



STATEMENT OF PAULINE ABERNATHY  
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## **TICAS Statement on Senator Elizabeth Warren’s Letter to Education Secretary John King on Loan Relief for Defrauded Students**

“With nearly [80,000 students](#) who attended Corinthian Colleges in default on their federal student loans and in financial ruin, it’s long past time for their loans to be discharged and their credit records restored. But instead of getting relief, 44% of them are having their tax refunds seized or their wages garnished, almost certainly including borrowers the Education Department has already deemed eligible for loan discharge. This is unconscionable.

“The process for providing relief to defrauded borrowers needs to be overhauled. Fewer than 4,000 of the estimated 125,000 former Corinthian students eligible for “expedited” borrower defense discharges have received them, based on the most recent [available data](#).

“We call on the Department to immediately halt collections when it already knows the borrower was defrauded, and to stop requiring unnecessary discharge applications from such borrowers. Instead, the Department should automatically cancel the loans of students who attended Corinthian and other schools that the Department has evidence defrauded them, including [Marinello School of Beauty](#), [ATI Career Training Center](#), [Westwood College](#), [Career Education Corporation schools](#), [FastTrain College](#), [MedTech College](#), [Harris School of Business](#), and [Globe University and Minnesota School of Business](#). Students at these schools were trying to get ahead by going to college, and federal or state agencies have determined that their schools instead took advantage of them. They are entitled to discharges under federal law and deserve a fresh start.

“In addition, [data](#) released by the Department yesterday show that nearly 11,000 former ITT Technical Institute students who entered repayment in 2013 had defaulted on their federal loans by September 2015, and that nearly 36,000 ITT students who entered repayment between 2011 and 2013 defaulted within three years of entering repayment. The large number of former ITT Tech students unable to repay their loans underscores the urgent need to [determine their eligibility](#) for debt relief.”

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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](http://www.ticas.org) or follow us on Twitter at [www.twitter.com/TICAS\\_org](https://www.twitter.com/TICAS_org).*