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OFFICE OF THE ATTORNEY GENERAL STATE OF FLORIDA

Florida Attorney General's Office News Release

Millions in Debt Relief for Florida Students

TALLAHASSEE, Fla.—Attorney General Ashley Moody today announced millions of dollars' worth of debt relief for former ITT Tech students in Florida. The loan forgiveness is part of a multistate agreement with Student CU Connect CUSO, LLC, to stop collecting outstanding loans for tuition at ITT Tech, a failed for-profit college. The Florida Attorney General's Office and other attorneys general alleged that ITT Tech, with CUSO's knowledge, pressured and coerced students to accept temporary credits to cover tuition shortfalls. When students were unable to repay the temporary credits, the students faced the choice of entering into high interest loans from CUSO or leaving school. Neither CUSO nor ITT informed students of the true cost of the temporary credits until after the credits were converted into a loan, causing students to default on loans and experience damaging credit reports. More than $6.8 million in debt relief will be available to former ITT Tech students in Florida.

Attorney General Ashley Moody said, "Student loan debt is a heavy burden to pay off, but even more so when students are coerced into immediate payment through intimidation. This agreement holds CUSO accountable for its participation with ITT Tech in subjecting students to abusive lending practices. It also provides relief to hundreds of Florida students who attended ITT Tech and incurred debts in seeking an education."

Under the agreement and threat of litigation, from the Florida Attorney General's Office and other attorneys general, CUSO agrees to:

- Forego collection of outstanding loans;
- Cease doing business;
- Send notices to borrowers about the cancelled debt and ensure that automatic payments are cancelled; and
- Supply credit reporting agencies with information to update credit information for affected borrowers.

To view the agreement, click here.

Many students reportedly believed that the temporary credit resembled a federal loan and would not be due until six months after graduation; however, students had to repay the temporary credit before the next academic year. As a result, many students were forced to accept CUSO loans after ITT Tech made threats to expel students or take away earned credits.

The default rate on the loans is projected to exceed 90 percent due to loan costs and the lack of jobs ITT Tech graduates acquired to make repayment feasible. The defaulted loans continue to

affect students' credit ratings and are usually not dischargeable in bankruptcy.

ITT Tech filed bankruptcy in 2016 amid investigations by the Florida Attorney General's Office and other attorneys general, as well as, action by the U.S. Department of Education. Overall, the multistate agreement resulted in more than $168 million of debt relief.

Students with questions about rights under the agreement will receive information in the notices sent through the mail. Students may also contact the Florida Attorney General's Office to file a claim by visiting MyFloridaLegal.com or by calling 1(866) 9NO-SCAM.

In addition to Florida, the following states were part of the multistate agreement: Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and the District of Columbia.