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February 1, 2023

Ms. Chiou-Ling Hsu  
Interim President  
NewSchool of Architecture and Design  
1249 F Street  
San Diego, CA 92101

**Sent via Email**  
**and Document Center**  
**at: [cod.ed.gov](http://cod.ed.gov)**

**Re: Follow-Up to HCM2 Placement and Recent Accreditor Actions – NewSchool of Architecture and Design (OPE ID 030243900)**

Dear Ms. Hsu:

On November 7, 2022, the U.S. Department of Education (“Department”) placed NewSchool of Architecture and Design (“NewSchool”) on the heightened cash monitoring 2 payment method (“HCM2”). The Department took this action because of administrative capability concerns related to the frequent and rapid turnover in officials at NewSchool and evidence of financial difficulties at its parent corporation, Ambow Education Holding, Ltd.

On November 15, 2022, NewSchool’s accrediting agency, WASC Senior College and University Commission (“WSCUC”), issued NewSchool a Formal Notice of Concern. WSCUC’s notice indicated that NewSchool is in danger of being found in noncompliance with WSCUC Standards if current trends or findings continue. Areas of concern identified in the Notice of Concern included NewSchool having resources sufficient to ensure long term viability, the stability of the leadership of the institution, and the turnover and reduction of size and capacity of the board of directors.

As a result of these events, by no later than February 7, 2023, NewSchool must take the following actions to protect and inform students:

1. NewSchool must send to every enrolled and prospective student a notice regarding NewSchool’s Notice of Concern. A copy of the notice must be sent to the Department on the same date.
2. New School must begin reporting student enrollment to the National Student Loan Data System every 30 days instead of every 60 days (as normally required).
3. As a result of NewSchool's HCM2 status, it was required to submit a teach-out plan, or if practicable, a teach-out agreement to WSCUC in accordance with 34 C.F.R. § 602.24(c)(2)(i). Please submit a copy of the teach-out plan, and any teach-out agreement to the Department.

4. As set forth in the Department's Provisional Certification/Financial Protection Alternative letter of February 1, 2023, NewSchool must provide financial protection (in the form of a irrevocable letter of credit or cash escrow). Please see the Department's letter of February 1, 2023 for further details.

If you have questions or concerns related to these required actions, please contact Michael E. Powers of my staff at (312) 730-1729 or at [Michael.E.Powers@ed.gov](mailto:Michael.E.Powers@ed.gov).

Sincerely,



Michael J. Frola  
Director  
Multi-Regional and Foreign Schools Participation Division

MF/MP

cc:

Irene Moore, Director of Financial Aid Shared Services  
WASC - Senior Colleges and Universities Commission  
California Bureau for Private Postsecondary Education  
Department of Veterans Affairs  
Department of Defense  
Consumer Financial Protection Bureau