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MARK R. KMETZ
DIRECTOR, DIVISION OF
PROFESSIONAL LICENSURE

TO: ACI Students With Financial Obligations
DATE: 2/4/13
RE: Financial Information for Former ACI Students

Former students of American Career Institute (ACI) who received federal student aid, private student loans, or made arrangements with a third-party for a payment plan, next steps with regard to students' financial obligations are provided below. Students are reminded that these obligations must be taken seriously and students are advised to address these debts to avoid any impact on their credits reports or ability to obtain future loans.

How are federal student loans impacted by each?

If I am a...	Money Paid to ACI	Money Scheduled to be Paid to ACI
“Fresh Start”	Request a student loan discharge*	Any remaining student loan disbursements (payments) to ACI will be cancelled.
Externship	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.)	Not applicable. All loan funds will likely have already been paid to ACI.
Teach-out	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.)	Any remaining loan disbursements (payments) scheduled for ACI will be paid to the teach-out school.
Transfer	Any unused loan money will revert back to the U.S. Department of Education. Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.)	Not applicable. No additional funds should be due to ACI.

*A discharge is when the lender forgives the loan debt and the student is no longer obligated to repay the loan. To obtain a discharge, students should complete the loan discharge forms being provided by the U.S. Department of Education representative; or, contact Direct Student Loans at <http://www.direct.ed.gov/cancellation.html>. It is the student's responsibility to not only submit the required application and supporting documentation, but is also the student's responsibility to follow up to ensure the paperwork has been processed and the loan has been discharged.



How are private loans impacted by each?

If I am a...	Money Paid to ACI	Money Scheduled to be Paid to ACI
“Fresh Start”	Request a student loan discharge *	Any remaining student loan disbursements (payments) to ACI will be cancelled.
Externship	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.)	Not applicable. All loan funds will likely have already been paid to ACI.
Teach-out	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.) Any funds paid to ACI for courses not taken, students may be eligible to file a Claim for Restitution.	Any remaining loan disbursements (payments) scheduled for ACI may be cancelled. Or, students may make arrangements with the lender and the teach-out school to pay the remaining disbursements to the teach-out school.
Transfer	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.) Any funds paid to ACI for courses not taken, students may be eligible to file a Claim for Restitution.**	Not applicable. No additional funds should be due to ACI.

*A discharge is when the lender forgives the loan debt and the student is no longer obligated to repay the loan. Students must contact their lender directly to request a discharge. The lender may request a copy of the student’s enrollment agreement, transcript, and ledger card. In addition, the lender may request verification that ACI is closed; students may provide the lender with a copy of DPL’s [Bulletin #1](#). It is the student’s responsibility to not only submit the required application and supporting documentation, but is also the student’s responsibility to follow up to ensure the paperwork has been processed and the loan has been discharged.

**DPL will provide information about filing Claims for Restitution against ACI’s surety in a subsequent Bulletin.

How are payment plans with a third-party servicer such as Tuition Options, LLC impacted?

If I am a...	Money Paid to ACI	Money Scheduled to be Paid to ACI
“Fresh Start”	Request a discharge of the payment plan*	Any remaining to ACI will be cancelled.
Externship	Funds paid to ACI for courses completed with ACI must be repaid. (received a product, the product must be paid for) Students must fulfill their repayment obligation with the payment plan.	Not applicable. All loan funds will likely have already been paid to ACI.
Teach-out	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.) Students must fulfill their repayment obligation with the payment plan. Any funds paid to ACI for courses not taken, students may be eligible to file a Claim for Restitution.	Any remaining loan disbursements (payments) scheduled for ACI may be cancelled. Or, students may make arrangements with the third-party vendor and the teach-out school to pay the remaining disbursements to the teach-out school.
Transfer	Funds paid to ACI for courses completed with ACI must be repaid. (Student received a product, the product must be paid for.) Any funds paid to ACI for courses not taken, students may be eligible to file a Claim for Restitution.**	Not applicable. No additional funds should be due to ACI.

*It is the student’s responsibility to not only submit the required application and supporting documentation, but is also the student’s responsibility to follow up to ensure the paperwork has been processed and the proper arrangements have been made with the payment servicer.

**DPL will provide information about filing Claims for Restitution against ACI’s surety in a subsequent Bulletin.