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Florida Attorney General's Office News Release

AG Moody Secures Nearly $2.1 Million in Private Debt Relief for Former Argosy University Students

TALLAHASSEE, Fla.—Attorney General Ashley Moody is securing nearly $2.1 million in private debt relief for former Argosy University students. The school's abrupt closure in 2019 left students to pay off private loans received from the institution. Attorney General Moody, along with nine other state attorneys general, finalized the multistate action that will cancel outstanding principal and interest debt for former Argosy students. The action includes more than $54,000 in relief for students in Florida who attended Argosy's Tampa and Sarasota campuses, in addition to Florida students who enrolled in Argosy's online programs. The action also prevents further collection and negative credit reporting against harmed students.

Attorney General Ashley Moody said, "This school falsely marketed itself as a nonprofit and issued private loans to students, who were then left with little financial recourse after the abrupt shutdown of the school. Through our aggressive multistate action, former students of the defunct university will now receive millions of dollars in debt relief."

An investigation into Argosy revealed that the school falsely marketed to prospective students that it was a nonprofit institution. The owners of Argosy, Education Management Corporation, also allegedly misled students about the ability to obtain degrees and provided misleading and incomplete information leading up to the school's ultimate closure. The school issued institutional loan debt to enrolled students based on these marketing and recruitment practices.

Mismanagement by EMC ultimately led to insolvency and the closure of Argosy schools in 2019, which upended the lives of Argosy students in Florida. The schools entered federal receivership, a process similar to bankruptcy that can limit the financial relief available to students and other aggrieved creditors. Once in receivership, ownership of the institutional student debt changed hands, but Attorney General Moody and the multistate coalition negotiated the multistate action with the entities that now control the debt.

Joining Attorney General Moody in the action are the attorneys general of the following states: Arizona, Colorado, Georgia, Hawaii, Illinois, Minnesota, Tennessee, Utah and Virginia. The agreement will be filed in the Ohio federal court overseeing the receivership.

To view a copy of the agreement, click here.