

United States Senate

WASHINGTON, DC 20510-4704

December 22, 2016

COMMITTEES:
APPROPRIATIONS
BUDGET
HEALTH, EDUCATION, LABOR,
AND PENSIONS
RULES AND ADMINISTRATION
VETERANS' AFFAIRS

President-Elect Donald J. Trump
Trump Tower
725 5th Ave
New York, NY 10022

Dear President-Elect Trump:

I write to you today to thank you for taking steps to personally remedy the unacceptable, fraudulent treatment of former students of Trump University, and to encourage you to ensure that former students deceived by for-profit universities receive the relief they are entitled to.

This week, you entered into a preliminary settlement agreement with students who attended Trump University and the New York Attorney General to resolve allegations that the university used false and deceptive marketing tactics to mislead students into purchasing low-quality real estate classes. Under the agreement, you personally guarantee that \$21 million will be paid into a fund to reimburse former Trump University students up to \$15,000. Additionally, \$4 million will be paid to the New York Attorney General. Although the students who attended Trump University can never get back the time they wasted on ineffective courses, hopefully the money they receive from this settlement will allow them to reinvest in a meaningful education.

As you may be aware, just last month the Department of Education ("the Department") finalized a rule to similarly make whole students who attend schools and colleges that engaged in deceptive, misleading and sometimes fraudulent conduct. Tens of thousands of former students of Corinthian Colleges, Inc. ("Corinthian") and ITT Educational Services, Inc. ("ITT Tech") collectively hold hundreds of millions of dollars in student debt for programs that multiple state and federal investigations suggest were marketed fraudulently to students. Corinthian closed nearly 100 schools after states attorney general and the Department completed formal investigations and found that Corinthian mislead students by publishing artificially inflated job placement and graduation rates that deceived students into thinking the schools' programs were likely to result in employment. The Department has approved more than 15,000 claims from former Corinthian students with a collective outstanding loan balance of \$247 million. Similarly, prior to ITT Tech's decision to close 130 campuses in September, this for-profit college chain was under investigation for deceptive and fraudulent marketing to mislead students into taking out large debt to pursue what they mistakenly thought was a high-quality degree. In May 2015, the Securities and Exchange Commission announced fraud charges against ITT Tech, its chief executive officer, and its chief financial officer.

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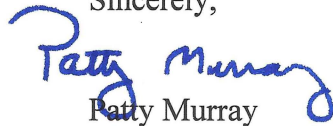
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Many students who were the victims of fraud and deceptive marketing by these colleges have been left with thousands of dollars of debt and no degree. The “borrower defense” rule will provide critical debt relief to students who have been stuck with few good options. Under the rule, the Department can discharge and refund the federal loan debt of students who attended schools that violated state laws, misrepresented its educational programming, or committed fraud. I am hopeful that when you take office and begin examining steps that you intend to take, you will prioritize carrying out the “borrower defense” rule in order to ensure that these students are indeed made whole and are able to move forward with their lives and education.

I urge you to continue to use the authority of the Department to provide relief to these students. At the federal level, we seek to foster and encourage the attainment of higher education and career skills through grant, loan, and workforce programs. But these investments are undermined by misleading and deceptive programs that leave students who sought to obtain a higher education and good paying job often worse off than they were before enrolling in higher education. You will have the power to provide these students relief just as you have provided to the attendees of Trump University, and I urge you to use it.

Sincerely,

A handwritten signature in blue ink that reads "Patty Murray". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Patty Murray
United States Senator