

# United States Senate

Washington, DC 20510-1304

April 15, 2025

Dear Counselor:

For more than a decade, I have been writing to you as you support Illinois students navigating their options for postsecondary education. This is an important decision that helps set students up for college, career, and life. That is why for the 12th consecutive year, I am again asking for your help to ensure that your students receive accurate and up-to-date information about their options, including the risks associated with attending for-profit colleges.

I want to recognize your work to guide Illinois students and families to pursue quality postsecondary options, especially this year, as the Trump Administration recklessly attempts to dismantle the Department of Education (Department). President Trump already has announced that student loans would be moved to the Small Business Administration (SBA)—an agency that has no experience servicing student loans—and that he plans to fire 40 percent of SBA's staff. The day after President Trump announced that the Department would gut nearly half its staff, the Free Application for Federal Student Aid (FAFSA) form crashed on the Department's website. With the end of the COVID-19 pandemic federal student loan payment freeze and after last year's troubled FAFSA rollout, students need certainty, not chaos, as they navigate the student aid process. That is where you come in.

In the past few years, our nation has experienced workforce shortages across various industries. For example, Illinois is projected to face a shortfall of nearly 15,000 nurses this year—with half of nurses in Illinois age 55 and older. The Illinois State Board of Education had nearly 3,900 unfilled teaching positions, as well as an additional 3,600 unfilled school staff positions as of October 2024. Without a trained workforce, Illinois will continue to face labor shortfalls across these crucial sectors.

I am a strong advocate for postsecondary education. However, not all postsecondary institutions offer the same quality of education, job prospects, or potential to pay down student debt. For more than a decade, I have sounded the alarm about for-profit colleges' long history of deceiving students, especially low-income students and students of color, by falsely advertising a high-quality degree and well-paying job. In reality, these predatory schools offer students a low-quality, high-cost education that too often leaves them with student debt but no degree.

For-profit colleges charge higher tuition than public universities, resulting in higher amounts of student debt. According to the Federal Reserve, students who attend for-profit institutions take on more student debt and are more likely to default on their student loans than those attending similarly selective public universities. Another study found students who enroll at for-profit colleges are less likely to complete their program than students who attend public or non-profit institutions. Data also shows students who attend for-profit colleges have poorer employment outcomes. Even when compared to high school graduates that did not pursue a

postsecondary education, there is a lack of evidence that graduates from for-profit colleges have higher earnings.

While students pay more to attend for-profit colleges than public institutions, for-profit colleges too often fail to invest tuition dollars into academic instruction or student supports—services that are proven to help students succeed. Instead, they consistently outspend public and private nonprofit colleges in advertising, bombarding students with misleading messages. The Brookings Institution found that for-profit colleges spend nearly \$400 per student on advertising, compared to approximately \$14 and \$48 per student spent by public and private nonprofit universities, respectively.

Borrower defense to repayment is a student loan forgiveness program that provides relief to borrowers who were defrauded by their college or university. This program was used infrequently until 2015, when several for-profit college titans collapsed overnight. As of January 2023, the Department's most recently publicly available data, nearly 780,000 borrowers had applied for discharge of their federal student loans, including 41,184 Illinois borrowers.<sup>1</sup> By the end of then-President Biden's term, the Department had discharged \$34.5 billion in federal student loans for more than 1.7 million borrowers who were defrauded by for-profit colleges. This included a class action settlement the Department reached to discharge an additional \$6 billion in federal student loans for 200,000 borrowers who attended 151 predatory institutions—nearly all of which were for-profit colleges.

From January 2014 to April 2023, 2,365 for-profit campus locations around the country closed, including 74 campuses in Illinois. In the last decade, several of the worst actors in the industry shuttered their doors, including Corinthian College, ITT Technical Institute, Westwood College, and Dream Center's Argosy University and Illinois Institute of Art. These companies engaged in a variety of fraudulent and predatory practices, including falsifying job placement rates, lying about the ability to transfer credits, and pushing students into high-cost, private student loans that they could never pay back. When they abruptly closed, hundreds of thousands of students across the country—including thousands in Illinois—had their education disrupted and were left with student loans, no degree, and the inability to transfer credit.

These bad actors are not unique. Nearly every major for-profit college company has been investigated or sued for deceptive practices, and there are still multiple proprietary institutions that continue to prey on students. According to publicly available information, the following for-profit college companies and brands operating in Illinois or offering degrees exclusively online are currently or have been the subject of investigations or lawsuits by state Attorneys General and/or federal agencies; recently have paid millions as part of state and/or federal settlements for deceptive practices; or have been found guilty of fraud in a court of law:

- American Intercontinental University and Colorado Technical University—owned by Perdoceo Education Corporation (formerly Career Education Corporation)
- Ashford University—owned by University of Arizona and operating as University of Arizona Global Campus
- Capella University—owned by Strategic Education, Inc.

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<sup>1</sup> <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

- Chamberlain University and Walden University—owned by Adtalem Global Education
- DeVry University—formerly owned by Adtalem Global Education
- Empire Beauty School
- Grand Canyon University
- Kaplan University—now known as Purdue University Global
- Lincoln Educational Services—operating in Illinois as Lincoln College of Technology
- University of Phoenix

Financial instability at for-profit colleges can be a first sign that a company or school is more likely to close. A number of for-profit institutions have been placed on Heightened Cash Monitoring (HCM)—a step the Department takes to provide additional oversight for institutions with financial or federal compliance issues. According to data from December 2024, for-profit colleges operating in Illinois on the Department’s HCM list include:<sup>2</sup>

- Ambria College of Nursing
- Cannella School of Hair Design
- John Amico School of Hair Design 2
- Oehrlein School of Cosmetology
- Pivot Point Academy
- State Career College
- Trenz Beauty Academy

A school’s accreditation status may be a signal that a school will result in a good return on investment. However, history shows that a school’s accreditation status is not always a reliable source of academic quality. For example, some accrediting agencies like the Accrediting Council for Independent Colleges and Schools (ACICS) had approved predatory institutions like Corinthian, ITT Tech, and Westwood College up until the day those institutions closed, despite clear warning signs that these companies were defrauding students.

The Department has taken positive steps to hold accrediting agencies like ACICS accountable by revoking their federal recognition. As a counselor, you also can help students take steps to choose high-quality institutions. Rather than relying on a school’s accreditation status, students and parents should look at student outcome data. Here is one data point I hope you will remember and explain to your students: for-profit schools enroll just eight percent of all postsecondary students but account for 30 percent of all federal student loan defaults. Students can find information about individual schools’ student outcomes through the College Scorecard, which provides data on median earnings by field of study, graduation and retention rates, typical debt after graduation, and typical monthly federal student loan payments. It can be accessed at <https://collegescorecard.ed.gov>.

Student outcome data related to the Department’s Gainful Employment (GE) rule also may be helpful for students and parents. The GE rule acts as a guardrail against for-profit colleges that leave students with unaffordable debts relative to their earnings. Under the first year of GE disclosures in 2017, the most recent year this data was made public, more than 98 percent of programs that failed the GE criteria were operated by for-profit schools. Of those that

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<sup>2</sup> <https://studentaid.gov/data-center/school/hcm>

failed in Illinois, all were operated by for-profit companies. The most recent available GE data for all career programs is available by clicking on “Download the Debt to Earnings data spreadsheet” at <https://studentaid.gov/data-center/school/ge>. Further, students also may ask schools for their current GE disclosures for career education programs and use this information to compare their options.

GE data typically reveal that a student’s best option for career training programs is through a community college, which offers affordable, quality programs with credits that will almost always transfer to other schools. As a trusted voice in your school community, I encourage you to work closely with your local community colleges, public universities, and private nonprofit institutions to ensure students have information on quality, affordable postsecondary education options.

Thank you for all the work you do to support Illinois students and for sounding the alarm on the risks of attending a for-profit college. Your students look to you for advice, and you have the ability to prevent them from signing up for a lifetime of debt. I encourage you to reach out to my office at 202-224-2152 if you have any questions.

Sincerely,



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Richard J. Durbin  
United States Senator