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Bulletin #9 - American Career Institute School Closure

TO: Current and Former Students of the American Career Institute (ACI) located at
703 Granite Street, Braintree, MA
186 Alewife Brook Parkway, Cambridge, MA
125 Newbury Street, Framingham, MA
365 Caldwell Drive, Springfield, MA
10 State Street, Woburn, MA

DATE: October 18, 2013

RE: *Federal Student Loan Discharges and Student Claims for Refunds*

On January 9, 2013, the Division of Professional Licensure (DPL) received notice that the American Career Institute (ACI) ceased operating in Massachusetts. DPL is continuing its investigation of the matter and is coordinating these efforts with other state and federal agencies. This bulletin, the ninth released by DPL, provides updates on the following information:

- Federal Student Loan Discharges; and
- Student Claims for Refunds.

Federal Student Loan Discharges:

According to records received from the American Career Institute (ACI) at the time of its closure, many students may have received federal student loans. Because of the school's closure, students may be eligible to apply have these loans discharged (forgiven). A discharge is when the lender forgives the loan debt and you do not need to repay the loan; however, you must apply to receive the discharge—it does not happen automatically.

If you have your ledger card from ACI, in the “description” column, federal student loans are labeled as “SubLoan” (subsidized loan) and “UnsubLoan” (unsubsidized loan). You should **NOT** ignore your federal student loan obligations. Even though the school has closed you are still required to repay your loan unless it is discharged. If you fail to repay your loan, you may suffer unintended consequences such as limiting your access to future student loans or any type of loan, and it may damage your credit history

To request a discharge of your federal student loans, please do the following:



- 1) Complete the attached federal student loan discharge request provided by the U.S. Department of Education representative; or, contact Direct Student Loans at <http://www.direct.ed.gov/cancellation.html>; and,
- 2) Send the original request to your lender. (Ex. Sallie Mae, Great Lakes, Nelnet). Do not send this document to the DPL as we are not the lender. *If you are unsure of your lender please follow the link to the National Student Loan Data System (NSLDS) which should tell you the lender of any student loans issued to you* http://www.nsls.ed.gov/nsls_SA.

It is your responsibility to not only submit the required application and supporting documentation, but you must also follow up to ensure the paperwork has been processed and the loan has been discharged.

If you also have payment obligations with Tuition Options, please be advised that DPL is working with the bank's receiver on this matter. Please watch for updates on our website.

Student Claims for Refunds:

The deadline by which students could file claims for refunds was 5 p.m. on **October 4, 2013**. Any claims received after this deadline will only be processed if funds remain after payment of timely filed claims.

Currently, DPL is reviewing claims received before the October 4th deadline. Students who filed claims should be aware that they may be contacted by DPL staff if additional information is required to process the claim. If you receive such a request, please provide this information to DPL as soon as possible. Please note that students who do not have valid claims are being notified individually

DPL is prioritizing those claims seeking a refund of tuition paid to ACI. Once all tuition related claims have been resolved, DPL will work to resolve claims submitted by students seeking refunds for other expenses related to their enrollment at the school.

Although we cannot offer a specific time frame when the funds will be distributed, we anticipate that payments of valid claims will be made before the end of 2013.

DPL remains committed to identifying other remedies for former ACI students affected by the closure of the school, and will continue to work with the court-appointed Receiver and other state and federal agencies regarding the closure. If and when additional remedies become available, DPL will make every effort to notify students of these resources.

Questions:

Students with questions about the claims process may call 617-727-5811, Monday through Friday, from 9:00 a.m. - 12:00 p.m. or 2:00 p.m. - 5:00 p.m.