August 1, 2016

Jean-Didier Gaina
U.S. Department of Education
400 Maryland Ave. SW, Room 6W232B
Washington, DC 20202

RE: Docket ID ED-2015-OPE-0103
(Comments submitted electronically via: http://regulations.gov)

Dear Mr. Gaina:

These comments are in response to the June 16, 2016 Notice of Proposed Rulemaking (Docket ID ED-2015-OPE-0103) soliciting comments on the U.S. Department of Education’s proposed regulations to protect students and taxpayers from fraud, deception, and other misconduct by unscrupulous colleges.1

The Institute for College Access & Success (TICAS) is an independent, nonprofit organization that works to make higher education more available and affordable for people of all backgrounds. Through nonpartisan research, analysis, and advocacy, we aim to improve the processes and public policies that can pave the way to successful educational outcomes for students and society.

Given the evidence of widespread fraud and the sudden closure of not just Corinthian Colleges but also many other colleges,2 stronger regulations to protect students and taxpayers are urgently needed. Too many for-profit colleges are using pre-dispute arbitration clauses and class action waivers to shield themselves from accountability and liability, just as Corinthian Colleges did.3 The slow pace of consideration of applications for “borrower defense” loan discharges4 further underscores the need for administrative reforms, as well as new regulations to implement the Higher Education Act’s (HEA) directive that the Secretary specify in regulation which acts or omissions by a college may be asserted as a defense to repayment on a federal student loan.5

We therefore commend the Department for proposing new regulations and for its commitment to issue final regulations by November 1, 2016, so they can go into effect by July 1, 2017. In particular, we appreciate the Department’s proposing: a process for providing debt relief without requiring individual applications where there is sufficient evidence that a group of students were defrauded; warnings for students of government and accreditor concerns about their school; increased information and access to closed school loan discharges; measures to stop schools from shielding themselves from accountability through pre-dispute arbitration clauses and class action waivers; and codifying the

5 Section 455(h) of the HEA states: “Notwithstanding any other provision of State or Federal law, the Secretary shall specify in regulations which acts or omissions of an institution of higher education borrower may assert as a defense to repayment of a loan made under this part…”.
Department’s current practice relating to the 150 Percent Direct Subsidized Loan Limit when a Direct Subsidized Loan is discharged.

However, the proposed regulations need to be strengthened in order to fulfill the Department’s objectives and to better protect both students and taxpayers. We join 58 organizations in calling for the following modifications to the rule:

1. Presume full loan relief for defrauded borrowers
2. Ensure loan relief is automatic when there is sufficient evidence of school wrongdoing
3. Make the federal standard for relief a floor, not a ceiling that eliminates current borrower eligibility for relief
4. Ensure unscrupulous schools cannot prevent students from holding schools accountable in the courts
5. Improve the warnings for students regarding concerns about their school
6. Do not impose time limits on borrower relief
7. Ensure the independence of decision makers involved in borrower relief determinations

We elaborate on these and other issues in these comments, including a number of issues on which the Department specifically requested comment. Our comments are organized as follows:

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6 August 1, 2016 coalition comments on this NPRM. http://bit.ly/2aqfC9e.
Borrower Defenses (§685.206, §685.222)

The Department proposes to establish a new federal standard for defense to repayment claims (hereafter “borrower defense”). Under the Notice of Proposed Rulemaking (NPRM), borrower defense claims for loans disbursed on or after July 1, 2017 will have to satisfy at least one of three bases: substantial misrepresentation, breach of contract, or a non-default, favorable contested court judgment.

The Federal Standard and State Law (§685.222)

Any new federal standard should facilitate relief, not scale back eligibility for relief currently available to federal student loan borrowers. Instead, the NPRM eliminates future borrowers’ eligibility for relief based on state law violations, except for state law violations that are part of non-default, favorable contested court judgements, which are extremely rare. In fact, the Department does not cite a single example of a case that would meet this standard, and we are unaware of any that would (see below for more discussion of the court judgment basis for relief).

Under the NPRM, borrowers with loans disbursed on or after July 1, 2017, would no longer be eligible for relief based on violations of state laws that protect consumers from unfair, deceptive, or abusive conduct. For example, under the proposed rules, if a college uses high pressure sales tactics, hires unqualified teachers, slashes services, unreasonably limits course enrollments to save costs, withholds reasonable accommodations from students with disabilities, charges exorbitant fees, or arbitrarily withholds degrees, students would effectively no longer be eligible for borrower defense discharges based on violations of state law that prohibit these types of conduct.

The preamble (p.39340) says the Department eliminated state law violations as a basis for borrower defense claims because the Department wishes to avoid the burden of interpreting state law and because borrowers have other avenues for relief. But the Department already has to interpret state law to adjudicate borrower defense claims for existing loans and all loans issued before July 1, 2017. Eliminating state law as a basis for loans disbursed on or after July 1, 2017 will therefore not measurably reduce the administrative burden on the Department. Moreover, for several reasons, other avenues for relief are not available to borrowers or are not sufficient. First, under the NPRM, the ban on pre-dispute arbitration agreements and class action waivers applies only to claims that are eligible for borrower defense. Thus, borrowers who believe their school is violating state law could still be forced to go up against the school alone in an arbitration forum chosen by the school. Even if a borrower were not prevented from suing their school in court for violating state law, many borrowers do not have the resources required to hire attorneys to litigate their claims. Borrowers also do not have access to the breadth of information and evidence available to the Department. Students should not have to count on
their state attorney general for federal student loan relief. Finally, not every state has an attorney general that prioritizes school fraud, and even those that do may not have the resources to pursue every case.

The Department’s proposal should set a federal floor for all borrowers, not a ceiling that rolls back current eligibility for relief based on violations of state consumer protection and other laws. At a minimum, the final regulation should include a formal mechanism for state attorneys general, other law enforcement agencies, regulatory entities, and nonprofit legal aid organizations that provide legal representation to students to petition the Department for relief on behalf of a group of borrowers, and receive written responses from the Department. These entities often discover potential claims early, which would provide more borrowers with timely access to relief.

Applicability of the New Federal Standard (§685.222(a)(5))

We recommend that the Department revise §685.222(a)(5) to make clear that the new federal standard applies only to loans disbursed on or after July 1, 2017. The preamble makes clear that the Department intends for the new federal standard to apply only to loans made on or after July 1, 2017. The preamble (p.39336) clearly states, “§685.222(a) would provide that borrower defense claims asserted by a borrower for Direct Loans first disbursed before July 1, 2017, are considered...in accordance with the provisions of 685.206(c), while borrower defense claims asserted by a borrower for Direct Loans on or after July 1, 2017 are considered...in accordance with §685.222.” §685.222(a)(1) is also clear and consistent with the preamble: “For loans first disbursed prior to July 1, 2017, a borrower asserts and the Secretary considers a borrower defense in accordance with the provisions of §685.206(c), unless otherwise noted in §685.206(c).”

However, the regulatory language in §685.222(a)(5) appears to apply the new federal standard to pre-2017 loans: "For the purpose of this section or section 685.206(c), a "borrower defense" refers to an act or omission of the school attended by the student that relates to the making of a Direct Loan for enrollment at the school or the provision of educational services for which the loan was provided and that meets the requirements under paragraphs (b), (c), or (d) and includes one or both of the following...” [emphasis added]. This appears to be a drafting error.

Use of Sworn Testimony (§685.222(a)(2))

We believe the Department should specify in the final rule that it will accept a student’s sworn testimony, absent independent corroborating evidence contradicting it, as fulfilling the preponderance of the evidence standard. Section 685.222(a)(2) uses a preponderance of the evidence standard, which requires the borrower to persuade the decision maker that it is more likely than not that something happened or did not happen as claimed. The preamble (p.39337) states that the Department will measure the “value, or weight, of the evidence (including attestations, testimony, documents, and physical evidence)” in evaluating borrower defense claims, but many defrauded borrowers will not have access to evidence to support their claim, particularly if their school closed, or will not know what evidence to provide without the assistance of an attorney. Borrowers may not know to collect evidence of a misrepresentation or a breach of contract when they occur, or may not realize they have a borrower defense claim until years later, when evidence is no longer available to them. When a borrower submits sworn testimony but does not submit corroborating evidence, the Department should not take this to mean that there was no substantial misrepresentation or breach of contract.
Definition of Borrower Defense (§685.222(a)(5))

We urge the Department to ensure that all Direct Loans are eligible for borrower defense claims, regardless of whether the borrower took out a loan every year while enrolled in a school or which costs of attendance the loan was used to cover. This may be the Department’s intent, but the NPRM is ambiguous.

For example, both the preamble (p.39339) and proposed regulatory language in §685.222(a)(5) specify that a borrower defense claim must relate to “the making of a Direct Loan for enrollment at the school or the provision of educational services for which the loan was provided” [emphasis added]. However, in §685.206 and elsewhere, the standard varies: “the making of the loan or the provision of educational services for which the loan was provided,” without explicitly stating “for enrollment at the school.”

The Department should consistently use “for enrollment at the school,” which is the regulatory language in §685.222(a)(5), or other language that makes clear that all Direct Loans taken out to attend a school are covered. Students should not be ineligible for borrower defense discharges based on when they borrowed during their enrollment at the institution. For example, a student may enroll in a school that makes a substantial misrepresentation in year one but the student does not take out a loan until year two (or in subsequent years). Narrowly limiting claims to a specific year within the student’s entire enrollment or to the school’s provision of education services during the specific year for which the loan was provided could result in such a student being ineligible for a borrower defense discharge simply because the substantial misrepresentation occurred in the one year in which the student did not take out a loan.

The final rule should also make clear that all Direct Loans are covered regardless of whether the loan is used to pay for tuition or for non-tuition costs of attendance. We believe this is what the Department intended. However, defining covered claims as those relating to “the making of the loan or the provision of educational services for which the loan was provided” may lead some to argue that a loan is ineligible for a borrower defense discharge because it was not provided for “the provision of educational services.” Any Direct Loan taken out for a legitimate cost of attendance should be eligible for borrower defense. Closed school and false certification discharges are not limited to loans that cover tuition, nor should they be. This is equally true for borrower defense discharges.

Finally, the preamble (p.39337) rightly says that borrower defense claims may be based on an institution’s pre-enrollment and post-enrollment activities. We recommend that the regulatory language in §685.222(a)(5) explicitly include pre-enrollment and post-enrollment activities, such as marketing, recruitment, career advising and placement services.

Judgment Against a School (§685.222(b))

We agree that court judgments should be a basis for borrower defense claims, but the proposed requirements for court judgments are so restrictive that we are not aware of a single judgement against a school that would meet the proposed standard. Margaret Reiter, who spent nearly 25 years as a consumer investigator or prosecutor, says on this NPRM that requiring “non-default, favorable contested court judgments” effectively eliminates most state causes of action from borrower defenses, which will greatly and unduly scale back eligibility for borrower defenses. For the reasons discussed below, the final rule should broaden the standard to include claim preclusive court judgments, as well as findings of fact and admissions in settlements or other legally binding agreements.
Section 685.222(b) of the proposed regulations allows only non-default, favorable contested court judgments to qualify for borrower defense. The vast majority of lawsuits are settled so court judgments are rare, much less non-default, contested ones. Margaret Reiter also notes that much as a prosecutor might want to secure a “contested” judgment, there is often no reasonable basis to do so. Settlements are common because prosecutors often seek temporary restraining orders or preliminary injunctions to stop the unlawful conduct while the case proceeds. Once the school is constrained by such orders to act lawfully, it often cannot attract a sufficient number of new students to continue operations. Although schools may initially put up a vigorous legal defense, over time, they often stop defending themselves and/or file bankruptcy. Although some relief sought by the prosecutor is not stayed by a bankruptcy, other aspects of the case may be stayed. Ultimately, in these situations, there is no practical and usually no legal basis to proceed with the case.

While some government and private lawsuits may help a small number of borrowers, they fall short of providing defrauded students with the relief envisioned in the HEA and these implementing regulations. Borrowers must still make payments on their loans while a lawsuit is pending; only borrowers who have submitted borrower defense claims are eligible for forbearance or suspension of collection activity under §685.222(e). This means continued payments for many months, and in some cases, years, for defrauded borrowers who try, and likely fail, to obtain non-default, favorable contested court judgments.

**(Claim preclusive court judgments)** The final regulation should allow “claim preclusive judgments,” as the Department proposed during negotiated rulemaking. Claim preclusive judgments have been entered by a competent court and considered resolved so that the defendant cannot challenge or defend against the claims in a different lawsuit.

**Findings of fact and admissions in settlements or legally binding agreements.** The final rule should accept as true and established any finding of fact or admission contained in a settlement or legally binding agreement. Institutions are prevented from disputing such findings of fact and admissions in collateral proceedings.

A recent judgment entered in June 2016 involving American Career Institute is believed to be the first time a predatory, for-profit school has admitted wrongdoing in violation of state law, and this judgment would *still* not qualify under §685.222(b) because the judgment was not contested. Clearly, the proposed standard is too narrow. The consent judgment entered in this case is illustrative of a claim preclusive judgment and of an admission in a settlement, and should qualify as the basis for borrower defense claims under the final rule.

**(Breach of Contract (§685.222(c))**

We thank the Department for including breach of contract as a basis for borrower defense. We agree with the preamble discussion (p.39341) that “a separate ground for relief, based on a breach by the school of the contract with the borrower” should be a basis for borrower defense. We further agree that “a contract between the school and a borrower may include an enrollment agreement and any school catalogs, bulletins, circulars, student handbooks, or school regulations” (p.39341).
We recommend the final rule make clear that a contract between the school and student includes “any communication that a student would reasonably believe to be the school’s commitment to them.” As Attachment A demonstrates, institutions often require students to sign declarations that attempt to limit the school’s responsibility for their own written materials, as well as oral statements by employees whom students would reasonably expect to be speaking for the school. For example, the eight-paged Zenith-owned Everest College enrollment agreement included in Attachment A requires students to “certify that there have been no verbal or written agreements or promises other than those appearing on this agreement and the Enrollment Agreement Addendum and Disclosures, which is hereby incorporated into this agreement and a part hereof by this reference.” Additionally, as shown in Attachment B, Brown Mackie College required students to sign a statement agreeing that “no verbal statements have been made contrary to what is contained in this Agreement,” when such verbal statements could have in fact been made to students, and are contractual. Schools should not be able to use these tactics to avoid accountability for their actions and block students from making borrower defense claims based on breach of contract.

Substantial Misrepresentation (§685.222(d), §668.71)

For borrower defenses to qualify under this proposed basis, misrepresentations by the school must be substantial. The Department does not propose any changes to the existing regulatory definition of substantial misrepresentation in §668.71(c), which requires that it be a “misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person’s detriment.” However, the Department proposes to require individual borrower defense claims under this proposed basis to show that the borrower actually relied on the substantial misrepresentation, not just that it would have been reasonable for them to do so.

Actual Reliance (§685.222(d), §685.222(d)(2)(i-v))

The current regulatory definition of a substantial misrepresentation should be sufficient for all borrower defense claims alleging a substantial misrepresentation: that a borrower could reasonably be expected to rely on the misrepresentation, without requiring that a borrower document that they actually relied on it. The current definition of substantial misrepresentation in §668.71(c), which the NPRM does not propose changing, is “any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person’s detriment.”

We applaud the Department’s proposal to allow group discharges without the need to document actual reliance, which we discuss further in the “Group Process” section below. Nevertheless, the NPRM would require individual borrower defense claims alleging substantial misrepresentation to document that the borrower actually relied on the misrepresentation. Borrowers should not have to document actual reliance given that the regulatory definition of substantial misrepresentation already requires reasonable reliance. As the preamble (p.39343) explains, “reasonable reliance refers to what a prudent person would believe and act upon if told something by another person...reasonable reliance considers the representation or statement from the viewpoint of the audience the message is intended to reach” [emphasis added]. Given the requirement that reliance be reasonable for a prudent person in the intended audience, there is no need to ask an individual borrower to go the extra step to document actual reliance.

We therefore recommend that the final rule not require actual reliance for individual borrowers. Short of that, the final rule should at a minimum allow borrowers to certify that they chose to enroll or remain enrolled in the school based in part on the issues they describe, as the Department has proposed to do.
on the draft Universal Borrower Defense Form. The final rule should make clear that such a certification would satisfy the reliance requirement.

We thank the Department for its preamble discussion of reliance (p.39342) in light of the context or circumstances under which a student or group of students relied on a misrepresentation. We agree that “reliance on a misrepresentation may be appropriately viewed as more reasonable when the misrepresentation is made in the context of certain circumstances, including those that may be considered to be high pressure or aggressive sales tactics.”

**Definition of Misrepresentation (§668.71(c))**

We support the proposed changes to the current definition of misrepresentation, including the replacement of “deceive” with “mislead under the circumstances.” The preamble (p.39342) explains that the Department proposes to replace “deceive” with “mislead under the circumstances” in the current regulatory definition of misrepresentation because “[i]n some contexts the word “deceive” implies knowledge or intent on the part of the school, which is not a required element in a case of misrepresentation.” We also support the proposed change under this section to add the sentence, “Misrepresentation includes any statement that omits information in such a way as to make the statement false, erroneous, or misleading,” and we agree with inclusion of the word “information” rather than “facts” under this definition.

Some have inaccurately claimed that the Department is proposing to “enormously broaden” the current definition of misrepresentation by “eliminating the need to prove any intent by the college to deceive students.” However, the Department does not currently require proof of intent for misrepresentation, and the NPRM is not proposing to change the role of intent in misrepresentation cases. The Department explains in the preamble (p.39342) that in 2010, it declined requests to require specific intent, but “the Department considers a variety of factors, including whether the misrepresentation was intentional or inadvertent.” The current preamble (p.39342) reiterates this position, stating “we intend to continue to consider the circumstances surrounding any misrepresentation.” We agree that intent has not been, nor should be, a required element of misrepresentation, and as the Department states, this is “reflective of the consumer protection laws of many States.”

**Limitation Periods (§685.222(c), §685.222(d)(1))**

The NPRM creates a new six-year time limit on the ability of borrowers to recover amounts paid on loans, in cases involving substantial misrepresentation and breach of contract. This time limit is inappropriate, will result in uneven treatment of borrowers, will perversely treat students who have partially repaid their loans less favorably than those who have not, and will harm some borrowers who make payments while their borrower defense applications are pending.

The Department should not impose time limits on borrower defense claims when there are no time limits on the government’s ability to collect on federal student loan debt. Also, there are no time limits on false certification discharges. Whether a school commits fraud in the form of a substantial misrepresentation or falsely certifies that a student has a high school diploma, the Department should ensure that students receive full loan relief. In addition, the proposed time limits begin at ambiguous and varying times depending on the type of school misconduct and will limit relief for borrowers who may not know that such time limits exist or apply to them.

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Defrauded borrowers should not be denied full loan relief simply because they have voluntarily or involuntarily repaid part of the loan they took out. For example, over 20 years ago, Army veteran Calvin Anderson was recruited to enroll in the Business Computer Training Institute (BCTI) for an eight-week word processing course. At a recent Department hearing on this rule, Calvin testified that BCTI lied to him about his loans and told him that grants would cover the cost of his education. If the Department’s proposed time limits were in place when Calvin Anderson attended BCTI, he would be barred from obtaining a refund of amounts he has already repaid. By contrast, as the coalition of legal aid organizations and National Consumer Law Center have detailed in their comments, students who attended Wilfred Beauty Academy two decades ago have received full false certification discharges, including amounts paid on their loans. For example, Ana Salazar borrowed $6,625 to attend Wilfred in the 1990s. By 2014, Ana had already made thousands of dollars in involuntary payments and still owed $16,372. The Department granted her false certification discharge application in 2014 and refunded over $14,000 that she had already paid. Had Ana’s claim been based on borrower defense and submitted today under the proposed rules, the majority of her relief would be denied because of the proposed time limits.

**Individual Process (§685.222(e))**

We support several aspects of the Department’s proposed process for individual borrowers. In particular, we applaud the separation of individual borrower defense adjudications from the process of recouping funds from the school. This clear separation will prevent an imbalance of power between a defrauded student and the school. We also thank the Department for: granting forbearances, providing information about the option to decline a forbearance and instead enroll in an income-driven repayment plan, suspending debt collection after a borrower submits a borrower defense application, providing written determinations of borrower defense claims, and providing borrowers with a way to request that the Secretary reconsider denied claims if they have new evidence.

**Group Process (§685.222(f))**

We commend the Department for proposing a path to automatically discharge loans for groups of defrauded borrowers without requiring unnecessary individual applications and costly, time-consuming individual reviews. Automatic group relief is at the heart of borrower defense. Forcing defrauded borrowers to wait as the Department individually reviews their borrower defense claims does not make sense in these situations, particularly given clear evidence of widespread misconduct at some institutions. Most discharge claims will involve groups of students with similar claims, and the Department should not waste resources attempting to review and process such claims individually.

The formation of groups and provision of group relief. The final rule needs to provide mechanisms to ensure that the Department exercises its authority to form groups and provide them with automatic relief when warranted. Section 685.222(f) states that it is up to the sole discretion of the Secretary to initiate or pursue group claims. We propose two mechanisms to help ensure this authority is exercised appropriately.

1. **Provide a process for state attorneys general, state and federal enforcement agencies, and legal aid organizations to petition the Department.** Earlier this year, the Department proposed a process for state attorneys general, state or federal enforcement agencies, and nonprofit legal aid organizations that represent students to petition the Department on behalf of groups and receive formal, written determinations in response. We believe it is essential that this process

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be included in the final rule. The preamble (p.39348) explains the omission of this provision by saying that the Department “always welcomes cooperation and input from other Federal and State enforcement entities, as well as legal assistance organizations and advocacy groups. In our experience, such cooperation is more effective when it is conducted through informal communication and contact.” However, the ability to petition the Department and receive a response would not preclude informal contact and communication. It would merely facilitate petitions, increase transparency, and ensure a timely response. Additionally, it appears from the preamble (p.39348) that this provision was removed due, in part, to concerns about third parties that prey on borrowers. To address this concern, the final rule could explicitly allow the Secretary to decline to respond to a petition if the organization does not appear to be a bona fide non-profit legal aid organization that represents students.

2. **Provide mechanisms to ensure use of group discharges.** The final rule should also provide additional guidance to encourage the Department to use its authority to automatically discharge loans in appropriate circumstances. Such guidance can be in the form of a non-exhaustive list of situations that would affirmatively warrant the formation of a group. Where a group is not formed under the specified situations, the Department should issue a written explanation stating why a group was not formed. Where automatic discharge is not provided to a group that has been formed by the Secretary, the Department should likewise issue a written explanation stating why automatic group discharge without an application was not provided.

**Elimination of consideration of fiscal impact.** The NPRM specifically provides for consideration of fiscal impact in determining whether to grant group borrower defense claims. We discuss this issue in a later section, “Amount of Borrower Relief.”

**Independence of Decision Makers (§685.222(e), §685.222(f))**

The Department proposes to have independent department officials or hearing officials decide claims, represent borrowers, and make other critical decisions that determine the fate of a claim. However, to avoid real or perceived conflicts of interest, Department staff in offices involved in making policy, budgeting, or assessing school compliance with Title IV program policies and regulations should not be involved in adjudicating borrower defense claims. In addition, the Department should delegate some functions to the Office of Hearings and Appeals, particularly the function of the hearing official, because it is charged with providing “an independent forum for the fair, impartial, equitable, and timely resolution of disputes involving the U.S. Department of Education and recipients of Federal Education Funds.”

Even honest and hardworking staff may have a potential conflict of interest that could influence their handling of borrower defense claims. For example, Department employees in an office charged with assessing school compliance with Title IV policies may be reluctant to approve borrower defense claims against a school if they or their colleagues had permitted it to continue to participate in Title IV programs, or if they or their colleagues did not catch the school’s wrongdoing in a program review. Staff involved in policy or budgeting may consciously or unconsciously make decisions to minimize the budgetary impact, produce what they believe to be the optimal number of approved claims, or match their projections.

These safeguards are paramount in cases when the school can oppose borrowers seeking relief by offering evidence and argument during the proposed process. While the process of recouping funds from schools has been decoupled from reviewing individual borrower defense claims, the process by

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which the school attempts to refute students’ claims has not. For the reasons detailed above, it is particularly important that staff involved in these cases are neutral and impartial.

**Nonmonetary Relief (§685.222(i))**

We thank the Department for providing a path to grant borrowers further relief if the Secretary or hearing official determines such action is “appropriate under the circumstances.” We request that further relief be affirmatively granted for all borrowers with approved borrower defense claims. Such further relief includes but is not limited to: (1) determining that the borrower is not in default on the loan and is eligible to receive assistance under Title IV of the Act, and (2) updating reports to consumer reporting agencies to which the Secretary previously made adverse credit reports with regard to the borrower’s Direct Loan. Both remedies are critical to assist borrowers with their recovery from fraud. The false certification regulation in §685.215(b) requires the Department to fix adverse credit reports when it grants discharges, stating that “the Secretary reports the discharge under this section to all consumer reporting agencies to which the Secretary previously reported the status of the loan, so as to delete all adverse credit history assigned to the loan.” We recommend that the credit provision in §685.222(i)(4)(ii) conform to the language in §685.215(b). We also recommend that similar, unambiguous language be used for §685.222(i)(4)(i).

**Amount of Borrower Relief (§685.222(i) and Appendix A to Subpart B of Part 685)**

Under the proposed regulations, after the Department has determined that a student has been defrauded, there would be a separate, highly subjective, time-consuming, and costly process for determining how much relief, if any, the borrower should receive. The proposed rules say that each Department official could use any method determined by the official to decide the amount of relief defrauded borrowers receive. For instance, the Department suggests that borrowers may receive the difference between what the student paid and what the Department thinks a student would have been willing to pay had she not been misled by the school. Appendix A states the Department official or hearing official also “will consider any evidence indicating that no identifiable benefit of the education was received by the student.” For groups of students, as discussed above, relief may also be reduced based on the potential cost to taxpayers. This is inappropriate, highly subjective, will lead to uneven treatment of borrowers, and will unnecessarily delay borrower relief. Closed school discharges provide full relief regardless of whether a student received some benefit from the school before it closed. Full relief should be provided in the vast majority of borrower defense cases as well.

**Therefore, we strongly urge the Department to presume full relief for all approved borrower defense claims, rather than placing the burden on borrowers to justify full relief.** In certain rare instances, partial relief could be provided if the Secretary specifies the reasons for doing so. For example, in cases where only the cost but not the quality of the education provided is at issue, partial relief may be justified. Partial relief may also be justified in certain circumstances involving breaches of contract. In such cases, the Department should provide its reasoning and documentation for providing partial relief. Using Appendix A to routinely determine how much relief borrowers with approved borrower defense claims receive will result in uneven relief for similarly situated borrowers based on the particular official’s highly subjective assessment and methodology for determining relief.

**Fiscal impact should not be considered.** Under no circumstances should relief be reduced based on potential fiscal impact. Similarly defrauded borrowers should be treated the same regardless of whether they belong to a large or small group. Treating groups of defrauded borrowers differently because of their size will result in the uneven treatment of borrowers that the Department has said it seeks to avoid (p.39339). Taxpayers can and should be protected, but not by denying loan relief to harmed students.
Effective implementation of the borrower defense statute will, in the long term, save taxpayers money by deterring and creating stronger accountability for school misconduct.

Institutional Accountability & Financial Responsibility (§668.171, §668.175)

We commend the Department for proposing to strengthen current accountability provisions to protect students and taxpayers from the costs of school fraud and sudden school closures. The proposed rules identify triggering events associated with increased taxpayer risk that would require schools to put up funds or additional funds. By identifying triggering events in advance and spelling out their impact, schools will know which events to avoid, and students and taxpayers will be better protected from the costs of loan discharges and sudden school failures. We also strongly support the Department’s proposal to ensure students are not the last to learn about government or accreditor concerns about their school, and propose ways to strengthen the proposed student warnings below under “Financial Protection Disclosures.”

**Triggering events.** The NPRM proposes nine mandatory triggers—triggering events that would automatically require for-profit and non-profit colleges, which are subject to current financial responsibility tests, to provide funds or additional funds (financial protection) to the Department to protect students and taxpayers from their increased risk. It also proposes five discretionary triggers—events that would give the Secretary authority to require increased financial protection but would not require the Secretary to do so. Under current regulations, public colleges are considered financially responsible because they are backed by the full faith and credit of the state. As a result, public colleges are not required to post financial protection, and they are not subject to the proposed triggers.

**Make all the triggers discretionary for non-profit colleges (or colleges with financially disinterested governance).** Given the very different governance structures, financial incentives, and track records of non-profit colleges, we recommend making all of the triggers discretionary for non-profit colleges. Non-profit colleges do not pose the same level of risk to students and taxpayers: there is no evidence of the widespread fraud and abuse in the non-profit sector as there is in the for-profit sector, and school failures and particularly sudden school failures are much less common in the non-profit sector. As the Department notes (p.39400), from academic year 2011–12 to 2014–15, there were 182 colleges that closed, of which 150 were for-profit, 30 non-profit, and two were public. Nearly 90 percent of the 43,299 students enrolled at the time of closure were enrolled in for-profit colleges. The comments submitted on this NPRM by Robert Shireman detail the differences in governance structures and financial incentives between for-profit and non-profit colleges, which help explain why for-profit colleges are more prone to large-scale, precipitous closure.

Given the high risk associated with two of the proposed triggers in particular (state and federal agency actions and high cohort default rates), we recommend that the Secretary be required to publicly state why he or she is not requiring increased protection for a non-profit college that hits these two triggers.

We provide additional comments on the following proposed triggers:

**Cohort Default Rates.** Under the NPRM, having the two most recent official cohort default rates at 30 percent or greater would be a triggering event, unless the school files a challenge, request for adjustment, or appeal that lowers its default rate below 30 percent. We recommend modifying this proposal so that it would only be a triggering event if the Department is projecting a third consecutive year at or above 30 based on default data for the year that just closed. Although the data for the year
that just closed has not yet been shared with the school, the Department will know if they indicate that the school will not exceed 30 percent for a third year.

**Significant Fluctuations in Loan or Grant Volumes.** We support the proposed discretionary trigger giving the Secretary authority to require a letter of credit in some cases based on significant fluctuations in Direct Loan and Pell Grant funds and on high dropout rates. As the preamble notes, these two discretionary triggers stem from the statutory provisions for selecting institutions for program reviews in §498a(a) of the HEA (20 U.S.C. 1099c-1(a)).

Ashford University is an example of a school that underwent rapid increases in enrollment accompanied by high costs and abysmal student outcomes. Enrollment increased from less than 1,000 students in 2005 to 77,000 students in 2010.¹² Ashford is now under investigation by the Department of Justice, Securities and Exchange Commission, Consumer Financial Protection Bureau and multiple state attorneys general.¹³ In 2014, Ashford reached a multi-million settlement with the Iowa Attorney General to resolve allegations of widespread fraud without admitting wrongdoing. The settlement provided $7.25 million in restitution for students in Iowa only.¹⁴

However, the Secretary will need to exercise this authority carefully and selectively given that some significant changes may not reflect higher risk for students or taxpayers.

**Accrediting Agency Actions.** Given how reluctant accreditors already are to hold schools accountable, we are concerned that making this a mandatory trigger will have the unintended consequence of making accreditors even less likely to act. As a result, we recommend making this a discretionary trigger for both non-profit and for-profit colleges. Based on analysis of how long schools typically stay on show-cause or probation, we also recommend changing the proposed six-month period to one year.

**Non-Title IV Revenue and Gainful Employment.** We strongly support these two mandatory triggers. Schools that meet these two triggers pose a significant risk to students and taxpayers.

**Set-Aside.** Under the NPRM, schools could provide financial protection using a set-aside in lieu of cash or a letter of credit. If an institution does not provide cash or a letter of credit for the amount required within 30 days of the Secretary’s request, the Secretary would withhold a portion of the school’s Title IV funding over the next nine months in a manner that ensures that by the end of a nine-month period, the total amount withheld equals the amount of cash or the letter of credit the Secretary had requested.

We are concerned that this proposal will not sufficiently protect students or taxpayers, and will in fact discourage the Department from taking action on the school within the nine-month period, even if action is warranted. One of the benefits of identifying triggering events is that schools will know in advance what events will require them to provide financial protection. The onus is then on the schools to avoid these triggering events. **At a minimum, if the Department wishes to provide a set-aside option, we recommend it provide a greater, not equal, amount of financial protection than the Secretary initially requested, and that it do so in a period of less than nine months.**

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Closed School Discharges (§668.14, §673.33, §682.402 and §685.214)

We strongly support the proposed changes to the current closed school discharge regulations to require greater outreach and information to students at schools that close, and to automatically discharge the loans of students whose schools closed and who do not re-enroll within three years. As the Department has documented, too many students at schools that close neither receive a closed school discharge nor complete their program at another school. Below we recommend additional changes to further reduce the number of these students.

**Automatic discharges without an application.** We applaud the Department for proposing to automatically discharge the loans of students with no record of re-enrolling within three years of their school closing. As the Department notes, 47 percent of all Direct Loan borrowers at schools that closed from 2008-2011 neither received a closed school discharge nor received Title IV aid to enroll elsewhere in the three years following the school’s closure. These students were left with debt but no degree, putting them at great risk of default. Research has consistently shown that students who do not complete their programs are among the most likely to default on their loans, leaving them worse off than when they enrolled.

**Consistent with the proposed regulation, the final preamble should clearly state that eligible borrowers’ loans shall be discharged without an application after three years, and any amounts paid refunded.** The proposed regulations clearly state that the Secretary will discharge these borrowers’ loans if they do not re-enroll within three years. Specifically, proposed §685.214(c)(2) states “The Secretary discharges a loan under this section without an application from the borrower if...” [emphasis added]. However, the preamble makes it sound like this action may merely be an option, not a requirement. For instance, the preamble (p.39369) says the proposed regulations would “authorize the Department, or a guaranty agency with the Department’s permission, to grant a closed school discharge to a Perkins, FFEL, or Direct Loan borrower without a borrower application based on information in the Department’s or guaranty agency’s possession that the borrower did not subsequently re-enroll in any Title IV-eligible institution within a period of three years after the school closed” (emphasis added).

**Discharge the loans of borrowers who do not complete a teach-out program or complete a non-comparable program.** In addition, as drafted, the proposed regulations would not discharge the loans of students who enroll in a teach-out program but do not complete it and are not still enrolled within three years of a school’s closure. These borrowers are eligible for a closed school discharge but are unlikely to realize that since they did enroll in the teach-out program. Now that the Department has data on whether students receiving Title IV aid complete a program and which program they completed, the Department can and should automatically discharge the loans of students who did not complete and are not enrolled in a comparable program within three years of their school closing. As the Q&A on the Department’s website states, borrowers who transfer credits from a closed school and enroll in a comparable program but do not complete that program are eligible for a closed school discharge. Likewise, students who transfer credits to enroll in a completely different program and complete that program are also eligible for a closed school discharge. The final regulation should provide for automatic discharges of these borrowers’ loans to the extent the data are available to identify them.

**Standard closed school discharge disclosures.** We share the Department’s concern that many borrowers are unaware of their eligibility for a closed school discharge because of insufficient outreach and information. As discussed in the preamble, in some instances, closing schools inform borrowers of the option to complete their program through a teach-out, but fail to advise them of the option for a closed

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school discharge, or advise students in a way that discourages students from pursuing a discharge. Students have often already made the decision about whether to enroll in teach-out programs by the time they receive a closed school loan discharge application from the Department, so it is critical that students receive clear, accurate, and complete information much earlier in the process when they are making key decisions. Students who do not complete a teach-out program may not realize they are still eligible for a closed school discharge, and after enrolling may feel committed to pursuing the teach-out even when it is not in their best interest to do so.

The January 25, 2016 letter from Westwood College included as Attachment C is an example of the type of communication that students receive from schools that close suddenly. The Westwood letter encourages students to stay enrolled and lauds the quality of the unnamed partner schools where students will be able to complete their education after the school closed the next month. *The availability of closed school discharges is not mentioned once in the body of the letter.* Only after the signature is there any mention that students “may” be eligible for a closed school discharge, and even then it incorrectly states “If you apply for and receive a Federal discharge, you will **forfeit** any Westwood credits earned and these credits **will not** be transferable to a partner school” [emphasis in the original]. This statement is not correct because students who receive a closed school discharge can transfer credits to a completely different program at a new school.  

Schools required to post letters of credit before closing have a strong financial incentive to minimize the number of students who choose to take a closed school discharge regardless of what is in each student’s best interest. In addition, unscrupulous schools often aggressively recruit students from closed schools. Corinthian Colleges told investors in 2013 that it had enrolled thousands of students from competitors’ closing campuses and expected to enroll thousands more in 2014. To ensure students at closing schools receive clear, accurate and complete information about their options, **we recommend the Department require schools to use standard language and/or a standard fact sheet approved by the Department.**

**Loan Repayment Rate Warnings (§668.41(h))**

We support the Department in seeking to warn students about schools with very poor student outcomes so that students can make informed decisions. The NPRM proposes to require proprietary (for-profit) institutions with a five-year loan repayment rate less than or equal to zero to deliver a Department-issued plain language warning to prospective and enrolled students, and to place the warning on their websites and in all promotional materials and advertisements. We recommend several ways this proposal could be improved.

**Strengthen the rationale for limiting repayment rate warnings to certain schools.** The preamble (p.39372-3) states that the warnings are limited to for-profit colleges because “analysis of repayment performance under the proposed methodology shows that zero and negative repayment outcomes are endemic to the proprietary sector, but are relatively rare in the public and non-profit sectors.”

Given the disingenuous claims that this proposal “discriminates” against schools based on their “tax status,” we recommend the Department enhance its rationale for limiting the warnings to certain schools. As Robert Shireman of The Century Foundation notes in his comments on this NPRM, there are legitimate policy reasons to distinguish between for-profit and non-profit schools given the consumer

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16 See the Department of Education’s web site at [www.studentaid.gov/closedschool](http://www.studentaid.gov/closedschool).
and taxpayer protections built into the finance and governance structures of non-profit entities. To underscore this point, the repayment rate warnings could be limited to schools with financially disinterested boards, as Shireman suggests. This would have the benefit of covering colleges that claim to have converted from for-profit to non-profit status but have done so in highly questionable ways.¹⁸

Alternatively, the warnings could be limited to schools at which a majority of students are enrolled in career education programs subject to the Higher Education Act’s requirement that they prepare students for gainful employment in a recognized occupation. There is a strong basis for doing this. Given that these career education programs are designed to prepare students for gainful employment, their repayment rates are clearly relevant and should be of interest to students. The NPRM already uses whether a majority of students are enrolled in gainful employment programs as part of one of the proposed financial responsibility triggers. Specifically, §668.171(c)(7) says “an institution is exempt from [this trigger] if less than 50 percent of all the students enrolled at the institution who receive Title IV, HEA program funds are enrolled in gainful employment programs.” This approach has the added benefit of covering students enrolled at former Corinthian College campuses now owned by Zenith/ECMC because the gainful employment regulation applies to them despite their non-profit status. Many of these campuses have negative five-year repayment rates based on public College Scorecard data.

**Use the Department’s data to exempt schools with borrowing rates of 20.8 percent or less.** The proposed low borrowing rate consideration in §668.41(h)(6) is important, but is unnecessarily complicated and burdensome for both schools and the Department. Below we propose a way to achieve essentially the same outcome in a simpler and less burdensome way.

The NPRM references the longstanding statutory provision that protects colleges with low borrowing rates from cohort default rate (CDR) sanctions. This provision, called the Participation Rate Index (PRI), multiplies a college’s CDR by its borrowing rate, and allows colleges to avoid CDR sanctions if their PRI does not exceed allowed thresholds. For example, a college where 10 percent of students borrow and with a CDR of 35 percent would have a PRI of 0.035. This college could avoid sanction because its PRI is below 0.0625, despite its having a CDR above 30 percent. However, only colleges, not the Department, have the data needed to calculate a school’s PRI, so the Department cannot simply exempt schools from CDR sanctions based on a school’s PRI. Instead, schools have to calculate their PRI and submit challenges or appeals to CDR sanctions based on their PRI. Although the formula works as a sliding scale, in practice, colleges with CDRs above 30 percent and borrowing rates above 20.8 percent cannot benefit from it because their resulting PRI will be too high.

To exclude schools with low borrowing rates from the repayment rate warnings, the NPRM directs schools to calculate their PRI as if their CDRs were 30 percent, which is the same as directing schools to determine if their borrowing rates are 20.8 percent or less. Schools would use this calculation to submit challenges to the Department in order to avoid making repayment rate warnings. We recommend changing this provision to be a *simple borrowing rate exemption*, which is clearer to understand and less complicated to administer than one based on PRIs.

Further, we recommend the Department use data currently available to it to determine which schools are eligible for this exemption, rather than requiring schools to calculate their borrowing rate and submit challenges to the Department. There are multiple ways the Department could measure borrowing rates to exempt schools from repayment rate warnings, including by:

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1. Using the undergraduate borrowing rate from the IPEDS Student Financial Aid survey, where colleges report the number and share of undergraduate students who borrow federal student loans; or
2. Using NSLDS to sum the number of borrowers at a college (numerator) and divide that by the college’s 12-month enrollment count for the same academic year (denominator).

Neither of these approaches exactly mirrors the borrowing rate calculation done by colleges for the purposes of filing PRI challenges and appeals for CDR sanctions, but we believe they are sufficient to exempt schools with relatively low borrowing rates from the repayment rate warnings. Schools with borrowing rates at or below 20.8 percent would simply be exempt from the repayment rate warnings without having to calculate their PRI and submit a challenge.

Require a minimum of 30 students. As we noted in our comments on the proposed gainful employment regulation in 2014, when choosing a minimum sample size, statistical validity, student privacy, and the comprehensiveness of the accountability system are all critical. Given that this repayment rate is for schools, which may have multiple programs, it may be appropriate to require at least 30 students, rather than at least 10 students, in order for students to receive repayment rate warnings. The final gainful employment regulation requires only 10 students for programmatic disclosures, but requires at least 30 students in order to calculate debt-to-earnings ratios and warn students enrolled in failing programs.

Strengthen requirements for disclosures in school promotional and advertising materials. The Department explicitly invited comment (p.39374) on ways to ensure that warnings, when included in promotional and advertising materials, are not hidden or presented in a way that makes it difficult for the public to see. We recommend the Department consider adopting the same requirements used for disclosures under the gainful employment regulation. Section 668.412(d)(1)(ii) of that regulation requires:

Where space or airtime constraints would preclude the inclusion of the disclosure template, the Web address (URL) of, or the direct link to, the disclosure template, provided that the URL or link is prominent, readily accessible, clear, conspicuous, and direct and the institution identifies the URL or link as “Important Information about the educational debt, earnings, and completion rates of students who attended this program” or as otherwise specified by the Secretary in a notice published in the Federal Register.

To ensure students actually see warnings, it is essential that the Department prescribe how the link should be labeled. We urge the Department to consult with the Federal Trade Commission, which has provided examples of what it considers acceptably prominent, clear, and conspicuous, and we encourage the Department to consider doing so as well. Below we recommend that the Department do the same for the financial protection disclosures.

Strengthen requirements for including disclosures on school websites. Section 668.41(h)(9) of the proposed regulations requires that institutions “prominently provide the warning required in this section in a simple and meaningful manner on the homepage of the institution’s Web site.” Given how difficult it can still be to find gainful employment disclosures on school websites, it is essential that the Department provide clearer guidelines on where and how the warnings should be posted on school websites, including how they should be labeled.

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20 For example, it is difficult to find the required gainful employment disclosures on the Harris School of Business websites: http://www.harrisschool.edu/
Financial Protection Disclosures (§668.41(i))

We commend the Department for proposing to inform current and prospective students about factors that could have a significant impact on their ability to complete their education at an institution. Specifically, the NPRM requires schools that are required to provide financial protection to the Secretary to clearly disclose to enrolled and prospective students the reasons why and to post the information on the school’s website home page. Although disclosures alone are not sufficient to protect students and taxpayers, we fully agree with the Department that “students are entitled to know about any such event that is significant enough to warrant disclosure to investors since students can have an equal, if not greater, financial stake in the continued operation of their institution” (p.39374). Currently, students are frequently among the last to learn of significant federal, state, and accreditor concerns about their school. Students should not be kept in the dark. As noted in the preamble, “for the thousands of students in recent years whose institutions have closed their doors precipitously, advance notice that those institutions faced significant financial risk and compliance issues could have allowed students time to reevaluate their decision to remain at an institution and choose to instead continue their education without interruption at an institution where the prospects for completing their education are more certain.”

We believe these financial protection disclosures are at least as important as the proposed repayment rate warnings, and we make the following recommendations to ensure that students see and understand them.

Financial protection disclosures should be included in school promotional materials. Section 668.41(h)(8) and §668.41(i) of the NPRM require loan repayment rate warnings, but not financial protection disclosures, to be included in schools’ promotional materials. Yet the financial protection information is at least as important to consumers, if not more so. The financial protection disclosures should be required to be included in promotional materials, in the same manner that we recommended for the repayment rate warnings above.

Require Department-issued, consumer-tested plain language financial protection disclosures. The NPRM (§668.41(h)(7)) requires schools to deliver the loan repayment rate warnings “in a form and manner prescribed by the Secretary” based on consumer testing. However, the proposed rules are unclear on whether the same would be true of the financial protection disclosures. Section 668.41(i)(1) indicates that they would, but §668.41(i)(3) suggests they would not. The final rule should clearly require the financial protection disclosures to be delivered in a prescribed, consumer-tested form and manner. Before schools were required to use a standard template for gainful employment disclosures, it was often extremely difficult to understand the disclosures, making them neither helpful nor meaningful. Even a well-intentioned school may struggle to clearly explain to students why it is required to provide financial protection, and schools may have a strong incentive to not explain it clearly. Given the finite number of reasons why a school may be required to provide financial protection, the Department should test the best way to explain them and require schools to use this language and format.

Prescribe the labeling of the disclosures on institutional websites based on consumer testing. Many schools label important required disclosures under terms like “consumer information,” on which few consumers are likely to click. As discussed above in our comments on the repayment rate warnings, the Department should prescribe the labeling and provide greater guidance to ensure the financial protection disclosures are sufficiently prominent.
Require financial protection disclosures at first contact with a student. During negotiated rulemaking, the Department proposed requiring institutions to deliver any loan repayment rate warning or financial protection disclosure to prospective students at the first contact with those students, as required for warnings under §668.410(a)(6)(i) of the existing gainful employment regulation. In response to claims by negotiators that it may be difficult to identify the point of first contact, this requirement was not included in the NPRM.

We strongly support requiring the financial protection disclosures at first contact with the student, as well as before the student enrolls, registers, or enters into a financial obligation with the school, consistent with the final gainful employment regulation. We do not believe it is difficult to identify the point of first contact— schools are already required to do so under the gainful employment regulation, and the Department’s rationale for requiring it in that regulation is still valid and equally applicable to the proposed financial protection disclosures and repayment rate warnings. In the preamble to the final gainful employment regulation, the Department states:

For prospective students, we continue to believe that student warnings should be required both upon first contact and prior to enrollment. Although there will be situations in which contact is first made and a prospective student indicates his or her intent to enroll within a relatively short period of time after that, we believe that any redundancy in requiring delivery of the student warnings at both of these junctures is outweighed by the value in ensuring prospective students have this critical program information at times when they may most benefit from it.21

Pre-Dispute Arbitration Clauses and Class Action Bans (§685.300)

We applaud the Department for proposing rules intended to ensure that students can hold schools accountable for wrongdoing in the courts, rather than being forced to pursue any claims in secret arbitration proceedings that usually favor the school. We also commend the Department for its efforts to protect students who have already signed pre-dispute arbitration agreements and/or class action waivers. We recommend that the final rule bar all colleges participating in the Direct Loan Program from using or enforcing with any of their students a pre-dispute arbitration agreement or class-action waiver that shields schools from accountability related to federal loans or the school’s marketing or provision of educational services, regardless of whether those services are financed by the loan. Public Citizen has submitted comments with redlined regulatory language to accomplish this.

TICAS joined 41 other organizations in submitting joint comments to improve the proposed rule to restrict predatory colleges that participate in the Direct Loan program from using forced arbitration clauses.22 As these comments explain, the proposed rules would unfortunately continue to allow institutions to use pre-dispute arbitration agreements and to ban class action lawsuits for important claims. For example, schools could continue to use pre-dispute arbitration agreements as long as they are technically not a condition of enrollment. A school could still direct students to sign these agreements as a routine matter, bury them under piles of information, or word them in ways that make it unclear they are not actually required. See Attachment D for an example of a “voluntary” agreement providing consent for Zenith/ECMC-owned Everest and Wyotech to robocall and robotext the student. The “Messaging Disclosure/Consent to Receive Contacts” is the seventh page of a six-page “Enrollment Agreement and Addendum Disclosures” that students are required to sign more than 40 times as a condition of enrollment. Then on the seventh page, the school includes the “voluntary” “Messaging

21 P. 64968 of the Federal Register, Vol. 79, No. 211, Friday, October 31, 2014.
Disclosure/Consent to Receive Contacts.” Most students will likely assume that this agreement is required after initialing dozens of items on the previous six pages. See Attachment E, which includes a University of Phoenix academic catalog which discloses, on page 90 of 566 pages, that “arbitration is not mandatory but is strongly encouraged as an effective way to resolve disputes.” It is clear from these two examples that an institution could easily induce the vast majority of their students to sign “voluntary” pre-dispute arbitration agreement. To remedy this, we recommend that the Department prohibit all pre-dispute arbitration agreements. Students and schools would still be free to agree to arbitration after any dispute arises.

The final rule should cover claims outside of borrower defense. Under the NPRM, schools would be permitted to force students to arbitrate claims that could not be asserted as a “borrower defense” claims. There are numerous claims that may fall outside the scope of borrower defense that nonetheless interfere with an institution’s commitment to its students. The Department recognizes (p.39384) the importance of students’ access to the courts: “[a] lawsuit is more likely to attract the attention and risk of compensatory or prophylactic enforcement action by this Department and other government agencies.” We agree, and request that this is addressed in the final rule.

The final rule should cover all students at schools participating in the Direct Loan Program. In addition, a loophole in coverage could leave millions of students completely unprotected because they did not take out a federal loan in a given year. For-profit colleges that participate in Title IV programs, and colleges that were recently operated for-profit, are virtually the only schools that require students to sign pre-dispute arbitration agreements and class action waivers. In 2011-12 alone, more than one million students at for-profit colleges did not take out a federal student loan, including many veterans. That’s nearly one third (30 percent) of the students enrolled in for-profit colleges that year who might not be protected by the proposed regulations on pre-dispute arbitration agreements and class action waivers. If the proposed regulations had been in effect in 2011-12, even at Corinthian Colleges, nearly one out of four Corinthian students (23 percent or 44,000 students) might not have been protected because they did not take out a federal student loan that year.

To fully protect students and taxpayers, the final rule should bar all colleges participating in the Direct Loan program from using or enforcing, with any of their students, a pre-dispute arbitration agreement or a class-action waiver to shield themselves from. However, if the Department does not believe it has the authority to do this, at a minimum the final rule should cover all Title IV recipients at a school. However, including only Title IV recipients will still leave many students out. In 2011-2012, more than 800,000 students at for-profit colleges did not receive any Title IV aid. That’s nearly a quarter (23 percent) of the students enrolled in for-profit colleges that year.

Submission of transitional program participation agreements. To ensure prompt compliance with these

24 Calculations by The Institute for College Access & Success (TICAS) using data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS). Includes undergraduate and graduate students who attended for-profit colleges in 2011-12 and includes federal Stafford, PLUS and Perkins loans.
25 Calculations by TICAS using data from the U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS) Data Center, accessed July 14, 2016. Figures apply to undergraduates who attended Corinthian Colleges in 2011-12. Calculations assume that the share of undergraduates in the financial aid cohort who borrowed federal loans is the same as the share of all undergraduates (enrolled any time during the 2011-12 year) who borrowed federal student loans. In some cases, the financial aid cohort is limited to students enrolled in the fall.
26 Calculations by TICAS using data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 2011-12. Figures cover undergraduate and graduate students who attended for-profit colleges in 2011-12. For undergraduates, Title IV aid includes federal Stafford loans, Parent PLUS loans, Perkins loans, Supplemental Educational Opportunity Grants, federal work study and Pell Grants; for graduate students, Title IV aid includes federal Stafford loans, Grad PLUS loans, Perkins loans, and federal work study.
provisions, the final regulation should require colleges participating in the Direct Loan program to submit transitional program participation agreement (PPA) to the Department within six months of the effective date of this regulation, as the 2014 gainful employment regulation required. Alternatively, to reduce the administrative burden on colleges that have never forced students to sign pre-dispute arbitration agreements and class action waivers, the Department could limit the requirement to submit transitional PPAs to colleges that operate for-profit or have operated for-profit within the last 10 years. As the Department has noted in the past with regard to submitting transitional program participation agreements, the additional “reporting burden is outweighed by the importance of promptly confirming after the regulations become effective that all programs meet the certification requirements. This will reduce the potential harm to students who become enrolled, or continued harm to students already enrolled....If we were to wait until PPA recertification, a significant amount of time could pass before a program’s deficiencies would come to light.”

**False Certification Discharges (§685.215)**

We support the Department’s proposal to update and clarify the availability of false certification discharges, with the exception of the proposed change that appears to scale back current eligibility for a false certification discharge based on a student’s not meeting requirements for employment in the occupations for which the programs is intended to train students. The NPRM unduly limits such false certifications to students who do not meet state requirements for employment. However, many requirements for employment in a state are set by professional or licensing bodies, not by the state. Section 668.414 of the Department’s gainful employment regulation recognizes this by requiring schools to certify that each of their career education programs “satisfies the applicable educational prerequisites for professional licensure or certification requirements in that State so that the student who completes the program and seeks employment in that State qualifies to take any licensure or certification exam that is needed for the student to practice or find employment in an occupation that the program prepares students to enter” [emphasis added].

We endorse the four false certification recommendations detailed in the legal aid community’s comments on this NPRM to ensure that individuals whose eligibility has been falsely certified by schools in various ways are able to obtain relief. These four recommendations are to:

1. Permit false certification discharges based on a school’s falsification of a student’s financial aid application;
2. Allow individuals to apply for false certification discharges based false certification of their academic progress;
3. Use fair evidentiary standards; and
4. Permit false certification discharges based on a student’s not meeting professional or state requirements for employment in the occupations the program is intended to train students for.

**Net Budget Impact**

The NPRM (p.39394) specifically welcomed comments about the assumptions used in developing estimates of the net budget impact of the proposed regulations. We believe the high-end estimates greatly overstate the potential impact because they assume no change in school practices based on the regulation. The proposed regulations are rightly designed to save taxpayers money by deterring wrongdoing by schools and ensuring schools are held accountable more quickly for any wrongdoing that does occur. There is good reason to believe the proposed regulations will succeed. Attorneys are already

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urging schools to take steps to ensure they are not making false claims to their students.\(^\text{28}\) Many of the largest for-profit colleges responded to the Department’s gainful employment regulation even before it went into effect, including by closing their worst performing programs, freezing or lowering tuition, instituting free trial periods, and providing greater job placement services.\(^\text{29}\)

Even if the Department’s high-end estimate were accurate, $42.7 billion is a tiny share of the more than $1 trillion projected loan volume over the same 10-year period or the $1.3 trillion in outstanding federal student loans. Moreover, the cost will only cut into the profits the government currently makes from student loans. The Congressional Budget Office currently estimates that the government will make $43 billion from federal student loans over the next 10 years—enough to fully cover the Department’s highest cost estimate of the proposed regulations.\(^\text{30}\)

Thank you for the opportunity to provide input on where regulations need to be modified and strengthened, and we urge you to move forward in finalizing a strong rule by November 1, 2016. If you have any questions about our comments, please feel free to contact us by phone at (202) 223-6060, or by email at pabernathy@tics.org or jwang@tics.org.

Sincerely,

Pauline Abernathy
Executive Vice President

Jennifer Wang
DC Office Director

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\(^{28}\) For example, Katherine Lee Carey, special counsel in the Education Policy Group at the law firm Cooley LLP, was quoted in the *Washington Post* on July 20, 2016 saying that based on the NPRM, “Institutions need to look at all of their marketing and disclosures to students….Basically anything students are told that impacts their decision to enroll,” to ensure that they are accurate. [http://wapo.st/29TsjPC](http://wapo.st/29TsjPC).

\(^{29}\) For example, from Piper Jaffray, “The Bull/Bear Case for Education Stocks,” July 2014: “We note that the industry has taken several proactive steps since the initial round of GE, including closure of underperforming and at-risk programs, restructuring of recruiting and conversion practices, and an overall emphasis on student, program and outcome quality.” Also, from the ITT Tech 10-K for year ending Dec 31, 2011: “The GE Requirements have resulted in, and will likely continue to result in, significant changes to the programs of study that we offer, in order to comply with the requirements or to avoid the uncertainty associated with such compliance, such as offering programs at lower costs or in fields with higher earnings potential…We have also begun to limit enrollment in certain programs of study and substantially increase our efforts to promote student loan repayment.” [https://www.sec.gov/Archives/edgar/data/922475/000119312512077917/d231471d10k.htm](https://www.sec.gov/Archives/edgar/data/922475/000119312512077917/d231471d10k.htm).

\(^{30}\) Calculations by TICAS and CBPP using data from the Congressional Budget Office (CBO), March 2016 baseline. [https://www.cbo.gov/sites/default/files/51310-2016-03-StudentLoan.pdf](https://www.cbo.gov/sites/default/files/51310-2016-03-StudentLoan.pdf). Figures represent projected budget authority (BA) between 2017-2026, including $1 billion in lower expected costs due to sequestration. Figures for the total student loan program include the Direct Loan program, FFEL program, and administrative costs.
Attachment A:

Everest College Application/Enrollment Agreement
**PERSONAL INFORMATION**

<table>
<thead>
<tr>
<th>LAST NAME</th>
<th>FIRST NAME</th>
<th>MIDDLE INITIAL</th>
<th>MAIDEN NAME</th>
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<table>
<thead>
<tr>
<th>PRESENT ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
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<th>PERMANENT ADDRESS</th>
<th>CITY</th>
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<tr>
<th>HOME TELEPHONE NUMBER</th>
<th>MOBILE TELEPHONE NUMBER</th>
<th>WORK/OTHER TELEPHONE NUMBER</th>
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<thead>
<tr>
<th>EMAIL ADDRESS</th>
<th>DATE OF BIRTH</th>
<th>SOCIAL SECURITY NUMBER</th>
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<table>
<thead>
<tr>
<th>RACE</th>
<th>ALASKAN NATIVE OR AMERICAN INDIAN</th>
<th>ASIAN</th>
<th>BLACK OR AFRICAN AMERICAN</th>
<th>HISPANIC</th>
<th>NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER</th>
<th>UNKNOWN</th>
<th>TWO OR MORE RACES</th>
<th>ARE YOU A</th>
<th>U.S. CITIZEN</th>
<th>ELIGIBLE NON-CITIZEN</th>
<th>NON-CITIZEN</th>
<th>ELIGIBLE FOR VETERAN’S BENEFITS?</th>
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<td></td>
<td>NO</td>
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</table>

**PREVIOUS EDUCATION**

<table>
<thead>
<tr>
<th>WILL YOU BE A HIGH SCHOOL GRADUATE BEFORE THE START DATE OF YOUR PROGRAM, GIVEN BELOW?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME OF LAST HIGH SCHOOL ATTENDED</td>
<td>CITY</td>
<td>STATE</td>
</tr>
<tr>
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<table>
<thead>
<tr>
<th>HAVE YOU RECEIVED AN EQUIVALENCY DIPLOMA OR G.E.D.?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>HAVE YOU PREVIOUSLY ATTENDED THIS INSTITUTION?</th>
<th>YES</th>
<th>NO</th>
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</table>

<table>
<thead>
<tr>
<th>HAVE YOU PREVIOUSLY ATTENDED ANOTHER POSTSECONDARY SCHOOL OR INSTITUTION?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

**LIST ALL POSTSECONDARY INSTITUTIONS ATTENDED AFTER HIGH SCHOOL**

<table>
<thead>
<tr>
<th>SCHOOL NAME</th>
<th>CITY AND STATE</th>
<th>FROM (MO/yr)</th>
<th>TO (MO/yr)</th>
<th>DEGREE EARNED</th>
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<th>SCHOOL NAME</th>
<th>CITY AND STATE</th>
<th>FROM (MO/yr)</th>
<th>TO (MO/yr)</th>
<th>DEGREE EARNED</th>
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<tr>
<th>SCHOOL NAME</th>
<th>CITY AND STATE</th>
<th>FROM (MO/yr)</th>
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<th>DEGREE EARNED</th>
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**PROGRAM (FOR SCHOOL USE ONLY)**

<table>
<thead>
<tr>
<th>PROGRAM REQUESTED</th>
<th>START DATE</th>
<th>SCHEDULED COMPLETION DATE</th>
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<thead>
<tr>
<th>NO. OF QUARTERS</th>
<th>NO. OF MODULES</th>
<th>TOTAL CONTACT HOURS</th>
<th>TOTAL CREDITS</th>
<th>TOTAL MONTHS</th>
</tr>
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<tbody>
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<table>
<thead>
<tr>
<th>CREDENTIAL AWARDED UPON COMPLETION</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>SESSION SCHEDULE (REQUISITED IN STATES: WA, OH, OR AND ACCSC SCHOOLS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORNING</td>
</tr>
<tr>
<td>---------</td>
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<table>
<thead>
<tr>
<th>EACH:</th>
<th>M</th>
<th>T</th>
<th>W</th>
<th>TH</th>
<th>F</th>
<th>S (CIRCLE DAYS)</th>
<th>FROM</th>
<th>AM / PM</th>
<th>TO</th>
<th>AM / PM</th>
</tr>
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<tbody>
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</table>

**Date of catalog under which student enrolled:** ____ / ____ / ____.

I have received the noted catalog and understand that the catalog is a part of this contract.  
(Student’s Initials)__________________________
FINANCIAL (FOR SCHOOL USE ONLY)

Fill program charges in EITHER the Quarter-Based Programs OR the Modular Programs section, whichever is applicable, and strike the section that does not apply.

☐ QUARTER-BASED PROGRAMS

Tuition and fees listed below are current as of the date of this agreement and will be charged for the student’s first quarter (or mini-term) in attendance. Tuition and fees for subsequent quarters will be charged at the published rate in effect at the beginning of that quarter, provided that the student is given one weeks’ advance notice of any increase in tuition and fees. Refunds will be based on the portion of the quarter that the student has completed.

**FEE**

<table>
<thead>
<tr>
<th>TUITION PER CREDIT HOUR</th>
<th>CURRENT RATE</th>
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<tbody>
<tr>
<td>TUITION PER CREDIT HOUR (1–7 CREDIT HOURS)</td>
<td>$________ PER CREDIT HR</td>
</tr>
<tr>
<td>TUITION PER CREDIT HOUR (8–11 CREDIT HOURS)</td>
<td>$________ PER CREDIT HR</td>
</tr>
<tr>
<td>TUITION PER QUARTER (12–15 CREDIT HOURS)</td>
<td>$________ PER QUARTER</td>
</tr>
<tr>
<td>TUITION PER QUARTER (16+ CREDIT HOURS)</td>
<td>$________ PER QUARTER</td>
</tr>
<tr>
<td>FEES (SPECIFY)</td>
<td>$________</td>
</tr>
</tbody>
</table>

| ONLINE FEE | $________ |
| MINI-TERM START (IF APPLICABLE) | $________ |
| AVERAGE ESTIMATED COST OF BOOKS* | $________ |

*The cost of books will vary each quarter in relation to the number of classes taken or cost of textbooks. The minimum full-time course load is 12 credits per quarter. Non-credit-bearing coursework will be charged at the same rate as credit-bearing coursework. Arrangements to cover the cost of tuition, books and fees must be completed prior to registration each quarter. Total program cost is dependent upon enrollment status. Students enrolled in 8+ credit hours will be charged a flat-term rate. Students enrolled in less than 8 credit hours will be charged per credit and total tuition for a given quarter is determined by multiplying the number of credit hours for which the student is registered and attends within the term by the then-current tuition rate.

I HAVE REVIEWED THE CHARGES ABOVE__ (STUDENT’S INITIALS)

☐ MODULAR PROGRAMS

Financial aid is administered as a credit-hour program
Financial aid is administered as a clock-hour program

Students will be charged tuition based on an academic year. Refunds will be based on the portion of the academic year that the student has completed.

<table>
<thead>
<tr>
<th>TUITION</th>
<th>1ST YEAR</th>
<th>2ND YEAR†</th>
<th>3RD YEAR†</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEES (SPECIFY)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

| TEXTBOOKS AND EQUIPMENT†† | | | | |
| OTHER (SPECIFY) | | | | |
| TOTAL | | | | |

† OR PORTION THEREOF
†† TEXTBOOK AND EQUIPMENT COSTS ARE ESTIMATED.

The cost of books may vary due to publisher’s costs.

If I am unable to pay my tuition in full or on or before the start date of the period for which I have been charged, either through federal financial aid, third party private loans or other means, I understand that I may arrange to participate in a cash payment plan with The School. I understand that third parties who may make private loans to me to finance my education may subsequently sell such loans and related receivables to The School or to an affiliate of The School.

I HAVE REVIEWED THE CHARGES ABOVE__ (STUDENT’S INITIALS)

ENROLLMENT AGREEMENT

The Student Understands:

1. The School will evaluate postsecondary education completed at another school and/or prior vocational/occupational institution, including military training. I will be given appropriate credit if, at the sole discretion of The School, such education meets The School’s standards for transfer of credit.
2. This School does not guarantee job placement to graduates upon program/course completion or upon graduation, and does not guarantee a salary or salary range to graduates.
3. The School will not be responsible for any statement of policy, placement assistance activities, curriculum or facility that does not appear in The School catalog or in this Enrollment Agreement.
4. The School reserves the right to discontinue my education for unsatisfactory progress or failure to abide by School rules as stated in this Enrollment Agreement.
5. This Enrollment Agreement is not binding until accepted in writing by all parties.
6. If I receive any loan through the federal financial aid programs, I understand that if I fail to repay the loan in accordance with the terms under which it was provided, my income tax refund could be taken away and I may be unable to get other financial aid or government housing assistance until I pay off such loan.
7. I understand and agree that repaying any financial obligations related to my education at The School is my responsibility, and that my failure to repay my financial obligation as agreed could have a direct, adverse impact on The School’s operations, including without
ENROLLMENT AGREEMENT (CONTINUED)

limitation, the ability of the School to make financial assistance available to other students and the ability of other students to obtain financial assistance for their education from other sources, including federal financial aid programs.

8. I further understand and agree that if I fail to comply with the terms of any financial assistance made available to me through The School or any other source or any cash payment plan offered to me, in addition to any other remedies available to The School by contract or under law, The School may take action with respect to my continued enrollment, up to and including suspension or termination of my enrollment.

9. The School further reserves the right to change instructors, textbooks, course curricula, accreditation, schedules, prerequisites and requirements, or cancel a course or program for which there is insufficient enrollment. The School will provide me a full refund for courses or programs that I have enrolled in and which are cancelled. Should the start date as indicated in this Enrollment Agreement change, I will be given the opportunity to negotiate a new Enrollment Agreement, and this Enrollment Agreement shall be null and void.

10. The School does not guarantee the transferability of credits to any school, university or institution. I acknowledge that it is my sole responsibility to contact a receiving institution regarding any possible transfer of credit from The School prior to enrollment.

11. Any holder of a consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant to or with the proceeds thereof. Recovery by the debtor shall not exceed amounts paid by the debtor. (FTC Rule effective 5/14/76)

12. The School reserves the right to verify all graduate employment information.

13. I acknowledge and consent to the sale/transfer of this Enrollment Agreement or any note or other receivable obligation to a third party for collection if deemed desirable by The School.

14. Do not sign this Enrollment Agreement before you read it or if it contains any blank spaces.

I acknowledge and agree that The School may modify, amend, or replace The School catalog or any of its terms from time to time and at any time in its sole discretion and that if The School catalog is modified, amended, or replaced, then I will be provided a copy of any modified, amended, or replacement catalog, which will be binding upon me after my receipt thereof. If the catalog modification, amendment or replacement creates a substantial failure to furnish the instruction agreed upon, I will have the opportunity to review and agree, in writing, to the specified changes, or be given a fair chance to complete my program or another program with a demonstrated possibility of placement equal to or higher than the possibility of placement in the program in which I enrolled, within approximately the same period of time at no additional cost. Also, I have carefully read and received an exact copy of this Enrollment Agreement. I understand that my enrollment may be terminated for any of the following reasons (in addition to any grounds for such termination in the catalog): if I fail to comply with The School's attendance and academic requirements; if I fail to comply with the terms of this Enrollment Agreement or any financial assistance accepted by me; or if I disrupt the normal activities of The School. While enrolled at The School, I understand that I must maintain Satisfactory Academic Progress as described in The School catalog before a credential may be awarded and that failure to maintain such progress may be cause for loss of financial assistance and/or termination of enrollment.

My signature below certifies that I have read, understood, and agreed to my rights and responsibilities in this Enrollment Agreement and The School catalog, and that The School's cancellation and refund policies have been clearly explained to me.

Acknowledgment of Waiver of Jury Trial and Availability of Voluntary Dispute Resolution Procedures:

By my signature, I acknowledge that I understand that both I and The School are irrevocably waiving rights to a trial by jury. I further acknowledge that I may, but am not required to, take advantage of The School's internal dispute resolution and arbitration procedures as set forth in the Dispute Resolution Policy addendum to this agreement. However, if I file suit against The School in any court, or if I seek arbitration, I agree not to combine or consolidate any Claims with those of other students, such as in a class or mass action.

Choice of Law, Exclusive Jurisdiction and Venue: This Agreement, and any dispute, claim, or cause of action arising out of or related in any way, whether directly or indirectly, to the undersigned student's relationship with the School, shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada without regard to conflict of laws principles. Jurisdiction and venue for any such dispute, claim, or cause of action shall be proper only as follows: (1) If in a court of law, the student and the School agree and consent to the exclusive jurisdiction and venue of any courts, federal, state, or local, having a situs within Nevada. (2) Alternatively, if in arbitration, the student and the School agree and consent to arbitration at a location within 100 miles of where the student attends or attended School.

Severability: If any provision or part of this Agreement is determined to be invalid or unenforceable, that provision or part will be stricken or modified to the minimum extent necessary to render the provision otherwise enforceable, and the remainder of the Agreement will remain in full force and effect.

I hereby acknowledge receipt of The School catalog which contains information describing programs offered and equipment/supplies provided and which is incorporated herein by this reference.

SIGNATURES

<table>
<thead>
<tr>
<th>SIGNATURE OF STUDENT</th>
<th>DATE</th>
<th>IF UNDER 18, SIGNATURE OF PARENT OR GUARDIAN</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURE OF ADMISSIONS OFFICER</td>
<td>DATE</td>
<td>SIGNATURE OF ADMINISTRATIVE OFFICIAL</td>
<td>DATE</td>
</tr>
</tbody>
</table>

Representative's Certification: I hereby certify that has been interviewed by me. I further certify that there have been no verbal or written agreements or promises other than those appearing on this agreement and the Enrollment Agreement Addendum and Disclosures, which is hereby incorporated into this agreement and a part hereof by this reference.

By: __________________________    Date: ______________________

This agreement is a legally binding instrument when it has been signed by the student and accepted by The School as evidenced by the signature of the accepting officer.

This Agreement and Addendum can only be modified by a writing signed by both the Campus President and the student.

BE SURE TO READ THE BACK OF THIS AGREEMENT SINCE IT IS PART OF YOUR CONTRACT WITH THE SCHOOL.
BUYER'S RIGHT TO CANCEL

The applicant's signature on this Enrollment Agreement (Agreement) does not constitute admission into The School until the student has been accepted for admission by an official of The School. If the applicant is not accepted by The School, or if The School substantially fails to furnish the training program agreed upon in this Agreement, all monies paid will be refunded.

After the applicant has signed the Agreement, the applicant may request cancellation by submitting a written notice either prior to the start of the first scheduled class or by midnight of the third business day following the signing of the Agreement, whichever is longer, and the applicant will receive a full refund of all monies paid. Applicants who have signed the Agreement but have not yet visited The School may also cancel within three business days following either The School's regularly scheduled orientation procedures or a tour of The School's facilities and inspection of equipment, where training and services are provided.

Cancellation will occur when the student gives a signed and dated written notice of cancellation to the Director of Admissions or President at the address shown on the front of this Agreement. The written notice of cancellation need not take any particular form, and, however expressed, is effective if signed and dated by the student and states that the student no longer wishes to be bound by the Agreement. A notice of cancellation may be given by mail or hand delivery. The notice of cancellation, if sent by mail, is effective when deposited in the mail, properly addressed, with postage prepaid.

OFFICIAL WITHDRAWALS

An official withdrawal must be documented in writing. An official withdrawal is considered to have occurred on the earlier of a) the date that the student provides to The School official notification of his or her intent to withdraw, or b) the date that the student begins the withdrawal process. Students who must withdraw from The School are requested to notify the office of the Academic Dean/ Director of Education by telephone, in person, or in writing, to provide official notification of their intent to withdraw. Students will be asked to provide the official date of withdrawal and the reason for withdrawal in writing at the time of official notification. When the student begins the process of withdrawal, the student or the office of the Academic Dean/Director of Education will complete the necessary form(s).

Quarter-based Programs: After the cancellation period, students in quarter-based programs who officially withdraw from The School prior to the end of The School's official add/drop period will be dropped from enrollment, and all monies paid will be refunded.

Modular Programs: Although there is no add/drop period in modular programs, for students who officially withdraw within the first five class days (or for weekend classes within seven calendar days from the date they started class, including the day they started class), all monies paid will be refunded.

DATE OF WITHDRAWAL VERSUS DATE OF DETERMINATION (DOD)

The date of withdrawal, for purposes of calculating a refund, is the student's last date of attendance. The date of determination is the earlier of the date the student officially withholds, provides notice of cancellation, or the date The School determines the student has violated an academic standard. For example, when a student is withdrawn for violating an academic rule, the date of the student's withdrawal shall be the student's last date of attendance. The date of determination shall be the date The School determines the student has violated the academic rule, if the student has not filed an appeal. If the student files an appeal and the appeal is denied, the date of determination is the date the appeal is denied. If the student ceases attendance without providing official notification, the DOD shall be no more than 14 days from the student's last date of attendance.

FEDERAL FINANCIAL AID RETURN POLICY

Student Financial Aid (SFA)

The School is certified by the U.S. Department of Education as an eligible participant in the Federal Student Financial Aid (SFA) programs established under the Higher Education Act of 1965 (HEA), as amended (Title IV programs). The School is required to determine earned and unearned portions of Title IV aid for students who cancel, withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term.

Return of Title IV Funds Calculation and Policy

The Return of Title IV Funds calculation (Return calculation) is based on the percentage of earned aid using the following calculation: Percentage of payment period or term completed equals the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula: Aid to be returned equals (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total dollar amount of aid that could have been disbursed during the payment period or term.

The School must return the Title IV funds for which it is responsible in the following order:

1. Unsubsidized Direct Stafford loans (other than PLUS loans)
2. Subsidized Direct Stafford loans
3. Federal Perkins loans
4. Direct PLUS loans
5. Federal Pell Grants for which a return of funds is required
6. Academic Competitiveness Grants for which a return of funds is required
7. National Smart Grants for which a return of funds is required
8. Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required

If a student withdraws after the 60% point-in-time, the student has earned all Title IV funds that he/she was scheduled to receive during the period and, thus, has no unearned funds; however, The School must still perform a Return calculation. If the student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 180 days of the DOD.

After a Return calculation has been made and a state/institutional refund policy, if applicable, has been applied, any resulting credit balance (i.e. earned Title IV funds exceed institutional charges) must be paid within 14 days from the date that The School performs the Return calculation and will be paid in one of the following manners:

1. Pay authorized charges at the institution;
2. With the student’s permission, reduce the student’s Title IV loan debt (not limited to the student’s loan debt for the period of enrollment);
3. Return to the student.

Any outstanding student loans that remain are to be repaid by the student according to the terms of the student’s promissory notes. If a student earned less aid than was disbursed, The School would be required to return a portion of the funds and the student would be required to return a portion of the funds.

Return of Unearned Title IV Funds
The School must return the lesser of:
• The amount of Title IV program funds that the student did not earn; or
• The amount of institutional charges that the student incurred for the payment period or period of enrollment multiplied by the percentage of funds that were not earned.

The student (or parent, if a Federal PLUS loan) must return or repay the amount by which the original overpayment amount exceeds 50% of the total grant funds received by the student for the payment period or period of enrollment, if the grant overpayment is greater than $50. (Note: If the student cannot repay the grant overpayment in full, the student must make satisfactory arrangements with the U.S. Department of Education to repay any outstanding grant balances. The Student Financial Aid Department will be available to advise the student in the event that a student repayment obligation exists. The individual will be ineligible to receive additional student financial assistance in the future if the financial obligation(s) is not satisfied.)

Time Frame within which Institution is to Return Unearned Title IV Funds
The School must return the amount of unearned Title IV funds for which it is responsible within 45 days after the DOD.

Effect of Leaves of Absence on Returns
If a student does not return from an approved leave of absence on the date indicated on the written request, the withdrawal date is the student’s last day of attendance. For more information, see the Leave of Absence section in The School catalog.

REFUND POLICIES

INSTITUTIONAL PRO RATA REFUND CALCULATION AND POLICY
When a student withdraws, The School must determine how much of the tuition and fees it is eligible to retain. The Pro Rata Refund Calculation and Policy is an institutional policy and is different from the Federal Financial Aid Return Policy and Return calculation; therefore, after both calculations are applied, a student may owe a debit balance (i.e. the student incurred more charges than he/she earned in Title IV funds) to The School.

The School will perform the Pro Rata Refund Calculation for those students who terminate their training before completing the period of enrollment (i.e. students who receive a final grade of “W” or “WZ”). Under the Pro Rata Refund Calculation, The School is entitled to retain only the percentage of charges (tuition, room, board, etc.) proportional to the period of enrollment completed by the student. The period of enrollment for students enrolled in modular programs is the academic year. The period of enrollment for students enrolled in quarter-based programs is the quarter. The refund is calculated using the following steps:

1. Determine the total charges for the period of enrollment.
2. Divide this figure by the total number of calendar days in the period of enrollment.
3. The answer to the calculation in step (2) is the daily charge for instruction.
4. The amount owed by the student for the purposes of calculating a refund is derived by multiplying the total calendar days in the period as of the student’s last date of attendance by the daily charge for instruction and adding in any book or equipment charges.
5. The refund shall be any amount in excess of the figure derived in step (4) that was paid by the student.
TEXTBOOK AND EQUIPMENT RETURN/REFUND POLICY
A student who was charged for and paid for textbooks, uniforms, or equipment may return the unmarked textbooks, unworn uniforms, or new equipment within 30 days following the date of the student's cancellation, termination, or withdrawal. The School shall then refund the charges paid by the student. Uniforms that have been worn cannot be returned because of health and sanitary reasons. If the student fails to return unmarked textbooks, unworn uniforms or new equipment within 30 days, The School may retain the cost of the items that has been paid by the student. The student may then retain the equipment without further financial obligation to The School.

TIME FRAME WITHIN WHICH INSTITUTION IS TO ISSUE REFUNDS
Refunds will be issued within 15 calendar days of either the date of determination or from the date that the applicant was not accepted by The School, whichever is applicable.

EFFECT OF LEAVES OF ABSENCE ON REFUNDS
If a student does not return from an approved leave of absence (when applicable) on the date indicated on the written request, monies will be refunded. The refund calculation will be based on the student's last date of attendance. The DOD is the date the student was scheduled to return.

STUDENTS CALLED TO ACTIVE MILITARY DUTY

Newly Admitted Students
Students who are newly admitted to The School and are called to active military duty prior to the first day of class in their first term/module shall receive a full refund of all tuition and fees paid. Textbook and equipment charges shall be refunded to the student upon return of the textbooks/unused equipment to The School.

Continuing Students
Continuing students called to active military duty are entitled to the following:
If tuition and fees are collected in advance of the withdrawal, a strict pro rata refund of any tuition, fees, or other charges paid by the student for the program and a cancellation of any unpaid tuition, fees, or other charges owed by the student for the portion of the program the student does not complete following withdrawal for active military service ("WZ").

Continuing Modular Diploma Students
Continuing modular diploma students who have completed 50% or less of their program are entitled to a full refund of tuition, fees, and other charges paid. Such students who have completed more than 50% of their program are entitled to a strict pro rata refund.

SEVERABILITY
If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

MISCELLANEOUS
Nothing in this Enrollment Agreement shall be construed to be a restriction of venue.

BE SURE TO READ THE FRONT OF THIS AGREEMENT SINCE IT IS PART OF YOUR CONTRACT WITH THE SCHOOL.
DISPUTE RESOLUTION POLICY ADDENDUM

1. You may choose to initiate the terms of the following dispute resolution policy in lieu of or prior to initiating a legal claim in a court of competent jurisdiction against the School. As set forth below, if you are not satisfied with the outcome of the internal dispute resolution process, you may, but are not required to, seek resolution of your complaint through arbitration or before a court of competent jurisdiction. In the event that you file for arbitration or if you file a claim before a court of competent jurisdiction, you agree not to combine or consolidate any claims with those of other students, such as in a class or mass action. IN THE EVENT THAT YOU ELECT TO BRING A CLAIM IN COURT, YOU AGREE TO WAIVE YOUR RIGHTS TO A JURY TRIAL AND THAT THE CLAIM SHALL BE SUBMITTED TO A JUDGE ONLY AND NOT TO A JURY.

   _____ Initials

2. By signing this addendum, you acknowledge that the School has informed you of the availability of its internal dispute resolution procedure to resolve any claims you may have against the School. You may initiate this internal dispute resolution procedure by filing a written complaint with your academic advisor. The academic advisor will attempt to respond to your complaint and resolve the dispute within 15 days. If you are not satisfied with your academic advisor’s resolution of your complaint, you may appeal his/her decision to the President of the School. If you file a claim after you withdraw or graduate from the School, you may initiate the internal dispute resolution process by filing a written complaint directly with the President of the School. Whether you initiate the internal dispute resolution process with your academic advisor or with the School’s President, you may further appeal the School President’s decision to the Provost of Zenith Education Group.

3. If you are not satisfied with the outcome of the internal dispute resolution process described in paragraph two (2), you have the option of submitting your claim to arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Consumer Arbitration Rules at a location within 100 miles of where you attend School. You must complete the internal dispute resolution process before commencing arbitration.

4. If you initiate arbitration, you may choose to have the School pay half the cost of the consumer filing fee set by AAA that you would otherwise be responsible for paying under the Consumer Arbitration Rules in effect at the time you initiate arbitration (“Filing Fee”). In exchange for the School agreeing to pay one-half of the Filing Fee, you agree that once you initiate arbitration by submitting a claim to AAA you waive your right to bring a lawsuit against the school in a court of competent jurisdiction. The decision of the arbitrators shall be binding, and you agree not to appeal any arbitration decision to any court. If you are the prevailing party, the School will reimburse you for the portion of the Filing Fee that you advanced. You will not be responsible for reimbursing the School for the Filing Fee it advanced if the School is the prevailing party.

5. Alternatively, you may decide to pay the entire Filing Fee. If you pay the Filing Fee, you will not waive your right to bring a lawsuit against the school in a court of competent jurisdiction.
if you are not satisfied with the outcome of the arbitration. If you are the prevailing party, the School will reimburse you for the Filing Fee.

6. You will not be responsible for any Filing Fee under either paragraph 4 or 5 if you demonstrate hardship and, if represented, your attorney does not advance costs. In exchange for the School agreeing to pay the Filing Fee, you agree that once you initiate arbitration by submitting a claim to AAA you waive your right to bring a lawsuit against the school in a court of competent jurisdiction. The decision of the arbitrators shall be binding, and you agree not to appeal any arbitration decision to any court.

7. If, upon completion of the internal dispute resolution process you desire to initiate arbitration, you should first contact the School’s President, who will provide you with a copy of the AAA Consumer Rules. Information about the arbitration process and the Consumer Rules also can be obtained at www.adr.org or 1-800-778-7879. You shall then contact the AAA, which will provide the appropriate forms and detailed instructions. You shall disclose this document to the AAA.

8. Except as specifically required by law of the state in which this is executed or as may be specifically ordered by the arbitrator, the internal dispute resolution process and any subsequent arbitration process shall remain strictly confidential by the parties, their representatives and the AAA. This agreement to maintain the confidentiality of the arbitration process does not extend to the fact that an arbitration claim has been filed by you, as well as any decisions, final rulings, and award resulting from the arbitration.

9. All statutes of limitations applicable to any dispute apply to any arbitration between you and the School.

10. Please note that nothing in this agreement prohibits you from also filing a complaint with any state or federal regulatory or enforcement agency, including the U.S. Department of Education, or accrediting agency. Such a complaint may be filed at any time and nothing in this Agreement precludes you from notifying any state or federal regulatory or enforcement agency regarding the internal dispute resolution process and any resulting arbitration.

**Texas students only:** This provision is in addition to any grievance procedure specifically provided for by statute or rule to the extent that the claims are within the scope of such statute or rule. “Grievance procedure” refers specifically to the TWC Student Complaint Policy and information on filing a complaint with TWC can be found on TWC’s Career Schools and Colleges Website at http://csc.twc.state.tx.us/.

__________________________
Name of Student

__________________________
Signature of Student

__________________________
Date: ___________________________
Attachment B:

Brown Mackie College Enrollment Agreement
ENROLLMENT AGREEMENT. This is a legal contract.

Name: ___________________________  Student ID # ____________________

Street: __________________________ City: __________________________ State: __________ Zip: _______

Phone: __________________________ Email: __________________________

I hereby enroll at BROWN MACKIE COLLEGE – SOUTH BEND (the "College") for the following time period and program of study noted below. My preference is to attend courses during the time periods indicated. While the College will attempt to accommodate my preferences, I understand and agree that certain classes may need to be held at times other than those for which I expressed a preference.

☐ Morning  ☐ Afternoon  Start date: ___________  __________________________

☐ Evening  ☐ Afternoon  End date: ___________  __________________________

TUITION AND FEES

<table>
<thead>
<tr>
<th>Check</th>
<th>Program</th>
<th>Program Credits/Quarters</th>
<th>Tuition/Credit hour</th>
<th>Gen Fee/ Credit hour</th>
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<th>Total Gen Fee</th>
<th>Tuition Cost of Program *</th>
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<td>Practical Nursing - Diploma</td>
<td>71/2</td>
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<td>$2,400</td>
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<td>$36,576</td>
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<td>$327</td>
<td>$25</td>
<td>$31,392</td>
<td>$2,400</td>
<td>$33,792</td>
</tr>
</tbody>
</table>

*The displayed tuition cost of program is reduced by the credit hours successfully transferred into your program of study, either from an outside institution or from a previous enrollment, and assumes you pass all program courses as you attempt them. Tuition cost of program includes tuition and general fees. Tuition and fees are subject to increases.

Please visit our Student Consumer Information page to find the average time to completion for continuously enrolled students. The data is available at the average credit load, full-time or at full load. Changing programs, beginning programs at the mid-term start date, taking remedial courses, taking time off from coursework, registering for fewer hours or unsuccessful attempts at course completion will increase the total length of the program and overall cost of education from what is disclosed. Transfer credits awarded toward your program will likely decrease the overall length of time or at least the overall cost of education.

Textbooks will be delivered in digital form and require a technology kit purchased from the College or from outside resources. In the event a digital textbook is not available for a course, the College will substitute a physical textbook out of the college store at no additional charge.

Students needing transitional courses will be charged the following in addition to the program costs listed above.

□ I have opted out of the Technology Kit and understand I am responsible for supplying a compatible iPad (2nd generation or later) in order to download digital text within 15 days following the above Start Date. The Technology Kit is an institutional charge and is not included in the total program costs. The Technology Kit may be purchased from the College Store, or I may obtain a compatible iPad (2nd generation or later) from other outside resources.

Allied health students may incur additional expenses for required immunizations. The number and type of immunizations may vary, depending on state and local requirements. Some of the immunizations may have been administered to the student at an earlier date, for which the student must provide proof of immunization. The estimated cost for obtaining the immunizations is $300 - $750. Check with your program administrator for specific immunization requirements.

HOLD IN DUE COURSE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF, RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

GENERAL PROVISIONS: As a student of the College, I understand that I will be entitled to the privileges and bound by the conditions below:

CAREER SERVICES: I understand that individual job search assistance is available at no additional cost - by the Career Services Department of the College to students and graduates in good standing. I further acknowledge that no representative of the College has guaranteed me employment in a particular job or salary range upon graduation.

INSTRUCTION: I understand that I will receive instruction in English, in lecture and laboratory formats. Instruction will be delivered by qualified instructors of the College.

FINANCIAL OBLIGATIONS: I understand that I am personally responsible for all tuition, fees and other charges arising from and during my enrollment at the College. I understand that it is my personal obligation to pay all tuition, fees, and other charges when due. If I do not pay the full amount of any scheduled payment when that payment is due, I may not be permitted to continue my studies. If I am not able to continue my studies, I understand that I am responsible for any outstanding tuition, fees or other charges due in accordance with the College’s refund policy. I understand that my academic transcript will not be released to me or to any other individual requesting my transcript if there is a balance due to the College. In addition, if I choose to re-enroll at the College, I must satisfy any outstanding tuition, fees or other charges prior to my re-enrollment. I understand that any student financial assistance made available to me may not completely cover my tuition, fees, and other charges and I understand that any tuition, fees, and other charges not paid by financial assistance is my personal financial obligation. I accept that, to the extent permitted by law, I am responsible for all reasonable collection agency and attorney fees incurred in attempting to collect my unpaid debt to the College.

RENEWAL OF ENROLLMENT AGREEMENT: I understand and agree that although this agreement is executed for a period of only one (1) quarter, my enrollment at the College for subsequent quarters shall constitute a renewal of the terms of this agreement except for the tuition charge and fees, which may be subject to change with at least one (1) month’s notice to students. Because of the many changes that may occur, in both business and education, it is impossible to guarantee longstanding tuition and fee charges. The College, therefore, reserves the right to modify tuition and other charges upon sufficient notice to students and appropriate agencies. It is the responsibility of the student to remain apprised of the status of his or her account.

Initialed __________________________

All pages of this agreement constitutes an Enrollment Agreement  Page 1 of 4

#15886 South Bend EA 8.18.2015-new tuition effective 8.31.2015

White copy – File,  Yellow copy – SFS,  Pink copy – Student  

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Continued from the previous page:

Adjustment of Charges, Monies Paid in Advance

If the student is not accepted, all monies paid in advance shall be refunded. If the student is accepted and then cancels before classes begin, all monies paid in advance shall be refunded. If the student is accepted and subsequently starts, he/she is subject to the Cancellation of Enrollment policy below.

The student’s last date of attendance is used to determine the refund due. Refund provisions apply only to complete withdrawal from the College. Students who withdraw from the College should contact the Student Financial Service department for advising and information concerning loan repayment.

In accordance with school policy, any student who begins classes and then withdraws, or is terminated by the College at the student's request, shall be refunded. If the student is suspended, the College will determine how much Federal student financial assistance the student has earned or not earned when a student who is a Title IV recipient withdraws from school.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned, the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the last date of attendance by the total number of calendar days in the term. If there is a scheduled break of five or more days, it will reduce the term length and if the scheduled break is before the student’s last day of attendance, it will reduce the calendar days completed.

If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal PLUS Loans, Federal Pell Grant, FSEOG. Funds will be returned to the aid source within forty-five (45) calendar days of the date that the school determines that the student has withdrawn.

If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement loan funds for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received. The student or parent, in the case of the Federal PLUS Loans, needs to provide permission before funds may be disbursed. If the student has not returned the funds within thirty (30) days of the date that the school notifies the student, the school may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school), and, with the student’s authorization, the school may automatically use the grant funds for other educationally-related charges. Any balance of grant funds that may be available will be offered the student.

If Federal student financial assistance funds need to be returned, the College must return a portion or all of the unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial aid funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

Adjustment of Charges, Monies Paid in Advance

If the student is not accepted, all monies paid in advance shall be refunded. If the student is accepted and then cancels before classes begin, all monies paid in advance shall be refunded. If the student is accepted and subsequently starts, he/she is subject to the Cancellation of Enrollment policy below.

The student’s last date of attendance is used to determine the refund due. Refund provisions apply only to complete withdrawal from the College. Students who withdraw from the College should contact the Student Financial Service department for advising and information concerning loan repayment.

In accordance with school policy, any student who begins classes and then withdraws, or is terminated by the College, prior to the end of any quarter will be refunded tuition and fees as follows, based on the student’s last date of attendance:

- During the first 5% of the quarter, a refund of 95% of the quarter’s tuition, and fees; or
- More than 5% of the quarter up to 10% of the quarter, a refund of 90% of the quarter’s tuition, and fees; or
- More than 10% of the quarter up to 20% of the quarter, a refund of 80% of the quarter’s tuition, and fees; or
- More than 20% of the quarter up to 25% of the quarter, a refund of 75% of the quarter’s tuition, and fees; or
- More than 25% of the quarter up to 30% of the quarter, a refund of 70% of the quarter’s tuition, and fees; or
- More than 30% of the quarter up to 40% of the quarter, a refund of 60% of the quarter’s tuition, and fees; or
- More than 40% of the quarter up to 50% of the quarter, a refund of 50% of the quarter’s tuition, and fees; or
- More than 50% of the quarter up to 60% of the quarter, a refund of 40% of the quarter’s tuition, and fees; or
- More than 60% of the quarter or thereafter, 100% tuition obligation, no refund available with all fees retained.

Refunds after Matriculation

The College will first calculate how much needs to be returned under the Return of Federal Title IV Aid policy. The College will then calculate how much of the charges can be retained based on the College refund policy. If there is additional money to be refunded from Federal Title IV funds, the refund will be made to the student, with or without the student’s written authorization, to Federal Loans from which funds were received, in this order: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal PLUS Loans. If there is an additional credit balance remaining after Federal refund is made, under College policy, refunds will be made in this order, to programs from which funds were received: Federal Unsubsidized Direct Loans, Federal Subsidized Direct Loans, Federal PLUS Loans, other loans, other aid (if required), student.

If kits, components of the kits, books, or supplies are returned to the College store in re-sellable condition within twenty-one (21) calendar days of withdrawal, a credit will be given.

All refunds and return of the kit will be made within thirty (30) calendar days of the date the student notifies the College of the withdrawal or of the College terminating enrollment of the student, whichever is earlier.

Examples of the calculations for these policies are available in the Student Financial Service department.
CANCELLATION OF ENROLLMENT

A full refund will be made to any student who cancels the enrollment contract by submitting notice in writing within six (6) business days (until midnight of the sixth day excluding Saturdays, Sundays and legal holidays) after the enrollment contract is signed. When enrollment is cancelled, all monies paid to the College will be refunded to the applicant within thirty (30) calendar days.

STUDENT WITHDRAWAL

The student may officially withdraw from school by notifying the Office of the Registrar in writing or in person. The withdrawal date will be the student’s last date of attendance. The refund policies outlined above section shall apply in the event that a student withdraws, is suspended or is terminated from school.

After the student has finished his/her FIRST quarter of enrollment, he or she may qualify for Voluntary Intent to Continue status. Students who are in the first or second course of their quarter and are administratively withdrawn from their current course(s) but intend to return in the same quarter must have a Voluntary Intent to Continue form on file or will be considered withdrawn from Brown Mackie College. Students will have four business days from their date of determination to file the Voluntary Intent to Continue form that states he/she will return within the same quarter. Students who do not have a Voluntary Intent to Continue form on file after the fourth business day are dropped from all their classes and will be administratively withdrawn from the college. Students who do not intend to return in the same quarter are not eligible for Voluntary Intent to Continue and will be administratively withdrawn from Brown Mackie College. To indicate Voluntary Intent to Continue, a student must contact the Office of the Registrar to complete the required Voluntary Intent to Continue form and receive approval.

A student who withdraws from a course within the first two weeks of that course receives a Withdrawn, without penalty (W) grade for the course. After the first two weeks, withdrawal incurs a W or a Withdrawn, with penalty (WF) grade, depending upon the instructor’s evaluation of the student’s achievement to the point of the student’s last date of attendance. Withdrawal from a fundamental course incurs a grade of W regardless of the student’s last date of attendance.

To withdraw from a program, a student must notify the Office of the Registrar. Every course for which a student receives an “F, WF, UF, UFR”, or a “W or WR” grade/code must be repeated and completed with a passing grade in order to graduate. The original grade/code and the subsequent passing grade(s) will remain on the record for reference purposes. However, when a course is successfully repeated, only the passing grade will be computed in the grade point average. Tuition is charged for repeated courses.

When a final course grade has been established and recorded in the student record, the grade may not be changed without approval by the department chair and the Dean of Academic Affairs. Withdrawals and failed courses can affect the student’s Incremental Completion Rate and ability to succeed.

JURY WAIVER AND AGREEMENT TO BINDING, INDIVIDUAL ARBITRATION

Student and the College irrevocably waive our rights to a trial by jury and agree instead that any and all disputes, no matter how described, pleaded or styled, between me and the College (including its parent and past and present affiliates, employees, agents, and lenders) or related to any aspect of my relationship with or any act or omission by the College (“Claim”) shall be resolved by individual binding arbitration, conducted by the American Arbitration Association (“AAA”) under its Commercial Arbitration Rules and applicable Supplementary Procedures for Consumer-Related Disputes (“AAA Rules”) and in accordance with the terms of this Jury Waiver and Agreement to Binding, Individual Arbitration (“Arbitration Agreement”). Student can obtain a copy of the AAA Rules at www.adr.org or by calling 1-800-778-7879. This Arbitration Agreement, however, does not modify Student’s right, if any, to file a grievance with any state educational licensing agency or accrediting body.

1. Student is strongly encouraged to first attempt to resolve the Claim by using the General Student Complaint Procedure outlined in the Catalog.
2. Neither party shall file or maintain any lawsuit in court against the other, and any suit filed in violation of this Arbitration Agreement shall be dismissed by the court in favor of arbitration conducted pursuant to this Arbitration Agreement. The parties agree that the moving party shall be entitled to an award of costs and fees of compelling arbitration.
3. The arbitration shall take place before a single, neutral arbitrator in the federal judicial district in which Student resides, unless the parties agree otherwise.
4. Student will be responsible for paying a portion of the AAA filing fee at the time his/her Claim is filed in an amount equal to $200 or the applicable filing fee of the court of general jurisdiction in the district/circuit near me, whichever fee is less. The parties shall bear the expense of their own attorneys, experts and witnesses, unless the applicable law provides, and the arbitrator determines, otherwise.
5. Student agrees not to combine or consolidate any Claims with those of other students, such as in a class or mass action, or to have any Claims be arbitrated or litigated jointly or consolidated with any other person’s claims. Further, the parties agree that the arbitrator shall have no authority to join or consolidate claims by more than one person.
6. I understand that I may opt out of this single-case provision by delivering via certified mail return receipt a written statement to that effect to the Vice President and Senior Counsel of the College /EDMC at 210 Sixth Avenue, Suite 3500 Pittsburgh, PA 15222 within 30 days of my first execution of an Enrollment Agreement.
7. The Federal Arbitration Act (FAA), including all its substantive and procedural provisions, and related federal decisional law shall govern this Arbitration Agreement to the fullest extent possible. All determinations as to the scope, enforceability, validity and effect of this Arbitration Agreement shall be made by the arbitrator, and not by a court. However, any issue concerning the validity of paragraph 5 above must be decided by a court, and an arbitrator does not have authority to consider the validity of paragraph 5. If for any reason, paragraph 5 is found to be unenforceable, any putative class or mass action may only be heard in court on a non-jury basis and may not be arbitrated under this Agreement.
8. The arbitrator shall have the power to award any remedy that directly benefits the parties to this Arbitration Agreement (provided the remedy would be available from a court under the law where the Arbitration Agreement was executed) but not the power to award relief for the benefit of anyone not a party to this Arbitration Agreement.
9. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.
10. Notwithstanding any provision in the Catalog or Enrollment Agreement, this Arbitration Agreement shall not be modified except by written agreement signed by both parties. Any or all of the provisions set forth in this Arbitration Agreement may also be waived by the party against whom the Claim is asserted, but such waiver shall be in writing, physically signed (not merely electronically signed) by the party waiving, and specifically identify the provision or provisions being waived. Any such waiver shall not waive or affect any other portion of the Arbitration Agreement.
11. This Arbitration Agreement shall survive the termination of Student’s relationship with the College.
12. If any party of this Arbitration Agreement are found to be invalid or unenforceable, then such specific part(s) shall be of no force and effect and shall be severed, but the remainder of the Arbitration Agreement shall continue in full force and effect.

STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HIS/HER RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY (EXCEPT AS PROVIDED IN THE AAA RULES), AND TO LITIGATE THE DISPUTE OR CLAIM IN ANY COURT. FURTHER, STUDENT UNDERSTANDS AND ACKNOWLEDGES THAT S/HIS/HER WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS ACTION AGAINST THE COLLEGE.

NON-DISCRIMINATION POLICY

The College does not discriminate or harass on the basis of race, color, national origin, sex, gender, sexual orientation, gender identity or expression, disability, age, religion, veteran’s status, genetic marker, or any other characteristic protected by state, local or federal law, in our programs and activities. The College provides reasonable accommodations to qualified individuals with disabilities. The College will not retaliate against persons bringing forward allegations of harassment or discrimination. The Dean of Academic Affairs located at 3454 Douglas Road, South Bend, IN 46635, 574-323-2651 has been designated to handle inquiries and coordinate the institution’s compliance efforts regarding the non-discrimination policy.

STUDENT RIGHT TO KNOW

According to regulations published by the Department of Education based on the Student Right-to-Know Act, the graduation/completion rates for first-time, full-time students who entered the school and graduated/completed within 150% of the normal time to complete the program, as published in the catalog must be made available to current and prospective students. You may obtain this information in the Admissions Office or in the Consumer Information section of the school’s website.
ACKNOWLEDGEMENTS

I understand that the College reserves the right to make changes in program content, materials, or schedules as it deems necessary. The College further reserves the right to discontinue my training for unsatisfactory progress or attendance, non-payment of tuition or fees, or failure to comply with the College's policies and procedures.

I understand that my tuition charges are for the right to attend classes in which I am enrolled and are in no way contingent upon my satisfactory academic progress, personal satisfaction, or attainment of employment upon graduation.

I understand that the College reserves the right to modify tuition and other charges upon sufficient notice to students and appropriate agencies.

I have received the link to the College’s academic catalog and bulletin, both located at www.brownmackie.edu/south-bend/admissions/academic-catalog.aspx. I have read and understand this Enrollment Agreement and I acknowledge receipt of an exact copy of the same. I understand that this Agreement contains all the terms of my enrollment and acknowledge that no verbal statements have been made contrary to what is contained in this Agreement.

My signature below certifies that I have read, understood all aspects of this Agreement, and agreed to my rights and responsibilities, and that the College's cancellation and refund policies have been clearly explained to me. It also affirms that I have received an exact copy of this Agreement.

<table>
<thead>
<tr>
<th>Applicant Signature</th>
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<th>Signature of parent/guardian (if applicant is under 18 years old)</th>
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<th>Accepted by Official of the College</th>
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Attachment C:

January 25, 2016

Dear Student:

We hope all of you had a wonderful holiday season and we are excited to see you back.

As promised when we communicated with you in December, Westwood has worked hard to create a robust transition plan for the continuation and completion of your education. Over the coming weeks, we will introduce you to the partner schools that will assist you in completing your education and you will have full opportunity to explore what benefits each may offer to you. When you meet with them, each partner school will be able to provide you with specific information on your individual academic circumstances and answer your questions. We will ask you to make your transfer choice no later than February 19. The January 2016 term will be the last one taught at Westwood College, and upon completion of this current term, Westwood will close.

Starting on January 27th, partner schools will be on all Westwood campuses to facilitate transfer arrangements. As part of this process, Westwood will work with you and the partner schools to make your transition at the end of this term as seamless as possible. We are impressed with the quality of schools that have offered to assist you in achieving your goal of graduation and the terms they have agreed to offer Westwood students. Our main focus in negotiating with the partner schools was to ensure that you would be in the same academic and financial situation had you continued at Westwood to complete your education. I believe that we more than accomplished this goal for your benefit.

Most programs will have multiple accredited partner schools from which to choose, including several regionally accredited schools. Each of the partner schools has a campus located within a reasonable distance from your current campus. All partner schools have agreed to accept the transfer of Westwood credits. In most cases all credits will transfer into comparable programs offered by the partner school. In addition, these schools have agreed to charge you the same amount for your program as reflected in your Westwood enrollment agreement. But, if a school has a lower tuition cost than Westwood, you will get the benefit of that lower tuition. Unless completion of this term will allow you to graduate from Westwood, you will get your degree from the partner school to which you transfer. That school will provide you with career services and will maintain your academic records. It is important that you continue on track to complete all of your courses for the January Term. This will make for a smoother transition, and lower your future cost of attendance. Everyone at Westwood College remains focused on your goal of graduation. Some of you will be graduating at the end of the current term and we look forward to helping you celebrate this great accomplishment in your life.
We could not be prouder of our current students and future graduates. This has been a tough time on all of us - students, faculty and staff alike - and we have appreciated your patience as we developed the best possible transition plan for your academic future. It has been our greatest privilege to see you grow and develop through your academic experience at Westwood. Thank you for your commitment to Westwood and for allowing us the privilege to know and educate you.

As always, if you have any questions please feel free to contact the campus president or other campus staff.

Sincerely,

Lou Pagano
Chief Operating Officer
Alta Colleges

**Additional Important Information:**

**Important notice if you have a Federal student loan:** You have separate rights if you have a Federal loan:

You may be eligible for forgiveness ("discharge") of the federal student loans you received to attend Westwood if one of the following happens:

- Westwood closes before you complete your program, or
- If you withdraw from Westwood less than 120 days before Westwood closes.

This Federal discharge will cancel your Federal loan. If you **complete** your program either at Westwood or at another school, you **will not** qualify for this Federal discharge. Westwood encourages you to explore all options for continuation and completion of your education with partner schools before considering a Federal discharge. If you apply for and receive a Federal discharge, you will **forfeit** any Westwood credits earned and these credits **will not** be transferable to a partner school.

For more information on Federal loan discharge eligibility and the application process, go to: [studentaid.gov/closedschool](http://studentaid.gov/closedschool).
Attachment D:

Zenith Agreement Addendum and Disclosures
Please take your time while you read the following information regarding your education program. Please ask as many questions as you like. Do not sign until you fully understand and agree with each paragraph. Put your initials at the end of each paragraph indicating your understanding of, and agreement with, each item. When you have finished reading the entire form, please sign your name in the space provided.

PLACEMENT
This School will provide assistance to me, upon graduation, in my search for employment. The School will offer placement assistance in the form of résumé development, interview preparation and other job-search skills to help me achieve my career goals. **However, the School does not guarantee employment, and no guarantee of employment has been made to me by any employee of the School.** I understand that poor attendance, poor grades and the inability to provide the Career Services department with the necessary requirements to help me in my job search can impact my ability to obtain employment.

INITIALS: ______

SALARIES
Salary information is provided for general informational purposes only. I understand that such salary statistics are estimated, and can vary by employer, geographic location, my qualifications and characteristics and actual job responsibilities. No employee of the School has guaranteed I will earn a specific salary or salary range upon graduation.

INITIALS: ______

FINANCIAL AID
I understand that financial aid may be available, but that it is not guaranteed and that I must qualify in order to be eligible. If financial aid is awarded, I agree that the amount or amounts disbursed to the School on my behalf are to be applied upon receipt to my outstanding tuition balance. As with any accredited School, student loans and/or Pell grants are made available depending upon financial information provided by the applicant. No employee of the School has guaranteed I will receive a grant or a loan. If I receive a loan, I understand that I will be responsible for repaying the loan and that I will only receive the balance of any refunds or settlements after all my loan obligations are fully satisfied.

INITIALS: ______

NOTICE CONCERNING TRANSFERABILITY OF UNITS AND DEGREES EARNED AT OUR SCHOOL
As with any accredited school, the transferability of credits to another institution is determined exclusively by each receiving institution. Units I earn in my programs, in most cases, will probably not be transferable to a college or university. For example, if I entered the School as a freshman, I will likely still be a freshman if I enter a college or university at some time in the future, even though I earned units here at the School. In addition, if I earn a degree, diploma or certificate in one of the programs offered by this School, in most cases, it will probably not serve as a basis for obtaining a higher level degree at a college or university. I acknowledge that it has not been guaranteed or implied by any employee of the School that my credits, diploma or degree will be transferable to another institution.

INITIALS: ______

CURRICULUM CHANGES
As career training programs are modified and updated to meet the needs of the students and community, the School may need to change, modify or terminate courses, or instructors or accreditation. No employee of the School has told me that the courses, instructors or accreditation will not be changed or modified while I am attending School.

INITIALS: ______

SCHOOL CATALOG
I understand that the School catalog contains the terms and conditions, attendance policies, grievance and complaint procedures, and program completion and graduation requirements pertaining to my educational program at this institution. I acknowledge that I have received a School catalog, I have read it, and agree to be bound by its contents.

INITIALS: ______

CAMPUS TOUR AND ORIENTATION
I acknowledge that I have received a tour of the campus and its facilities, and have been sufficiently and satisfactorily oriented to the School, its equipment, services, staff and faculty and all my questions have been answered to my satisfaction.

INITIALS: ______
HEPATITIS B WAIVER
I understand that due to occupational exposure to blood and/or other potentially infectious materials I may be at risk of acquiring diseases such as the Hepatitis B viral (HBV) infection. As a student I am encouraged to receive the Hepatitis B immunization series. I further acknowledge that receipt of the Hepatitis B immunization will be at my expense and that the School does not administer or reimburse for the Hepatitis B immunization. I understand that by not getting the Hepatitis B vaccination I am at greater risk of acquiring the HBV infection. No School representative has told me anything to the contrary.

INITIALS: _____

REQUIREMENTS FOR CERTIFICATION AND LICENSING – MEDICAL BACKGROUND CHECKS
I understand that upon graduation, I may be required to obtain licensure or certification in order to obtain employment in my chosen field. Medical background clearances may be part of the licensing procedure and externship requirements for allied health programs. The regulation of allied health certification and licensing requirements are governed by individual state codes. Medical conditions such as Hepatitis A, B, C, TB (tuberculosis), HIV/AIDS and related conditions may prevent me from obtaining a license or externship. This limitation is due to background checks, facility requirements, and city, county or state licensing standards. I am encouraged to learn the licensing and certification requirements for my program of study. I understand that I am ultimately responsible for knowing specific regulations in the city, county or state in which I plan to work. In addition, there may be a testing or licensing fee that I may be responsible for paying. I am aware that without a license in some allied health fields (e.g., massage therapy), I may not be employable.

No School employee has guaranteed my eligibility for any certification or licensure.

INITIALS: _____

DENTAL ASSISTANT TRAINING
I am aware that in some states I must become a registered dental assistant (RDA) or certified dental assistant (CDA) prior to working in the field. I have not been promised by any School employee that my program renders me eligible to sit for the RDA or CDA examinations, or eligible for any license. The regulations and requirements for students in the Dental Assistant program to obtain a Radiography License and Coronal Polish, and other expanded functions, are governed by individual state codes. I understand that I am responsible for obtaining this licensing information for the state in which I intend to work.

INITIALS: _____

New Jersey students only: I have filled out and signed the Minimum Requirements for Admission form.

INITIALS: _____

ALLIED HEALTH TRAINING
The allied health programs, such as the Massage Therapy and Medical Assistant programs, include training and practice of various techniques on the bodies of fellow classmates and others. The practice will include activities such as injections, blood withdrawals and appropriate disrobing to provide access to the individual body part on which training will occur. A private changing area designed for disrobing is available. I will participate in this training as a student and have no health issues, which would prevent or affect fellow students from or when training on me. I understand and assume the risks involved in such training. Student practitioners, patients and clients are expected to learn, and are required to adhere to all professional practices at all times during the performance of training on fellow students and others. No School employee has told me anything to the contrary.

INITIALS: _____

PHARMACY TECHNICIAN TRAINING
The requirements for obtaining employment in the pharmaceutical industry are highly regulated and can vary by state. I understand that a failed medical or criminal background check may affect employability by some employers and my ability to become licensed or registered as a pharmacy technician. I understand that a background check failure may prohibit me from completing the Pharmacy Technician program externship, which in turn, will prevent me from completing the training program. Depending on state requirements, a failed background check may or may not impact my eligibility to sit for the Pharmacy Technician Certification Board national exam. No School representative has promised or told me anything to the contrary.

INITIALS: _____

ADDITIONAL TRAINING DISCLOSURE
I understand that some industries may require additional training, even after completion of my program at this School. Certain cities, counties, states and employers may have specific regulations for employment including a minimum number of training hours and successful completion of a written and or practical exam. This might impact the availability of externship and employment positions. No School representative has told me anything to the contrary.

INITIALS: _____

DISABILITY SERVICES
The School might be required to provide reasonable accommodations should a student require them. I understand that to facilitate receipt of these accommodations, I must complete a Disability Services Request Form, which will be provided to me by the School upon request.

INITIALS: _____
DRUG AND ALCOHOL ABUSE AND CODE OF CONDUCT POLICIES
I acknowledge that I have received, and agree to abide by, the School’s policy on drug and alcohol use. I also acknowledge that I have reviewed the information on drug and alcohol abuse prevention included in the catalog. I acknowledge receipt of the School’s Code of Conduct Policy included in the catalog. I have read and understand the policy, and agree to abide by its terms and condition.

INITIALS: 

CREDENTIAL AWARDED
The School’s catalog outlines the type of graduation confirmation I will receive (i.e., degree, diploma or certificate). I have explored the different credentials offered by Everest Institute, Everest College and Everest University and I understand the credential I will receive based upon my enrollment. No employee of the School has stated I will receive a confirmation of graduation different from that described in the School catalog.

INITIALS: 

SATISFACTORY ACADEMIC PROGRESS
I understand that I must maintain Satisfactory Academic Progress as defined by the School catalog. I also understand that failure to maintain Satisfactory Academic Progress may result in probation, suspension or dismissal, and may impact my eligibility for financial aid and cause me to incur payback obligations.

INITIALS: 

EXTERNSHIP/CLINICAL
Externship/clinical sites are not restricted to regular business hours and may require distant travel, different shifts or weekend work to allow for completion of required clinical hours. Requests for particular scheduling or locations will not be accommodated. If a medical facility or hospital requires employees to have drug screening prior to hire, I may also need to satisfactorily pass any background check requirements that may be necessary to participate in the externship/clinical.

INITIALS: 

The externship course is scheduled to be between 120 to 240 hours, which typically equates to students completing 40 hours in a week. I understand that if I do not work 40 hours a week, it will take me longer than the allocated weeks to complete the course. No School representative has stated or implied anything to the contrary.

INITIALS: 

Externship sites are not restricted to regular business hours and may require distant travel, different shifts or weekend work to allow for completion of required clinical hours. Evening students may have externship hours different from an evening class schedule. There is no guarantee as to when a student’s extern hours may occur. No School representative has stated or implied anything to the contrary.

INITIALS: 

COMPLETION AND PLACEMENT RATES
I acknowledge that I have been notified that I may request completion/graduation rate information for this School. If I have been provided job placement rate information by the School, I acknowledge and agree that no School employee has provided different information to me verbally. No School representative has made any guarantees to me related to completion and/or placement.

INITIALS: 

SEX OFFENDER REGISTRY AND CAMPUS SECURITY REPORT
In compliance with federal law, I acknowledge that I have been provided the website address for this School’s local sex-offender registry included in the catalog. I have been informed of the availability of the campus security report for this School, and how to obtain a copy of it. If applicable, I certify I have made the proper disclosures and registrations related to past proceedings involving me.

INITIALS: 

FIELD TRIP LIABILITY WAIVER
In attending a course field trip, I hereby release the School, including all its subdivisions, instructors, employees and agents from all liability for any accidents or injuries that may arise from attending this event. I understand that the School is not acting as a common carrier for hire, and that as a student, I am responsible for my own transportation to and from the field trip location. I agree that this release not only binds myself, but also my family, heirs, assigns, administrators and executors.

INITIALS: 

GENERAL RELEASE OF CLAIMS
I hereby release and hold this School harmless from and against any and all claims of any kind whatsoever, including allegations related to needle sticks, allied health and automotive practice and techniques, slips and falls and quality of equipment and instruction, (collectively, “Claims”), against the School
(including its present and former parent companies, insurers, representatives and all persons acting by or through them), which I may have for any reason arising out of or relating to my education. I am aware of the risks involved with my education and knowingly assume those risks following my investigation into possible injuries and the nature and quality of my education. I further agree that if I bring any Claim against the School, I shall reimburse the School for its attorney’s fees and costs incurred as a result thereof. I **may opt out of this general release of Claims provision by delivering a written statement to that effect received by the School within 30 days of my first execution of an Enrollment Agreement with the School.**

INITIALS: ________

**BACKGROUND CHECK DISCLOSURE**

I understand that a background check and clearance may be required for externship/clinical site placement and employment in the field for which I am training. Should I desire to complete my externship/clinical or become employed at a hospital or any medical facility requiring a background check, I authorize the School to conduct, via a third party, a background check. I hereby give my permission for the background check clearance to be shared with hospital externship sites where I may be placed, and the results of the background check will be maintained in my student file. I understand that clearance will not be obtained if my background check identifies a conviction, pending case or uncompleted deferral/diversion for crimes committed within the last seven years. I have the right to dispute the information reported. Upon written request, I am entitled to a complete accurate disclosure of the investigation’s nature and scope, as well as a written summary of my rights and remedies under the law.

To obtain employment in the security, justice or legal fields, I may be required to submit the following to a prospective employer: either a criminal history check from the Police department or Sheriff’s office in the jurisdiction where I reside or an FBI background report. I understand that employers in many public safety organizations, such as law enforcement agencies, fire and rescue services, government security offices, as well as other employers, may require applicants to undergo a series of applicant screening processes that may include a background investigation, physical agility test and/or psychological examination. Students who have a confirmed background of drug abuse, poor credit, arrests or convictions for domestic violence, felonies or other crimes, or who have association with extremist groups and/or terrorists, street gangs or known felons, may face difficulty finding employment, and may not be eligible for employment in certain career positions.

I understand that if I am convicted of crimes of violence, drug-related crimes or felonies while enrolled at the School, I may become ineligible for certain externship, clinical or career positions in the field for which I am in training and for government financial aid. I acknowledge that I will remain responsible for any and all financial obligations to the School. No School employee has told me anything contrary to the foregoing.

INITIALS: ________

**CREDIT REPORTING DISCLOSURE**

I authorize the School and any affiliate or subsequent assignee, from time to time, to collect and disclose my personal and credit information from and to credit reporting agencies, credit bureaus, financial institutions, my creditors, and my employer.

INITIALS: ________

**PREGNANCY DISCLOSURE**

School programs may teach skills involving invasive procedures that may expose students to pathogens that could be harmful to an unborn child. In addition, I may find that my program requires substantial physical demands (patient lifting, moving, etc.). I am aware that I will be expected to participate in all lab courses required to complete my training, and this requirement will not be waived due to my pregnancy. I also understand that I will need a doctor’s release in order to participate in the lab sessions, both during my pregnancy and upon returning to the School after delivery of the baby. No School representative has told me anything to the contrary.

INITIALS: ________

**STATEMENT OF GENERAL HEALTH**

In accordance with regulatory requirements, students seeking enrollment in an allied health program must submit a statement of general health. Under applicable federal and state laws, the School does not discriminate against age, sex, or health status. However, I am advised that many programs (especially allied health) have specific physical, cognitive, and/or other technical standards of performance that I will need to complete as part of my training. These standards may include, but are not limited to, manual dexterity, physical strength, auditory ability, visual acuity, communication clarity, reading comprehension, critical thinking acumen, decision-making ability, and emotional stability. I hereby attest that I am in good general health to meet the program requirements of the technical performance standards for my chosen program. No School employee has told me anything to the contrary.

INITIALS: ________
DISPUTE RESOLUTION POLICY

1. You may choose to initiate the terms of the following dispute resolution policy in lieu of or prior to initiating a legal claim in a court of competent jurisdiction against the School. As set forth below, if you are not satisfied with the outcome of the internal dispute resolution process, you may, but are not required to, seek resolution of your complaint through arbitration or before a court of competent jurisdiction. In the event that you file for arbitration or if you file a claim before a court of competent jurisdiction, you agree not to combine or consolidate any claims with those of other students, such as in a class or mass action. IN THE EVENT THAT YOU ELECT TO BRING A CLAIM IN COURT, YOU AGREE TO WAIVE YOUR RIGHTS TO A JURY TRIAL AND THAT THE CLAIM SHALL BE SUBMITTED TO A JUDGE ONLY AND NOT TO A JURY.

INITIALS: __________

2. By signing this addendum, you acknowledge that the School has informed you of the availability of its internal dispute resolution procedure to resolve any claims you may have against the School. You may initiate this internal dispute resolution procedure by filing a written complaint with your academic advisor. The academic advisor will attempt to respond to your complaint and resolve the dispute within 15 days. If you are not satisfied with your academic advisor’s resolution of your complaint, you may appeal his/her decision to the President of the School. If you file a claim after you withdraw or graduate from the School, you may initiate the internal dispute resolution process by filing a written complaint directly with the President of the School. Whether you initiate the internal dispute resolution process with your academic advisor or with the School’s President, you may further appeal the School President’s decision to the Provost of Zenith Education Group.

INITIALS: __________

3. If you are not satisfied with the outcome of the internal dispute resolution process described in paragraph two (2), you have the option of submitting your claim to arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Consumer Arbitration Rules at a location within the area covered by the federal district court in which you reside.

INITIALS: __________

4. If you initiate arbitration, you may choose to have the School pay half the cost of the consumer filing fee set by AAA, arbitrator’s compensation, and facilities fee (“Filing Fee”). In exchange for the School agreeing to pay one-half of the Filing Fee, you agree that once you initiate arbitration by submitting a claim to AAA you waive your right to bring a lawsuit against the school in a court of competent jurisdiction. The decision of the arbitrators shall be binding, and you agree not to appeal any arbitration decision to any court. If you are the prevailing party, the School will reimburse you for the portion of the Filing Fee that you advanced. You will not be responsible for reimbursing the School for the Filing Fee it advanced if the School is the prevailing party.

INITIALS: __________

5. Alternatively, you may decide to pay the entire Filing Fee. If you pay the Filing Fee, you will not waive your right to bring a lawsuit against the school in a court of competent jurisdiction if you are not satisfied with the outcome of the arbitration. If you are the prevailing party, the School will reimburse you for the Filing Fee.

INITIALS: __________

6. You will not be responsible for any Filing Fee under either paragraph 4 or 5 if you demonstrate hardship and, if represented, your attorney does not advance costs. In exchange for the School agreeing to pay the Filing Fee, you agree that once you initiate arbitration by submitting a claim to AAA you waive your right to bring a lawsuit against the school in a court of competent jurisdiction. The decision of the arbitrators shall be binding, and you agree not to appeal any arbitration decision to any court.

INITIALS: __________

7. If, upon completion of the internal dispute resolution process you desire to initiate arbitration, you should first contact the School’s President, who will provide you with a copy of the AAA Consumer Rules. Information about the arbitration process and the Consumer Rules also can be obtained at www.adr.org or 1-800-778-7879. You shall then contact the AAA, which will provide the appropriate forms and detailed instructions. You shall disclose this document to the AAA.

INITIALS: __________

8. Except as specifically required by law of the state in which this is executed or as may be specifically ordered by the arbitrator, the internal dispute resolution process and any subsequent arbitration process shall remain strictly confidential by the parties, their representatives and the AAA. This agreement to maintain the confidentiality of the arbitration process does not extend to the fact that an arbitration claim has been filed by you, as well as any decisions, final rulings, and award resulting from the arbitration, and/or any information exchanged by the parties, with the exception of personally identifiable information (except that a person may reveal his or her own personally identifiable information).

INITIALS: __________

9. All statutes of limitations applicable to any dispute apply to any arbitration between you and the School.

INITIALS: __________

10. Please note that nothing in this agreement prohibits you from also filing a complaint with any state or federal regulatory or enforcement agency, including the U.S. Department of Education, or accrediting agency. Such a complaint may be filed at any time and nothing in this Agreement precludes you from notifying any state or federal regulatory or enforcement agency regarding the internal dispute resolution process and any resulting arbitration.

INITIALS: __________

11. The School will provide you with a full copy of your student files upon written request without the need to initiate arbitration and at no charge.

INITIALS: __________

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5/6
Texas students only: This provision is in addition to any grievance procedure specifically provided for by statute or rule to the extent that the claims are within the scope of such statute or rule. “Grievance procedure” refers specifically to the TWC Student Complaint Policy and information on filing a complaint with TWC can be found on TWC’s Career Schools and Colleges Website at http://csc.twc.state.tx.us/.

INITIALS: _____

USE OF NAME, LIKENESS, AND VOICE

I do hereby authorize Everest and their agents, successors, and assigns the exclusive right in perpetuity to use my name, likeness, and voice, recorded during the time I am a student of Everest. Such recordings may be in the form of photographs, videotape, film, sound recordings, or otherwise and may be incorporated in the production, use, and distribution of television, radio, video, stock footage, internet, print or any other form of distribution known now or discovered later. All use of my name, likeness, or voice shall be used for instructional, publicity, or promotional purposes only and shall belong solely to Everest to use, modify, or not use as it may wish; provided, however, that this consent does not cover any promotional use that may violate any accreditation agency standards applicable to Everest.

INITIALS: _____

RELEASES

I hereby give Everest my permission to use my name, picture or appearance to support educational activities.

INITIALS: _____

ENTIRE AGREEMENT AND SEVERABILITY

The Enrollment Agreement, this Addendum and Disclosure document and the School Catalog constitute my entire agreement with the School and supersede all prior written and oral statements to me. If any provision or sub-provision of this Enrollment Agreement Addendum and Disclosures document is held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

INITIALS: _____

This Agreement and Addendum can only be modified by a writing signed by both the Campus President and the student. No School representative has state or implied anything to the contrary.

INITIALS: _____

SIGNATURES

By signing my name in the space provided below, I verify that I have read, understood and agree with the statements and agreements contained in this Enrollment Agreement Addendum and Disclosures form. I acknowledge that the School is relying on my agreements and representations when considering my admission. I will be bound by my agreements and representations.

INITIALS: _____

Wisconsin students only: I have received a copy of the Student’s Right to Cancel form (EAB 1.07) as an attachment to the enrollment agreement.

INITIALS: _____

Minnesota students only: The Criminal Justice degree programs will not qualify graduates for law enforcement officer positions in Minnesota, nor allow graduates to sit for the Police Officers Standards and Training Test.

INITIALS: _____
Messaging Disclosure / Consent to Receive Contacts

I expressly consent to Everest or WyoTech contacting me regarding educational services using automated dialing equipment, prerecorded/artificial voice messages and/or text messages, at any telephone number I provide to Everest, even if the number is for a mobile telephone and/or using the number results in charges to me. I acknowledge that Everest has not required me to provide this consent as a condition of becoming a student at Everest. No Everest representative has provided or even implied information contrary to what is found in this paragraph.

____________________________________
Student

____________________________________
Student Signature          ____________
                                      Date
Referral under the Supplemental Standards

When it is determined by School of Advance Studies faculty, staff, or management that a student/candidate falls short of meeting any of the above Supplemental Standards, they may file a Referral Form with the Associate Dean of Instruction, Dean of Instruction, or designee. Any student/candidate who receives one or more referral(s) shall be counseled, remediated, or withdrawn from their program, as appropriate.

DISPUTE RESOLUTION POLICY AND PROCEDURES

The following policy and procedures are to be used to mutually resolve disputes by and between students and the University. The policy and procedures as set forth herein are effective for students currently enrolled in the University as of July 1, 2016, or who enroll in the University on or after July 1, 2016. Students are encouraged to first bring the concerns outlined below to the attention of the appropriate individual/department, as set forth in Step One below. In connection with the University policies identified in Steps One, Two and Three below, this policy is intended to address disputes between a student and the University and create a framework by which a student and the University can resolve all such disputes. The University strongly recommends utilization of the resources identified in Steps One, Two and Three to resolve such disputes.

Step One: Internal Resolution

Students should first attempt to resolve any dispute or issue by contacting the following individuals/departments, and utilizing the process set forth in the corresponding section(s) of the Academic Catalog, as referenced below. Please note that the information provided below represents only the initial contact with whom such disputes should be reported. Students should carefully consult the Academic Catalog to gain a fuller understanding of the processes associated with reporting and resolving disputes related to these subject matters.

- Allegations of sex discrimination or sexual harassment: Camie Pratt, Associate Vice President and Title IX Coordinator, Office of Dispute Management (“ODM”). See Nondiscrimination Policy and Harassment Policy in Academic Catalog.
- Allegations concerning all other forms of discrimination: Campus Director of Academic Affairs, Campus Director of Operations, Campus Director of Student Services, or their respective designee. See Nondiscrimination Policy and Harassment Policy in Academic Catalog.
- Student Code of Conduct Violations (other than sex discrimination and sexual harassment): Registrar. See Student Code of Conduct section in Academic Catalog.
- General Student Grievances (other than sex discrimination and sexual harassment): Office of Dispute Management. See General Student Grievances section in Academic Catalog.
- Student Grievances relating to financial aid, account balances, or collections: Campus Management. See General Student Grievances section in Academic Catalog.
- Academic Issues: Student Appeals Center in ODM. See Student Appeals Center Section in Academic Catalog.
- Grade Disputes: Director of Academic Affairs or designee. See Grade Disputes section in Academic Catalog.

Students/candidates who are separately charged with violating the Student Code of Conduct will be subject to the policies, procedures, and sanctions for such charges. However, a charge under the Student Code of Conduct may also be the basis for a referral on separate academic grounds under these Supplemental Standards. Similarly, actions leading to a referral under the Referral Process may be the basis for a Student Code of Conduct charge.

Step Two: Mediation

If a dispute is not resolved as a result of Step One, all parties are encouraged to participate in a formal mediation session facilitated by a professional, neutral mediator. Mediation is not mandatory but is strongly encouraged as an effective way to resolve disputes.

The physical location for the mediation shall be mutually selected by the parties. If the parties elect mediation, the costs associated with the mediation shall be paid by the University. Both the student and the University shall submit in writing to the other the name(s) of one or more professional, neutral mediators as a potential mediator in the matter. The parties will exercise their best efforts to agree on the selection of a mediator. If the parties cannot agree on the selection of a mediator, then the parties can submit the matter to the American Arbitration Association (AAA) for the purpose of having a neutral mediator appointed in accordance with AAA’s mediation rules.

The mediator shall schedule the mediation as expeditiously as possible. All parties will have the opportunity to attend and participate in the mediation. Any party may be represented by counsel of his or her choosing, at his or her own expense. The mediator shall direct how the mediation will be conducted. As with all mediations, any resulting resolution must be mutually agreed to by the parties, which shall constitute a final and binding resolution of the matter.

Step Three: Binding Arbitration

If a dispute is not resolved as a result of Steps One and Two, all parties are encouraged to participate in binding arbitration as an alternative to resolving the dispute in a court of law. Arbitration is not mandatory but is strongly encouraged as an effective way to resolve disputes.

If the parties mutually agree to binding arbitration as the method to resolve their dispute, the following shall apply:

1. The parties shall select the neutral arbitrator and/or arbitration sponsoring organization by mutual agreement. If the parties cannot mutually agree to an arbitrator and/or arbitration sponsoring organization, the arbitration will be held and the arbitrator selected under the auspices of the American Arbitration Association (“AAA”). Except as provided in this Agreement, the arbitration shall be held in accordance with the then current Consumer Arbitration Rules of the AAA (“AAA Rules”). The AAA Rules are available by navigating to the “Rules and Procedures” section of www.adr.org, or by requesting a hard copy from the University Legal Department, currently at 4025 S. Riverpoint Parkway, Mail Stop: CF-KX01, Phoenix, Arizona 85040.

2. In arbitration, the parties will have the right to conduct adequate civil discovery, bring dispositive motions, and present wit-