



June 5, 2017

ATTORNEY GENERAL MADIGAN URGES EDUCATION SECRETARY DEVOS TO STOP DELAYING STUDENT LOAN FORGIVENESS

Chicago — Attorney General Lisa Madigan today announced she is leading a coalition of attorneys general and other state officials demanding that the U.S. Department of Education stop delaying its program to cancel federal student loans for thousands of Illinois students victimized by predatory for-profit colleges.

Across the country, thousands of former students of Corinthian Colleges Inc., who are eligible for loan forgiveness by the U.S. Department of Education, have yet to see their loans forgiven and are continuing to make payments on these loans. Some students are nearing the end of 12-month forbearances or collections bans on their loans and face restarting monthly payments on debts that should be canceled. All of these students attended campuses and programs where the Department of Education found fraud.

In a [letter](#) sent today to U.S. Secretary of Education Betsy DeVos, Madigan urges the Department of Education to review the mounting applications and work to forgive loans already approved to be canceled.

"Education Secretary DeVos must immediately forgive student loans the Department of Education has already determined were solicited by fraudulent for-profit schools," Madigan said. "Yet, inexplicably, the government is still collecting on these fraudulently induced loans from schools the Department never should have allowed to operate."

The letter presses DeVos to provide information on what the department is doing to rectify the growing backlog of applications and to provide a timeframe for forgiving the student loan debt. In addition, since the Department of Education has already determined that these students are eligible for loan forgiveness, the letter urges DeVos to abandon the application process and automatically discharge all eligible loans.

"Relieving these hard-working Americans of their fraud-induced student debt will free them to participate more fully in their local economies, or even continue their educations with reputable schools," the letter states.

After intense scrutiny by various government entities, for-profit Corinthian Colleges abruptly ceased operations in 2015. Corinthian owned and operated seven Everest College campuses in Illinois. Madigan's investigation into Everest College revealed widespread misrepresentations made to prospective students, supporting the Department of Education's own findings of fraud that Corinthian made systemic misrepresentations between 2010 and 2014 about post-graduation employment rates for certain programs at its campuses.

Former Corinthian students in Illinois were notified as part of a bipartisan effort by Madigan and 46 other attorneys general across the country to inform more than 100,000 former Corinthian students that they are eligible for streamlined loan cancellation and provide information on how to apply for loan forgiveness.

Attorney General Madigan is a national leader in investigating and enforcing consumer protection violations in the higher education field. She has investigated for-profit schools for fraud and repeatedly called on the U.S. Department of Education to immediately forgive federal loans of students who attended fraudulent for-profit schools.

In addition to her investigation of Corinthian, Madigan reached a \$15 million settlement with Westwood College in 2015 that forgave private debt owed by students of Westwood's criminal justice program. After resolving Madigan's lawsuit, the college announced its closure. More than 3,600 former Westwood College students in Illinois received an average of more than \$4,200 in relief under the settlement, in addition to the potential federal loan relief called for by Madigan.

Madigan also reached a settlement with Education Management Corporation (EDMC), which operates five Illinois Institute of Art and Argosy University campuses in Illinois. The settlement requires EDMC to provide disclosure to students about the true cost of the school and expectations for job placement after graduation.

Earlier this year, Madigan filed a lawsuit against Navient and Sallie Mae for faulty and abusive student loan practices. Madigan also testified before Congress and urged the U.S. Department of Education to crack down on the many abuses and scams facing student borrowers.

Madigan's office runs 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](#).

Joining Madigan in sending today's letter are attorneys general from: California, Connecticut, Delaware, Hawaii, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Mexico, New York, Oregon, Pennsylvania, Virginia, Washington and the District of Columbia, as well as Hawaii's Department of Commerce and Consumer Affairs.

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