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 (ED). 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.*

FACT #1 For the last four years, certain federal student loan portfolios managed by ED have had default rates well above the national average and above acceptable institution eligibility standards. ***ED ruined the financial standing of several hundred thousand student borrowers*** during the transition to 100% direct lending by mismanaging these students' loans. Many of these students were actually in good standing on their loans when they were transferred from FFELP companies to ED's management and were almost immediately put into default because the current status didn't properly transfer. When Ms. Hammer notified ED of these colossal errors right when they began occurring, ED did not correct this problem and allowed the financial reputations of these students to be ruined. Additionally, colleges have suffered consequences and tarnished reputations from default rates based on these defaults that wrongly occurred.

FISCAL YEAR	U.S. DOE PORTFOLIO	# DEFAULTS	CDR %	NATIONAL iCDR %
FY 2009 Released Sept 2012	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 Released Sept 2013	2009-2010 LPCP	148,636	**18.2%**	**14.7%**
	ABCP CONDUIT 09-10	25,433	**56.7%**	
FY 2011 Released Sept 2014	ABCP CONDUIT 09-10	14,455	**58.6%**	**13.7%**
	UNREPORTED FDSLP PORTFOLIO	238,812	**30.4%**	
FY 2012 Released Sept 2015	ABCP CONDUIT 09-10	3,916	**56.0%**	11.8% (**11.9%** correct calculation*)
	UNREPORTED FDSLP PORTFOLIO	424,976	**15.9%**	

*ED miscalculated numerous cohort default rates in its Official National Briefings. We have provided the published rate and the correct calculation.

ACTION REQUIRED: *Reverse the default status for these students, correct their credit history, and allow them a chance to repay their loans with appropriate quality servicing. Additionally, reverse the defaults and correct related default rates for all affected institutions because state and federal grant and loan funds for currently enrolled students are also affected by these defaults that had nothing to do with institutional quality.*

The DOE must correct this atrocity.

FACT #2 For the last four years of institutional cohort default rates (iCDR) analyzed, ED's "national official" briefings have not matched the iCDR data. Patterns have consistently favored public schools while hurting the proprietary sector. If the proprietary sector was as bad as ED wants everyone to believe, why is there a need to misreport numbers in the "Official National Briefings" for iCDRs that make the sector look worse than it actually is? ***The FY 2012 data reality shows the public sector actually had 91,553 MORE defaults than the proprietary sector***—but that's not what ED wanted the public to see.

ED OFFICIAL iCDR BRIEFING INFORMATION	PUBLIC SECTOR BRIEFING DEFAULTS		PROPRIETARY SECTOR BRIEFING DEFAULTS	
	% 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%

FACT #3 The College Navigator hosted by ED provides extensive information about schools. The 2010 academic year data available at the time Ms. Hammer completed her analysis shows that the proprietary sector has the **highest** graduation rate among all sectors. The average federal student loan amount for proprietary schools, based on their actual funding levels, show that the loan balance is reasonable especially considering a 60.4% graduation rate. When compared to community colleges serving a similar socio-economic student group, the proprietary loan amount is comparatively lower considering that the sector graduates more than twice as many students as community colleges. These graduation rates are consistent with recently released statistics from the National Student Clearinghouse for graduation rates for two-year public of 38.14%, private of 45.07% and for-profit of 60.62%.

COLLEGE NAVIGATOR 2010 ACADEMIC YEAR DATA as posted on College Navigator during 2014–2015

SECTOR	Total # Schools	Average Grad %	Average Student Loan Amount
Public Traditional Colleges	700	45.6%	$6,856.89
Public 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

FACT #4 The FACTS about the quality of public and proprietary sector performance based on iCDR data (2015 PEPS300 data file) show that the public and proprietary sectors have almost identical statistics for good quality indicators. When the default rates are averaged, giving each institution equal consideration, ***the public and proprietary sectors have the exact same average iCDR of 13.9%.***

FY 2012 SECTOR-LEVEL iCDR DATA QUALITY INDICATOR FACTS

SECTOR	iCDR in ED's 9/30/2015 BRIEFING	iCDR in ED's 2015 PEPS300 SCHOOL DATA	AVERAGE iCDR from 2015 DATA	GOOD QUALITY * (LESS THAN 15% iCDR)		BAD QUALITY * (OVER 30% iCDR)	
				# COLLEGES	% of TL	# COLLEGES	% of TL
PUBLIC	11.7% (11.8% correct**)	11.7%	**13.9%**	**909**	**58.0%**	6	<1%
PRIVATE	6.8%***	7.2%***	6.5%	1,389	90.7%	1	<1%
PROPRIETARY	15.8%***	15.4%***	**13.9%**	**930**	**57.3%**	18	1.1%

* Good and Bad Quality Indicators include schools with 30 or more borrowers in the iCDR.

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***Percentages highlighted in red indicate where ED misreported FY 2012 iCDR rates for the private and proprietary sectors.

FACT #5 The iCDR trends over the last four years show that the public institutions have rapidly escalating percent of total and numbers of students in default while the proprietary sector has shown a significant reduction in its percent of total defaults.

SECTOR-LEVEL iCDR DATA TRENDING FROM FY 2009 TO FY 2012

SECTOR	FY 2009 3-YEAR iCDR				FY 2012 3-YEAR iCDR			
	Borrowers in Default		Borr Ent Repayment		Borrowers in Default		Borr Ent Repayment	
	# Defaults	% of TL	# Repay	% of TL	# Defaults	% of TL	# Repay	% of TL
PUBLIC	204,732	**41%**	1,843,809	51%	306,443	**51%**	2,610,430	51%
COMM CLG	98,061	**21%**	534,600	15%	199,755	**33%**	1,068,532	21%
PRIVATE	62,729	13%	835,941	23%	81,781	14%	1,139,356	22%
PROPRIETARY	208,962	**44%**	924,511	26%	214,880	**36%**	1,399,425	27%

FACT #6 AND THERE'S MORE… Extensive evidence is documented in *Injustice for All*. ***This many errors in reporting cannot be explained as "rounding errors" nor can they be coincidental.*** Is the inaccurate reporting across many federal higher education databases being used to assault and defame proprietary schools actually a ***deflection*** from ED's own poor performance?

Find out more at MaryLynHammer.com!

*The facts and more documented within **Injustice for All** are backed by Mary Lyn Hammer's expert analysis of publicly available data and reports and were verified for accuracy in "Independent Accountants' Reports" conducted by Kaiser & Carolin, P.C.*