

ATTORNEY GENERAL CONWAY AND 11 COLLEAGUES WRITE LETTER TO U.S. EDUCATION SECRETARY

Concerned About Info Given to Corinthian Students After Closing Announced

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FRANKFORT, Ky. (May 13, 2015) – – Attorney General Jack Conway and 11 fellow state Attorneys General today sent a letter to United States Department of Education Secretary Arne Duncan expressing concern about information the Department provided to students after Corinthian College announced its closure. The Department advised students they could transfer to other for-profit colleges - including colleges that are under investigation by multiple federal and state agencies. State Attorneys General are also submitting recommended changes to the Department of Education to identify schools that are currently under investigation or subject to judgments that may affect a student's choice of school in response to the Department's request for information.

The state Attorneys General are part of a 37-state working group, led by Attorney General Conway, which is reviewing the troubling practices of some for-profit colleges. Several states, including Kentucky, have filed lawsuits against for-profit colleges for allegedly misleading students, misreporting student loan default rates or placement rates, and questionable lending practices.

"For the Department of Education to recommend attending a school that is under investigation is troubling," Attorney General Conway said. "These students have already been through a stressful time with the closure of a school, and the last thing they need is to end up at institutions that are more interested in getting their hands on student loan dollars than they are in educating students. When something bad happens – the students are left holding the bag with tens of thousands of dollars in debt, no degree and credits that won't transfer."

Sen. Dick Durbin (D-IL) and Rep. Maxine Waters (D-CA) share the concerns of the Attorneys General.. They believe the guidance provided to Corinthian students from the Department of Education may steer vulnerable students harmed by Corinthian's collapse toward other for-profit schools at which they may fall victim to illegal lending, recruiting, or other practices.

"I remain concerned that the Department's lists of comparable programs of study for students affected by Corinthian's closure continue to include for-profit colleges under state and federal investigations," said U.S. Senator Dick Durbin (D-IL). "Last summer, the Secretary assured me that the Department would not sell Corinthian campuses to companies that were being investigated by state or federal authorities. I believe they should use the same standard when sharing information about transfer options to students."

In the letter, the Attorneys General also asked the Department of Education to warn students that, if they transfer their Corinthian credits to another school, they will not be eligible for the option of a closed school discharge (forgiveness) of their student loans under federal regulations. The Attorneys General highlight the importance that students of the failed Corinthian system immediately understand their rights regarding the potential discharge of their loans. Further, they encouraged the Department of Education to provide meaningful debt relief to all students harmed by Corinthian's fraud.

For more information about Corinthian students' rights under the closed school discharge (forgiveness) of their student loans please see: <https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/closed-school>.

To read the entire letter from the state Attorneys General to Sec. Duncan, visit <http://goo.gl/mD2azg>.

States participating in the letter include Kentucky, Connecticut, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, New York and Oregon.