

The Borrower Defense Rule and Its Importance to Veterans

What is the Borrower Defense Rule?

- The Education Department forgives federal student loans for students that prove their debt was incurred because they were defrauded by a school. It has been in place for over two decades.
- The Rule was clarified in late 2016¹ in the wake of the Corinthian Colleges closure by codifying a process for defrauded student loan borrowers to apply for loan forgiveness; limiting schools from using forced arbitration clauses and class action waivers on students; providing for automatic loan discharge for students at closed schools that do not complete their studies within three years of the school's closure; authorizing group discharges when appropriate; and requiring schools at the highest risk of closing to set aside money to cover potential loan forgiveness, in order to protect taxpayers.
- There are more than 87,000 applications for debt relief pending with the Education Department, and at least 10,000 of those applications have been recommended for approval.² News reports raise questions about whether students will be granted only partial relief.³
- **78 percent** of Americans support loan forgiveness for defrauded students, including **87 percent** of Democrats or **71 percent** of Republicans.⁴

What Veterans Say About Borrower Defense:

34 of the nation's largest veterans & military service organizations wrote several [letters](#) urging no weakening in Borrower Defense, because veterans are often targeted for fraud for their GI Bill. Also see The American Legion [Resolution](#). Veterans' organizations' testimony at Education Department Public Hearings (2017):

- **The American Legion:** “Thousands of veterans have been defrauded over the years – promised their credits would transfer when they wouldn't, given false or misleading job placement rates in marketing, promised one educational experience when they were recruited, but given something completely different. This type of deception against our veterans and servicemembers is unfair and shameful. We believe there should be a process for group relief so that in instances of widespread fraud - or when a state attorney general is acting on behalf of our members – veterans don't have to jump through a bunch of hoops, fill out unnecessary government paperwork, or participate in complicated bureaucratic hearings to get their loans forgiven. We also support key provisions in the current rule, including the standard for misrepresentation and automatic closed school discharges after 3 years – simply because these provisions create the easiest path to relief for veterans when their schools close.”⁵
- **Student Veterans of America:** ““Is the Department interested in protecting students, or is it interested in protecting companies? Implementation of these student protections should be openly embraced by schools that achieve strong outcomes. These protections only negatively

¹ <https://www.ed.gov/news/press-releases/us-department-education-announces-final-regulations-protect-students-and-taxpayers-predatory-institutions>

² https://www.washingtonpost.com/news/grade-point/wp/2017/10/24/devos-calls-for-another-delay-of-rule-to-protect-students-from-predatory-colleges/?utm_term=.3b0f3aee8536

³ *Id.*

⁴ http://www.protectstudentsandtaxpayers.org/wp-content/uploads/2017/04/Fact-sheet-on-borrower-defense-reg.final_4.4.17.pdf

⁵ <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5963e20a15d5db3fb80e97c7/1499718155479/John+Kamin+American+Legion+TAL+oral+testimony+-+ED+2017.pdf>

affect schools who appear committed to defrauding taxpayers, students, and the broader American public.”⁶

- **Iraq & Afghanistan Veterans of America:** “In 2015 and 2016, the risks associated with for-profit education companies targeting student veterans further materialized with the sudden closures of all Corinthian Colleges and ITT Technical Institute campuses. The closures of these and other for-profit education companies have left thousands of veterans unable to complete their degree programs.”⁷
- **Vietnam Veterans of America:** “Veterans are left holding the proverbial bag: a worthless “degree” and a wasted opportunity to achieve their version of the American Dream, often accompanied by a mountain of debt they had been deceived into taking on. Where there is an opportunity for fraud, the sharks and profiteers wade in, to the detriment of the students Congress had hoped to help.”⁸
- **Blue Star Families:** “Military families should not have to experience being targeted. Should they suffer hardship at the hands of a predatory education experience, they should not, for any reason, suffer long delays and confusing appeal processes to correct it. Furthermore, borrower protections and gainful employment provisions that address this issue on the front-end are 100% necessary.”⁹
- **Veterans Education Success:** “As you know, many for-profit schools are in precarious financial condition due to declining enrollment and the negative publicity generated by federal and state investigations and settlements. The financial responsibility requirements of BD will give schools skin in the game, act as a deterrent to predatory behavior, and help to protect taxpayers from the cost of forgiving federal loans when a school closes.”¹⁰

Why are Veterans defrauded? Why do they need loan forgiveness?

- Veterans and their families are widely targeted¹¹ by fraudulent universities because of the 90/10 loophole, which allows schools to count military education benefits in the 10 percent of revenues that must not come from Title IV federal student aid.¹²
- As of 2012, seven of the ten schools receiving the most GI Bill dollars were under law enforcement investigation for deceptive or misleading marketing.¹³ This deceptive or fraudulent marketing can take different forms:
 - Since 2012, federal and state law enforcement agencies have concluded 17 settlements with for-profit schools. The basis for these settlements were findings of misleading and

⁶<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5964c9412cba5e642056608b/1499777346584/SVA+Public+Comment+ED+Rulemaking+2017.pdf>

⁷<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/59d58cdd59cc68289c43bd8d/1507167453948/IAVA+Education+Dept.+Hearing+Remarks-October+4%2C+2017.pdf>

⁸<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5964bc9a197aea233e55c612/1499774106945/Vietnam+Vets+Testimony+on+DOE+Dismantling+Student+Aid+Protections+070717+2.pdf>

⁹<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5964bc05414fb52a415d2d74/1499773961275/Blue+Star+Families+Testimony+Dept+of+Ed+HJD+07102017.pdf>

¹⁰<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/59674e22be6594f95e280e1f/1499942434639/Sean+Marvin+oral+testimony+ED+GE+BD+July+2017.pdf>

¹¹ time.com/money/collection-post/3573216/veterans-college-for-profit/

¹²<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/57ed2866f5e23125aa07a0b2/1475160167821/VES-Policy-Backgrounder.pdf>

¹³<https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/56112384e4b0521c793b0c4d/1443963780937/harkins-full-report.pdf>

- deceptive advertising and recruiting, including misrepresenting costs, quality, accreditation and the transferability of credits, job placement rates, and post-graduation salaries.
- The Federal Trade Commission recently recouped \$100 million from DeVry for its deceptive marketing campaign that claimed better job prospects than existed.
 - In 2015, Education Management Corporation, which operates schools including the Art Institutes and Brown Mackie College, settled with the United States and several co-plaintiff states for \$95.5 million following a False Claims Act lawsuit for falsely certifying compliance with the incentive compensation ban.
 - Recently, Kaplan settled with the Department of Justice for \$1.3 million following a lawsuit for employing unqualified instructors at campuses in Texas.
 - The website GIBill.com was shut down and had to pay the U.S. government \$2.5 million for deceiving veterans to generate recruitment leads it sold to colleges.¹⁴
 - The now defunct Corinthian College network unlawfully used Pentagon and Military logos in marketing materials and had its recruiters pose as “Pentagon Advisors.”¹⁵
 - Schools often mislead prospective students¹⁶ about graduation rates, job placement, and cost of attendance.¹⁷
 - Although the Post-9/11 GI Bill covers in-state tuition¹⁸ at a public college, fraudulent schools are often more expensive (as much as twice as expensive¹⁹) and veterans may be forced to take out student loans to cover the gap between tuition and their benefit.
 - Among veterans that began college in 2012, 37 percent²⁰ had student loan debt as of 2014.
 - Among servicemembers’ households, 38 percent²¹ had student loan debt, according to a 2012 survey.
 - The lowest quality programs often engage in the most fraudulent action towards veterans. This targeting by fraudulent schools makes the Borrower Defense Rule important to veterans, specifically. In a bipartisan letter to the Department of Education, Senators highlighted the plight of defrauded veterans among the 784 pending Borrower Defense applications and approximately 1,300 more eligible students from Nevada.²²

¹⁴ time.com/money/collection-post/3573216/veterans-college-for-profit/

¹⁵ www.latimes.com/local/lanow/la-me-ln-corinthian-colleges-judgment-false-advertising-20160323-story.html

¹⁶ www.gao.gov/products/GAO-10-948T

¹⁷ <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/57ed2866f5e23125aa07a0b2/1475160167821/VES-Policy-Backgrounder.pdf>

¹⁸ https://www.benefits.va.gov/gibill/post911_gibill.asp

¹⁹ <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/56112384e4b0521c793b0c4d/1443963780937/harkins-full-report.pdf>

²⁰ <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5966f04136e5d3eb435c0171/1499918401600/public+comment+to+ED+on+BD+GE+July+2017.pdf>

²¹ <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5966f04136e5d3eb435c0171/1499918401600/public+comment+to+ED+on+BD+GE+July+2017.pdf>

²² <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/592dceff3a04110e228a5ad7/1496174336091/Sens+Heller+%26+Cortez+Masto+letter+to+ED+re+Borrower+Defense.pdf>

Veterans with Borrower Defense Applications Pending
at the Department of Education

C.W.; North Vernon, Indiana; attended ITT Tech;

“I have a so-called degree from ITT Tech and found that most employers laugh at it. During my time there I had accrued a fair amount of debt from this fraudulent ‘school, and am having issues staying above water with the interest payments they require. The school representatives were not very clear on what debt or what money was going where. At the time of my schooling I was going through spinal surgery, and wanted to do something to keep my mind off of the stress and down time I had during this phase of my life. I was made aware after the fact, that there is a large amount of lawsuits still pending against ITT Tech for fraud in Indiana and other states. To me this should be an indicator as to their fraudulent behavior. Currently I am unemployed and live with my family. I was a Marine corpsman who did 2 combat tours with 1st MarDiv. I have been out of service since 2012. I am hoping I can get some help with this. I did finish school but because of some issues I still don't have my degree. Thanks.”

W.F.; Wendell, North Carolina; attended ITT Tech

“I was first drawn to ITT Tech because of their ads that discussed how they would help students with job placement. They also used posters that listed the salaries that supposedly corresponded with different degrees from the university. Once I was there, though, the school did nothing to help place me in a job. I attempted to find employment on my own but have never found work or even landed an interview in what I studied.”

R.S.; Jeffersonville, Indiana; attended ITT Tech;

“I was recruited by ITT tech for a degree in IT. After almost a year I learned that none of my credits would transfer to other schools and that a few places I asked about getting a job with told me that ITT was not an accredited school. After that I left the school and started attending ivy tech in Indiana. Now I have about 6k in student loans for credits that are worthless. I am a disabled vet.”

T.M.; Princeton, New Jersey; attended ITT Tech

- “Was explicitly told that ITT would find her a job upon completion of her Associates Degree but Career Services did absolutely nothing; although she is working in her field now, she was not able to right after graduation—only after [she] did a lot of independent study”
- “Expected to receive a good education but would rank the quality of classes below that of any community college.”
- “Was told that [she] had no GI Bill benefits remaining and was forced to take out federal and private loans (loans arranged by ITT and private loans were through them)
- “Was led to believe that credits would transfer to another university and they did not; had to start over completely at a new university.”

- “Owe \$40,000 and have nothing to show for it. Could not find a job, could not make payments, and this has adversely affected [my] credit rating.”

C.H.; Mulvane, Kansas; attended ITT Tech

“I was told my credits would transfer to any four year college. They would not. . . . The quality of the education on the technical side was substandard. I realized this after getting a job as a technical support engineer at NetApp. It turned out I was unprepared for a job of that nature based on my education. . . . My two biggest complaints about ITT Tech are the inability to transfer credits to most colleges and the cost per credit hour.”

S.L.; Des Moines, Iowa; attended ITT Tech

- “Insufficient faculty for Bachelors program; single instructor expected to teach multiple subjects and was often not qualified to teach a specific subject.”
- “Expected that [I] had enough loans to finish associates degree, then found out had to take more.”
- “[School] represented that ITT degree would lead to employment; found out it was practically useless”
- “After Associates degree, tried to transfer to a less expensive community college and found out credits would not transfer; had to stay at ITT for Bachelors.”

C.P.; New Orleans, Louisiana; attended ITT Tech

“I attended ITT Tech and graduated in December 2010. I later found out that the cost of tuition was much more than that of the community colleges in my area. I also I found that the credits earned there were non-transferrable. Their job placement assistance was not what they said it would be because they did not help me find employment upon completion of the course. I am stuck with a loan debt that I have to struggle to pay.”

R.W.; Coatesville, Pennsylvania; attended ITT Tech

- “Had plaques on the wall showing all the great jobs that you could get with an Associates degree; found out it was a lie—no one would hire with an ITT degree.”
- “Quality of instruction was overall bad; example: class in Transportation Security Admin, I learned nothing about TSA; instructor told stories about his life, his dancing hobby.”
- “[I] never understood how program would be paid for. Said would be paid for by GI Bill, but then suddenly had to take out loans.”
- “Realized midway through the program that it was a scam, the degree was worthless, and then could not transfer the credits.”
- “[The school] promised help with job placement; program that was supposed to help develop his portfolio never met, head of it left, wasn’t replaced.”

H.S.; Parlin, New Jersey; attended ITT Tech

- “Was actively recruited to attend ITT Tech, promising good jobs with an Associates. Completed Associates degree with a GPA of 3.4. I could not even find an entry level job.

ITT advisers suggested to go on to complete a bachelors degree. I refused to take the bachelor path since the tuition was too much to handle.”

- “The job fairs in school were not relevant to the program that I was enrolled in and in most cases, the job required 4 year degree.”
- “I feel the price that I paid for the education did not meet the quality of experience that was required for the jobs. Took out substantial student loans to complete program and now unable to borrow more to get a real education.”

R.B.; Riverdale, Georgia; attended Devry

“My main complaint is that I took an enormous amount of loans which has me in deeply in debt by about \$110,000 but I am not getting the jobs or job interviews that were promised as a part of their recruitment. They said an average of 92 percent of graduates would be working in their field of study or at least close to it within 6 months of graduating. I've graduated with my BS in 2008 and my MBA and MPM in 2010 and 2011 and still have not found anything.”

E.L.; Lackawanna, New York; attended Devry

“They said 95% of graduates were able to get a degree just because of the school’s reputation. Also that they would assist in finding a job which they didn't. What they told me was a grant turned out to be a loan. After graduating I still had no idea how to do what I was ‘trained’ to do.”

J.S.; Merrillville, Indiana; attended University of Phoenix

“Tuition jumped from \$750/3cr class to \$1500, poor teaching quality, could not find a job despite promises at outset of 83% employment, had to repeat whole degree at different college to get a job; doesn't list UOP on resume anymore.”

M.M.; Paramount, California; attended Brown Mackie

“I was recruited for pharmacy tech and never told that my credits couldn't transfer. Then I was harassed when I had to move to be closer to my parents due to their health issues. Now they are saying I owe student loans totaling 16K when I used my GI Bill to pay for schooling.”

H.P.; Felton, Delaware; attended Colorado Tech

“I was sent an email by CTU about their online degree program. I filled out the form for more information and was contacted by phone within a few hours. They told me how the application process worked and helped me get everything set up. The cost was not covered during any of the conversations as far as I remember. The program was accelerated so I could get my degree in 18 months instead of two years. I was working full time so it seemed like a great opportunity to earn my degree and not have to sacrifice any hours at work. The loans I received went directly to the school and I never actually had access to any of the money or disbursements that were listed on my financial

information page. I didn't even know that the disbursements were intended to help cover my personal cost while gaining a higher education. I ended up with over \$13000 in student loan debt and a worthless degree that no one takes legitimately.”

R.G.; Duluth, Georgia; attended Colorado Tech University

“After being contacted by CTU, I was told that their program was accepted by the state of Georgia in the psychology program. I was later informed by the licensing board in Georgia that it was not. There were certain courses that I would have to retake, which would cost me extra money. During my enrollment at CTU, I felt that my time was wasted. Although I maintained a 3.8 GPA, I felt as if I did not learn anything. Being a Psychology major, after over a year of higher education, I felt that I knew just as much then as I know now. I have not learned anything since I was enrolled at CTU. When I questioned my advisors about this matter, they quickly brushed me off and told me that they would get back with me. I recently withdrew from CTU because I'm scheduled to graduate next year. But as I mentioned earlier, I feel as if I have not learned anything while enrolled at this institution. The money spent at this college does not represent the education I received. Enrolling at CTU was one of the biggest career mistakes I ever made.”

J.R.; Apple Valley, California; attended Colorado Tech University

“Was told that cost of program would be covered but it wasn't...[school] represented that credits would transfer to other schools and they did not....This is a school that's just worried about money and not the students.”

J.W.; Loranger, Louisiana; attended Grand Canyon University

“After receiving a veterans discount on tuition, using my GI Bill, and receiving a Pell Grant (undergrad only), I still found myself roughly \$50,000 in debt with student loans as I near the end of my postgraduate education. How did this get so expensive over a four-and-a-half year period? After undergrad graduation, I left law enforcement to pursue a career in management. Two years later I'm barely making more than I did in law enforcement and few companies seem to care about a bachelors or master's degree from GCU.”

J.R.; Belleville, New Jersey; attended University of Phoenix

- “[The school] represented that credits would transfer to other schools and they did not.”
- “Was told that costs of programs would be covered but it wasn't. Took out private and federal student loans, was led to believe they were adequate for program, had to drop out of program briefly and when tried to re-enroll was told that [I] owed them money and couldn't re-enroll.”
- Employers tell him his time spent there was worthless.
- Can't make payments, can't go to another school until his past debt is paid, has gone to collections and is adversely affecting his credit rating.

- Transferred to another school and had to retake several classes.

S.T.; Chesapeake, Virginia; attended American InterContinental University

- “[AIU] promis[ed] but fail[ed] to provide support in finding and landing a job.”
- “[AIU] falsely claim[ed] that the school had the proper accreditation to allow its graduates to take a particular licensing exam—I didn’t really understand the process of accreditation prior to enrolling. I learned after the fact that AIU was not regionally accredited.”
- “[AIU] treat[ed] grants and loans as if they were the same thing.”
- “[AIU] refus[ed] to disclose loan terms of allow review of loan documents.”
- “I thought I was using my GI Bill and Tuition Assistance/Top Up. I could have used my GI Bill because I still had it at the time of enrollment.”
- “My credits would not transfer when I tried applying to other schools to complete a Masters program.”

S.S.; Littlerock, California; attended International Academy of Design and Technology

- “Recruiter stated that they had a career placement department that would assist in finding a job after graduation. They would highlight recent or prior graduates that had landed jobs in well-known firms and companies in the industry and indicate that IADT had helped them get the position. The only assistance I received was having someone edit my resume”
- “IADT represented its program as being accredited, but when I tried to transfer my credits to a community college, none of the credits would transfer (including my basic education requirements like math, English, writing and speech courses).”
- “Every quarter or semester, we would go in to speak with our financial aid counselor, who would provide me with a pre-printed packet and just present it to me to sign without explanation. I was led to believe that I needed to sign the paperwork in order to continue in the program. Periodically, I would be given roughly \$3,000-\$5,000 labeled as a ‘refund’ check. No one told me that this was money from the loans I had taken out. It was also never clear to me how much the program would cost. I had no idea that I would need to take out the amount of loans that I did in order to complete the program”
- “My loans exceeded \$160,000 in the end. I have made timely payments since completing the program in 2009, and it seems like I’ve barely made a dent in the total amount I owe. I’m 31, I have good credit, but I can’t afford to buy a home because of the amount of student loan payments.”

F.A.; Ellenwood, Georgia; attended American InterContinental University

“For the longest students found out that the University was not accredited, they got it years later but was lied to when we signed up. I believe that my refund check was stolen from me the first three years of going to the university. The never helped me with any leads for jobs after I graduated, and they could not teach me hands on anymore than I already knew.”

T.H.; Mount Vernon, Ohio; attended Sanford Brown

- “They definitely told us they would be there to help us, but as soon as I graduated, the school shut down and no one called or contacted me. They didn’t give us any job placement help before I graduated, but when they recruited me they said they would help. They gave board passage and job placement rates in the 90s when they recruited me. I wanted to be a physician assistant but none of my credits transferred and I basically would have had to start over but I couldn’t afford to. They had also told me that my credits would transfer when they were recruiting me but not one of them did. Of the 18 of us that graduated in our program, only 2 have jobs in the field.”
- “They told us that we would be certified to take both registration exams to be a cardiac sonographer, but it turned out we were only certified to take one of the exams. In addition, they misled us about exam passage rates, saying they were in the 90% range.”
- “The school shut down shortly after I graduated but they never mentioned anything that was going on. When I graduated, they basically just kicked us out the door—no graduation ceremony or anything. Teachers were quitting left and right, but they never told us they were closing until about a month before graduation. At one point, we only had one instructor left.”
- “I wanted to go back to school at Ohio Dominican but I couldn’t because I found out my credits wouldn’t transfer and I couldn’t afford to start all over again. Plus it took about \$36,000 out of my GI Bill (18 months). I had a family to support and had already wasted too much time on an education that turned out not to be worth anything.”
- “When I went on job interviews, I heard many times from employers that they frowned on Sanford Brown. The school was already shut down at this point. So it definitely hurt my job search.”

J.M.; Barstow, California; attended Sanford Brown

“During meetings with the recruiter/advisor/counselor when I signed up for the program, I was presented with a balance sheet showing the cost of the entire program and the amounts that I would periodically get back as a check (without explaining that it was part of my loan). They asked me how much I was making at McDonald’s, which they calculated as an annual salary of \$21,000 to \$22,000, and said that the average income for their graduates in my program was \$42,000 to \$50,000. I wasn’t even able to get a job using the degree that I obtained from Sanford Brown, and they didn’t provide the job placement assistance that they promised either. I eventually went back to work for McDonald’s, and wasn’t able to make my loan payments and went into default on my loans. Since 2006, my federal income tax refunds have been garnished to make the loan payments. I was also homeless for a period of time before I went into the military.”

D.T.; Pennsauken, New Jersey; attended University of Phoenix

- “I was recruited to attend University of Phoenix and was told that GI Bill would cover costs, accreditation on par with top schools in the nation, and that the learning atmosphere would prepare me for the corporate world. I finished an Associates Degree, then a Bachelor’s Degree, then an MBA—I kept trying to make my education worth something. No effective job placement assistance.”
- “I was misled about the costs and was led to believe that GI Bill would cover everything and I wound up taking out substantial loans. I have been unable to make loan payments, have tried to consolidate and defer. This has had serious adverse effect on credit rating.”

- “Employers who have heard about UoP’s illegal practices will not even recognize my MBA. The only positions available to me were entry level.”

C.W.; Newport News, Virginia; attended American InterContinental University

- “AIU did all of the following through emails: Citing false or misleading statistics about job placement rates; promising inflated salaries; promising but failing to provide support in finding and landing a job.”
- “Falsely claim[ed] that it offered the classes necessary to achieve employment and/or certification in the IT field.”
- “Cit[ed] misleading statistics about the pass rate of students on requiring licensing or certification exams in the IT field.”
- “Refus[ed] to disclose loan terms or allow review of loan documents.”
- “Having American InterContinental University on a resume repels employers who have heard about its illegal practices.”
- “I thought my GI Bill was paying the full cost. I was never told that I was applying for loans. I thought the FAFSA was related to enrollment.”

S.K.; San Diego, California; attended Colorado Tech

“When I was enrolled at Colorado Technical University, I was told it was an accredited school. However, when I signed my Navy contract, when my transcripts showed I had enough credits to come in as an E-3, the Navy told me they weren’t full credits and only counted as half. Also, when I reenrolled for the second year, their financial aid department got all my documentation and told me I was all set. However, when I disenrolled, they told me my financial aid never went through and I would have to pay \$2,800 in order to get my transcripts. On top of that, I still had the 12,000 in student loans from the previous year to worry about. All in all, when I return to college in the near future, I will never return there and I would never recommend them to anyone.”

K.W.; Newport News, Virginia; attended American InterContinental University

- “AIU sent numerous emails citing false or misleading statistics about job placement rates. They also promised inflated salaries.”
- “Promis[ed] but fail[ed] to provide support in finding and landing a job by email. They provided unhelpful webinars occasionally.”
- “[AIU] understat[ed] the total cost of the program.”
- “[AIU] understat[ed] the amount of loans necessary.”
- “[AIU] treat[ed] grants and loans as if they were the same thing.”
- “[AIU] treat[ed] federal and private loans as if they were the same thing.”
- “[AIU] refus[ed] to disclose loan terms or allow review of loan documents.”
- “I explained that I was interested in corporate training at the time I enrolled at AIU and I was advised that the degree pursued would be a good entry degree. I learned after the fact that this was not true.”
- “I have spoken to registrars at other universities, including Kennesaw State University, and I was told that my credits for my incomplete masters program would not transfer.”

- “I graduated in 2007 and could not find work in my field. I got a job that wasn’t in my field that lasted from 2007-2009. I was unemployed between Feb 2009 – March 2014. I did not find full time employment until March 2014.”

R.D.; Ashville, North Carolina; attended Ashford

“I was encouraged to take out student loans for my degree at Ashford. The representative stated that the G.I Bill would not cover everything. She also stated that the BA in social science would help me find work in the social work field. They also suggested that I take out student loans while I waited for my credits to transfer so I can start school. She stated that Ashford would assist me in finding placement in my area in jobs related to the social work field. Once I was going to graduate I was constantly harassed. They stated that prior students of Ashford would get a reduced rate and they wanted me to continue using my G.I Bill and that’s when they said I would qualify for the post 9-11 bill but again I would have to take out student loans to cover the costs that my veteran payments did not. The representative stated that I could get my MBA in Information Systems and I would again get assistance in obtaining employment with various technology companies after I graduate. I didn’t really have a break between my BA and Master’s degree and at the time I felt that many of my teachers offered zero help and didn’t even grade my papers. They just gave me As. After graduation I was told my degree wasn’t suitable for any employment within the I.T. field and multiple companies with business positions did not see my MBA as a creditable MBA. Many companies stated that my degree did not have an actual accreditation that is needed for a career within the business world. I feel that I was personally targeted as a veteran. I’ve always regretted both of these degrees because I felt like I had been misled into getting help with job placement and the accreditations do not hold up when I’ve applied to these jobs. Degrees from Ashford are looked at as a joke and seen as fake degree to many employers.”

J.B.; Fort Polk, Louisiana; attended Colorado Tech

“They pushed themselves as a military friendly school. None of my military credits were ever taken into consideration. There are at least 3 college courses I took with CTU that were in my ATRRS. Also, whenever I had to put in a break in time because of going to the field or TDY, when I would return 2 months later, and my degree plan was no longer available. I would have to start a new course of study. That's why I graduated with almost 300 semester hours and only a bachelor's degree.”

D.M.; Newport News, Virginia; attended American InterContinental University;

“I was trying to obtain employment with my associates degree and looking forward to getting a BA. AIU committed the following: Falsely claiming that it offered the classes necessary to achieve employment and/or certification to obtain a job in the civil service or educational setting/people instruction; citing misleading statistics about the pass rate of students on required licensing or certification exams.”

K.H.; Springfield, Massachusetts; attended Porter and Chester Institute

From borrower defense application, submitted by attorney: “The coursework was for a ‘B’ electrician certification, but they sent him to an employer for his apprenticeship that was not properly licensed to qualify him for a ‘B’ license. That employer was only high enough level to qualify people for a ‘D’ license (the difference is that ‘B’ is for everything including high voltage work, but ‘D’ is only for low voltage). Neither student/apprentice or employer knew that he wasn’t also qualified to get the ‘D’ license (everyone thought it was a lesser included certification). When he applied to the licensing board, they told him that his 600 hours of course work was for the wrong license and didn’t count toward getting a ‘D’ license. Only 75 hours of his credits were transferable and he had to go back to school for the rest. He has had to work for 4 years without the license he was supposed to get and has been going to night school for two more years while working full time during the day.”