



 REPORT FOR-PROFIT EDUCATION

How DeVos Is about to Make Life Harder for Victims of School Closures

JULY 23, 2019 — YAN CAO

Half a million students have been impacted by college closures in the last five years. Such closures were once rare and usually involved small colleges; but today, the sudden collapse of large profit-oriented chains can leave tens of thousands of students stranded overnight, as demonstrated by the sudden closures of Education Corporation of America, Dream Center, and Corinthian Colleges schools.¹ New data obtained from the U.S. Department of Education by Senator Patty Murray (D-WA) add even greater detail to our picture of the struggles that students face when their colleges suddenly close down.² The figures also demonstrate the critical importance of a form of loan relief that Education Secretary Betsy DeVos has threatened to eliminate: the automatic closed school discharge.³

Restricting Access to the Relief Students Need and Deserve

The automatic closed school discharge is a bureaucracy-busting innovation finalized in 2016 by the Obama administration. The rule provides relief by automatically canceling a student's loans three years after a school closure if the student: was enrolled within 120 days of the closure; had not completed their degree at the time of closure; and had not transferred to another school during that three-year interval. A very similar loan cancellation policy had already existed, but it was not automatic: borrowers needed to somehow know that the cancellation was available,⁴ and then navigate a bureaucratic claims process⁵ to get relief.

This form-based process was not working: 47 percent of borrowers affected by school closures were stuck in debt despite qualifying for relief.⁶ By using information already available to the Department of Education, the new *automatic* closed school discharge eliminated unnecessary roadblocks. Borrowers can still use the form-based process to get an earlier cancellation, but the automatic discharge created a safety net so that students, including those who struggle with homelessness⁷ and food insecurity⁸ in the aftermath of a sudden closure, would receive a loan cancellation regardless of whether they filed the paperwork.

QUICK FACTS ON THE AUTOMATIC CLOSED SCHOOL DISCHARGE

What it does: The Department of Education searches its database to cancel debts, refund loan payments, and erase credit history for students hurt by school closures.

Who it serves: Students who were 1) enrolled within 120 days of a closure; 2) unable to complete their program at the school; and 3) did not continue their program by transferring to another school.

When it is activated: Three years after a school closure. (*Note: borrowers can still use the form-based process for loan cancellation before the three-year mark.*)

Why it was created: The form-based process was ineffective at reaching victims of school closures.

The department's own estimates⁹ reveal the continued need for automatic discharges among students who were directly impacted by closures at for-profit and covert for-profit college¹⁰ chains such as ITT (closed 2016),¹¹ Education Corporation of America (closed 2018),¹² and Dream Center Education Holdings (closed 2019).¹³ The new data obtained by Senator Murray

shows that only 3 percent of students in the eligibility window at Dream Center's Art Institute and Argosy schools, which closed this past March, have successfully obtained discharges through the form-based process.

FIGURE 1

Percent of Borrowers in the Closed-School Discharge Eligibility Window Who Have Received Relief Through the Form-Based Process			
<i>Institution or School Group</i>	<i>Number of borrowers that the department estimates are eligible for closed school discharges</i>	<i>Borrowers who have received form-based closed school discharges*</i>	<i>Percent of borrowers in the eligibility window who have received form-based closed school discharges</i>
ITT Educational Services	52,211	17,982	34%
Education Corporation of America	20,750	3,364	16%
Dream Center Education Holdings	14,652	417	3%
Vatterott Colleges	2,312	435	19%
Charlotte School of Law	139	65	47%
Source: Department of Education supplemental response to the Office of Senator Patty Murray. * Figures reflect discharges received as of May 16, 2019.			

At least 15,608 automatic closed school discharges have been granted so far to students who have been eligible for form-based relief for over three years,¹⁴ illustrating the widespread need for automatic relief.¹⁵ Across all the schools that reported on automatic closed school discharge relief,¹⁶ who were enrolled at the time of closure qualified for loan cancellation but would not have gotten a penny without an automatic process (see TCF analysis). Even with extensive coordinated outreach to students, over a quarter of the former students at Everest schools,¹⁷ which closed in April 2015, remained stuck in debt until automatic discharges were processed. At some schools, over half the students impacted by a closure relied on the streamlined automatic process to get relief.¹⁸

Click here for The Century Foundation's analysis of enrollment and automatic closed school discharge data from the Department of Education's report to the Office of Senator Pat Murray.

DeVos Threatens to Eliminate Automatic Relief for Victims of School Closures

Now, DeVos is gearing up to end automatic closed school discharges, stripping closed school relief back to the problematic form-based process alone. If her proposal is implemented, students of Art Institute (closed 2019),¹⁹ Virginia College (closed 2018),²⁰ and Vaterott (closed 2018)²¹ will not receive automatic closed school discharges. In an upcoming test for the department, tens of thousands of students of ITT Tech (closed September 2016) should receive automatic closed school discharges this September, because, even if DeVos announces new rules immediately, her department is bound by law to carry out automatic relief until July 1, 2020.²² However, the department's recent report to Congress did not list any automatic closed school discharges granted for schools like Wright Career College²³ or Globe University,²⁴ which closed three years ago between March and June 2016; this raises questions about the department's progress in administering automatic closed school discharges. The chart below (Figure 2) sorts the department's list of major recent closures into (a) schools where students have received automatic relief, (b) schools where students are grandfathered into the automatic relief process, and (c) schools where students would not get automatic relief under the most likely timeline for DeVos's policy changes.

FIGURE 2

Status of Automatic Closed School Discharges at Recently Closed Schools

<i>Status of automatic closed school discharges</i>	<i>Name of closed school</i>	<i>School Group or Parent of Closed School</i>	<i>Sector</i>	<i>Date of closure</i>
Schools where students would lose eligibility for automatic closed school discharges if DeVos's proposal is finalized by November 1, 2019 (effective July 1, 2020)	Argosy University	Dream Center Education Holdings, LLC (DCEH)	Private for-profit*	March 8, 2018
	Art Institute, The	Dream Center Education Holdings, LLC (DCEH)	Private for-profit*	March 8, 2018
	exTreme Institute	Vatterott Educational Centers, Inc.	Private for-profit	December 1, 2018
	L'Ecole Culinaire	Vatterott Educational Centers, Inc.	Private for-profit	December 1, 2018
	Vatterott College	Vatterott Educational Centers, Inc.	Private for-profit	December 1, 2018
	Golf Academy of America	Education Corporation of America (ECA)	Private for-profit	December 1, 2018
	Brightwood College/Brightwood Career Institute	Education Corporation of America (ECA)	Private for-profit	December 7, 2018
	Ecotech Institute	Education Corporation of America (ECA)	Private for-profit	December 7, 2018
	Virginia College	Education Corporation of America (ECA)	Private for-profit	December 7, 2018
	Chef's Academy, The	Harrison College	Private for-profit	October 14, 2018
	Harrison College	Harrison College	Private for-profit	September 1, 2018

				2018
	Coleman University		Private nonprofit	August 5, 2018
	Mount Ida College		Private nonprofit	May 9, 2018
	Ridley-Lowell Business and Technical Institute		Private for-profit	April 4, 2018
	McNally Smith College of Music		Private for-profit	December 11, 2017
	Charlotte School of Law		Private for-profit	August 11, 2017
Schools where students should receive automatic closed school discharges in the near future, even if the DeVos department's proposal is finalized by Nov. 1, 2019.	Westech College		Private for-profit	March 30, 2017
	Bramson ORT College		Private nonprofit	February 20, 2017
	Vantage College		Private for-profit	January 19, 2017
	Sage College		Private for-profit	December 30, 2016
	Star Career Academy		Private for-profit	November 1, 2016
	Culinary Academy of Long Island		Private for-profit	November 1, 2016
	Heritage College/Heritage Institute		Private for-profit	November 1, 2016
	Missouri College		Private for-profit	November 1, 2016
	Career Point College		Private for-profit	October 16, 2016

				2016
	MBTI Business Training Institute (MBTI)		Private for-profit	September 3, 2016
	Regency Beauty Institute		Private for-profit	September 2, 2016
	Radians College		Private for-profit	September 2, 2016
	DuBois Business College		Private for-profit	September 2, 2016
	ITT Technical Institutes		Private for-profit	September 1, 2016
	Medtech College/Medtech Institute		Private for-profit	August 10, 2016
	Dowling College		Private nonprofit	August 4, 2016
Schools where students are already entitled to receive automatic closed school discharges under current policy (effective July 1, 2017), but the department has not reported any discharges	Globe University	Globe Education Network (Myhre family)	Private for-profit	June 24, 2016
	International Career Development College (ICDC)		Private for-profit	May 20, 2016
	Wright Career College		Private for-profit*	April 15, 2016
	Park West Barber School		Private for-profit	March 29, 2016
	Mattia College	Professional Training Centers, Inc. (137	Private for-profit	February 22, 2016

Schools where students are already entitled to receive automatic closed school discharges under current policy (effective July 1, 2017), and the department has reported discharges to its among its first 15,608 automatic discharges.

	discharges)		
Marinello Schools of Beauty	B&H Education (1,059 discharges)	Private for-profit	February 5, 2016
University of Southernmost Florida	Dade Medical College (444 discharges)	Private for-profit	October 30, 2015
Dade Medical College	Dade Medical College (444 discharges)	Private for-profit	October 30, 2015
Everest College/Everest Institute/Everest University	Corinthian Colleges, Inc. (8,806 discharges)**	Private for-profit	April 27, 201
Heald College	Corinthian Colleges, Inc. (8,806 discharges)**	Private for-profit	April 27, 201
WyoTech	Corinthian Colleges, Inc. (8,806 discharges)**	Private for-profit	April 27, 201
Corinthian Colleges	Corinthian Colleges, Inc. (8,806 discharges)**	Private for-profit	April 27, 201

Source: Department of Education data for closure dates (first closure date used if multiple dates were listed); Department of Education Office of Senator Pat Murray for automatic closed school discharges; and The Century Foundation for remainder.* The Century Foundation Dream Center brands, like Art Institute and Argosy, and Wright Career College as covert for-profit colleges.

** This sum includes discharges generated by Corinthian College schools operated under the Altierus, Bryman, Everest, Heald, and

An Automatic Process Is Needed Now More than Ever

DeVos's proposal to cut the automatic discharge²⁵ is particularly heartbreaking in light of new data on abysmal transfer rates and draconian collection practices suffered by students who were impacted by recent closures. Only 1 percent to 6 percent of students²⁶ impacted by recent closures of for-profit chains were able to successfully transfer to another institution, according to

the Department of Education. By comparison, at least 92 percent of students who were enrolled at not-for-profit Mount Ida College when it closed in April 2018 have since been successfully transferred to other institutions, according to Student Clearinghouse data reported to state regulators.²⁷

FIGURE 3

Transfer Rates Following Recent School Closures			
<i>School Group</i>	<i>Students enrolled at time of closure</i>	<i>Students who have successfully transferred</i>	<i>Percent of enrollments who have successfully transferred</i>
Education Corporation of America (e.g. Virginia College, Brightwood)	20,585	1,149	5.6%
Dream Center Education Holdings (e.g. Art Institute, Argosy)	9,609	92	1.0%
Vatterot Colleges (e.g. L'Ecole Culinaire, Vaterott)	2,149	67	3.1%
TOTAL	32,343	1,308	4.0%
Source: Department of Education June 2019 response to Office of Senator Pat Murray.			

State regulators report that for-profit college students rarely have good transfer options and are more likely to be left high and dry when for-profit colleges abruptly close. For each of the closures listed above, students were more likely to seek a closed school discharge than to successfully transfer to other schools. Over 600 former ITT Tech students²⁸ represented by the Project on Predatory Student Lending have described the difficulty of finding other schools that will accept transfer credits. As one ITT student explained, “I would have to start from the beginning. . . This is a nightmare, I have a family and I have sacrificed a lot to go back to school and now I have nothing to show for it but a debt.”²⁹

Moreover, students with debts from closed schools are defaulting in high numbers.³⁰ Borrowers who default are subject to harsh consequences, like wage garnishment and government seizure or “offset” of Earned Income Tax Credits (EITC)³¹ and social security benefits. DeVos’s plan to eliminate automatic closed school discharges would ensure that students unnecessarily suffer from forced collection even if they meet all the conditions for loan cancellation.

FIGURE 4

Financial Consequences for Students at Recently Closed Schools			
<i>School Group</i>	<i>Number of borrowers referred to a private collection agency</i>	<i>Number of borrowers subject to treasury offset</i>	<i>Number of borrowers subject to wage garnishment</i>
Education Corporation of America (e.g. Virginia College, Brightwood)	81,647	91,667	22,507
ITT Educational Services, Inc. (e.g. ITT, Daniel Webster)	58,770	47,139	13,061
Corinthian Colleges, Inc. (e.g. Alterius, Bryman, Everest, Heald, WyoTech)	36,138	35,983	7,803
Infilaw (e.g. Charlotte School of Law)	85	28	12
TOTAL	176,640	174,817	43,38
Source: Department of Education supplemental response to Office of Senator Pat Murray.			
Note: The department did not provide enrollment time frames for the borrowers reflected in this data.			

Given the vast and urgent need for relief, eliminating the streamlined automatic closed school discharge rule is simply unconscionable. However, this choice is particularly unjustifiable as the department faces allegations that it is not notifying students³² about the form-based loan cancellation process, maintains a 158,000-claim backlog³³ in its review of the related borrower defense³⁴ loan cancellation process, and continues to collect on loans and garnish wages even after the department knows that a borrower qualifies for loan cancellation.³⁵

A Better Path

To make this situation right, there are three policies in particular that the Department of Education should pursue instead. First, the automatic closed school discharge should not only be maintained, it should be improved. In 2016, the department noted that with the collection of program-level data through the gainful employment regulations, the department may soon be able to expand automatic relief in cases where students re-enrolled in a new school, but still had to start over with a new program of study. This expansion would “help to ensure that as many eligible borrowers as possible receive the discharges for which they qualify.”³⁶

Second, better oversight is needed of the for-profit and covert for-profit schools that are most likely to close. The data on automatic closed school discharges indicate to policymakers the closures which are most harmful to students: for-profit school closures that are abrupt, hastily planned, and leave students without good options for continuing their education.³⁷ It's no surprise that of the first 15,000 automatic closed school discharges, 96 percent have gone to alleviate harm caused by for-profit and covert for-profit schools.³⁸ Lawmakers interested in reducing the harm and costs associated with sudden closures should concentrate their efforts on improving oversight of this sector.

Third, the department should use its existing power to recoup and claw back taxpayer dollars from the owners of schools that suddenly close.³⁹ These owners trigger millions in taxpayer liability, but are currently able to file for corporate bankruptcy and make off like bandits while taking no personal responsibility for the harm they cause. Imagine how the incentives would change if the department used its discretionary power to recoup the value of closed school discharges from the individuals responsible for the most catastrophic closures.

As the agency that holds the pursestrings to federal student aid, the Department of Education is a critical gatekeeper in higher education. When schools fail, and particularly when they fail catastrophically, poor gatekeeping is part of the problem. But rather than holding schools to high standards and making it as easy as possible for students to get relief when schools fail, the department under Betsy DeVos is making it harder for students to get relief, weakening accreditation and oversight⁴⁰ of the for-profit schools that are most likely to harm students, and funneling funds into the pockets of individuals who run schools into the ground.⁴¹

Notes

1. Michael Vasquez and Dan Bauman, "How America's College-Closure Crisis Leaves Families Devastated," *Chronicle of Higher Education*, April 4, 2019, <https://www.chronicle.com/interactives/20190404-ForProfit>.
2. Department of Education, "June 2019 Responses to Questions Submitted by Senator Patty Murray," Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies March 28, 2019, <https://www.help.senate.gov/imo/media/doc/SenMurrayQFRresponses32819LHHShearing.pdf>.
3. Jen Mishory, "Proposed DeVos Regulation Hurts Students, Helps Predatory For-Profit Schools," The Century Foundation, July 25, 2018, <https://tcf.org/content/commentary/proposed-devos-regulation-hurts-students-helps-predatory-profit-schools/>.
4. An ongoing lawsuit brought on behalf of school closure victims alleges that borrowers often do not know about closed school discharge relief, in part because the Department of Education improperly performs its duty to notify borrowers who are in the eligibility window for loan cancellation. *Quero et al. v. DeVos* (2018), 18 Civ. 9509 (S.D.N.Y.), <https://www.courtlistener.com/recap/gov.uscourts.nysd.502932/gov.uscourts.nysd.502932.26.0.pdf>.
5. "Loan Discharge Application: School Closure," U.S. Department of Education, <https://ifap.ed.gov/eannouncements/attachments/LoanDischargeAppSchoolClosure.pdf>.
6. Letter to Jean-Didier Gaina, U.S. Department of Education, from Pauline Abernathy and Jennifer Wang, TICAS, August 1, 2016, https://ticas.org/sites/default/files/pub_files/ticas_detailed_bd_nprm_comments.pdf.
7. Michael Vasquez and Dan Bauman, "How America's College-Closure Crisis Leaves Families Devastated," *Chronicle of Higher Education*, April 4, 2019, <https://www.chronicle.com/interactives/20190404-ForProfit>.

8. Stacy Cowley and Erica L. Green, "A College Chain Crumbles, and Millions in Student Loan Cash Disappears," *New York Times*, March 7, 2019, <https://www.nytimes.com/2019/03/07/business/argosy-college-art-institutes-south-university.html>.
9. Department of Education, "June 2019 Supplemental Responses to Questions Submitted by Senator Patty Murray: Borrowers and Outstanding Loan Volume Eligible for Closed School Discharge," Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies March 28, 2019, [<https://drive.google.com/open?id=14C5uotIGT4xINO01rWLZnWq393xvJluk>].
10. Robert Shireman, "These Colleges Say They're Nonprofit—But Are They?" The Century Foundation, August 23, 2018, <https://tcf.org/content/commentary/colleges-say-theyre-nonprofit/>.
11. Ashley A. Smith, "The End for ITT Tech," Inside Higher Ed, September 7, 2016, <https://www.insidehighered.com/news/2016/09/07/itt-tech-shuts-down-all-campus>
12. Yan Cao, "How Betsy DeVos Got Schooled by the Education Corporation of America," The Century Foundation, December 14, 2018, <https://tcf.org/content/commentary/betsy-devos-got-schooled-education-corporation-america/>.
13. Michael Vasquez "'Ruined' and Evicted: How Dream Center Closures Are Affecting Students," *The Chronicle of Higher Education*, March 15, 2019, <https://www.chronicle.com/article/Ruined-Evicted-How/245908>.
14. Data obtained from the Office of Senator Patty Murray, available at https://drive.google.com/file/d/13P4apwWK0UOXf6_ThtPTlwaMyEmzknmJ/view?usp=sharing.
15. In February, the Department of Education told courts that it had granted over 16,000 borrowers \$168 million in relief. The department has not explained the discrepancy or provided an extraction date for the lower figures reported to Congress in June. National Student Loan Defense Network ("Student Defense" f/k/a NSLDN), "NSLDN Confirms ED Will Grant Automatic Closed School Discharges to Students After Three Years," February 2019, <http://webcache.googleusercontent.com/search?q=cache:1wLyOn7m7K4J:https://www.nsldn.org/post/departement-of-education-will-discharge-loans-for-closed-schools&hl=en&gl=us&strip=1&vwsrsc=0>.
16. Data obtained from the Office of Senator Patty Murray, available at https://drive.google.com/file/d/1LYuLaX_fnf0_Q4nYKtz6JXaOZhL0kSj8/view.
17. Danielle Douglas-Gabriel, "Feds found widespread fraud at Corinthian Colleges. Why are students still paying the price?" *Washington Post*, September 29, 2016, https://www.washingtonpost.com/news/grade-point/wp/2016/09/29/feds-found-widespread-fraud-at-corinthian-colleges-why-are-students-still-paying-the-price/?utm_term=.b21d8f2b8cb7.
18. TCF analysis of obtained from the Office of Senator Patty Murray, available at https://drive.google.com/file/d/1LYuLaX_fnf0_Q4nYKtz6JXaOZhL0kSj8/view.
19. "Has Your School Closed? Here's What to Do," Office of Federal Student Aid, U.S. Department of Education, accessed July 18, 2019, <https://studentaid.ed.gov/sa/about/announcements/closed-school>.
20. Danielle Douglas-Gabriel, "Virginia College and Brightwood College closing; for-profit operator cites dwindling enrollment," *Washington Post*, December 6, 2018, <https://www.washingtonpost.com/education/2018/12/06/virginia-college-brightwood-college-closing-for-profit-operator-cites-dwindling-enrollment/>
21. Makenzie Koch, "Vatterott College closing down nationwide, including Kansas City campus," Fox4KC.com, December 17, 2018, <https://fox4kc.com/2018/12/17/vatterott-college-closing-down-nationwide-including-kansas-city-campus/>.
22. If the DeVos department finalizes regulations eliminating automatic closed school discharges by November 1, 2019, then, under default timing rules in section 482(c) of the Higher Education Act, the department would still be required to process automatic closed school discharges until July 1, 2020.
23. Margaret Mattes and Robert Shireman, "Was Wright Wrong? Early Warnings of Covert For-Profit Colleges," The Century Foundation, November 14, 2017, <https://tcf.org/content/commentary/wright-wrong-early-warnings-covert-profit-colleges/>.

24. "Advocates Sue DeVos, Department of Education for Illegal Debt Collection," Student Defense, June 18, 2019, <https://www.defendstudents.org/news/advocates-sue-devos-department-of-education-for-illegal-debt-collection>.
25. Jen Mishory, DeVos Education Department Wants to Dismantle Protections for Student Borrowers, The Century Foundation, August 30, 2018, <https://tcf.org/content/commentary/devos-education-department-wants-dismantle-protections-student-borrowers/>.
26. Data obtained from the Office of Senator Patty Murray, available at https://drive.google.com/file/d/1BWE_wjYOLsO2hOLZTkW48l8YqaXWCSDa/view?usp=sharing.
27. Author's communication with Massachusetts Department of Higher Education
28. *Villalba et al. v. ITT ESI et al.* (In re ITT ESI, No. 16-07207-JMC-7A), Adversary Proceeding Complaint, Exhibit 10, <https://predatorystudentlending.org/wp-content/uploads/2018/02/Exhibit-10-ITT-misrepresenting-that-credits-would-transfer-670-statements.pdf>.
29. Sworn statement of former student of ITT Tech (closed Sept. 2016), Florida-Fort Lauderdale campus, in attendance March 2014 through Sept. 2016, id. at ¶ 123.
30. Borrowers with student loan debt and no degree are generally more likely to default on their loan obligations. See Rebecca Lake, "The Cost of College Dropout," The Balance, June 25, 2019, <https://www.thebalance.com/the-cost-of-college-dropout-4174303>.
31. Persis Yu, "Voices of Despair: Student Borrowers Trapped in Poverty When the Government Seizes Their Earned Income Tax Credit," National Consumer Law Center, March 2018, www.nclc.org/images/pdf/student_loans/voices-of-despair.pdf
32. *Quero et al. v DeVos* (2018), 18 Civ. 9509 (S.D.N.Y.), "New York Legal Assistance Group, <https://www.nylag.org/units/special-litigation/active-cases/quero-et-al-v-devos-2018>
33. Sarah Min, "So deep in student debt, they're suing Betsy DeVos over delays in loan forgiveness," CBS News, June 27, 2019, <https://www.cbsnews.com/news/betsy-devos-former-students-sue-betsy-devos-and-department-of-education-over-loan-forgiveness-delays/>.
34. Anthony Walsh, "For-Profit Colleges Continue to Generate Most Loan Relief Claims." The Century Foundation, June 25, 2019, <https://tcf.org/content/commentary/profit-colleges-continue-generate-loan-relief-claims/>.
35. "Advocates Sue DeVos, Department of Education for Illegal Debt Collection," Student Defense, June 18, 2019, <https://www.defendstudents.org/news/advocates-sue-devos-department-of-education-for-illegal-debt-collection>.
36. Rationale for the automatic closed school discharge and future improvements were detailed in a 2016 final rule. See 81 FR 75926 at 76038 of the *Federal Register*, <https://www.federalregister.gov/documents/2016/11/01/2016-25448/student-assistance-general-provisions-federal-perkins-loan-program-federal-family-education-loan>.
37. Previous available data on school closures created a "Goldilocks" problem: the department's public list of school closures is incomplete, leaving out closures that impacted thousands of students. See "Has Your School Closed? Here's What to Do." Office of Federal Student Aid, U.S. Department of Education, accessed July 18, 2019, <https://studentaid.ed.gov/sa/about/announcements/closed-school>. But, the list of closures in the Postsecondary Education Participants System (PEPS) is too broad, including schools like Columbia University that merely closed a building location. The automatic closed school discharge data is "just right," because the mandatory nature of the discharge ensures a comprehensive data set, while the eligibility criteria focuses the data on sudden closures that leave students with inadequate options for continuing their education. See "Closed School Weekly/Monthly Reports," Office of Federal Student Aid, U.S. Department of Education, accessed July 18, 2019, <https://www2.ed.gov/offices/OSFAP/PEPS/closedschools.html>.
38. Robert Shireman, "These Colleges Say They're Nonprofit—But Are They?" The Century Foundation, August 23, 2018, <https://tcf.org/content/commentary/colleges-say-theyre-nonprofit/>. For-profit schools are more likely to close, with their students accounting for 11 percent of enrollments but 85 percent of those affected by recent closures, according to analysis by *The Chronicle of Higher Education*. Michael Vasquez and Dan Bauman, "How America's College-Closure Crisis Leaves Families Devastated," *Chronicle of*

Higher Education, April 4, 2019, <https://www.chronicle.com/interactives/20190404-ForProfit>. Additionally, for-profit schools account for all the overnight closures tracked by the department and they leave worse transfer options for students, pulling together all the elements that trigger the need for automatic closed school discharges.

39. The Higher Education Act directs the secretary of education to pursue any claim available to borrowers who receive a closed school discharge against the institution that closed and its affiliates and principals (20 U.S.C. 1087(c)(1)), and the secretary may also require executives to be personally responsible for costs associated with closed school discharges (20 U.S.C. § 1099c(e)).

40. Comment on the Department of Education Proposed Rule "Student Assistance General Provisions, The Secretary's Recognition of Accrediting Agencies, The Secretary's Recognition Procedures for State Agencies," June 12, 2019, available at <https://www.regulations.gov/document?D=ED-2018-OPE-0076-0771>; Yan Cao and Robert Shireman, "Betsy DeVos's Shameful Repeal of the Gainful Employment Rule," The Century Foundation, July 1, 2019, <https://tcf.org/content/commentary/betsy-devoss-shameful-repeal-gainful-employment-rule/>.

41. DeVos released \$40 million in bailout funds to Dream Center in the five months before it went bankrupt and filed for receivership.

See data obtained from the Office of Senator Patty Murray,

<https://drive.google.com/file/d/1mUAVqVirxXKARnmpKw4lGRJKNGXHxkQs/view?usp=sharing>.



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