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## PRESS RELEASE

## Attorney General Frosh Urges Education Secretary and Congressional Leaders to Maintain Federal Protections of Higher Education Students

Attorney General Frosh Joins 17 Other Attorneys General to Reinforce Need for Protections Against Worst Actors in For-Profit School Industry

**BALTIMORE, MD** (February 23, 2017) – Maryland Attorney General Brian E. Frosh joined Attorneys General from 17 other states to send a letter to the Secretary of the U.S. Department of Education and Congressional leaders expressing their continued support of recent federal protections for students in higher education and taxpayers.

Highlighting how for-profit schools have harmed student borrowers, the Attorneys General sent the letter to Secretary Elisabeth DeVos and U.S. House and Senate leadership detailing their concerns over rolling back federal protections that would signal "open season" on students for some of the worst actors in the for-profit school industry. They referenced the thousands of complaints they receive concerning higher education every year and their work to help students across the country who have incurred enormous amounts of debt for worthless degrees from many for-profit schools that engaged in fraudulent activity.

The Attorneys General pointed to a number of protections they believe should remain intact, including the Gainful Employment Rule, which ensures students who attend career training programs are able to repay their federal student loans once they graduate. They are also pushing to keep vigorous federal oversight of school accreditors that are tasked with providing prospective quality assurance of schools and the Borrower Defense to Repayment Rule, which will provide a fair and transparent process for students who have been defrauded by their schools to apply for federal student loan relief.

## In part, the letter states:

Over the past fifteen years, millions of students have been defrauded by unscrupulous for-profit post-secondary schools. With accreditors asleep at the wheel, State Attorneys General Offices have stepped in to stop some of the worst abuses. The list of State Attorney General investigations and enforcement actions against for-profit colleges is long, including actions against: American Career Institute; Ashford University/Bridgepoint Education, Inc.; Corinthian Colleges, Inc.; Career Education Corporation; Education Management Corporation; Daymar College; DeVry University; ITT Tech; National College of Kentucky; and Westwood Colleges, among others.

These schools, and others like them, engaged in a variety of deceptive and abusive practices. Some promised prospective students jobs, careers, and further opportunities in education that the schools could not provide. Many schools inflated job placement numbers and/or promised career services resources that did not exist. Many nationally accredited schools promised that their credits would transfer, even though credits from nationally accredited schools often do not transfer to more rigorous regionally accredited schools. Many students were placed in loans that the schools knew from experience their graduates could not pay back. The schools were overseen by accreditors who failed to take action to protect students or the taxpayers who funded their federal student loans, despite ample evidence of these and other problems. In short, the entire for-profit education system was failing students and taxpayers.

As investigations and prosecutions initiated by our offices shed light on these problems, ED began to take steps to remedy these harms, issuing new regulations and reformulating policies to help protect students and taxpayers. Three of these steps – the Gainful Employment Rule, the policy of vigorous federal oversight of accreditors, and the Borrower Defense to Repayment Rule – are essential to protect both consumers and taxpayers from fraudulent actors in the for-profit education sector.

Joining Attorney General Frosh in sending today's letter were Attorneys General from Connecticut, Delaware, Hawaii, Illinois, Iowa, Kentucky, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Washington and the District of Columbia, as well as the Executive Director of the Office of Consumer Protection of Hawaii.

A copy of the letter sent today can be found <u>here</u>.