

FOR IMMEDIATE RELEASE

Contact: David Carl

January 3rd, 2019

(505) 288-2465

Student Loan Company will Forgo Collecting in New Mexico as AG Balderas, 48 Attorneys General Reach Settlement

Settlement will bring \$1.8 million in debt relief for CEC students in New Mexico

Albuquerque, NM - For-profit education company Career Education Corp. (CEC) has agreed to reform its recruiting and enrollment practices and forgo collecting about \$1.8 million in debts owed by 709 New Mexican students, and millions more nationally, in a settlement with Attorney General Balderas and 48 other attorneys general.

“I will always fight to ensure that New Mexican students are not taken advantage of,” said Attorney General Hector Balderas. “This settlement will help hundreds of hard-working New Mexicans continue to reach their educational goals, and provide for their families.”

As a result of this settlement, CEC agrees to forgo any and all efforts to collect debts owed by former students in New Mexico.

CEC has also agreed to pay \$5 million to the states, with New Mexico receiving about \$75,000.

CEC has closed or phased out many of its schools over the past 10 years. Its brands have included Briarcliffe College, Brooks Institute, Brown College, Harrington College of Design, International Academy of Design & Technology, Le Cordon Bleu, Missouri College, and Sanford-Brown.

In 2014, student complaints led to an investigation, which revealed evidence demonstrating that:

- CEC used emotionally charged language to pressure them into enrolling in CEC’s schools;
- CEC deceived students about the total costs of enrollment by instructing its admissions representatives to inform prospective students only about the cost per credit hour without disclosing the total number of required credit hours;
- CEC misled students about the transferability of credits into CEC from other institutions and out of CEC to other institutions by promising on some occasions that credits would transfer;
- CEC misrepresented the potential for students to obtain employment in the field by failing to adequately disclose the fact that certain programs lacked the necessary programmatic accreditation; and,
- CEC deceived prospective students about the rate that graduates of CEC programs got a job in their field of study, thereby giving prospective students a distorted and inaccurate impression of CEC graduates’ employment outcomes. For instance, CEC

inaccurately claimed that its graduates were “placed” who worked only temporarily or who were working in unrelated jobs.

Because of the unfair and deceptive practices described above, students enrolled in CEC who would not have otherwise enrolled, could not obtain professional licensure, and were saddled with substantial debts that they could not repay nor discharge. CEC denied the allegations but agreed to resolve the claims through this multistate settlement.

CEC has agreed to forgo collection of debts owed to it by students who either attended a CEC institution that closed before Jan. 1, 2019, or whose final day of attendance at AIU or CTU occurred on or before Dec. 31, 2013.

Former students with debt relief eligibility questions can [contact CEC](#).