



Durbin, Waters Reintroduce Bill to Give Students Defrauded By For-Profit Colleges Their Day in Court

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WASHINGTON – U.S. Senator Dick Durbin (D-IL) and U.S. Representative Maxine Waters (D-CA-43) have reintroduced bicameral legislation designed to strengthen students’ ability to hold for-profit colleges accountable in court for their misconduct. The *Court Legal Access & Student Support (CLASS) Act* prohibits any school receiving Title IV student aid funding from placing restrictions on students’ ability to pursue legal claims, individually or with others, against higher education institutions in court.

The *CLASS Act* aims to end the strategic use of mandatory arbitration and class action waiver clauses in enrollment agreements by for-profit colleges. Legitimate non-profit colleges and universities do not include mandatory arbitration clauses in their enrollment agreements, but these clauses are a hallmark of the for-profit college industry. If this bill had been law in the last several years, many students defrauded by Corinthian Colleges and other now-defunct for-profits would have been able to seek redress directly from their school instead of being forced to seek relief from the taxpayers for their student debts.

“Mandatory pre-dispute arbitration clauses amount to traps in contractual fine print that hurt people and undermine their ability to seek justice. Predatory for-profit colleges often use these clauses in their student enrollment agreements in order to shield themselves from accountability,” Durbin said. **“Students who were hung out to dry by deadbeat for-profit schools, with mountains of student loan debt, should be allowed to hold these schools directly accountable in court. That’s why I’m reintroducing the *CLASS Act* which would end this shady practice in for-profit college enrollment agreements.”**

“The for-profit college industry is rife with bad actors that lure potential students into some of the most expensive academic programs, all while knowingly and

fraudulently misrepresenting the quality and success of these programs. These schools use mandatory arbitration clauses and other tactics to shield themselves from being held responsible for their wrongdoing,” said Waters. “I am proud to introduce bold legislation that eliminates mandatory arbitration provisions and ultimately ensures that students have a right to their day in court.”

The Senate bill is cosponsored by Senators Sheldon Whitehouse (D-RI), Richard Blumenthal (D-CT), Mazie Hirono (D-HI), Elizabeth Warren (D-MA), Sherrod Brown (D-OH), Jack Reed (D-RI), and Ed Markey (D-MA).

The House bill is cosponsored by Representatives Mark Takano (D-CA-41), Jackie Speier (D-CA-14), Eleanor Holmes Norton (D-DC), and Steve Cohen (D-TN-09).

The *CLASS Act* is supported by groups including the American Association for Justice, the Center for Justice & Democracy, Consumer Action, Consumers for Auto Reliability and Safety, the Institute for College Access and Success, Public Citizen, the National Consumer Law Center (on behalf of its low income clients), the National Association for College Admission Counseling, the National Employment Lawyers Association, the National Student Legal Defense Network, and Young Invincibles.