



STATEMENT OF PAULINE ABERNATHY
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Statement on Final Gainful Employment Regulation

“The final gainful employment regulation does not do enough to stop the fleecing of students and taxpayers. In particular, the final regulation lets programs where most students borrow but few graduate keep using taxpayer dollars to bury students in debt they can’t repay, so long as they limit the debt of the few students who complete.

“This inadequate final rule makes it all the more urgent that the Obama Administration immediately take additional steps to enforce current laws to prevent the well-documented waste, fraud and abuse by unscrupulous for-profit colleges.

“We and [more than 50 student, civil rights, veterans, consumer, and education organizations](#) urged the Obama Administration to strengthen its draft gainful employment regulation, but instead this final regulation is even weaker. The final rule also does not provide any financial relief to students who enroll in programs that lose eligibility; lets poorly performing programs enroll increasing numbers of students, right up to the day the programs lose eligibility; and even passes programs in which *every student drops out* with heavy debts they cannot pay down.

“While the Administration deserves praise for issuing a final rule despite relentless lobbying by the for-profit college industry, it can and must do much more to protect students and taxpayers from well-documented abuses, including: [curbing the manipulation](#) of college cohort default rates and ‘90-10’ rates; [stopping colleges from misrepresenting](#) their job placement rates and other key information; [enforcing statutory financial responsibility](#) requirements; [warning the public](#) when colleges appear to be violating federal law; and ensuring that [states and accreditors fulfill their responsibilities](#) under the Higher Education Act. The Department of Education also urgently needs to create a single portal to accept and track all student complaints against schools and [student loan servicers and debt collectors](#), in order to better hold schools, accreditors and contractors accountable and to quickly detect problems, including misrepresentations and outright fraud.”

Note: The gainful employment regulation covers career education programs at public, nonprofit, and for-profit colleges. Most covered programs are at community colleges. For more on this issue, see [ProtectStudentsandTaxpayers.org](#).

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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. Learn more at [ticas.org](#) and follow us on [Twitter](#).