



California Community Colleges Student Financial Aid Administrators Association

INFORMATION ON ITT CLOSURES

ITT Educational Services, Inc (ITT) closed its more than 130 campuses in 38 states citing recent actions taken by the U.S. Department of Education that effectively barred ITT from participating in Federal Title IV programs (Federal Financial Aid). The closures impacted about 45,000 students who were enrolled at ITT, including tens of thousands of federal student loan borrowers who are left asking, "What do I do now?"

Before students decide to transfer and/or continue their education elsewhere, they need to know their rights as a recipient of Federal Financial Aid. It is recommended that before students enroll in a new school, they speak to the Financial Aid Office about how transferring credits might affect their eligibility for a "closed school" discharge of their loans. Students can still attend another school, but they may want to consider not transferring any units to the new school to preserve their ability to discharge their financial aid awards.

USDE – Loan Discharge:

Federal Student Loans can be discharged if a school closes. A closed school discharge releases students from their obligation to repay their federal loans (such as a Federal Direct Loan, a Perkins Loan, or a Federal Family Education Loan) under either of the circumstances described below:

- The school closed while the student was enrolled and the student did not complete the program, either at the closed school or another school. If the student was on an approved leave of absence when the school ceased operations, the student is considered to have been enrolled at the school when it closed.
- The student stopped attending the school within 120 days before it closed.

The student is NOT eligible for loan discharge if the school closes and any of the following is applicable:

- The student completed all the course work for the program, even if the student has not received a diploma or certificate.
- The student stopped attending more than 120 days before the school closed.
- The student enrolled in and completed a comparable educational program at another school and received credits for the classes taken at the closed school. However, if the student enrolled in this comparable program and complete it, but the new school does not give credit for any coursework completed at the closed school, then the student would be eligible for a closed school discharge.

The U.S. Department of Education provided guidance and resources (<https://studentaid.ed.gov/sa/about/announcements/itt>) for displaced students.

Pell Grant Eligibility

The amount of Federal Pell Grant funds the student may receive over a lifetime is limited by federal law to be the equivalent of six (6) full-time years which is equal to 600%. Irrespective of a transfer or a closed school loan discharge due to a school closure, the lifetime Pell eligibility does not "reset." This means that students might have used up part of their Pell Grant eligibility while attending ITT. To determine the remaining eligibility for Pell Grant, students should visit the My Federal Student Aid website at https://www.nslds.ed.gov/nslds_SA

Other Resources

The [National Association of Student Financial Aid Administrators \(NASFAA\)](#) in collaboration with [Beyond 12](#) connects these displaced students with financial aid volunteers who are knowledgeable about financial aid and higher education. Financial Aid Administrators from NASFAA member institutions serve as volunteers from September through December 2016, providing unbiased assistance, answering general financial aid program questions, and helping students determine their eligibility for federal student loan discharge.

Affected students seeking counseling through the partnership must submit a request for assistance via NextStepsEdu.org. Students who submit a "help ticket" can expect a response from a financial aid administrator within 10-12 business days.