

PRESS RELEASE

Attorney General Frosh Joins Intervention to Protect the Rights of Students in U.S. Department of Education Lawsuit

Attorneys General Defend Protections for Students Victimized by For-Profit Schools

Baltimore, MD (June 14, 2017) – Maryland Attorney General Brian E. Frosh today joined a coalition of nine attorneys general in filing a motion to intervene in a lawsuit to prevent critical student protections from being dismantled.

The case – *California Association of Private Postsecondary Schools (CAPPS)* v. *Betsy DeVos* – is currently before the United States District Court for the District of Columbia and challenges the U.S. Department of Education's Borrower Defense Regulations, issued by the Obama administration in November. The challenged regulations provide critical protections for federal student loan borrowers against misconduct by abusive schools and colleges, including for-profit companies, and assist in the enforcement of state consumer protection laws. The regulations provide avenues for student loan borrowers who have been deceived or cheated by their schools to obtain loan forgiveness.

The attorneys general filed their motion following recent statements by Education Secretary Betsy DeVos that cast serious doubt on the Department's commitment to defend the regulations. In May, before a U.S. House of Representatives subcommittee, DeVos suggested that they were "studying carefully and looking at" the already finalized federal rule.

"The Borrower Defense Regulations were put in place to protect students from misconduct by schools and colleges who promise one thing, but deliver nothing," said Attorney General Frosh. "I am concerned that this Administration continues to ignore or reject sound policies that protect consumers, and instead favors policies that protects predatory schools."

Under the Borrower Defense Regulations, a successful enforcement action against a school by a state attorney general entitles borrowers to obtain loan forgiveness, and enables the Department of Education to seek repayment of any amounts forgiven from the school.

"The Borrower Defense Regulations provide critical protections for borrowers who were subjected to misleading and predatory practices by their postsecondary institutions and improve both the Department and states' ability to deter and combat harmful practices by these institutions. If CAPPS is successful in its efforts to overturn these regulations, the State Movants'

interests in protecting their students, ensuring the efficacy of their enforcement efforts, and preserving finite state resources will be harmed," the motion states.

Attorney General Frosh joins Massachusetts, California, Illinois, Iowa, New York, Oregon, and Pennsylvania and the District of Columbia in filing this motion to intervene.

A copy of the complaint can be found <u>here</u>.