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February 4, 2020

The Honorable Betsy DeVos
Secretary of the U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Madam Secretary:

On October 17, 2019, we, the Attorneys General of Oregon, Minnesota, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, Washington and Wisconsin requested that you exercise your authority to extend closed school discharge eligibility to former students of schools shuttered by Dream Center Education Holdings, LLC (“DCEH”). Our letter detailed DCEH’s gross mismanagement of the schools, and its numerous violations of federal and state law that preceded the schools’ closures. We noted that as Secretary of Education, you can relieve the harm that student borrowers experienced by taking on debt to attend a DCEH school. Specifically, we requested extension of closed school discharge eligibility to students enrolled at a DCEH-operated school on or after October 17, 2017, the date in which DCEH began its ill-fated operation of the schools.

We were encouraged to see an announcement on November 8, 2019 that you extended the lookback period of eligibility for some students who attended DCEH schools. Unfortunately, the announcement reveals that only 24 DCEH-owned campuses that closed in December 2018 would be subject to relief. For those schools, the lookback period was extended to June 29, 2018—which amounts to just a few weeks more than provided under the default 120-day lookback period. As a result of these limitations, very few additional students who could not finish their degree have been made eligible for closed school discharge.

Twenty-five DCEH campuses stayed afloat into 2019 before closing; former students of these schools also deserve extension of closed school discharge.¹ These students too were left unable to complete a degree they were promised and that they spent hard-earned time and money to earn. As our October 17, 2019 letter details, DCEH’s mismanagement, financial instability, and

¹ We understand these schools include Argosy campuses in Santa Ana, the Twin Cities, Atlanta, Washington D.C., Honolulu, Phoenix, San Francisco, Tampa, Maui, Hilo, Seattle, Dallas, Los Angeles, Salt Lake City, Chicago, North Hollywood, San Diego, Salt Lake City, Chandler, and Marietta, along with Art Institute campuses in Pittsburgh and Seattle.

misleading statements to students gave every reason to cease enrollment more than 120 days before the final closure date. Students who were compelled to withdraw because of DCEH's extraordinary misconduct should not be further punished with student debt for a school that did not fulfill its commitments. It is wrong to force students to pay for something they did not receive.

For the schools that you authorized an extended period of eligibility, it is unclear why the period is only being extended by a few weeks (i.e., for schools that closed in December 2018, eligibility is extended from August 2018 back to June 29, 2018). As we discussed in our previous letter, the latest possible starting point for a fair closed-school lookback period is the day when DCEH took over, which was October 17, 2017. This takeover was never actually approved in a final decision by ED.² From the day DCEH took over, as specified in our previous letter, ownership violated state and federal laws, showed clear financial and administrative incapacities, and misled students. The many examples cited in our letter constitute clear circumstances justifying an extension of the lookback period under the rule.³

We reiterate our detailed request to extend closed school discharge for students who suffer from the extraordinary circumstances surrounding DCEH's demise. All students at DCEH schools that closed in 2018 and 2019 should be entitled to relief from loans taken out to get a degree they could not obtain, and the students should not be denied relief because they ended their enrollment during a time of turmoil and mismanagement by the schools' ownership.

Sincerely,



Ellen F. Rosenblum
Oregon Attorney General



Keith Ellison
Minnesota Attorney General

² See 34 C.F.R. § 600.31(d) (requiring ED approval of conversion to non-profit status).

³ 34 C.F.R. § 685.214(c)(i)(B).



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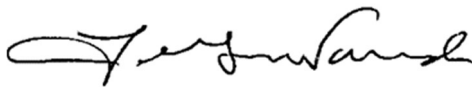
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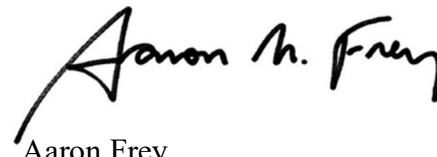
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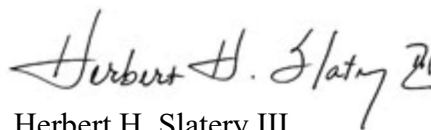
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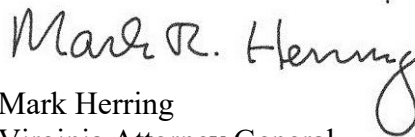
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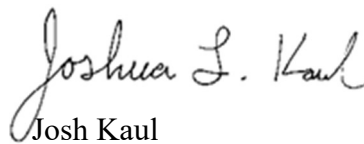
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