

Congress of the United States
Washington, DC 20515

June 22, 2017

The Honorable Betsy DeVos
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary DeVos:

We are deeply concerned about the Department of Education's decision to delay two important student protections: the Gainful Employment Rule and an update to the Borrower Defense to Repayment Rule. Furthermore, the Department has announced it will revisit both of these rules via further rounds of negotiated rulemaking, suggesting that these rules may be weakened or repealed. **We urge you to reconsider your decision to delay these important consumer protections**, and add our voices in support of the immediate enactment of the two regulations to 20 state attorneys general, and organizations representing students, consumers, faculties and staff, U.S. service members and veterans, and the civil rights community.

As you know, the Gainful Employment Rule, finalized in 2014, enforces the Higher Education Act's requirement that both for-profit and non-profit career education programs receiving federal student aid "prepare students for gainful employment in a recognized occupation." By obligating programs that receive federal funding to provide basic program information to prospective students—such as the share of students who graduate on time and their typical post-graduation earnings and debt burdens—the Gainful Employment Rule allows students to compare these metrics across schools and make informed decisions. The rule also reduces the number of career programs that could trap students in a lifetime of debt by denying federal aid to programs if the debt to complete them does not result in earnings needed to pay down the debt. Any effort to weaken, repeal, or delay the Gainful Employment Rule would lead to unscrupulous schools competing to enroll as many students as possible without regard to the quality of the training, the student's preparation, or the job prospects. For-profit educational institutions have already eliminated hundreds of poorly performing programs, frozen tuition, and improved outcomes, in large part because a strong Gainful Employment rule held them accountable. Furthermore, the Congressional Budget Office estimates that a repeal of the Gainful Employment Rule would cost taxpayers \$1.3 billion over the next 10 years.

The second regulation in question—the Borrower Defense to Repayment Rule, finalized after a lengthy public comment period and negotiated rulemaking in 2016—clarifies and streamlines the process for providing student loan relief to defrauded borrowers while protecting taxpayers from shouldering the financial burden of the wrongdoing committed by predatory actors within the for-profit education sector. The regulation ensures students at schools that suddenly close know their options and that their loans are automatically discharged if they do not continue their studies at a "substantially similar" program within three years of the school's closure. The policy further requires that schools cannot use mandatory arbitration agreements to bar students from bringing borrower defense claims directly to the courts, which is consistent with the Department's stated belief that students have a right to seek legal remedies in court when they think their college has defrauded them.

We request that you reconsider your decision and instead swiftly move to implement both common-sense rules. A delay or attack on these two safeguards could leave taxpayers and students on the hook when

schools commit abuses or suddenly shutter their doors; impede justice for defrauded students; and make more opaque career education programs that impose long-term financial hardships for graduates.

The Department of Education's oversight functions to combat potential fraud and abuse in the for-profit education industry are absolutely essential given that many for-profit schools are almost entirely dependent on federal grants and loans. We urge you to prioritize the needs of students and taxpayers by ensuring transparency and accountability among for-profit educational institutions. We look forward to the immediate enactment and robust enforcement of the Gainful Employment and Borrower Defense to Repayment Rules—in full and without delay.

Sincerely,



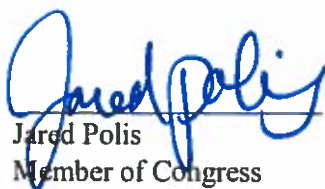
Mark Takano
Member of Congress



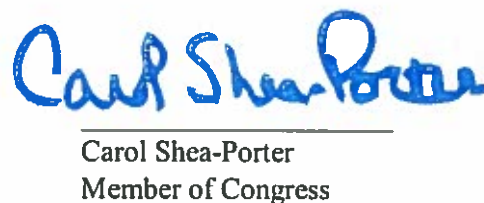
Raúl M. Grijalva
Member of Congress



Suzanne Bonamici
Member of Congress



Jared Polis
Member of Congress



Carol Shea-Porter
Member of Congress