



FOR IMMEDIATE RELEASE
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**AG SLATERY JOINS BIPARTISAN COALITION URGING RELIEF FOR STUDENT
BORROWERS ENROLLED AT SCHOOLS OPERATED BY DREAM CENTER
EDUCATION HOLDINGS, LLC**

Nashville- Tennessee Attorney General Herbert H. Slatery III joined a bipartisan coalition of 30 state Attorneys General requesting that U.S. Department of Education Secretary Betsy DeVos exercise her authority to extend the closed school discharge timeframe for students who were enrolled in schools operated by Dream Center Education Holdings, LLC (DCEH).

The Attorneys General write in the letter that a “wide variety of regulators, including the U.S. Department of Education, have found that DCEH violated numerous federal and state laws, was noncompliant with accreditors and grossly mismanaged its schools—including Argosy University, The Art Institutes, and South University—leading to the schools’ recent closures.”

“This Office is acting on behalf of Tennessee students who were enrolled at The Art Institutes and Argosy in Nashville,” said General Slatery. “When those schools closed in December 2018, students were unfairly left with substantial debt and no degree to show for it.”

Under closed school discharge, former students may be eligible for a 100 percent discharge of their federal student loans if they were unable to complete their program because their school closed. Closed school discharge is only allowed for students who were enrolled at the time the school closed; were on an approved leave of absence when the school closed; or withdrew within 120 days of the school’s closure, unless the Secretary approves a longer period.

The letter details the myriad of ways in which DCEH violated federal and state law, and grossly mismanaged the schools, which led to the schools’ rapid closures in less than 18 months after DCEH acquired the entities. Two egregious examples include:

- (1) DCEH failed to inform students that two of its schools lost their accreditation for several months—during which time students registered for additional terms and incurred additional debts for credits that could not be used.
- (2) DCEH failed to distribute over \$16 million in federal loan credit balance refunds to students. These were student loan stipends often used for food and housing expenses.

To read the letter, click here:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2019/pr19-devos-letter.pdf>





Herbert H. Slatery III Attorney General & Reporter

The letter was led by the Attorneys General of Oregon and Minnesota, and co-signed by California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, Washington and Wisconsin.

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