

Advocates Applaud CFPB Action Against Bridgepoint Education for Predatory Student Lending Practices

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(BOSTON) Advocates at the National Consumer Law Center (NCLC) applaud today's announcement that the Consumer Financial Protection Bureau (CFPB) has taken action against for-profit college chain Bridgepoint Education, Inc. for deceiving students into taking out private student loans that cost more than advertised. The CFPB is ordering Bridgepoint—which operates as Ashford University and the University of the Rockies—to discharge all outstanding private loans the institution made to its students and to refund loan payments already made by such students. The CFPB found that Bridgepoint convinced students to take out private loans by falsely assuring them that the loans could be paid back with a lower repayment amount than was possible.

NCLC brought the problem of private loans made by for-profit institutions to light and documented similar practices throughout the for-profit school industry in the 2011 report *Piling It On: The Growth of Proprietary School Loans and the Consequences for Students*, and general for-profit school abuses in the 2014 report *Ensuring Educational Integrity: Ten Steps to Improve State Oversight of For-Profit Schools*. "Bridgepoint's practice of tricking its students into taking out expensive loans from the school highlights the tendency of for-profit schools to prioritize profit-making above any educational mission," said National Consumer Law Center staff attorney Abby Shafroth. "These findings illustrate the urgent need for states and the federal governments to do more to protect students from predatory school lending practices."

Loan forgiveness and refunds will total over \$23.5 million in automatic consumer relief. Bridgepoint must also pay an \$8 million civil penalty to the Bureau. "We applaud the CFPB, which has once again demonstrated how important it is to have a federal agency that puts consumers first," said attorney Persis Yu, director of NCLC's Student Loan Borrower Assistance Project. "We are pleased to see that this action puts millions of dollars back in the hands of students harmed by Bridgepoint's deceptive schemes."

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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

NCLC's Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable. www.studentloanborrowerassistance.org