

**January 14, 2020**

**ATTORNEY GENERAL RAOUL SUPPORTS CONGRESSIONAL EFFORT TO REJECT RULE THAT WOULD HURT STUDENT BORROWERS**

***Raoul, 19 AGs Urge Disapproval of Department of Education's 2019 Borrower Defense Rule***

**Chicago** — Attorney General Kwame Raoul, as part of a coalition of 20 attorneys general, today supported congressional efforts to reject the U.S. Department of Education's 2019 rewrite of the Borrower Defense to Repayment Rule. The department's new version of the rule fails to protect students and taxpayers from the misconduct of unscrupulous schools.

[In a letter to Congress](#), Raoul and the attorneys general commended efforts to reject the Department of Education's (DOE) 2019 Borrower Defense Rule pursuant to a resolution of disapproval under the Congressional Review Act.

"Student borrowers should have a clear and convenient method to discharge their loans from schools that take advantage of their students," Raoul said. "My office has and will continue to investigate and protect students from institutions that use predatory methods to exploit borrowers."

The DOE's new rule would rescind and replace its comprehensive 2016 Borrower Defense Rule, which involved a thorough rulemaking process addressing borrower defense and financial responsibility, and included input by numerous schools, stakeholders, and public commenters. The 2016 Borrower Defense Rule provided defrauded borrowers with a transparent process to seek debt relief and protected taxpayers by holding accountable schools that engage in misconduct.

According to Raoul and the coalition, the final rule provides no realistic prospect for borrowers to discharge their loans when they have been defrauded by predatory for-profit schools, and it eliminates financial responsibility requirements for those same institutions. Raoul and the attorneys general argue the DOE's new rule provides an unworkable process for defrauded students to obtain loan relief and will do nothing to deter and hold accountable schools that cheat their students. Instead of ensuring that borrowers are not bearing the costs of institutional misconduct, the department's new rule empowers predatory for-profit schools and cuts off relief to victimized students.

The Illinois Attorney General's office has long been a national leader in investigating and enforcing consumer protection violations in the higher education field, including discharge application pursuant to the borrower defense to repayment rule. In November 2019, Attorney General Raoul announced that over \$10 million in student loans for former Illinois Institute of Art and Colorado Art Institute students would be discharged by the Department of Education following an application by Colorado and Illinois under the 2016 Borrower Defense to Repayment Rule. The department's 2019 version of the rule would not allow similar group applications.

Recently, Attorney General Raoul has overseen the rollout of the state's first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide resources for student borrowers who are struggling to make student loan payments. Attorney General Raoul has also advocated for protections for veterans in higher education, joining a coalition of state attorneys general calling on the DOE last year to automatically discharge student loans for totally and permanently disabled veterans. In August 2019, the DOE was ordered to create a process to automatically discharge the loans.

Student borrowers who have questions or are in need of assistance can call the Attorney General's Student Loan Helpline at 1-800-455-2456. Borrowers can also file complaints on the [Attorney General's website](#).

Joining Raoul in submitting the letter are attorneys general of California, Delaware, the District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Vermont, Virginia, Washington.