

**FOR IMMEDIATE RELEASE**

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## **Secretary DeVos Cancels Student Loans, Resets Pell Eligibility, and Extends Closed School Discharge Period for Students Impacted by Dream Center School Closures**

WASHINGTON – U.S. Secretary of Education Betsy DeVos announced today that students who attended Art Institute of Colorado or the Illinois Institute of Art between January 20, 2018, and December 31, 2018, will have their student loans cancelled and their Federal Pell Grant eligibility restored. The Secretary also announced the Department will extend the lookback period of eligibility for closed school discharges for students who attended another 24 Dream Center schools that closed in December 2018.

“The Department is committed to holding institutions and accreditors accountable to the students they serve,” said U.S. Secretary of Education Betsy DeVos. “In this instance, students were failed and deserve to be made whole. By canceling these students’ loans and restoring their Pell eligibility, as well as extending the closed school discharge period, we hope that these impacted students will now have the tools and resources they need to complete their education.”

More than 1,500 borrowers who attended the Art Institute of Colorado or the Illinois Institute of Art will have an estimated 4,000 loans canceled. The decision to cancel student loans and restore Pell Grant eligibility comes because students were harmed by the Higher Learning Commission’s classification of the institutions in a newly developed and improperly defined accreditation status after January 20, 2018. The Department is concerned that the Art Institute of Colorado and the Illinois Institute of Art were actually fully accredited from January 20, 2018, until their closings at the end of the year. Because HLC has required these two schools to note on student transcripts that credits and degrees earned during this period are from a non-accredited institution, students have been harmed as they seek transfer credit and employment elsewhere.

The extension of the closed school discharge lookback period to June 29, 2018, will help approximately 300 additional borrowers. Typically, students who were enrolled when a school closes or withdrew not more than 120 days before the school closed can have their federal student loans from that school forgiven if they meet certain requirements. That 120-day window can be extended in exceptional circumstances at the discretion of the Secretary.

Borrowers who believe they qualify for the cancellation or closed school loan discharge should ensure that their federal student loan servicer has their current email address and mailing address on file in order to allow for timely communication. The Department is notifying federal student loan servicers of this decision. Servicers will also send borrowers impacted by the closed school discharge extension a notification and an application for discharge. Borrowers who do not qualify for a cancellation or a closed school discharge, but who are struggling to make student loan payments, should contact their student loan servicer to discuss repayment options.

Information for students, including a list of impacted schools, is available at [StudentAid.gov/about/announcements/dceh-schools](https://studentaid.gov/about/announcements/dceh-schools).

Closed school loan discharge information for students is available at [StudentAid.gov/closedschool](https://studentaid.gov/closedschool). Borrowers who have questions should access [StudentAid.gov/feedback](https://studentaid.gov/feedback) or call 1-844-651-0077 Monday through Friday 8 a.m.-8p.m. Eastern Standard Time.