

United States Senate

WASHINGTON, DC 20510

December 11, 2018

The Honorable Betsy DeVos
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Secretary DeVos:

We write regarding the sudden closure of Education Corporation of America's (ECA) chain of for-profit colleges around the country, including Brightwood College and the Golf Academy of America operating in the State of California. Last week, ECA's colleges announced they would soon cease operations and close more than 70 campuses across 20 states, affecting nearly 20,000 students nationwide. In California, nearly 4,000 students at 11 campuses are scrambling to determine their next steps, including approximately 420 student veterans using the G.I. Bill.

ECA's closure is the third collapse of a major for-profit college chain in just three years, after Corinthian Colleges, Inc. and ITT Education Services, Inc., all of which have had a devastating impact on students and families in our state. Due to this crisis, we request more information be provided to us as soon as possible about the U.S. Department of Education's ("Department") outreach efforts to those students affected by the abrupt closure. It is especially critical that the Department and these administrators work together to ensure that students are able to do the following:

- make fully informed choices among their opportunities to complete their education;
- transfer credits to a similar program;
- receive a "closed school discharge" if they do not transfer credits to a similar program at another institution;
- have Pell Grant usage automatically restored; and
- apply for the Student Tuition Recovery Fund available to them under California state law.

However, we are concerned by reports that students were not fully informed of all of their options, or potentially any of their options, when they arrived at ECA campuses to find out their college would be closing. One Brightwood College student showed up to her campus last week only to be told her school would be closing. According to this student, "we were all asking questions about what do we do now" but the college officials simply stated the school was closing "and they basically just left it at that."

Under federal law, institutions of higher education are required to "provide all enrolled students with a closed school discharge application and a written disclosure, describing the benefits and consequences of a closed school discharge as an alternative to completing their educational program" .. See 34 CFR § 668.14 of the November 1, 2016 final "borrower defense" rules. This

requirement has been in effect since July 1, 2017, and without it, institutions are ineligible for the aid received during any time of noncompliance. We have not received any indication that students at ECA colleges have received closed school discharge applications, and we are concerned that students could instead be funneled into other low-quality educational institutions that will serve them poorly.

Additionally, students deserve the ability to provide feedback on their experience and to report any misconduct they may have observed in the lead up to the company's collapse. In the case of both Corinthian Colleges, Inc. and ITT Education Services, Inc., information about those college chain's fraud and abuse was uncovered by state and federal investigators in the weeks and months after the companies collapsed. However, Brightwood College currently forces students with complaints to use their arbitration procedures. These mandatory arbitration provisions are invalid under the "borrower defense" rules which, again, are now in effect. Therefore, the Department must ensure that ECA students are not improperly denied their legal rights to pursue any claims they may have.

While the post-mortem effort to understand what went wrong in the lead-up to ECA's collapse will occur in the coming weeks and months, right now it is critical that the Department take proactive steps to protect students who have been harmed. We appreciate your attention to this urgent matter and look forward to your response by December 18, 2018.

Sincerely,



Dianne Feinstein
United States Senator



Kamala D. Harris
United States Senator