

What the New Arbitration Rule Means for Litigating Against For-Profit Schools

January 29, 2019

While many for-profit schools previously tried to insulate themselves from lawsuits using forced arbitration clauses and class action bans, a rule that went into effect in October 2018 conditions school participation in the federal student loan program on agreement not to enforce these clauses against students with consumer claims. The Department has proposed rescinding the rule, but the soonest that would happen is July 2020 – so there is a short window for many students to sue in court.



Recording link



Materials: PDF Handout

False Certification Discharges for Wilfred Academy Students

November 3, 2017

In August, a federal court approved a historic settlement in *Salazar v. DeVos* that could provide debt relief to as many as 60,000 students. Under the settlement, the Department and Guaranty Agencies are in the process of sending out notices and discharge applications to former students who attended “Wilfred Beauty Academy” (and related Wilfred schools) in the 1980s and 1990s. Wilfred had campuses in CA, CO, DC, FL, IL, MA, MD, NJ, NY, PA, and TX. The Department is required to grant discharges for all borrowers who are eligible for a false certification ability-to-benefit discharge based on the application itself. But getting the word out to these borrowers, and helping them submit the applications, will be key to ensuring that as many as possible receive discharges.

Speakers:

Jane Greengold Stevens, Co-Director of Special Litigation, New York Legal Assistance Group

Danielle Tarantolo, Co-Director of Special Litigation, New York Legal Assistance Group

Moderator: Robyn Smith, Of Counsel, NCLC

This webinar provided more information on the settlement, tools for borrower outreach, and explained to advocates how to assist Wilfred students in submitting their applications. Background information about the lawsuit, including key filings and the final settlement order, are available online.



Presentation attachments

Student Loan Debt Collection and Seniors

July 27, 2016

Presenters: **Kate Lang**, Justice in Aging, **Michael Walters**, Center for Elder Rights Advocacy and Pro Seniors, Inc. and **Persis Yu**, National Consumer Law Center

The Treasury Offset program provides for collection of Federal debts through offset of Social Security benefits. One of the more common scenarios for hotline advocates involves clients who are facing garnishment of their Social Security benefit due to default on a student loan. In many cases, the senior may have guaranteed the loan for a child. The National Consumer Law Center, Justice in Aging, and the Center for Elder Rights Advocacy present a webinar regarding how to advise clients who are facing this significant problem. These cases present unique challenges for hotline attorneys due to the complexity of the rules governing beneficiaries seeking forgiveness of a Federal debt due to disability or other reasons. The webinar is particularly directed toward legal hotline advocates and managers.

This webinar addressed:

- A review of the rules for treasury offset and forgiveness of student loan due to disability.
- A review of recent changes in Federal policy and proposed changes to the law.
- A discussion of other remedies that may be available to a senior threatened with garnishment of Social Security due to a student loan debt.
- Giving competent advice to clients faced with a potential garnishment who call a senior hotline



Getting Started in Student Loan Law Part 4: Discharging student loans: Disability Discharges and Bankruptcy

Administrative disability discharge and bankruptcy are two important ways for borrowers experiencing hardship to eliminate their student loan debts. It is very difficult, but not impossible, to discharge student loans in bankruptcy. Most of the webinar will focus on the threshold questions to ask in considering whether to pursue bankruptcy discharge and tips for proving undue hardship. We will first review the basics of disability discharges. For those borrowers who qualify, this is often a more efficient route to student loan discharge than bankruptcy. Learn how to navigate these two options, the pros and cons to each, and when to use one method over the other.

Speakers: Deanne Loonin, Staff Attorney (National Consumer Law Center), Geoff Walsh, Staff Attorney (National Consumer Law Center), Persis Yu, Staff Attorney (National Consumer Law Center)



Recording

Getting Started in Student Loan Law Part 3: Federal Student Loan Repayment Options and Default Resolution

This will be the third session in a series of student loan webinars. This session will cover the basics on how to get federal student loan borrowers out of default, pros and cons of each method, and the various loan repayment options/eligibility for borrowers not in default. It will also include information about ongoing problems in these areas, as well as information on the proposed rules for the newest income driven repayment plan.

Speakers: Adam Minsky, Attorney (Law Office of Adam Minsky) and Persis Yu, Staff Attorney (National Consumer Law Center).



Recording

Part II: Litigating on Behalf of Reverse Mortgage Surviving Spouses

Advocates representing elderly homeowners that were left off of a reverse mortgage loan taken out by their spouses have been struggling to keep foreclosure at bay. For most surviving spouses, HUD is extending only the “Mortgagee Optional Election,” wherein the mortgage servicer may assign the mortgage to HUD only if the spouse passes the Principal Limit Factor test. However, surviving spouses who have obtained a court order declaring the HUD regulation invalid as to them have been offered the alternative “Hold Election,” where the servicer can delay foreclosure indefinitely and then assign the loan to HUD when it reaches 98% of the Maximum Claim Amount. This alternative does not require a spouse to pass the Principal Limit Factor test. This session will follow up on our March 19th webinar, expanding on litigation theories, crafting pleadings, strategy issues, and opportunities to resolve these cases in a way that keeps widows and widowers in their homes.

Presenter: Sarah Bolling Mancini (National Consumer Law Center)

Additional sponsorship for this Webinar is provided by a grant from the Administration on Aging/Administration for Community Living. This webinar is part of a series of National Elder Rights Training Project webinars for the National Legal Resource Center.

There is no charge for this webinar.

All time listings are in Eastern Time.

If you have any questions email trainings@nclc.org

After registering, you will receive a confirmation email containing information about joining the webinar.



Part 2: Getting Started in Student Loan Law: The Nuts and Bolts of Seeking Federal Debt Relief Based on School Misconduct

This was the second session in a series of student loan webinars. It provided an introduction to the different types of relief available to student loan borrowers who have been subjected to illegal, unfair, or deceptive school practices. It covered how to identify school-based claims, how to prepare closed school and false certification (ability-to-benefit) discharge applications, and how to present school-based claims as a defense to loan repayment. It also covered the advantages and limitations of each type of relief, as well as recent developments. This webinar didnt cover basic background

information on federal student loans, so we recommend prior participation in the April 22, 2015 webinar.

Speakers: Robyn Smith, Of Counsel, National Consumer Law Center and Toby Merrill, Director, Project on Predatory Student Lending, Legal Services Center of Harvard Law School



Part 1: Getting Started In Student Loan Law

This was the first session in a series of student loan webinars. It provided participants with a background on student loan issues. It covered the importance of providing services to borrowers with student loan issues and the consequences of defaulting on a student loan. It also provided an overview of the different types of loans, how to help borrowers figure out the types of loans they have, and an introduction to the tools necessary to assist borrowers.

Speakers: Deanne Loonin and Persis Yu, Staff Attorneys at the National Consumer Law Center

April 22, 2015

