



THE LEGAL SERVICES CENTER
OF
HARVARD LAW SCHOOL

For Immediate Release
October 31, 2017

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In a Second Rebuke to Department of Education, Federal Court Refuses to Relinquish Case of Corinthian Borrower

BOSTON: Today, a federal court in California demanded that the Department of Education respond to the allegations of Sarah Dieffenbacher, a mother of four who was defrauded by Everest, a Corinthian campus in California.

The Department had threatened to garnish Sarah's wages to pay off her student loan debt, despite her numerous requests that the Department stop collecting the fraudulent debts. The government had previously asked the court to send the case back to the Department so that it could continue to consider Sarah's case without court oversight, but the request was denied. The court ordered the government to consider Sarah's discharge applications by September and it failed to do so. Now the court has again denied the Department's attempts to take this case out of federal court, and ordered it to answer Sarah's complaint within 20 days.

The following is a statement from Toby Merrill, Director of the Project on Predatory Lending

"We are pleased with the court's ruling and now move forward with our case on behalf of Sarah Dieffenbacher, a mother of four who was ripped off by a school that defrauded so many thousands of borrowers. Sarah is legally entitled to have her loans from this fraudulent school cancelled, and the Department of Education's refusal to acknowledge that she is entitled to loan cancellation is shameful. We will fight the Department of Education as it continues to side with the predatory industry instead of the students and taxpayers it is charged with protecting."

Robyn Smith, of the Legal Aid Foundation of LA is co-counsel with the Project on Predatory Student Lending in Sarah Dieffenbacher's case.

Established in 2012, [the Project on Predatory Student Lending](#) is the first legal services practice in the country focused solely on representing former students of the for-profit college industry. Its mission is to litigate to make it legally and financially impossible for the predatory for-profit college industry to cheat students, and to relieve borrowers from fraudulent student loan debt.

The Project has brought a wide variety of cases on behalf of former students of for-profit colleges. It has sued the federal Department of Education for its failures to meet its legal

obligation to police this industry and stop the perpetration and collection of fraudulent student loan debt. It has also brought its clients' experiences to bear federal and state policymaking.

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