

State Attorneys General

A Communication from the Chief Legal Officers of the Following States and Territories:

Connecticut * Hawaii * Illinois * Kentucky * Maine * Maryland
Massachusetts * Minnesota * Missouri * New Mexico * New York * Oregon

May 13, 2015

The Honorable Arne Duncan
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan:

We, the undersigned Attorneys General of Kentucky, Connecticut, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, New York, and Oregon write to join Senator Dick Durbin (D-IL) in expressing serious concern to the Department of Education about the Department's guidance to students of Corinthian Colleges, recently posted on the Department's website, listing several for-profit colleges currently under federal and/or state investigation as viable transfer opportunities for students affected by Corinthian's closure. As the Department of Education is aware, these for-profit colleges have been sued for or are under investigation for practices allegedly violating state and federal consumer protection laws. In addition, several of these suspect for-profit colleges are on the Department of Education's Heightened Cash Monitoring list. By steering unknowing Corinthian students toward these for-profit schools, the Department of Education is setting the students up for the distinct possibility that they will incur substantial additional loans only to be the victims of illegal lending, recruiting, or other practices and faced with yet another college closure. The Department of Education should remove these schools from its website as transfer options and refrain from providing other guidance to vulnerable students encouraging them to consider these schools. We are encouraged that staff from the Department of Education reached out to some state Attorneys General this week to seek input on this issue. We remain committed to cooperating with the Department of Education to help protect students from the unlawful practices that some for-profit colleges pose to all students.

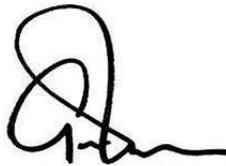
In addition, the Department of Education should provide clear and immediate guidance to Corinthian students that, if they transfer their Corinthian credits to another school, they will not be eligible for the option of a closed school discharge (forgiveness) of their student loans pursuant to 34 CFR 685.214(c). Under 34 CFR 685.214(f), the Department of Education should immediately mail discharge applications to all Corinthian students eligible for the discharge of their student loans. It is crucial that eligible students immediately understand that they have the option of loan discharge if they choose not to transfer their Corinthian credits to another school.

We further join Senator Durbin in urging the Department of Education to provide meaningful debt relief to all students who were the victims of Corinthian's fraud. Corinthian students who do not qualify for forgiveness of their loans under the federal closed school discharge regulation should be able to raise Corinthian's fraud as a defense to repayment of their student loans, and we urge the Department of Education to provide clear guidance to all such students on how to assert a claim for relief.

Sincerely,



Jack Conway
Kentucky Attorney General



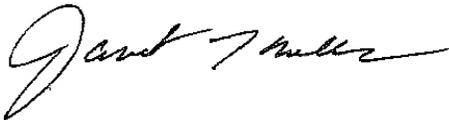
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c: The Honorable Dick Durbin
United States Senator