such a notification as an Initial Interaction Submission, which typically consists of preliminary, foundational documents related to a proposed change, such as a Letter of Intent, Memorandum of Understanding, etc. The Initial Interaction Submission should also include a brief narrative from the institution(s) describing the proposed change and include supporting materials, such as a broad overview of applicable corporate change(s), organizational charts, and the planned timeline for effecting the change.

An Initial Interaction Submission should be provided to HLC electronically via hlcommission.org/upload. Select "Change of Control, Structure or Organization" from the list of submission options. Please note that providing documents directly to the institution's HLC Staff Liaison is not sufficient to initiate the process.

Step 2: Initial Interaction Meeting

Upon receipt of the Initial Interaction Submission, HLC will review the materials to determine the proposed change as it relates to HLC policies. As part of this step, typically the institution's HLC Staff Liaison and members of HLC's Legal and Regulatory Affairs, will schedule a conference call or in limited circumstances, an in-person meeting with representatives of the institution(s). HLC defines this as the Initial Interaction Meeting.

The Initial Interaction Meeting provides a formal opportunity for HLC, after having reviewed the Initial Interaction Submission, to learn more about the parties' intentions, including the status of any negotiations, the parties' communications with other agencies, and the parties' planned steps for implementation.

The Initial Interaction Submission and Meeting process allows HLC to provide the institution(s) with an initial assessment of the applicability of HLC policies, including what form of review will apply based on the expected complexity of the proposed change.

Following the Initial Interaction Meeting, HLC will provide the institution(s) with a letter that sets forth HLC's initial assessment of the level of review and the timeline for review based upon receipt of the institution's application for Change of Control, and an initial estimate as to when the Board of Trustees may consider the application.

Step 3: 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 completion 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 Materials for Application on page 6.

Note: HLC reserves the right to schedule an Initial Interaction Meeting with an institution that skips Steps 1 and 2 of the application procedure. In the case that an institution bypasses Steps 1 and 2, HLC will provide an assessment of the level of review and timeline for review after conducting an initial review of the application.

Submission of an application for Change of Control does not dictate the timeline for review.

The application must address the Key Factors for approval as detailed in HLC policies ([INST.B.20.040](#),

[INST.F.20.070](#) and [INST.F.20.080](#)). The applying institution and 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 Change of Control occurs. (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.

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, will review these materials and may request additional information 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, must be thorough and contain all documents necessary to explain the proposed Change of Control and the expected effect on the accredited institution. The list of sample materials provided on page 6 is neither a universal nor exhaustive list of requirements. 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 may be applicable.

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. The onus is on the applying institution to exercise judgment in determining what information is germane to HLC's quality assurance as an institutional accreditor evaluating the impact of the Change of Control on the institution as a whole.

Submissions that do not conform to guidelines 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. HLC reserves the authority to reassess its determination of the level of complexity and/or timeline of a review based on the application.

Step 4: Review of the Application, Change of Control Evaluation

An application for Change of Control requiring Board approval also requires additional review known as a Change of Control Evaluation. A Change of Control Evaluation can take the following forms:

- A two- to three-day campus visit that includes an onsite team led by peer reviewers (Change of Control Visit).
- A panel review of the application led by peer reviewers (Change of Control Panel).

All Change of Control Evaluations include consultation with and support from HLC and may include external experts (such as transactional attorneys or corporate finance experts). All Change of Control Evaluations result in the issuance of a Change of Control Report.

Step 5: Change of Control Report

A Change of Control Report is prepared by the peer reviewers and provides an assessment of the proposed Change of Control and advises the Board as to any potential concerns expected to arise after the completion of the Change of Control.

Step 6: Institutional Response (and Supplement to Change of Control Application, if applicable)

The institution will receive the final Change of Control Report and have 14 calendar days to respond. In its 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 Change of Control Report. Any institutional response or supplement to the Change of Control application if new information material to the Board's consideration is available, is due no later than eight weeks in advance of the Board meeting.

Step 7: Board Decision

The Board will consider the Key Factors articulated in policy in determining whether to approve an application for Change of Control. 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 including, but not limited to, the following:

- Approve the proposed Change of Control 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 Change of Control Evaluation 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.

Following the Board decision, HLC will send an action letter to the institution and the U.S. Department of Education. 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 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 8 and 9.
- In the event of additional review through the Eligibility Process or a Change of Control Evaluation: 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.
- 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.

A Board action denying an application for Change of Control represents a refusal to extend accreditation to the institution if the Change of Control is consummated.

Should a Change of Control close without prior approval of the Board when required, HLC policy INST.B.20.040 articulates consequences, up to and including withdrawal of accreditation.

Step 8: Institutional Acknowledgement and Transaction Closing

If the Board approves the transaction (with or without conditions), the institution and other parties have 14 calendar days after receipt of the 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 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 within 24 hours when the Change of Control occurs. 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 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 Membership or Accreditation](#) and the applicable procedure for more information.

Step 9: Subsequent Evaluation; Post-Change of Control Visit

HLC will conduct a focused visit, or other evaluation as determined by the Board, to the institution within six months of the completion of the approved Change of Control. This visit will verify that the institution 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. Additionally, the next comprehensive evaluation will take place no more than five years after such completion.

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 must be submitted to HLC at hlcommission.org/upload. An institution with any questions regarding the documents for a Change of Control 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 Change of Control. 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 Change of Control 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. 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 mean the Change of Control described in the application:

1. Contract of sale or transfer, or purchase agreement, including all attachments, exhibits and related agreements or merger agreement.
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.
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 any other institutions of higher education not accredited by HLC, 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.
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, it will need to include a [new program\(s\) substantive change application](#) with the application for Change of Control.
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 that substantiate and help explain the response. The institution should respond to each question with specific information about the institution as anticipated after the Change of Control and over the course of the next five years, and compare the current characteristics of the institution to those after the Change of Control.

1. Explain the mission of the institution before the Change of Control. How will the mission change after the Change of Control? 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 after 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 after 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 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 Change of Control. 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 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 to terminate, retain, or supplement those faculty members after the Change of Control. Provide numbers of full- and part-time faculty before the event and numbers anticipated within one year of completion. 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 after 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, after 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.

VOLUNTARY RESIGNATION

Once a Change of Control has been approved, a merging institution must submit its resignation to HLC. The effective date of the resignation must reflect the close date of the transaction. (See [Voluntary Resignation Procedure](#)).

TEACH OUT

An institution that pursues a Change of Control during a period of financial exigency, or under 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 application is denied and the institution does 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 application were denied and the institution nevertheless proceeded with the transaction, risking withdrawal of accreditation. HLC reserves the right to require an institution to submit a Provisional Plan with its Change of Control application.

FEES FOR CHANGE OF CONTROL, STRUCTURE OR ORGANIZATION

HLC assesses fees for Change of Control requests as listed in HLC’s [dues and fees](#). HLC’s fee schedule is revised annually; new fees are effective on September

1. Change of Control fees are dependent on the complexity of the anticipated review and the agency reserves the right, after the Initial Interaction, to reclassify applications as either more or less complex than initially contemplated once the full application is received. Institutions will be notified and charged or reimbursed accordingly.

QUESTIONS

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