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July 13, 2017

### **MADIGAN & ATTORNEYS GENERAL CALL ON U.S. DEPARTMENT OF EDUCATION TO UPHOLD STUDENT PROTECTIONS**

#### ***Attorneys General Oppose Department of Education's Decision to Rescind & Replace Critical Student Protections Against Fraudulent For-Profit Schools***

**Chicago** — Attorney General Lisa Madigan and 20 other attorneys general announced today they have submitted public comments to Education Secretary Betsy DeVos, opposing a move by the U.S. Department of Education to replace existing student protections as a “waste of resources and a betrayal of students.”

The comments, submitted Wednesday night to Secretary DeVos, follow a [lawsuit](#) filed last week by Madigan and 18 other attorneys general alleging that the Department violated federal law by abruptly rescinding its Borrower Defense Rule – set to go into effect on July 1 – which was designed to hold abusive higher education institutions accountable for cheating students and taxpayers out of billions of dollars in federal loans. On June 14, the Department announced its intent to delay large portions of the Rule without soliciting, receiving, or responding to any comment from the public, and without engaging in the required process.

The Borrower Defense Rule was created in large part as a result of state and federal investigations into for-profit schools like the now-defunct Corinthian Colleges Inc. It was finalized after a robust and thorough negotiated rulemaking process with input from numerous stakeholders. Under the Rule, a student loan borrower can obtain loan forgiveness if their school has been found to engage in fraud, and the Department of Education can seek repayment of forgiven loans from the school. It also prohibits schools from using arbitration agreements and class action waivers to stop students from bringing claims either individually or collectively against their schools in court.

*“We are dismayed by the Department’s decision to cast aside all the hard work and progress achieved during its previous rulemakings, and disheartened that the Department has decided to turn its back on the critical protections it promised to borrowers. This is both a waste of resources and a betrayal of students who count on the Department to protect them from abuse at the hands of predatory schools,”* the letter states.

Madigan and the attorneys general also oppose the Department’s efforts to replace the Gainful Employment Rule, which protects students from for-profit school programs that will leave them with burdensome debt and poor job prospects.

*“These rules are the products of a significant amount of time and effort on the part of numerous stakeholders and the Department. Simply abandoning them is both a waste of Departmental resources and an injustice for the students these Rules were designed to protect,”* the letter states.

Attorney General Madigan has investigated numerous for-profit schools for fraud. Based on the evidence discovered in these investigations, Madigan has repeatedly called on the U.S. Department of Education to immediately forgive federal loans of students who attended fraudulent for-profit schools.

Madigan’s office runs a Student Loan Helpline to provide student borrowers with free resources about repayment options, avoiding default or and how 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 filing the comments are attorneys general from: California, Connecticut, Delaware, Hawaii, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and the District of Columbia.

A copy of the comments can be found [here](#).

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