



For Immediate Release
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MADIGAN ANNOUNCES STUDENT LOAN AGREEMENTS – SCHOOLS TO ADOPT NEW COLLEGE CODE OF CONDUCT

Chicago—Attorney General Lisa Madigan announced that she and the New York Attorney General’s Office have reached settlements with Illinois-based DeVry University and Career Education Corporation concerning student loan practices involving the schools and lenders. The settlements require the schools to adopt a College Code of Conduct and to return the money paid by lenders to schools.

“Illinois students are entitled to full disclosure of the criteria used to place lenders on the schools’ preferred lender lists and should have access to all of the information necessary to ensure that they are able to choose the loan that is best for them,” said Madigan. “We acknowledge DeVry University and Career Education Corporation for promptly adopting the College Code of Conduct. We will continue to review the school loan lending practices of all the schools in Illinois.”

DeVry University and Career Education Corporation agreed to adopt the College Code of Conduct which outlines requirements for the lender-school relationship.

The Code of Conduct requires:

- On all preferred lender lists the College must clearly disclose the criteria and process used to select preferred lenders. Students must also be told that they have the right to select the lender of their choice regardless of the preferred lender list.
- College preferred lender lists must be based solely on the best interests of the students or parents who may use the list without regard to financial interests of the College.
- Colleges are prohibited from receiving anything of value from any lending institution in exchange for any advantage sought by the lending institution. This specifically prohibits “revenue sharing” arrangements.
- College employees are prohibited from taking anything of more than nominal value from any lending institution. This includes a prohibition on trips to seminars for financial aid officers and other college officials paid for by lenders.

- College employees are prohibited from receiving anything of value for serving on the advisory board of any lending institution.
- Colleges must ensure that employees of lenders do not staff university financial aid offices or identify themselves as employees of the College.

In addition to abiding by the Code of Conduct, both schools have agreed to return money received from lenders.

DeVry will return to students the \$88,122 that it received in the form of revenue-sharing payments from Citibank for listing its private loan product among the University's preferred lender list. This money will be distributed to individual students and parents who took out loans in 2004-2005 on a pro rata basis depending upon the amount of the loan and the interest rate.

DeVry no longer maintains a relationship with Citibank as a preferred lender. DeVry's preferred lenders have also hosted or sponsored national business meetings, meals and training seminars for the university's campus and corporate student finance officers. The Code of Conduct, as well as the settlement agreement, prohibits DeVry from continuing to accept these gifts or promotions.

Career Education Corporation received donations in an aggregate amount of \$21,200 from Wachovia and Sallie Mae, two lending institutions on its preferred lender list. Career Education Corporation directed this money to the Career Education Scholarship Fund, a non-profit, tax exempt entity. Career Education Corporation will contribute \$21,200 to a nationwide consumer education fund to be used to inform high school students and parents about student loans.

DeVry University is based in Oakbrook Terrace, Illinois. More than 52,000 students are enrolled at its 84 locations in 24 states and Canada, as well as through DeVry University Online. DeVry University offers undergraduate degrees in technology, business, and healthcare technology and graduate degrees in management through the Keller Graduate School of Management.

Career Education Corporation is based in Hoffman Estates, Illinois. Career Education Corporation operates 71 schools and universities nationwide with the following five schools located in Illinois: American InterContinental University Online in Hoffman Estates, International Academy of Design & Technology in Chicago, Sanford-Brown University in Collinsville, The Cooking and Hospitality Institute of Chicago in Chicago, and Harrington College of Design in Chicago.

The Special Litigation and Consumer Fraud Bureaus in Attorney General Madigan's Office are continuing this ongoing investigation of student loan practices in Illinois.

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[DeVry University Settlement Agreement](#) 

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