



Durbin, Takano, Brown, Jayapal, Warren Unveil Plan To Grant Full Student Loan Discharges To Defrauded Student Borrowers In Next COVID-19 Relief Packag

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WASHINGTON – U.S. Senate Democratic Whip Dick Durbin (D-IL), U.S. Representative Mark Takano (D-CA-41), Senator Sherrod Brown (D-OH), U.S. Representative Pramila Jayapal (D-WA-07), and Senator Elizabeth Warren (D-MA), today announced a plan that will grant full student loan discharges to three specific emergency categories of defrauded student borrowers. The plan would require eligible loans to be discharged within 30 days of enactment and provides timelines for the Department of Education to take other steps—such as correcting borrowers’ credit reporting. The members will push for the proposal, which they will introduce in the coming days as the *Coronavirus Emergency Borrower Defense (E-BD) Act*, to be included in the next coronavirus relief package.

“The borrowers covered by this proposal have been defrauded—according to findings by the Department of Education, itself, and evidence from State attorneys general. The borrowers have been waiting years for the Department to provide them relief to which they are legally entitled. These borrowers have difficulty finding jobs and are often unable to provide for themselves or their families. They are unable to be productive participants in the economy because of ruined credit and are often prevented from completing their education due to their worthless debt. Congress acting to expedite the discharges they are owed and ensuring full relief is commonsense during this unprecedented coronavirus crisis,” Durbin said.

“Corinthian and ITT Tech students that were defrauded by these institutions, many who are veterans, are in desperate need of relief,” said Takano. “The Department of

Education agrees that these students were defrauded, so there is no reason why they should be kept waiting to have the student loans they accrued at these institutions discharged. The longer these borrowers are kept waiting for relief, the more emotional and financial hardship they will have to endure. This pandemic must force Congress to find ways to help alleviate the suffering these families and workers are facing. This sensible plan will help ease the financial burden on these borrowers and give relief to those that received useless degrees from these institutions.”

“Americans all across the country are facing financial hardships as they work to stop the spread of COVID-19,” said Brown. “But for students defrauded by shady for-profit colleges, these challenges are compounded by the Department of Education’s refusal to provide the loan relief to which they’re entitled. We have to act to ensure these defrauded student loan borrowers, many of whom are veterans and have been saddled with mountains of debt and worthless degrees or credits, can quickly get the relief they need.”

“This is a bold plan to end the pain inflicted by predatory, for-profit institutions on students striving for a better future through higher education,” said Jayapal. “Betsy DeVos and the Trump Administration have failed to look out for defrauded student borrowers, making it all the more necessary that Congress step up and provide relief to students—including those who attended the now-defunct Art Institute of Seattle—who were exploited and scammed into burdensome debt.”

“COVID-19 is plunging student loan borrowers already on the brink deeper into crisis, and Congress should broadly cancel student loan debt to boost our economy and provide immediate relief to families. But it is appalling that Secretary Betsy DeVos is using her power to choke off debt cancellation for students cheated by sham for-profits in the middle of a pandemic,” said Warren. “Our bill will force the Department of Education to actually enforce current law and cancel loans for defrauded students. This will get direct relief to people who were cheated and be good for our economy.”

The *Coronavirus E-BD Act* would grant full student loan discharges to three specific emergency categories of defrauded borrowers—specifically borrowers covered by:

- Department of Education findings against Corinthian Colleges;
- Department of Education findings against ITT Tech and;
- State attorneys general group discharge applications made before the date of enactment.

Borrowers eligible for emergency relief under the bill would receive full discharges. Any borrowers in the emergency categories who have previously been awarded partial relief under Secretary Betsy DeVos’ partial relief methodology would receive discharge

of the portion of the loan not discharged previously. A one-pager on the proposal can be found [here](#).

Supporters of the plan include Young Invincibles, National Consumer Law Center (on behalf of its low income clients), Project on Predatory Student Lending, National Association of College Admissions Counseling, American Federation of Teachers, Americans for Financial Reform, Veterans Education Success, Generation Progress, Third Way, and American Council on Education.