

# Closed School Guide



# BPPPE

Bureau for Private Postsecondary Education

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

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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.

### **Obtaining Academic and Financial Records**

1. Obtain your Student Academic Record
2. Obtain your Student Financial Record
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. These 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.

### **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 a similar or identical program of study for which you may 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 the teach-out you need to be aware of the following:

- The Bureau received a teach-out plan from the school.
- If you withdraw from the teach-out institution within the first two (2) weeks of enrollment, your economic losses are calculated as though you never participated in the teach-out.
- If you withdraw from the teach-out institution after the first two (2) weeks of enrollment, your economic loss includes only a portion of charges for the hours of the education service paid for, but not received from, either institution.

**Transfer** means you may be able to use the academic credits or “clock” hours you have earned at the closed school towards the completion of a similar or different program of study at another school.

With a transfer, you may incur additional costs and 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.

### **Loan Discharge**

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

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

You can find a loan discharge application and other important information at <https://www.myeddebt.com/borrower/>. 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 of your loan(s) to inquire what relief may be available to you.

### **Student Tuition Recovery Fund**

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

If you are a student who has exhausted all other possible ways to recover lost tuition (including requesting a refund from the institution), you may file a STRF claim application.

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**

- Your school must be officially closed.
- The school was a qualifying (approved) institution.
- You were a California resident at the time you signed the enrollment agreement or enrolled in the residency program.
- You must have proof of STRF fee payment.
- You must have proof you pre-paid tuition.
- You must show proof you attended at or near the time of school 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.

If you do not meet the above eligibility requirements but feel that you qualify otherwise, please contact the Bureau for assistance.

### **Submitting a STRF Application and Documentation**

The STRF application can be downloaded at [www.bppe.ca.gov](http://www.bppe.ca.gov) under the “Students” tab. You must complete the application in its entirety, including your signature and the date. Incomplete applications will be returned without any action taken.

If you choose to submit a STRF application and you have been properly notified by the institution or the Bureau of your student rights, you have up to two (2) years to submit your STRF claim.

If you choose to submit a STRF application and you have not been properly notified by the Bureau or the institution, you have a maximum of four (4) years 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).

*Note: If you paid by credit card, you need to dispute the charges and ask that the charges be reversed, in writing, to your credit card company. The credit card company will respond with a letter denying or approving this request. Please submit a copy of this letter with your application.*

Please provide a description of your economic loss. 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. Incomplete applications will be returned without further processing.

### **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.

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