Do you really know the TRUTH...
... about U.S. Education?

The greatest illusionists have used sleight-of-hand methods to distract people from seeing what they are actually doing. In many ways, constant media focus on extreme examples of certain publicly-traded proprietary institutions is a seductive distraction: the sleight-of-hand that keeps the U.S. Department of Education's epic failures out of the headlines.

Almost silently with a whisper…a horrible fate is occurring in the United States—the annihilation of our higher education system through manipulation of facts presented to the public that provide false impressions of outcomes and performance metrics for ALL institutions of higher education. ***This situation wields the power to quickly turn America from a country lauded for ingenuity and leadership into one of growing ignorance and lacking self-reliance.***

Excerpt from
Injustice for All
by Mary Lyn Hammer

The information presented in this presentation and in my book, *Injustice for All*,

has been verified in

Independent Accountant's Reports conducted by Kaiser & Carolin, P.C.

THE TRUTH ABOUT U.S. EDUCATION

The proprietary sector's

SURVIVAL

will depend upon how aggressively schools

SPREAD THE WORD

Chairman Kline
and your
Congressional Offices

WANT TO HEAR FROM YOU "**SOONER** RATHER THAN LATER"

The TRUTH About U.S. Education

U.S. House Committee on Education & the Workforce

PROMISES ANONYMITY

to those who ***speak up*** about how this has HURT both schools and students!

Shock-ED #1

For the last 4 years, ED-managed loan portfolios (Conduit or Put Loans and FDSLP Loans) have had **shockingly high** cohort default rates.

ED ruined the financial standing of several hundred thousand student loan borrowers during the transition to 100% direct lending.

FISCAL YEAR	U.S. DOE PORTFOLIO	# DEFAULTS	CDR %	NATIONAL iCDR %
FY 2009	2008-2009 LPCP	148,171	**21.2%**	13.4% (**13.5%** correct calculation)
	2007-2008 STPP	19,598	**27.1%**	
	2009-2010 LPCP	1,294	**54.3%**	
	ABCP CONDUIT 09-10	26,774	**59.8%**	
FY 2010	2009-2010 LPCP	148,636	**18.2%**	**14.7%**
	ABCP CONDUIT 09-10	25,433	**56.7%**	
FY 2011	ABCP CONDUIT 09-10	14,455	**58.6%**	**13.7%**
	UNREPORTED FDSLP PORTFOLIO	238,812	**30.4%**	
FY 2012	ABCP CONDUIT 09-10	3,916	**56.0%**	11.8% (**11.9%** correct calculation)
	UNREPORTED FDSLP PORTFOLIO	424,976	**15.9%**	

Shock-ED #1

ACTION REQUIRED!

Reverse the default status for students and schools!

Shock-ED #2

For the last 4 years,
ED's "national official" briefings
HAVE NOT MATCHED
the iCDR data for schools

Shock-ED #2

Every year for the last 4 years of 3-year iCDRs, ED has ***underreported*** the public sector's number of defaults.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR		PROPRIETARY SECTOR	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	- 4%	**- 8,700**	+ 20,353	+ 10%
FY 2010 3-YR iCDR	- 3%	**- 9,031**	+ 21,277	+ 8%
FY 2011 3-YR iCDR	- 4%	**- 11,276**	+ 12,332	+ 4%
FY 2012 3-YR iCDR	- 2%	**- 8,034**	+ 20,504	+ 10%

Shock-ED #2

Every year, ED ***underreported*** the public sector's defaults by the **SAME %** as it ***underreported*** its borrowers entered repayment.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR BRIEFING		PROPRIETARY SECTOR BRIEFING	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	**- 4%**	- 8,700	+ 20,353	+ 10%
FY 2010 3-YR iCDR	**- 3%**	- 9,031	+ 21,277	+ 8%
FY 2011 3-YR iCDR	**- 4%**	- 11,276	+ 12,332	+ 4%
FY 2012 3-YR iCDR	**- 2%**	- 8,034	+ 20,504	+ 10%

Shock-ED #2

Every year, ED's misreported iCDR data has ***favored public sector iCDR performance***.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR		PROPRIETARY SECTOR	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	**- 4%**	**- 8,700**	+ 20,353	+ 10%
FY 2010 3-YR iCDR	**- 3%**	**- 9,031**	+ 21,277	+ 8%
FY 2011 3-YR iCDR	**- 4%**	**- 11,276**	+ 12,332	+ 4%
FY 2012 3-YR iCDR	**- 2%**	**- 8,034**	+ 20,504	+ 10%

Shock-ED #2

Every year for the last 4 years of 3-year iCDRs, ED has ***over-reported*** the for-profit sector's number of defaults.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR		PROPRIETARY SECTOR	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	- 4%	- 8,700	**+ 20,353**	+ 10%
FY 2010 3-YR iCDR	- 3%	- 9,031	**+ 21,277**	+ 8%
FY 2011 3-YR iCDR	- 4%	- 11,276	**+ 12,332**	+ 4%
FY 2012 3-YR iCDR	- 2%	- 8,034	**+ 20,504**	+ 10%

Shock-ED #2

Every year, ED ***over-reported*** the for-profit sector's defaults by the **1% MORE** than it ***over-reported*** its borrowers entered repayment.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR BRIEFING		PROPRIETARY SECTOR BRIEFING	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	- 4%	- 8,700	+ 20,353	**+ 10%**
FY 2010 3-YR iCDR	- 3%	- 9,031	+ 21,277	**+ 8%**
FY 2011 3-YR iCDR	- 4%	- 11,276	+ 12,332	**+ 4%**
FY 2012 3-YR iCDR	- 2%	- 8,034	+ 20,504	**+ 10%**

Shock-ED #2

Every year, ED's misreported iCDR data has ***defamed the for-profit sector iCDR performance***.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR BRIEFING		PROPRIETARY SECTOR BRIEFING	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	- 4%	- 8,700	**+ 20,353**	**+ 10%**
FY 2010 3-YR iCDR	- 3%	- 9,031	**+ 21,277**	**+ 8%**
FY 2011 3-YR iCDR	- 4%	- 11,276	**+ 12,332**	**+ 4%**
FY 2012 3-YR iCDR	- 2%	- 8,034	**+ 20,504**	**+ 10%**

Shock-ED #2

This CANNOT be explained as simple rounding errors
as some in WDC would like everyone to believe!

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR BRIEFING		PROPRIETARY SECTOR BRIEFING	
	% DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	# DIFFERENCE FROM iCDR DATA	% DIFFERENCE FROM iCDR DATA
FY 2009 3-YR iCDR	**-4%**	-8,700	+20,353	**+10%**
FY 2010 3-YR iCDR	**-3%**	-9,031	+21,277	**+8%**
FY 2011 3-YR iCDR	**-4%**	-11,276	+12,332	**+4%**
FY 2012 3-YR iCDR	**-2%**	-8,034	+20,504	**+10%**

Shock-ED #2

It also CANNOT be explained as changes from iCDR adjustments and appeals!

Goals of iCDR adjustments & appeals:

1. Remove defaults

   (- borrowers in default—removes both N & D)

2. Add missing good borrowers

   (+ borrowers entered repayment—adds D)

Shock-ED #2

So it CANNOT be explained as changes from iCDR adjustments and appeals!

The ***patterns*** to the changes in the number of Borrowers in Default ***favored*** the public sector and ***defamed*** the proprietary sector.

Shock-ED #2

Why is this important?

Based on iCDR DATA…

1. The ***public sector had 91,553 MORE defaults*** than the proprietary sector in FY 2012!
2. The proprietary sector FY 2012 iCDR was **15.4%**, ***not 15.8%!***

Shock-ED #3

The College Navigator information showed that the ***proprietary schools are highest performing*** *and have reasonable loan amounts based on the graduation rates!*

College Navigator Results	Total # Schools	Average Grad %	Average Student Loan
***Public Non-CC**	700	45.6%	$6,856.89
***Community Colleges**	1,181	**26.6%**	$5,182.23
***Private**	1,961	55.6%	$10,506.12
Proprietary	3,732	**60.4%**	$7,088.02

Based on 2010 academic year data available in 2014-2015 when Ms. Hammer's analysis was completed.

Shock-ED #3

This verified information documented in *Injustice for All* is consistent with recently released graduation rates published by the National Student Clearinghouse for 2-year institutions:

- Public 2-year graduation rate: 38.14%
- Private 2-year graduation rate: 45.07%
- For-profit 2-year graduation rate: ***60.62%***

Shock-ED #4

When each sector's iCDR data was averaged, giving each school equal consideration, the public and proprietary sectors had ***the exact same average iCDR of 13.9%!***

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS					
SECTOR	SECTOR AVERAGE FY 2012 iCDR	GOOD QUALITY INDICATORS iCDRs under 15%		BAD QUALITY INDICATORS iCDRs over 30%	
		# Schools	% Schools	# Schools	% Schools
PUBLIC	**13.9%**	909	58.0%	6	<1%
PRIVATE	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	**13.9%**	930	57.3%	18	1.1%

Shock-ED #4

The **number of "good quality" schools** with iCDRs *under 15%* are ***almost the same*** for the public and proprietary sectors at **909** and **930** respectively.

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS					
SECTOR	SECTOR AVERAGE FY 2012 iCDR	GOOD QUALITY INDICATORS iCDRs under 15%		BAD QUALITY INDICATORS iCDRs over 30%	
		# Schools	% Schools	# Schools	% Schools
PUBLIC	13.9%	**909**	58.0%	6	<1%
PRIVATE	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	13.9%	**930**	57.3%	18	1.1%

Shock-ED #4

The **percent of "good quality" schools** with iCDRs *under 15%* are ***almost the same*** for the public and proprietary sectors at **58.0%** and **57.3%** respectively.

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS					
SECTOR	SECTOR AVERAGE FY 2012 iCDR	GOOD QUALITY INDICATORS iCDRs under 15%		BAD QUALITY INDICATORS iCDRs over 30%	
		# Schools	% Schools	# Schools	% Schools
PUBLIC	13.9%	909	**58.0%**	6	<1%
PRIVATE	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	13.9%	930	**57.3%**	18	1.1%

Shock-ED #4

The **percent** of “bad quality” schools that are subject to loss of Title IV eligibility are ***almost the same*** for the public and proprietary sectors at **<1%** and **1.1%** respectively.

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS					
SECTOR	SECTOR AVERAGE FY 2012 iCDR	GOOD QUALITY INDICATORS iCDRs under 15%		BAD QUALITY INDICATORS Subject to Loss of Title IV	
		# Schools	% Schools	# Schools	% Schools
PUBLIC	13.9%	909	58.0%	6	**<1%**
PRIVATE	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	13.9%	930	57.3%	18	**1.1%**

Shock-ED #4

The **TRUTH** is there is **virtually NO DIFFERENCE** in public and proprietary sector performance ***based on good and bad quality indicators for iCDRs***.

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS					
SECTOR	SECTOR AVERAGE FY 2012 iCDR	GOOD QUALITY INDICATORS iCDRs under 15%		BAD QUALITY INDICATORS Subject to Loss of Title IV	
		# Schools	% Schools	# Schools	% Schools
PUBLIC	**13.9%**	**909**	**58.0%**	6	**<1%**
PRIVATE	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	**13.9%**	**930**	**57.3%**	18	**1.1%**

Shock-ED #5

From FY 2009 to FY 2012, the public sector percent of total defaults increased from 41% of total to 51% of total, ***demonstrating a 24% increase in the percent of total defaults*** while the total ***borrowers entering repayment remained the same*** at 51% of total.

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012				
3-year iCDR Fiscal Year	PUBLIC SECTOR 3-YEAR iCDR PERFORMANCE TREND			
	# Defaults	**% of TL Defaults**	**# Borr Ent Repay**	**% Borr Ent Repay**
FY 2009 iCDR	204,732	41%	1,843,809	51%
FY 2012 iCDR	**306,443**	**51%**	2,620,430	51%
DIFFERENCE	**+ 101,711**	**+ 10%**	776,621	**same**

***Shock*-ED #5**

From FY 2009 to FY 2012, the community college percent of total defaults increased from 21% of total to 33% of total, ***demonstrating a 57% increase in the percent of total defaults*** while the total borrowers entering repayment increased from 15% to 21% percent of total for a ***40% increase in the percent of total borrowers entered repayment***.

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012				
3-year iCDR Fiscal Year	COMMUNITY COLLEGE 3-YEAR iCDR PERFORMANCE TREND			
	# Defaults	% of TL Defaults	# Borr Ent Repay	% Borr Ent Repay
FY 2009 iCDR	98,061	21%	534,600	15%
FY 2012 iCDR	**199,755**	**33%**	1,068,532	21%
DIFFERENCE	**+ 101,694**	**+ 12%**	533,932	**+ 6%**

Shock-ED #5

From FY 2009 to FY 2012, the private sector percent of total defaults increased from 13% of total to 14% of total, ***demonstrating a 8% increase in the percent of total defaults*** while the total borrowers entering repayment decreased from 23% to 22% percent of total for a ***4% decrease in the percent of total borrowers entered repayment***.

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012				
3-year iCDR Fiscal Year	PRIVATE SECTOR 3-YEAR iCDR PERFORMANCE TREND			
	# Defaults	% of TL Defaults	# Borr Ent Repay	% Borr Ent Repay
FY 2009 iCDR	62,729	13%	835,941	23%
FY 2012 iCDR	**81,781**	**14%**	1,139,356	22%
DIFFERENCE	**+ 19,052**	**+ 1%**	+ 303,415	**- 1%**

Shock-ED #5

From FY 2009 to FY 2012, the proprietary sector percent of total defaults decreased from 44% of total to 36% of total, ***demonstrating an 18% DECREASE in the percent of total defaults*** while the total borrowers entering repayment increased from 26% to 27% percent of total for a ***4% increase in the percent of total borrowers entered repayment***.

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012				
3-year iCDR Fiscal Year	PROPRIETARY SECTOR 3-YEAR iCDR PERFORMANCE TREND			
	# Defaults	% of TL Defaults	# Borr Ent Repay	% Borr Ent Repay
FY 2009 iCDR	208,962	44%	924,511	26%
FY 2012 iCDR	**214,880**	**36%**	1,399,425	27%
DIFFERENCE	**+ 5,918**	**- 8%**	474,914	**+ 1%**

Shock-ED #5

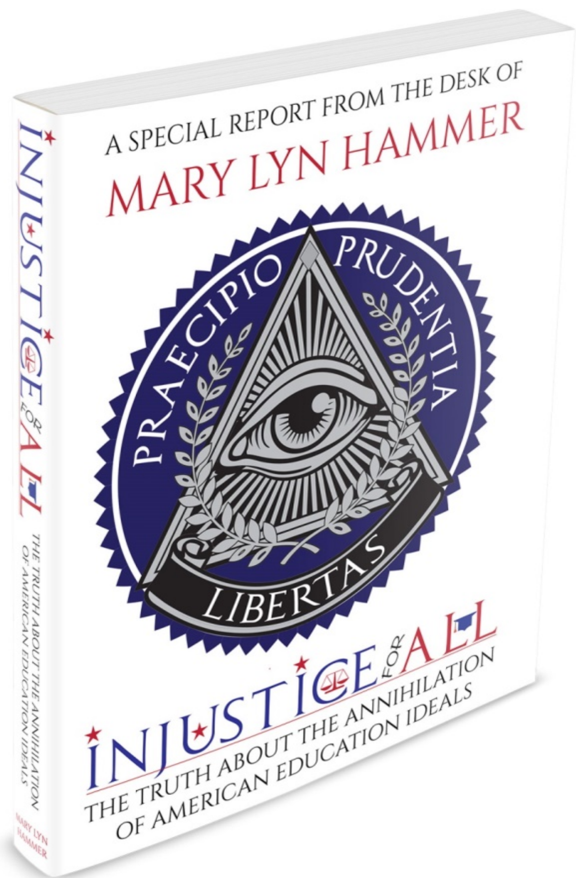
From FY 2009 to FY 2012, the proprietary sector is the
ONLY sector that demonstrated a DECREASE
in the percent of total borrowers in default!

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012				
Sector	SECTOR-LEVEL iCDR CHANGE FROM FY 2009 TO FY 2012			
	FY 2009 % of TL Defaults	**FY 2012 % of TL Defaults**	**% of Change in Total Defaults**	**% of Change in Total Borrowers**
PUBLIC	41%	51%	24% increase	same
COMM CLG	21%	33%	57% increase	40% increase
PRIVATE	13%	14%	8% increase	4% decrease
PROPRIETARY	44%	36%	**18% decrease**	4% increase

Shock-ED #6

And there's MORE!

Shock-ED #6



And there's MORE…

Through organized efforts to influence public opinion, ED has used its authority to falsely report information about sector-level performance with a focus on influencing the public into believing that all proprietary schools are predatory and all non-profit schools are good—this is far from the truth found in ED's own databases. You may be shocked by the findings documented in Mary Lyn Hammer's 312-page investigative report, *Injustice for All.*

Higher Education Performance FACTS from *Injustice for All*

While there are schools in ***every*** sector of higher education that should be under review and increased scrutiny, ***there are many quality proprietary institutions*** as proven in numerous available databases through the U.S. Department of Education.

Examine the FACTS

The assault on for-profit schools has NOTHING to do with providing QUALITY EDUCATION in America.

Learn More at

MaryLynHammer.com

What YOU can do to SAVE the Proprietary Institutions…

- Contact the U.S. House Committee on Education & The Workforce
- Contact the U.S. House Committee on Oversight & Government Reform
- Contact the U.S. Senate HELP Committee (Health, Education, Labor & Pensions)
- Contact your Members in the U.S. House and Senate

What YOU can do to SAVE the Proprietary Institutions…

What you need to tell them:

- History of your school including what you teach and the students you serve
- School performance including graduation rates, placement rates and CDRs
- Importance of your graduates in your community

What YOU can do to SAVE the Proprietary Institutions…

What you need to tell them:

- Impact of the assault, data manipulation and misreporting on your school (i.e. reduced enrollments, staff reduction, etc.)
- Impact of the assault, data manipulation and misreporting on your students (i.e. reduced self-esteem & self-worth, harder to find employment, etc.)

What YOU can do to SAVE the Proprietary Institutions…

Information Available for YOU to use:

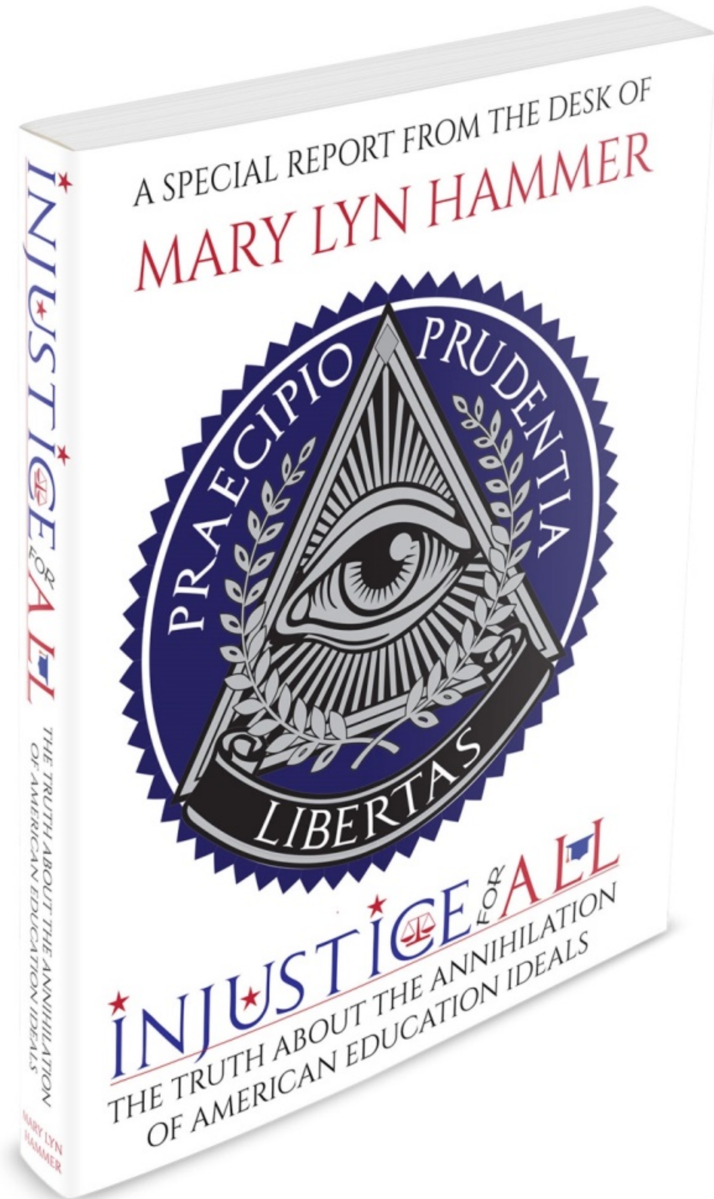
- **Higher Education Performance FACTS from *Injustice for All*** (2-sided/2-page document)
- **Shock-ED Talking Points** (9-page document with more extensive overview of data manipulation, misreporting, & sector-level performance)
- ***Injustice for All*** 312-page Investigative Report

What YOU can do to SAVE the Proprietary Institutions…

Steps for effective communication:

1. Contact the Committees and Members
2. Provide information about your call or communication to Mary Lyn Hammer, Tom Netting or Gary Schleuger for follow-up & further discussions

Remember that the Committee is NOT going to name your schools to ED!



AVAILABLE NOW AT
MaryLynHammer.com

along with
all the information and
tools YOU NEED to
HELP SAVE THE
FOR-PROFIT INDUSTRY

Biography of Mary Lyn Hammer

Ms. Mary Lyn Hammer's belief that *education is the vehicle for making dreams come true* has led her in a passionate fight, beginning in 1987, rectifying problems in the higher education industry to insure future participation for all students. During her career in higher education, she has touched more than 3 million students' lives through her companies and a nation of students through her advocacy.

Ms. Hammer's experience specific to the contents of this presentation include the following:

- **1988-1989** Ms. Hammer turned evidence over to Congress and the U.S. Department of Education (USDOE) and testified numerous times regarding a student lending corruption ring in California that put several companies out of business and cost the government an estimated $750 million to rectify.
- **1989** Her innovative *"Hands On" Default Management Program* was recognized by the USDOE for its remarkable results and was used as the basis for default management in what became known as "Appendix D". Ms. Hammer was active in aiding the USDOE in drafting regulatory language for default management that was mandatory for high default rate schools from 1989 until 1996 and still exists today in rewritten regulations under "Subpart M" and "Subpart N".
- **1990-1993** As part of several laws affecting higher education and cohort default rates, Ms. Hammer helped draft statutory and regulatory language for cohort default rate (CDR) appeals.
- **1993-1995** She helped draft the *Cohort Default Rate Guide* and several revisions thereof.
- **1994-1998** Ms. Hammer worked with Congressional members on school-based loan issues and cohort default rate matters that became statutory language in the 1998 reauthorization of the Higher Education Act of 1965.
- **1999** She served as an alternate negotiator for school-based loan issues in the 1999 Negotiated Rulemaking.
- **2000** She served as a primary negotiator for school-based loan issues in the 2000 Negotiated Rulemaking. The original default management regulations under "Appendix D" were rewritten into "Subpart M" in addition to other loan issues.
- **2002-2008** Ms. Hammer worked with Congressional members on school-based loan issues and cohort default rate matters. Although she was opposed to increasing the cohort default rate (CDR) definition, she was instrumental in correcting what was originally written as a 4-year CDR definition to a 3-year CDR definition and helped draft the increased threshold and appeal rights for sanctions under the new definition.
- **2009** She served as a primary negotiator for Loan Issues - Team 2 and provided expert witness testimony for Team 1 Loan Issues. Default management regulations were written into "Subpart N" for the 3-year CDR definition along with conforming language for appeals in addition to other loan issues.
- **1988-2014** Ms. Hammer has testified many times at Congressional and USDOE hearings and has worked closely with Congressional members, education committee professional staff, and key staff at the USDOE on many issues during her career in higher education to insure program integrity and access to quality higher education for at-risk students. ***Why? Because Mary Lyn Hammer was an at-risk student herself.***

Ms. Hammer is the Owner, Founder, President and CEO of *Champion College Services, Inc.* Champion offers default prevention for Federal and private student loans, job placement verification, skip tracing, consulting services, and custom surveys for students, alumni, and employers. She specializes in staff training, program development, and default prevention operations. She has participated in training sessions and workshops for numerous state, provincial, regional, national, and private associations in both the U.S. and Canada in a continued effort to share her experiences and knowledge.

Her accomplishments include numerous state, regional, and national awards and recognitions over the years in both the higher education industry and in professional business arenas. Ms. Hammer has had hundreds of articles published in numerous higher education magazines over the years.

ChampionCollegeServices.com (800) 761-7376 7776 S Pointe Pkwy, Suite 250, Phoenix, AZ 85044