



DEPARTMENT OF THE ATTORNEY GENERAL

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Hawaii Attorney General Again Seeks Loan Discharge for Students of Closed Dream Center Schools

HONOLULU – Hawaii Attorney General Clare E. Connors today joined a bipartisan coalition of attorneys general from 25 states and the District of Columbia, co-led by Oregon Attorney General Ellen Rosenblum and Minnesota Attorney General Keith Ellison, in renewing their request that U.S. Department of Education Secretary Betsy DeVos use her authority to discharge the federal student loans of all students who were enrolled in now-closed schools operated by Dream Center Education Holdings, LLC, including Argosy University Hawai'i. Argosy University Hawai'i closed its three in-state campuses, located in Honolulu, Wailuku, and Hilo, on March 8, 2019.

“Under these exceptional circumstances, the Secretary should increase the number of students eligible for the closed school discharge,” said Attorney General Connors. “Given the egregious mismanagement of the schools, more of our students should be protected from the burden of repayment.”

Dream Center, a California-based nonprofit, went into receivership in January 2019. Under the federal “closed school discharge” regulation, former students may be eligible for a 100 percent discharge of their federal student loans if they were unable to complete their program because their school closed. Closed school discharge is only allowed for students who were enrolled at the time the school closed; were on an approved leave of absence when the school closed; or withdrew within 120 days of the school’s closure, unless the Secretary of Education approves a longer period.

In a [letter to Secretary DeVos on October 2019](#), Attorney General Connors joined a bipartisan coalition of attorneys general co-led by Attorneys General Rosenblum and Ellison in asking the Secretary to exercise her legal authority to expand the group of students eligible for “closed school discharge” in order to account for Dream Center’s extraordinary misconduct and mismanagement. In November 2019, Secretary DeVos announced that she would extend the closed school discharge only for a very small number of former Dream Center students who were not previously eligible.

In today's letter, Attorney General Connors and the bipartisan coalition urge the Secretary to go further and provide debt relief to all Dream Center students unfairly strapped with burdensome debt for which they have little to show. The coalition again outlined Dream Center's misconduct and mismanagement that prevented students from obtaining degrees and unfairly left them to repay federal student loan debt that they contracted to attend the failed schools.

Attorney General Connors signed today's letter along with Oregon Attorney General Ellen Rosenblum and Minnesota Attorney General Keith Ellison and the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Idaho, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, Washington, and Wisconsin.

A copy of the letter is available [here](#).

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