

Congress of the United States
Washington, DC 20515

April 10, 2018

The Honorable Betsy DeVos
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos:

On October 24th, 2017¹, we sent a letter requesting data on the outstanding debt relief claims for Minnesota students who were enrolled in for-profit colleges. To date, your office has not provided a response to our inquiries. We are very concerned about the Minnesota students who need relief from student debt they incurred as a result of the predatory behavior and low quality of the education at these for-profit schools.

The Department of Education took two enforcement actions against one such school, Corinthian Colleges, Inc., for widespread misrepresentation of job placement rates.² The resulting closures left students in Minnesota with enormous levels of unmanageable student debt, which prevents them from engaging in other important investments, such as buying a car, a home, or reenrolling in a high quality, affordable college program. In some of the worst cases, students were left homeless or in bankruptcy.

To our dismay, we have now heard that the Department of Education has started granting only partial debt relief to former mistreated students of Corinthian College by analyzing the average earnings of students in comparable vocational programs.³ This is a departure from how relief was previously granted to similarly situated Corinthian students. This would result in unequal protection of former Corinthian students under the law based on arbitrary variables by the Department of Education. Moreover, the data the Department uses to calculate partial relief is collected from the Social Security Administration. According to The Project on Predatory Student Lending at Harvard Law School, the Department of Education has no right to use this

¹ <file:///C:/Users/MSorour/Desktop/Education/2017.10.24%20Letter%20to%20Secretary%20DeVos%20Outstanding%20Debt%20Relief%20Claims.pdf>

² <https://www.ed.gov/news/press-releases/us-department-education-fines-corinthian-colleges-30-million-misrepresentation>

³ <https://about.bgov.com/blog/corinthian-school-loan-relief-plan-raises-repayment-concerns/>

data for any other purpose than enforcing the 2014 gainful employment rule. In fact, they argue that denying full relief to Corinthian students under the law is illegal.⁴

Data provided to our offices shows there were 1,044 total unapproved borrower defense claims in the state. Of those, 551 are from Corinthian Colleges, Inc., 51 are from ITT Education Services, Inc., and 442 are from other schools. Since January 2017, Minnesota residents have sent in 343 claims; 132 from Corinthian, 21 from ITT and 190 from other schools. Many of these unapproved Corinthian claims are from students who attended during times when the Department of Education was working through processing closed-school and other sources of debt relief for impacted students. However, these students have yet to receive any relief.

In order to better understand how the Department of Education is assisting mistreated students from Minnesota, we ask that you provide our offices with answers to the following questions and the relevant data requested, no later than April 24th, 2018.

1. What is the status of the 1,044 unapproved borrower defense claims from Minnesota students specifically, the status of the 551 from Corinthian Colleges, Inc., 51 from ITT Education Services, Inc., and 442 from other schools?
2. Have the number of unapproved borrower defense claims increased? If so, what is the current number and status of unapproved borrower defense claims from Minnesota students?
3. What is the number of GI Bill beneficiaries that were enrolled at closed for-profit colleges in Minnesota?
4. Are Minnesota students among those who have already received partial debt relief from the Department of Education?
5. Will any Minnesota students with pending borrower defense claims receive partial debt relief from the Department of Education?
6. Please provide an explanation of what data the Department of Education is using to make these partial debt relief determinations. Please provide any data used to my office in searchable excel format with personal information de-identified.
7. What is the in-district breakdown of the status of the total unapproved and approved borrower defense claims? How many borrowers have received partial relief?

⁴ <http://www.legalservicescenter.org/partial-borrower-defense-denials-violate-due-process-privacy-act-injunction-sought-against-devos-department-of-education/>

Minnesota students should be awarded full, immediate student debt relief for the misconduct they experienced due to falsified job placement statistics, low quality programs, and predatory lending practices. An expedited process that results in full relief to mistreated students is critical to the economic stability of our state and the families who are impacted.

Thank you for the consideration of this request. You may reach out to Mahyar Sorour on Mr. Ellison's staff at mahyar.sorour@mail.house.gov for more information.

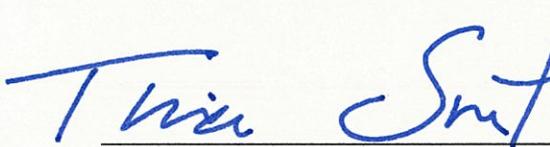
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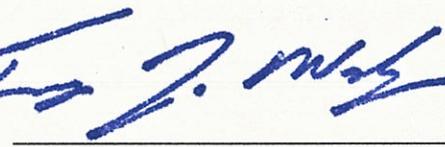
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