

Advocates Applaud U.S. House Vote to Restore Rule to Protect Borrowers from School Fraud and Closures

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Boston – Today, National Consumer Law Center advocates applauded the U.S. House of Representatives' use of the Congressional Review Act to overturn the 2019 Borrower Defense to Repayment rule issued by the U.S. Department of Education last September. "The House correctly recognized that Department of Education's attempt to prop up for-profit schools that cheat and harm students runs counter to the goals of the Higher Education Act and would hurt students and taxpayers," **said National Consumer Law Center attorney Abby Shafroth.** "If the Department was serious about deterring illegal school misconduct, it would put its efforts into implementing the original 2016 Student Borrower Defense rule and resolving the hundreds of thousands of outstanding applications for relief from students who were preyed upon by schools more interested in profits than education."

Last December, a broad coalition of 57 organizations sent a letter to original sponsors Representative Susie Lee and Senator Dick Durbin, supporting their use of the CRA to keep the new rule from becoming law, noting that if it goes into effect the rule would only provide relief to about 3% of student borrowers who were victims of fraud and other illegal school conduct, and that only 1% of schools that defrauded students would have to reimburse taxpayers. The rule would therefore green light school misconduct while making relief for defrauded borrowers all but impossible.

There are more than 200,000 pending applications for relief with many borrowers held in limbo for years as the current administration has focused instead on finding ways to limit eligibility for relief. "Rather than protecting the multi-billion dollar for-profit education industry at the expense of students and taxpayers, the Department of Education should instead enforce the existing 2016 Student Borrower Defense rule and provide full relief to borrowers who were scammed and left with heavy debt and worthless degrees—or no degrees at all—by predatory schools," **said Shafroth.**

The Congressional Review Act gives Congress the authority to overturn rules promulgated by federal agencies. A CRA resolution of disapproval must be passed by both the House and the Senate and signed by the President in order to overturn a rule.