

# **Durbin Urges Secretary Of Education To Take On For-Profit Colleges And Help Struggling Student Borrowers**

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WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL) today, at a Senate Appropriations Subcommittee on Labor, Education, and Health and Human Services hearing about the Department of Education’s Fiscal Year 2022 (FY22) Budget Request, urged Secretary of Education Miguel Cardona to bring greater accountability and oversight to the for-profit college industry. In his remarks, Durbin highlighted that for-

profit colleges and universities enroll just eight percent of all post-secondary students but account for 30 percent of federal student loan defaults. Durbin also said that during the pandemic, for-profit colleges have seen a three percent increase in enrollment, while traditional colleges and universities are struggling to enroll students.

“ raises a serious policy question about a branch of higher education that is failing so many students, yet receives such a handsome federal subsidy,” Durbin said. “The record that was written by your predecessor in this field is not one that we want to see continue.”

Durbin urged Cardona to reform the Department’s policies for challenging student borrower claims of undue hardship in bankruptcy. Current law prohibits discharging student loans in bankruptcy with one exception: when the borrower experiences an “undue hardship.” Undue hardship has been defined by courts in ways that make it almost impossible for anyone to successfully claim. In addition, the Department of Education directs its contractors to challenge undue hardship claims in court—even in clear instances where the borrower should prevail. Durbin has long urged the Department to provide guidance to its contractors outlining instances where an undue hardship claim should not be challenged. His letter to former Education Secretary Arne Duncan is available [here](#), and his letter to former Education Secretary Betsy DeVos is available [here](#).

“I don’t think any of us want to try to defend in public . If someone goes into bankruptcy court and tries with the one narrow exception in the bankruptcy code for student loans – undue hardship – they don’t have a chance.”

Cardona responded by saying this is a top priority for the agency and that it’s time to put students first. He said the Department, in the past, had done a disservice to borrowers and it’s time to have a consumer protection mentality and have students at the center of the conversation. Cardona also said that he recently provided \$1.5 billion in borrower defense relief for students and approved \$500 million in discharges.