

# Congress of the United States

Washington, D.C. 20515

May 21, 2015

The Honorable Arne Duncan  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Secretary Duncan:

We write to express our deep concern regarding the closure of several colleges in the Corinthian College, Inc. system (Corinthian). The company's deceptive practices and ultimate closure has jeopardized the financial and academic future of more than 16,000 students, and we strongly urge the Department of Education to expeditiously develop and implement rules for borrowers seeking a discharge of related federal student loan debt in order to provide immediate assistance to these displaced students.

On April 27, Corinthian shut down thirty of its locations across the United States. This closure impacted 16,000 students who had previously been enrolled in its various educational programs. Corinthian's closure comes after years of alleged deceptive practices, including instances where Corinthian inflated its job reports and graduation rates in order to increase its enrollment numbers. Since 2013, the Consumer Financial Protection Bureau (CFPB), the Department of Justice (DOJ), and several states have filed lawsuits against Corinthian in opposition to the company's deceptive practices. The Department of Education itself imposed a \$29.6 million fine on Corinthian for "misrepresentation of job-placement rates to current and prospective students," which forced the company to file for bankruptcy.

As a result of Corinthian's deceptive practices, thousands of students are now left with student loan debt and no degree. Meanwhile, past students who have already graduated now possess a degree from a discredited school. Corinthian's students accepted federal student loans believing they were investing in their future and in an institution that would provide them with skills to make them competitive in the job market. However, as a recent letter by a group of state attorneys general noted, instead of looking out for the best interests of its students, Corinthian relied on predatory practices to attract students to low-quality education programs. To instill false hope in these students and then saddle them with student loan debt is shameful and this issue must be corrected immediately.

While we are aware of a clear process for students applying for federal loan discharge when their college abruptly closes, we have not seen the Department produce a comprehensive set of guidelines for borrowers who have been victims of fraudulent practices to discharge their federal loans. With the risk of so many students facing financial hardship due to looming default, we believe that it is necessary for the Department to move beyond its current case-by-case basis

assessment for student borrowers and implement long-term guidelines and procedures for students seeking loan discharge due to an institution's fraudulent or deceptive practices.

In closing, we respectfully urge the Department to use all available resources to ensure that the 16,000 individuals borrowing federal loans are not financially or academically harmed by the inability to complete their studies and to immediately develop and implement guidelines that will allow Corinthian students to discharge debt assumed as a result of Corinthian's deceptive practices.

Thank you for your attention to this important request.

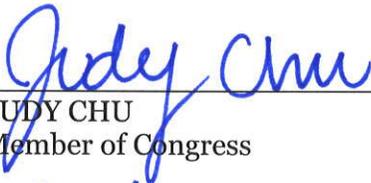
Sincerely,



NORMA J. TORRES  
Member of Congress



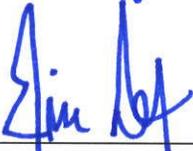
EARL BLUMENAUF  
Member of Congress



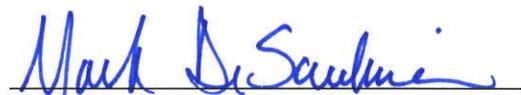
JUDY CHU  
Member of Congress



STEVE COHEN  
Member of Congress



JIM COSTA  
Member of Congress



MARK DESAULNIER  
Member of Congress



RUBEN GALLEGO  
Member of Congress



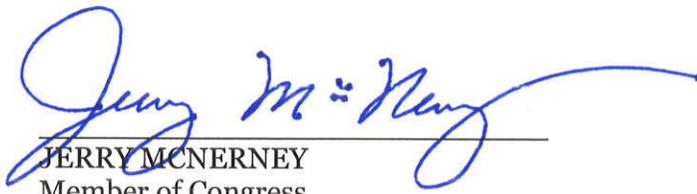
MIKE HONDA  
Member of Congress



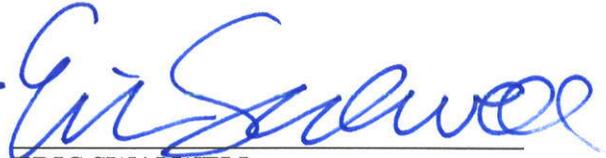
BRENDA L. LAWRENCE  
Member of Congress



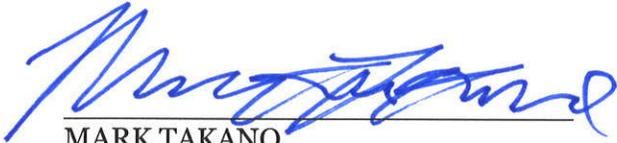
ALAN LOWENTHAL  
Member of Congress



JERRY MCNERNEY  
Member of Congress



ERIC SWALWELL  
Member of Congress



MARK TAKANO  
Member of Congress



JUAN VARGAS  
Member of Congress



MAXINE WATERS  
Member of Congress



RAÚL GRIJALVA  
Member of Congress