



STATEMENT OF PAULINE ABERNATHY
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Statement on the Fourth Quarterly Report on Borrower Relief for Defrauded Students

“Today’s report illustrates the need for the U.S. Department of Education to automatically discharge the debts of defrauded students, rather than requiring individual applications from students the Department has already determined are eligible. Despite increased outreach by the Department and a streamlined application form, only a tiny fraction of former Corinthian students have applied for loan relief and even fewer have received discharges.

“Of the 350,000 students who took out loans to attend Corinthian schools since 2010, only 11,173 (3%) have been approved for a discharge (with most approved because their school closed, not based on unlawful practices). Among the 280,000 former Everest and Wyotech students contacted by the Department, only 20,107 (7%) have applied for a discharge and only 3,273 (1%) have been approved.

“We commend the Department for recently proposing regulations outlining a process for automatically discharging the loans of groups of defrauded students. However, the Department has authority to do this now under current law and regulations. Today’s report underscores the urgent need for the Department to exercise this authority to assist former Corinthian, Fast Train, Le Cordon Bleu, Lincoln Tech, and other students who the Department knows were swindled by unlawful school actions.

“The Department deserves praise for its recent actions to protect students and taxpayers, including proposing to curb mandatory arbitration provisions and its staff recommendation to terminate the role of the Accrediting Council for Independent Colleges and Schools (ACICS) in the federal student aid process. But to fulfill the Department’s commitment to providing relief to every eligible student, the Department needs to stop requiring unnecessary applications from students it knows are eligible.”

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on Twitter at [www.twitter.com/TICAS_org](https://twitter.com/TICAS_org).