



## My school closed. What happens now?

I don't plan on transferring credits or participating in a teach-out:

- **FEDERAL STUDENT LOANS AND PELL GRANTS**: If you or your parent obtained federal financial aid, you are eligible for loan cancellation and restoration of your Pell Grant if:
  - You were still enrolled or on an approved leave of absence when the school closed **OR**
  - You within 120 or 180 days of your school's closure. The time period applicable depends on the date your Direct Loans were disbursed.
- **G.I. BILL FUNDS**: You are eligible for the restoration of funds used to pay for the term you were unable to complete.
- **PRIVATE STUDENT LOANS**: You or your co-signor may also be eligible to have your private loans cancelled if:
  - You were enrolled or on an approved leave of absence when the school closed **AND**
  - Your state law provides for cancellation of your private loan. Your private loan is likely to be eligible for cancellation if it was made to you by your school or if the loan agreement contains the following clause: "ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER."
- **CASH, G.I. BILL FUNDS, PRIVATE STUDENT LOANS**: Some states have student tuition recovery funds (STRFs) that will reimburse some or all of these for students and/or parents. You must check with your state to determine what relief, if any, is available in your state. For a link to the state agencies that have STRFs, see: <https://www.studentloanborrowerassistance.org/loan-cancellation/state-programs/>.
- **CALIFORNIA RESIDENTS ONLY**: If you were a student (not a parent or co-signor), you are eligible for relief from California's Student Tuition Recover Fund if:
  - You were still enrolled or on an approved leave of absence when the school closed **OR** you withdrew within 120 days of your school's closure **AND**
  - Your school was required to be approved or registered by the Bureau for Private Postsecondary Education (BPPE)

You may be eligible for the following:

- Pay-off or cancellation of private student loans.
- Reimbursement of amounts you paid on your private loans and cash you paid to your school; and
- Future educational funding equal to the amount of the grants or other funds paid on your behalf to the closed school, including G.I. Bill Funds.
- You can find an application and directions about where to send it at: [https://www.bppe.ca.gov/forms\\_pubs/strf\\_application.pdf](https://www.bppe.ca.gov/forms_pubs/strf_application.pdf).

I plan on transferring credits or participating in a teach-out:

- **FEDERAL STUDENT LOANS AND PELL GRANTS:** You are **not** eligible for a closed school discharge of your federal financial aid if:
  - transfer one or more credits you've earned at your school to the **same or comparable** program at another school and you **complete or are in the process of completing** the program **OR**
  - you enroll in an **approved teach-out** and you **complete or are in the process of completing** the program, then

**BUT**, you are eligible for a closed school discharge if you transfer credits to a **different** type of program or you **withdraw** from your new program or the teach-out before you complete it.
- **PARTIAL CREDIT TRANSFERS:** Even if you transfer one credit, you are ineligible for a federal closed school discharge. In some states, including California, you may be eligible for partial relief for your private loans, federal loans, G.I. Bill Funds, and other types of grants.

Beware of student debt relief companies!

Closed school discharges and state debt relief programs are available **free of charge**. You don't have to pay someone to help you obtain this relief. If anyone asks you to pay them to help you get this relief, then they may be violating federal law and scamming you.

### **TAKE YOUR TIME AND DO NOT RUSH INTO ENROLLING IN ANOTHER SCHOOL**

- **Do not rush into any teach-out program or re-enrolling at any other schools.** This is an important decision and a big investment – take the time to decide what is right for you.
- If any school is pushing you to enroll right away and will not give you the enrollment agreement and disclosures before you enroll to review, **BEWARE. This is likely a low-quality schools that is more interested in the money you bring than providing a good education.**
- Carefully consider the options that are best for you. Research local community college and other public school programs. Sometimes it is worth waiting and applying for these programs, which are often of higher quality than for-profit school programs in which you can enroll immediately.
- If a school tells you it will accept all your credits, make sure you get this in writing before you enroll. Typically, this should be clearly reflected in your new enrollment agreement.
- You do not have any immediate obligation to repay your loans. You have at least a 6-month grace period on your federal student loans and may ask your private lenders to give you a forbearance while you determine your next steps.
- **Gather Documentation:** Make sure you get a complete copy of all your student records in order to ensure you have all the documents you need to establish your eligibility for federal student loan debt relief.

At a minimum, get a copy of your enrollment agreement, your student ledger (a complete financial accounting of all funds paid to the school and amounts you were charged), all documents you signed, any record of your withdrawal or approved leaves of absence, and all electronic communications between you and anyone at the school.

- Sometimes the best course of action is to opt for the closed school discharge and start over at a reputable school.