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**Contacts:** Deanne Loonin, [dloonin@nclc.org](mailto:dloonin@nclc.org) or  
Jan Kruse [jkruse@nclc.org](mailto:jkruse@nclc.org), 617-542-8010

## **ADVOCATES APPLAUD CFPB LAWSUIT AGAINST ITT EDUCATION FOR PREDATORY STUDENT LENDING PRACTICES**

**(BOSTON)** Advocates at the National Consumer Law Center (NCLC) applaud today's announcement that the Consumer Financial Protection Bureau (CFPB) has filed a lawsuit against the for-profit school ITT Educational Services based on allegations of predatory lending and other unfair, deceptive, or abusive practices.

Among other violations, the CFPB lawsuit focuses on ITT's institutional lending program. NCLC documented many of the problems with these institutional loans made by for-profit schools in its 2011 report, *[Piling It On: The Growth of Proprietary School Loans and the Consequences for Students](#)*. The schools have continued to push these loans despite shockingly high default rates, using the loans to keep the federal dollars flowing. The schools are reaping profits, but vulnerable students trying to get ahead through education are left with lifetimes of devastating debt and damaged credit ratings. The complaint includes other allegations that are unfortunately all too typical in the for-profit higher education sector, including misrepresentations about transferability of credits and about job prospects.

We also applaud the actions of many state Attorneys General for investigating the practices of several for-profit schools, including ITT, Career Education Corporation, Corinthian Colleges, and Education Management Corporation. The AGs are investigating these for-profit schools for possible misrepresentations about college costs, student loans, graduation rates, licensing requirements, placement results, and other issues.

"The CFPB and Attorney General actions are critically important in seeking relief for vulnerable borrowers, and these developments are a signal to the for-profit school industry that business as usual will no longer be tolerated," says Deanne Loonin, director of the National Consumer Law Center's Student Loan Borrower Assistance Project. "Putting profits above education quality and student success is just not acceptable."

NCLC advocates also urge the CFPB and state Attorneys General to prioritize relief for student borrowers as they pursue these critical actions.

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Since 1969, the nonprofit **National Consumer Law Center**® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)

NCLC's **Student Loan Borrower Assistance Project** provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable. [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org)