



STATEMENT OF PAULINE ABERNATHY  
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**January 13, 2017**

## **Statement on Federal Student Loan Relief Announcements**

“We applaud the U.S. Department of Education for today’s [announcement](#) that thousands of former students defrauded by the defunct American Career Institute in Massachusetts will receive the full, automatic federal student loan discharges they deserve. We commend Massachusetts Attorney General Maura Healey for uncovering the illegal practices at this and other predatory schools.

“Significantly, the Department also announced progress approving federal loan discharge applications from former students of the closed ITT Technical Institutes (ITT) based on ITT’s widespread, fraudulent practices. It has also approved more discharge applications from former students of the defunct Corinthian Colleges based on falsified job placement rates, as well as claims based on Corinthian’s lies about how its credits would transfer to other schools and guaranteeing employment for graduates.

“Today’s announcement will change the lives of thousands of people, including veterans, who sought the training they needed in today’s economy, only to be swindled by unscrupulous schools at their and taxpayers’ expense.

*“With thousands of former students of Corinthian, ITT and other predatory schools still struggling with debts that should be cancelled, we urge the incoming Administration to ensure they promptly receive federal loan discharges. The Eisenhower, Nixon, Ford, Reagan, and first Bush administrations [all took actions](#) to protect both students and taxpayers from sham schools, and we urge the Trump Administration to do so as well. The [data released](#) earlier this week underscore the urgent need to protect students and taxpayers from career education programs that consistently leave students with debts they cannot repay. For example, Vatterott College in Berkeley, Missouri offers an associate’s degree in medical assisting. Its *graduates* typically earn \$15,634 a year—about what’s earned by a minimum-wage worker and far less than the earnings of high school graduates—and leave with more than \$24,000 of debt. Because of the gainful employment regulation, students will be warned about such programs and taxpayers will not have to continue to subsidize them if they do not improve.”*

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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](#) and [Facebook](#).*