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National Association of Consumer Advocates and the National Consumer Law Center Support the Court Legal Access & Student Support (CLASS) Act

(WASHINGTON) The National Association of Consumer Advocates (NACA) and the National Consumer Law Center (NCLC), on behalf of its low-income clients, strongly endorse the Court Legal Access & Student Support (CLASS) Act, legislation introduced yesterday by Congresswoman Maxine Waters (D-CA) and Senator Dick Durbin (D-IL) that would protect students' rights and access to our court system.

"We applaud the CLASS Act, which would restore the rights of students who have been victimized by fraudulent marketing and other bad practices so that they can hold schools accountable for harmful conduct in a court of law either individually or as a class action," said NACA's Legislative Director Ellen Taverna.

The CLASS Act invalidates terms in student enrollment agreements that require or forced arbitration of students' disputes. Forced arbitration clauses, often buried in the fine print of for-profit college enrollment contracts, funnel students with legal claims out of the open court system and into a private, secret arbitration proceeding. Forced arbitration eliminates a student's right to a jury trial in a civil action, limits discovery and makes meaningful appeal of the arbitration decision impossible. Most forced arbitration clauses also ban students from joining together to bring suits based on misconduct, such as misrepresentations about the ability of for-profit schools to prepare students for careers.

"For-profit schools that defraud students should not be allowed to use forced arbitration before a biased, secretive, and lawless system as a get-out-of-jail-free card," said Lauren Saunders, associate director of the National Consumer Law Center.

For-profit schools, including the Corinthian Colleges' chain, have been accused of significant wrongdoing for more than a decade, including misrepresenting job placement statistics and other serious deceptive practices. The deceptions allegedly induced many low-income students to enroll but due to inadequate training and the poor reputation of the school many students were

ultimately left with no employment prospects and saddled with enormous student loan debt. Because of forced arbitration clauses with class-action bans, Corinthian students were previously denied the ability to seek compensation for injuries caused by the institution's widespread fraud. Together, the forced arbitration clauses and class-action bans operated to make it impractical and costly for students to seek remedies in individual arbitration proceedings.

Links

Summary of the CLASS Act: http://waters.house.gov/uploadedfiles/class_act_summary.pdf

Full bill: http://waters.house.gov/uploadedfiles/class_act_final_waters_011_xml_2.pdf

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Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org

The National Association of Consumer Advocates (NACA) is a nonprofit association of more than 1,500 consumer advocates and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means. www.consumeradvocates.org