

## **PENDING BORROWER DEFENSE CLAIMS**

*Question.* How many borrower defense claims are currently pending review, decision, or adjudication by any Department official in total and disaggregated by state?

a. How many pending claims are from students who attended Corinthian or ITT, respectively, disaggregated by state?

b. After Corinthian and ITT, what are the next three largest sources of borrower defense claims, disaggregated by institution?

c. How many borrowers who have a pending borrower defense application have had their forbearance expire?

d. How many borrowers who have a pending borrower defense application will have their forbearance expire within the next six months?

e. What is the total dollar value of accumulated interest and fees for borrowers whose claims are pending?

*Answer.* For parts (a) and (b), please refer to Tables (A) and (C) in the following attachment.

As of May 1, 2018, there are a total of 99,335 claims are currently pending review, decision or adjudication. State level data is provided in Table A.

a. As of May 1, 2018, there are approximately 45,675 pending claims associated with students who attended Corinthian and 13,175 claims associated with students who attended ITT. State level data is provided in Table A.

b. (May 1, 2018): The next three largest sources of borrower defense claims are associated with DeVry University with approximately 10,275 claims, Education Management Corporation (EDMC) with approximately 4,435 claims, and the Apollo Group (University of Phoenix) with approximately 3,965 claims. Institution level data is provided in Table C.

c. Borrowers who have submitted a substantially complete application have not had their forbearance expire within the last 12 months.

d. The Department has no borrowers with a pending borrower defense application that will have their forbearance expire within the next six months.

e. Outstanding interest for borrowers with pending claims total approximately \$368.8 million for all loans, including loans unrelated to the Borrower Defense claim. This includes all unpaid interest on all outstanding loans (some of which may have accrued prior to submission of the claims). Previously paid or capitalized interest is not included.

## **DISAGGREGATED BORROWER DEFENSE CLAIMS BY STATE**

*Question.* How many borrower defense claims has the Department received on or after January 20, 2017, disaggregated by state?

a. How many of those claims received are from students who attended Corinthian or ITT, respectively, disaggregated by state?

*Answer.* Please refer to Table (B) in the following attachment.

The Department has received approximately 63,525 borrower defense claims since January 20, 2017. State level data is provided in Table B.

a. As of May 1, 2018, the Department has received 23,555 claims that are associated with students who attended Corinthian; 7,935 are associated with students who attended ITT. State level data is provided in Table B.

### **APPROVED BORROWER DEFENSE CLAIMS BY STATE**

*Question.* How many total borrower defense applications has the Department approved between January 20, 2017 and today? What is the total dollar amount of relief?

a. How many of any approved borrower defense claims during this time period are from students who attended Corinthian or ITT, respectively, disaggregated by state?

Answer. Please refer to Table (D) in the following attachment.

Between January 20, 2017 and May 1, 2018, 12,385 approved borrower defense to repayment claims were from borrowers who attended Corinthian Colleges, and 10 approved BD claims were from borrowers who attended ITT Tech. The Department has prioritized claims from Corinthian College borrowers, so very few claims from ITT Tech borrowers have been reviewed to date. State level data is provided in Table D.

### **BORROWER DEFENSE REFUNDS DISCHARGED UNDER TRUMP ADMINISTRATION**

*Question.* Of the borrowers whose borrower defense claims were approved (as designated by an email from Federal Student Aid) but who had not yet received a discharge or full refund on or before January 19, 2017, how many have since received a discharge or full refund posted to their accounts?

a. How many attended Corinthian, ITT, or ACI, respectively, disaggregated by state?

b. What is the total dollar value of accumulated interest and fees for these borrowers whose applications have not yet received their previously-approved discharge or refund, if any?

Answer. All borrowers who were notified regarding decisions of the decision on their claim prior to January 20, 2017, have been discharged/received the appropriate loan discharge, unless the borrower has been/was notified that he or she did not have a qualified loan and needed to first consolidate their loans and have so that it could be discharged and the borrower has not done so.

a. As of May 1, 2018, approximately 11,715 students who received discharges attended Corinthian, 35 students attended ITT, and 2,705 students attended ACI. State level data is provided in Table E.

b. As of May 1, 2018, the outstanding interest for borrowers with pending claims totals approximately \$143.2 million. This includes all unpaid interest on all outstanding loans (some of which may have accrued prior to submission of the claims).

## **INSTITUTIONS AND PROGRAMS WITH STUDENTS GRANTED REFUND OR DISCHARGE UNDER BORROWER DEFENSE**

*Question.* Please indicate which institutions and programs have borrowers with approved claims that are eligible for or have been granted:

- a. Full refund of amounts paid; or
- b. Discharge of loan balances outstanding.

*Answer.* The following institutions and programs have borrowers with approved claims: Corinthian-Direct Loans, Federal Family Education Loans (FFEL), and Federal Perkins Loan (Perkins); American Career Institute (ACI)- Direct Loans; and ITT-Direct Loans and FFEL

## **WAGE GARNISHMENT AND COLLECTIONS AFFECTING FORMER CORINTHIAN COLLEGE STUDENTS**

*Question.* How many former students of Corinthian Colleges, Inc. with first enrollment dates between 7/1/2010 and 9/30/2014 are in the Debt Management Collection System (DMCS)? Please also provide the number of those borrowers in wage garnishment or in the Treasury Offset Program (TOP).

*Answer.* There are 143,318 former Corinthian Colleges, Inc. students who have accounts in the Debt Management Collection System (DMCS). 5,305 of those borrowers are subject to Administrative Wage Garnishment. 59,951 of those borrowers are in the Treasury Offset Program.

## **QUARTERLY REPORTS ON BORROWER DEFENSE CLAIMS**

*Question.* Per Senate Report 115-150, the Department is directed to issue quarterly reports on borrower defense claims that include the total and median dollar amount of outstanding debt from borrowers prior to discharge, the percentage of the total approved claims receiving partial relief, the median student loan debt remaining as part of claims receiving partial relief, the total number of pending borrower defense claims, total number of approved borrower defense claims, total dollar amount of relief, and total number of denied claims, all disaggregated by State. The Explanatory Statement accompanying the Fiscal Year 2018 Consolidated Appropriations Act (P.L. 115-41) required the Department to include additional information in these reports: the total and median dollar amount of outstanding debt from borrowers prior to discharge, the percentage of total approved claims receiving partial relief, and the median student loan debt remaining as part of claims receiving partial relief.

- a. Why has the Department not yet provided these quarterly reports?
- b. When will the Department provide the first report?
- c. Will the Department post these reports on its website as encouraged by Senate Report 115-150?

*Answer.* a. FSA had not yet developed metrics that would allow it to provide these reports. Additionally, time was needed to develop, document, and communicate the new processes to the servicers.

b. FSA anticipates the first report will be published on July 31, 2018 for the reporting period ending June 30, 2018.

c. Yes.