

Press Releases

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MADIGAN URGES DEPARTMENT OF EDUCATION TO ENSURE MORE STUDENTS OF PREDATORY SCHOOLS OBTAIN LOAN RELIEF

Chicago — Attorney General Lisa Madigan today joined with 13 states, the District of Columbia and the Hawaii Office of Consumer Protection to urge the U.S. Department of Education to broaden its efforts to provide loan forgiveness to students who attended fraudulent schools.

Madigan and her counterparts submitted comments to the Department of Education today that urge it to adopt a proposed universal form for students applying for student loan relief after attending schools that have violated state laws, such as Everest Colleges in Illinois that were operated by Corinthian Colleges Inc.

Though the Department of Education has made extensive findings of fraud against Corinthian, only 7 percent of potentially eligible students have applied for relief as of June 2016. Madigan said in her comments that the lack of a universal application form is a major impediment to obtaining loan relief.

"We need to make sure that many more students obtain the loan relief they deserve," Madigan said. "Students should not be left footing a bill for schools that broke the law by not providing the education they promised."

In their comments, Madigan and the attorneys general asked the Department of Education to include several additions in a universal borrower defense form:

- Encourage students to submit all relevant information. Both the existing and the proposed borrower defense standards are broad, and the form should invite students to submit any information they feel is relevant to describing the problems with their school.
- Inquire specifically about whether the school made misrepresentations about licensure, certification, or eligibility for specific careers.
- Protect students' rights by ensuring that the forbearance process for loans under review for borrower defense is simple and fair, and by ensuring that student claims against their school that are not subject to borrower defense are preserved.

Joining Madigan in submitting today's comments were Massachusetts, Minnesota, California, the District of Columbia, Hawaii, the Hawaii Office of Consumer Protection, Iowa, Kentucky, Maine, Maryland, New Mexico, Oregon, Pennsylvania, Vermont and Washington.

Attorney General Madigan is a national leader in investigating and enforcing consumer protection violations in the higher education field. Madigan is currently leading an investigation into Navient, formerly Sallie Mae, which is the largest servicer of student loan debt in the country. Madigan has testified before Congress and urged the U.S. Department of Education to crack down on the many abuses and scams facing student borrowers.

As part of her crack down on fraudulent practices in the for-profit college industry, Madigan has reached settlements with Westwood College and Education Management Corporation (EDMC), which operates five Illinois Institute of Art and Argosy University campuses in Illinois. Madigan was also the first attorney general in the country to take action against a new industry of student loan debt relief scams, which seek out student loan borrowers who are desperate for help to avoid their loans and scam them into paying money to help with their debt. In reality, once these scams take upfront fees from borrowers, they do little work to help them with their payments.

Madigan also created a free Student Loan Helpline to provide student borrowers with free resources about repayment options, avoiding default or to file a complaint about loan servicing at (800) 455-2456 (TTY: 1-800-964-3013). More information can also be found on her [website](#).

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