



PRESS RELEASE

Attorney General Frosh Announces \$192 Million Nationwide Settlement That Forgives Debt for More than 500 Former Corinthian Students

Maryland borrowers will receive more than \$2 million in debt forgiveness

BALTIMORE, MD (August 17, 2017) – Maryland Attorney General Brian E. Frosh, in coordination with the Consumer Financial Protection Bureau (“CFPB”) and a coalition of 12 other state attorneys general, announced today a tentative settlement with Aequitas, a now defunct private investment firm under SEC-imposed receivership. Of the total \$192 million nationwide settlement, 515 Maryland students who attended Corinthian Colleges will receive more than \$2 million in total debt forgiveness.

“As a result of this settlement, students who were tricked into taking out loans to attend Corinthian Colleges will receive the debt forgiveness they deserve,” said Attorney General Frosh.

The settlement, which is subject to approval by the Oregon federal court overseeing the Aequitas receivership, and Maryland state court, is part of a broader agreement worth \$192 million for former Corinthian students across the country. The CFPB and the coalition of state attorneys general alleged that Aequitas entered into a complex financial relationship with Corinthian to fund the “Genesis Private Student Loan Program,” which saddled students with sham debt in order to provide the false appearance that Corinthian was financially sound and would qualify for the maximum allowable amount of federal student loan money.

The settlement resolves allegations that Aequitas, through its involvement in the Genesis loan program, engaged in unfair predatory lending and aided and abetted substantial misconduct by Corinthian.

A copy of Maryland’s proposed complaint and stipulated judgment, which were filed today in Oregon federal court, can be found [here](#).