



**SEVP Policy Guidance S4.3: Change of Ownership**

**Issue Date:** January 13, 2017

**Effective Date:** January 13, 2017

**Supersedes:** N/A

**Status:** Interim Final

**Applicable to:** 8 CFR 214.3(g)(2), 8 CFR 214.3(h)(3)(F) and (G), 8 CFR 214.4(a)(3)(iii)

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**Purpose/Background:** This guidance interprets the regulations governing change of ownership reporting requirements and clarifies change of ownership standards for Student Exchange Visitor Program (SEVP)-certified schools to guide SEVP adjudicators.

**Attachments:** None.

**Definitions:**

1. **Change of ownership.** A change in control or school type (e.g., a change in personnel, a transaction resulting in a sale, merger, transfer, or division of a school or a school's assets, stock or voting interests).
2. **Control.** Ability to direct or cause the direction of the management and policies of a school.
3. **School type.** The organizational foundation of a school. SEVP recognizes all of the following school types:
  - Public
  - Private nonprofit
  - Private for-profit

**Acronyms:**

1. **EIN.** Employer Identification Number
2. **IRS.** Internal Revenue Service
3. **SEVP.** Student and Exchange Visitor Program

**Policy:**

1. **Change of ownership requiring reporting.** A change of ownership occurs when there is either a change of control or change in school type at a school. A school must notify SEVP of a change of ownership by submitting an update to the Form I-17, "Petition for Approval of

School for Attendance by Nonimmigrant Student,” within 21 days of the change<sup>1</sup> or by filing a new initial Form I-17 petition within 60 days of the change.<sup>2</sup>

- SEVP considers change of control to be a reportable change of ownership if it meets or exceeds any of the following thresholds:
  - Nonprofit school – When fifty-one percent (51 percent) or more of the entity’s governing body (e.g., board of trustees, board of directors, or similar governing bodies) is replaced at one time or within a 12-month period.
  - For-profit school – When one-third (33.33 percent) or more of the entity’s ownership rights including but not limited to stock, units, shares, interests, other ownership designations of a corporation, company, partnership, or other entity are sold or otherwise transferred at one time or within a 12-month period.
- SEVP considers a change of school type to be a reportable change of ownership if it includes changes from the following:
  - Public to private
  - Private to public
  - Private nonprofit to private for-profit
  - Private for-profit to private nonprofit
- SEVP determines the date at which the respective thresholds of 51 percent and 33 percent are met based upon the potential change of ownership a school reports during a 12-month period. This 12-month period begins with the school’s first action that takes place either on its own or when combined with other actions meets the reporting requirement. Changes that are reported during the 12-month period that do not meet the thresholds initially create a baseline as this 12-month period progresses.

**2. Determining the date of change.** SEVP will use the following guidelines to establish the effective date of the change of ownership:

- When a change in ownership is accompanied by a change in the Internal Revenue Service (IRS) Employer Identification Number (EIN), the reported date of this change of EIN is considered to be the presumptive date of the change of ownership for reporting purposes. Evidence of this change will be the official notification of the change in EIN from the IRS.
- SEVP may, in its discretion, ask for additional supporting evidence to determine the actual date of the change of ownership rather than the use of the presumptive date.

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<sup>1</sup> 8 CFR 214.3(g)(2) and 8 CFR 214.3(h)(3)(F) and (G)

<sup>2</sup> 8 CFR 214.4(a)(3)(iii)

- When a change in ownership is not accompanied by a change in the EIN, the school must submit documentary evidence indicating the date of change of ownership with the notice of the change. Adjudicators will consider all supporting evidence when determining the date of change such as articles of incorporation, most recent bill of sale, shareholder documents, etc.

**Note:** When reviewing multiple documents submitted by a school, not including a change of EIN, SEVP will consider the latest date contained among the documents indicating a change in ownership as the effective date for reporting purposes.

3. **Failure to report.** If a school does not submit the update to the Form I-17 within 21 days of the date of the change, then the school must submit a new initial Form I-17 within 60 days of the date of the change. SEVP may consider a failure to report an ownership change as a valid and substantive basis for withdrawal.<sup>3</sup>

**References:**

1. *8 CFR 214.3(g)(2)*
2. *8 CFR 214.3(h)(3)(F)* and *(G)*
3. *8 CFR 214.4(a)(2)(ii)*
4. *8 CFR 214.4(a)(3)(iii)*

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Signed by Rachel Canty on January 13, 2017  
Deputy Director, External Operations  
Student and Exchange Visitor Program

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<sup>3</sup> *8 CFR 214.4(a)(2)(ii)*