

Advocates Urge Department of Education to Discharge Debt Held By All Former Students of Corinthian Colleges

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Today, over thirty legal aid and advocacy organizations **submitted comments** to the U.S. Department of Education asking it to stop requiring Corinthian College students to apply for borrower defense relief; instead, the Department should issue a group discharge to those students.

“Approximately 350,000 students—many of whom are low-income people of color, veterans, homeless individuals, and first-generation college students—received little in return for the tens of thousands of dollars they paid to attend the Corinthian Colleges’ schools. Many of those students have been unable to find the employment the schools promised and are still being harmed by that debt today,” **said Kyra Taylor, staff attorney at the National Consumer Law Center.** “The Department has known for seven years how bad the Corinthian Colleges schools were, and it has the authority to issue an automatic discharge to all of these students.”

“While the Department has stalled on providing relief, these borrowers have struggled to repay the tens of thousands of dollars they borrowed for an education that too often provided little or no value,” **Taylor added.** “Many of these borrowers have fallen into default, leaving them vulnerable to the federal government’s extraordinary collection powers, including wage garnishment, tax refund seizure (including their Earned Income Tax Credit or Child Tax Credit) or siphoning off portions of other federal benefits to repay their federal student loans.”

The group’s comments assert that the Department has dramatically underestimated the burden of requiring Corinthian borrowers to apply for discharges via a shortened borrower defense application or otherwise. The Department has long known that Corinthian Colleges misled and defrauded the students it enrolled, and the Department could justify automatically discharging all Corinthian students’ debts using its multiple findings of misconduct to create a presumption that all Corinthian Colleges students were harmed.

“Instead of requiring these students to wade through a labyrinth of paperwork, the Department should use the group discharge authority provided in its borrower defense regulations to provide long-overdue relief to all Corinthian borrowers,” **said Taylor.**