



PRESS RELEASE

Attorney General Frosh Joins Coalition Opposing Education Department's Refusal to Release Student Loan Information *Longstanding Practice of Sharing Data Has Protected Student Loan Borrowers; New Policy Harms Students*

BALTIMORE, MD (April 5, 2019) – Maryland Attorney General Brian E. Frosh today joined a coalition of 21 state attorneys general sending a [letter](#) to Department of Education Secretary Betsy DeVos renewing their request that the Department reverse limitations placed on the routine disclosure of student loan information to state law enforcement agencies.

In June 2018, without notice or opportunity for public comment, the Department changed its longstanding policy of routinely disclosing information about student loan borrowers to state law enforcement agencies. This includes state attorneys general working to protect students and student loan borrowers from predatory practices and to secure relief for those victimized by fraud and other unlawful conduct.

In July 2018, 20 state attorneys general wrote to the Department to urge reversal of its unilateral policy change, undertaken without engagement with affected state agencies. The letter sent today renews this request.

In today's letter, the attorneys general note several reports, including one by the Department's own Inspector General, that identify concerns with the Department's oversight of student loan servicers—private companies that contract with the Department to service the student loans the Department owns. The attorneys general write: "Dual oversight in this arena has become particularly important in recent years, as concerns mount about these companies' compliance with the requirements for servicing federal student loans and consumer protection laws enforced by State Attorneys General."

"There is no legitimate reason for the Department of Education to halt student loan data sharing with state officials," said Attorney General Frosh. "The private companies contracted by the Department to service student loans are subject to state consumer protection laws, and the established practice of sharing certain student loan information helps states ensure these companies are complying with the law and borrowers are being treated fairly."

Attorney General Frosh and other attorneys general have taken numerous actions to enforce state consumer protection laws and protect students against fraud in the for-profit education sector and

the student loan debt adjustment sector. These actions have secured significant relief for struggling borrowers.

For instance, in January 2019, Maryland and 48 other attorneys general entered into a settlement with Career Education Corporation after an investigation revealed that the school deceived students about the total cost, transferability of credits, potential to get the necessary license for certain jobs, and the number of students who got jobs in their field of study. The school agreed to provide \$493.7 million in nationwide debt relief and to make substantial reforms to its recruiting and enrollment practices.

Maryland led a lawsuit in 2017 against the Department of Education following its rollbacks to student protections under the Gainful Employment Rule, which was designed to protect students and taxpayers by prohibiting institutions from participating in the federal student loan program if the institutions' educational programs consistently failed to prepare students for gainful employment.

Maryland also joined litigation by 19 states related to the Department's delay of the Borrower Defense Rule, which was designed to hold abusive higher education institutions accountable for cheating students and taxpayers out of billions of dollars in federal loans. The Department had delayed the rule by over a year before it was forced by a court decision in the states' favor to implement the Rule.

The Department of Education's refusal to share student loan data impedes the efforts of law enforcement agencies, including state attorneys general, to enforce state consumer protection laws and protect the students the Department exists to serve.

In addition to Maryland, the letter is also signed by the Attorneys General of California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Iowa, Massachusetts, Michigan, Minnesota, New Jersey, Nevada, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Washington, and Virginia.