



Bureau for Private Postsecondary Education
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Bureau for Private Postsecondary Education
Notice of Advisory Committee Meeting and Agenda

Thursday, August 16, 2018, at 9:30 a.m.
Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd., Sacramento, CA 95834

The Bureau plans to webcast this meeting on its website. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties that may arise. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. To view the Advisory Committee meeting webcast, please visit the following link: <https://thedcapage.wordpress.com/webcasts/>.

Agenda

The public may provide appropriate comment on any issue before the Advisory Committee at the time the item is discussed. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment.

1. Welcome, Introductions and Establishment of a Quorum
2. Public Comment on Items not on the Agenda (Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))
3. Review and Approval of May 15, 2018, Advisory Committee Meeting Minutes
4. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters.
5. Bureau Operations Update and Discussion related to the following:
 - a. Enforcement Report – Yvette Johnson
 - b. Compliance Report – Beth Scott
 - c. Licensing Report – Marina O'Connor
 - d. Quality of Education Report – Robert Bayles
 - e. Office of Student Assistance and Relief (OSAR) Report – Scott Valverde

6. Status Updates related to the following Regulations:
 - a. Registration for Out-of-State Private Postsecondary Educational Institutions (CEC sections 94850.5 and 94801.5)
 - b. English as a Second Language Programs (Title 5, CCR, Section 70000 (k))
 - c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)
 - d. Compliance with Laws and Procedures (Title 5, CCR, Section 71755)
7. Discussion Regarding Assembly Bill 1178 (Postsecondary Education: Student Loans) (2017-2018) Regarding Student Debt Disclosures
8. Future Agenda Items
9. Adjournment

Notice to the Public

All times are approximate and subject to change. The meeting may be cancelled without notice. A lunch break will be taken at a time determined by the Advisory Committee members. Action may be taken on any item on the agenda. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited. Agenda items may be taken out of order.

This meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation or modifications in order to participate in the meeting may make a request by contacting Richie Barnard at (916) 431-6930 or, for the hearing impaired, TDD (800) 326-2297; or by sending a written request to the Bureau at P.O. Box 980818, W. Sacramento, California 95798-0818, Attention: Richie Barnard. Providing at least five working days' notice before the meeting will help ensure the availability of accommodations or modifications.

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WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Katherine Lee-Carey, Chair

- Institutional Representative (Appointed by DCA Director)

Margaret Reiter, Vice-Chair

- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Tamika Butler

- Public Member (Appointed by Speaker of the Assembly)

Hanya Carbajal

- Past Student of an Institution (Appointed by DCA Director)

Joseph Holt

- Institutional Representative (Appointed by DCA Director)

Megumi Tsutsui

- Consumer Advocate (Appointed by DCA Director)

David Vice

- Institutional Representative (Appointed by DCA Director)

Assemblymember Jose Medina (Kevin Powers)

- Non-Voting, Ex Officio Member (Appointed by Speaker of the Assembly)

Senator Jerry Hill (Sarah Mason)

- Non-Voting, Ex Officio Member (Appointed by the Senate Committee on Rules)

Agenda Item 2

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

(Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a).)

Agenda Item 3

**REVIEW AND APPROVAL OF MAY 15, 2018, ADVISORY COMMITTEE MEETING
MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from May 15, 2018



Advisory Committee Meeting Minutes
Tuesday, May 15, 2018
9:30 a.m.

Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd.
Sacramento, CA 95834

Advisory Committee Members in Attendance

1. Joseph Holt
2. Katherine Lee-Carey
3. Margaret Reiter
4. Megumi Tsutsui
5. EJ Aguayo (on behalf of Assemblymember Jose Medina)
6. Sarah Mason (on behalf of Senator Jerry Hill)

Committee Members Absent

Gabrielle Jimenez
Diana Amaya
Tamika Butler
Hanya Carbajal
David Vice

Bureau for Private Postsecondary Education (Bureau) and DCA Staff in Attendance

Dr. Michael Marion Jr., Bureau Chief
Leeza Rifredi, Deputy Bureau Chief
Yvette Johnson, Enforcement Chief
Beth Scott, Enforcement Chief
Marina O'Connor, Licensing Chief
Robert Bayles, Education Administrator
Scott Valverde, Office of Student Assistance & Relief Chief
Mina Hamilton, Legal Counsel, Department of Consumer Affairs
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs
Kent Gray, Legislative Analyst
Dean Grafilo, Director, Department of Consumer Affairs (partial attendance)

Agenda #1 - Welcome, Introductions, and Establishment of a Quorum

BPPE Advisory Committee Chair Katherine Lee-Carey called the meeting to order at 9:31 AM. She welcomed two Advisory Committee members present on behalf of Senator Jerry Hill and Assemblymember Jose Medina. Sarah Mason represented Senator Hill, and EJ Aguayo represented Assemblymember Medina.

Agenda #2 - Public Comment on Items not on the Agenda

Angela Perry of The Institute for College and Success (TICAS) provided a public comment. Ms. Perry commented on the potential acquisition of Devry University by Cogswell Education. She stated TICAS is interested in the role of the Bureau in regard to the acquisition.

Agenda #3 - Review and Approval of February 15, 2017, Advisory Committee Meeting Minutes

Margaret Reiter moved to approve the minutes; Joseph Host seconded the motion. (Ms. Lee-Carey: Aye; Ms. Reiter: Aye; Mr. Holt: Aye; Megumi Tsutsui: Aye; Ms. Mason: Aye; Mr. Aquayo: Abstained). The motion passed.

Agenda #4 - Remarks by Representative of the Department of Consumer Affairs

Dean Grafilo, Director of DCA, provided remarks on behalf of DCA. He stated he is looking forward to working with the Bureau on the new IT system project. He commented on the most recent Director's quarterly meeting. He noted that various policy and procedures were discussed at that meeting. He added that the next quarterly meeting will be held July 30, 2018.

Ms. Reiter asked about the status of the Bureau's IT project. Dr. Marion noted that the Bureau is ahead of schedule with the project.

Ms. Reiter asked if the Department has conducted an analysis on why the Bureau has not been on the forefront of identifying high risk institutions that eventually cause harm to students following unexpected closures. Mr. Grafilo stated that the Department is always open to working with other agencies to lead in consumer protection. Dr. Marion added that the Bureau is proactively working to train staff regarding this issue.

Agenda #5 - Bureau Operations Update and Discussion [Items under Agenda #5 taken out of order.]

Compliance Report:

BPPE Enforcement Chief Beth Scott provided a report on compliance including the annual reports unit. Ms. Scott stated the frequency and number of inspections conducted have been steadily increasing. Ms. Scott described the new established conference calls conducted by the Annual Reports unit. She noted that the calls are an hour and half in length and provide institutions with an opportunity to ask questions. She added that the calls are being modified and improved upon, and the calls have been contributing to more successful inspection results. She also noted that attendance to Bureau workshops has increased due outreach efforts.

Ms. Scott stated that the annual report portal opens on August 1, 2018 for 2017 annual report submissions. She added that 2017 annual reports are due by December 1, 2017. Ms. Lee- Carey suggested sending institutions a reminder that placement rates are required in the 2017 annual reports.

Ms. Scott reported that the unit has two inspector positions and one office technician position vacant.

Ms. Mason asked what classification are the inspectors. Ms. Scott replied that inspectors are both Associate Governmental Program Analysts (AGPA) and Staff Service Analysts (SSA). Ms. Mason asked how long do inspections last. Ms. Scott detailed that inspections generally occur over the span of one business day and sometimes over two business days. Ms. Mason commented that she is grateful for the work the unit has done in regard to barber/cosmetology schools.

Ms. Reiter asked how the students are questioned during the inspections. Ms. Scott responded that students are both questioned through interviews and surveys. Ms. Reiter asked if the Committee could see the survey given to students. Ms. Scott noted that surveys are being improved through automation due to the Bureau's new SCANTRON processor.

Enforcement Report:

BPPE Enforcement Chief Yvette Johnson provided a report on enforcement. She explained that staff assisted students with \$21,795.02 in refunds directly to students or to their federal student aid account. She noted that staff also helped students with the issuance of transcripts and student records.

Ms. Johnson reported that the Bureau is working with the Attorney General's Office with training in the areas of report writing, investigative techniques, and witness testifying. She added the Bureau has also been working with other DCA boards and bureaus, and outside agencies to aide in the investigative process.

Ms. Johnson noted that of the ten vacancies since last reporting, the unit is down to three vacancies.

Ms. Lee-Carey asked how unapproved institutions are identified. Ms. Johnson stated that there are staff members that focus on researching and discovering unapproved institutions. She added that the Bureau also receives outside tips/complaints on unapproved institutions.

Mr. Holt asked if there are specialized teams that focus on specific types of complaints. Ms. Johnson noted that some staff are dedicated to specific types of issues. Mr. Holt asked if the new IT system will impact the complaint backlog. Ms. Johnson noted that staff would be able to more quickly generate statistical data, which would allow them to spend more time on working with complaints.

Ms. Tsutsui asked about pending complaints and how the bureau communicates with those students. Ms. Johnson replied that an acknowledgment letter is sent to the student. She added that if additional information is needed, then staff sends another letter to the student. She noted that staff turnover has affected communication. Ms. Tsutsui asked if there is a way to set standard time frames to follow up with the student. Dr. Marion stated there is currently a communication plan in work, and noted that the new IT system will be very helpful with keeping staff on track in regard to communication.

Ms. Mason asked what classification are the Compliant Analysts. Ms. Johnson stated the majority are AGPA. Ms. Mason asked if cases are still being tracked once they go to the Attorney General's Office. Ms. Johnson responded that they are still tracked. Ms. Mason asked for an example of an unsubstantiated closure of a complaint. Ms. Johnson gave the example of an unsubstantiated complaint as one where a student claims that they did not receive a refund, when records indicate they in fact did receive a refund.

Ms. Reiter asked if the software mentioned to help track student complaints was in reference to the overall IT system project. Dr. Marion responded that the tracking software statement was in reference to the new IT system. Ms. Reiter asked if there is a short-term solution to address communication between staff and students who submit complaints. Dr. Marion replied that a short-term solution will be considered in conjunction with the long-term solution that will come with the new IT system.

Ms. Reiter asked if there is any on-going analysis conducted to find broader issues within narrow complaints. Ms. Johnson stated that some issues identified in complaints are referred to compliance. Ms. Reiter asked how situations are handled when a student claims "x" and the school claims "y." Ms. Johnson responded that staff looks at documentation for evidence, interviews other students, and conducts further investigations to assist in making a determination. Ms. Reiter requested that the Bureau provide the committee with a sampling of not substantiated-unsubstantiated complaints. Ms. Johnson stated that she brought a summary of allegations and closure reasons from January 2018. Ms. Reiter requested that statistics of

complaints that have been referred to outside agencies be included in the next enforcement report.

Licensing Report:

Marina O'Connor introduced herself as the new Bureau Licensing Chief. She referred to the first page of Attachment 5C in the meeting packet and pointed out that the number of "pending assignment new full approval applications" had dropped from 26 to 17 since April 1, 2018. She added that only 2 of the 17 were submitted as complete applications. She continued that the number of "pending assignment renewal full applications" had dropped from 36 to 16. She noted that the current median date of renewal for full approval applications in que is February 2, 2018.

Ms. Lee-Carey commented on the lack of a pathway available for registration of out of state non-accredited institutions.

Ms. Lee-Carey asked for a status update on ACICS in regard to the Bureau. Ms. O'Connor noted that licensing has been receiving inquiries about the reinstatement of ACICS by the Department of Education. She noted that there is an ACICS FAQ page available on the Bureau website. Dr. Marion added that the Bureau proactively disseminated information as soon as the Bureau learned about the reinstatement of ACICS.

Quality of Education/Education Administration Report:

Education Administrator Robert Bayles provided a report on the Quality of Education Unit. He explained that part of the Quality of Education Unit's mission is the tracking of accreditation plans for non-accredited institutions. He noted that back in 2014 Senate Bill 1247 was passed, which required all degree granting institutions to either be accredited or make progress towards accreditation. Mr. Bayles referred to and outlined Attachment 5D in the meeting packet.

Ms. Lee-Carey questioned if the institutions included under the California Education Code section 94885.5 category included institutions who had to submit an accreditation plan when ACICS lost recognition by the Department of Education. Mr. Bayles clarified that institutions listed under that category in Attachment 5D does not include ACICS institutions.

Ms. Mason asked, of the 49 institutions under an accreditation candidacy status, if there were any trends showing preference towards an accreditor. Mr. Bayles responded that anecdotally it is scattered. He added that he could provide that information to the Committee at the next meeting.

Office of Student Assistance and Relief (OSAR) Report:

Office of Student Assistance and Relief (OSAR) Chief Scott Valverde provided a report on OSAR. Mr. Valverde reported that OSAR staff has been working to increase awareness of the services OSAR provides through various sources of media including: press releases, social media, OSAR website, and on-site presentations with OSAR partners. He noted that OSAR is working to extend student outreach efforts by building relationships with OSAR's statutory partners and cultivating relationships with new partners.

Mr. Valverde detailed how staff is working towards the principal of individualized customer service. He gave an example of assigning specific staff to a specific school closure and/or specific claim from start to finish to foster the individualized approach. He added the staff is receiving on-going training to strengthen that approach.

Mr. Valverde stated that staff is working heavily on preparations for the next potential school closure. He added that OSAR is proactively working with the enforcement unit and is focusing on schools of concern to get ahead of closures before they occur. He noted the preparation ensures staff an effective deployment of resources and a tailored approach towards a potential school closure.

Mr. Valverde commented on requests previously made by the Committee. He noted that an OSAR flyer and information is being sent with Bureau responses to student transcript requests. He added the next step will be to refine the OSAR flyer and follow-up procedures. He stated that staff are taking additional steps to contact students prior to closing a claim by using LexisNexis to research student contact information. He added the next step will be to conduct coordinated training and to incorporate LexisNexis in to processes and procedures.

Mr. Valverde detailed staff's efforts to expand outreach. He noted that staff is working more with high school students and their parents. He stated that staff has participated in a series of events put on by the National Association of College Admissions and Counseling (NACAC). He added that staff is in the early stages of developing an OSAR led workshop, which is expected to launch in the Fall of 2018. He noted that staff has participated in Black Expo and CalVet events. He stated that he has been working with the California Community Colleges Chancellor's Office to explore outreach opportunities. He added that he has been working with the California Workforce Investment Works to include OSAR information at One-Stop Career Centers. He noted that staff is also working with local community centers.

Mr. Valverde presented a video that was developed to walk students through the STRF application form. He noted that material included in the video was based on common mistakes found in STRF applications. He added that staff is now working on a video that will give a broad overview of OSAR services.

Ms. Reiter suggested including information on leave of absence in the video. She questioned if students fully understand what all "loan documents" entails. She added it could be helpful to

add an explanation of “loan documents.” She asked how students would present information about what they paid for legal services. She continued that she was not sure how legal aides would be reimbursed for services if they do not charge the student for the services. Kristy Schiedge, DCA legal counsel, explained that students may only claim legal fees if the fees were paid by the student. Mr. Valverde added that OSAR has not received any claims that include legal fees. Ms. Reiter stated she thought the intent of including legal fee coverage in STRF was to promote students use of legal services.

Mr. Holt questioned what controls and protections does Mr. Valverde have in place to ensure the intended scope of OSAR is maintained. Mr. Valverde explained that OSAR has worked vigorously to uphold transparency of the work OSAR does and to also work closely with the Bureau. He added that he reviews OSAR resources and staff duty statements to evaluate how they mesh with the intent of OSAR along with statutory mandates and provisions. He noted that a focus of OSAR is to ensure staff is prepared in the event of a big school closure and to make every attempt to head off any big school closure.

Ms. Reiter asked if OSAR has worked towards providing students assistance with understanding where and how to file complaints. Mr. Valverde explained that goal is built in to staff procedures. He added that referrals are being made when appropriate. Ms. Reiter asked if that is something that is included in OSAR presentations. Mr. Valverde stated that information on where and how to file a complaint is included in OSAR presentations.

Ms. Reiter asked what information about OSAR is being sent out with transcript request responses. Mr. Valverde stated that the current one-page OSAR flyer is being sent out, but that staff is working on fine tuning the flyer.

Ms. Mason asked if electronic submission of STRF applications had been considered. Ms. Rifredi noted electronic submission is one of the key components being considered with a new IT system.

Ms. Mason questioned what materials are provided when conducting outreach regarding students making informed decision when choosing a school to attend. Mr. Valverde explained that the one-page OSAR flyer is provided. He added that each outreach presentation is customized based on the audience, which includes general talking points and specific items for that audience to consider. He noted some specific items may include red flags, recommendations on research tools, and links to outside resources that may include valuable information pertaining to that audience. Ms. Mason requested examples of those materials be provided to the Committee.

Ms. Mason asked how red flags were developed. Mr. Valverde explained that the red flags are constantly evolving. He stated that when meeting with OSAR partners red flags is always a hot topic of discussion. He added that staff reviews enforcement and complaints internally to identify trends. He noted that staff also engages with students to further try to determine what might be a red flag.

Ms. Tsutui suggested that the National Student Loan Data System and credit reports are good resources for students to use to find loan information. She also suggested offering STRF materials in a variety of languages.

Mr. Valverde outlined Attachment 5E in the meeting materials.

Ms. Reiter commented that if OSAR staff is making recommendations on STRF claims then there could be a conflict of interest in the event a student appeals the decision on a STRF claim.

Ms. Schiedge referred to statute CEC 94949.73(b)(2), and commented that OSAR is tasked with helping to determine the relief eligibility of students. Dr. Marion clarified that the Bureau makes the decision on STRF claims. Ms. Reiter noted that the language states that OSAR is to assist the student determine their relief eligibility, not assist the Bureau. She continued that OSAR is intended to help students and not to reduce the workload of the Bureau. Dr. Marion responded that the Bureau will review the process and ensure the Bureau is complying with statute.

Public Comment:

Ms. Perry stated that TICAS is pleased with the work OSAR is doing. She continued that TICAS would be happy to provide feedback or assistance to the Bureau if needed.

Agenda #6 - Status Updates on Regulations

Dr. Marion pointed to the meeting agenda and provided a status update on Bureau regulations. He stated that Registration for Out-of-State Private Postsecondary Educational Institutions (CEC sections 94850.5 and 94801.5) has been approved by DCA and is currently under review by the Business, Consumer Services, and Housing Agency (Agency). He continued that English as a Second Language Programs (Title 5, CCR, Section 70000 (k)) is under review by the DCA. He noted that the Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395) is under review by the Office of Administrative Law (OAL). He added that Compliance with Laws and Procedures (Title 5, CCR, Section 71755) is still being drafted by Bureau staff. He stated that Issuance of Citations (Title 5, CCR, Section 75020 (b)) was approved on May 8, 2018.

Ms. Mason asked what the typical processing timeframes are for regulations. Kent Gray, Bureau Legislative Analyst, stated that processing times vary depending on DCA and Agency.

Public Comment:

Raymond Trybus with San Diego University of Integrative Studies provided a public comment. He stated that if the drafted regulatory language for the exemption of English as second language (ESL) programs is approved, then the Bureau's duty of protecting students will be

hindered. Mr. Trybus referred to an example client agreement between an ESL school and an international recruiter (agent). He stated that, per the client agreement, the agent is responsible for payments and refunds between the student and the school. He added that once a refund is made from the school to the agent it is up to the agent to provide the refund to the student. He noted that the Bureau would have no oversight to ensure the transaction was conducted fairly.

Agenda #7 - Presentation and Discussion of Income-Share Agreements (ISA) in Private Postsecondary Education

Ms. Lee Carey stated that many questions have arisen regarding income-share agreements (ISA) and how they relate to Bureau structure. She continued that the presenter today would provide some clarity on how an ISA works to inform the Committee for further discussion on ISA.

Tonio DeSorrento, CEO of Vemo, provided a presentation on ISA. He explained that Vemo provides and services ISA to students. He noted that Vemo has no stake in the ISA's, and that Vemo's fees are paid by school clients. He added that the agreements are between the student and the school.

Mr. DeSorrento explained that an ISA is where a school credits tuition into a student's account in exchange for a promise from the student to pay a percentage of their post graduate income over a designated period of time. Ms. DeSorrento noted that some students do not have the money for tuition upfront and do not have the ability to get a loan.

Mr. DeSorrento pointed out that an ISA gives schools the incentive to ensure its graduates get jobs that pay a fair salary. He added that ISA help alleviate debt to income ratios for graduates.

Mr. DeSorrento stated that Vemo provides consumer protections in ISA by including the following: payment caps, minimum income thresholds, maximum payment terms, no control over student's post graduate choices, disclosures, and interactive financial literacy. He explained that a payment cap is the maximum a student will pay regardless of the student's income. He stated that a minimum income threshold is the amount of income below which the student does not have to make a payment. He added that the threshold ensures students are not required to make a payment during an economic hardship. He noted that if a student is earning below the minimum income threshold and is not making a payment, then the amount owed does not increase. He stated that every Vemo ISA clearly outlines the term of an ISA. He added that once the term ends then payments are no longer required, even if a student has never paid at all due to their income remaining under the minimum income threshold.

Mr. DeSorrento stated that Vemo ISA does not require a student to get a specific job or reside at a specific location.

Mr. DeSorrento detailed Vemo ISA disclosures. He stated that the disclosures include the following: an outline of the percentage of post graduate income the student will pay, the

number of payments that will be required, the amount of tuition being credited to the students account, and the payment cap. He added that students are given 30 days to accept the agreement and three days to cancel the agreement if accepted.

Ms. Lee Carey questioned what would happen if a student was unable to finish a program or if the student withdrew from the program prior to completing it. Mr. DeSorrento replied that the contracts incorporate school refund policies, which are based on the state regulations where the school is located. He noted that the amount of tuition owed through the ISA would be prorated based on the time the student spent in the program.

Ms. Lee Carey asked what would happen in the event of a school closure. Mr. DeSorrento stated that Vemo would be subject to state regulations. He added that in instances when students have tuition refunded due to a school closure, ISA students are not required to pay anything.

Ms. Reiter asked what exactly Vemo does for the school, and asked how the school pays Vemo. Mr. DeSorrento replied that Vemo develops the terms of an ISA and tailors them for a specific school. He continued that Vemo monitors graduate's incomes and collects payments from the students for the schools. He added that Vemo also adjusts ISA for schools. He stated that Vemo is generally paid a flat monthly fee from the schools for the services they provide.

Ms. Reiter asked how an ISA would be adjusted for students who are based in different geographic locations with different economic opportunities who are in a distance online learning program. Mr. DeSorrento stated that Vemo has not yet participated in any distance learning online programs.

Ms. Reiter asked for an example of a payment cap. Mr. DeSorrento gave the example of a program at Purdue University that has a payment cap of 2.5 times the initial amount advanced. He continued that the average payment is roughly 1.4 to 1.5 times the initial amount advanced. He noted that some people, based on their income, will pay much less than what was advanced. He added that the people who earn the most post graduate also pay the most. He gave another example of a program at Point Loma Nazarene University where the payment cap is 1 times the initial amount advanced.

Ms. Reiter asked what percentage of income would an individual have to pay from the ISA examples provided. He stated the percentage would vary. He gave examples of the payment being 10% to 20% of an individual's income or lower depending on the debt burden to the individual.

Ms. Reiter asked how would the ISA handles a situation where a student already has student loan debt. Mr. DeSorrento stated that the amount of tuition a student would be eligible for under an ISA would likely be lower than the amount a student with no student debt would be eligible for under an ISA. He added that the percentage of income owed varies based on the amount of tuition advanced under the ISA.

Ms. Reiter asked what kind of credit analysis is performed on a student prior to entering an ISA. Mr. DeSorrento stated that a credit score would not keep a student from entering an ISA. He added that there is no variable pricing based on individual risk.

Ms. Reiter asked how do schools cover operating expenses for services that are not being paid upfront by the student. He stated schools may cover expenses with working capital. He added they may limit the number of participants to be able to afford to offer ISA. He noted schools may also borrow to support current operations. Ms. Reiter asked what lenders are providing financing to schools to cover ISA. Mr. DeSorrento replied that the majority of financing has come from impact investors, philanthropies, or mission oriented investors. He added that some traditional lenders are starting to show interest.

Ms. Reiter asked for input on what sort of limits or caps should be placed on ISA. Mr. DeSorrento stated Vemo would support limits and caps on ISA. He added that ISA will only work long term with consumer protections in place.

Ms. Reiter asked how to keep bad actor schools from misusing ISA. Mr. DeSorrento stated that an ISA is only worthwhile to a school if the student succeeds. He noted that it would be important to track any tactics a bad actor school might employ to get around federal requirements, such as the 90/10 rule. He added that an ISA can only show up as revenue for a school if the student is successful and making payments on the ISA.

Ms. Reiter asked if Vemo has looked in to any legal restrictions that might exist in reference to ISA. Mr. DeSorrento stated that an ISA is a very different category from an assignment of wage type scenario.

Mr. Holt asked how schools deal with ISA regarding accounting. Mr. DeSorrento stated that accounting practices are up to the schools.

Mr. Holt asked how Vemo addresses gainful employment in regard to federal requirements. Mr. DeSorrento stated that Vemo schools have a stricter outlook on gainful employment because the schools do not get paid unless the students are successful.

Ms. Tsutsui asked if the payment cap was for the monthly payments of the overall amount to be paid. Mr. DeSorrento clarified payment cap is for the overall amount to be paid.

Ms. Tsutsui asked if a student used an ISA for undergraduate then proceeded to graduate school would the payments be deferred. Mr. DeSorrento stated that it would depend on the school, but Vemo works with schools to build deferment options in to the agreements. Ms. Tsutsui asked how would a student disability be treated. Mr. DeSorrento stated that a permanent disability would result in no payments being made because of the minimum threshold. He continued that a temporary disability may result in a lower payment requirement during the time of the disability.

Ms. Tsutsui questioned what would happen if a student had other financial obligations that hindered the student from making the required ISA payment. Mr. DeSorrento stated that it would be up to the school to work with the student. He added that if the schools asked Vemo to continue to collect the same amount, then Vemo would be obligated to collect.

Ms. Reiter asked if ISA have any specialty treatment in bankruptcy cases. Mr. DeSorrento stated that ISA does not have any specialty treatment in regard to bankruptcy.

Ms. Reiter questioned how the minimum threshold formulas compare to federal poverty levels. Mr. DeSorrento stated that the lowest minimum threshold of all Vemo clients is only a little higher than the federal poverty level.

Ms. Reiter asked what is the typical time frame for an ISA. Mr. DeSorrento replied that the time frame can range from 36 months to 120 months.

Ms. Reiter asked if Vemo gives students truth in lending disclosures. Mr. DeSorrento replied that they do not give truth in lending disclosures because they are not loaning money to students. He added that Vemo does give a disclosure equal to truth in lending in that Vemo disclosures match the timing, frequency, and quality criteria. He added that Vemo discloses to the students a detailed outline of the terms of the agreement. Ms. Reiter stated that the point of truth in lending disclosures is to allow customers to compare different opportunities.

Ms. Reiter asked how many for profit schools and how many non-profit schools work with Vemo. Mr. DeSorrento replied that it is roughly half and half.

Public Comment:

Ms. Perry stated that TICAS agrees it is important to focus on the cost and the funding of student's educational pursuits. She stated that it is imperative to pay attention to who ISA are being marketed to, and the student financial gaps ISA are supposed to be addressing. She noted that ISA complexities come with new issues. She added that ISA can be risky for low income students who have few assets. She continued that she hopes the Bureau considers data on how students' future earnings are projected and on schools' targeted revenues and profits generated in reference to ISA.

Ms. Lee Carey asked how an ISA would be riskier for an at risk or underserved student. Ms. Perry stated that certain demographics are paid less income in comparison to other demographics. She added that even though a demographic makes less money they are still required to pay the same percentage of their income under an ISA.

Agenda #8 - Future Agenda Items

Ms. Reiter suggested discussing the classifications of Bureau staff regarding retention.

Agenda #9 - Adjournment

Ms. Lee-Carey adjourned the meeting with the consent of all Committee members present.

DRAFT

Agenda Item 4

REMARKS BY A REPRESENTATIVE OF THE DEPARTMENT OF CONSUMER AFFAIRS

(Note: May include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Fees, Enforcement, Information Technology and BreEZe, Communications and Outreach, as well as Regulatory and Policy Matters)

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

- a. Enforcement Report – Yvette Johnson**
- b. Compliance Report – Beth Scott**
- c. Licensing Report – Marina O’Connor**
- d. Quality of Education Report – Robert Bayles**
- e. Office of Student Assistance and Relief (OSAR) Report – Scott Valverde**

ATTACHMENT:

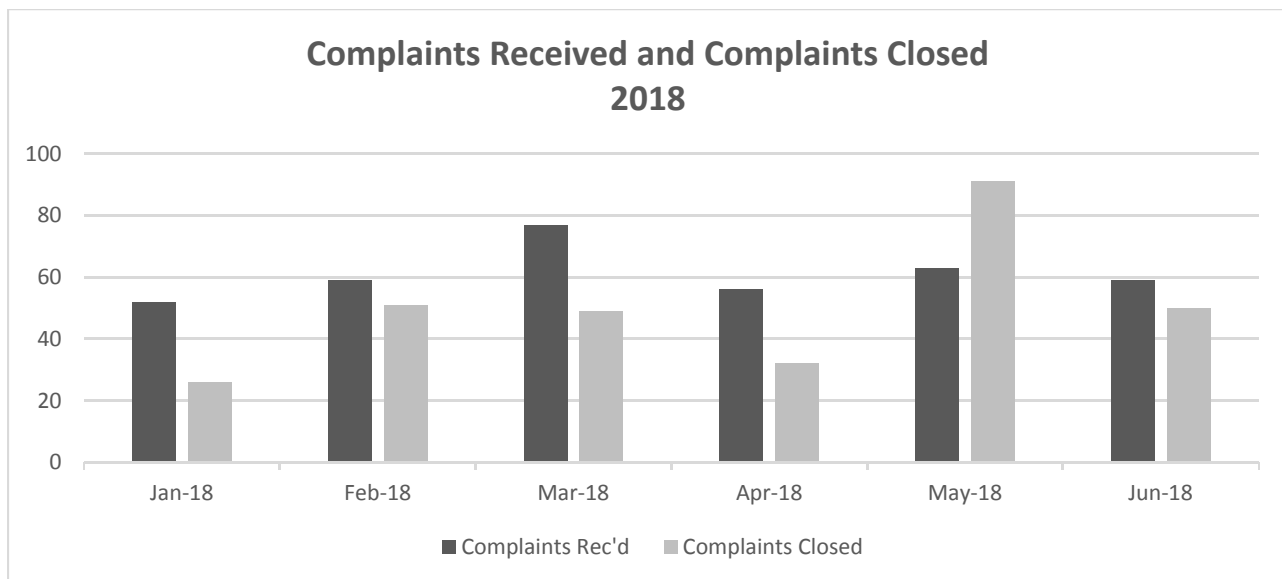
- A. Enforcement Statistics**
- B. Compliance Statistics**
- C. Licensing Applications Statistics**
- D. Quality of Education Report**
- E. OSAR Statistics**

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018

STUDENT IMPACT (January – June 2018)

Investigators' advocacy on behalf of students resulted in the following:

- Total of **\$36,202** in refunds to students or to their federal student aid account
- Issuance of certificates of completion, proof-of-training, transcripts, and student records to students
- Reinstatement of student
- Job placement for student

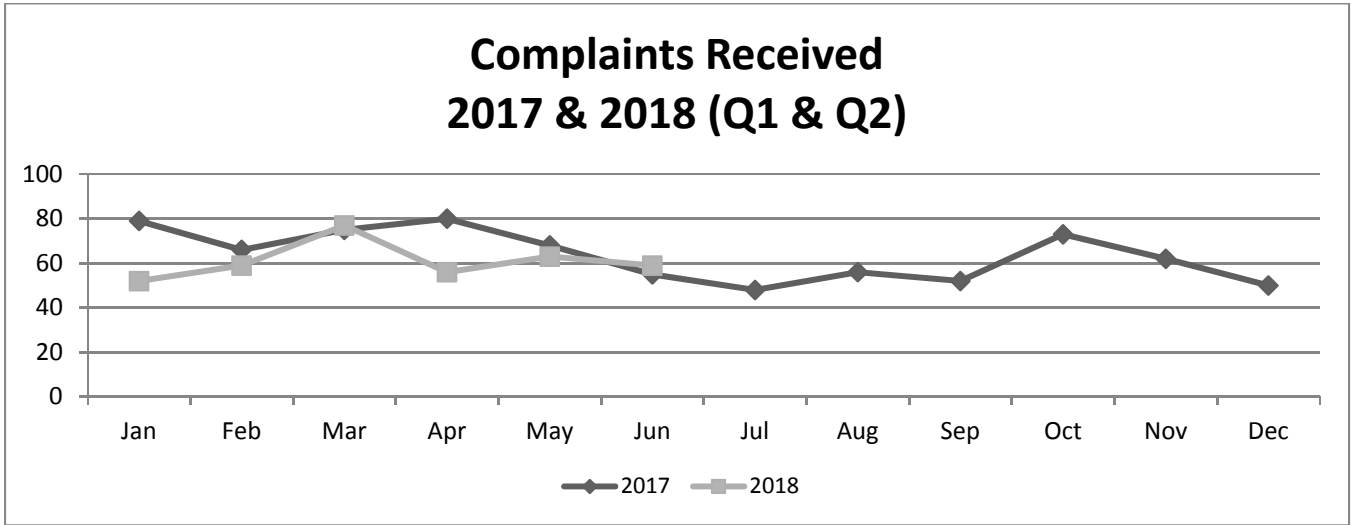


Source: CPEI Monthly Statistical Reports

2018: QUARTERS 1 and 2

Month/Year	Complaints Rec'd	Complaints Closed	Pending
Jan-18	52	26	1147
Feb-18	59	51	1155
Mar-18	77	49	1183
Apr-18	56	32	1207
May-18	63	91	1179
Jun-18	59	50	1188

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018

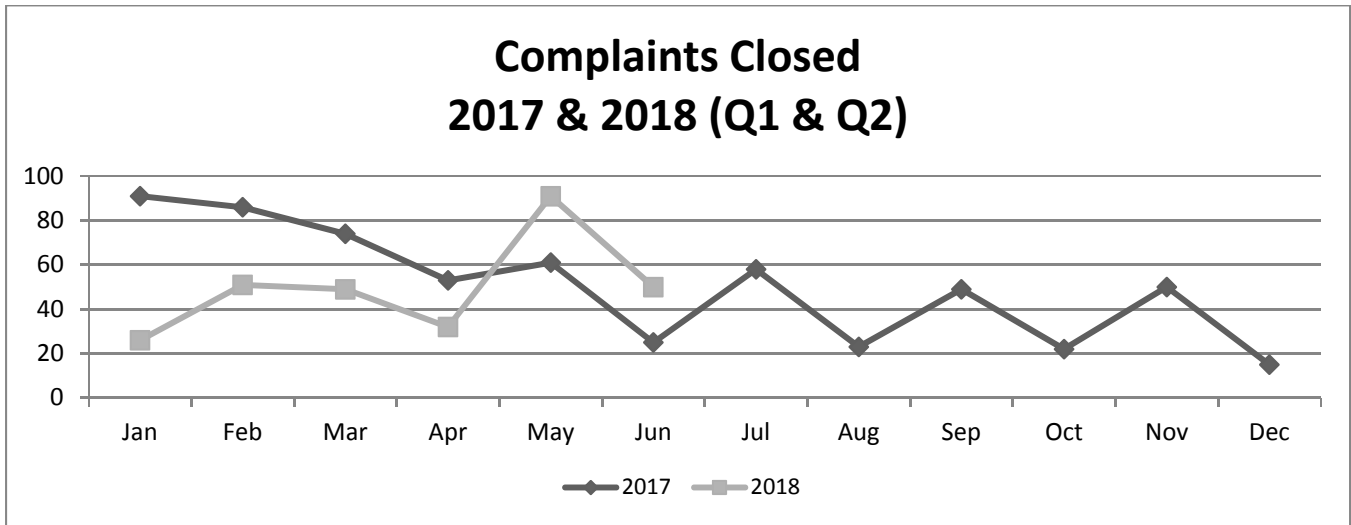


Source: CPEI Monthly Statistical Reports

COMPLAINTS RECEIVED

Month/Year	2017	2018
Jan	79	52
Feb	66	59
Mar	75	77
Apr	80	56
May	68	63
Jun	55	59
Jul	48	
Aug	56	
Sep	52	
Oct	73	
Nov	62	
Dec	50	
Total	764	

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018



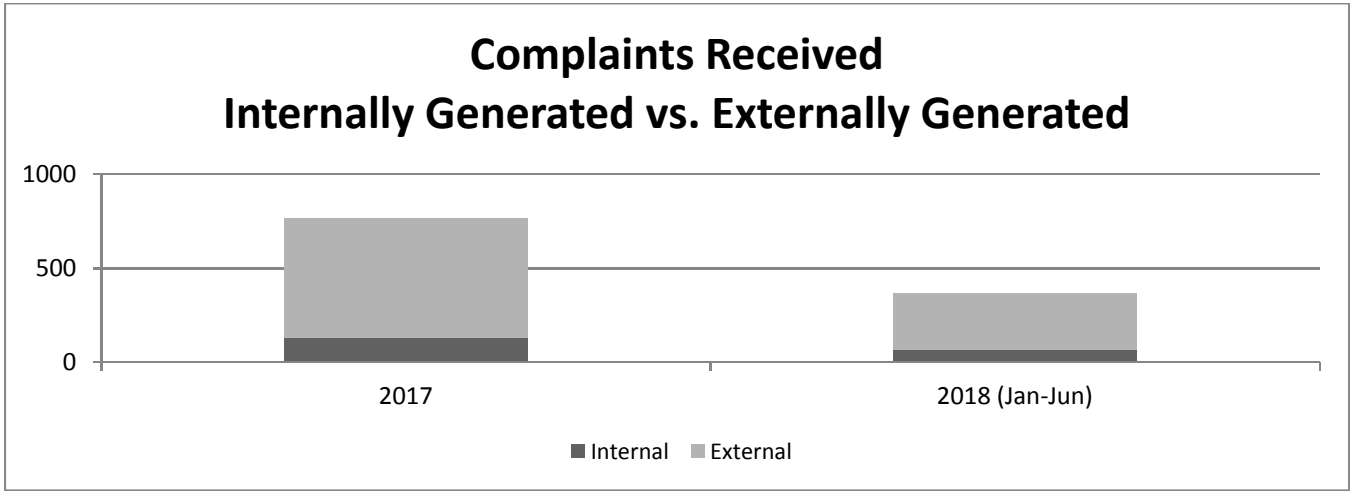
Source: CPEI Monthly Statistical Reports

COMPLAINTS CLOSED

Month/Year	2017	2018
Jan	91	26
Feb	86	51
Mar	74	49
Apr	53	32
May	61	91
Jun	25	50
Jul	58	
Aug	23	
Sep	49	
Oct	22	
Nov	50	
Dec	15	

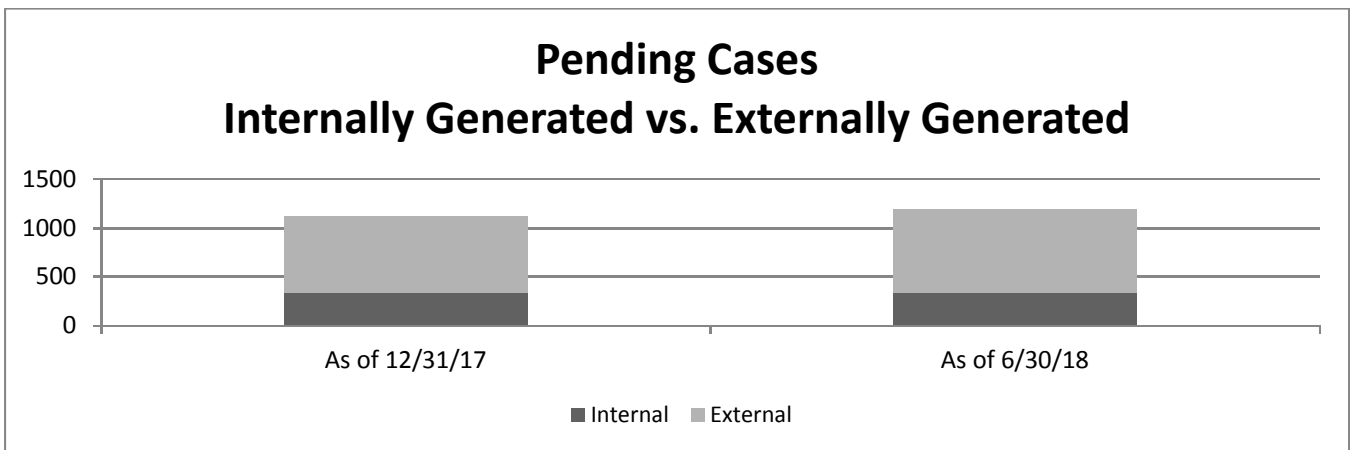
Total 607

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018



Source: BPPE Complaint Case Tracking Log

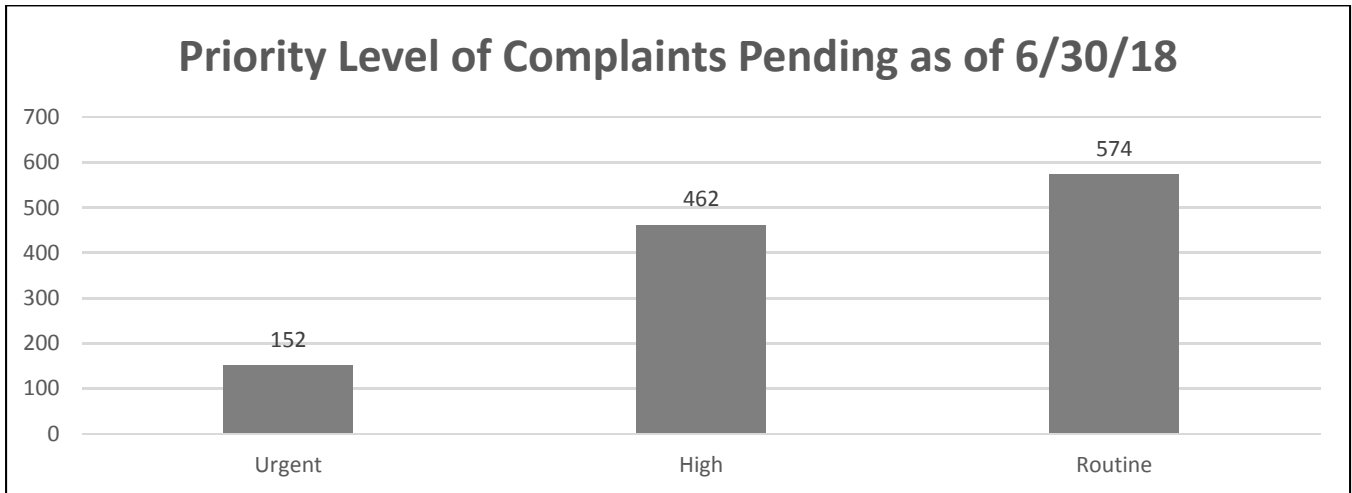
Received	2017	2018 (Jan-Jun)
Internal	125	66
External	639	300
Total	764	366



Source: BPPE Complaint Case Tracking Log

Pending	As of 12/31/17	As of 6/30/18
Internal	339	334
External	782	854
Total	1121	1188

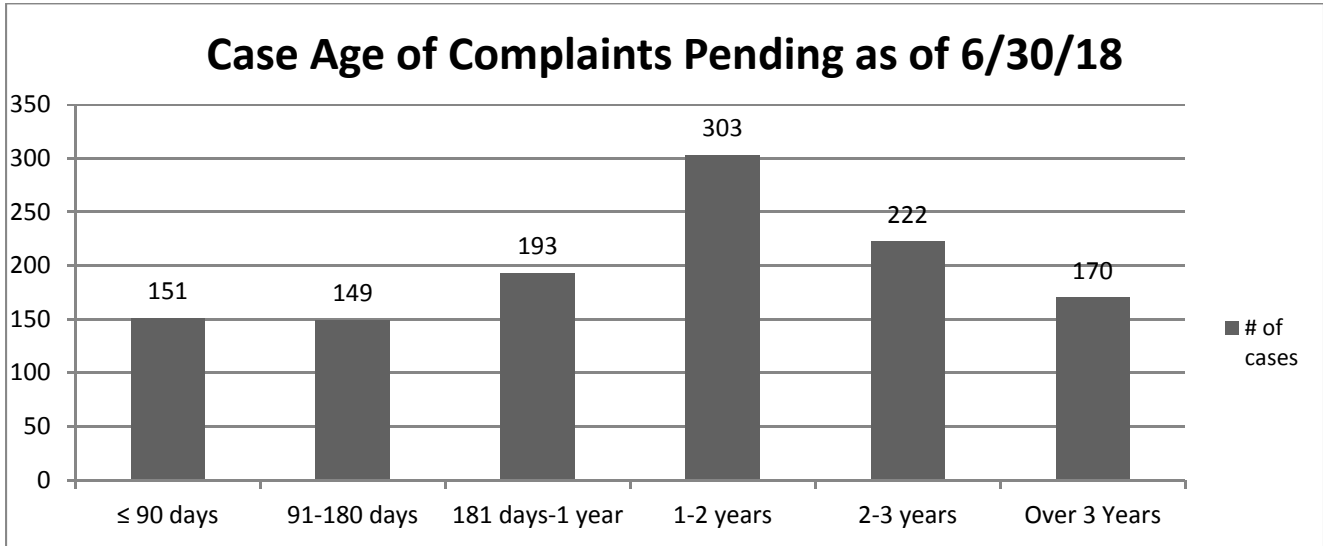
COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018



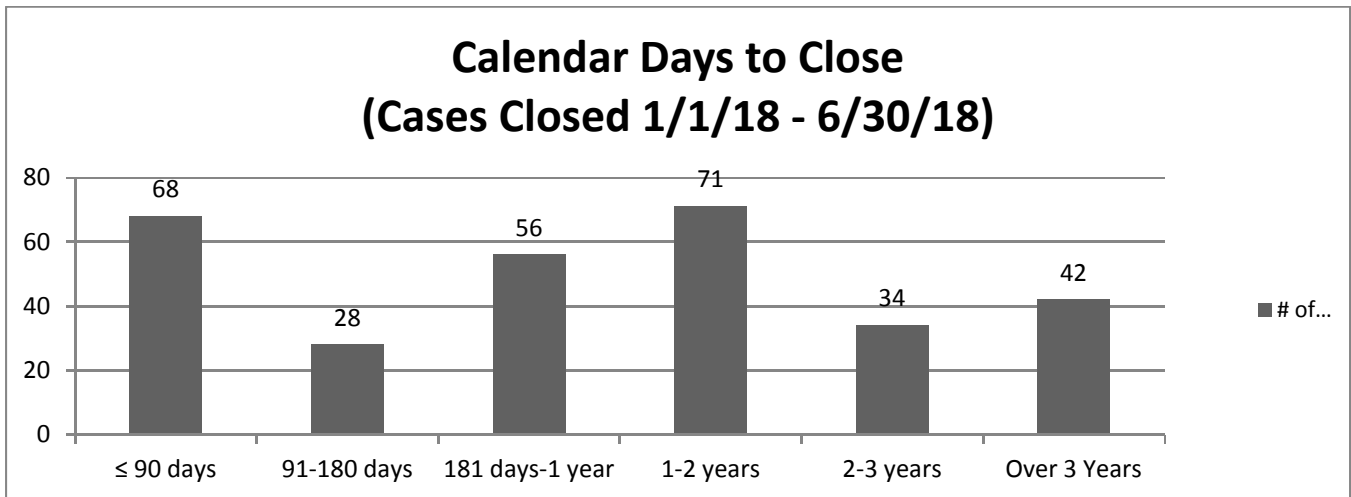
Source: BPPE Complaint Case Tracking Log

Priority Level	# of cases
Urgent	152
High	462
Routine	574
Total	1188

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018

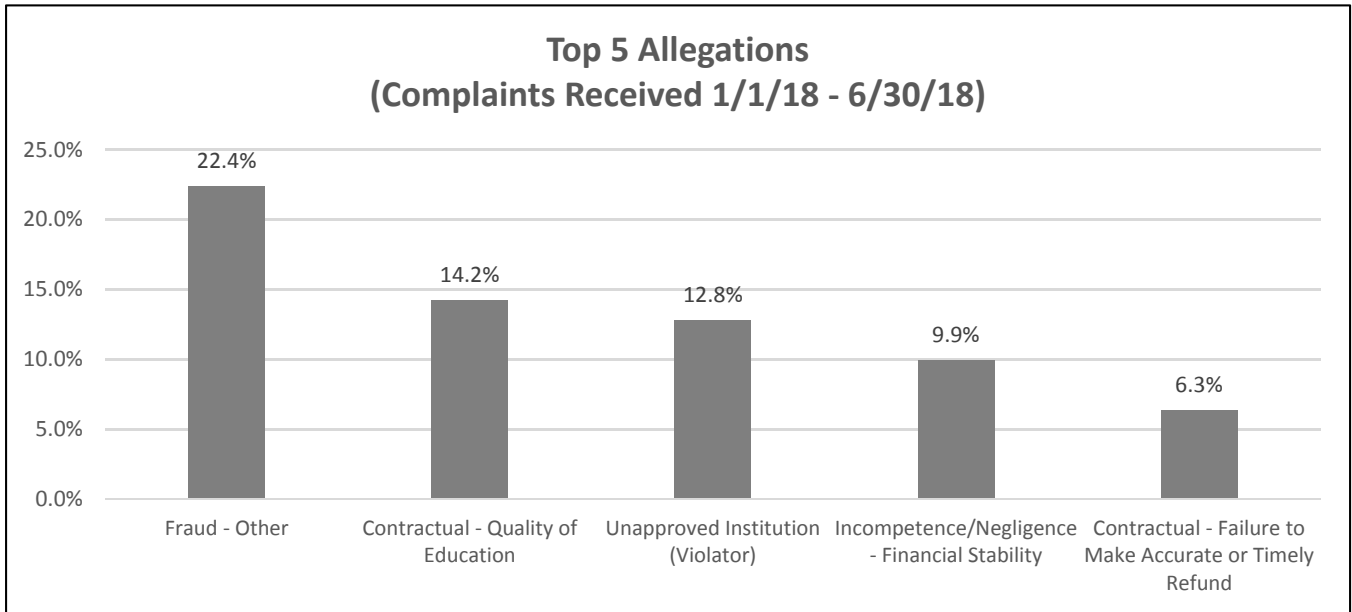


Source: BPPE Complaint Case Tracking Log

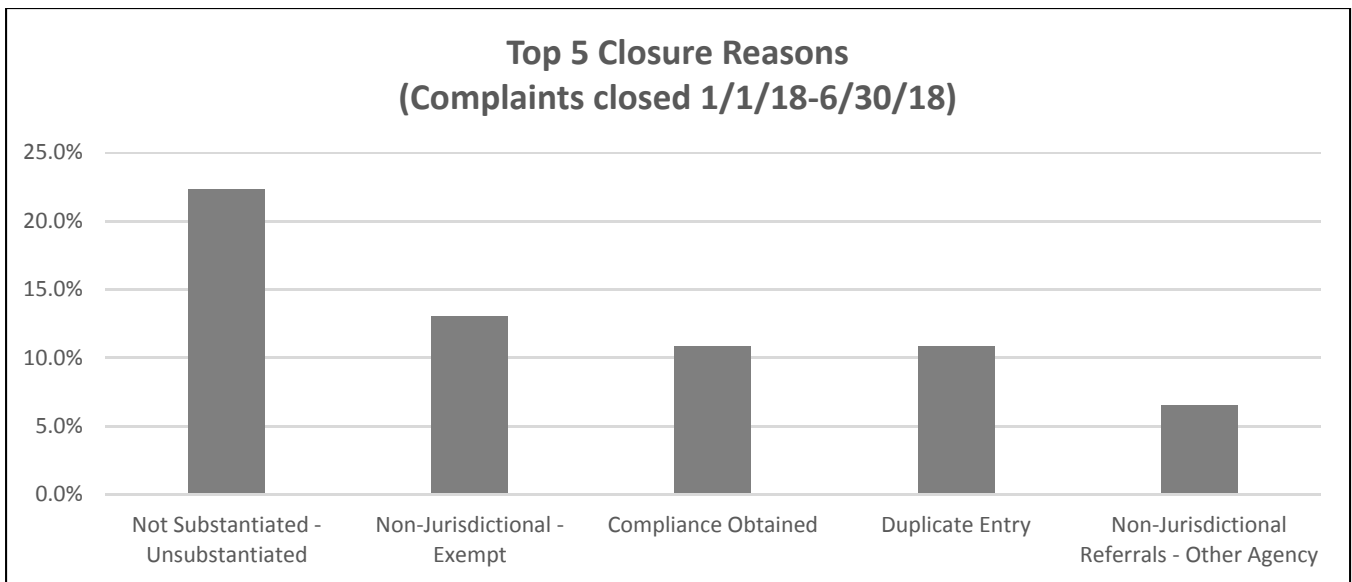


Source: BPPE Complaint Case Tracking Log

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 16, 2018



Source: SAIL Enforcement Workload Analysis



Source: SAIL Enforcement Workload Analysis

**"Duplicate Entry" is used for case consolidations where a complaint filed anonymously or generated internally is consolidated with a master case (usually with a named complainant) that is being investigated for similar allegations.*

REPORTING AS OF: JULY 31, 2018

2018 STATS Compliance Unit - Grouped by Qtr	January	April	July	October
	February	May	August	November
	March	June	September	December
Total Inspections	33	50	12	
Announced Inspections	15	19	4	
Unannounced Inspections	18	31	8	
Notice To Comply Issued	12	27	4	
Enforcement Referral Issued	12	21	6	

Type Compliance Inspector Activity	Calendar Year 2018 YTD
Total Compliance Inspections	
(UCI + ACI) Completed	95
Notice to Comply	43
Enforcement Referral	39

Key	
Unannounced Compliance Inspection	UCI
Announced Compliance Inspection	ACI
Enforcement Referrals	ER
Notice To Comply	NTC

Student Feedback

What led you to choose this school and program?

What information about this school was the most helpful in making your decision to enroll?

Did you research programs at other schools before enrolling in this school?

Is there information you did not receive that would have been helpful in making an informed decision about enrolling in this school?

Additional Comments

Student Survey

Please answer each question by checking yes or no (or n/a for not applicable).
Return the survey to the BPPE Compliance Inspector.

Admissions

1. Before enrolling, were you given accurate information about the educational program?
 Yes No N/A
2. Did you receive a current catalog before enrolling?
 Yes No N/A
3. Did you receive a School Performance Fact Sheet before signing the enrollment agreement?
 Yes No N/A
4. Did you receive a copy of your signed enrollment agreement?
 Yes No N/A
5. Were you promised or guaranteed employment upon graduation?
 Yes No N/A

Financial Services

6. Before enrolling, were all tuition, fees and charges disclosed?
 Yes No N/A
7. If you received financial aid, were all terms including loan repayment explained?
 Yes No N/A

Administration

8. Did you receive a syllabus or course outline for each course?
 Yes No N/A

Instructors

9. Are instructors knowledgeable in the subject they teach?
 Yes No N/A

10. Do instructors present class information and materials clearly?
 Yes No N/A
11. Do instructors clearly answer your questions?
 Yes No N/A
12. Do instructors clearly explain the grading system?
 Yes No N/A

Equipment and Facility

13. Is classroom equipment in good working order?
 Yes No N/A
14. Does the school use current equipment?
 Yes No N/A
15. Is there enough classroom equipment for the students?
 Yes No N/A

Library and Other Resources

16. Are library and other resources available to complete required assignments?
 Yes No N/A
17. Are library and other resources available when needed?
 Yes No N/A

Overall

18. Are you satisfied with your decision to attend this school?
 Yes No N/A
19. Would you recommend this school to others?
 Yes No N/A

STUDENT SURVEY - Revised

1. What factor was the MOST important to you in choosing this school and program?

(choose one only)

- Class Sizes
- Flexible Schedules
- Cost of the program
- Reputation of school
- Location of the school
- Appearance of school facilities
- Feedback from former students
- Job/career prospects after graduation

2. Did you research programs at other schools before enrolling in this school?

- Yes
- No

3. Did you use BPPE's Website (www.bppe.ca.gov) to obtain information on any schools or to compare schools before enrolling?

- Yes
- No

4. Did you receive a signed copy of your enrollment agreement?

- Yes
- No

5. Did you receive a school catalog before enrolling?

- Yes-paper copy
- Yes-electronic copy
- No

6. Did you receive a School Performance Fact Sheet before you enrolled that indicates the percentage of students who graduated and became employed?

- Yes
- No

7. How much influence did the information on the School Performance Fact Sheet have on your decision to enroll at this school?

- Did not receive a fact sheet
- None
- Some
- Very much

8. Before you enrolled, were all tuition, fees, and charges clearly explained to you?

- Yes
- No

9. If you received financial aid, were all terms and conditions explained, including loan repayment requirements?

- Yes
- No
- I did not receive financial aid

10. Were you promised a job after completion of your program?

- Yes
- No

11. Did you receive a course syllabus or outline for each course?

- Yes
- No

12. Do the instructors clearly explain the grading system?

- Yes
- No

13. Does it appear that instructors are knowledgeable in the subjects they teach?

- Yes
- No

STUDENT SURVEY - Revised

14. Do instructors answer your questions?

- Always
- Mostly
- Sometimes
- Never

15. Is the classroom or lab equipment in good working order?

- Always
- Mostly
- Sometimes
- Never

16. Are there enough equipment and supplies for all students to achieve the course objectives?

- Always
- Mostly
- Sometimes
- Never

17. Do you have access to learning resources such as reference books, an online library, magazines, DVDs, etc., needed to complete your assignments?

- Always
- Mostly
- Sometimes

Never

18. Does the school have a procedure for students to submit concerns or complaints?

- Not sure
- Yes
- No

19. If you have made a complaint or expressed a concern, do you feel your complaint or concern was addressed and resolved fairly at the school level ?

- I have no complaints or concerns
- My complaint was addressed but not resolved
- My complaint was addressed and resolved
- My complaint was never addressed or resolved

20. Are you satisfied with your overall decision to attend this school?

- Yes
- No
- Undecided

21. Would you recommend this school to others?

- Yes
- No

Please use the space below to comment or provide additional information on any question or on your experience at this school:

Thank you for your feedback!!

Licensing Applications Status as of August 1, 2018 for Fiscal Year 18/19

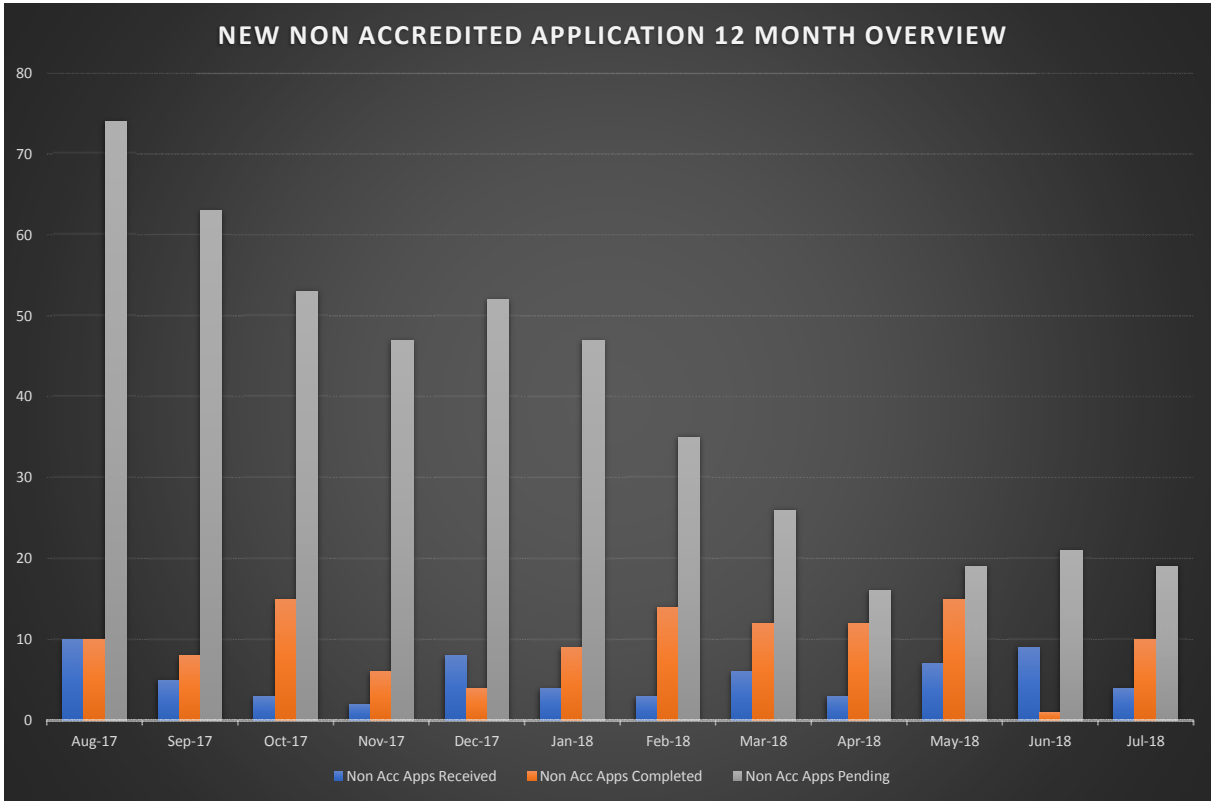
Type	Received FY 18/19	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve ^a
New Full Approval	4	19	74	93	10	0	0	10	296
New Accreditation	1	0	4	4	5	0	0	5	38
Renewal Full	1	1	63	64	8	0	0	8	353
Renewal Accreditation	8	0	26	26	8	0	0	8	31
Changes Full	10	0	40	40	11	2	0	13	50
Changes Accreditation	10	0	17	17	10	4	0	14	40
Exemption	8	0	7	7	8	0	6	14	24
Out of State Registration	1	0	0	0	1	0	0	1	33
Totals:	43	20	231	251	61	6	6	73	108

^aAverage Days to Approve is calculated from time assigned to analyst.

Total pending applications on 9/1/2017:	399
Total pending applications on 4/1/2018:	268
Total pending applications on 8/1/2018:	251

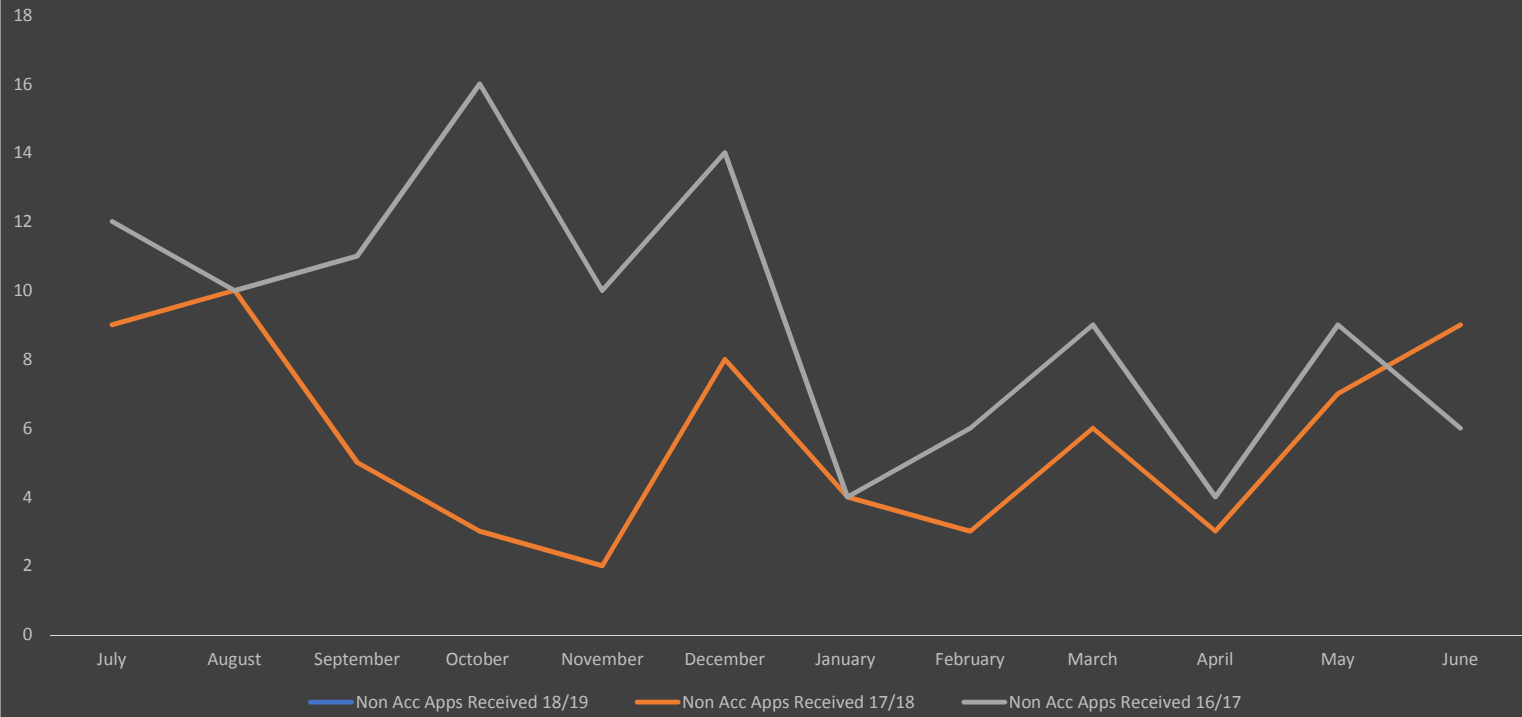
As of August 1, 2018

Oldest Full Apps in Queue:	8/10/2017
Oldest Full Apps Under Review:	11/23/2015
Oldest Renewal Full Apps in Queue:	5/18/2018
Oldest Renewal Full Apps Under Review:	6/7/2016
Median Date of Full Apps in Queue:	5/8/2018
Median Date of Renewal Full Apps in Queue:	5/18/2018

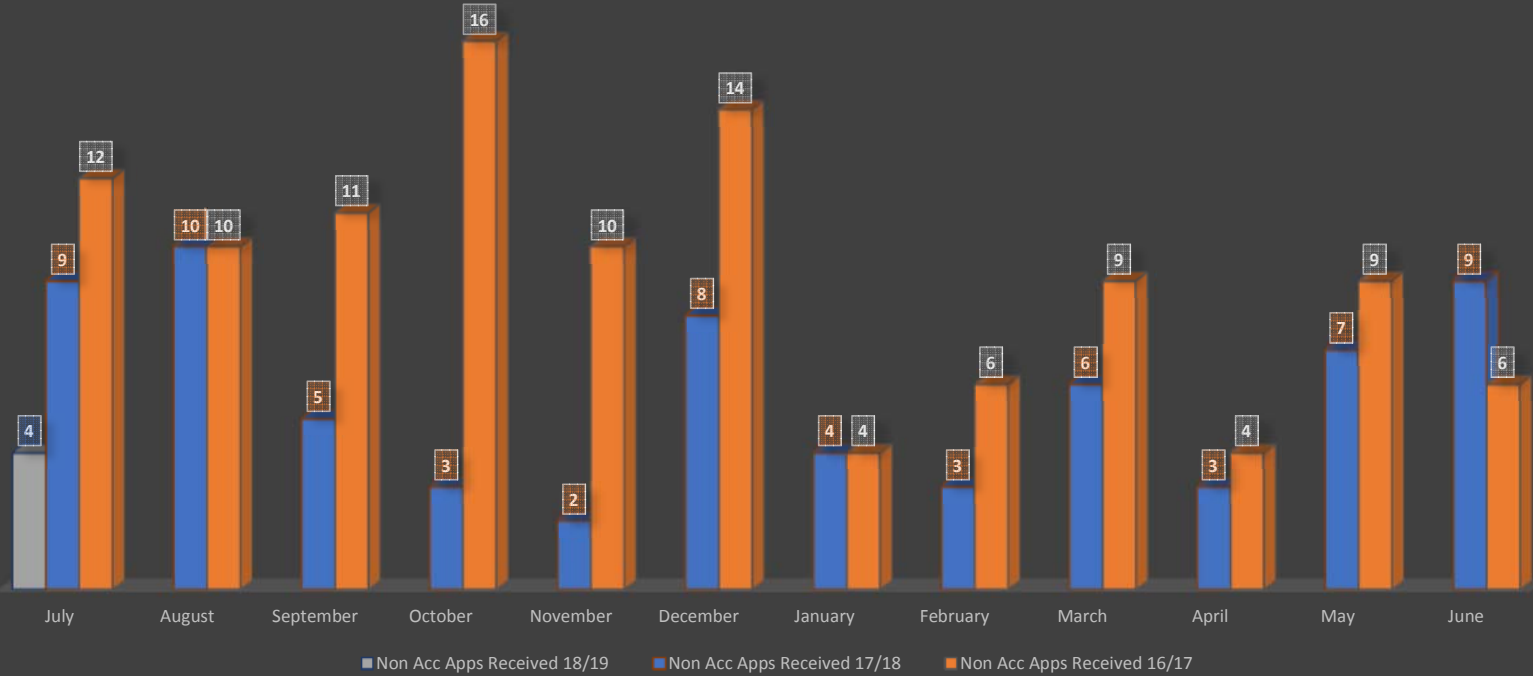


Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending
Aug-17	10	10	74
Sep-17	5	8	63
Oct-17	3	15	53
Nov-17	2	6	47
Dec-17	8	4	52
Jan-18	4	9	47
Feb-18	3	14	35
Mar-18	6	12	26
Apr-18	3	12	16
May-18	7	15	19
Jun-18	9	1	21
Jul-18	4	10	19

NEW NON ACCREDITED APPLICATIONS RECEIVED

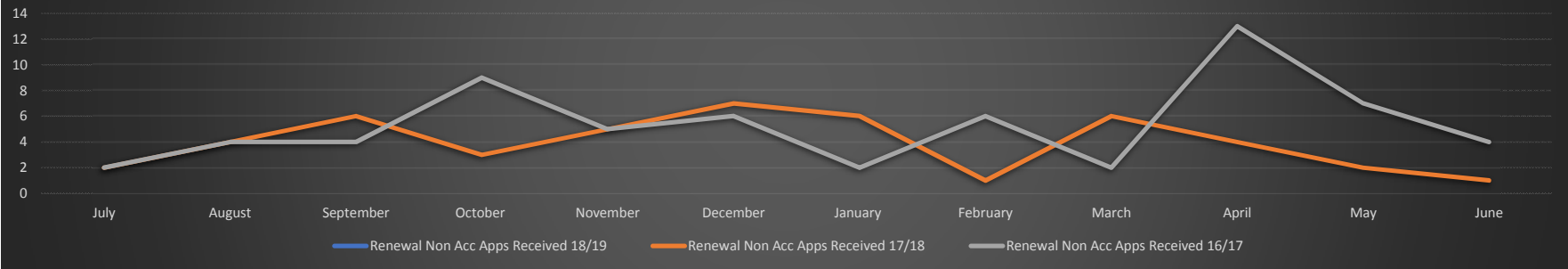


NEW NON ACCREDITED APPLICATIONS RECEIVED

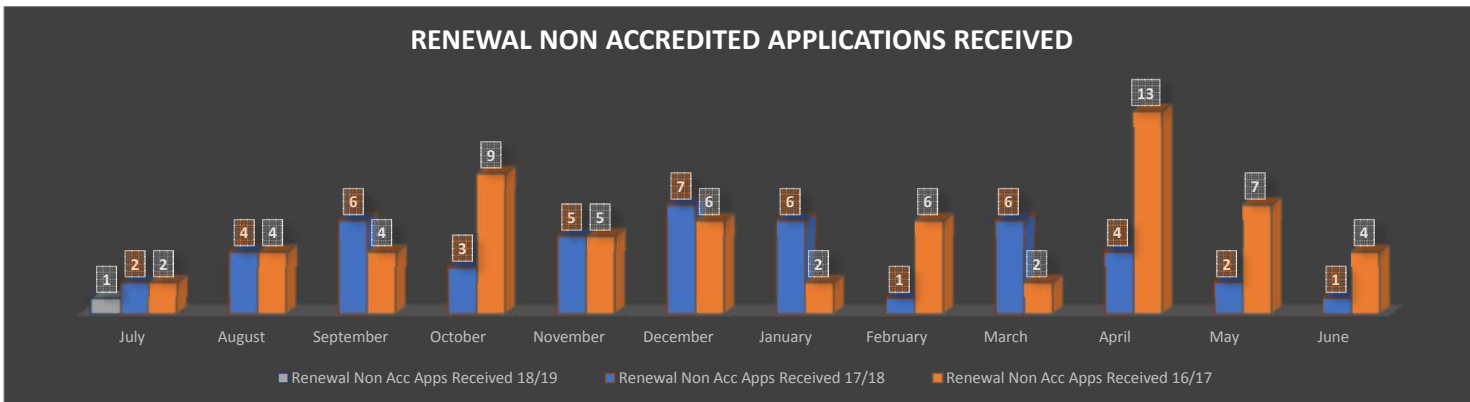


Month	Non Acc Apps Received 18/19	Non Acc Apps Received 17/18	Non Acc Apps Received 16/17
July	4	9	12
August		10	10
September		5	11
October		3	16
November		2	10
December		8	14
January		4	4
February		3	6
March		6	9
April		3	4
May		7	9
June		9	6

RENEWAL NON ACCREDITED APPLICATIONS RECEIVED

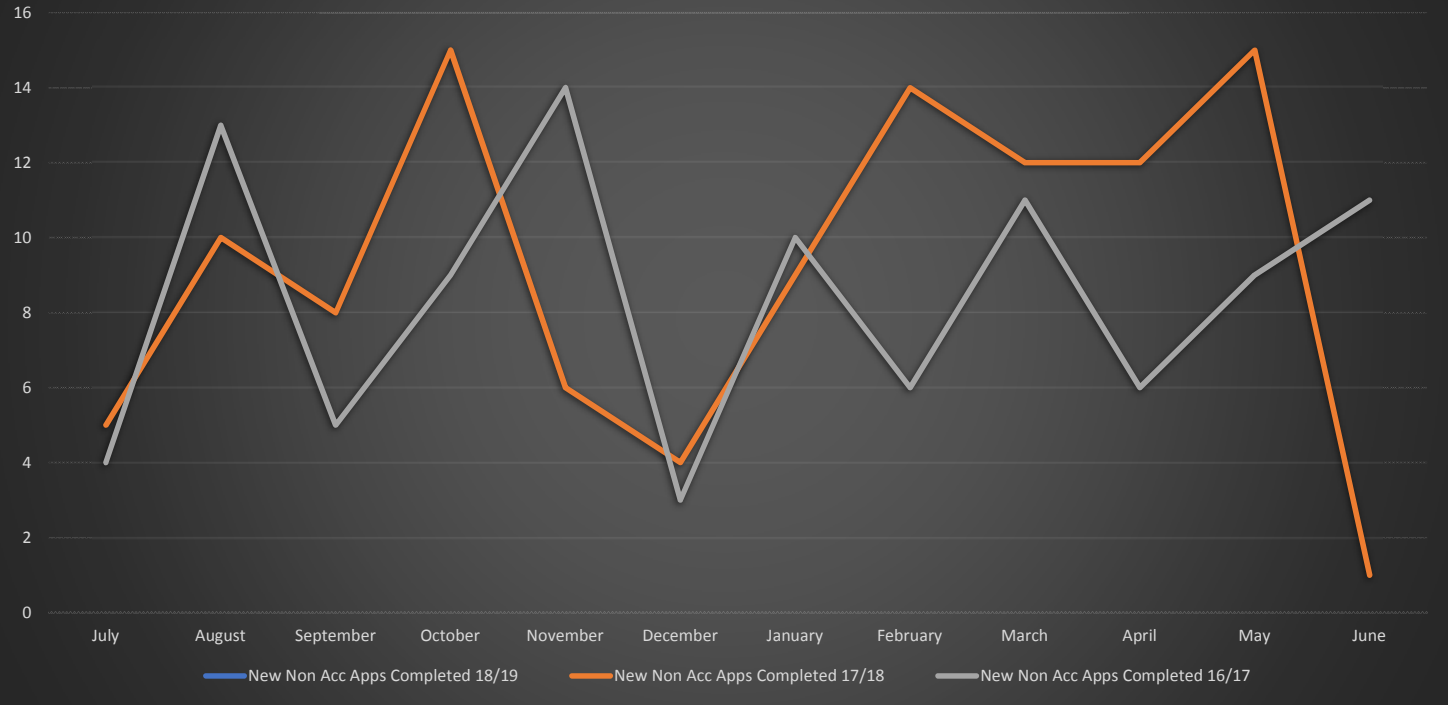


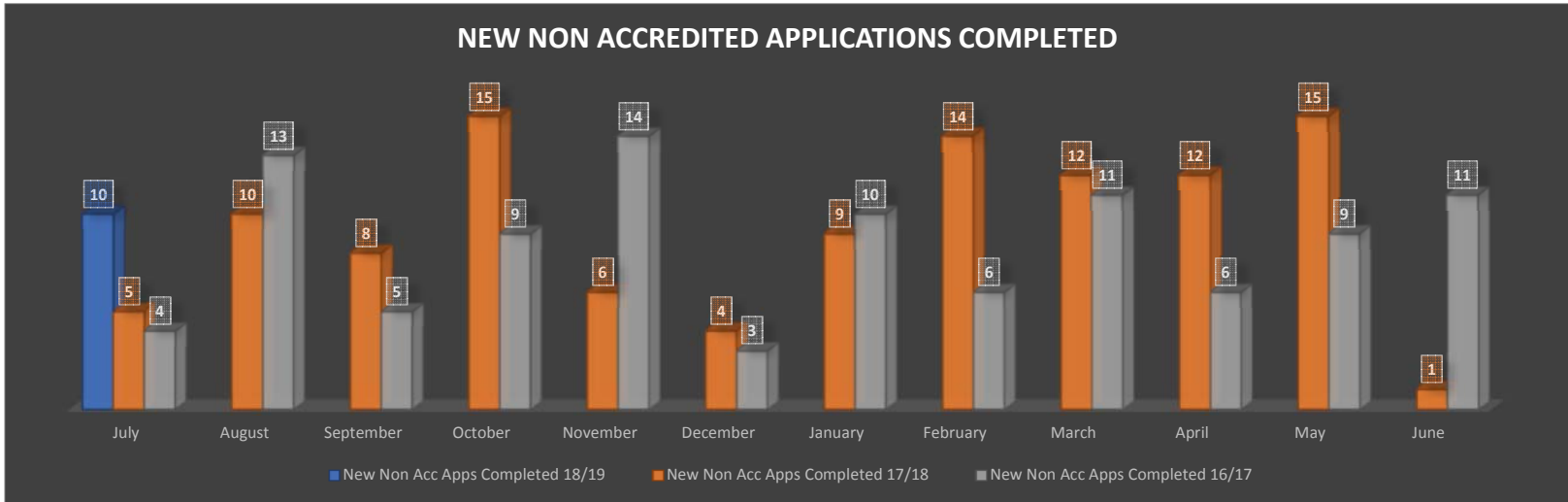
RENEWAL NON ACCREDITED APPLICATIONS RECEIVED



Month	Renewal Non Acc Apps Received 18/19	Renewal Non Acc Apps Received 17/18	Renewal Non Acc Apps Received 16/17
July	1	2	2
August	4	4	4
September	6	4	4
October	3	9	9
November	5	5	5
December	7	6	6
January	6	2	2
February	1	6	6
March	6	2	2
April	4	7	13
May	2	7	7
June	1	4	4

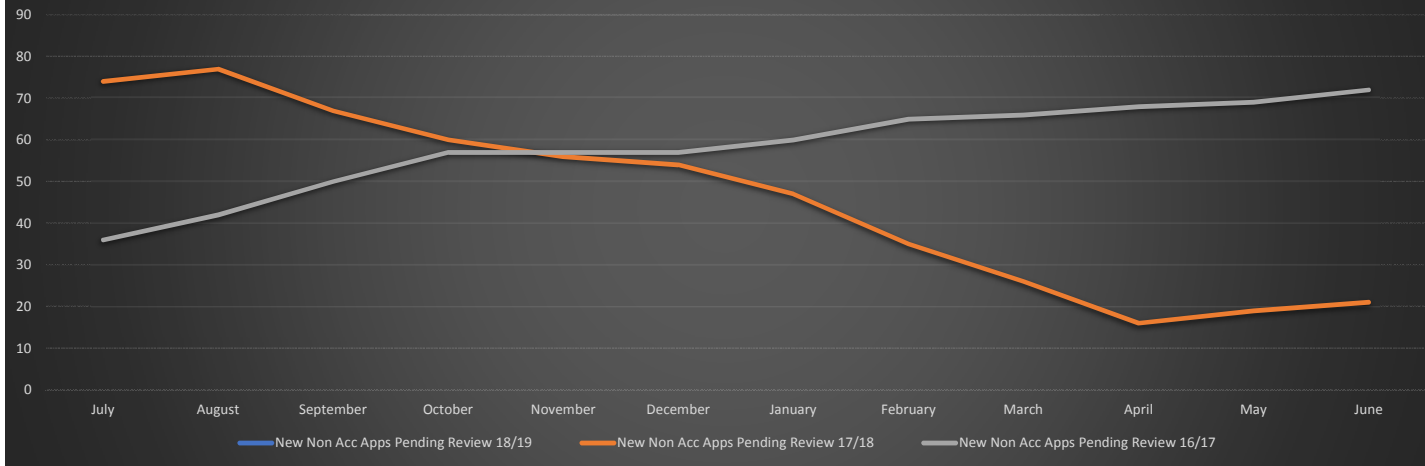
NEW NON ACCREDITED APPLICATIONS COMPLETED

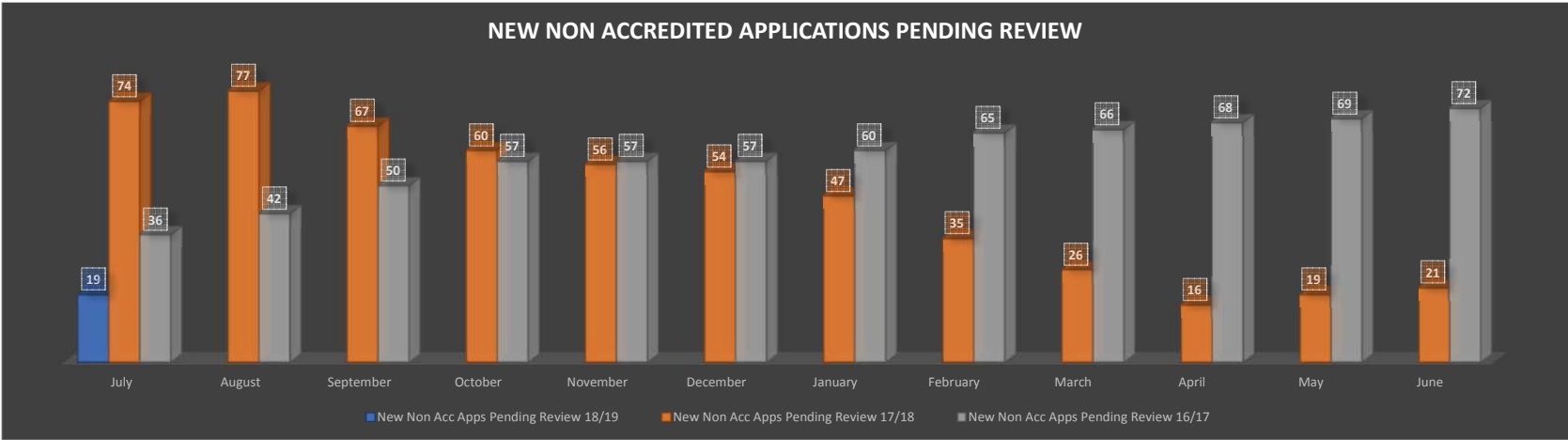




Month	New Non Acc Apps Completed 18/19	New Non Acc Apps Completed 17/18	New Non Acc Apps Completed 16/17
July	10	5	4
August		10	13
September		8	5
October		15	9
November		6	14
December		4	3
January		9	10
February		14	6
March		12	11
April		12	6
May		15	9
June		1	11

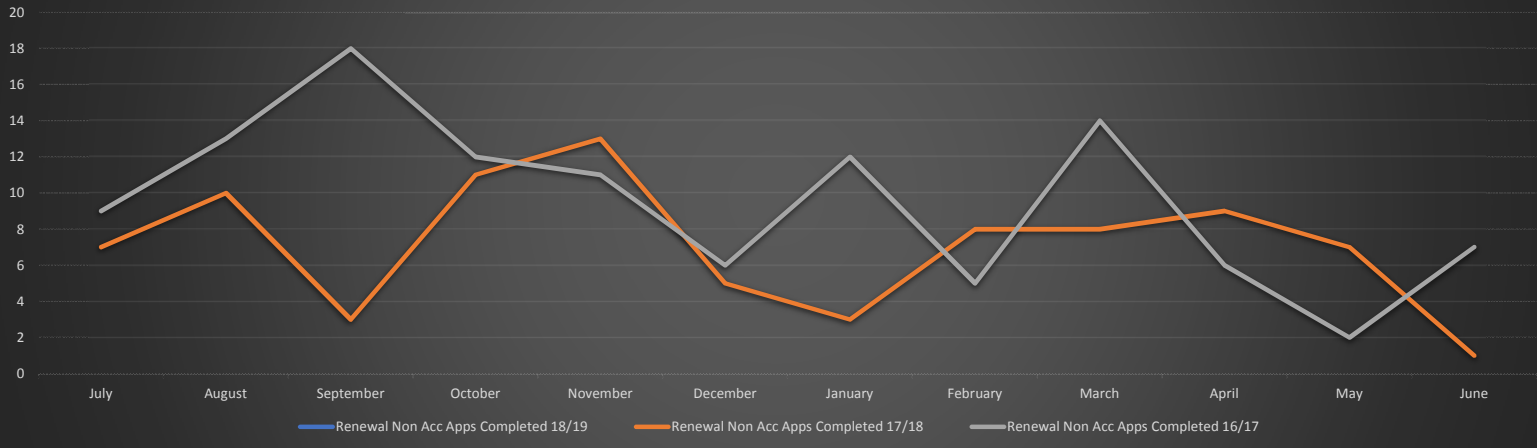
NEW NON ACCREDITED APPLICATIONS PENDING REVIEW

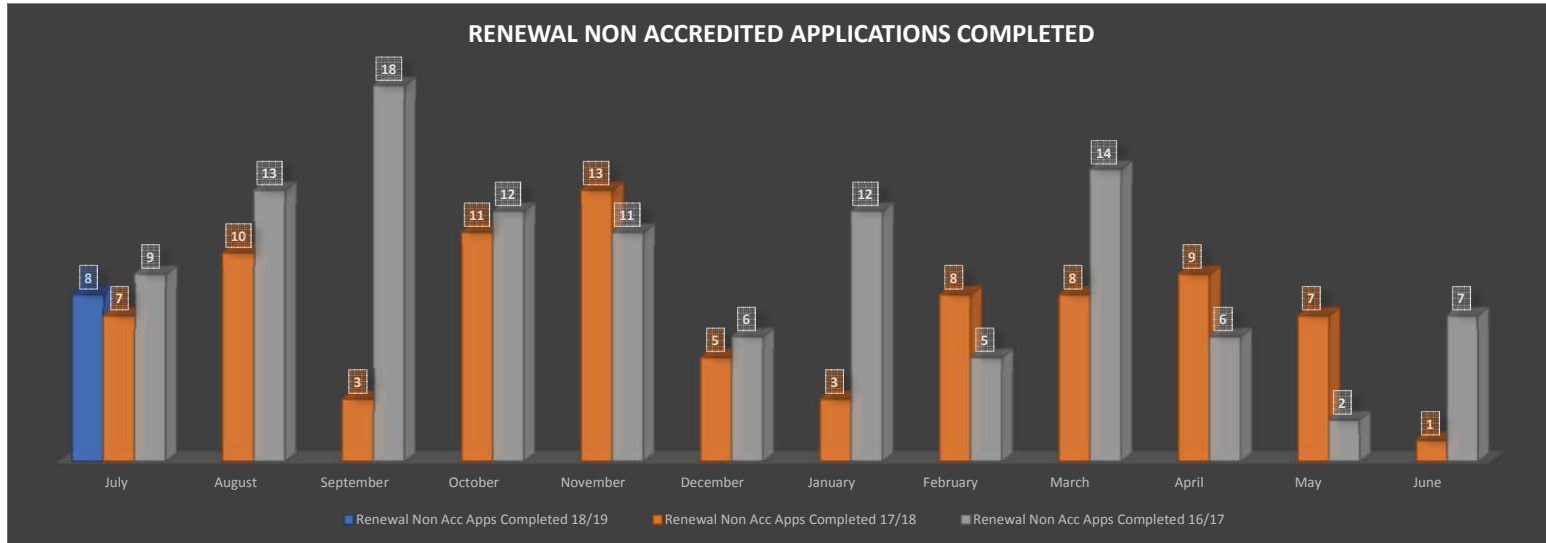




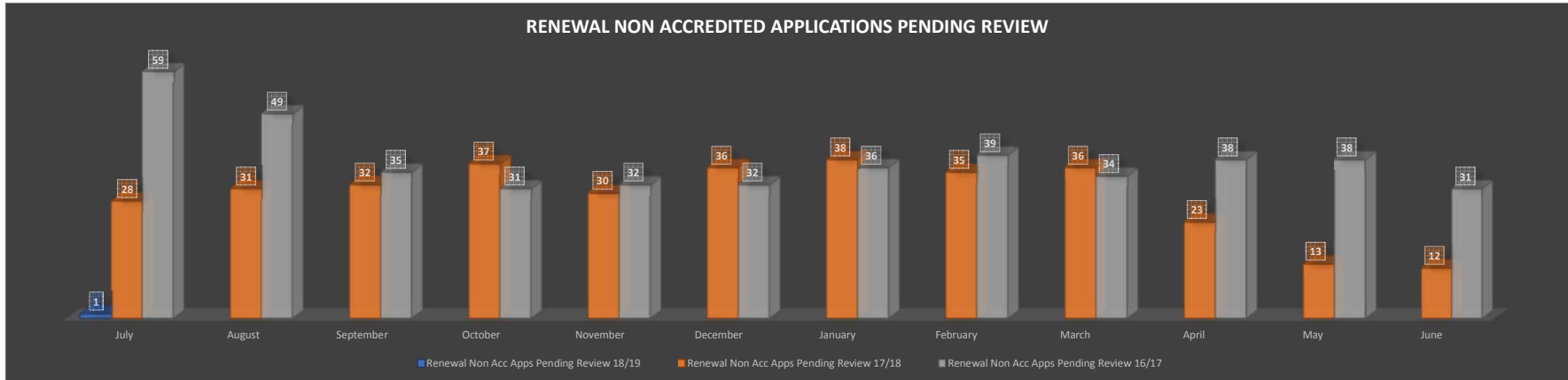
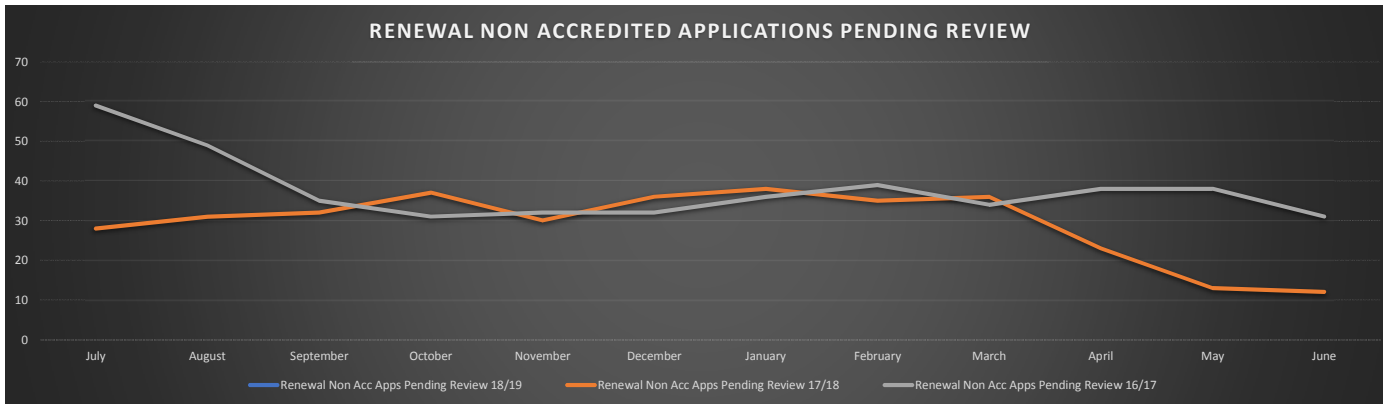
Month	New Non Acc Apps Pending Review 18/19	New Non Acc Apps Pending Review 17/18	New Non Acc Apps Pending Review 16/17
July	19	74	36
August		77	42
September		67	50
October		60	57
November		56	57
December		54	57
January		47	60
February		35	65
March		26	66
April		16	68
May		19	69
June		21	72

RENEWAL NON ACCREDITED APPLICATIONS COMPLETED

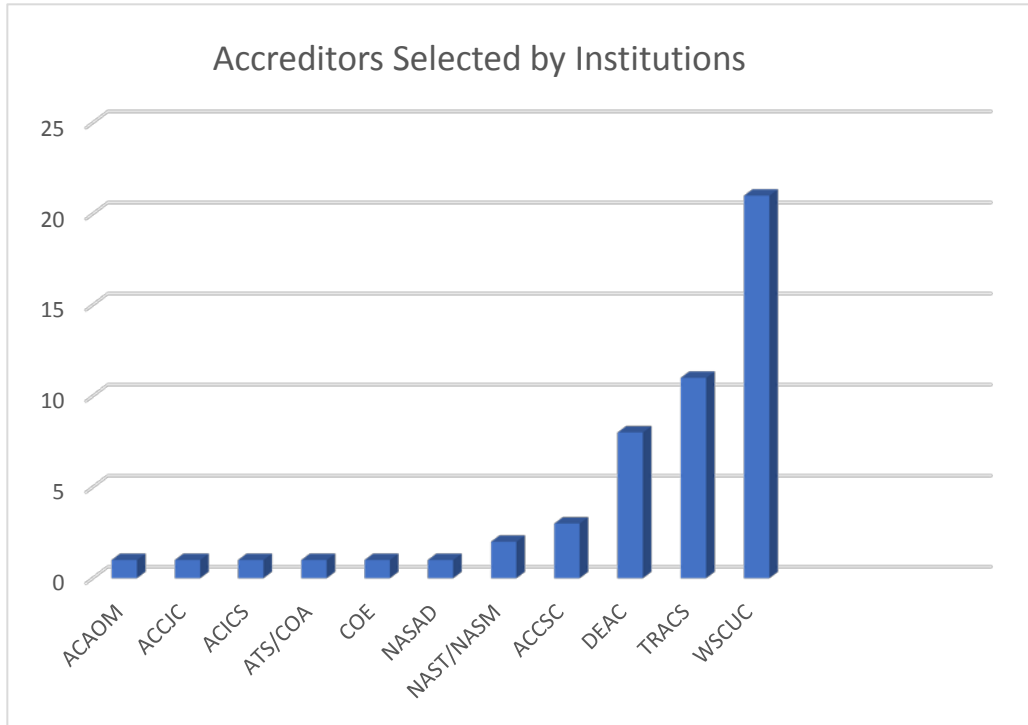




Month	Renewal Non Acc Apps Completed 18/19	Renewal Non Acc Apps Completed 17/18	Renewal Non Acc Apps Completed 16/17
July	8	7	9
August	10	13	13
September	3	18	18
October	11	12	12
November	13	11	11
December	5	6	6
January	3	12	12
February	8	5	5
March	8	14	14
April	9	6	6
May	7	2	2
June	1	7	7



Month	Renewal Non Acc Apps Pending Review 18/19	Renewal Non Acc Apps Pending Review 17/18	Renewal Non Acc Apps Pending Review 16/17
July	1	28	59
August		31	49
September		32	35
October		37	31
November		30	32
December		36	32
January		38	36
February		35	39
March		36	34
April		23	38
May		13	38
June		12	31



ACAOM: Accrediting Commission for Accupuncture & Oriental Medicine

ACCJC: Accrediting Commission for Community and Junior Colleges

ACICS: Accrediting Commission for Independent Colleges and Schools

ATS: Association of Theological Schools

COE: Council on Occupational Education

NASAD: National Association of Schools of Art & Design

NAST: National Associtaion of Schools of Theater

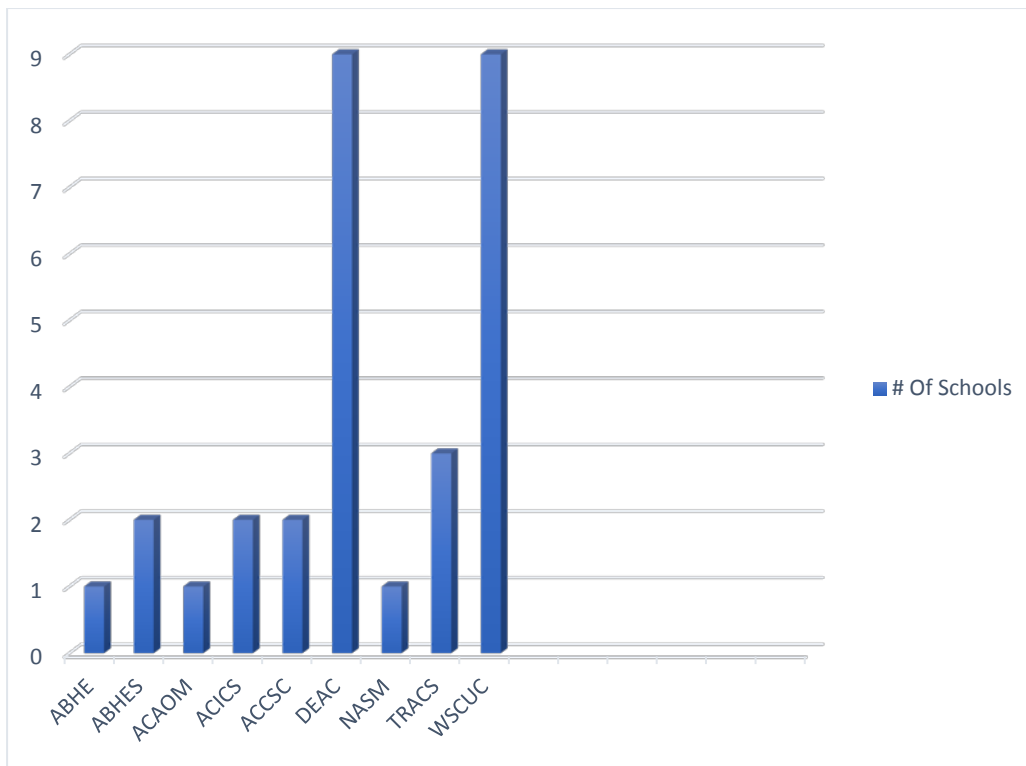
NASM: National Association of Schools of Music

ACCSC: Accrediting Commission of Career Schools and Colleges

DEAC: Distance Education Accrediting Commission

WSCUC: WASC Senior College and University Commission

SB 1247 Institutions With Provisional Approvals (CEC 94885.5)



ABHE: Association for Biblical Higher Education

ABHES: Accrediting Bureau of Health Education Schools

ACAOM: Accrediting Commission for Accupuncture & Oriental Medicine

ACCSC: Accrediting Commission of Career Schools and Colleges

ACICS: Accrediting Commission for Independent Colleges and Schools

DEAC: Distance Education Accrediting Commission

NASM: National Association of Schools of Music

TRACS: Transnational Association of Christian Colleges and Schools

WSCUC: WASC Senior College and University Commission

Office of Student Assistance and Relief

Quarterly Report

Fourth Quarter

(04/01/2018 - 06/30/2018)



SUMMARY OF OUTREACH AND EDUCATIONAL ACTIVITIES¹

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	4/4/2018	Yuba County, CA
Sacramento Housing and Redevelopment Agency Education and Youth Summer Employment Fair	College Fair	4/13/2018	Sacramento, CA
American Specialty College School Closure Outreach Event	Student Workshop	4/17/2018	Salida, CA
California Transition Assistance Program Naval Air Station Lemoore Workshop	Student Workshop / Presentation	4/18/2018	Kings County, CA
National Association for College Admission Counseling San Diego National College Fair	College Fair	4/19/2018	San Diego, CA
National Association for College Admission Counseling Orange County National College Fair	College Fair	4/22/2018	Anaheim, CA
National Association for College Admission Counseling Inland Empire National College Fair	College Fair	4/24/2018	Ontario, CA
National Association for College Admission Counseling Los Angeles National College Fair	College Fair	4/26/2018	Pasadena, CA
National Association for College Admission Counseling San Francisco National College Fair	College Fair	4/28/2018	Daly City, CA
Silicon Valley University School Closure Outreach Event	Student Workshop	4/30/2018	San Jose, CA
Victoria Beauty College School Closure Outreach Event	Student Workshop	4/30/2018	Milpitas, CA
California Transition Assistance Program Homeport California, Camp Pendleton Workshop	Student Workshop / Presentation	5/30/2018	San Diego, CA
The Real Barbers College School Closure Outreach Event	Student Workshop	6/5/2018	Anaheim, CA
California Transition Assistance Program LCSRON ONE Naval Base San Diego Workshop	Student Workshop / Presentation	6/13/2018	San Diego, CA
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	6/26/2018	San Diego, CA

NUMBER OF STUDENTS SERVED²

Students Served By OSAR	Apr-18	May 18	Jun-18	Total
Corinthian Students	65	77	33	175
Other Eligible Students	566	945	543	2,054
Total Number of Students	631	1022	576	2,229

SUMMARY OF STUDENT SERVICES

Student Tuition Recovery Fund (STRF) Claims Received by the Bureau for Private Postsecondary Education (Pre-OSAR) - Prior to State Fiscal Year 2017/18 ³ -	Apr-18	May 18	Jun-18	
<u>Pending Claims (Beginning of Reporting Month)⁴</u>				
Pending Claims (Qty.)	36	28	21	
Pending Claims (Total Dollar Amount) ⁵	\$1,106,845	\$1,095,509	\$958,232	Total
<u>Approved Claims (End of Reporting Month)</u>				
Claims Approved (Qty.)	8	7	2	17
Claims Approved (Total Dollar Amount)	\$47,919	\$81,911	\$17,518	\$147,348
Student Loans Canceled (Dollar Amount)	\$0	\$0	\$0	\$0
Student Loans Paid Off (Dollar Amount)	\$0	\$0	\$0	\$0
Cash Reimbursements to Students (Dollar Amount)	\$11,336	\$137,277	\$119,832	\$268,445
<u>Denied Claims (End of Reporting Month)</u>				
Claims Denied (Qty.)	-	-	-	-
Claims Denied (Total Dollar Amount)	\$0	\$0	\$0	\$0
<u>Appealed Claims (End of Reporting Month)</u>				
Claims on Appeal (Qty.)	7	7	7	7
Claims on Appeal (Total Dollar Amount) ⁶	\$116,624	\$116,624	\$116,624	\$116,624

STRF Claims Received by the Bureau for Private Postsecondary Education (OSAR) - State Fiscal Year 2017/18 ⁷ -	Apr-18	May 18	Jun-18	Total
Number of Students Assisted⁸	569	971	598	2,138
Number of Claims Received	16	34	30	80
<u>Pending Claims (End of Reporting Month)⁴</u>				
Pending Claims (Qty.)	285	308	335	335
Pending Claims (Total Dollar Amount) ⁵	\$3,512,064	\$4,078,174	\$4,667,425	\$4,667,425
<u>Approved Claims (End of Reporting Month)</u>				
Claims Approved (Qty.)	11	3	-	14
Claims Approved (Total Dollar Amount)	\$107,214	\$29,777	\$0	\$136,991
Student Loans Canceled (Dollar Amount)	\$0	\$0	\$0	\$0
Student Loans Paid Off (Dollar Amount)	\$0	\$0	\$0	\$0
Cash Reimbursements to Students (Dollar Amount)	\$300	\$14,373	\$65,957	\$80,630
<u>Denied Claims (End of Reporting Month)</u>				
Claims Denied (Qty.)	-	-	-	-
Claims Denied (Total Dollar Amount)	\$0	\$0	\$0	\$0
<u>Appealed Claims (End of Reporting Month)</u>				

Claims on Appeal (Qty.)	-	-	-	-
Claims on Appeal (Total Dollar Amount) ⁶	\$0	\$0	\$0	\$0

Federal Loan Forgiveness Claims	Apr-18	May 18	Jun-18	Total
Number of Students Assisted	156	189	235	580
Pending Claims				
Pending Claims (Qty.)	18	25	29	29
Pending Claims (Dollar Amount) ⁹	\$265,474	\$444,499	\$504,126	\$504,126
Approved Claims				
Approved Claims (Qty.)	1	-	-	1
Approved Claims (Dollar Amount)	\$43,217	\$0	\$0	\$43,217
Denied Claims				
Denied Claims (Qty.)	-	-	-	-
Denied Claims (Dollar Amount)	\$0	\$0	\$0	\$0
Appealed Claims				
Appealed Claims (Qty.)	-	-	-	-
Appealed Claims (Dollar Amount)	\$0	\$0	\$0	\$0

Private Loan Relief (Non-STRF)	Apr-18	May 18	Jun-18	Total
Number of Students Assisted	64	65	87	216
Description of Services Provided	Referred students to the Consumer Financial Protection Bureau	Referred students to the Consumer Financial Protection Bureau	Referred students to the Consumer Financial Protection Bureau	

Federal Loan Income-Dependent Repayment Plans	Apr-18	May 18	Jun-18	Total
Number of Students Assisted	-	-	-	-
Students Helped Out of Default on Federal Loan Through Consolidation or Rehabilitation	-	-	-	-

¹ Office of Student Assistance and Relief (OSAR) outreach efforts to-date are listed at <http://www.osar.bppe.ca.gov/outreach.shtml>.

² Student services include providing information and individualized assistance to students regarding how and where to file a complaint, how to access available state and federal relief programs, and making informed decisions when selecting a private college to attend.

³ On July 1, 2017, the OSAR came into existence and assumed the responsibility of processing STRF claims from the Bureau for Private Postsecondary Education's STRF Unit. Approximately 135 pending STRF claims were assigned to OSAR for continued processing. All STRF claims are processed in the order received. Therefore, those 135 claims were processed first by OSAR staff. Following OSAR's fourth quarter report, 19 claims remain to be processed.

⁴ 'Pending claims' includes both complete STRF claims being processed and incomplete STRF claims awaiting claimant information.

⁵ The total dollar value of STRF 'Pending Claims' is derived from self-reported numbers by students and is subject to change.

⁶ The total dollar value of STRF 'Claims on Appeal' is derived from self-reported numbers by students and is subject to change.

⁷ Data for OSAR student assistance and STRF claims received from April 1, 2018, through June 30, 2018.

⁸ Students assisted with the completion of STRF claims in person, via telephone, or via email correspondence.

⁹ The total dollar value of Federal Loan Forgiveness 'Pending Claims' is derived from self-reported numbers by students and is subject to change.

Student Tuition Recovery Fund Claims

Student Tuition Recovery Fund (STRF) Claims Received 2017/18 Through 2018/19 State Fiscal Year

385

Claims Closed 2017/18 Through 2018/19 State Fiscal Year

Claims Paid	122	Amount	\$1,253,802
Claims Ineligible ¹	1		
Claims Denied ¹	1		
Closed - Unable to Contact ²	15		
Total	139		

Current Claims

Active / Waiting for Student Response	199
Analyst's First Review Complete / Recommendation Pending	212
Payment Requested From State Controller's Office	13
Total	424

Claims in Queue

49

Definitions

Ineligible / Denied ¹ Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2)

Unable to Contact ² OSAR Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times

Current Fund Balance: \$26,406,000

Historical Fund Balances (State Fiscal Year Closing):

2017-18	\$26,295,000
2016-17	\$28,497,000
2015-16	\$29,626,000

Data as of 7/18/2018

Student Tuition Recovery Fund Claims

Large Impact Closures

2017/18 Through 2018/19 State Fiscal Year

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
All Claims	385	333	1	1	122	\$1,253,802
ITT Tech	20	13	0	0	7	\$33,262
Heald¹	90	88	0	1	5	\$70,304
WyoTech¹	5	4	0	0	1	\$198
Everest¹	16	14	0	0	1	\$10,000

From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
ITT Tech	282	29	25	112	42	\$197,631
Heald¹	161	84	48	5	14	\$154,665
WyoTech¹	119	7	16	23	50	\$278,243
Everest¹	259	16	53	40	84	\$255,695

¹ Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc.

Office of Student Assistance & Relief

How OSAR Can Assist Students?

SCOTT VALVERDE, OSAR CHIEF



About OSAR

- Established on July 1, 2017
- Part of Bureau for Private Postsecondary Education (BPPE)
- Within CA Department of Consumer Affairs

OSAR Mission Statement

*“To serve as the primary point of contact for **advancing and protecting** students’ rights, **advocating** on behalf of students, informing students through **outreach**, and providing **equitable relief** to students who suffer economic loss as a result of the unlawful activities or closure of a California private postsecondary educational institution.”*

OSAR Services

Assistance to Prospective Postsecondary Students

- ✓ Information to Help Make an **Informed Choice**
- ✓ **Outreach** Events and Presentations
- ✓ **Access** to Approved Schools List and Program **Information**

Closed School Services

- ✓ Accessing State and Federal Relief Programs
- ✓ Student Records and Transcripts
- ✓ Informing Students of Their Rights and Options
- ✓ Outreach → Case Management → Individualized Assistance
- ✓ Connecting Students With Appropriate Agencies / Resources

Proactive Outreach Resources

- OSAR Website
- Outreach Calendar of Events
- Student Videos
- Information on Both Private and Public Colleges
- Links to Resources From Partners and Stakeholders
- Staff Expertise / Dedication to Help You in Your Journey

Prospective Student Tips

RESEARCHING COLLEGES

What to Consider When Selecting a College

Questions to Ask Yourself:

- ✓ What Are My Educational Goals?
- ✓ How Will This College's Programs and Services Help Me Achieve My Goals?
- ✓ What Are My Expectations for a College?
- ✓ What is My Earning Potential vs Potential Debt?

What to Consider When Selecting a College (Cont.)

Questions to Ask Yourself:

- ✓ What Services Does This College Have for Me?
 - Resource Centers
 - Academic Advisors
 - Career Counselors
 - Tutoring Services
- ✓ Am I Ready?
 - Financially
 - Personally
 - Logistically

Private Colleges vs. Public Colleges

Private Colleges

- ✓ Typically Owned by an Individual, Partnership, Corporation or Limited Liability Partnership
- ✓ Rely Heavily on Tuition and Private Funding
- ✓ Variety of Programs and Structures
- ✓ Often Shorter Programs Customized for Working Adults

Public Colleges

- ✓ Publicly Funded
- ✓ Typically Charge Lower Tuition
- ✓ Various Types (e.g., Universities and 2-Year Community Colleges)
- ✓ Academic Programs and Degrees
- ✓ Competitive Admission Requirements

Researching Colleges

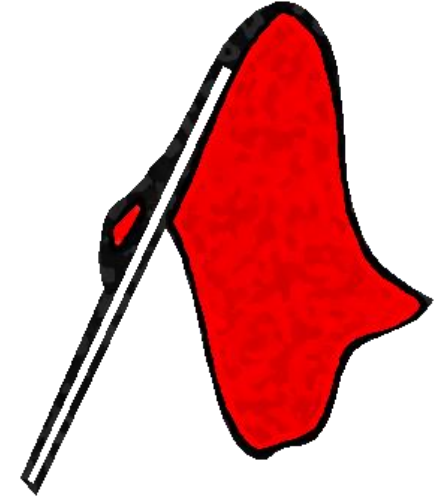
- ✓ Visit the BPPE Website: www.bppe.ca.gov
- ✓ Visit the College's Website
 - School Performance Fact Sheet or Reports
 - School Catalog
 - Educational Programs
 - Student Services
- ✓ Verify the College's Accreditation
- ✓ Survey Potential Employers In Your Field of Interest
- ✓ Visit the College – In Person, While Students are in Attendance
- ✓ Visit the California College Guidance Initiative Website: www.californiacolleges.edu
- ✓ Check out Their Career Programs
- ✓ Check Online Reviews (Better Business Bureau, Yelp, etc.)

Before Enrolling

- ✓ Read the Enrollment Agreement Thoroughly
 - Cancellation Policy
 - Financial Policies (Tuition Amount, Payment Terms, Other Charges, Financial Aid)
 - Due Dates
 - Beware of Predatory Lending
- ✓ Request Copies of all Signed Documents
 - Keep Copies in Safe Place
- ✓ Ask Questions!

Red Flags

- ✓ No School Catalog or Enrollment Agreement
- ✓ Not Approved by the BPPE (Private Colleges Only)
- ✓ High-Pressure Sales Pitch
- ✓ Cash Only
- ✓ No Students at the School During Visit
- ✓ Loss of Accreditation
- ✓ Unwillingness or Inability to Answer Your Questions
- ✓ Bad Reviews (Yelp, Better Business Bureau, Personal Accounts, etc.)
- ✓ Poor Placement and Completion Statistics
- ✓ Potential Employers Do Not Value Degree / Certificate



Student Resources

- ✓ OSAR Website: www.osar.bppe.ca.gov
- ✓ BPPE Website: www.bppe.ca.gov
- ✓ California Department of Veterans Affairs Website: www.calvet.ca.gov
- ✓ California College Guidance Initiative Website: www.californiacolleges.edu
- ✓ California Student Aid Commission Website: www.csac.ca.gov
- ✓ U.S. Department of Education Website: www.studentaid.ed.gov
- ✓ Consumer Financial Protection Bureau Website:
<https://www.consumerfinance.gov/consumer-tools/student-loans/>



OSAR

OFFICE OF STUDENT ASSISTANCE AND RELIEF



The Office of Student Assistance and Relief (OSAR) supports California's current, prospective, and past private college students.

For assistance, call
(888) 370-7589
or email
osar@bppe.ca.gov

Like us on Facebook
and Follow us on Twitter



Facebook.com/TheCalOSAR
Twitter.com/TheCalOSAR

Visit our website at
www.osar.bppe.ca.gov
for information on:

- Choosing a college
- Filing a complaint
- Financial relief if you were impacted by a college closure
- And more!

Office of Student Assistance and Relief

1625 N. Market Blvd., Suite S-300, Sacramento, CA 95834

Phone: **(888) 370-7589** | Email: **osar@dca.ca.gov**

Website: **www.osar.bppe.ca.gov**



18-061



Application for Student Tuition Recovery Fund

Dear Student:

The Bureau for Private Postsecondary Education (Bureau) is committed to ensuring students receive appropriate refunds from the Student Tuition Recovery Fund (STRF) account, in accordance with applicable laws and regulations. You have up to four (4) years from the date of a school or program closure, or other qualifying event as defined on Page 4 of this Application, to submit your STRF claim. The Bureau encourages you to make a claim as soon as possible after you have suffered economic loss because of a qualifying event, even if you do not have all the supporting documents requested. The Bureau will accept supplemental supporting documents after your application is filed. If you do not know how to obtain the required documents due to your school's closure, please check the Bureau's website at www.bppe.ca.gov or call the Bureau to find out the school's listed custodian of records and how to attempt to obtain the necessary documents.

In order to help us expedite your claim, please **complete, sign and submit** the STRF Application **with your original signature** and provide us with **copies** of currently available supporting documents, as requested in the application, including as appropriate:

- ✓ **Proof(s) of Enrollment:**
 - Enrollment Agreement(s), Transcript(s), Report Card(s), Loan Agreement(s).
- ✓ **Receipts:** All receipts for tuition payments, student loan payments, and/or awards, such as:
 - Cancelled checks
 - Credit or debit card bank statements
 - Cash receipts
- ✓ **Third-Party Payer Benefits Documents:** such as Cal Grant, Pell Grant, or veterans' financial aid awards
- ✓ **Student Loan Documents:** Provide copy of loan documentation, such as:
 - Most current loan statement showing outstanding balance
 - Loan summary document from lender or servicer, showing disbursements
- ✓ **Loan Discharge Application and Response:** If you have already requested a loan discharge, provide:
 - A copy of the application and the response, if any, from the loan company
- ✓ **Leave of Absence Documentation:** (if you took a leave of absence)
- ✓ **Invoice for Legal Services and Evidence of Cancellation of Loan(s):** (if the legal services resulted in the cancellation of student loan(s))
- ✓ **Final Orders, Awards Or Judgments Against School**

You can submit your application and documents to the P.O. Box address listed above. The Bureau makes every effort to pay student STRF claims in a timely manner if the Bureau has received the original STRF Application and necessary supporting documents.

Should you have any questions, or require additional information or assistance, please contact the STRF unit at 888-370-7589 and select option 5 when prompted, or you may send an email to STRF@dca.ca.gov.

Respectfully,

Student Tuition Recovery Fund Unit
Bureau for Private Postsecondary Education
Form STRF App Rev. 1/17



Bureau for Private Postsecondary Education
 P.O. Box 980818
 West Sacramento, CA 95798-0818

OFFICE USE ONLY

Date Stamp _____

SAIL application # _____

School Code _____

School/Program Closure date _____

Application for Student Tuition Recovery Fund

(California Education Code § 94923; 5 California Code of Regulations §§ 76000, 76020, 76200, 76210.)

Section 1: STUDENT – All fields must be completed in this section

Section 2: INSTITUTION (where you were enrolled during the qualifying event(s), as listed on page 4 of the application)

- Please provide proof of enrollment (such as enrollment agreement, transcript/report cards, loan agreements)

Institution Name: _____

Institution Address: _____

City: _____ State: _____ Zip: _____

Institution Telephone Number: _____

Section 3: DATES OF ATTENDANCE AND RESIDENCY

Reason(s) you stopped attending the institution:

➤ Did you obtain an award or judgment against the school? (If YES, please attach a copy of the final award or judgment.) Yes No

Section 4: SUBSEQUENT INSTITUTION, IF ANY (where you enrolled after attendance at the institution where the qualifying event occurred)

➤ Did you transfer to another school? (If YES, provide a copy of enrollment agreement from new school and list any classes or units transferred below.) Yes No (Skip to Section 5.)

Subsequent Institution Name: _____

Subsequent Institution Address: _____

City: _____ State: _____ Zip: _____

Subsequent Institution Telephone Number: _____

DATES OF ATTENDANCE (at subsequent institution)

Date started: _____ Date stopped: _____

Graduated? No _____ Yes _____ If YES, when: _____

List classes or units/credits transferred from Qualifying Institution to Subsequent Institution: (attach additional sheet if necessary): _____

- | | | |
|----------|----------|-----------|
| 1. _____ | 5. _____ | 9. _____ |
| 2. _____ | 6. _____ | 10. _____ |
| 3. _____ | 7. _____ | 11. _____ |
| 4. _____ | 8. _____ | 12. _____ |
-

Section 5: QUALIFYING EVENTS

The fund exists to relieve or mitigate economic (i.e., pecuniary) loss suffered by a California resident while enrolled at a qualifying institution if the student enrolled in the institution, prepaid tuition, and suffered economic loss as a result of any of the following reasons per California Education Code Section 94923. Please check all that apply:

Closures:

- 1. The institution or a location of the institution closed or an educational program offered by the institution was discontinued while you were enrolled, and you did not participate in or complete a teach-out plan.
- 2. You were enrolled at the institution or a location of the institution within the 120-day period before the institution or a location of the institution closed or an education program offered by the institution was discontinued.
- 3. You were enrolled in an education program offered by the institution or a location of the institution more than 120 days before the institution or a location of the institution closed and the Bureau determines there was a significant decline in the quality or value of the program more than 120 days before closure.
- 4. You were enrolled at a California campus of a Corinthian Colleges, Inc., institution or you were a California student enrolled in an online program offered by an out-of-state campus of a Corinthian Colleges, Inc., institution, as of June 20, 2014, or withdrew within 120 days of that date.

Refunds/Loan Proceeds:

- 5. The institution’s failure to provide a refund to you as ordered by the Bureau.
- 6. The institution’s failure to pay or reimburse to you loan proceeds under a federal student loan program as required by law or to pay or reimburse to you proceeds received by the institution in excess of tuition and other costs.

Monetary Award:

- 7. You obtained a monetary award or judgment against the institution or representative of the institution based on a violation of the California Private Postsecondary Education Act of 2009, and you have reasonably tried and failed to collect the award or judgment. (The Bureau shall review the award or judgment and ensure the amount paid from the STRF does not exceed your economic loss.)

Legal Fees:

- 8. You sought legal counsel that resulted in the cancellation of one or more of your student loans and have an invoice for services rendered and evidence of the cancellation of the student loan or loans. (The Bureau shall review the invoice and evidence and upon verification, reimburse you up to five hundred dollars (\$500.00).)

Educational Opportunity Loss:

- 9. Any part of your tuition was paid by a third-party payer (such as an employer, government program, or other entity) and those benefits were lost because of your inability to complete the educational program due to the institution’s closure or loss of eligibility to receive the benefits. (The Bureau will pay your charges at a subsequent institution up to the original

amount of the third-party payer benefit upon evidence of your enrollment at a subsequent institution that is eligible to receive the same benefit.)

Section 6: ECONOMIC LOSS – This section must be completed. If the category does not apply to you, enter “0”. Please document the amount and provide a description of your economic loss:

A. Out-of-Pocket Tuition Payments (Non-Loan)

- Did you make any cash **tuition payments** (“cash” includes by check, credit or debit card, money order, cashier’s check, etc.)? Yes No

(If YES, complete the below and provide supporting documents, such as receipts from the school of payments you made, the school ledger card showing payments, or school statements showing payments. If you wrote a check or paid with a credit card, provide copies of the bank statement(s) showing the payment(s), or cancelled checks (front and back).

	Amount
Cash payments to school	\$
Checks cashed by school	\$
Credit or debit card payments to school	\$
Other cash payments	\$
Total	[A.1.] \$

B. Student Loans Used for Tuition

- Did you receive a loan of any type (including federal, private, PLUS, or personal loans) to pay any part of the **tuition**? Yes No (If YES, complete the below and provide the most current monthly loan statement, proof of any payments you made, any documents you have showing that you took out the loan(s), and any loan agreement(s).)
- Have you applied for a loan discharge? Yes No (If YES, provide a copy of your discharge application and any response or related documentation).
- Have you sought legal counsel that resulted in the cancellation of one or more of your student loans? No (If YES, provide a copy of the invoice for services rendered and evidence of the cancellation of the student loan or loans.)

Name and Address of Lender and Servicer and Type of Loan	Amount Used for Tuition	Amount of Any Payments You Made on Loan(s)	Amount you Currently Owe
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Totals	\$	[B.1.] \$	[B.2.] \$

C. Grants or Third-Party Payments for Tuition

➤ Did you receive grants of any type (including Cal Grants, Pell Grants, etc.) to pay any part of the **tuition**?

- ,

-

paperwork before you sign it.

IF YOU ARE UNABLE TO PROVIDE THE DOUCMENTATION REQUESTED IN THIS APPLICATION, YOU MAY STILL APPLY AND EXPLAIN THE REASON YOU CANNOT PROVIDE THE REQUESTED DOCUMENTATION, AS APPROPRIATE:

- -

Section 7: ATTESTATION AND SIGNATURE

“I declare under penalty of perjury under the laws of the State of California that the statements made in the application are true and correct and the supporting documents are true and correct copies of originals.”

Signature

Date

Print Name

INFORMATION COLLECTION

The information requested in this application will be used to determine eligibility and recovery under the Student Tuition Recovery Fund laws and regulations. The personal information requested is mandatory and is maintained by the Bureau for Private Postsecondary Education in accordance with the Information Practices Act. Each individual has the right to review his or her own records that contain personal information maintained by the agency as set forth in the Information Practices Act unless the records are exempt from disclosure. Applicants are advised that the Bureau makes every effort to protect the personal information you provide us; however, it may be disclosed in response to a Public Records Act request as allowed by the Information Practices Act; to another government agency as required by state or federal law; or in relation to a court or administrative proceeding, order, a subpoena, or search warrant.



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1896 www.bppe.ca.gov



LOAN NEGOTIATION, CERTIFICATION, AND AUTHORIZATION

1. By signing this form you authorize the Bureau to negotiate with any lender, holder, guarantee agency, or the U.S. Department of Education on the student’s behalf to reduce the loan obligation.
2. By signing this form you authorize the Bureau to issue a payment directly to any lender, holder, guarantee agency, or the U.S. Department of Education on the student’s behalf.
3. An assignment to the Fund and the Bureau of the student’s rights to collect those funds against the institution if any payment issues as a result of the application.

TO WHOM IT MAY CONCERN, I AUTHORIZE THE RELEASE OF MY LOAN INFORMATION TO A REPRESENTATIVE OF THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION FOR THE SOLE PURPOSE OF LOAN NEGOTIATION ON MY BEHALF.

Student’s
Full Name: _____

Student’s
Social Security Number: _____

Student’s
Signature: _____

Date: _____

Borrower if different than student
Full Name: _____

Borrower
Social Security Number: _____

Borrower’s
Signature: _____

Date: _____

Closed School Guide



BPPPE

Bureau for Private Postsecondary Education

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite #400 ♦ Sacramento, CA 95833
Toll Free (888) 370-7589 ♦ FAX (916) 263-1896
www.bppe.ca.gov ♦ email: strf@dca.ca.gov

The closing of a school can be a very confusing and stressful event for students. The Bureau for Private Postsecondary Education (Bureau) has designed this guide to help you navigate this process by providing you with the information necessary to continue your education and relieve or mitigate your economic loss.

STEP 1: Obtain Your Academic and Financial Records:

1. Obtain your Student Academic Record (transcripts)
2. Obtain your Student Financial Record (ledger)
3. Obtain your Proof of Training Document (for cosmetology/barbering students)
4. Obtain copies of ALL paperwork the school is providing you or asking you to sign. **CAREFULLY REVIEW ALL PAPERWORK BEFORE YOU SIGN!**
5. Make copies of your enrollment agreements and all receipts
6. Create a folder to keep all the documentation you have

It is **important** that you obtain your academic, attendance, and financial records as soon as possible. Since your school has closed or is closing, your ability to access these records from the school may be temporary. Certain records are necessary if you plan to transfer to a new school, submit a Student Tuition Recovery Fund (STRF) claim, or ask for a student loan discharge from the United States Department of Education. If you transfer to a new school, these records will help your new school determine what federal student aid you have received and coursework you have successfully completed. This information will also help the new school determine your student aid eligibility and how many credits may be transferable to your new program of study.

STEP 2: Explore Your Options:

Teach-Out vs. Transfer

If you want to continue your education at a different institution, you will need to understand the difference between a **teach-out** and a **transfer**.

Teach-out means another school allows you to complete your program of study for which you will not incur additional costs (outside of what you would have paid had you been able to complete your program at the school that closed). California Education Code section 94866 defines teach-out as “the arrangements an institution makes for its students to complete their educational programs when the institution ceases to operate.”

If you choose to participate in an available teach-out, you need to be aware of the following:

- You may not be eligible for discharge of your federal student loans.
- If you *complete* the teach-out, your economic loss under STRF (discussed below) does not include any amount you paid to the closed school for instruction.
- If you withdraw from the teach-out institution *within* the first two weeks of enrollment, your economic losses under STRF are calculated as though you never participated in the teach-out.
- If you withdraw from the teach-out institution *after* the first two weeks of enrollment, your economic loss under STRF includes only a pro rata portion of charges for the hours of the education service paid for, but not received from, either institution.

Transfer means you take the academic credits or “clock” hours you have earned at the closed school and move them to a new school.

If you choose to transfer, you need to be aware of the following:

- With a transfer, you may incur additional costs required by the new school.
- You will need to contact the school you wish to transfer to in order to find out if any of the credits you want to transfer will be accepted. Schools have a maximum amount of credits that they will transfer from a prior school.
- You may be eligible for reimbursements from STRF for the portion of credits/hours completed that were not accepted at the new school.

Loan Discharge

If you are unable to complete your education due to a school closure and you don't participate in a teach-out or transfer to another school, you may be eligible for a discharge of your student loan(s).

Loan discharges are not automatic with the closure of a school. You must send an application for loan discharge to the holder or servicer of your loan(s).

You can find a loan discharge application and other important information for federal student loans at <https://studentaid.ed.gov/sa/>

. ALL federal government loan questions should be directed to the United States Department of Education at 800-4FED-AID (433-3243).

For non-federal loans, contact the holder or servicer of your loan(s) to inquire what relief may be available to you.

Credit Card Payments: If you made payments to the school with a credit card, you may be able to dispute the charges and request that the charges be reversed. You will need to contact your specific credit card company to obtain the proper process. For more information visit: <https://www.consumer.ftc.gov/articles/0219-disputing-credit-card-charges>

Student Tuition Recovery Fund (STRF)

The STRF exists to relieve or mitigate economic losses suffered by a student in an educational program at a qualifying institution.

You may download a STRF claim application in English or Spanish at <http://www.bppe.ca.gov/students>.

Before completing the STRF application, you should review the eligibility requirements listed in this document as the first step in determining whether you are eligible for reimbursement from the STRF.

Eligibility Requirements

- The school you attended was not exempt from the Bureau's laws.
- You were a California resident or enrolled in a California residency program at the time you signed the enrollment agreement.

- You must have proof you pre-paid tuition.
- You must have proof you paid the STRF fee payment (or proof you paid tuition equal to or greater than the STRF assessment).
- You must show proof that you have suffered economic loss because of one of the following:
 1. You attended when your school or program was closed or discontinued (and you did not participate in or complete a teach-out);
 2. You attended within 120 days of the school closure or program discontinuance;
 3. You attended more than 120 days before the school closure or program discontinuance, and there was a significant decline in the quality of the program more than 120 days before the closure;
 4. Your school was ordered by the Bureau to pay a refund but failed to do so;
 5. Your school failed to properly pay or reimburse you federal student loan proceeds;
 6. You have obtained a monetary award against the school based on a violation of the Bureau's laws but have been unable;
 7. Your charges were paid by a third-party payer, and you have suffered educational opportunity losses as a result of the school or program closure.
- You must have a Social Security Number or Taxpayer ID. If you do not have a Social Security Number or Taxpayer ID, please contact the Internal Revenue Service. For information on obtaining an Individual Taxpayer Identification Number, visit this web page: <https://www.irs.gov/individuals/general-itin-information>

If you do not meet the above eligibility requirements but feel that you qualify otherwise, please contact the Bureau for assistance at (888) 370-7589.

Submitting a STRF Application and Documentation

The STRF application can be downloaded at www.bppe.ca.gov under the "Students" tab. You must complete the application in its entirety, including your signature and the date. Incomplete applications can delay the Bureau's ability to act upon the application.

If you choose to submit a STRF application you have up to four (4) years from the date of the school closure or discontinuance of the educational program to submit your STRF application.

The application asks for several pieces of documentation including, but not limited to:

- Enrollment agreement.
- Loan documents including the current status of your student loan(s) and whether you have applied for a loan discharge.
- Transcripts, certificates, diplomas, and proof of training document (if applicable).
- Leave of absence documentation.
- Receipts for all transactions with the school (e.g., bank/credit card statements, receipts from the school, statement from the school listing all payments).

Please provide a description of your economic loss. Economic losses include tuition, cost of equipment and materials required for the educational program, interest on student loan(s), collection cost and penalties, and the amount the institution collected and failed to pay to third parties on behalf of the student. Economic losses do not include STRF assessments, room and board, supplies, transportation, application fees, or non-pecuniary damages such as inconvenience, emotional distress, or punitive damages.

When filling out the application, be sure to answer each question with as much detail as possible. You may attach additional documents or explanations as warranted.

Mailing your Claim to the Bureau

Mail all of the required documents to the address listed at the top of the application form. Please be sure to include the original signed application and copies of your supporting documents. DO NOT send original supporting documents as those documents will not be returned to you.

Upon receipt of your application, the Bureau will notify you that your claim has been received and provide you with a claim number. Please keep this notification for your records. You will need the claim number for all inquiries regarding your application.

Approving or Denying Your Claim

Claims are reviewed in the order they are received. Please be patient. Your claim will be processed as quickly as possible.

During the Bureau's review process, you may be asked to provide additional documentation. Please provide the documents or a thorough explanation as to why the documents could not be provided within the timeframe listed on the notice. If you need additional time to submit the requested documentation please contact the Bureau immediately.

If your claim is approved you will be mailed a letter of confirmation stating the amount of the claim to be paid. Payment is typically received within 60 days of the date on the letter.

If your claim is denied you will receive a letter of explanation for the denial. This letter will include instructions on the Bureau's appeal process.

Should you have further questions please contact the Bureau's STRF Unit at (888) 370-7589 and press "5" when prompted.

Revised
9/1/2016

STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:

- a. Registration for Out-of-State Private Postsecondary Educational Institutions (CEC sections 94850.5 and 94801.5)**
- b. English as a Second Language Programs (Title 5, CCR, Section 70000 (k))**
- c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)**
- d. Compliance with Laws and Procedures (Title 5, CCR, Section 71755)**

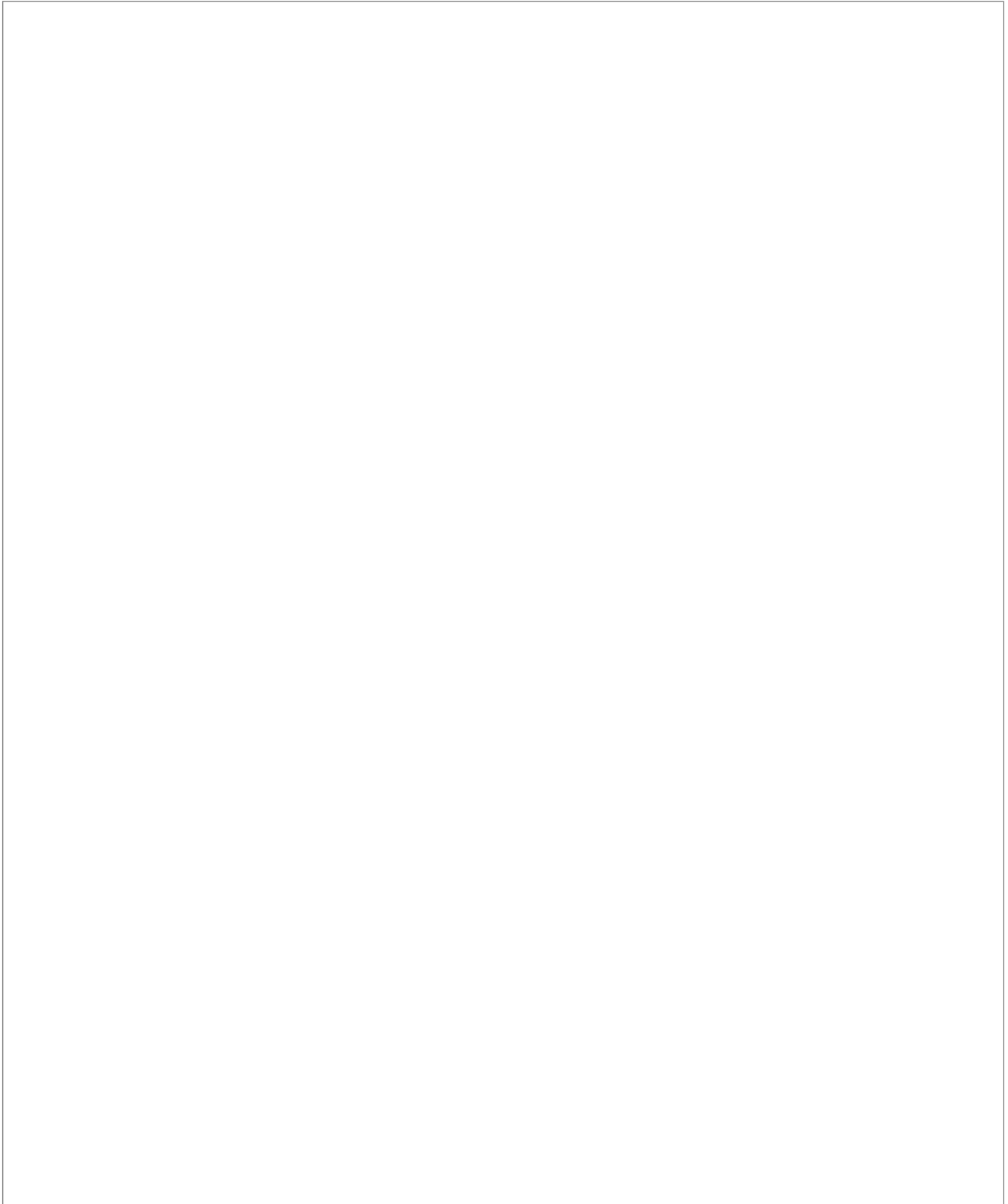
**DISCUSSION REGARDING ASSEMBLY BILL 1178 (POSTSECONDARY
EDUCATION: STUDENT LOANS) (2017-2018) REGARDING STUDENT DEBT
DISCLOSURES**

ATTACHMENT:

- A. Assembly Bill 1178
- B. Education Code Section 69509.6



California
LEGISLATIVE INFORMATION



institution is aware of and may not include all student debt incurred; that borrowers with private loans may have substantially higher payments; and that federal student loan borrowers may be eligible for repayment plans that extend beyond ten years.

(3) Contact information for the institution's financial aid office or a financial aid or academic adviser of the institution.

(b) An institution described in subdivision (a) shall not incur liability for any representations made in the estimates provided pursuant to paragraph (1) of subdivision (a).

(c) If an institution is not able to provide a student with estimates pursuant to paragraph (1) of subdivision (a), the institution shall inform the student in the letter described in subdivision (a) that he or she may view his or her financial aid history by establishing a federal student aid account, or accessing his or her federal student aid account if established, through the National Student Loan Data System. The institution shall provide the student with the Internet Web site link to the system.

EDUCATION CODE - EDC

TITLE 3. POSTSECONDARY EDUCATION [66000 - 101060] (Title 3 enacted by Stats. 1976, Ch. 1010.)

DIVISION 5. GENERAL PROVISIONS [66000 - 70110] (Division 5 enacted by Stats. 1976, Ch. 1010.)

PART 42. STUDENT FINANCIAL AID PROGRAM [69400 - 70110] (Part 42 enacted by Stats. 1976, Ch. 1010.)

CHAPTER 2. Student Financial Aid Programs [69500 - 70039] (Chapter 2 enacted by Stats. 1976, Ch. 1010.)

ARTICLE 1.5. General Provisions [69503 - 69509.6] (Article 1.5 added by Stats. 1977, Ch. 36.)

69509.6. (a) Commencing with the 2018–19 award year, each higher education institution, except for the California Community Colleges, shall, to the extent that the institution receives a student borrower’s federal, state, and private education loan information, send an individualized letter, by regular mail or electronic mail, to that student that includes all of the following information:

(1) An estimate of all of the following:

(A) The total cumulative principal amount of his or her federal, state, and private education loans.

(B) The potential total payoff amount of his or her federal, state, and private education loans incurred or a range of the total payoff amount.

(C) Monthly repayment amounts that a similarly situated borrower may incur, including principal and interest, for the amount of loans the student has taken out at the time the information is provided, assuming a 10-year repayment plan under current federal loan interest rates.

(2) A statement that the estimates provided pursuant to paragraph (1) are general in nature and not meant as a guarantee or promise of the actual projected amounts, and that they are based on the loan amounts that the institution is aware of and may not include all student debt incurred; that borrowers with private loans may have substantially higher payments; and that federal student loan borrowers may be eligible for repayment plans that extend beyond ten years.

(3) Contact information for the institution’s financial aid office or a financial aid or academic adviser of the institution.

(b) An institution described in subdivision (a) shall not incur liability for any representations made in the estimates provided pursuant to paragraph (1) of subdivision (a).

(c) If an institution is not able to provide a student with estimates pursuant to paragraph (1) of subdivision (a), the institution shall inform the student in the letter described in subdivision (a) that he or she may view his or her financial aid history by establishing a federal student aid account, or accessing his or her federal student aid account if established, through the National Student Loan Data System. The institution shall provide the student with the Internet Web site link to the system.

(Added by Stats. 2017, Ch. 448, Sec. 1. (AB 1178) Effective January 1, 2018.)

FUTURE AGENDA ITEMS

ADJOURNMENT