



Durbin calls on Secretary DeVos to implement and enforce Obama-era borrower-defense rule

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SPRINGFIELD – Upon the Obama-era Borrower Defense rule taking effect, U.S. Senate Democratic Whip Dick Durbin (D-IL) called on Secretary of Education Betsy DeVos to expeditiously implement and enforce the rule—including provisions providing automatic closed schools discharges to thousands of eligible students and prohibiting schools from using mandatory arbitration. The rule took effect following rulings by a federal judge that the Trump-DeVos Department of Education’s delay was illegal and denying a group of for-profit colleges’ attempt to secure a preliminary injunction to delay the rule.

Under the Borrower Defense to Repayment provision of the *Higher Education Act*, the Department of Education has the legal authority to provide cheated and defrauded students with complete, immediate, and automatic relief from their federal student loans. After the spike in borrower defense claims following the collapses of for-profit Corinthian Colleges and ITT Tech, the Obama Administration undertook an update of the Department of Education’s regulations on borrower defense. The rule—published on October 28, 2016 and set to take effect on July 1, 2017—included an updated process for students to file claims, opportunities for group discharges, automatic closed school discharges, prohibition on pre-dispute mandatory arbitration clauses and class action bans, new financial responsibility standards to guard against taxpayer losses in a collapse, and other important provisions.

“Students who were defrauded by for-profit colleges and stuck with a mountain of debt are entitled to federal student debt relief under federal law. But Betsy DeVos and her Department of Education have done everything in their power to deny these students this life-changing opportunity, including delaying the Obama Administration’s borrower

defense rule. Finally, the courts have stepped in to force the Department to stop stalling,” said Durbin. “Now that the borrower defense rule is in effect, I call on Secretary DeVos to expeditiously implement and enforce it.”

Previously, a federal judge ruled that the Trump Administration’s Department of Education delay of the BD rule was illegal and set yesterday at 12:00pm ET for the rule to come into effect unless the Department delayed the rule under different justification. The Department announced it would not seek to further delay, and the judge today denied a preliminary injunction of the rule brought by a group of California for-profit colleges.

Since taking office, the Trump Administration and Secretary DeVos have attempted to shield for-profit colleges from the Obama-era Borrower Defense rule coming into effect and are in the regulatory process of rewriting the regulation. In July, Durbin [criticized](#) the Trump Administration’s proposed rule rewriting the 2016 Obama Borrower Defense Rule.

In May 2017, Durbin, along with several of his Senate Democratic colleagues [demanded](#) answers regarding the delay of payment on tens of thousands of student loan discharges and refunds approved under the Borrower Defense authority. On July 7, 2017, the Department provided a [response](#), which showed growing numbers of borrower defense claims being filed and that it had not approved a single new claim since the Trump Administration took office. Updated [numbers](#) provided by the Department in response to a Durbin inquiry showed the number of outstanding claims had grown.