

# HIGHER EDUCATION INFORMATION MEMO

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## DOE Backs Away from Plan to Regulate Third-Party Service Providers

In a recent policy shift, the U.S. Department of Education (DOE) agreed in a [court filing](#) to end its plan to impose additional regulations on third-party service providers (TPSPs) contracting with colleges and universities. These regulations were initially designed to ensure greater oversight of and transparency for the relationships between educational institutions and TPSPs, particularly as more schools outsource critical services, such as financial aid management, student housing and online program delivery.

While the new position marks a significant change in the regulatory landscape forecast, institutions should remain cautious. Colleges and universities are still responsible for ensuring that any third-party partnerships comply with existing federal guidelines, particularly those related to student data privacy, Title IV funding and compliance with the Higher Education Act.

Administrators are encouraged to review their existing agreements with TPSPs to ensure continued compliance and consider conducting internal audits of third-party relationships. This proactive approach will help mitigate potential risks, even in the absence of new federal oversight.

Bond will continue to monitor how this policy shift may impact your institution's operations and responsibilities. If you would like to discuss the TPSP requirements or related Title IV compliance information, please contact [Seth Gilbertson](#) or any attorney in Bond's [higher education practice](#).

