

Free Webinar for Thousands of Students Impacted by Sudden Closure of Online Schools

FOR IMMEDIATE RELEASE: August 3, 2021

Contacts: Legal Aid Foundation of Los Angeles, Sara Williams, sjwilliams@lafla.org or (562) 400-8754

National Consumer Law Center, Jan Kruse, jkruse@nclc.org

Washington, D.C. — This week, four large, national college chains are closing, stranding more than 7,000 students, most of whom are online: Independence University, CollegeAmerica, Stevens-Henager College, and California College San Diego. Now the school's owner, the Center for Excellence in Higher Education (CEHE), is aggressively pushing impacted students to immediately enroll in for-profit schools without providing them information about their rights regarding closed school discharges. This is especially concerning given CEHE's history of operating low-quality schools while engaging in predatory practices and fraud.

In August 2020, a Colorado court ordered Stevens-Henager and CollegeAmerica, as well as their owner, to pay \$3 million in civil penalties for illegally luring students into high-priced, low-quality programs with misleading claims of high-earning potential and inflated job placement rates post-graduation. In April 2021, the schools' accreditor revoked all four schools' accreditation (the schools have since appealed). In order to protect taxpayers and students from further harm, the U.S. Department of Education placed restrictions on the schools' receipt of federal financial aid. In response, CEHE decided to close the schools. The Legal Aid Foundation of Los Angeles and National Consumer Law Center are offering a free webinar this Wednesday, August 4 to ensure that impacted students have accurate information about their rights.

"As students navigate their school's closure, they should take time to consider all their options," said **Robyn Smith, a senior attorney with the Legal Aid Foundation of Los Angeles and of counsel with the National Consumer Law Center.** "Students are eligible for a complete cancellation of their federal student loans and restoration of their Pell Grants and G.I. Bill benefits. They don't have to start repaying their federal loans for at least six months. They should not rush into enrolling in any other schools that are pushing them to enroll right away. Aggressive recruitment is a red flag that a school is more interested in generating revenue than helping students do what is in their best interest." Although their school may pressure them to complete their program via a "teach-out" or transferring to a new school, students who do so will not be able to obtain a closed school discharge. "Student loan borrowers should carefully consider whether completing their program is worth the debt they will need to repay to do so," said **Kyra Taylor, a staff attorney with the National Consumer Law Center.** "Given the misconduct and misrepresentations that were revealed by the Colorado Attorney General's lawsuit against CEHE, students should be especially skeptical if their schools are pressuring them to forgo the complete cancellation they are entitled to and enroll in the same program elsewhere." The webinar will be presented on **Wednesday, August 4 from 3-4 p.m. EDT / 12-1 p.m. PDT**, and will provide students with information about student loan discharges and other rights and options, with respect to the closure of the CEHE-owned schools. Borrowers and advocates are encouraged to register. The Legal Aid Foundation of Los Angeles has also posted information about borrower options.

The Webinar is FREE and will be made available for access following the live broadcast.