



Durbin: The Time Has Come To Stand Up For Defrauded Veterans And Student Borrowers

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WASHINGTON – U.S. Senate Democratic Whip Dick Durbin (D-IL) today, in a speech on the Senate floor, urged his Senate colleagues to support the Congressional Review Act (CRA) resolution of disapproval overturning Department of Education Secretary Betsy DeVos’ rewritten borrower defense rule when it comes for a vote this week.

“With her new borrower defense rule, Secretary DeVos, at the Department of Education, will make it virtually impossible for these future defrauded borrowers to receive the borrower defense discharge that Congress intended. The DeVos rule places unreasonable new burdens on defrauded borrowers, including requiring the student borrowers to submit evidence that they will have to obtain by hiring lawyers and private detectives,” Durbin said.

Durbin also shared stories of two veterans who were defrauded by the for-profit schools they attended. Jarrod Thoma, a U.S. Army veteran from Colorado, attended for-profit DeVry University. In addition to using his G.I. Bill benefit, he accumulated \$52,000 in student loan debt to finish his program at DeVry. Tasha Berkhalter, a U.S. Army veteran from Ohio, enrolled at for-profit ITT Tech. Tasha exhausted her G.I. Bill benefit, and accumulated more debt to finish her degree. She now owes nearly \$100,000. Both Jarrod’s and Tasha’s degrees never led to the jobs they were promised, and their credits were not transferrable to other schools.

“Veterans like Jared and Tasha are the reason that I’m bringing this matter to the floor and asking my Republican and Democratic colleagues to join me. So many of us give speeches about our appreciation for the veterans and their service to our country,” Durbin continued. “Then schools like Corinthian, schools like ITT Tech defraud these students out of their G.I. benefits and then pile additional debt on top of them.”

Durbin also shared support from American Legion National Commander, James W. “Bill” Oxford who wrote in a letter to Durbin, “thousands of student veterans have been defrauded over the years—promised their credits would transfer when they wouldn’t, given false or misleading job placement rates in marketing, promised one educational experience...but given something completely different.”

“All of us have said how much these veterans and their families mean to us. Well, now they're asking us to be on their side with this vote. I'm urging my colleagues to show America that when it comes to supporting our veterans, the Senate, on a bipartisan basis, can come together and do the right thing,” Durbin concluded.

Video of Durbin’s remarks on the Senate floor are available [here](#).

Audio of Durbin’s remarks on the Senate floor is available [here](#).

Footage of Durbin’s remarks on the Senate floor is available [here](#) for TV Stations.

In January, the House of Representatives voted on a bipartisan basis to pass its version of the measure, H.J.Res. 76 introduced by U.S. Representative Susie Lee (D-NV-03).

The DeVos borrower defense rule makes it almost impossible for borrowers who are defrauded by their school or harmed by their school’s closure to receive the relief to which they are entitled, and which Congress intended, under the Higher Education Act (HEA). According to an analysis by The Institute for College Access and Success, the DeVos borrower defense rule will cancel just three percent of all loans associated with misconduct.

CRA resolutions of disapproval allow Congress to overturn regulatory actions of federal agencies with a simple majority vote in both chambers. A time for consideration of the resolutions on the floor of the Senate will be coordinated with Senate leadership.

Specifically, the DeVos borrower defense rule:

- Cuts \$11.1 billion in expected relief to students compared to the 2016 rule, currently in effect, by making it more difficult for borrowers to obtain relief;
- Increases the burden on defrauded borrowers to gather and submit, often impossible to obtain, evidence to prove their claim including that the school intentionally harmed them;
- Requires borrowers to apply individually for relief rather than receiving automatic discharges when a group of borrowers has been harmed by widespread fraud or misconduct;

- Establishes a statute of limitations on claims—expiring 3 years after leaving school—despite the fact that a school’s misconduct often doesn’t become known until many years after it;
- Eliminates judgments against a school for misconduct as a sufficient ground for a borrower to receive a discharge;
- Eliminates prohibition on class action bans and mandatory arbitration clauses from the 2016 rule—practices used, primarily in the for-profit college industry, to prevent students from suing a school for misconduct in court;
- Eliminates ability for borrower whose claims are denied from having their claims reconsidered with new evidence;
- Eliminates automatic closed school discharge provision from the 2016 rule for schools that close after July 1, 2020—provision requires automatic discharge of loans for any borrower who has not enrolled in another Title IV program within three years of the school’s closure.

A copy of the Senate resolution of disapproval (S.J. Res. 56) is available [here](#).

A copy of the letter from Commander Oxford is available [here](#).

Twenty State attorneys general support for overturning the DeVos borrower defense rule. A copy of their letter is available [here](#).

In December, fifty-seven organizations wrote a letter supporting the resolution. A copy of their letter is available [here](#).

The Association of Jesuit Colleges and Universities also sent a letter of support—available [here](#).