COMMITTEE ON AGRICULTURE

COMMITTEE ON EDUCATION AND LABOR

## Congress of the United States

## House of Representatives

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October 25, 2019

Mr. Bobby Scott Chairman House Committee on Education and Labor 2176 Rayburn House Office Building Washington, D.C. 20515

Dear Chairman Scott,

Thank you for your continued leadership to hold the Department of Education, and Secretary Betsy DeVos, accountable for their handling of the Corinthian Colleges closure and the continued impact to students across the country, and particularly California students. We write today to commend you for using all avenues afforded to you as Chairman to compel Secretary Betsy DeVos to come before the committee to shed light on her decision to collect student loan payments from students of the now defunct Corinthian Colleges.

In light of last week's reports, we are extremely concerned by the Department's handling of the closures and strongly support your efforts to call to account Secretary DeVos for her treatment of these students.

Earlier this year the Department of Education admitted to "erroneously collecting the loans of some 16,000 borrowers who attended Corinthian Colleges, despite being ordered to stop doing so."<sup>1</sup> Even more egregiously, evidence demonstrates that the Education Department, under Secretary DeVos's leadership, made minimal effort to comply with a previous preliminary injunction issues in May 2018, which ordered the Department to immediately halt its collection of the loans.<sup>2</sup>

The Secretary's egregious actions were called further in to question just yesterday when U.S. Magistrate Judge Sallie Kim made a rare judicial rebuke, holding Secretary DeVos in contempt of court—the first such decision since 2011. In addition to being held in contempt the court has imposed a \$100,000 fine on the Department for violating the previous order to stop collecting student loan payments owed by the students of the defunct for-profit Corinthian College. This fine will be delegated to a fund held by the former Corinthian student's attorneys and is intended to help cover the damages and expenses associated with the improper loan collections.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> https://www.politico.com/news/2019/10/24/judge-holds-betsy-devos-in-contempt-057012

<sup>&</sup>lt;sup>2</sup> https://www.politico.com/news/2019/10/08/betsy-devos-education-department-039414

<sup>&</sup>lt;sup>3</sup> Id. 1

This rare step, holding Secretary DeVos in contempt, demonstrates the devastating damage that both Secretary DeVos and the Department of Education have caused students in our districts and across California. Thank you for leading this effort, and for continuing to press Secretary DeVos to answer questions regarding the handling of the Corinthian College closures.

Sincerely,

United States Representative (CA-10)

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Susan Davis United States Representative (CA-53)