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November 5, 2018

The Honorable Abdul K. Kallon
United States District Court
Northern District of Alabama
Southern Division
Hugo L. Black United States Courthouse
1729 5th Avenue North
Birmingham, AL 35203

Sent via e-mail to kallon_chambers@alnd.uscourts.gov

Judge Kallon:

This letter is sent to you on behalf of the National Association of State Administrators and Supervisors of Private Schools (NASASPS), a non-profit tax-exempt charitable organization whose mission is to improve and promote effective state regulation of private postsecondary education. NASASPS' regular membership consists of state regulatory agencies that have oversight for career colleges and schools. Many of NASASPS' regular members maintain oversight of the Education Corporation of America (ECA) brand of colleges, to include Virginia College, Brightwood College, and the Golf Academy of America. These state regulatory agencies are most often the frontline for students enrolled in career colleges and schools.

The unprecedented number of school closures over the past 24 to 36 months has placed a great strain on state regulatory bodies and their ability to respond swiftly and effectively to affected students. The difficulties faced by states are only exacerbated when a closure is precipitous. While states face multiple issues during school closures, for the sake of brevity, two prominent concerns are highlighted below.

Many state regulatory agencies are mandated to take ownership of and maintain student records, including transcripts and student account statements, upon a school's closure. When a school closure is unplanned and sudden, such agencies need immediate access to these records to best serve students. However, the states' efforts are hampered upon an institution's closure, or, in some instances, prohibited by the circumstances surrounding the precipitous closure. One needs to look no further than the closure of ITT Technical Institute to find truth in this statement. The inability of former ITT students to access their records led to delays in institutional transfer and applications for loan discharges.

Additionally, most, if not all, state regulatory agencies administer student tuition recovery funds or maintain surety bonds to assist students in the event of a closure. However, a precipitous closure may render these tools worthless. For example, funds can be quickly depleted with the closure of an institution serving large student populations. In such cases, affected students rarely receive the full compensation afforded by state laws.

It is evident that there is no clear path in the case of a sudden school closure that will best serve the interests of students, taxpayers, institution employees, state regulatory agencies, and others. NASASPS requests that interested parties and amici take into consideration the impact of a precipitous school closure on states' abilities to effectively serve students, and to involve NASASPS and its member state agencies to ensure the best possible outcomes for students.

Thank you for your consideration.

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