

January 30, 2024

The Honorable Virginia Foxx  
Chairwoman  
House Committee on Education  
& the Workforce

The Honorable Robert C. Scott  
Ranking Member  
House Committee on Education  
& the Workforce

Dear Chairwoman Foxx and Ranking Member Scott,

We write as 22 organizations representing students, consumers, veterans, faculty and staff, civil rights advocates, and researchers to express our concerns with multiple provisions in H.R. 6951, *The College Cost Reduction Act* (CCRA). Although this legislative package includes some new approaches to holding colleges accountable for student outcomes and incorporates some bipartisan proposals, the package also includes troubling provisions that, together, would leave students less protected from high-cost, low-quality, and predatory programs. Other provisions would weaken needed tools for oversight and make it more difficult for borrowers to repay their student loans. As your committee prepares to markup this legislative package, we ask Members to place students' and borrowers' interests first by only advancing legislation that would better protect them and ease the path to repayment.

Most concerning, the CCRA would undo baseline student and borrower protections that have undergone extensive public input over recent years. By repealing and eliminating authority for future regulations under the 90/10 rule, this legislation would reopen the door for predatory institutions to target student veterans as little more than dollar signs in uniform. By doing the same for financial value transparency and gainful employment regulations, the legislation would remove the essential protection to assure students that their career education programs will not lead to insurmountable debts and low wages in the workforce. Previous analysis showed that the Trump administration's rescission of gainful employment risked losing more than \$6 billion in taxpayer funds over 10 years.<sup>1</sup> Taxpayers should not be burdened with the costs of students seeking career education who are relegated to low-income career prospects and high likelihoods of eventual default on their loans. Further, the legislation, as proposed, would strip the Department of Education's ability to proactively identify institutions on unstable financial footing and at risk of the kind of precipitous closures that can have disastrous consequences for students.<sup>2</sup> It would also hinder the ability of borrowers whose institutions close to pursue relief from debt accrued while enrolled by schools that collapse.

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<sup>1</sup> Federal Register, Vol. 84, No. 126 (July 1, 2019), <https://www.govinfo.gov/content/pkg/FR-2019-07-01/pdf/2019-13703.pdf>.

<sup>2</sup> State Higher Education Executive Officers Association, *A Dream Derailed? Investigating the Causal Effects of College Closures on Student Outcomes* (April 2023), [https://sheeo.org/wp-content/uploads/2023/04/SHEEO\\_CollegeClosures\\_Report2.pdf](https://sheeo.org/wp-content/uploads/2023/04/SHEEO_CollegeClosures_Report2.pdf).

Recent high-profile coverage of instances where third-party advertising and recruitment companies have steered historically revered universities astray underscore the importance of the ban on incentive-based payments to personnel involved in the student enrollment process.<sup>3</sup> The Higher Education Act's incentive compensation ban is crucial for safeguarding prospective students from high-pressure and deceptive recruiting tactics. By prohibiting colleges from paying commissions or bonuses based on student enrollment numbers, it aligns the interests of institutions with the needs of students, rather than prioritizing the financial gain of those involved in recruitment. Rather than make clear that third parties should not be incentivized to drive up enrollments without commensurate concern for program quality, the legislation, as proposed, would expressly codify outdated bundled services guidance that should be rescinded.

In addition to hobbling the Department of Education's authority to proactively protect students and borrowers from predatory institutions—as well as to protect taxpayers' interests against waste, fraud, and abuse of Title IV programs—the CCRA would repeal the new borrower defense to repayment regulations. Such a repeal would undermine the ability of defrauded borrowers to pursue debt relief guaranteed by the Higher Education Act. In 2020, Congress voted on a bipartisan basis against the Trump administration's effort to reengineer borrower defense not to favor defrauded borrowers, but rather the institutions that defrauded them.<sup>4</sup> Rather than repeal the new borrower-focused regulations, Congress should appropriate sufficient funds for the Department of Education to clear the backlog of borrower defense claims, including those part of the *Sweet* litigation settlement, and enable long-delayed relief to come to defrauded borrowers.<sup>5</sup> These new regulations should also provide an appropriate deterrent against future fraudulent actions by institutions and their leadership.

The legislation would also make student loan repayment significantly more expensive for millions of current and future borrowers by increasing monthly payments—likely driving more borrowers into delinquency and default—while removing existing safeguards that protect borrowers from carrying debt for more than 25 years. This model could mean that some borrowers would stay in debt for the rest of their lives.

Students, borrowers, and taxpayers stand to waste billions of dollars on predatory, high-cost, and low-quality programs if this bill becomes law. Instead of repealing critically needed safeguards, we urge Congress to support and ensure full implementation of 90/10 loophole closure, gainful employment, borrower defense, and other baseline protections for students and taxpayers. These

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<sup>3</sup> T. L. Nadolny & C. Quintana, “Black Men Were Offered a Second Chance at College, then Pitfalls Piled Up,” *USA Today* (June 28, 2023), <https://www.usatoday.com/in-depth/news/investigations/2023/06/01/morehouse-college-online-program-falls-short/70225028007/>.

<sup>4</sup> M. Stratford, “DeVos Rebuked in Bipartisan Senate Vote over Limiting Student Debt Relief,” *Politico* (March 11, 2020), <https://www.politico.com/news/2020/03/11/betsy-devos-senate-vote-student-debt-relief-125826>.

<sup>5</sup> Project on Predatory Student Lending, *Sweet v. Cardona*, <https://www.ppsl.org/cases/sweet-v-cardona>.

protections are essential building blocks of accountability, as well as student and borrower protection, that Congress has intended in the Higher Education Act.

Thank you for your leadership on the committee and your consideration of our concerns. If you have any questions or need for clarification, please contact Dr. Kyle Southern of The Institute for College Access & Success at [ksouthern@ticas.org](mailto:ksouthern@ticas.org). We look forward to the markup discussion and collectively stand ready to be of any assistance in advancing student- and borrower-centered legislation.

Sincerely,

American Association of University Women  
American Federation of Teachers  
Associated Students of UC Irvine External Vice President  
Center for American Progress  
Center for Law and Social Policy  
Center for Responsible Lending  
Consumer Action  
David Halperin, Attorney  
National Association for College Admission Counseling (NACAC)  
National Consumer Law Center (on behalf of its low-income clients)  
National Education Association  
New America Higher Education Program  
Project on Predatory Student Lending  
Southeast Asia Resource Action Center  
Student Borrower Protection Center  
Student Debt Crisis Center  
The Century Foundation Higher Education Policy Team  
The Education Trust  
The Institute for College Access & Success  
UnidosUS  
Veterans Education Success  
Young Invincibles