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Submitted to the Public Protection and Advocacy Bureau,
Office of the Attorney General of Massachusetts

Regarding the Proposed Adoption of
940 C.M.R. 31.00: For-Profit and Occupational Schools

Submitted January 10, 2014

My name is Toby Merrill. I am an attorney at the Legal Services Center of Harvard Law School, and the director of the Project on Predatory Student Lending. The Legal Services Center provides civil legal services to over 1,200 low-income clients annually, representing families in debt collection lawsuits, bankruptcies, eviction proceedings, domestic relations cases, and cases involving disability and veterans' benefits.

The Project on Predatory Student Lending is dedicated to helping low-income student loan borrowers who have been victimized by predatory practices of for-profit schools. We work in collaboration with nonprofit organizations such as Compass Working Capital, Year Up, and Crittenton Women's Union.

Through our clients and our community partners, we are familiar with the unfair and deceptive methods and practices employed by many for-profit and occupational schools, including deceptive advertisements, unrelenting recruiting, the absence of promised academic and career development support, and draconian contracts designed for people with non-traditional backgrounds or those just barely old enough to sign. Our clients come to us with crushing and unaffordable student loan debt in the form of federal, private, and institutional student loans. Their debt often results from enrollment in programs that they never completed, in service of credentials they never obtained. Others complete programs only to find none of the promised employment opportunities that induced them to incur the debt. Many of them have unknowingly signed enrollment agreements containing sweeping arbitration clauses purporting to waive their right to seek relief in court.

The results of these abusive practices are disastrous for borrowers, especially when combined with the presumption of non-dischargeability of student debt in bankruptcy. An investigation of for-profit schools, including occupational schools, by the Senate Health, Education, Labor and Pensions (HELP) Committee revealed that 57% of students left for-profit schools without completing their program.[1] Students in certificate programs dropped out at a rate of 38.5%.[2] The National Center for Education Statistics found that approximately 40% of students seeking certificates or associates degrees from for-profit colleges failed to complete those degrees within 150% of the normal time required.[3]

Students who fail to complete non-degree programs are significantly more likely to default on their loans.[4] 22% of students of for-profit schools default on federal loans within three years,[5] and about 46% default over the lifetime of the loan.[6] Multiple investigations suggest that such

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[1] S. COMM. ON HEALTH, EDUC., LABOR, & PENSIONS, 112TH CONG., FOR PROFIT HIGHER EDUCATION: THE FAILURE TO SAFEGUARD THE FEDERAL INVESTMENT AND ENSURE STUDENT SUCCESS 72 (2012) (hereinafter FOR PROFIT HIGHER EDUCATION).

[2] *Id.* at 74; *id.* at 74 n.264.

[3] NAT'L CTR. FOR EDUC. STATISTICS, U.S. DEP'T OF EDUC., NCES 2012-045, THE CONDITION OF EDUCATION 2012 280 (2012).

[4] A quarter of borrowers who completed non-degree programs in 2001 defaulted on their loans, as compared to a third of borrowers who did not complete their programs. LAWRENCE GLADIEUX & LAURA PERNA, NAT'L CTR. FOR PUBLIC POLICY & HIGHER EDUC., BORROWERS WHO DROP OUT: A NEGLECTED ASPECT OF THE COLLEGE STUDENT LOAN TREND 9 (2005), *available at* http://www.highereducation.org/reports/borrowing/borrowers.pdf.

[5] FOR PROFIT HIGHER EDUCATION, *supra* note 1, at 114.

[6] *Id.* at 18.

statistics dramatically underreport defaults on federal loans.[7] Moreover, students at for-profit schools are much more likely to take out private or institutional loans, which lack the protections of federal loans and are not included in the default rates measured and reported by the government.[8] Although less data is publicly available for defaults on private loans, one major for-profit institution reported to the SEC that it expected to discount its institutional loans by 55%.[9] Taken together, these data show a tremendous risk of dropout and loan default for students of private occupational schools.

The consequences of such defaults are severe and long-lasting. Without the school, lender, or servicer taking any action in court whatsoever, federal loans can be collected through garnishment of wages, tax refunds and earned income tax credits, and federal benefits. Most student loans survive bankruptcy. Defaulted student loan borrowers are also subjected to the extraordinarily lawless practices of the debt collection industry:[10] our clients receive abusive and deceptive letters and are harassed to the point of changing their phone numbers. Defaulted loans make a student ineligible for future student loans, thereby preventing the borrower from ever obtaining or completing her education. As a result, defaulted student loans prevent many of our clients from pursuing educational opportunities that would permit them to pay off their existing debt and advance their career goals. With incomplete or low-value degrees and significant debt, they are barred from ever improving their situation.

For these reasons, we write to support the proposed regulations by: providing examples of our clients' experiences with practices prohibited by the proposed regulations; suggesting improvements or clarifications to a few of the proposed regulations; and encouraging the Attorney General to provide stronger and more meaningful protection to Massachusetts consumers by making clear that it is an unfair practice for a school to burden a student with loans that the school knows or should know that the student is unlikely to be able to repay.

Client Experiences Demonstrating the Need for Further Regulation and Enforcement

The proposed regulations address practices that have contributed to so many of our clients' problems at for-profit and proprietary schools:

- Section 31.06(5) compels programs that promise or require internships to help students to obtain internships with educational value. A medical administration program placed one of our clients in an internship where the entirety of her responsibilities were sweeping, laying out instruments, putting up holiday decorations, and taking out the trash. After calling the school's internship coordinators every day for two weeks, she was told that if

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[7] *See, e.g.*, FOR PROFIT HIGHER EDUCATION, *supra* note 1, at 116-17; Mark Kantrowitz, *Identifying Colleges with Aggressive Management of Cohort Default Rates*, FINAID.ORG (Sept. 21, 2010), http://www.finaid.org/educators/20100921aggressivedefaultmanagement.pdf.

[8] In the 2007-08 school year, 42% of students at for-profit schools borrowed from private or institutional lenders, compared to 14% of all students, and 4% at two-year in 08-08 compared to 14% overall, and 4% and two-year public. PROJECT ON STUDENT DEBT, PRIVATE LOANS: FACTS AND TRENDS (2011), http://projectonstudentdebt.org/files/pub/private_loan_facts_trends_09.pdf

[9] CONSUMER FIN. PROT. BUREAU, PRIVATE STUDENT LOANS 34 (2012).

[10] *See, e.g.*, Andrew Martin, *Debt Collectors Cashing in on Student Loan Roundup*, N.Y. TIMES, Sept. 8, 2012, at A1.

she wanted a different internship placement, she would have to find it herself. The school continued to place interns in that office.

- Section 31.06(9) prohibits schools from hounding the students they are recruiting. One of our clients, a nineteen-year-old single mother, was called by a recruiter at a local occupational school every single day until she agreed to enroll, thereby committing herself to paying over $15,000. She left her retail job to attend the school, but the school closed before she could complete the program, and she has since been unable to find work. Her experience was not isolated. In 2010, the Government Accountability Office investigated the recruitment practices of schools in the for-profit industry, including occupational schools. Four investigators who filled out web forms began receiving phone calls within five minutes of completing the forms, receiving a total of 436 phone calls within thirty days.[11]

- Section 31.07(2)(b) forbids schools from telling enrollees that the program is free or costless when in fact the student is taking out student loans to attend. One of our clients was an active member of the national guard when he enrolled in a technical school. Both he and his wife described how, in their meeting with the financial aid office, they were told that "it was guaranteed that the costs would be covered" and "they would not pay out of pocket." At the same meeting, he signed paperwork resulting in thousands of dollars of federal student loan debt.

II. Suggestions to Clarify and Strengthen the Proposed Regulations

Below are several specific suggestions for revisions of the proposed regulations. The changes discussed below would help to ensure that the regulations are clear and effective in protecting citizens of the Commonwealth from unfair and deceptive practices as they are seeking higher education.

31.03: Definitions

- **"Clearly and conspicuously."** As part of the definition of "clearly and conspicuously," affected schools are required to post any disclosure on their websites if the disclosure must also be made "clearly and conspicuously" in communications with students. However, if schools can comply with this requirement by burying disclosures in a hard-to-find web page full of dense text, the requirement will have little effect. Schools should be required to make the website-published versions of these disclosures easy to find and access on their websites. To ensure that applicants can find the disclosures easily on the school website, we recommend that such disclosures be no more than three "clicks" away from a school or program's main page.

- **Proposals for additional definitions**. In order to ensure that these regulations are efficacious, the following terms should be defined:

[11] U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-10-948T, FOR-PROFIT COLLEGES: UNDERCOVER TESTING FINDS COLLEGES ENCOURAGED FRAUD AND ENGAGED IN DECEPTIVE AND QUESTIONABLE MARKETING PRACTICES 15 (2010).

Ceased to repay. The phrase "ceased to repay" appears in the definition of "loan default percentage" but is not itself defined. Without definition, the ambiguity of the term will make enforcement of disclosures involving the loan default percentage difficult if not impossible. For federal student loans, default is defined as failure to repay a loan for 270 days.[12] Default on private student loans, on the other hand, lacks a uniform definition; default and delinquency are defined by each loan contract or promissory note. Generally, the default period for private student loans is significantly shorter than for federal loans, often as little as 120 days from a missed payment and potentially as soon as a borrower misses a single payment.[13] The U.S. Department of Education measures and discloses schools' default rates with respect to federal loans only.

Despite the lack of a uniform definition, it is vitally important that the regulations include **both** private loans and federal loans in a definition of the term "ceased to repay." Students at the regulated schools are significantly more likely to have private loan debt: in the 2007-08 school year, 42% of students at for-profit colleges borrowed from private or institutional lenders, compared to 4% of students at public four-year colleges and 14% of students at private non-profit four-year colleges.[14] Students attending for-profit schools composed about 9% of all undergraduates in 2007-08, but 27% of those with private loans.[15] Excluding private student loan debt from the calculation of loan default percentages would dramatically degrade the accuracy and usefulness of a measurement intended to allow potential students evaluate and compare likely financial outcomes.

Left the program. The phrase "left the program" appears in the definitions of "Graduation rate" and "Total placement rate," but is not itself defined. Adding a definition for this term will clarify the calculation of graduation and placement rates for schools, and improve the enforceability of the regulations.

For-profit and occupational schools often use multiple methods to calculate the date on which a student left its program in order to maximize their own income. If the withdrawing student has received federal student aid, federal regulations prescribe the date the school must use to calculate the portion of the aid that must be returned to the federal government.[16] These regulations do not prescribe schools' refund policies to students. In other words, a student could withdraw and have some portion of her aid refunded to the federal government, but the school could nonetheless charge her for the entire amount of tuition if permitted by its own refund policy. In Massachusetts, private occupational schools' refund policies are limited by a statute that requires schools to refund at least 75% if the student withdraws within the first quarter of the program; at least 50% if during the second quarter of the program; and at least 25% if within the third quarter of the program **only if the student communicates that withdrawal in writing**.[17]

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[12] 20 U.S.C. §1085(l).

[13] *See, e.g.*, Student Loan Borrower Assistance, *Default and Delinquency*, http://www.studentloanborrowerassistance.org/default-and-delinquency/; *see also* CONSUMER FIN. PROT. BUREAU, PRIVATE STUDENT LOANS 13 (2012).

[14] PROJECT ON STUDENT DEBT, PRIVATE LOANS: FACTS AND TRENDS (2011), http://projectonstudentdebt.org/files/pub/private_loan_facts_trends_09.pdf

[15] *Id.*

[16] *See* 34 C.F.R. § 668.22.

[17] MASS. GEN. LAWS ch. 255, § 13K.

These hyper-technical distinctions and variations allow schools to use different dates for different purposes, which in turn would undermine the usefulness of the disclosures, and also allows schools to retain a tremendous amount of money in exchange for which they have provided no service, and to which they are not entitled.

Therefore, we recommend that the regulations further define the term "left the program" to avoid manipulation of graduation and placement rates, and to make refund calculations more fair and predictable. We recommend that the state adopt the federal definition: the last date that a student attended classes.[18] Federal regulations provide further instructions for various situations in which the foregoing definition is not available or accurate, including the date that the student notified the institution, **orally or in writing** of her intent to withdraw.[19]

The regulations should define how schools are to calculate when students left in order to promote uniformity and fairness.

31.05(2): Required Disclosures

- **72-Hour Period**. We support the imposition of a waiting period, allowing consumers time to "cool off" and make decisions away from pressures they faced at the school and with the recruiter. All of our clients faced intense pressure to sign enrollment agreements and financial aid forms at their first visit to the school they attended. Our clients describe signing "piles of paperwork" on the spot, without a chance to read through the loan documents, much less any disclosures. Waiting three days would have given them the opportunity to think over the school's sales pitch, consult with someone who might have been able to help them evaluate the program and its disclosures and enrollment forms, and choose a course of action outside of the high-pressure enrollment situations so many of them faced. We encourage the Attorney General to clarify that neither party is permitted to sign an enrollment agreement or any other legal or financial commitment during this period.

- **"COST OF PROGRAM."** Under the heading "COST OF PROGRAM," immediately after disclosing their own program cost, schools should also be required to include a comparison price. There are a variety of possible comparators, including the cost of the nearest similar program at a community college and the average cost for programs of the same type in the state.

  Providing potential students with comparison prices is essential for two reasons. Our most indebted clients were not aware that they could have saved tens of thousands of

[18] 34 C.F.R. § 668.22

[19] 34 C.F.R. § 668.22(c)(1)(ii); *see also* 34 C.F.R. § 668.22 (c)(iii)-(vi) ("(iii) If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c)(1)(i) or (c)(1)(ii) of this section, the mid-point of the payment period (or period of enrollment, if applicable); (iv) If the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance; (v) If a student does not return from an approved leave of absence as defined in paragraph (d) of this section, the date that the institution determines the student began the leave of absence; or (vi) If a student takes a leave of absence that does not meet the requirements of paragraph (d) of this section, the date that the student began the leave of absence.

dollars by attending a less expensive school, such as a community college, instead of the for-profit or occupational school they attended. Many of our clients are the first in their families to pursue higher education, and lacked a sense of what other programs cost at the time they made their enrollment decision. Mandating an element of comparison would significantly improve the effectiveness of the proposed disclosures.

- **"YOUR LOAN DEBT."** Under the heading "YOUR LOAN DEBT," schools should be required to make a disclosure that provides potential students some estimation of likely total indebtedness. Estimated total indebtedness to complete a program is vital to accurate evaluation and comparison of the value of various programs, and it is information of which most of our clients are ignorant until it is far too late.

  This disclosure gives prospective students valuable information distinct from the "COST OF PROGRAM" disclosure. Average debt varies widely from total program costs. For example, the total estimated expenses for a student living off campus in 2010-11 were $38,062 at the New England Institute of Art, $48,034 at Suffolk University, and $22,801 at the University of Massachusetts at Boston (in-state students).[20] By contrast, the median federal loan debt for undergraduates who completed their programs in 2010-11 was $30,586 at the New England Institute of Art, $22,500 at Suffolk, and $15,000 at University of Massachusetts at Boston.[21]

  If schools use identical disclosures for all prospective students, they should be required to include **average total indebtedness of students who graduated in the last two calendar years**. It is even more valuable for students to understand how much they are likely to owe after they graduate than to know the "sticker price" of the school when they enroll.

31.06(5): Failing to Offer Appropriate Internships

School-based internship personnel should be required to supervise required student internship programs in addition to locating and arranging such internships. Adequate oversight of these mandatory internships is sorely lacking. Our clients frequently face situations in which they have been placed in inappropriate internships, but could find no school staff members to assist them in resolving these serious problems that prevented them from obtaining the benefit of on-the-job training. Adding a supervision requirement will ensure that students will have someone to turn to in the not-uncommon situation in which their internship placement does not advance their education, or poses other problems.

31.06(11): Misrepresenting Right to Cancel

The regulations should make clear that schools have an affirmative obligation to clearly inform students of any steps they must take to complete a formal withdrawal and obtain any refund to which they are entitled at the time that a student manifests an intent to withdraw.

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[20] http://nces.ed.gov/collegenavigator/?s=all&q=university+of+massachusetts&id=166638#expenses

[21] College scorecard. Also note that students at private and for-profit much more likely to have significant private loan debt that is not included in the college scorecard stats.

Students at Massachusetts private occupational schools have had a statutory five-day right of rescission of their enrollment contracts and a prescribed right to a partial refund upon withdrawal since 1974.[22] The law further requires that enrollment contracts include notice of these rights "on the front of said contract above the place for the student's signature in a type size at least as large as the largest type size appearing in any other part of the said contract."[23] The prescribed contractual language obligates students to inform schools in writing of their wish to terminate their enrollment agreement.[24]

Our clients are seldom aware that they must inform schools in writing that they wish to withdraw in order to be entitled to a tuition refund, the majority of them communicate their withdrawals less formally—over the phone, in person, by email, or, in some cases, by ceasing to attend. In some cases, staff members at the school encourage them to "stick it out," tell them "it's worth it," or otherwise discourage the student from exercising their right to withdraw. The students eventually drop out, and are later shocked to discover that, even if they only attended a week or two of classes, they are billed for most or all of the total program cost. Even those who reported their withdrawal to an administrator have not been informed of further steps that they must take to protect themselves financially. The regulations should clarify that occupational schools must notify students of these processes when the school knows that the student wishes to withdraw.

Students should be considered to manifest an intent to cancel their enrollment whenever they (a) inform a staff member that they wish to or plan to withdraw, or (b) fail to attend classes for a significant period of time. Because a "right to cancel" means little if a student does not know how to cancel, it is unfair for schools to fail to disclose any cancellation procedures, policies, or forms clearly and affirmatively whenever the school is made aware that the information is relevant.

We encourage the Attorney General to consider the foregoing recommendations to revise the proposed regulations to better protect prospective students by increasing their clarity, effectiveness, and enforceability.[25]

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[22] *See* Act Regulating the Termination of Certain Personal Service Contracts Whereby the Persons Purchasing Services Actively Participate in the Acquisition of the Benefits to Be Derived, 1974 Mass. Acts ch. 460 (requiring for-profit trade, vocational, technical, correspondence, dance, professional and proprietary schools to include in their written contracts with students specific language providing a right of termination and a right to a *pro rata* refund—less administrative costs capped at the lesser of five percent of the contract price or fifty dollars, and which must be itemized); *see also* Act Exempting Degree Granting Proprietary Institutions from the Law Permitting Students to Receive a Pro Rata Refund of Tuition if They Terminate Their Attendance Therein, 1978 Mass. Acts ch. 533 (exempting proprietary schools with the authority to grant degrees); An Act Further Regulating the Termination of Certain Personal Service Contracts, 1982 Mass. Acts ch. 159 (converting "pro rata" to a specific list of refund amounts: a full refund if within five days and before commencement of the program; a full refund less administrative costs if later than five days from the agreement but before commencement of the program; at least 75% if within the first quarter of the program; at least 50% if during the second quarter of the program; and at least 25% if within the third quarter of the program); 2012 Mass. Acts ch. 106 (replacing list of school types with private occupational school or dance studio).

[23] MASS. GEN. LAWS ch. 255, § 13K.

[24] *Id.*

[25] In section 31.06(2), the phrase "reasonably fail to prevent students from cheating" should be modified to read "**un**reasonably fail to prevent students from cheating."

Ability to Repay Student Loans

For-profit colleges have pushed many students to borrow more in student loans than the schools can ever reasonably expect them to be able to repay. The low-income former students and parents of former students of the regulated schools who we have talked to and worked with over the past year owed an average of over $36,000. The top fifth of them owed an average of $98,000. Many of them do not have jobs, and most do not work in the field they studied. Without the promised higher wages, they are unable to support such significant debt burdens, and their loans slide into default. This, in turn, led to offsets and garnishments of the extremely limited income that they use to support themselves and their families.

It is inherently unfair for schools to burden students with immense loans that the school knows or should know that the student is unlikely to be able to repay, and is likely to have a devastating impact on their futures. When borrowers default on federal student loan debt, the federal government can collect by garnishing wages and offsetting tax refunds and benefits without going to court. Because there is no statute of limitations on the collection of federal loans, and it is extremely difficult and often impossible to discharge these loans in bankruptcy, this crushing debt follows people until they die. As with mortgage loans,[26] the widespread practice of failing to consider the borrower's likely ability to repay should be recognized as the predatory and destructive practice that it is. The regulations should explicitly recognize that selling a student an education that the school could never reasonably expect that student to be able to afford is unfair and violates the Consumer Protection Act.

Conclusion

Attached are copies of the testimony presented by three former students at the hearing held January 7, 2014. Thank you for your consideration of this testimony. Please feel free to contact Toby Merrill if you have any questions or comments at 617-390-2576 or tomerrill@law.harvard.edu.

[26] The Attorney General's regulations prohibit the making of mortgage loans unless the lender or broker, "based on information known at the time the loan is made, reasonably believes at the time the loan is expected to be made that the borrower will be able to repay the loan." 940 C.M.R. 8.06(15). Congress subsequently enacted a similar provision in Section 1411 of the Dodd-Frank Act, 124 Stat. 2142 (2010), codified at 15 U.S.C. §1639c.

Testimony of Mike DiGiacomo

My name is Mike DiGiacomo. I am a veteran of the Mass Army National Guard and the US Army. I attended 2 for-profit colleges in Massachusetts, and I have experienced their deceptive tactics, lies, and fraud first-hand.

I received my associate's degree from Gibbs College, the now-closed Sanford Brown in Boston. I was interested in animation, and I was told they had job leads at Turbine Games, a Massachusetts company. I was told I would be getting a paid internship at a TV studio, which turned out to be a wedding photographer who had me move his laundry. Although I was expecting my degree to be in Animation, my diploma says Graphic Design. I was so mad I skipped my graduation to mop floors at a supermarket I was working at.

When I tried to utilize the job placement of Gibbs, they tried to get me to apply to a job at that required only high school skills. I was unable to find employment in animation after I graduated. I blamed myself, lack of skills, and the fact that the degree I held was 'only an Associate degree.'

I then enrolled at the New England Institute of Art in Brookline, Massachusetts to try to get more skills and a Bachelor's degree. To get me to enroll, two different recruiters used high-pressure tactics like empty interview rooms and deceptive statistics, told me that they had job leads at companies like Turbine and Pixar, and told me that their program chair had made major advances in animation technology, none of which now appears to be true. I was rushed through complicated financial aid paperwork, and deceived into thinking I was borrowing federal student loans when in fact I was taking out private loans with high interest rates. Financial aid officers would pull me out of class, remind me about mandatory attendance policies, and tell me what to fill in and what to say to Sallie Mae. There was very little time to read anything.

I finally dropped out when I needed a co-signer for even more loans, and I didn't have one.

Since attending these schools, I have been unable to find good employment. Until August of 2013 I worked for Kinko's in a sales role that required only a high school diploma. I found this job without college assistance. After I was laid off due to a reduction of staff, it took me more than a year of diligent searching to find my current job, which pays me less than my old one.

I'm married, with a 1 year old daughter. I have more than $96,000 in student loan debt, and had much of the financial aid and veterans benefits I was entitled to exhausted with no better job prospects than I had than before I enrolled. If I ever go to college again, I will have to pay out of pocket and start from scratch.

I am here to share my experience and to ask you to help me and the many former students I have spoken to who are in similar positions, who lack hope and lobbyists. Thank you.

Testimony of Gregory Fitzpatrick

My name is Gregory Fitzpatrick, I am a 58 year old Viet-Nam Veteran. I served in the U.S Army from 1974 to 1977 as a (Radar Equipment foreman), including 13 Months in South Korea from 1976 to 1977. My responsibilities included the installation, service and repair of the tracking radars, launchers, loaders, missiles and associated test and measurement equipment. I attended Network Technology Academy in Malden, Massachusetts.

In addition to my military service, I have worked as a civil servant with the Department of the Navy in the Electronics Underwater Warfare Department, with knowledge, skills, and experience in the fields of electronic engineering, electro-mechanical engineering, hydraulic engineering, and robotics. I also have extensive experience in network computing, including relational databases, operating systems, and programming languages.

Since developing PTSD, I have been out of work. When I learned about the Veterans Retraining Assistance Program (VRAP), I decided to go back to school for recertification in CISCO brand networks and internet-based networks. VRAP provided funding for a one year training program, and would deposit monthly after a veteran verified enrollment and attendance at an approved school.

During my tour of Network Technology Academy, I was shown Server Rooms, Data Closets, cabling, racks of switches and routers, and told I would be learning on this equipment. I was told that the school provided hands-on hardware training and was told that previous students had wired and built the network and systems currently used by the school. The school gave me instructions to enroll in VRAP funding for its program on-line. I began attending in January 2013.

After a few weeks, I was horrified to find out that I had made a very bad mistake in choosing this school. Many of the promises that led me to choose the school proved to be untrue. The training was almost all on-line, rather than hands-on as promised. I received no hands-on training on hardware like cables, switches, routers, or computers used to build networks.

The classroom instruction was low quality, classes were poorly managed, and instructors were consistently late to class. My specific, technical questions remained un-answered.

After failing to certify my enrollment to VRAP, the school tried to get me to sign an enrollment agreement that provided for very basic instruction in areas in which I am already certified or knowledgeable. After quitting the program, the school failed to report my departure to VRAP for a long time, which prevented me from using my VRAP benefits at another school.

I have been trying to resolve complaints against the school for months without success, and have lost thousands of dollars of VRAP eligibility, and, with it, my opportunity for further education. I am sharing my story with you in the hope that it will help stop these sorts of practices, and protect future students and veterans.

Testimony of Jessica Jacobson

My name is Jessica Jacobson, and I am from Lunenberg, Massachusetts. I received a Bachelor of Science degree from the New England Institute of Art in Brookline.

I hope that my testimony today will help convince you that these regulations are needed.

I started my higher education at a community college, where I trusted in my advisors and graduated there with an associates degree and no debt. My experience went so smoothly that I had no concerns when I started looking at four-year colleges to further my education.

I attended open houses of multiple schools to study special effects, including the New England Institute of Art. They showed me beautiful studios and high-end equipment, and told me they had a great job placement program and had the ability to place me in that field if I completed their program. Unfortunately, the program I was talked into did not have access to the studios and equipment that had convinced me to attend. I was also told that their instructors were experts from their fields, but it turned out that more than a few of the instructors were learning along side us, hardly experts in my eyes.

I trusted the advisors and the whole application process and did not even suspect that the school would deceive me and get me to sign up for outrageous loans that could truly never get paid back. I honestly thought advisors where there to help me as a student.

The recruiters were more of sales people than recruiters. The same with the advisors, they told me what I wanted to hear and sold me on their program but really they had no idea about the program and the specific field I wanted to get into. They did not have my best interests in mind. The chance to use the newest technology was my dream, and they ate that right up and promised me everything I wanted to hear.

When I enrolled, I was 20 years old, and did not need a co-signer on the loans they gave me without hesitation. Now I am over $140,000 in debt for the 3 years I spent on my bachelors degree at the New England Institute of Art. At no time when signing up for this college and signing for the loans would I ever have imagined my debt being so high.

I am currently unemployed, 30 yrs old, fighting anxiety and depression due to my financial future, or owning a house of my own, as well as dealing with the uncertainty of ever being able support a family of my own due to my college debt. I was tricked by the false promises The New England Institute of Art had to offer but, if these regulations had been in place when I was trying to better my future by obtaining a higher education I would have not thrown my future away with college debt for a degree that does not assist me in the real world job market.