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**Coalition Tells Department of Education to Protect Students From Fine Print in Enrollment Forms That Block Their Access to Court**

***Corinthian College System Must Be Barred From Using Forced Arbitration in Student Enrollment Documents***

WASHINGTON, D.C. – As 56 Corinthian College campuses transition from for-profit to nonprofit institutions, the U.S. Department of Education should bar the new owner of the Corinthian College system from continuing the for-profit college practice of using forced arbitration in its student enrollment forms, the Fair Arbitration Now coalition said in [a letter to the department today (PDF)](http://www.consumeradvocates.org/sites/default/files/fair-arbitration-now-dept-of-education-corinthian-letter-2015_0.pdf). Forced arbitration clauses strip students of their right to a day in court.

The letter addresses the increasingly common practice that for-profit schools, including Corinthian, employ: burying terms in their enrollment contracts that eliminate students’ constitutional rights to legal protections and access to the federal and state courts. Instead, according to the enrollment terms, students with legal claims must resolve the disputes in secret and often costly arbitration proceedings.

Corinthian’s shift to nonprofit status is part of its acquisition by the Educational Credit Management Corporation.

“By contractually removing students’ access to the court system, Corinthian and other for-profit colleges have shielded themselves from being held accountable for actual and potential wrongdoing and harm caused to their students,” the letter reads. “Students seeking an education to improve their lives and persuaded by the aggressive recruiting tactics and sleek marketing ploys of for-profit colleges, have been cheated and misled by many of these schools about career training potential and have been induced to incur thousands of dollars each in student loans.”

Corinthian has received significant scrutiny for its business practices. It has been accused of considerable misconduct and violations of numerous consumer protection laws, including use of false, misleading and deceptive misrepresentations, such as providing false data about job placement rates to induce students to enroll in its schools, the letter attests.

“The Department of Education has an opportunity and an obligation to ensure that Corinthian’s new owner no longer uses the fine print of enrollment documents to keep students from exercising their legal rights when they need to,” said Christine Hines, consumer and civil justice counsel for Public Citizen’s Congress Watch division.

“If a student is misled by fraudulent marketing or the victim of abusive lending or other bad practices, a school shouldn’t be allowed to shield itself from being held accountable for this harmful conduct with forced arbitration clauses,” said Ellen Taverna, legislative director of the National Association of Consumer Advocates. “Students must be able to assert their constitutional rights to legal protections in a court of law – not forced into a private, secret arbitration proceeding.”

The letter notes that nonprofit colleges generally do not impose the predatory practice of forced arbitration on their students. And even if they did, the nonprofit status of a school should not shield it from accountability for wrongdoing or deny its students the ability to seek remedies in court. As the department oversees the acquisition of Corinthian Colleges, it should insist on restoring individuals’ legal rights and bar it from using forced arbitration against Corinthian students.

[View the letter (PDF).](http://www.consumeradvocates.org/sites/default/files/fair-arbitration-now-dept-of-education-corinthian-letter-2015_0.pdf)