

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

May 20, 2015

The Honorable Arne Duncan, Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Duncan:

On May 13, 2015, our Senate Education and Senate Business, Professions and Economic Development Committees held a Joint Informational Hearing: *Corinthian College Closures: What's Next For California Students?* This issue is of great concern to us as, of the 16,000 students impacted by the closure of the Corinthian Colleges, upwards of 10,000 Californians attended these schools with the intention of bettering their lives through higher education and training that would lead to employment.

We heard from multiple state agencies including the Attorney General, California Student Aid Commission, and the Bureau for Postsecondary Private Education. Great concerns were raised as we heard that multiple federal and state investigations revealed that the Corinthian Colleges misrepresented job placement rates to students, unlawfully used official United States military seals, misrepresented the transferability of credits earned by students to be used at other institutions, engaged in unlawful debt collection practices in its private loan program and targeted the most vulnerable of potential students with annual incomes often near the federal poverty line. Chief among our concerns is the need to ensure that these students are informed and supported so that they can achieve their academic goals while minimizing financial burdens directly related to student loan debt.

Recently, our colleagues in the United States Senate submitted a letter requesting the U.S. Department of Education provide additional support to students whose academic progress was disrupted by the closure of Corinthian colleges, including Heald, WyoTech and Everest. The California State Senate joins our colleagues in requesting your attention to, and prompt action on, this matter.

As we consider our own efforts to respond to this crisis, we align ourselves with points made by our colleagues in the U.S. Senate and additionally request that the Department:

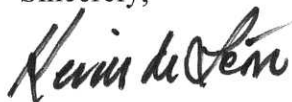
- Proactively inform students of their right to a closed school loan discharge and provide a discharge application to all eligible students as required by the Higher Education Act.
- Provide students current, reliable information about loan discharges and extend priority consideration of discharges for students impacted by the closure of Corinthian Colleges,

Inc., as well as a simple and streamlined application process for all borrowers who have been affected by these school closures.

- For students who are not covered by the closed school loan discharge option, we request that these borrowers be made eligible for loan forgiveness under the defense to repayment provisions of the Higher Education Act on the basis that they were defrauded by the company and should be eligible for such relief.
- Ensure that students understand how a closed school loan discharge will affect future eligibility for federal student aid programs or their ability to transfer to other colleges or universities through non-biased academic and financial aid counseling resources.
- Refrain from advising students that they can consider transferring to other institutions that may put them at continued risk, especially those that are currently under investigation for deceptive or fraudulent practices, on a heightened cash monitoring plan, or subject to increased financial oversight by your Department. We request that any such institution be removed from the list of transfer options you provide to students in your outreach materials and on your Internet website.
- Provide students with an "in-person" option for counseling because, as you know, these schools appear to have targeted students from under-resourced communities that may need more proactive attention than referral to a website can provide.
- Provide us with the name and contact information for a member of your staff who can be contacted directly by the California State Legislature for updates on the Department's actions on these important matters or other activities related to Corinthian Colleges, Inc.

Thousands of California students are faced with confusing choices, pressure from private loan companies to begin paying off loans, and the possibility that credits earned at these schools will yield few meaningful educational opportunities. In closing we ask for your assistance in ensuring that the students affected by the actions of the Corinthian Colleges, Inc. are able to successfully transition through this educational hardship.

Sincerely,



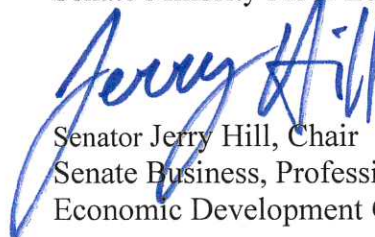
Senator Kevin De León
Senate President Pro Tem



Senator Carol Liu, Chair
Senate Education Committee



Senator Bob Huff
Senate Minority Floor Leader

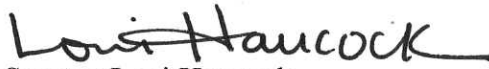


Senator Jerry Hill, Chair
Senate Business, Professions, and
Economic Development Committee

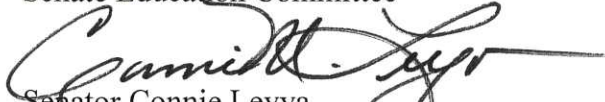
Senator Sharon Runner, Vice Chair
Senate Education Committee



Senator Marty Block
Senate Education Committee



Senator Loni Hancock
Senate Education Committee



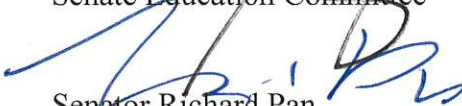
Senator Connie Leyva
Senate Education Committee



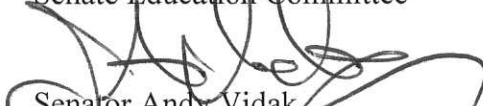
Senator Tony Mendoza
Senate Education Committee



Senator William Monning
Senate Education Committee

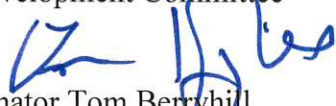


Senator Richard Pan
Senate Education Committee

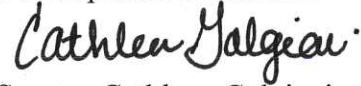


Senator Andy Vidak
Senate Education Committee

Senator Patricia Bates, Vice Chair
Senate Business, Professions, and Economic
Development Committee



Senator Tom Berryhill
Senate Business, Professions, and Economic
Development Committee



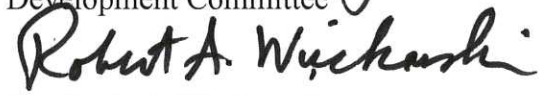
Senator Cathleen Galgiani
Senate Business, Professions, and Economic
Development Committee



Senator Ed Hernandez
Senate Business, Professions, and Economic
Development Committee



Senator Hannah-Beth Jackson
Senate Business, Professions, and Economic
Development Committee



Senator Bob Wieckowski
Senate Business, Professions, and Economic
Development Committee