January 23, 2017

Dear Representative Lieu:

The Project on Predatory Student Lending recently filed a claim in the bankruptcy case of ITT on behalf of former students. The basis of the claim, in addition to the allegations and evidence developed by federal enforcement agencies, state Attorneys General, and former ITT employees, is the testimony of over 2000 former ITT students. This testimony presents a consistent picture of ITT’s systematic deceptive recruiting and financial aid practices.

Over the last decade of its existence, ITT took in over $8 billion in federal student aid, the majority of which came in the form of federal student loans. This allocation has not been a good investment for students or taxpayers. ITT used federal funds to promote its programs through false advertising and coercive sales tactics. ITT’s investment in education was dwarfed by its expenditures on advertising and executive compensation.

The results speak for themselves. Data from 2014 show that on average, ITT graduates earn on average the same or less than high school graduates with no college education. Approximately one in five ITT students defaults on their federal student loans within three years. Of the remaining non-defaulted ITT borrowers, less than half have repaid a single dollar of the principal of their loan balance.

To illustrate how ITT’s unfair and deceptive acts and practices have affected your constituents, we have attached a copy of the complaint that has been filed, along with the accompanying testimony from your constituents in California’s 33rd congressional district who attended ITT. These statements represent just a sample of the harm ITT inflicted on your constituents, countless others in your district, and many more across the country.

As you know, federal law provides for student loan debt relief for students whose schools misled them or engaged in other misconduct. Please help your constituents, former students of ITT, get the federal student loan relief that they deserve. **Ask the Department of Education to forgive federal student loans for former students of ITT.**

Respectfully,

Project on Predatory Student Lending
Legal Services Center of Harvard Law School
TESTIMONY OF FORMER ITT STUDENTS FROM CALIFORNIA’S 33RD CONGRESSIONAL DISTRICT

The following testimony comes from your constituents in California’s 33rd congressional district. It was filed on January 3, 2017 in the United States Bankruptcy Court for the Southern District of Indiana, as part of the ITT bankruptcy proceedings. The testimony was filed in support of a class action adversary proceeding complaint on behalf of all former ITT students.

"I have had multiple interviews where I have been overlooked by providing ITT Tech as the school I have obtained my education as it seems many employers are aware of the lack of strong fundamental Education that ITT Tech provides its students. I was able to obtain 1 with ITT Tech on my resume due to the fact the man hiring was a former graduate himself and solidified the "who you know not what you know" mentality to obtaining a job after attending ITT Tech. I have since then left that job as the school I have obtained a degree from (ITT Tech) was not acceptable in gaining higher employment within the company (Northrop Grumman) and I would have to start my education process over from the beginning to become an actual Engineer. If I had known what I now know, I would have never wasted my opportunity for Federal loans at this school. I have had interviewers that questioned the quality of Education provided by ITT-Tech and have been overlooked due to the illegal practices that are coming to public attention. I am no longer willing to state that I have obtained an Associates Degree from ITT Tech and now have to rely on work experience alone to gain further employment which puts me at a severe disadvantage to those who have paid much less in terms of student debt." (ID 9485)

"I have been reported to a collection agency for a private loan as a result from what the school called: "Temporary Credit" and had to pay costs out of pocket to avoid serious credit withholdings." (ID 9485)

"The amount for an AA degree from ITT Tech is extremely overpriced and can not be afforded without income sensitive repayments. In turn this is causing great deals of stress not only on my self but my marriage as a result of money problems. Not being able to return to school for a proper education in fear of more debt accumulation is one of the biggest issues that I now have to face. [] I have had an overwhelming amount of financial stress with my Federal loans only growing larger while paying income sensitive payments. At the rate I am going my 30K loan could grow exponentially larger than I could ever afford to pay in my lifetime rendering my wife and I to a uncertain financial outcome in the future. This has had a great impact on my wife and I as we fear we will only know a life of debt and will never be able to afford a House. My wife has actually had physical symptoms of stress in where I had to take her to the ER at 2am. She was told that she was suffering from high tension in her shoulder and arm and this could result hypertension disorder in her rotator cuff which she will need to see an orthopedic surgeon. This just added to our stress as we can not afford to pay for an MRI and surgery if needed." (ID 9485)

1 In re ITT ESI, No. 16-07207-JMC-7A (Bankr. S.D. Ind. filed Sept. 16, 2016).
"Temporary Credit was never properly explained which turned out to be a private loan that I was required to pay immediately after graduating, nor the loan processes. I was forced to take a private loan. Loans and Grants were not explained to me in proper detail nor was I given the hard copies of any explanation of the process. I have been reported to a collection agency for a private loan as a result from what the school called: "Temporary Credit" and had to pay costs out of pocket to avoid serious credit withholdings." (ID 9485)

"Accredited, but never told me that their credits dont transfer. I found out that information once I started googling about the school. I saw all my class mates pass with flying colors, including the ones that would never show. I had to start from scratch at a community college." (ID 2627)