

**BOARD OF HIGHER EDUCATION**

**REQUEST FOR COMMITTEE AND BOARD ACTION**

**COMMITTEE:** Academic Affairs

**NO.:** AAC 21-01

**COMMITTEE DATE:** January 26, 2021

**BOARD DATE:** February 2, 2021

---

**REVOCATION OF THE DEGREE GRANTING AUTHORITY OF NEW ENGLAND COLLEGE OF BUSINESS AND FINANCE, INC. (NECB)**

**MOVED:** The Board hereby revokes the legal authority of **New England College of Business and Finance, Inc.** to operate a physical instructional location and grant degrees in the Commonwealth of Massachusetts retroactive to April 1, 2020.

**VOTED:** Motion adopted by AAC 1/26/2021; adopted by BHE 2/2/2021.

Authority: Massachusetts General Laws Chapter 69, Section 30 et seq.

Contact: Patricia A. Marshall, Ph.D., Deputy Commissioner for Academic Affairs and Student Success  
Ashley H. Wisneski, Esq., Deputy General Counsel

## **Background**

New England College of Business and Finance (“NECB”) was a for-profit college with a primary location in Boston, MA. NECB was founded in 1909 as the Boston Chapter of the American Institute of Banking and was first formally incorporated in 1914. It was approved by the Board of Higher Education to offer an Associate of Business Administration in Banking Studies in 1979. In 1988, its name was changed to New England Banking Institute and, in 1999, to New England College of Finance, Inc. In 2005 the institution was acquired by Whitney International University and converted to for-profit status, changing its name to New England College of Finance, LLC. In 2008 the institution changed its name to New England College of Business and Finance and began a decade-long process of becoming a fully online institution, as well as adding a number of bachelor’s, master’s, and doctoral degree programs. In 2012 NECB was acquired by Education Corporation of America (ECA).

ECA experienced financial difficulties and ran into issues with regulatory authorities, and as a result it was put into receivership in late 2018. As an asset of ECA, NECB was administered by the ECA Receiver, until June 2019, when NECB was acquired from the Receivership Estate of ECA by Monroe Capital LLC (“Monroe”), an investor in ECA. Due to the receivership, as well as some issues associated with ECA’s operation of NECB, there were significant disruptions in the operation of the College related to Title IV eligibility and financial operations. Continued financial difficulties connected to the receivership period, including a notable downturn in enrollments, led to a negotiation with Monroe in which Monroe and the NECB board agreed to revert NECB to non-profit status, sell the college to the new non-profit, and enter into an administrative services agreement with revenue sharing. In December 2019, Monroe notified NECB that it was no longer interested in owning the institution and would be reducing and eventually ceasing cash flow lending. NECB actively searched for merger and acquisition partners, and its Board voted in late January 2020 to accept a proposal from Cambridge College. The merger was completed in March 2020, and NECB became the New England Business Institute of Cambridge College. As a result of this merger, NECB is no longer operating as a separate degree-granting institution and does not require degree-granting authority.

NECB’s last day of instruction was February 21, 2020 and its final degrees were conferred on March 12, 2020. Throughout the closure process, NECB and Cambridge College staff worked with BHE staff to ensure compliance with state requirements related to the closure of the College.

In compliance with M.G.L., c. 69, § 30A and 610 CMR 2.10, a public comment period regarding the closure of NECB opened on November 20 and closed on December 12, 2020. No comments were received.

## **Staff Recommendation**

Staff recommends that the Board revoke the authority of NECB to grant degrees in the Commonwealth of Massachusetts retroactive to April 1, 2020.