

DRO and the Oregon Department of Justice win cancellation of predatory college loans

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As part of an ongoing effort to curb predatory recruitment and lending practices at for-profit colleges and trade schools, DRO staff attorney Joel Greenberg helped a client who has a life-long history of significant cognitive disabilities. We took on the case after learning that she owed **\$13,000 dollars after being convinced to enroll at a for-profit college, even after failing her classes twice**. A successful joint effort with **Erious Johnson**, Assistant Attorney General and Director of Civil Rights at the [Oregon Department of Justice](#), eventually resulted in the cancellation of all of the loans.

After opening a case, Greenberg researched and established the following facts after speaking extensively with the student and her mother:

- Despite many years of special education, a strong desire to better herself, and a winning attitude, her abilities were such that she had not been able to earn a regular high school diploma or consistently hold a paying job. **She could not apply the few math skills that she had to everyday situations** — she could not divide money between three people, or understand whether she was being shortchanged at a store.
- Nevertheless, when she called the toll-free number after watching one of the many TV ads for the college. She was actively recruited to visit and begin her college education. After a van from the college picked our client up from her bus stop, she met with staff who assured her they would help her obtain both private and federally subsidized loans. She was also **convinced that she would be able to pay off those loans easily after she earned her degree** and landed a good job in her chosen career.
- The staff did not see did not have any of the basic skills that she would need to earn a degree. When she repeatedly worried that she might need tutoring or special help to pass courses, she was reassured that they routinely provided tutoring support to many students with disabilities. Later, those reassurances amounted to nothing after she began her courses and could not do the work. When this happened, **the college informed her that it was not able to provide support services under the ADA without additional testing that would cost her \$500** that she did not have. It could not be paid for by her mounting educational loans.
- When our client failed her courses, she was encouraged by college counselors to “try again” and take out new loans. After **three rounds of failure and loans**, she decided to quit. Her debt was approximately \$13,000 and collection agencies began to call her.

With those facts in hand, Mr. Johnson was able to contact the college’s parent company and secure the cancellation of her debt. The case was a good example of how collaboration and referrals from DRO to ODOJ can produce good results for individuals with disabilities who are preyed upon by predatory lending and college recruiting practices. If you know of a similar situation, you may [contact our Intake team](#).