

Attorney General Raoul: U.S. Department Of Education Approves Discharge Of \$3.9 Billion In Student Loan Debt For Former ITT Tech Students

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CHICAGO – Attorney General Kwame Raoul today announced the U.S. Department of Education has approved the discharge of all remaining federal student loan debt owed by borrowers who attended the now-defunct ITT Technical Institute (ITT), forgiving approximately \$100 million in debt owed by more than 5,000 Illinois borrowers.

“I appreciate the Department of Education’s approval of the borrower defense application I submitted along with dozens of attorneys general across the country. Discharging this remaining student loan debt will allow thousands of former ITT students to move on with their lives after being defrauded and unfairly burdened with overwhelming debt,” Raoul said. “My office will continue to hold institutions accountable for using predatory methods to trap students into taking out large amounts of debt while leaving them without degrees that will lead to post-graduate employment.”

The Department of Education will erase all remaining federal student loan debt that borrowers received to attend ITT from Jan. 1, 2005, through its closure in September 2016. The decision, which follows department findings based on extensive internal records, testimony from ITT managers and recruiters, and first-hand accounts from borrowers, will result in 208,000 borrowers receiving \$3.9 billion in full loan discharges. Former ITT students who have not yet applied for borrower defense to repayment discharge will also receive relief without any additional action on their part.

Today’s announcement follows an April 2021 [borrower defense application](#) submitted by Raoul and a coalition of attorneys general urging the department to forgive the loans of former ITT students. Raoul and the coalition applied to allegations that the school defrauded thousands of individuals by encouraging them to enroll and take out loans based on false and misleading information about the value of an ITT degree and empty promises of high-paying jobs after graduation. ITT enrolled roughly 282,000 students across the country between 2007 and 2010.

“It is time for student borrowers to stop shouldering the burden from ITT’s years of lies and false promises,” said U.S. Secretary of Education Miguel Cardona. “The evidence shows that for years, ITT’s leaders intentionally misled students about the quality of their programs to profit off federal student loan programs, with no regard for the hardship this would cause. The Biden-Harris Administration will continue to stand up for borrowers who’ve been cheated by their colleges while working to strengthen oversight and enforcement to protect today’s students from similar deception and abuse.”

Attorney General Raoul has previously settled with third-party lenders who provided loans to former ITT students. In 2019, Attorney General Raoul announced a \$168 million settlement with student loan lender Student CU Connect CUSO, LLC, which resulted in debt relief for 18,664 former ITT students, including more than \$4.5 million in relief for Illinois students. In 2020, Raoul announced a settlement with PEAKS Trust

for an additional \$330 million in student loan relief for former Illinois ITT students nationwide, including more than \$9.4 million in relief for Illinois students.

The Illinois Attorney General's office has long been a national leader in investigating and enforcing consumer protection violations in the higher education field. Since entering office, Attorney General Raoul has secured over \$160 million in relief for Illinois borrowers who were deceived by their school, private lender, or servicer. Earlier this year, Raoul's office announced a \$1.85 billion national settlement with Navient, formerly the nation's second-largest student loan servicer. Last year, Attorney General Raoul's office initiated and worked to pass "Know Before You Owe," to alert borrowers of their remaining federal student loan eligibility to help them steer clear of predatory private loans. Raoul has also overseen the rollout of the state's first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide resources for student borrowers who are struggling to make student loan payments.

Student borrowers who have questions or need assistance can call the Attorney General's Student Loan Helpline at 1-800-455-2456. Borrowers can also file complaints on the [Attorney General's website](#).