

May 1, 2015

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary Duncan:

Given the extensive evidence of widespread fraud at Corinthian Colleges, we believe *all* current and former students deserve federal loan discharges. We are particularly concerned that students whose entitlement to federal loan discharges is crystal clear – those recently enrolled in the 30 Corinthian campuses that closed on Monday – are being given incomplete, incorrect, and harmful information about their options from Education Department staff as well as from schools that do not have these students' best interests in mind.

We therefore ask the Education Department to *immediately* take the following actions:

- 1) **Extend the window for a closed discharge back to the signing of the Memorandum of Understanding on June 22, 2014**, not just back 120 days from the school closing. Section 685.214 of the regulations say “The Secretary *may extend the 120-day period if the Secretary determines that exceptional circumstances related to a school's closing justify an extension.*” By any definition, this is an exceptional circumstance.
- 2) **Send loan discharge applications and clear information about options to all eligible students immediately**, as required by regulation, and make public copies of all general information being sent to students. We also encourage you to create and post short videos with clear information for students about their options. The Department should encourage students to take their time making this important decision, to be wary of any school that is rushing them to make a decision, and warn students about how transferring credits can affect their eligibility for a closed school discharge.
- 3) **Remove schools under investigation for fraud or being sued by a state or federal agency for fraud from any Department lists of transfer options** and bar them from attending any sessions for students attended by Department employees or contractors. In August, the Department [publicly committed](#) to “not approve a sale to another entity if that entity is currently under State and/or Federal investigation.” If the Department would not approve sales to schools under investigation, it certainly should not be encouraging students to transfer to those schools either. The California Attorney General's [website](#) for former Corinthian students directs them to local legal aid organizations, job centers, and community colleges only.
- 4) **Establish a special hotline for Corinthian students.** The Department recently did this for students whose PLUS loans had been denied. This will help ensure students get accurate and consistent information.

- 5) **Record all Education Department staff or contractor calls with Corinthian students** to ensure accurate information is provided consistent with approved scripts.
- 6) **Direct servicers to send representatives to any meetings with students** equipped with the ability to pull up records and help with discharge paperwork on the spot.

Sincerely,

AFL-CIO

American Association of State Colleges and Universities (AASCU)

American Association of University Professors (AAUP)

American Federation of Teachers, AFL-CIO

Americans for Financial Reform

Center for Responsible Lending

Consumer Action

Consumers Union

East Bay Community Law Center

Empire Justice Center

Generation Progress

Higher Ed, Not Debt

Housing and Economic Rights Advocates

The Institute for College Access & Success

Jobs With Justice

The Leadership Conference on Civil and Human Rights

League of United Latin American Citizens

MALDEF

Mississippi Center for Justice

National Association of Consumer Advocates

National Consumer Law Center (on behalf of its low-income clients),

National Consumers League

The Other 98%

Public Counsel

Public Law Center

Service Employees International Union

Student Debt Crisis

United States Student Association

U.S. PIRG

Veterans Education Success

Veterans Student Loan Relief Fund

VetJobs

VetsFirst, a program of United Spinal Association

Woodstock Institute

Young Invincibles

Please note: This letter was updated May 4 to include organizations that asked to sign the letter after it was initially submitted on May 1, 2015.