

# United States Senate

WASHINGTON, DC 20510

December 4, 2024

The Honorable Miguel Cardona  
Secretary  
Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

Dear Secretary Cardona,

The Biden administration has demonstrated a commitment to supporting student borrowers and mitigating the devastating impact of student loan debt, including issuing targeted debt relief to hundreds of thousands of borrowers defrauded by predatory higher education institutions.<sup>1</sup> We urge the Department of Education (Department) to follow through on its commitment by immediately processing debt discharges for borrowers already approved for relief; issuing additional discharges for students who attended institutions with documented histories of predatory practices; and processing any outstanding borrower defense applications.

Too many student borrowers have been preyed on by predatory schools, most of which are for-profit colleges. These for-profit colleges have a long history of disproportionately enrolling veterans, low-income students, students of color, homeless students, and first-generation college students and falsely promising high-quality jobs after graduation.<sup>2</sup> Unfortunately, too many of these borrowers were saddled with debilitating debt, often without a degree to show for it. Debt has forced many of these borrowers to put their economic lives on hold, forgoing buying homes and starting families.

The Department must take three concrete steps to help these student borrowers.

First, the Department must immediately discharge the student loans for the hundreds of thousands of students who the Department has already committed to providing borrower defense debt relief. Since 2022, the Department has announced group discharges for more than 1.2 million individuals who attended schools that engaged in documented fraud and misconduct, including:

- Art Institutes – 317,000 students (May 2024)<sup>3</sup>

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<sup>1</sup> Tracker: Student Loan Debt Relief Under the Biden-Harris Administration, CAP20 (Sept. 4, 2024), <https://www.americanprogress.org/article/tracker-student-loan-debt-relief-under-the-biden-harris-administration/>.

<sup>2</sup> Veteran Students in Higher Education, Postsecondary National Policy Institute (updated Nov. 2023), <https://pnpi.org/wp-content/uploads/2023/11/VeteransFactSheet-Nov-2023.pdf>; Student Borrower Protection Center, *Mapping Exploitation: Examining For-Profit Colleges as Financial Predators in Communities of Color* 9 (July 2021), <https://protectborrowers.org/wp-content/uploads/2021/07/SBPC-Mapping-Exploitation-Report.pdf>.

<sup>3</sup> Press Release, U.S. Dep't. of Educ., Biden-Harris Administration Approves \$6.1 Billion Group Student Loan Discharge for 317,000 Borrowers Who Attended The Art Institutes (May 1, 2024), <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-61-billion-group-student-loan>.

- Phoenix University – 1,200 students (September 2023)<sup>4</sup>
- Ashford University – 2,300 students (August 2023)<sup>5</sup>
- CollegeAmerica – 7,400 students (July 2023)<sup>6</sup>
- Westwood College – 79,000 students (August 2022)<sup>7</sup>
- ITT Technical Institute – 208,000 students (August 2022)<sup>8</sup>
- Kaplan Career Institute – 100 students (August 2022)<sup>9</sup>
- Corinthian Colleges – 560,000 students (June 2022)<sup>10</sup>
- Marinello Schools of Beauty – 28,200 students (April 2022)<sup>11</sup>
- DeVry University – 1,800 students (February 2022)<sup>12</sup>
- Minnesota School of Business/Globe University – 270 students (July 2021)<sup>13</sup>

However, according to recent court filings, hundreds of thousands of these borrowers still await relief. For example, as of October 31, 2024, more than 25 percent of Corinthian Colleges' borrowers await their discharges, and many others await promised refunds of amounts previously paid.<sup>14</sup> The Department must immediately process debt relief for these borrowers.

Second, the Department must use its authority under the Higher Education Act to issue group discharges for the millions of borrowers who attended other institutions with documented

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<sup>4</sup> Borrower Defense Updates, Federal Student Aid (May 1, 2024), <https://studentaid.gov/announcements-events/borrower-defense-update#phoenix-university-discharge>.

<sup>5</sup> Borrower Defense Updates, Federal Student Aid (May 1, 2024), <https://studentaid.gov/announcements-events/borrower-defense-update#phoenix-university-discharge>.

<sup>6</sup> Press Release, U.S. Dep't. of Educ., Biden-Harris Administration Approves \$130 Million Group Discharge for 7,400 Borrowers from Colorado Locations of CollegeAmerica (July 26, 2023), <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-130-million-group-discharge-for-7400-borrowers-from-colorado-locations-of-collegeamerica-2>.

<sup>7</sup> Press Release, U.S. Dep't. of Educ., Education Department Approves \$1.5 billion in Debt Relief for 79,000 Borrowers Who Attended Westwood College (Aug. 30, 2022), <https://www.ed.gov/news/press-releases/education-department-approves-15-billion-debt-relief-79000-borrowers-who-attended-westwood-college>.

<sup>8</sup> Press Release, U.S. Dep't of Educ., Education Department approves \$3.9 billion group discharge for 208,000 borrowers who attended ITT Technical Institute (Oct. 31, 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-39-billion-group-discharge-208000-borrowers>.

<sup>9</sup> Borrower Defense Updates, Federal Student Aid (May 1, 2024), <https://studentaid.gov/announcements-events/borrower-defense-update#phoenix-university-discharge>.

<sup>10</sup> Press Release, U.S. Dep't. of Educ., Education Department Approves \$5.8 Billion Group Discharge to Cancel all Remaining Loans for 560,000 Borrowers who Attended Corinthian (June 1, 2022), [https://www.ed.gov/about/news/press-release/education-department-approves-58-billion-group-discharge-cancel-all?mod=article\\_inline](https://www.ed.gov/about/news/press-release/education-department-approves-58-billion-group-discharge-cancel-all?mod=article_inline).

<sup>11</sup> Press Release, U.S. Dep't. of Educ., Education Department Approves \$238 Million Group Discharge for 28,000 Marinello Schools of Beauty Borrowers Based on Borrower Defense Findings (Apr. 28, 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-238-million-group-discharge-28000-marinello>.

<sup>12</sup> Press Release, U.S. Dep't of Educ., Education Department Approves \$415 Million in Borrower Defense Claims Including for Former DeVry University Students (February 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-415-million-borrower-defense-claims>.

<sup>13</sup> Press Release, U.S. Dep't of Educ., Education Department Approves \$415 Million in Borrower Defense Claims Including for Former DeVry University Students (February 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-415-million-borrower-defense-claims>.

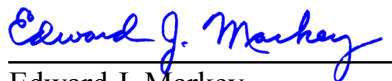
<sup>14</sup> *Calvillo Manriquez v. DeVos*, No. 17-cv-07210 (N.D. Cal.), ECF No. 469 at 4 (Dec. 8, 2024, Joint Status Report).

histories of predatory practices.<sup>15</sup> These institutions are included in the appendix. The Department should promptly issue findings and utilize its authority to fully discharge the student loan balances of borrowers who attended the schools listed. Substantial evidence of misconduct already exists for each of these schools.<sup>16</sup> Defrauded students should not be left holding the bag for institutions that no longer exist.

Third, the Department must process any remaining applications for borrower defense discharge. These borrowers completed an onerous application to demonstrate that they were victims of fraud,<sup>17</sup> but the Department has yet to act. Though the Department has not shared its number with Congress or the public, an estimated 400,000 borrowers have pending applications for borrower defense discharge.<sup>18</sup> By processing existing group discharges and issuing findings for additional group discharges, the Department will eliminate much of the backlog in remaining borrower defense applications, efficiently delivering relief. Additionally, the Department must process any remaining borrower defense applications as soon as possible.

Under the previous Trump Administration, borrowers' applications were allowed to languish for years. If their application was reviewed, borrowers often were denied and granted no relief. Then-Education Secretary DeVos denied nearly 130,000 borrower defense applications. It is imperative that the Department provide immediate relief to borrowers. Borrowers who attended fraudulent schools and have struggled with debt for years, or even decades, cannot afford to wait any longer. We thank you for your attention to this urgent issue and look forward to working together to ensure that all students who were victims of predatory practices receive relief.

Sincerely,



Edward J. Markey  
United States Senator



Richard J. Durbin  
United States Senator

<sup>15</sup> Delivering Distress to Borrowers Defrauded by Predatory Schools by Eileen Connor, Project on Predatory Student Lending; <https://protectborrowers.org/wp-content/uploads/2023/10/Delivering-Distress-Report.pdf>.

<sup>16</sup> *Sweet v. DeVos*, No. 19-cv-03674 (N.D. Cal.), ECF No. 145-2 (Oct. 14, 2020) (list of educational institutions for which either “the Department is in possession of relevant underlying evidence of misconduct . . . that may provide a basis for granting borrower defense relief” or “the Department or other authorities have made relevant final determinations that the educational institution made misrepresentations or engaged in other misconduct that may provide a basis for granting borrower defense relief”); *id.*, ECF No. 145-1 (explanatory declaration of FSA COO Mark Brown); *id.*, ECF No. 142 (Plaintiffs’ list of list of schools that “the Department of Education has investigated for reasons that could lead to a Borrower Defense claim being granted,” that “have been found to have committed fraud or violated consumer protection statutes in other jurisdictions or by other agencies,” and/or that “have paid restitution to students or otherwise discharged student loan debt as part of a settlement”).

<sup>17</sup> Adm S. Minsky, *5 Student Loan Forgiveness Application Updates Borrowers Should Know About*, Forbes (Apr. 25, 2024), <https://www.forbes.com/sites/adamminsky/2024/04/25/5-student-loan-forgiveness-application-updates-borrowers-should-know-about/>.

<sup>18</sup> Student Aid Fiscal Year 2024 Annual Report, Federal Student Aid, United States Department of Education, Nov 14, 2024. <https://www.ed.gov/media/document/2024-fsa-annual-report#page84>



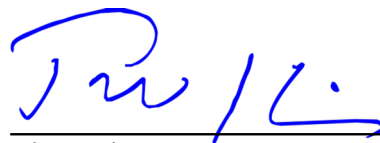
Maxine Waters  
Member of Congress



Tina Smith  
United States Senator



Richard Blumenthal  
United States Senator



Tim Kaine  
United States Senator



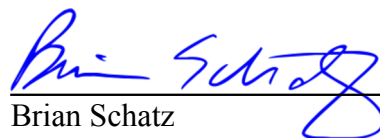
Kirsten Gillibrand  
United States Senator



Jeffrey A. Merkley  
United States Senator



Bernard Sanders  
United States Senator



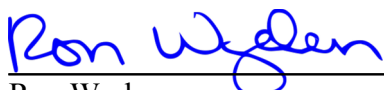
Brian Schatz  
United States Senator



Chris Van Hollen  
United States Senator



Peter Welch  
United States Senator



Ron Wyden  
United States Senator



Raphael Warnock  
United States Senator



Elizabeth Warren  
United States Senator

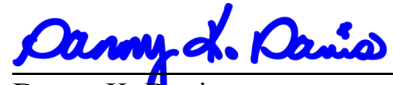


Laphonza Butler  
United States Senator



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Andre Carson  
Member of Congress



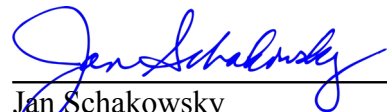
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Danny K. Davis  
Member of Congress



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Robin L. Kelly  
Member of Congress



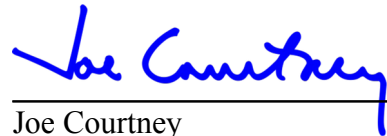
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Jan Schakowsky  
Member of Congress



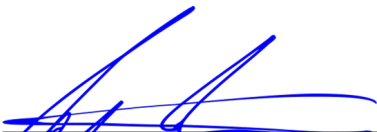
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Eric Swalwell  
Member of Congress



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Joe Courtney  
Member of Congress




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Adriano Espaillat  
Member of Congress



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Pramila Jayapal  
Member of Congress



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Julia Brownley  
Member of Congress



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Erica Lee Carter  
Member of Congress



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Gwen S. Moore  
Member of Congress



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Barbara Lee  
Member of Congress



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Joaquin Castro  
Member of Congress

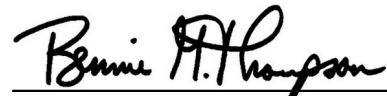


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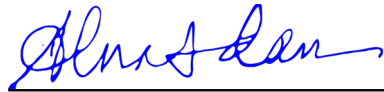
Mary Gay Scanlon  
Member of Congress



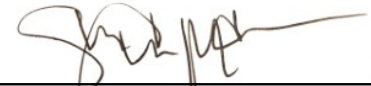
Rashida Tlaib  
Member of Congress



Bennie G. Thompson  
Member of Congress



Alma S. Adams, Ph.D.  
Member of Congress



Sheila Cherfilus-McCormick  
Member of Congress



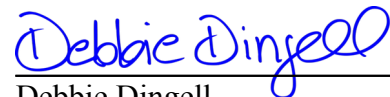
Rosa L. DeLauro  
Member of Congress



Ritchie Torres  
Member of Congress



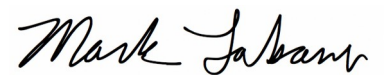
Cori Bush  
Member of Congress



Debbie Dingell  
Member of Congress



Greg Casar  
Member of Congress



MARK TAKANO  
Member of Congress



Dan Goldman  
Member of Congress



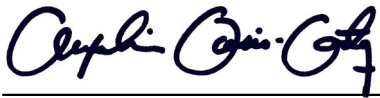
Mark DeSaulnier  
Member of Congress



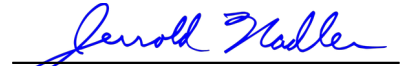
Ayanna Pressley  
Member of Congress



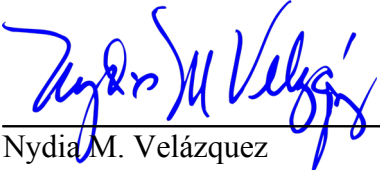
Delia C. Ramirez  
Member of Congress



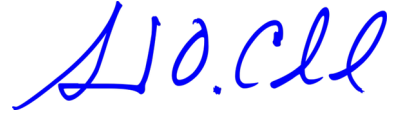
Alexandria Ocasio-Cortez  
Member of Congress



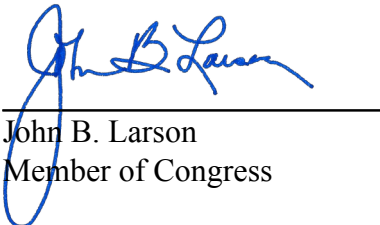
Jerrold Nadler  
Member of Congress



Nydia M. Velázquez  
Member of Congress



Salud Carbajal  
Member of Congress



John B. Larson  
Member of Congress



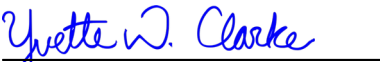
Lucy McBath  
Member of Congress



Jesús G. "Chuy" García  
Member of Congress



Summer L. Lee  
Member of Congress



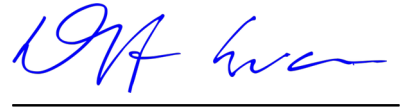
Yvette D. Clarke  
Member of Congress



Al Green  
Member of Congress



Lauren Underwood  
Member of Congress




Dwight Evans  
Member of Congress



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Frederica S. Wilson  
Member of Congress  
Ranking Member,  
Subcommittee on Higher  
Education and Workforce  
Development



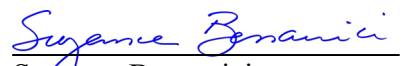
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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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Christopher S. Murphy  
United States Senator



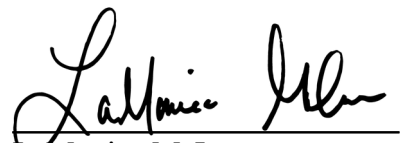
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Suzanne Bonamici  
Member of Congress



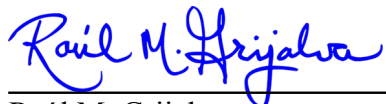
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Jamaal Bowman, Ed.D.  
Member of Congress



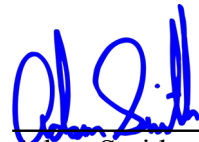
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LaMonica McIver  
Member of Congress



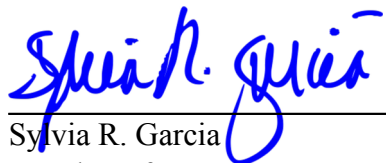
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Raúl M. Grijalva  
Member of Congress



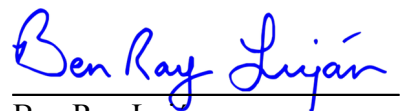
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Adam Smith  
Member of Congress



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Sylvia R. Garcia  
Member of Congress



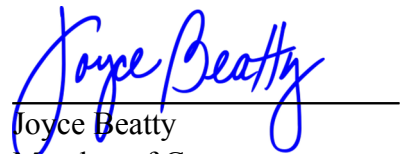
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Ben Ray Lujan  
United States Senator



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Nanette Diaz Barragán  
Member of Congress



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Joyce Beatty  
Member of Congress





Shri Thanedar  
Member of Congress



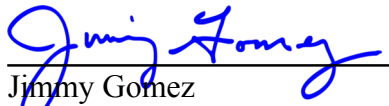
Jennifer L. McClellan  
Member of Congress



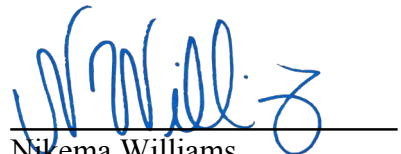
Sean Casten  
Member of Congress



Grace Meng  
Member of Congress



Jimmy Gomez  
Member of Congress



Nikema Williams  
Member of Congress



Robert Garcia  
Member of Congress

#### APPENDIX

- American Commercial Colleges, Inc.: American Commercial College
- American National University
- Ana Maria Piña Houde and Marc Houde: Anamarc College
- Anthem Education Group; International: Education Corporation Anthem College, Anthem Institute
- Apollo Group: University of Phoenix, Western International University
- ATI Enterprises: ATI Career Training Center, ATI College of Health, ATI Technical Training Center
- Berkley Educational Services Of New York, Inc.: Berkley College

- Bridgepoint Education: Ashford University, University of the Rockies
- Capella Education Company; Strategic Education, Inc.: Capella University
- Career Education Corporation: American InterContinental University, Briarcliffe College, Brooks College, Brooks Institute, Collins College, Colorado Technical University, Gibbs College, Harrington College of Design, International Academy of Design and Technology, Katharine Gibbs School, Le Cordon Bleu, Le Cordon Bleu College of Culinary Arts, Le Cordon Bleu Institute of Culinary Arts, Lehigh Valley College, McIntosh College, Missouri College, Pittsburgh Career Institute, Sanford-Brown College, Sanford-Brown Institute, Brown College, Brown Institute, Washington Business School, Allentown Business School, Western School of Health and Business Careers, Ultrasound Diagnostic Schools, School of Computer Technology, Al Collins Graphic Design School, Orlando Culinary Academy, Southern California School of Culinary Arts, California Culinary Academy, California School of Culinary Arts, Pennsylvania Culinary Institute, Cooking and Hospitality Institute of Chicago, Scottsdale Culinary Institute, Texas Culinary Academy, Kitchen Academy, and Western Culinary Institute
- Center for Employment Training
- Center for Excellence in Higher Education: California College San Diego, Independence University, Stevens-Henager
- BEZ Corporation: Computer Systems Institute
- Court Reporting Institute, Inc.: Court Reporting Institute
- Cynthia Becher: La' James College of Hairstyling, La' James International College
- David Pyle: American Career College
- The Career Institute LLC: American Career Institute
- Delta Career Education Corporation: McCann School of Business & Technology, Miami-Jacobs Career College, Miller Motte Business College, Miller-Motte College, Miller-Motte Technical College, Tucson College
- DeVry / Adtalem: American University of the Caribbean, Carrington College, Chamberlain University, DeVry College of Technology, Devry Institute of Technology, DeVry University, Keller Graduate School of Management, Ross University School of Veterinary Medicine, Ross University School of Medicine.
- EDMC/Dream Center: Argosy University, The Art Institute, Brown Mackie College, the Illinois Institute of Art, the Miami International University of Art & Design, the New England Institute of Art, South University, Western State University College of Law
- Education Affiliates (JLL Partners): All-State Career School, Fortis College, Fortis Institute
- Edudyne Systems Inc.: Career Point College
- Empire Education Group: Empire Beauty School
- Everglades College, Inc.: Everglades University, Keiser University
- FastTrain
- Global Education Network: Globe University, Minnesota School of Business
- Graham Holdings Company (Kaplan): Bauder College, Kaplan Career Institute, Kaplan College, Mount Washington College, Purdue University Global
- Grand Canyon Education, Inc.: Grand Canyon University
- Infilaw Holding, LLC: Arizona Summit Law School, Charlotte School of Law, Florida Coastal School of Law
- International Education Corporation: Florida Career College, United Education Institute

- JTC Education, Inc.: Gwinnett College, Medtech College, Radians College
- Lalit Chabria, Sam Hiranandaney: The Institute for Health Education, Micropower Career Institute
- Laureate Education, Inc.: Walden University
- Leeds Equity Partners V, L.P.: Florida Technical College, National University College, NUC University
- Liberty Partners: Concorde Career College, Concorde Career Institute
- Lincoln College of Technology, Lincoln Technical Institute
- Mark A. Gabis Trust: Daymar College
- Mission Group Kansas, Inc.: Wright Business School, Wright Career College
- Premier Education Group L.P.: American College for Medical Careers, Branford Hall Career Institute, Hallmark Institute of Photography, Harris School of Business, Suburban Technical School, Salter College
- Quad Partners LLC: Beckfield College, Blue Cliff College, Dorsey College
- Remington University, Inc.; Remington College BCL, Inc.: Remington College
- Southern Technical Holdings, LLC: Southern Technical College
- SC Academy Holdings, Inc.: Star Career Academy
- Sullivan and Cogliano Training Center, Inc.: Sullivan and Cogliano Training Centers
- TCS Education System: Chicago School of Professional Psychology
- Vatterott Educational Centers, Inc.: Court Reporting Institute of St Louis, Vatterott College
- Wilfred American Education Corp.: Robert Fiance Beauty Schools, Robert Fiance Hair Design Institute, Robert Fiance Institute of Florida, Wilfred Academy, Wilfred Academy of Beauty Culture, Wilfred Academy of Hair & Beauty Culture
- Willis Stein & Partners (ECA): Brightwood Career Institute, Brightwood College New England College of Business, and Finance Virginia College