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## **New Report: State Oversight of For-Profit Schools Needs Major Improvement**

### ***NCLC Issues Wake-Up Call for States to Protect Students and Taxpayers from Fraud***

**(BOSTON, Mass.)** As for-profit post-secondary schools have rapidly expanded throughout the United States, state government has frequently failed to challenge for-profit school abuses and fraud. One result? Increasingly, students are left buried under mountains of debt with no prospect for gainful employment. Yet most states have substantive legal recourse against fraud *if* they choose to step up to the plate to protect citizens. These are some of the major findings of *State Inaction: Gaps in State Oversight of For-Profit Higher Education* a report issued today by the National Consumer Law Center's (NCLC) Student Loan Borrower Assistance Project.

"Lack of staff and inadequate or diluted resources contribute to lax enforcement and oversight of for-profit higher education but some states are doing a better job with limited resources," says attorney Deanne Loonin, Director of NCLC's Student Loan Borrower Assistance Project and primary author of the report. "Too often there are conflicts of interest allowing undue influence by the for-profit school industry at the expense of students. Our report offers recommendations for what states can do to better protect their citizens and urges them to do their part to make more efficient use of taxpayer dollars."

NCLC summarizes state regulatory structures and analyzes state levels of resources dedicated to enforcement and oversight of for-profit post-secondary schools. Existing consumer protection laws, relief funds and other options available to assist students who are harmed by fraud or abuses are also reviewed. An overview of initial improvements put in place by several states indicates that it's possible to perform better oversight even with limited resources. However, every state has room for improvement and the report offers 14 recommendations to assist states that wish to better protect students and taxpayers.

This report builds on NCLC's body of work on behalf of vulnerable students harmed by the for-profit higher education industry. For example, NCLC released a report earlier this year that found for-profit higher education loan programs were often more concerned with attracting investors and keeping federal aid flowing than preparing students for gainful employment.

Download the full report at [www.nclc.org/images/pdf/pr-reports/state-inaction-for-profit-higher-edu.pdf](http://www.nclc.org/images/pdf/pr-reports/state-inaction-for-profit-higher-edu.pdf)

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National Consumer Law Center<sup>®</sup> (NCLC<sup>®</sup>) is a non-profit organization specializing in consumer issues on behalf of low-income and other vulnerable people. Since 1969, NCLC has worked with legal services and nonprofit organizations as well as government and private attorneys across the United States, to create sound public policy for low-income and elderly individuals on consumer issues. Visit [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. The Project also seeks 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. Visit [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org)