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## **NEWS FOR IMMEDIATE RELEASE**

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### **Wisconsin DOJ Announces \$36 Million in Loan Discharge for more than 3,000 Wisconsinites who Attended Corinthian Colleges, Inc.**

MADISON, Wis. – The Wisconsin Department of Justice (DOJ) today announced that a DOJ Investigation aided in the U.S. Department of Education’s (DOE’s) discharge of all remaining federal student loans borrowed to attend any campus owned or operated by Corinthian Colleges Inc. (Corinthian) from its founding in 1995 through its closure in April 2015. This will result in 560,000 borrowers receiving \$5.8 billion in full loan discharges. In Wisconsin, 3,320 borrowers will receive \$36.2 million in full loan discharges.

“Corinthian’s predatory practices unfairly left people across the country with substantial debt, and this action is long overdue,” said Attorney General Josh Kaul. “I applaud the Biden administration for taking this step that will result in the full discharge of student loan debt for more than 3,000 Wisconsinites.”

In 2014, Wisconsin filed a civil enforcement lawsuit against Corinthian alleging that Corinthian engaged in false, misleading, and deceptive representations to induce students to enroll in Everest College, a post-secondary school operated by Corinthian. In 2015, Wisconsin obtained a judgement against Corinthian that found Corinthian violated Wisconsin consumer protection laws, enjoined Corinthian from committing future law violations, and ordered Corinthian to pay \$9,430,200 in pecuniary losses sustained by Wisconsin consumers.

In 2016, DOJ petitioned DOE to discharge Wisconsin Corinthian Students from their student loan obligations under DOE’s Borrower Defense to Repayment rules. On Wednesday, June 1, 2022, DOE [announced](#) the full loan discharge for all remaining

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federal student loans borrowed to attend any Corinthian college. This includes borrowers who have not yet applied for a borrower defense discharge, who will have their Corinthian loans discharged without any additional action on their part.

“We are glad to announce today the results of our positive teamwork with Wisconsin DOJ,” said Federal Student Aid Chief Operating Officer Richard Cordray. “This action finally resolves our unfinished business with the closed Corinthian Colleges schools. For the many students who were cheated and had their futures marred by deception and fraud, we are now erasing their remaining student loan debts. Students do not have to take any action to receive the loan discharge.”

DOE first concluded in 2015, that Corinthian engaged in widespread and pervasive misrepresentations related to a borrower’s employment prospects, including guarantees they would find a job. Corinthian also made pervasive misstatements to prospective students about the ability to transfer credits and falsified their public job placement rates. Founded in 1995, Corinthian acquired several troubled private for-profit colleges across the country. At its peak in 2010, it enrolled more than 110,000 students at 105 campuses.

DOE will soon begin notifying students who attended Corinthian of the discharge decision, with the actual discharges following in the months after. Borrowers will not have to take any actions to receive their discharges.