



THE LEGAL SERVICES CENTER
OF
HARVARD LAW SCHOOL

September 22, 2017

The Honorable Betsy DeVos
Secretary of Education
Lyndon Baines Johnson Department of Education Building
400 Maryland Ave, SW
Washington, DC 20202

RE: Meeting with former students of the predatory for-profit college industry as part of your visit to Harvard University

Dear Secretary DeVos:

I am writing regarding your address to the Institute of Politics at the Harvard University Kennedy School of Government scheduled for Thursday, September 28.

We direct the Project on Predatory Student Lending, a legal services organization within the Harvard Law School that represents hundreds of thousands of former students of the predatory for-profit college industry. As the head of the Department of Education, you have the legal authority to cancel the student debt that these borrowers face as a result of the fraudulent behavior of these predatory colleges. We are writing to urge you to sit down and meet with these students as part of your visit to Harvard next week.

For years, the predatory for-profit college industry has exploited the promise of higher education, perpetuating a massive fraud on students who are trying to build a better life. These schools target people who are low-income, African-American, Latino, or military veterans. Many are the first in their family to attend college.

The industry has lured these students based on fraudulent promises of quality education. For instance, Corinthian Colleges told prospective students that its programs had job placement rates ranging from 70 to 99 percent, when the actual rates were between 20 and 30 percent. A labor economist found that students earned less after attending Corinthian-owned schools in Massachusetts than those with only a high school education.

Once students enter these schools, they receive low-quality and often useless educations. For-profit colleges spend more money on marketing and recruiting than on the actual instruction of their students. At ITT Tech, nursing students were given “hands-on training” in the form of YouTube videos. For every dollar that ITT spent on student instruction, it spent twice that amount on corporate profit.

Making matters worse, for-profit colleges are the most tax-subsidized of any private industry. More than \$30 billion in taxpayer money goes to this industry each year in the form of federal student loans. And because of the companies' low-quality education and fraudulent behavior, for-profit college students have astronomically high loan default rates. Students who attend for-profit colleges are twice as likely to default on loans as those who borrow to attend a non-profit college.

Despite this reprehensible behavior, your Department of Education has gone out of its way to side with the predatory for-profit college industry, and against students and taxpayers.

For instance, just this month, your Department chose to flout a court order, and further delay a decision to cancel the student loans of Sarah Dieffenbacher, a hardworking mother of four who was defrauded by Everest College. Instead of cancelling Sarah's loans as the law requires, your Department has instead repeatedly threatened to garnish her wages and take her tax refunds. The federal court characterized your Department's behavior as "frivolous and in bad faith."

In July, your Department also chose to delay the implementation of critical new rules that would protect students and level the playing field for those seeking loan relief. These duly promulgated rules would have gone into effect on July 1 under the normal course. Instead, your Department took the extraordinary step of delaying these new protections and tilting the playing field back toward for-profit colleges. Not only was the Department's action wrong, it was illegal.

These are two of the many decisions that your Department has made that have so negatively impacted these former students. We can arrange for former students to meet with you at the University prior to or following your remarks. In light of your access to the perspectives of the many industry insiders you have hired to work at the Department, it is critical that you hear from these students who have been so harmed by this predatory industry. We hope you can make the time.

Please feel free to contact us at 617-390-2576. We are available at any time to discuss this request and to schedule this meeting. Thank you for your consideration.

Cordially,

Toby Merrill & Eileen Connor
Project on Predatory Student Lending
Legal Services Center of Harvard Law School