

Advocates Commend Dept. of Education Plan to Protect Student Borrowers from Predatory School Practices

FOR IMMEDIATE RELEASE: February 8, 2016 || **Contacts:** Jan Kruse (jkruse@nclc.org) or Abby Shafroth (ashafroth@nclc.org); (617) 542-8010

(BOSTON) Today the Department of Education announced that it is creating a new Student Aid Enforcement Unit and that the President will request an additional \$13.6 million in related funding in an effort to respond more quickly and efficiently to allegations of misconduct by schools that receive federal student aid. Advocates at the National Consumer Law Center (NCLC) commended the Department for taking action to improve enforcement of laws intended to protect student loan borrowers. NCLC has called on the Department and its Special Master for Borrower Defenses to implement a fair, efficient, and accessible borrower relief process.

“We’re encouraged the Department intends to take a more proactive stance in investigating and taking action against institutions that engage in misconduct at the expense of students,” said Abby Shafroth, a staff attorney for the National Consumer Law Center’s Student Loan Borrower Assistance Project. “However, the Department must also act to provide timely relief to the federal student loan borrowers who were defrauded by such misconduct and ensure borrowers eligible for relief are aware of their options.”

Related Resources:

NCLC: Options for Relief from Predatory Schools (May 2015).

NCLC Report: Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-Profit Schools, June 2014, Update: Step 2: Protecting Online Education Students, Dec. 2015

NCLC Report: Making the Numbers Count: Why Proprietary School Data Doesn’t Add Up and What Can Be Done About It, June 2005

Further NCLC information on school-related cancellation of federal student loan debt:
<http://www.studentloanborrowerassistance.org/loan-cancellation/school-related/>

NCLC: Letter to Special Master Joseph Smith re: Recommendations Regarding Defense to Repayment Relief Process for Federal Student Loan Borrowers (July 24, 2015).

NCLC: Coalition comments to Department of Education regarding process to assert defense to repayment of federal loans based on school misconduct (August 12, 2015).

NCLC: Coalition Comments to Department of Education re: Additional Items for Upcoming Negotiated Rulemaking (Sept. 16, 2015).

U.S. Department of Education information about debt relief for Corinthian College students:
<https://studentaid.ed.gov/sa/about/announcements/corinthian>