

Macias, Wendy

From: [REDACTED]
Sent: Wednesday, June 17, 2009 10:11 PM
To: negreg09
Subject: Suggestions to fix postsecondary education regulation

Dear Honorable Senators and Representatives,

In response to the Department of Education's request for public comment on the future of higher education I have the following suggestions. I hold two degrees: a bachelor's degree in biology from Rutgers the State University of New Jersey and a professional degree in chiropractic from the private nonprofit school Life University in Georgia. My comments reflect my own experiences at these two institutions.

My largest concerns in education have to do with the glaring lack of protections for student borrowers. In Barr's book "Student Loan Law" there is a passage describing how DOE fell to rubber stamping postsecondary institutions due to a lack of resources. The current climate does not appear to have substantially changed. Regulation of accreditation agencies is very loose with complete acceptance of subjects that have no basis in scientific fact or scholarly inquiry, for example recognition of accreditation for astrology and alternative health care fields that are not evidence based.

My experience at Life University, a chiropractic professional school, revealed the pitfalls of this policy. In a recent complaint to DOE I showed that Life University violated both state law and accreditation standards for a decade yet went without reprimand by its accreditor the Council on Chiropractic Education. The worst of the violations included teaching a false system of diagnosis that predisposed graduates to malpractice and insurance fraud as well as false advertisements in official admissions publications. The accreditor was initially very uncooperative and tried to stonewall my complaint. DOE was able to force a response that led to an admission of guilt by the program's accreditor yet DOE stated that it had no obligation to warn graduates of the program that they were unqualified to practice or force the program to make reparations to students. DOE stated that it was the responsibility of state licensing boards to determine the fitness of graduates to be licensed yet these boards rely on accreditation to show that graduates learned the required curriculum. Because an admission was never made, these programs scapegoat graduates individually for systemic problems and many patients are harmed both physically and financially. Aside from minor cosmetic changes at the institution, the program retained its eligibility for federal loans and continues many of the same practices today.

I was placed in an ethical dilemma regarding my own education. On the one hand, the lack of training I experienced clearly placed me at risk for malpractice and insurance fraud so practicing with the degree was ethically questionable. On the other hand, DOE would not remove the accreditation of the program so no lawyer would take the case on contingency and allow me to sue the school for fraud. I had no recourse in the Sallie Mae system. I learned of the provision for a Borrower's Defense in the Direct Loans program and am now filing to discharge my loans.

It is inherently unfair that borrower's in the Direct program can file Borrower's defenses while Sallie Mae borrower's can't. This needs to be changed so all borrowers have this right. Second, students should be made aware that Borrower's Defenses are an option by including text about them in student loan entrance and exist documentation. These defenses are an important feedback to help DOE get feedback on schools that are violating state law and should not be eligible for financial aid.

The issue of false advertising is very serious. Chiropractic schools in particular run amok with it. Reputable published studies show that most of the chiropractic schools are using false advertising. Typically they set themselves up as private nonprofit institutions so that they can avoid regulation by the Federal Trade Commission (FTC) for false advertising. They also try to lobby to escape state regulators, as Life did in Georgia. Outside of these regulators, they have free reign to engage in false advertising knowing that their accreditors will not enforce regulations if the majority of institutions are violating standards. To stop them we need to end the exemptions and mandate that the FTC regulate all nonprofit institution advertising and ensure that no false or misleading ads are allowed. Repeat violators should be ineligible to participate in the federal student loan programs.

Another problem is that the formulas that are used to figure student loan defaults greatly underestimate them because they do not count loan consolidation defaults. Many students default on loan consolidations yet the schools which they attended are able to have an artificially low default rate. This needs to stop.

Borrower's defenses and increased regulation would greatly lower default rates and prevent substandard program. It is not fair that students should be scapegoated as deadbeats when the reality is that poor regulation allows substandard academic programs to flourish and use illegal tactics to induce them to attend. We must attack the problem at its source, the schools, not blame the victims (the students) for the problems that the schools cause.

Sincerely,

