

Mr. Joseph A. Smith  
Special Master  
U.S. Department of Education  
400 Maryland Avenue SW  
Washington, D.C. 20202

The Honorable Arne Duncan  
Secretary  
U.S. Department of Education  
400 Maryland Avenue SW  
Washington, D.C. 20202

The Honorable Ted Mitchell  
Undersecretary  
U.S. Department of Education  
400 Maryland Avenue SW  
Washington, D.C. 20202

September 29, 2015

Dear Mr. Smith,

The collapse of the for-profit giant Corinthian Colleges, Inc. upended the education plans of thousands of students across the country, and quickly became the largest student loan crisis the Department of Education has ever handled. We appreciate the Secretary of Education's decision to create the position of Special Master of Borrower Defense, and Secretary Duncan's promise to make loan forgiveness efficient, transparent, and fair.

Unfortunately, the Special Master's September 3 report on the process for Corinthian students' debt relief failed to provide a detailed outreach plan, or outline student eligibility for relief. The report states that a process for determining a student's eligibility for debt relief through "defense to repayment" has not been established. The failure to provide a timeline by which defense to repayment claims will be processed is unacceptable, given that the Department has already received nearly 4,000 defense to repayment claims. The report makes clear that as of September 3, the Department has contacted—via email—only the students who attended Heald College campuses and not any of the former students from the other Corinthian schools. We are disappointed in these findings, as the Heald College campuses represent a small portion of the students who were defrauded by Corinthian College, Inc.

The widespread evidence of Corinthian's predatory practices throughout their many campuses, including Everest and Wyotech is well documented. State Attorneys General, the Consumer Financial Protection Bureau, and the Department of Education, have all independently found evidence of systemic fraud within the larger Corinthian corporation. Given the significant evidence of fraud, we request that the Department of Education use its statutory authority under the Higher Education Act to automatically discharge the debt of all Corinthian students. Allowing these borrowers to avoid the lengthy application and approval process is the only way to ensure that every deserving student receives the relief they are entitled to under the law.

The Department and Special Master should take immediate action to develop an outreach plan to contact all affected students. Failing to implement and outreach plan compounds the hardship facing the Corinthian students who are struggling to make payments on enormous student debt they never should have incurred. In order to ensure the greatest number of students receive debt-relief, the Department should contact all affected Corinthian students and inform them of their eligibility for debt cancellation. Furthermore, the Department should contact students via multiple platforms such as: certified mail, email notification, telephone, and through advertisements in a variety of media and social media platforms. The Department should notify the undersigned Members of Congress with a timeline of when the students will be contacted.

The Department should also provide the undersigned with a timetable for when borrowers can expect a cancellation of their debt. We appreciate your attention to our concerns, and look forward to working with you to ensure former Corinthian students receive relief in a timely and comprehensive manner.

Sincerely,

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Janice Hahn  
Member of Congress

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Keith Ellison  
Member of Congress

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Mark Takano  
Member of Congress

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Mark Takai  
Member of Congress

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Ruben Gallego  
Member of Congress

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Elijah Cummings  
Member of Congress

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Karen Bass  
Member of Congress

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Marcy Kaptur  
Member of Congress

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Mark DeSaulnier  
Member of Congress

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Chris Van Hollen  
Member of Congress

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Earl Blumenauer  
Member of Congress

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Wm. Lacy Clay  
Member of Congress

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Gwen Moore  
Member of Congress

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Grace F. Napolitano  
Member of Congress

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Bonnie Watson Coleman  
Member of Congress

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Luis V. Gutiérrez  
Member of Congress