



August [], 2022

Borrower Defense Application #: [Case Number]

Dear [Primary Contact Name]:

Your rights may be affected, please read carefully.

You filed a borrower defense application asking the U.S. Department of Education (“Department”) to cancel some or all of your federal student loan debt because you allege the school you (or your child) attended engaged in unlawful conduct. We write to inform you that there is a proposed settlement in a class action lawsuit that could affect your claim and to explain how your legal rights may be affected by that lawsuit.

As a borrower defense applicant, you may have been previously informed of a class action lawsuit called *Sweet v. DeVos*, which challenged the Department’s delay in issuing final decisions on borrower defense applications, including yours. You may also have been informed in 2020 that the parties had proposed a settlement of the lawsuit, subject to the court’s approval. The court did not approve that proposed settlement, so the lawsuit continued. You can find more information about that here: <https://www.ppsl.org/news/news/press-releases/in-new-ruling-judge-denies-borrower-defense-settlement-over-department-of-educations-perfunctory-alarmingly-curt-denials-press-release>. The lawsuit now also challenges the Department’s denial of certain borrower defense applications.

We now write to inform you that there is a new proposed settlement of the lawsuit. The settlement will not become final until it is approved by the court as fair, adequate, and reasonable. This Notice describes how your legal rights may be affected by this settlement.

What is the case about?

A lawsuit was filed in a federal court in California by seven borrower defense applicants who represent, with certain exceptions, all borrowers with pending borrower defense applications. The lawsuit challenges

the way the Department has been dealing with borrower defense applications over the past few years, including the Department's delays in issuing final decisions and the Department's denial of certain applications starting in December 2019. The case is now called *Sweet v. Cardona*, No. 3:19-cv-3674 (N.D. Cal.).

Now, both parties are proposing to settle this lawsuit. This proposed settlement is a compromise of disputed claims, and Defendants continue to deny that they have acted unlawfully.

What are the terms of the proposed settlement for borrowers who applied for borrower defense relief on or before June 22, 2022?

In the proposed settlement, the Department agrees to resolve the borrower defense applications of people who have borrower defense applications pending as of June 22, 2022 on the following terms:

- If your borrower defense application related to federal student loans borrowed to pay for attendance at a school on the list attached to this letter, you will receive a discharge of federal loans associated with that school and a refund of any amounts paid to the Department on those federal loans, and the credit tradeline for those loans will be deleted from your credit report. Within 90 days of the date that the court's approval of the settlement agreement becomes final, the Department will notify you that you will receive this relief. You will receive the relief within one year of the final effective date of the settlement agreement. Until this relief is provided, the Department will not take action to collect your debt.
- If your loans are not associated with a school on the list attached to this letter, you will receive a decision on your application according to the following schedule:
 - o If you submitted your application between January 1, 2015 and December 31, 2017, the Department will issue a decision no later than 6 months after the court's approval of the settlement agreement becomes final.
 - o If you submitted your application between January 1, 2018 and December 31, 2018, the Department will issue a decision no later than 12 months after the court's approval of the settlement agreement becomes final.
 - o If you submitted your application between January 1, 2019 and December 31, 2019, the Department will issue a

- decision no later than 18 months after the court's approval of the settlement agreement becomes final.
- If you submitted your application between January 1, 2020 and December 31, 2020, the Department will issue a decision no later than 24 months after the court's approval of the settlement agreement becomes final.
 - If you submitted your application between January 1, 2021 and June 22, 2022, the Department will issue a decision no later than 30 months after the court's approval of the settlement agreement becomes final.
- If you do not receive a decision within the timeline outlined above, you will receive a discharge of federal loans associated with your borrower defense applications and a refund of any amounts paid to the Department on those federal loans, and the credit tradeline for those loans will be deleted from your credit report.
 - The Department will decide your application in a streamlined review process that will determine whether the application states a claim that, if presumed to be true, would assert a valid basis for borrower defense; will not require further supporting evidence; will not require proof of reliance; and will not apply any statute of limitations to your application.
 - If your application is approved under the procedures above, you will receive a discharge of federal loans associated with your borrower defense application and a refund of any amounts paid to the Department on those federal loans, and the credit tradeline for those loans will be deleted from your credit report.
 - The Department will not deny your application without first providing instructions on what is required for a successful application and giving you the opportunity to resubmit your application.
 - If you choose to resubmit your application, you must do so within 6 months after receiving those instructions. The instructions will explain that if you do not resubmit within the 6-month period, your application will be considered denied.
 - If you choose to resubmit your application within the 6-month time period after receiving the instructions, the Department

will issue you a final decision no later than 6 months after receiving your resubmitted application.

- If you received a notice from the Department in December 2019 or later informing you that your borrower defense application was denied, that denial has been voided and the Department is reviewing your application pursuant to the terms described above.

What are the terms of the proposed settlement for borrowers who applied for borrower defense relief *after June 22, 2022 but before final approval of the settlement?*

- If you submitted your application after June 22, 2022, but before the court approves the settlement agreement, the Department will issue a decision on your application no later than 36 months after the court's approval of the settlement agreement becomes final. If the Department does not issue a decision within that time period, you will receive a discharge of federal loans associated with your borrower defense application and a refund of any amounts paid to the Department on those federal loans, and the credit tradeline for those loans will be deleted from your credit report.

Does the Department have any reporting obligations?

- The Department will provide your lawyers with information about its progress making borrower defense decisions every three months, including how many decisions the Department has made and how many borrowers have received a loan discharge.

What if my loan is in default?

- If you are in default, the Department will not take action to collect your debt, such as by garnishing your wages (that is, taking part of your paycheck) or taking portions of your tax refund, while your application is pending or while you are waiting to receive any relief you are owed under the settlement.

What happens next?

The court will need to approve the proposed settlement before it becomes final. The court will hold a public hearing, called a fairness hearing, to decide if the proposed settlement is fair. The hearing will be held on November 3, 2022, beginning at 11 AM Pacific Time, at the following address:

United States District Court

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, D.C. 20202
StudentAid.gov/borrower-defense

Northern District of California
450 Golden Gate Avenue, Courtroom 12, 19th Floor
San Francisco, California 94102

Information about the hearing, including the process for participation and virtual attendance (if any), will be posted at <https://www.ppsl.org/cases/sweet-v-cardona>.

What should I do in response to this Notice?

IF YOU AGREE with the proposed settlement, you do not have to do anything. You have the right to attend the fairness hearing, at the time and place above, but **you are not required to do so**.

IF YOU DISAGREE WITH OR HAVE COMMENTS on the proposed settlement, you can write to the court or ask to speak at the hearing. You must do this by writing to the Clerk of the Court, at the following mailing address:

Clerk of the Court
United States District Court
Northern District of California
450 Golden Gate Avenue
San Francisco, California 94102

You can also submit comments by email to the Clerk of Court at whacrd@cand.uscourts.gov. Your written comments or request to speak at the fairness hearing must be postmarked or date-stamped by September 15, 2022. The Clerk will provide copies of the written comments to the lawyers who brought the lawsuit.

Where can I get more information?

There is more information about the *Sweet* lawsuit on Class Counsel's website at <https://www.ppsl.org/cases/sweet-v-cardona>. Check this site periodically for updated information about the lawsuit.

A copy of the proposed settlement is available online at <https://www.ppsl.org/cases/sweet-v-cardona>.

If you have questions about this lawsuit or about the proposed settlement, please visit this Frequently Asked Questions page, <https://www.ppsl.org/sweet-v-cardona-class-members>, which also has contact information for the lawyers who brought the lawsuit.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, D.C. 20202
StudentAid.gov/borrower-defense

Sincerely,

U.S. Department of Education

Federal Student Aid

| School Owner(s) | School/Brand Name |
|---|--------------------------------------|
| Alta Colleges, Inc. (Westwood) | Westwood College |
| American Commercial Colleges, Inc. | American Commercial College |
| American National University | American National University |
| Ana Maria Piña Houde and Marc Houde | Anamarc College |
| Anthem Education Group; International Education Corporation | Anthem College |
| | Anthem Institute |
| Apollo Group | University of Phoenix |
| | Western International University |
| ATI Enterprises | ATI Career Training Center |
| | ATI College of Health |
| | ATI Technical Training Center |
| B&H Education, Inc. | Marinello School of Beauty |
| Berkeley Educ. Serv. of NY, Inc. | Berkeley College |
| Bridgepoint Education | Ashford University |
| | University of the Rockies |
| Capella Education Company; Strategic Education, Inc. | Capella University |
| Career Education Corporation | American InterContinental University |
| | Briarcliffe College |
| | Brooks College |
| | Brooks Institute |
| | Collins College |
| | Colorado Technical University |
| | Gibbs College |
| | Harrington College of Design |

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| | International Academy of Design and Technology |
| | Katharine Gibbs School |
| | Le Cordon Bleu |
| | Le Cordon Bleu College of Culinary Arts |
| | Le Cordon Bleu Institute of Culinary Arts |
| | Lehigh Valley College |
| | McIntosh College |
| | Missouri College |
| | Pittsburgh Career Institute |
| | Sanford-Brown College |
| | Sanford-Brown Institute |
| | Brown College |
| | Brown Institute |
| | Washington Business School |
| | Allentown Business School |
| | Western School of Health and Business Careers |
| | Ultrasound Diagnostic Schools |
| | School of Computer Technology |
| | Al Collins Graphic Design School |
| | Orlando Culinary Academy |
| | Southern California School of Culinary Arts |
| | California Culinary Academy |
| | California School of Culinary Arts |
| | Pennsylvania Culinary Institute |
| | Cooking and Hospitality Institute of Chicago |
| | Scottsdale Culinary Institute |
| | Texas Culinary Academy |
| | Kitchen Academy |
| | Western Culinary Institute |
| Center for Employment Training | Center for Employment Training |
| Center for Excellence in Higher Education (CEHE) | California College San Diego |
| | CollegeAmerica |
| | Independence University |
| | Stevens-Henager |
| BEZ Corporation | Computer Systems Institute |

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| Court Reporting Institute, Inc. | Court Reporting Institute |
| Cynthia Becher | La' James College of Hairstyling |
| | La' James International College |
| David Pyle | American Career College |
| Delta Career Education Corporation | McCann School of Business & Technology |
| | Miami-Jacobs Career College |
| | Miller Motte Business College |
| | Miller-Motte College |
| | Miller-Motte Technical College |
| Tucson College | |
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| DeVry / Adtalem | American University of the Caribbean |
| | Carrington College |
| | Chamberlain University |
| | DeVry College of Technology |
| | Devry Institute of Technology |
| | DeVry University |
| | Keller Graduate School of Management |
| | Ross University School of Veterinary Medicine |
| | Ross University School of Medicine |
| EDMC/Dream Center | Argosy University |
| | The Art Institute |
| | Brown Mackie College |
| | Illinois Institute of Art (The) |
| | Miami International University of Art & Design |
| | New England Institute of Art (The) |
| | South University |
| | Western State University College of Law |
| Education Affiliates (JLL Partners) | All-State Career School |
| | Fortis College |
| | Fortis Institute |
| Edudyne Systems Inc. Career Point College | Career Point College |
| Empire Education Group | Empire Beauty School |
| Everglades College, Inc. | Everglades University |
| | Keiser University |
| FastTrain | FastTrain |
| Globe Education Network | Globe University |

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| | Minnesota School of Business |
| Graham Holdings Company (Kaplan) | Bauder College |
| | Kaplan Career Institute |
| | Kaplan College |
| | Mount Washington College |
| | Purdue University Global |
| Grand Canyon Education, Inc. | Grand Canyon University |
| Infilaw Holding, LLC | Arizona Summit Law School |
| | Charlotte School of Law |
| | Florida Coastal School of Law |
| International Educational Services, Inc. | Florida Career College |
| | United Education Institute |
| ITT Educational Services Inc. | ITT Technical Institute |
| JTC Education, Inc. | Gwinnett College |
| | Medtech College |
| | Radians College |
| Lalit Chabria, Sam Hiranandaney | Institute for Health Education (The) |
| | Micropower Career Institute |
| Laureate Education, Inc. | Walden University |
| Leeds Equity Partners V, L.P. | Florida Technical College |
| | National University College |
| | NUC University |
| Liberty Partners | Concorde Career College |
| | Concorde Career Institute |
| Lincoln Educational Services Corporation | Lincoln College of Technology |
| | Lincoln Technical Institute |
| Mark A. Gabis Trust | Daymar College |
| Mission Group Kansas, Inc. | Wright Business School |
| | Wright Career College |
| Premier Education Group L.P. | American College for Medical Careers |
| | Branford Hall Career Institute |
| | Hallmark Institute of Photography |
| | Harris School of Business |
| | Suburban Technical School |
| | Salter College |
| Quad Partners LLC | Beckfield College |
| | Blue Cliff College |
| | Dorsey College |

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| Remington University, Inc.; Remington College BCL, Inc. | Remington College |
| Southern Technical Holdings, LLC | Southern Technical College |
| SC Academy Holdings, Inc. | Star Career Academy |
| Sullivan and Cogliano Training Center, Inc. | Sullivan and Cogliano Training Centers |
| TCS Education System | Chicago School of Professional Psychology |
| The Career Institute LLC | American Career Institute |
| Vatterott Educational Centers, Inc. | Court Reporting Institute of St Louis |
| | Vatterott College |
| Wilfred American Education Corp. | Robert Fiance Beauty Schools |
| | Robert Fiance Hair Design Institute |
| | Robert Fiance Institute of Florida |
| | Wilfred Academy |
| | Wilfred Academy of Beauty Culture |
| Willis Stein & Partners (ECA) | Wilfred Academy of Hair & Beauty Culture |
| | Brightwood Career Institute |
| | Brightwood College |
| | New England College of Business and Finance |
| | Virginia College |

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