



March 8, 2021

VIA ELECTRONIC MAIL (regulations@dfpi.ca.gov)

Commissioner Manuel P. Alvarez
California Department of Financial Protection and Innovation

Re: Comments on Proposed Rulemaking Under the Cal. Consumer Financial Protection Law
PRO 01-21

Dear Commissioner Alvarez:

These comments are submitted on behalf of the Legal Aid Foundation of Los Angeles,¹ Housing and Economic Rights Advocates,² Bay Area Legal Aid,³ and UC Irvine, School of Law, Consumer Law Clinic.⁴ As organizations that represent low-income student loan borrowers, we thank you for the opportunity to provide input about how DFPI can best implement the California Consumer Financial Protection Law (CCFPL) to protect the most vulnerable Californians.

¹ The Legal Aid Foundation of Los Angeles (LAFLA) is a nonprofit legal aid organization serving low-income clients in Los Angeles, California. LAFLA is a public interest leader on student loan work, having developed student loan and for-profit school expertise over the last thirty years. LAFLA provides outreach and education, self-help clinics, and direct legal assistance to financially distressed student loan borrowers. LAFLA assists hundreds of borrowers who have obtained federal or private student loans from higher education institutions that have engaged in unfair and deceptive business practices. LAFLA serves as a resource for and often consults with other legal services organizations carrying out this work throughout the country. See LAFLA's website at <https://lafla.org/get-help/student-loan-issues/>.

² Housing and Economic Rights Advocates (HERA) is a California statewide, not-for-profit legal service and advocacy organization dedicated to helping Californians — particularly those most vulnerable — build a safe, sound financial future, free of discrimination and economic abuses, in all aspects of household financial concerns.

³ Bay Area Legal Aid (BayLegal) is the largest provider of civil legal services in the Bay Area, serving thousands of clients across seven counties. As part of its comprehensive consumer law unit, BayLegal provides clinics, education and direct representation to distressed student loan borrowers seeking both administrative remedies and relief from private loans. BayLegal has substantial experience assisting students that have been defrauded by predatory for-profit institutions.

⁴ The University of California, Irvine School of Law Consumer Law Clinic (CLC) provides advocacy to low-income consumers affected by burdensome debt and loans through litigation, policy analysis, and community education and outreach. Students and faculty collaborate to bring consumer protection claims and provide direct representation in state and federal court to improve financial stability for vulnerable Californians.

Our organizations represent low-income student loan borrowers who obtain private and/or federal student loans to obtain higher educations. They typically seek our help because they lack the income necessary to repay their education debts and are dealing with debt collection harassment; wage garnishments or bank levies due to private student loan debt judgments; tax refund offsets, wage garnishment, or federal benefits offsets due to defaulted federal loans; and the long-term economic impact caused by low credit scores. Some are disabled, most are people of color, and many attended private colleges (either for-profit or non-profit) that misrepresented the value of their educational programs and exploited our clients' economic and academic aspirations to earn revenues. Our comments reflect our experience working with and on behalf of these low-income borrowers, many of whom have experienced illegal and abusive student lending and debt collection practices.

The size of the financial investment required of individuals and families who seek higher educations has grown enormously over the past 30 years. As a result, student loan debt is now the second largest type of consumer debt in the country, exceeded only by mortgage debt. Schools either broker federal and private student loans or originate student loans themselves. According to the Federal Reserve Bank of New York, as of 2020 outstanding debt for CA student loans was close to \$150 billion. Data suggest that for students who entered school in 2004, nearly 40 percent may default on their loans within 20 years of starting.⁵ In addition, the disparities between white students and students of color are growing. "Debt and default among black college students is at crisis levels . . . black BA graduates default at five times the rate of white BA graduates (21% versus 4%) and are more likely to default than white dropouts."⁶ These high debt loads and defaults, due in part to the racial wealth gap, also prevent progress in closing the racial wealth gap.

These disparities have been exacerbated by the on-going COVID-19 pandemic. Millions of individuals are facing unemployment, reduced income and heightened financial insecurity. Despite the federal government's temporary moratorium on most federal student debt collection, many of our clients continue to deal with pressure to repay their private debts, suffer from negative credit reporting, and continue to face barriers to accessing federal student loan benefits such as discharges and affordable repayment plans. In fact, the federal government's temporary moratorium does not help the commercially held Federal Family Education Loan (FFEL) borrowers, people with Perkins loans, and private student loan borrowers. We would request that the DFPI implement a moratorium on the collection of all student loans not covered by the federal moratorium, including wage garnishments and bank levies. Through regulation and oversight, the DFPI has a historic opportunity to address these hardships and disparities, both for borrowers who already struggle with debt and for those who will seek a higher education and incur debt in the future.

⁵ Judith Scott-Clayton, "The looming student loan default crisis is worse than we thought," Brookings Institute, Evidence Speaks Reports, Vol. 2, #34 (2018), <https://www.brookings.edu/wp-content/uploads/2018/01/scot-clayton-report.pdf>.

⁶ *Id.*

I. Private Non-profit and For-profit Higher Education Institutions That Broker or Originate Loans Should be Regulated by DFPI.

Private nonprofit and for-profit colleges that either make or broker private student loans should be regulated by the DFPI as covered persons under the CCFPL. While a patchwork of state and federal laws applies to these loan products and services, no current government entity supervises these schools' brokering or lending practices. As a result, we are seeing many students exploited by unlawful and deceptive practices that are not being monitored or addressed by any government agency. We hope the DFPI will use the broad authority granted it by the California legislature to create accountability and transparency around these schools' quickly evolving financial services practices.

A. Private Colleges Making or Brokering Private Student Loans Are “Covered Persons” Subject to the CCFPL.

Private nonprofit and for-profit schools routinely broker private student loans and are increasingly making their own loans to students. I have attached, in Exhibit A, a sampling of retail installment contracts and loan agreements offered and provided by both private nonprofit and for-profit schools to some of our clients. These are financial products, as defined by the CCFPL, because they each involve the extension of credit to consumers under which the school agreed to “defer payment, incur debt and defer its payment, and/or purchase services (an education) and defer payment for those services.” Cal. Fin. Code §§ 90005(g), (h), and (k)(1). Many of these loans violate California's Unruh Act, the Truth-in-Lending Act, and other applicable laws.

These schools also broker private loans to their students on behalf of third-party lenders. In some of these cases, the schools and the lenders have preferred lender arrangements. Our organizations frequently meet with students who were steered into predatory private loans by trusted school employees of the for-profit colleges they attended. These include former students of some of the most predatory institutions in recent memory, including Corinthian Colleges, ITT Tech, and California Culinary Institute.

A financial product or service is defined to include “brokering extensions of credit.” Fin. Code § 90005(k). In these cases, our clients are not given alternative options for the private financing of their education. Typically, the school's financial aid officer provides a third-party lender's loan application to the student, helps the student (and co-signor) complete the application, then submits that application to the lender. The financial aid officer also provides the student with the required disclosures and facilitates the signing of the loan agreement. Under section 90005(f)(1) these schools should be considered “covered persons,” because they are brokering consumer financial services to California residents.

Predatory for-profit institutions such as those operated by Corinthian Colleges and ITT Tech targeted vulnerable students who had no experience with financial aid and were often the first in their families to go to college, single parents, and disproportionately people of color. Former students describe a dizzying, rapid enrollment process in which financial aid advisors prepared

documents for them to sign without explaining them or giving them time to review. Our student borrower clients tell us that this rushed enrollment process left them in the dark about the amount or type of debt they had agreed to and did not understand whether they were signing up for federal loans, private loans or Pell grants. These loan packages frequently included private loans which, unlike federal aid, had to be paid while in school, and had no legal protections if a student became disabled or was unable to make a subsistence wage after graduation.

Our clients commonly describe financial aid advisors at these institutions stating, “don’t worry we will get you money.” When one student asked a Heald financial aid advisor to explain the repayment options on the loans she was taking out, he told her not to worry about loans, because with the job she would have after graduation, the money would be paid off in 1 or 2 years. This advisor promised, “you are going to be out of your loans in a few years, your education will stay forever.” Universally, the students describe being encouraged not to worry about the details of the financial aid process and believing the financial aid advisors had their “best interest at heart.” Unfortunately this financial advice was too often provided as part of a slick and misleading sales pitch, which left many students with debilitating private, as well as federal loans.

Abusive for-profit colleges such as the Corinthian and ITT Tech schools steered students into private loan programs that were inherently harmful to students and were designed to help these institutions maintain their eligibility for federal student loans while enrolling large numbers of low-income students without the ability to pay out of pocket. Federal law requires that 10% of a school’s funding come from non-Title IV funding and to fill this gap predatory schools use a variety of tactics including steering students into private loans originated through investment partnerships. These schools had entered into agreements to buy all defaulted loans from the lender and therefore had an outsized interest in debt collection. This led to egregious debt collection activity, such as refusing to defer payments until after graduation, publicly calling students out of class, denying them access to educational services, and preventing them from attending classes if they were late on making loan payments.

California Culinary Academy (CCA) in San Francisco allegedly had an agreement to recommend Sallie Mae as a preferred lender to prospective students. BayLegal has spoken to dozens of former CCA students, who are now more than a decade out of school, and the majority are carrying high balance, high interest private loans held by Navient (formerly Sallie Mae), most of which are in default or negatively amortizing payment plans, many with co-signors. The balances on these private loans are almost universally much higher than the amount initially borrowed after more than a decade of payments. Numerous CCA students have told BayLegal that they were not provided additional private loan options to finance their education.

These examples illustrate how the absence of a government regulator charged with monitoring and supervising the student loan products and services offered by schools has left the most vulnerable low-income students – veterans, single mothers, seniors, new Californians, and people of color – unprotected from abusive and unscrupulous student loan practices costing them millions of dollars. This level of fraud has harmful repercussions throughout the student loan

market, as well as our clients' communities and the larger state economy. For these reasons, we urge the DFPI to step in and regulate these schools' financial services-related practices.

B. Private Colleges Licensed by or Registered with the Bureau for Private Postsecondary Education are Not Exempt from the CCFPL.

While section 90002 exempts licensees of other state agencies, it does so only “to the extent that licensee . . . is acting under the authority of the other state agency’s license.” Cal. Fin. Code § 90002(a). Although many of these schools are licensed by the Bureau for Private Postsecondary Education (BPPE), it issues licenses to authorize non-exempt private postsecondary schools to offer *educational* services in California, not financial ones. The California legislature enacted the Private Postsecondary Education Act of 2009 (the “Act”) (Cal. Educ. Code §§ 94800 to 94950) to ensure “[m]inimum educational quality standards and opportunities for success for California students, “[m]eaningful student protections,” and “[p]revention of harm to students resulting from fraudulent or substandard educational program and degrees.” Cal. Educ. Code § 94801(d). Thus, the expertise and authority of the BPPE is focused on educational services – not on their licensees’ provision of financial services.

The BPPE’s intended focus on ensuring minimum standards for educational programs and preventing fraudulent practices in offering or providing education is reflected in its minimum standards. These focus on the content of educational programs, standards for admission, educational facilities and equipment, the qualifications of directors and faculty, the financial soundness of the institution, the provision of diplomas, degrees and transcripts, and compliance with the Act. Cal. Educ. Code § 94855(a). Indeed, the Act includes only four minimal provisions regarding financial services-related activities. The Act requires that schools comply with federal law by (1) including the FTC Holder Rule clause in loans made by the school (*id.* § 94916); (2) complying with the federal Truth-in-Lending Act when making loans to students (*id.* at § 94918); and (3) complying with the Higher Education Act when participating in the federal loan program (*id.* at § 94919(a)). The only other provision in the Act regarding loans simply provides that loans are not enforceable by a school if, at the time the loan was executed the school lacked an approval to operate. (*Id.* at § 94917.)

The BPPE does not have expertise in regulating the kind of sophisticated financial products these schools are creating or brokering, nor does it purport to. It does not require schools to regularly provide documentation regarding the private loans they broker or make to students so that it may either monitor compliance with federal and state financial laws or track and respond to evolving financial services and products offered or brokered by its licensees. It requires that its licensees annually report the portions of institution income that come from any public sources (Cal. Code Regs. tit. 5, § 74110) and non-government financial aid programs it offers (*see* the BPPE Annual Report Form, available at https://www.bppe.ca.gov/annual_report/instructions.pdf).

Another set of schools, out-of-state private postsecondary educational schools that lack a physical presence in California, are required to register with the BPPE. Cal. Educ. § 94801.5. These schools are not subject to any of the Act’s minimal financial services provisions, nor do they provide annual reports of any kind to the BPPE.

These schools are also making private loans to students. For example, a prior LAFLA client enrolled in an online for-profit schools, Centura College, located in Virginia and lacking a physical presence in California. The client did not attend a single day of school, as she discovered she lacked the technology necessary to access her programs online. She therefore notified the school, by phone, that she was withdrawing from the program. Then, about 4 years later, she was served with a lawsuit seeking to collect on the entire unpaid enrollment agreement, which including terms for charting interest for the non-payment of tuition. A copy of the enrollment agreement is included in Exhibit A. The lawsuit was filed by a debt buyer. Through LAFLA's representation, the lawsuit was dismissed with prejudice.

For the same reasons, private postsecondary schools that are either licensed by or registered with the BPPE are also not exempt from the CCFPL's registration requirements. Cal. Fin. Code § 90009(a)(1)(B) excludes licensed entities from registration unless the covered person "is offering or providing a product or service that is not regulated by the agency licensing or registering the covered person." As explained above, the BPPE does not regulate schools' offering or provision of financial products or services.

Finally, while there is an exemption for sellers of nonfinancial services, it does not apply to lenders who regularly extend credit. Cal. Fin. Code § 90006(e).

C. The DFPI Should Supervise Private Schools that Offer or Provide Financial Products or Services.

Given this history of loan steering by financial aid advisors at private post-secondary institutions, along with the schools' increasing use of institutional loans, we believe that DFPI should use its oversight and record retention/data collection authority to both monitor the evolving private student loan market and protect students from future harm. There is no body that collects detailed school-level data on the terms and business practices with respect to the making or brokering of private student loans.

We urge the DFPI to require private postsecondary education institutions that broker or provide financial products or services to their students to register pursuant to Cal. Fin. Code § 90009 and require them to report data regarding these financial products or services to the DFPI pursuant to Cal. Fin. Code § 90009(f)(2) and 900010(b).

We also recommend that the DFPI use its many powers to identify and protect students from schools that commit unlawful, unfair, deceptive or abusive acts and practices related to the provision or brokering of financial products and services. This includes debt collection tactics engaged in by many schools that may be considered abusive or unfair practices. DFPI should use its authority to broadly pursue predatory schools as covered persons and end their unscrupulous practices.

We are happy to provide more detailed recommendations regarding the application of the CCFPL at a later date.

II. Non-preempted Private Student Loan Lenders and Loan Holders Should be Regulated by DFPI.

In addition to requiring the registration of all non-federal bank lenders that are offering or providing student loans to California students (or parents), the DFPI should provide comprehensive oversight of the making and collection of these loans in the following ways:

- The DFPI should aggressively utilize its market monitoring and data collection capabilities to require annual reporting from all actors in the student finance market, including loan holders, lenders, and servicers.
- Currently, default judgments for private student loan debt are being entered against thousands of unrepresented borrowers throughout California for significant sums, often in the 6 digits, which can result in a lifetime of wage garnishment. Concerningly, the plaintiff loan holders often pursue debts that they have no legal right to collect on, either because they are time-barred or the loan holders cannot prove they own the debt. These lawsuits are filed against low-income people in communities with the least access to legal representation, and the loan holders engage in a volume-based practice predicated on pursuing those who are most likely to end up with a default judgment. We are particularly concerned about disproportionate impact this practice has on communities of color. DFPI should take action to ensure that private student loan holders cannot pursue borrowers without first proving that they have a legal right to collect on the debt.
- Private student loan holders (including for loans not made by DFPI preempted banks) are refusing to meaningfully respond to demand letters and evidence from borrowers providing extensive facts about why and how state law was violated by their schools. Borrowers are requesting, under the FTC Holder Rule clause, that these loan holders cancel their debts and refund payments when allowed by state law, but the loan holders are ignoring these requests. The failure by loan holders to evaluate these requests, in good faith as required by contract law, should be treated as an abusive practice.

This practice is the subject of a complaint filed in September 2020 in California Superior Court, *Villalba v. Navient*. A copy of the complaint is available here:

<https://predatorystudentlending.org/wp-content/uploads/2020/09/Villalba-v-Navient-Complaint-Final.pdf>. LAFLA recently requested that Navient cancel five private student loans on behalf of a client who attended the Art Institute. Because the promissory notes include the FTC Holder Rule clause, LAFLA provided extensive evidence regarding state law violations committed by the Art Institute when the client enrolled and while he was in attendance. In response, Navient stated that it was “not able to reach the conclusion that [the borrower] has an individual legal claim or defense against AI” and made “no comment on whether [the borrower] is entitled to relief from repayment... based on the FTC Holder Rule.” The letter further suggested that “such claims and defenses [under the FTC Holder Rule] must be asserted and proven with competent evidence in an appropriate legal action.” The borrower, however, is barred by state law from filing a lawsuit to assert the state law claims based on AI’s misconduct against Navient. His affirmative state law claims are barred by the statute of limitations. His only option is to wait

until Navient files a lawsuit against him, as California law allows him to assert the state law claims as a defense to a collection lawsuit even when their statute of limitations has expired.

III. Issuers of Income-Share Agreements Should be Regulated by the DFPI.

Issuers of income-share agreements (ISA) should also be supervised by the DFPI because they extend credit to California residents, and are not subject to any exemptions. Cal. Fin. Code §90005(f). As background, under an ISA agreement, students typically contract to share a fixed percentage of their income if they make over a certain income threshold over a fixed time period, or until they pay out a fixed sum, whichever comes first. There are heavy penalties in the event of breach, which can include not reporting or submitting to the lender one's employer information, certain tax forms, one's social security number, and other documents such as pay-stubs and bank account information by the due date. Issuers of ISAs may be third-parties or the educational institution itself.⁷

ISA lenders provide a form of debt financing,⁸ which should be subject to oversight by the DFPI. Many income share agreement providers repeatedly emphasize that they are not extending credit because the amount a borrower will pay back is not fixed under the agreement.⁹ Many ISA contracts even contain statements stating that the ISA is not a loan or credit. This is not the case: ISA lenders plainly extend to students the right to defer payment on their educational program until they leave their program and reach a minimum income-threshold. The CCFPL anticipates that some debts may be contingent and not fixed. As such, the triggering events in ISAs do not mean that these agreements do not constitute an extension of credit. Fin. Code § 90005(f).

ISA issuers do not fall under any CCFPL exemptions. For instance, there is no other California agency that licenses ISA issuers. Cal. Fin. Code § 90002(a). Moreover, while there is an exemption for sellers of nonfinancial services, it does not apply to lenders who regularly extend credit. Cal. Fin. Code § 90006(e). ISA lenders could be considered to exchange a nonfinancial service (i.e., education), but these lenders issue far more than 25 ISAs in one calendar year, and thus regularly extend credit under TILA and the CCFPL. 12 C.F.R. § 1026.2.

ISA lenders currently operate in a largely unregulated landscape and have been granted leeway to engage in predatory practices. Some examples of issues that have come up with ISAs are individuals being asked to comply with agreement despite not finishing their programs, creating the looming threat of hefty penalties (which can be upwards of \$30,000) for not reporting one's

⁷ See e.g., Leif Corporation, which issues ISAs in partnership with schools. (<https://leif.org/schools>). ISA contracts sometimes refer such companies as the "ISA program manager."

⁸ See e.g., Adam Levitin, *What Is "Credit"? AfterPay, Earnin', and ISAs*, Creditslips (July 2019), <https://www.creditslips.org/creditslips/2019/07/what-is-credit-afterpay-earnin-and-isas.html>; Shear and Pearl, *Credit by Any Other Name*, Protectborrowers.org (July 2020), https://protectborrowers.org/wp-content/uploads/2020/07/Pearl_Shearer_Credit-By-Any-Other-Name.pdf

⁹ See e.g., Fisher et al., *Regulatory Treatment of Educational ISAs under Federal and Select State Consumer Credit Statutes* (March 2019), <https://media2.mofo.com/documents/190408-regulatory-educational-consumer-credit-statutes.pdf>

place of employment or other personal information to the lender. As of yet, it is important to mention that we have not had a significant number of clients with ISA issues. However, this may be because ISAs are a relatively recent development, mostly fueled by the rise of online coding bootcamps. In short, the DFPI has jurisdiction and should regulate ISA lenders in order to ensure this industry develops in a way that benefits consumers.

The DFPI should consider all of the following:

- ISA lenders should be required to provide certain information to consumers upon request per Cal. Fin. Code §90008(d)(1), including for example a consumer's last date of payment; the approximate annual interest rate consumers will be paying based on their income; or default rates by students.
- ISA lenders should register with the DFPI pursuant to Fin. Code §9009 because they are not currently licensed or registered by another agency in their capacity as ISA lenders.
- The DFPI should consider prescribing rules to reduce the risk of ISAs to consumers pursuant to Fin. Code § 90009(b)(1). Such risks may include the overly severe penalties in the event of breach (e.g., being subject to paying the full loan amount for late reporting of one's employment); or caps on the percentage of income that ISA companies can charge.
- ISA lenders should be made to retain records under Fin. Code §9009(b)(2), for instance documenting student default rates on ISAs, the number of ISAs issued, and the percentage of former students whose ISAs are triggered by the minimum income threshold provision.
- The DFPI should promulgate rules to identify abusive acts or deceptive acts by ISA lenders under Fin. Code §90009(c). Such rules should consider ISA lenders misrepresenting the contents of the agreement, such as stating that they are "not a loan" and misleading comparisons to student loan programs.
- The DFPI should gather data from ISA lenders pursuant to Fin. Code § 90009 (f)(2) and 90010(b). Some examples of relevant data to protect consumers may be for instance to track the percentage of defaults on ISAs; the average overall costs for students who attend the program upon completing their ISA; or the average interest rate of an ISA agreement.

IV. The DFPI Should Monitor and Take Action Against Fraudulent Student Loan Relief Companies.

We urge the DFPI to continue to monitor and take action against fraudulent student loan debt relief companies. These companies prey on low and moderate income consumers, often charging hundreds of dollars for services that consumers or their student loan servicers can do at

no cost. These companies often target elderly clients of limited means, pocketing hefty fees while providing none of the promised relief from crushing student loan debt.

Student loan relief scams are some of the most common issues that come up in our practice. One client in her late 50s, Paulette, was recently scammed into paying upwards of \$500 to a company called Liberty Student Loan Forgiveness, which claimed they would have her federal parent plus loans cancelled. Instead, they merely consolidated her loans, a process which is completely free and available to do online. When Paulette asked the contract to be terminated, the company continued to charge her. Another client, Juvenal, was scammed into paying hundreds of dollars for a company to help him qualify for Public Service Loan Forgiveness – they took his money and he never heard from them again. They did nothing to help him with his PSLF application. Instead, Juvenal has repeatedly been denied PSLF despite working in government and public service for over 10 years. Another client, an elderly woman, similarly handed over all her personal information to a student loan debt relief company called Federal Document Assistance Center (FDAC), which claimed they would have her loans cancelled. She was never able to reach them after they received payment, and they did nothing to help her with her student loan debt.

V. DFPI's Complaint Process

We often submit complaints to regulatory agencies on behalf of our clients who have been subjected to unlawful business practices. We do this because our clients may not have the time or inclination to submit complaints themselves, or because they do not understand which facts are most relevant to potential legal violations.

For example, LAFLA recently submitted several complaints regarding debt collection abuses and debt relief companies to the DFPI. In doing so, we noticed several ways that the complaint process could be improved:

- We recommend that the DFPI revise the online complaint process to allow the filing of the complaint by attorneys on behalf of the actual complainant. This allows the attorneys to identify themselves and provide their contact information, as well as provide the identity and contact information for the client. Currently, the DFPI complaint only allows the entry of the name and identity of one person, so we have to include our client's information in the text of the complaint.
- If an attorney submits a complaint on behalf of a client, then the DFPI should allow the attorney to communicate with the DFPI regarding the complaint, as well as receive questions, information and communications from the DFPI. We realize we must provide a form signed by our clients authorizing the DFPI to discuss and share personal private information with us. This is common among government agencies (including the CA AG's office, the BPPE, and the CFPB), most of which routinely accept forms that we have created. When LAFLA recently submitted its authorization form to DFPI, however, it asked for LAFLA to have its client sign an additional authorization form. Having our clients sign additional forms can take time, as they often live far from our offices and/or

lack the necessary technical equipment to sign forms electronically. While we want to share information with the DFPI, if the complaint-submittal process requires too much of our time we are less likely to submit complaints. Alternatively, we would be happy to modify our forms with whatever consent language the DFPI deems necessary.

- Once a complaint has been submitted, DFPI should provide an immediate, downloadable copy of the complaint or immediately email a copy of the complaint to the complainant.

VI. Recommended Studies and Data Collection

Private student loan holders use the civil court system to obtain default judgments and use lawsuits as leverage to negotiate settlement agreements with borrowers. The DFPI should require regulated lenders to report information about debt collection lawsuits, case outcomes, and post-judgment collection activity. Because state court record data is disaggregated across 58 counties, and the Judicial Council of California does not track case filing information at a granular level, the DFPI should ensure that it collects data from lenders to obtain a statewide understanding of how private student lenders are using state courts to collect on defaulted loans. The DFPI should partner with courts to obtain docket-level data on private student loan cases filed and should require regulated lenders to report on debt collection actions filed in state court.

In order to track the filing and outcomes of state court lawsuits to collect student loan, the DFPI should require regulated lenders to provide data on borrower addresses, case filing, case dispositions, terms of settlement agreements, and post-judgment collection activity in collection actions filed in California Superior Courts. This information can be coupled with docket-level data reported by courts to track debt collection cases over time. A search by plaintiff name in a private third-party aggregate database shows that hundreds of borrowers are sued each year in California state court.¹⁰ Since 2015, some of the most active filers have sued thousands of borrowers: National Collegiate Student Loan Trust has sued 3,850 Californians, Educap has sued 119, Navient sued 594, and SLM Private Student Loan Trust has sued 221 borrowers. Some of these borrowers were served with multiple lawsuits.

Although the number of lawsuits filed by the most active collector of securitized private student loans, National Collegiate Student Loan Trust, has decreased following the Consumer Financial Protection Bureau action against NCSLT, this collector continues to file hundreds of new cases annually and collects on thousands of old judgments and settlement agreements on defaulted private student loan debt. The DFPI should be requiring data reporting by lenders and working with state courts to gather uniform and useful data by requiring covered entities to report docket-level information, including geographic information on new filings, as well as outcomes of collection cases, and post-judgment collection activity, such as executions of judgment and satisfactions of judgment.

¹⁰ See data collected March 4, 2021 by UCI Consumer Law Clinic. Data source: www.unicourt.com.

Adequate data collection from both the courts and lenders will allow the DFPI to engage in studies to ensure that private student loan debt collection is fair, that lenders are not unfairly targeting certain borrowers with debt collection lawsuits, and that lenders are not using deceptive practices to obtain default judgments and settlement agreements against consumers who default on their student loans.

If you have any questions, please feel free to contact Robyn Smith, LAFLA (rsmith@lafla.org); Claire Torchiana, HERA (ctorchiana@heraca.org); or Stacey Tutt, UC Irvine (stutt@law.uci.edu).

Sincerely,

Legal Aid Foundation of Los Angeles
Bay Area Legal Aid
Housing and Economic Rights Advocates
UC Irvine, School of Law, Consumer Law Clinic, on behalf of their clients

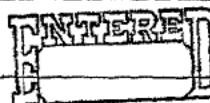
Cc: Charles Carriere, Senior Counsel (Charles.carriere@dfpi.ca.gov)

Exhibit A

Example 1

BRANDMAN UNIVERSITY TUITION AND FEE MASTER PAYMENT CONTRACT

Student Information Section		Please print neatly or type	
1. Last Name First Name MI	2. Brandman SID#		
3. Permanent Street Address (not a P.O. Box)	4. Preferred Telephone Number (include area code)		
5. City	6. Driver's License State and Number State #		
7. I hereby authorize the university to hold any credit balance that may appear on my student account for future billing charges, unless I request in writing that the credit balance be refunded to me. Yes (BCCBY) _____ No (BCCBN) <input checked="" type="checkbox"/>			
8. Employer (Name, Address, City, State, Zip)		9. Employer Telephone Number	
Third Party Information Section		(Father/Mother/Student)	
10. Last Name First Name MI	11. Home Area Code/Telephone Number		
12. Permanent Street Address (not a P.O. Box)	13. Driver's License State and Number State #		
14. City State Zip Code	15. Relationship to Student		
General Information			
<p>Agreement - The Brandman University Tuition and Fee Master Payment Contract and the Interest Disclosure Statement, the terms of which are incorporated herein, serve as both the application and the promissory note for all tuition and fee payments due the University and is valid until all charges due are paid in full. Brandman University requires that all students who enroll in classes complete, sign and return the Tuition and Fee Master Payment Contract and Interest Disclosure Statement.</p> <p>University Records - Absent manifest error, the University's records shall be conclusive evidence of all amounts payable by the student hereunder.</p> <p>Interest Charges - Interest is calculated and payable on the average daily balance at a current annual rate of 10.75% per annum, commencing on the applicable due date and continuing through the payment date, provided that applicable university policies may reduce or defer interest charges. Interest is charged on all payment arrangements with the university. Interest is not charged on a session that has not begun. The interest rate may be adjusted annually each June 1.</p> <p>Tuition Refund Policy - If the student withdraws from any classes (officially or unofficially), the student will be liable for tuition and fees according to the refund schedule listed in the university catalog and posted on the Brandman University website. Financial Aid revisions may result based on Federal regulations.</p> <p>University Email Address - All students enrolled at Brandman University will receive a university issued email address. The university will use this email address to communicate all official university business.</p> <p>Change of Status - The student and/or responsible party will inform the University of any change in name, address, telephone number, financial aid status or method of payment. A new responsible party may be authorized by submitting a new Brandman University Tuition and Fee Master Payment Contract.</p> <p>Account Statement - The student/third party must make payment of their tuition and fees even if they do not receive a statement. Statement information is sent as a convenience and the responsible party is obligated to make payment even if no notice is received.</p>			
Payment Arrangements			
<p>Please initial below how your tuition and fees will be paid. The University reserves the right to withhold services and/or dismiss any student whose account becomes past due. Please refer to the interest calculation method attached in the Interest Disclosure Statement, the terms of which are incorporated herein.</p> <p><input type="checkbox"/> PAYMENT IN FULL (BCSPF) - Payment in full for any session is due no later than start of the applicable session.</p> <p><input type="checkbox"/> PAYMENT PLAN (BCSDF) - Payments on the payment plan are due in 4 installments starting at the beginning of each trimester.</p> <p><input type="checkbox"/> EMPLOYER REIMBURSEMENT (BCSEP) - Interest is charged on all employer reimbursement accounts unless payment in full is received by the start of applicable session.</p> <p><input type="checkbox"/> TUITION REMISSION (BCSTRAC) - You must apply for tuition benefits prior to the start of each session and abide by all student policies including the payment of interest.</p> <p><input type="checkbox"/> FINANCIAL AID (BCSFAAC) - Only students who have been admitted to Brandman University and have filed a FAFSA form can use financial aid as a source of payment.</p> <p><input type="checkbox"/> MILITARY TUITION ASSISTANCE (BCSTA) - Student must provide Tuition Assistance authorization at time of registration and pay balance not covered by Tuition Assistance.</p> <p><input type="checkbox"/> VETERANS ASSISTANCE (BCSVA) OR VOC REHAB (BCSVR) - Student must provide all documentation of eligibility at the time of registration.</p>			
Acceptance			
<ul style="list-style-type: none"> Students who have unpaid bills at the University are subject to dismissal and, as long as such bills remain unpaid, may be dropped from classes, may not enroll in further classes, receive any transcripts, University credit or diplomas, and shall pay to the University all costs of collection with respect to such amount, including reasonable collection costs, attorney's fees and court costs. Pursuant to California Code of Civil Procedure § 360.05, the Borrower hereby waives any and all defense afforded by the statute of limitations as a defense to any demand for payment of this note or any part thereof of any sum payable hereunder. Brandman University retains the right to terminate this agreement and enrollment of the student if payments are not kept up to date. I hereby authorize Brandman University to: check my credit history and references, provide credit information for use in connection with review or collection of any accounts during or after my time as a student, and verify my employment and other information on this agreement. The undersigned Student and Third Party jointly and severally agree to pay all amounts that become due to the University pursuant to this Tuition and Fee Master Payment Contract. The undersigned represent that they have access to the University's website and will consult such website for fee information. In the event of default, the University may pursue payment from either or both the Student and/or Third Party, in its discretion. I/we have read, understand and agree to all of the terms of this agreement and disclosure statement. I/we hereby guarantee payment of all amounts due pursuant to this Contract and waive notice of protest and default. 			
Student Signature	Date	Third Party Signature	Date
<div style="background-color: black; width: 100px; height: 20px;"></div>	10/12/2010	<div style="background-color: black; width: 100px; height: 20px;"></div>	



Based on the above example, your payment schedule for the Spring per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	12/31/10
Second	256.72	01/31/11
Third	254.57	02/28/11
Fourth	252.14	03/31/11

Based on the above example, your payment schedule for the Summer per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	04/30/11
Second	256.72	05/31/11
Third	254.57	06/30/11
Fourth	252.14	07/31/11

Payment Methods: You can pay online at Brandman ePay by credit card or check. Accepted credit cards are American Express, MasterCard and Discover Card. There is a 2.25% convenience fee for online credit card payments. There is no fee for online checks. You can also mail a check to the Cashier at One University Drive; Orange, CA 92866.

Notice to applicant: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in; (2) you are entitled to a completely filled-in copy of this agreement; (3) you can prepay the full amount due under this agreement at any time; (4) the finance or service charge does not exceed 10.75% per annum computed monthly; (5) if you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The undersigned applicant and, if applicable, co-signer jointly and severally agree to pay all amounts that become due to Brandman University pursuant to this contract. In the event of default, the University may pursue payment from either or both the applicant and, if applicable, the co-signer, in its discretion.

Students who have unpaid bills at the University are subject to dismissal and, as long as such bills remain unpaid, may be dropped from classes, may not enroll in further classes, receive any transcripts, University credit or diplomas, and shall pay to the University all costs of collection with respect to such amount, including reasonable collection costs, attorney's fees and court costs.

FOR CALIFORNIA CAMPUSES ONLY: Pursuant to Section 360.05 of the California Code of Civil Procedure, the borrower hereby waives any and all defense afforded by the statute of limitations as a defense to any demand for payment of under the terms of this contract or any part hereof of any sum payable hereunder.

Brandman University reserves the right to terminate this agreement and enrollment of the student if payments are not kept up to date.

I have received and read a copy of this contract, the Brandman University Tuition and Fee Master Payment Contract and any other document that Brandman University has required or requested me to sign in connection with tuition and fees. I agree to all of the terms of this contract, guarantee payment of all amounts due hereunder and waive notice of protest and default.

Applicant (Student) Signature

Date

10/13/2010

Applicant's (Student's) Address

Student Name

Student ID#

Brandman University Interest Disclosure Statement

In order to defer payment in full of your tuition and fees for each academic trimester and pay such tuition and fees in installments, please complete, sign and return this contract to your respective Brandman University campus.

Tuition and Fees: Tuition and Fees for 2010/11 are posted on the Brandman University website at www.brandman-university.edu.

Payment Plan: The Payment Plan allows the student to pay the trimester's cost in four payments during the trimester beginning with Fall 2010. Payments are due on the schedule below. Interest is calculated at each month end on all balances, even if you are on the payment plan. Your Brandman eBill (online monthly student account statement) will show your actual tuition and fees based on your actual enrollment and interest less any accepted financial aid and your payments due. Please note that the responsible parties must make payment of tuition and fees even if they do not receive a statement. Statement information is sent as a convenience and the responsible parties are obligated to make payment even if no notice is received.

Interest: Interest is calculated and payable on the average daily balance at a current rate of 10.75% per annum, commencing on the applicable registration date and continuing through the payment date, provided that applicable University policies may reduce or defer interest charges. Interest is charged on all payment arrangements with the University. The interest rate may be adjusted annually each June 1.

Example Summer 2010 per each increment of \$1,000.00

Annual Percentage Rate	Finance Charge	Amount Financed	Total of Payments
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled
10.75%	9.00	1,000.00	1,009.00

Based on the above example, your payment schedule for the Summer per each increment of \$1000.00 will be:

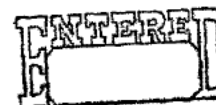
# of Payments	Amount of Payments	Payment Due Date
First	333.33	05/31/10
Second	339.31	06/30/10
Third	336.36	07/31/10

Example Fall 2010, Spring 2011 and Summer 2011 per each increment of \$1,000.00

Annual Percentage Rate	Finance Charge	Amount Financed	Total of Payments
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled
10.75%	13.42	1,000.00	1,013.42

Based on the above example, your payment schedule for the Fall per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	08/31/10
Second	256.72	09/30/10
Third	254.57	10/31/10
Fourth	252.14	11/30/10



Student Name

Student ID#

Brandman University Interest Disclosure Statement

In order to defer payment in full of your tuition and fees for each academic trimester and pay such tuition and fees in installments, please complete, sign and return this contract to your respective Brandman University campus.

Tuition and Fees: Tuition and Fees for 2011/12 are posted on the Brandman University website at www.brandman-university.edu.

Payment Plan: The Payment Plan allows the student to pay the trimester's cost in four payments during the trimester beginning with Fall 2011. Payments are due on the schedule below. Interest is calculated at each month end on all balances, even if you are on the payment plan. Your Brandman eBill (online monthly student account statement) will show your actual tuition and fees based on your actual enrollment and interest less any accepted financial aid and your payments due. Please note that the responsible parties must make payment of tuition and fees even if they do not receive a statement. Statement information is sent as a convenience and the responsible parties are obligated to make payment even if no notice is received.

Interest: Interest is calculated and payable on the average daily balance at a current rate of 10.75% per annum, commencing on the applicable registration date and continuing through the payment date, provided that applicable University policies may reduce or defer interest charges. Interest is charged on all payment arrangements with the University. The interest rate may be adjusted annually each June 1.

Annual Percentage Rate	Finance Charge	Amount Financed	Total of Payments
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled
10.75%	13.42	1,000.00	1,013.42

Based on the above example, your payment schedule for the Fall per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	08/31/11
Second	256.72	09/30/11
Third	254.57	10/31/11
Fourth	252.14	11/30/11

Based on the above example, your payment schedule for the Spring per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	12/31/11
Second	256.72	01/31/12
Third	254.57	02/28/12
Fourth	252.14	03/31/12

Based on the above example, your payment schedule for the Summer per each increment of \$1000.00 will be:

# of Payments	Amount of Payments	Payment Due Date
First	250.00	04/30/12
Second	256.72	05/31/12
Third	254.57	06/30/12
Fourth	252.14	07/31/12

Payment Methods: You can pay online at Brandman ePay by check. There is no fee for online checks. You can also mail a check to the Cashier at One University Drive, Orange, CA 92666.

Notice to applicant: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in; (2) you are entitled to a completely filled-in copy of this agreement; (3) you can prepay the full amount due under this agreement at any time; (4) the finance or service charge does not exceed 10.75% per annum computed monthly; (5) if you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The undersigned applicant and, if applicable, co-signer jointly and severally agree to pay all amounts that become due to Brandman University pursuant to this contract. In the event of default, the University may pursue payment from either or both the applicant and, if applicable, the co-signer, in its discretion.

Students who have unpaid bills at the University are subject to dismissal and, as long as such bills remain unpaid, may be dropped from classes, may not enroll in further classes, receive any transcripts, University credit or diplomas, and shall pay to the University all costs of collection with respect to such amount, including reasonable collection costs, attorney's fees and court costs.

FOR CALIFORNIA CAMPUSES ONLY: Pursuant to Section 360.05 of the California Code of Civil Procedure, the borrower hereby waives any and all defense afforded by the statute of limitations as a defense to any demand for payment of under the terms of this contract or any part hereof of any sum payable hereunder.

Brandman University reserves the right to terminate this agreement and enrollment of the student if payments are not kept up to date.

I have received and read a copy of this Interest Disclosure Statement, the Brandman University Tuition and Fee Master Payment Contract and any other document that Brandman University has required or requested me to sign in connection with tuition and fees. I guarantee payment of all amounts due hereunder and waive notice of protest and default.

Applicant (Student) Signature

Date

Applicant's (Student's) Address

Example 2

REVOLVING CREDIT ACCOUNT AGREEMENT

R0272

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BUYER: [REDACTED] SOCIAL SECURITY: [REDACTED] I.D.#: [REDACTED]

NIGHT/CELL: [REDACTED] / [REDACTED] Area Code: [REDACTED] Telephone: [REDACTED]

DAY/EMAIL: [REDACTED] / [REDACTED] Area Code: [REDACTED] Telephone: [REDACTED]

Buyers Name(First, Last): [REDACTED] (Please Type or Print): [REDACTED]

Address: [REDACTED] City (Please Don't Abbreviate): [REDACTED] State: [REDACTED] Zip Code: [REDACTED]

This Agreement explains how your account with Seller will work and explains the terms that both you and we agree to follow for this account. The words "we", "us" and "our" means Seller and "you" and "your" mean everyone who signs this Agreement or who is liable for payment on this account. By your use of this account you agree to the terms of this Agreement.

BILLING STATEMENTS: We will send you a billing statement each month that your account has a balance. The statement will show the amount you owe us, which is called the "New Balance", and the smallest amount you have agreed to pay us, which is called the "Minimum Due". If any portion of the New Balance is delinquent, the statement will show the "Past Due" amount. The statement will also tell you the "Payment Due Date".

PROMISE TO PAY: You agree to pay in U.S. dollars all amounts due on your account. You may pay the New Balance shown on your Billing Statement each month. If you do not pay the New Balance in full you agree to pay by the Payment Due Date at least the Minimum Due. Your payment will be used first to pay finance charges and any applicable fees, then to pay any remaining balance. You agree to make all payments to TFC Credit Corporation, P.O. Box 579, San Ramon, CA 94583.

MINIMUM PAYMENT: Your minimum payment each month will be 2.00% of your balance but not less than \$50.00. Added to the minimum payment will be any portion of the prior month's minimum payment not paid, late charges and charges for non-sufficient funds.

FINANCE CHARGE: We calculate your finance charge, if any, by multiplying your Daily Balance by a Daily Periodic Rate of 0.00273973 Annual Percentage Rate of 10.00%. At the end of the billing period, we will add up the results of these daily calculations to determine the total finance charge for the billing period. The Balance Subject to Finance Charge is the average of the Daily Balances during the billing period. You can verify your finance charge by multiplying the Balance Subject to Finance Charge shown on the billing statement times the Daily Periodic Rate, times the number of days in the billing period. We take the beginning balance of your account each day, add any new purchases and subtract any payments and credits to determine the Daily Balance.

LATE PAYMENT FEE: If your Minimum Due is not paid by the Payment Due Date, we may charge, and you agree to pay a late payment fee of (a) 5% of the payment or \$10 whichever is less, or (b) an amount permitted by applicable state law.

RETURNED CHECK FEE: If you pay us by check and the bank returns your check to us unpaid, we will add an "NSF Fee" of \$20.00 to your account.

DEFAULT: If you fail to pay the Minimum due, we may subject to applicable laws, require immediate payment of the total amount on your account, including all accrued and unpaid Finance charges and other fees and charges due under this Agreement. You agree to pay to us all costs and expenses of collection that we incur, including our attorney's fees, to the extent not prohibited by applicable law.

CREDIT INVESTIGATION AND REPORTING: We may check information about you or your credit history with credit bureaus or others. We may also report our transactions and experiences with you, including the way you pay your account, and otherwise disclose information about you to credit reporting agencies and others. You understand we may obtain a consumer report prepared by a credit reporting agency when you apply for your account and at any time thereafter. If you do not fulfill the terms of your account, we may submit a negative report reflecting on your credit record to one or more credit bureaus. If you believe we have reported inaccurate information about your account to a credit bureau, you may notify us by sending your account number and a description of the information you believe to be inaccurate to: TFC Credit Corporation, P.O. Box 579, San Ramon, CA 94583.

OUR RIGHTS: We may limit or cancel your account or suspend or terminate your credit limit, if any, based on your pattern of payments to us. If we cancel or terminate your account, you agree that the terms of this Agreement will apply until full payment is received for all amounts due under this agreement.

BILLING RIGHTS SUMMARY: In case of Errors or Questions About Your Bill. If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at: TFC Credit, P.O. Box 579, San Ramon, CA 94583 as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter give us the following information: 1) Your name and account number; 2) The dollar amount of the suspected error; 3) Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

NON-INDUCEMENT: The Buyer hereby acknowledges and confirms that no tangible item was offered to the Buyer as an inducement to apply for or open this credit account.

ITEMIZATION OF THE AMOUNT FINANCED

Total Cash Price \$ 1,203.00
Cash Down Payment \$
Amount Financed \$ 1,203.00

DESCRIPTION OF SERVICES AND/OR MERCHANDISE

Surgical Technology First payment: 05/23/12

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement at the time you sign. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is \$1.00 or more, (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request, (5) You may assert against the holder of the promissory note you signed in order to finance the cost of instruction all of the claims and defenses that you could assert against this school, up to the amount you have already paid under the promissory note.

Date of Contract 04/10/2012
Seller CARRER COLLEGES OF AMERICA SG (L.S.)
By [REDACTED] SIGNATURE AUTHORIZED REPRESENTATIVE - TITLE
5612 E IMPERIAL HIGHWAY ADDRESS
SOUTH GATE CA 90280 USA
CITY STATE ZIP

Buyer and co-buyer (where applicable) acknowledge reading and receiving a completed, legible, executed copy of this Contract, and of any other document buyer and co-buyer (where applicable) has been asked to sign in connection with this Contract.

Signed [REDACTED] BUYER
Signed [REDACTED] CO-BUYER

PRINTED NAME OF CO-BUYER
STREET ADDRESS OF CO-BUYER
CITY, STATE, ZIP CODE OF CO-BUYER
NIGHT: CO-BUYER'S TELEPHONE# CO-BUYER'S COC. SEC. #
DAY: CO-BUYER'S TELEPHONE# RELATIONSHIP TO BUYER

Account-Opening Information

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	10.00% This APR will fixed.
Paying Interest	Your due date is at least 21 days after the close of each billing cycle. We will begin charging interest on new charges posted to your account on the transaction date.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.federalreserve.gov/creditcard

Fees	
Annual Fee	None
Penalty Fees	
• Late Payment	5% of the payment or \$10 whichever is less, or; An amount permitted by applicable state law.
• Returned Payment	\$20

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

Example 3



Student Enrollment Agreement

Centura College
4455 South Boulevard, Suite 200
Virginia Beach, VA 23452
[Branch of Main Campus:
2697 Dean Drive
Virginia Beach, VA 23452]

Applicant (First Name & Last Name): [REDACTED]

Start

Date: June 14, 2010

Associate of Applied Science - Business with Concentration in Accounting Administration

\$450	12	81 Weeks	60	5	\$27,000
Tuition per Credit Hour	Credits/Semester(term) Estimated	Total Program Length	Total Earned Credits Required for Graduation	Total Number of Semesters to Graduate	Total Tuition Estimated

Tuition, Fees, & Charges

Tuition & Fees	Semester 1	Semester 2	Program Cost for Academic Year 1
Tuition (based on 12 credits)	\$5,400	\$5,400	\$10,800
Books (estimated)	\$600	\$600	\$1,200
Tech Fees (\$75/credit)	\$900	\$900	\$1,800
Application Fee*	\$25	\$0	\$25
Library Fee*	\$12	\$0	\$12
Administrative Fee*	\$100	\$0	\$100
Software* (charged upon receipt)	\$740	\$0	\$740
Computer* (charged upon receipt, estimate) (Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>)	\$1,000	\$0	\$1,000
Balance Due	\$8,777	\$6,900	\$15,677

Each successive academic year will cost approximately the same as the first academic year, as shown above.

Payment Methods

A financial aid award letter will be given to the student indicating how the student will be able to meet his/her financial obligation each academic year to the School. Since the disbursements are meant to pay both the present and future tuition and books as disclosed within this enrollment agreement and budget worksheet, the student requests that the disbursements be retained by the School, unless noted on the budget worksheet, for this purpose, in order to assist in my budgeting. If a promissory note is indicated, the promissory note will become a part of the enrollment agreement.

Fees & Items not Included in Tuition

* In addition to the tuition schedule, the student will be charged a one time charge as estimated above. The student agrees to pay the above corresponding fees for the term to the School in full upon the start of his/her first term. The student will also be charged an additional fee(s) if they transfer in credits (\$100 per transfer), re-enroll (\$50), or request an official transcript (\$5 each). Graduation gown, cap, and other related materials (\$45 estimated) are not included in tuition costs.

The student shall be entitled to the privileges and bound by the conditions below and the student understands that this agreement becomes a legally binding instrument upon the School's written acceptance unless cancelled in accordance with the cancellation policy as described herein.

Scheduling

The student will receive group instruction in the subjects composing his/her program of study by instructors of the School. The School reserves the right to modify courses, books or sequences of courses taught in the best interest of the overall program upon notice to the student. Students are normally scheduled for multiple classes at once and are required to complete work weekly as scheduled in each course.

Graduation

The student will be awarded a degree upon satisfactory completion of the requirements in his/her chosen major, and have complied with School policies including payment of money owed.

Placement

The School offers job placement assistance at no additional charge; however, no guarantee of job placement, level of anticipated income, or wage rate is made or implied.

Tuition Obligation

The tuition obligation for each term begins on the first day of each respective term. Tuition includes lab equipment needed for class. Textbooks and tool kits are not included in the tuition and are nonreturnable. Estimated textbook cost does not include sales tax. The student will be charged an additional pro-rata amount for courses repeated or for courses taken that cause the student, to attempt more credit hours than the amount listed in this agreement.

Disclosure Statement

PROMISE TO PAY

The student promises to pay Centura College (the School) the total principal sum of the Loan which includes amounts credited to pay for tuition, other fees and

books at Centura College under the terms of this Promissory Note (the "Note"), and the related Disclosure Statement which is incorporated herein by this reference. The student understands that a \$35.00 NSF fee will be assessed for each payment on this Note returned for any reason, including but not limited to insufficient funds or stop payment order. When and as permitted by applicable law, the student agrees to pay you reasonable attorney's fees, court and other collection costs that the School may incur when enforcing the terms of this Note if the student is in default. The student understands that if his/her Gap balance is \$1000.00 or less he/she will be not required to make payments while in school and if the student's Gap balance is over \$1000.00, the student will be required to cover the balance with an outside alternative loan. The student understands that if he/she subsequently receives federal financial aid from another lender or federal student loan program to pay for the academic period covered by this Note, Centura College is authorized to transfer loan proceeds received from such lender to the student account at the school which the student understands the School will apply to reduce his/her balance under this loan.

Gap Balance Required: \$17.50

In-school Payments (Deferred)	Amount Financed	Interest Rate	Loan Term (Number of Monthly Payments)	Total Cost of Loan (Estimated)
Make no monthly payments while enrolled in school	The amount of credit provided to you on your behalf (Estimated)	Interest will not be charged or added to your loan	Payment period begins after Deferral Period	Includes associated fees
\$0	\$17.50	0%	12 months	\$17.50

* The student has the right to repay all or any part of his/her loan at any time without penalty. Any partial repayment will be credited against the principal of his/her loan.

Out of School Payments	Amount Financed	Interest Rate	Loan Term (Number of Monthly Payments)	Total Cost of Loan (Estimated)
Amount of monthly payment after Deferral Period	The amount of credit provided to you on your behalf (Estimated)	Interest will not be charged or added to your loan	Number of payments after Deferral Period	Includes associated fees
\$1.46	\$17.50	0%	12 months	\$17.50

* Payments made will be applied first to any fees and charges, and the remainder to principal.

NO INTEREST

No interest will accrue or be assessed on the principal amount of this loan outstanding, unless the student defaults, in which case interest from the date of such default may be assessed to the extent permitted by applicable law.

TERMS OF REPAYMENT

The student understands that his/her Repayment Period may not exceed 12 months from my last date of attendance and his/her monthly payments will be established when his/her Repayment Period begins based on the rules in this Note. During the repayment period the student will make consecutive monthly payments, by the required due dates, in the amount shown on my monthly statement, until the student has paid all of the principal and any other charges to equal the amount necessary to pay the unpaid principal balance of his/her Loan under this Note.

DEFAULT

To the extent permitted by applicable law, the student will be in default and you have the right to give the student notice that the whole outstanding principal balance and all other amounts payable to you under the terms of this Note are due and payable in full and carry an interest rate not to exceed 1.5% (subject to any applicable law which may give me a right to cure my default) if: (1) any loan payment is more than thirty (30) days past due, (2) the student dies, (3) the student breaks any of his/her other promises in this Note that materially impairs his/her ability to pay the amounts owed, (4) any bankruptcy proceeding is begun by or against the student, or the student assigns any of his/her assets for the benefits of his/her creditors, (5) If the student make any false statement in applying for this Loan or at any time during the Repayment period that materially impairs his/her ability to pay. When and as permitted by applicable law, the student agrees to pay you reasonable attorney's fees, court and other collection costs that you incur in enforcing the terms of this Note if the student is in default.

Assignment

The student agrees that the School may assign this agreement to a bank or other third party. No such transaction will alter the refund policy contained in this agreement.

Cancellation Policy

If the student is rejected for admissions, all monies previously paid will be refunded. If the student cancels this agreement by written notice to the School Director at the above campus address within 5 calendar days or 3 business days from the date of signing the *Student Enrollment Agreement*, excluding legal holidays, all monies paid will be refunded. If the student has not previously visited the school, then these days commence from the time of the student's first visit or the student's regularly scheduled orientation, whichever occurs first.

Termination Policy

The student must comply with school rules and regulations during the program of study. The school may cancel this agreement and suspend the student in the event the student fails to comply with the rules and regulations as stated in the current catalog. The student may also be suspended for failure to maintain Satisfactory Academic Progress or non-payment of tuition and fees. Such suspension/termination for valid reasons does not relieve the student of financial obligations to pay all tuition due per the school refund policy.

Withdrawals Policy

FAILURE TO ENTER - If an accepted student does not enter classes, the full amount of prepaid tuition and prepaid fees will be refunded.

WITHDRAWAL - The student's last date of attendance will be the last day of recorded attendance or the date of formal withdrawal (written notification), whichever occurs first, unless otherwise regulated by a third party. In case of dismissal for disciplinary reasons, failure to maintain academic progress or violation of school rules and policies as outlined in the school catalog, the student's last date of recorded attendance will be the date of dismissal. If the student is considered a withdrawal, per the policy described, the school will send the student an invoice of the amounts owed to the school and payment options. Payment will be due 30 days from the date of the invoice. A 1.5% rate of interest per month will be incurred for balances not paid when due. In the event third party financing is found at a lower rate of interest than the established 1.5% per month, the student agrees to apply and accept such new terms from the third party lender.

1
POSTPONEMENT - In the event a scheduled new class start date is postponed by the school for longer than 45 calendar days, applicants may cancel this contract and are entitled to a full refund of all monies paid.

Institutional/State Refund Policy

Refunds will be paid within 45 days of the cancellation date or within 45 days of the written request for withdrawal or 45 days from the date a student has been determined to be a drop (date of determination) or within 45 days from the receipt of payment in the event that the date of such receipt is after the last date of attendance unless federal or state requirements specify otherwise. If the school receives a written request for withdrawal from the student, that date shall be the last date of attendance. If a student does not submit written notification to the school, the last date of attendance will be the last date of documented academic activity.

After the return of Title IV funds calculation has been made, the institutional refund policy is applied. Our Institutional refund policy will be based on a term, following the state Pro Rata formula, as explained below. In any event the Last Date of Attendance (LDA) will be the date used for calculating the amount of refund due and the Date of Determination (DOD) will be the date used for calculating the time frame allowed to actually refund any monies due.

The policy the school uses is as follows:

- * If the student withdraws within the first 25% of the term, the school will retain 50% of the charged Tuition and Fees.
- * If the student withdraws before the first 50% of the term and after the first 25% of the term, the school will retain 75% of the charged Tuition and Fees.
- * If the student withdraws after the first 50% of the term, the school will retain 100% of the charged Tuition and Fees.

Students should be cautioned that if they fail to complete their program, the school may have to refund previously applied grants and loans to the originator and then demand payment for this tuition from the student.

In special cases of prolonged illness or accident, death in the family, or circumstances that make it impractical to complete the program, the school will follow its refund policy in making a decision regarding repayment arrangements that is reasonable and fair to both parties.

Arbitration Agreement

The student understands that any controversy, claim or dispute of any sort arising out of or relating to matters including, but not limited to: student admission, enrollment, financial obligations and status as a student, which cannot be first resolved by way of applicable internal dispute resolution practices and procedures, shall be submitted for arbitration, to be administered by the American Arbitration Association located within Virginia Beach, Virginia, in accordance with its commercial arbitration rules. All fees and expenses of arbitration shall be shared equally and any award rendered in favor of a student will be limited to the total amount paid to the School by the student. Any award or determination rendered by the arbitration(s) shall be final and entered as a judgment by a court of competent jurisdiction.

Student Acknowledgement

I have read and understand this original enrollment agreement and school catalog and I acknowledge receipt of an exact copy of the same. This agreement with the catalog and any addenda contains all the terms. I acknowledge that no verbal statements have been made contrary or beyond what are contained in this enrollment agreement. I fully understand my rights and duties and agree to abide by them. The contents of the catalog are incorporated herein by reference. I understand that tuition charges are for the right to attend classes for which I am enrolled and are in no way contingent upon satisfactory progress, personal satisfaction, or placement upon graduation. I further agree to abide by all rules of the School which I acknowledge having received.

Applicant: [REDACTED]

Applicant's Signature (seal) [REDACTED]

06/04/2010
Date

Parent/Guardian (if under 18, seal) [REDACTED]

Date

Representative's Signature [REDACTED]

Date

School Official [REDACTED]

Date

☒ Accepted ☐ Rejected

[REDACTED] I have received a copy of this Enrollment Agreement (Student Initials)

[REDACTED] I have received a copy of the School Catalog (Student Initials)

Example 4

RETAIL INSTALLMENT CONTRACT
Diversified Vocational College
TO BE COMPLETED BY THE FINANCIAL AID OFFICE

The Undersigned school, hereinafter known as the Seller, hereby sells the undersigned student, hereinafter known as the Buyer, and the Buyer hereby purchases, subject to the terms and conditions herein set forth, the course(s) and materials outlined in the ENROLLMENT AGREEMENT.

THIS CONTRACT, THE ENROLLMENT AGREEMENT, AND ALL ATTACHED SHEETS ARE ONE AGREEMENT AND ALL THE INFORMATION, CLAUSES AND COVENANTS IN THIS CONTRACT ARE INCORPORATED IN THE ENROLLMENT AGREEMENT AS THOUGH SET OUT IN FULL THEREIN.

SECTION I:

TERMS OF CONTRACT: (1) Buyer agrees to pay 'Total of payments during enrollment' in 7 installments of \$50.00 each, due on 14th day of each month beginning on 6/14/2018 for 7 consecutive months. These payments are without interest.

SECTION II:

(2) Buyer agrees to pay 'Balance of Payments Following Completion' of the course in 70 monthly installments of \$100.00 due on the 17th day of each month beginning on 01/17/2019 and each month thereafter for 70 months with a final payment of \$91.00. These payments are without interest. However, Seller reserves the right to charge up to 5% of the past due amount if payment is not made within 10 days of the due date, not to exceed a total of \$5.00 per defaulted payment. In case of withdrawal, the refund policy will apply and the amount due will be reduced according to the refund calculation, any balance due to be paid at the rate of \$50.00 per month until paid beginning one month from the date of withdrawal.

1. CASH PRICE	\$ <u>17,000.00</u>
2. LESS CASH DOWN PAYMENT	\$ <u>0.00</u>
3. LESS PAYMENTS FROM:	
PELL GRANT	\$ <u>6,095.00</u>
SEOG GRANT, TITLE IV SHARE	\$ <u>0.00</u>
SEOG GRANT, INSTITUTION SHARE	\$ <u>0.00</u>
TITLE IV STUDENT LOAN	\$ <u>0.00</u>
DEC STUDENT LOAN	\$ <u>0.00</u>
SUBSIDIZED DIRECT LOAN	\$ <u>0.00</u>
UNSUBSIDIZED DIRECT LOAN	\$ <u>3,464.00</u>
PLUS DIRECT LOAN	\$ <u>0.00</u>
4. LESS TOTAL PAYMENTS DURING ENROLLMENT (Section I above)	\$ <u>350.00</u>
5. TOTAL DOWN PAYMENT (2+3+4)	\$ <u>9,909.00</u>
6. AMOUNT OF EXTENDED PAYMENTS (Section II above)	\$ <u>7,091.00</u>
7. TOTAL SALE PRICE (SAME AS #1)	\$ <u>17,000.00</u>

NOTICE

YOU MAY ASSERT AGAINST THE HOLDER OF THE PROMISSORY NOTE YOU SIGNED IN ORDER TO FINANCE THE COST OF THE EDUCATIONAL PROGRAM ALL OF THE CLAIMS AND DEFENSES THAT YOU COULD ASSERT AGAINST THIS INSTITUTION UP TO THE AMOUNT YOU HAVE ALREADY PAID UNDER THE PROMISSORY NOTE.

(BUYER'S SIGNATURE)

(CO-SIGNER'S SIGNATURE)

(DATE)

(DATE)

RETAIL INSTALLMENT CONTRACT
Diversified Vocational College
TO BE COMPLETED BY THE FINANCIAL AID OFFICE

The Undersigned school, hereinafter known as the Seller, hereby sells the undersigned student, hereinafter known as the Buyer, and the Buyer hereby purchases, subject to the terms and conditions herein set forth, the course(s) and materials outlined in the ENROLLMENT AGREEMENT.

THIS CONTRACT, THE ENROLLMENT AGREEMENT, AND ALL ATTACHED SHEETS ARE ONE AGREEMENT AND ALL THE INFORMATION, CLAUSES AND COVENANTS IN THIS CONTRACT ARE INCORPORATED IN THE ENROLLMENT AGREEMENT AS THOUGH SET OUT IN FULL THEREIN.

SECTION I:

TERMS OF CONTRACT: (1) Buyer agrees to pay 'Total of payments during enrollment' in 7 installments of \$50.00 each, due on 13th of each month beginning on 09/13/17 for 7 consecutive months. These payments are without interest.

SECTION II:

(2) Buyer agrees to pay 'Balance of Payments Following Completion' of the course in 10 monthly installments of \$100.00 due on the 17th day of each month beginning on 04/17/18 and each month thereafter for 10 months with a final payment of \$63.00. These payments are without interest. However, Seller reserves the right to charge up to 5% of the past due amount if payment is not made within 10 days of the due date, not to exceed a total of \$5.00 per defaulted payment. In case of withdrawal, the refund policy will apply and the amount due will be reduced according to the refund calculation, any balance due to be paid at the rate of \$50.00 per month until paid beginning one month from the date of withdrawal.

1. CASH PRICE	\$17,000.00
2. LESS CASH DOWN PAYMENT	\$ 0.00
3. LESS PAYMENTS FROM:	
PELL GRANT	\$ 5,920.00
SEOG GRANT, TITLE IV SHARE	\$ 200.00
SEOG GRANT, INSTITUTION SHARE	\$ 67.00
TITLE IV STUDENT LOAN	\$
DEC STUDENT LOAN	\$
SUBSIDIZED DIRECT LOAN	\$ 3,464.00
UNSUBSIDIZED DIRECT LOAN	\$ 5,936.00
PLUS DIRECT LOAN	\$
4. LESS TOTAL PAYMENTS DURING ENROLLMENT (Section I above)	\$ 350.00
5. TOTAL DOWN PAYMENT (2+3+4)	\$15,937.00
6. AMOUNT OF EXTENDED PAYMENTS (Section II above)	\$ 1,063.00
7. TOTAL SALE PRICE (SAME AS #1)	\$17,000.00

NOTICE

YOU MAY ASSERT AGAINST THE HOLDER OF THE PROMISSORY NOTE YOU SIGNED IN ORDER TO FINANCE THE COST OF THE EDUCATIONAL PROGRAM ALL OF THE CLAIMS AND DEFENSES THAT YOU COULD ASSERT AGAINST THIS INSTITUTION UP TO THE AMOUNT YOU HAVE ALREADY PAID UNDER THE PROMISSORY NOTE.

(BUYER'S SIGNATURE)

(CO-SIGNER'S SIGNATURE)

8-10-17

(DATE)

(DATE)

Example 5



Date of Contract 1/5/2010

PROMISSORY NOTE

Location: Moreno Valley

Borrower Last Name	Borrower First Name	Borrower SSN	Borrower School Identification Number
Borrower Address	Borrower Apt.	City (Please Do Not Abbreviate)	State Zip Code
Home Phone	Work Phone	Cell Phone	Email

(1) Amount Borrowed	(2) Cash Down Payment	(3) Unpaid cash Amount Financed (1) - (2)
\$935.00	\$168.50	\$766.50

PROMISE TO PAY: This Promissory Note is subject to the terms and conditions included in the Marinello Schools of Beauty Enrollment Agreement signed by the Borrower, which is incorporated herein by reference as though set forth in full. Borrower promises to pay the Total of Payments in the number, amount of installments, and on the dates shown below at the Lender's address, or to the address of anyone designated by the Lender to collect payments on its behalf. If Borrower defaults on this Promissory Note, a negative report reflecting on the Borrower's credit may be submitted to a credit reporting agency. Principal and interest is payable in lawful money of the United States. Borrower agrees to be contacted regarding this Promissory Note at any phone number or email.

ANNUAL PERCENTAGE RATE The cost of Borrower's credit as a yearly rate	FINANCE CHARGE The dollar amount the credit will cost Borrower	Amount Financed The amount of credit provided to Borrower by Lender	Total of Payments The amount Borrower will have paid after Borrower has made all payments as scheduled	Total Sale Price The total cost of Borrower's purchase on credit, including Borrower's down payment
0%	\$0.00	\$766.50	\$766.50	\$935.00
MY PAYMENT SCHEDULE WILL BE				
Number of Payments	Amount of each Payment	Payments are due on the 15th of each month beginning	APR%	LATE CHARGES: If any part of a payment is ten (10) days or more late (or days late as per state law), Borrower may be charged up to the greater of (i) \$10.00 (ii) 10% of the payment, or (iii) the highest amount permitted by state law.
14	\$54.75	2/15/2010	0%	PREPAYMENT: Borrower may pay their balance due in full at any time without penalty and may be entitled to a rebate of any unearned finance, with such rebate credited to Borrower's account.

Start Date 01/11/2010

Anticipated Completion Date 04/07/2011

(1) RESPONSIBLE PARTIES: Borrower and Co-Borrower shall be jointly and severally responsible for all amounts due.

(2) CREDIT INFORMATION: Borrower authorizes the Lender, and/or any parties further authorized by the Lender, from time to time, to check Borrower's credit history. Upon Borrower's request, Borrower shall be informed as to whether or not a consumer report was requested and informed of the name and address of the consumer reporting agency(ies) that furnished the report.

(3) RETURNED ITEMS: If any payment made by Borrower is returned unpaid by Borrower's bank, Borrower may be charged \$35.00. The words "paid in full" or any other restrictive endorsement written on any of Borrower's payments shall not have any effect on Borrower's account.

(4) DEFAULT: Borrower shall be in default if Borrower does not fully pay any payment installment on time. Lender may then demand, at the sole option of the Lender, the entire sum of principal and interest due and payable immediately. In an event of default, Borrower also agrees to pay to Lender any reasonable attorney fees, collection fees and expenses, and/or court fees that may be incurred by Lender in its attempt to collect the principal and interest then due.

(5) SEVERABILITY: If any provision of this Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Promissory Note will remain in full force and effect. Any provision of this Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(6) NOTICE TO BORROWER: (1) DO NOT SIGN THIS PROMISSORY NOTE BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES TO BE COMPLETED. (2) YOU ARE ENTITLED TO A FULLY COMPLETED COPY OF THIS PROMISSORY NOTE WHEN YOU SIGN IT. (3) YOU CAN PREPAY THE FULL AMOUNT DUE UNDER THIS PROMISSORY NOTE AT ANY TIME TO REDUCE THE FINANCE CHARGES YOU HAVE AGREED TO PAY. (4) ANY HOLDER OF THIS PROMISSORY NOTE IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SERVICES PROVIDED BY THE SCHOOL PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

Lender: B&H Education, Inc.

Signature of Lender's Authorized Representative 1/5/10

Whittier, CA 90602, USA

Lender city, State, Zip Code, County

BY SIGNING THIS PROMISSORY NOTE BELOW, I ACKNOWLEDGE RECEIPT OF A COMPLETE AND TRUE COPY OF THIS PROMISSORY NOTE AND JOINTLY AND SEVERALLY AGREE TO ALL OF ITS TERMS AND

Signature of Borrower

Signature of Co-Borrower

Printed Name of Co-Borrower

Co-Borrower Address

Co-Borrower City, State, and Zip/Postal Code, County

Co-Borrower Home Phone

Co-Borrower (SSN, TAX ID)

Co-Borrower Work Phone

Co-Borrower E-mail

Relationship to Borrower

ENROLLMENT AGREEMENT

Marinello Schools of Beauty
(A for-profit California Corporation)

24741 Alessandro Blvd. Moreno Valley, CA 92553
(951) 247-2047

Marinello
SCHOOLS OF BEAUTY

Student Name		Social Security No.		Telephone No.	
Student Street Address		City		State	Zip Code
				Ca	
Capacity to Benefit Test Given: CPAT			Minimum Acceptable Score: 129		Score: 148

- ☒ **COSMETOLOGY COURSE:** (1600 Clock Hours) (D.O.T. # 332.271-010, CIP # 12-0401)
☐ **MANICURING COURSE:** (400 Clock Hours) (D.O.T. # 331.674-010, CIP # 12-0499)

Graduation Requirements: Completion of the required clock hours, theory hours and practical operations for appropriate course of study and maintain a GPA (Grade Point Average) of "C" (70%) or better.

Enrollment:	Qtr Credit/Clock Hours in Course	1600	Qtr Credit/Clock Hours Transferred	0	Qtr Credit/ Clock Hours Enrolled	1600
<input type="checkbox"/> FT / <input checked="" type="checkbox"/> PT	Start Date	01/11/10	Expected End Date	04/07/11	Number Of Weeks	64
Class Schedule:	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
(From To)	05:30 to 10:30	05:30 to 10:30	05:30 to 10:30	05:30 to 10:30	05:30 to 10:30	to
(From To)	to	to	to	to	to	to

INSTITUTIONAL CHARGES by Payment Period and ESTIMATED PAYMENTS (From Aid and Non-Aid)

Actual Charges	First Pay Period	Second Pay Period	Third Pay Period	Fourth Pay Period	Total
Tuition	\$4,725.00	\$4,725.00	\$3,675.00	\$3,675.00	\$16,800.00
Fees	\$75.00	\$0.00	\$0.00	\$0.00	\$ 75.00
Supplies	\$1,815.00	\$0.00	\$0.00	\$0.00	\$1,815.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Total	\$6,615.00	\$4,725.00	\$3,675.00	\$3,675.00	\$18,690.00
Estimated Payments:					
FPell	\$2,675.00	\$2,675.00	\$2,080.00	\$2,081.00	\$9,511.00
FSEOG	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Subsidized	\$1,742.00	\$1,742.00	\$1,403.00	\$1,403.00	\$6,290.00
Unsubsidized	\$977.00	\$977.00	\$0.00	\$0.00	\$1,954.00
PLUS	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Cash	\$276.00	\$276.00	\$191.00	\$192.00	\$ 935.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Total	\$5,670.00	\$5,670.00	\$3,674.00	\$3,676.00	\$18,690.00

- All charges are due and payable prior to the completion of each cycle
- Stated financial aid is only an estimated amount. Student remains responsible for all incurred charges regardless of the amount of actual aid received
- Monthly cash payments: Number 13/1, Amount 66.78/66.86, Total Amount 935.00, Due Dates 02/15/10
- Before signing this enrollment agreement, I personally visited the institution's facilities, received and reviewed the school's catalog and received a thorough explanation of my financial responsibilities by enrolling
- Under the California state refund calculation requirements, a student enrolled in this particular course whose account was paid in full would receive the following refund of tuition if he or she withdrew after having attended to the point at which he or she was scheduled to have completed 10%, 25%, 50%, 60% or 75% of the course:
10% = \$16821 25% = \$14017 50% = \$9345 60% = \$7476 or 75% = \$4672
- If a student withdraws from the course, federal regulations may require that federal funds used to cover institutional expenses be returned to their respective program sources. Balances of unpaid charges are the responsibility of the student. Delinquent accounts will be assigned to collection agencies. Collection costs will be added to any outstanding balance.
- An hourly rate of \$ 10.50 will be charged for each scheduled hour of additional instruction required beyond the Expected End Date stated above (if needed).

(*) EQUIPMENT IS NOT RETURNABLE

(**) YOU ARE RESPONSIBLE FOR THIS AMOUNT.

Student's Signature	Admissions Advisor Signature	Guarantor's Signature
Admissions Advisor Name	Guarantor's Name	
Date	Date	Date
Guarantor's Address	Guarantor's Phone Number	

By signing above, Buyer (Student) acknowledges receipt of a complete and true copy of this contract and agrees to all the terms and conditions included on both pages of this document. Both sides of this document and the school catalog are one legal document.

IF YOU HAVE ANY COMPLAINTS, QUESTIONS OR PROBLEMS WHICH YOU CANNOT RESOLVE WITH THE SCHOOL, WRITE OR CALL THE DEPARTMENT OF CONSUMER AFFAIRS, 1625 North Market Street, Suite N112, Sacramento, CA 95834 Telephone 1-800-952-5210.

NOTICE OF STUDENTS RIGHTS AND OBLIGATIONS:

- 1. Non-Acceptance** - An applicant not accepted by the school shall be entitled to a refund of all monies paid.
- 2. Cancellation Notice** - If a student (or, in the case of a student under legal age, his/her parent or guardian) cancels his/her enrollment within five business days following the first class session, all monies collected by the school shall be refunded. The cancellation date will be determined by the postmark on the written notification or the date said information is delivered to the school administrator in person. This policy applies regardless of whether or not the student has actually started training.
- 3. Student Cancellation** - The student has the right to cancel an enrollment agreement until midnight of the fifth business day* following the first day of class. Cancellation shall occur when the student gives written notice of cancellation to the school at the address specified in the agreement. The school shall refund any amount paid by the student within 30 days after it receives the notice of cancellation. If the school gave the student any equipment**, the student shall return the equipment within 30 days following the date of notice of cancellation. If the student fails to return the equipment within this 30-day period, the school may retain its documented cost for the equipment from a refund due to the student. The school shall refund any amount exceeding the documented cost of the equipment within 30 days after the period within which the student is required to return the equipment. The student may retain the equipment. ***

*Business day means a day on which that student is scheduled to attend a class session.

**Equipment includes textbooks, supplies, materials, tools, machinery, computers, electronic devices, or any other goods related to the agreement for the course of instruction.

***Used or opened prepackaged equipment may not be returned due to sanitary reasons.

- 4. Student Withdrawal & Refund** - A student has the right to withdraw from a course of instruction at any time and pay only for his/her enrollment time, registration fee and retained equipment cost. If a student withdraws from the course of instruction after the period allowed for cancellation of the agreement, the school will remit a refund less a registration fee not to exceed \$75 within 30 days following the student's withdrawal. The student is obligated to pay only for educational services rendered, unreturned equipment and other nonrefundable fees. If a student withdraws per California Education Code, Section 94318.5(e) prior to completion of the course he/she is enrolled in, the refund shall be the amount the student paid for instruction multiplied by a fraction, the numerator of which is the number of scheduled hours of instruction which the student has not received but for which he/she has paid, and the denominator of which is the total number of hours of instruction for which he/she has paid. If the student obtains equipment, as specified in the agreement as a separate charge, and returns it, in unopened, unused "good condition" within 30 days following the date of his/her withdrawal, the school shall refund the charge for the equipment paid by the student (used sanitary and prepackaged equipment cannot be returned). If the student fails to return equipment in good condition within this 30-day period, the school may offset against the refund the documented cost to the school of that equipment. The student shall be liable for the amount, if any, by which the documented cost for equipment exceeds the prorated refund amount.

Enrollment time is defined as the scheduled hours of course instruction between the actual starting date and the last day the student physically attended class. Hours of instruction is defined as forty hours per week for a full time student, twenty-five hours per week for a 3/4 time student and/or as defined in the contract.

- 5. Termination of enrollment** - A student's enrollment will be terminated by the school when:

- The student notifies the school of his/her withdrawal.
- The student fails to maintain Satisfactory Academic Progress or violates the school's rules and policies.
- The student is absent for fourteen (14) consecutive calendar days. The fifteenth (15th) day then constitutes the termination date.
- The student does not return from an approved Leave of Absence on the scheduled date of return, as documented in the student's file. The scheduled date of return constitutes the formal termination date. The date of withdrawal shall be the earlier of the date of expiration of the leave of absence or the date the student notifies the institution that they will not be returning or the date the student is expelled by the school.

NOTE: The time elapsed between the last day of physical attendance and the termination date and any approved Leaves of Absence will not be included in the refund computation.

- 6. School Closing / Course Cancellation** - If a school is permanently closed and no longer offers instruction after the student enrolled, the student shall be entitled to a pro-rata refund of tuition. If a course is cancelled subsequent to a student's enrollment, the school shall at its option:

(a) Provide a full refund of all monies paid or (b) Provide completion of the course.

If a student is granted a Leave of Absence and fails to return, then a refund will be issued as if no Leave of Absence had been granted. Students who fail to return will be terminated.

This policy also applies to students who have never actually started training. In this case, the school may provide completion of the course at a mutually agreeable location or provide a full refund of all monies paid. If the student has started training and the course is cancelled, at a minimum, the student's refund must comply with the tuition adjustment schedule or the school may provide a more favorable refund to the student.

- 7. Other Settlement** - In case of illness, disabling accident or death in the immediate family or other circumstances beyond the control of the student, the school shall make a settlement, with the student, which is reasonable and fair to both.

- 8. Application of Refund** - If any portion of your cost of attendance was covered by the proceeds of a loan, then the refund will be sent to the lender. The remaining amount of the refund will first be made to the financial aid programs from which benefits were received, according to the order of priority provided in federal regulations. Any amount remaining shall be paid to the student.

- 9. Notice of Refund to Student** - Within 10 days of the day on which the refund is made, the institution shall notify the student in writing of the date on which the refund was made, the amount of the refund, the method of calculating the refund, and the name and address of the entity to which the refund was sent. In the event a student receives a refund check and subsequently misplaces the refund check or otherwise requires a reissued refund check, the school will reissue the refund check, less a \$50 reissue fee to cover the costs of processing a new check and canceling the initial check.

Hypothetical Refund Example (according to the state prorata policy). Assume that a student, upon enrollment in a 1,600-hour course, pays \$14,960.00 for tuition, \$75.00 for registration, and \$1,250.00 (documented cost to the school) for equipment as specified in the enrollment agreement and has attempted 600 hours at the time of withdrawal, without returning (due to sanitary reasons) the equipment he/she obtained.

The prorata refund to the student would be \$9,350.00 based on the calculation stated below. If the student returns the equipment (if it was returnable) in good condition within 30 days following his/her withdrawal, the school would refund the charge for the equipment returned.

Total Paid	\$17,650.00	Tuition Cost	\$16,000.00	Paid for instruction	\$16,000
Less Registration (Not Refundable)	(\$ 75.00)	Hours in the course	1,600	Scheduled Hrs attempted	600
Less cost of Unreturnable equipment	(\$ 1575.00)	Hourly charge	\$ 10.00	Tuition owed 600 x \$10.00	\$ 6000.00
Equals amount paid for instruction	\$16,000.00			Refund due	\$ 10,000.00

- 10. Notice Concerning Transferability Of Units And Degrees Earned At Our School** - Units earned through our courses, in most cases, will most likely not be transferable. For example, if you entered our school as a freshman, you will still be a freshman if you enter another college or university at some time in the future, even though you earned units at our school. In addition, if you earn a diploma from a course at our school, in most cases it will probably not serve as a basis for obtaining a higher level degree at another college or university. Hours and operations completed are likely transferable to other Cosmetology schools within California. Academic transcripts will not be released until tuition charges are paid in full.

- 11. Complaints** - If you have any complaints, questions, or problems that you cannot resolve with the school, write or call the Department of Consumer Affairs at the address and telephone number printed in **BOLD** on the front page of this agreement.

- 12. Placement** - This school does not guarantee placement. However, job placement assistance through providing referrals to graduates is available. ANY DISPUTE BETWEEN THE UNDERSIGNED STUDENT AND THE MARINELLO SCHOOLS OF BEAUTY, NO MATTER HOW PLEADED OR STYLED, SHALL BE RESOLVED BY BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), AT LOS ANGELES, CA, UNDER ITS COMMERCIAL RULES. THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSE WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY THEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR THEREUNDER.

Student understandings: I further understand that the catalog and its contents are a part of this enrollment agreement and that information presented therein is binding on the school and me. My signature below certifies that I have read, understood and agreed to my rights and responsibilities with regard to this agreement, which consists of 2 pages, and that the institution's cancellation and refund policies have been clearly explained to me.

Both sides of this document and the school catalog are one legal document.

Student's signature _____

Date 15/10

Example 6



PACIFICA

GRADUATE INSTITUTE

Business Office
Student Accounts

RETAIL INSTALLMENT CONTRACT (ZERO INTEREST RATE)

Date: 08/01/18

BUYER'S NAME AND ADDRESS

Name:

Student ID:

Address:

Email:

Phone:

Program:

M.A./Ph.D. in Depth Psychology with Specialties in
Community Psychology, Liberation Psychology and
Ecopsychology

Track

Diss CLE

SELLER'S NAME AND ADDRESS

Name: Santa Barbara Graduate School, Inc., dba Pacifica Graduate Institute

Address: 249 Lambert Road, Carpinteria, CA. 93013

Phone: (805) 679-6188

Fax: (805) 565-3320

In this Retail Installment Contract (the "Agreement"), the words, "Buyer", "You" and "Your" mean the Student who signs this Agreement. The words "Seller", or "School" mean Pacifica Graduate Institute.

DESCRIPTION OF SERVICES SOLD ON CREDIT: Educational services offered by School for

	Summer 2018	Fall 2018	Winter 2019	Spring 2019
Previous Balance	\$ 16,492.00	\$ 10,917.00	\$ 12,342.00	\$ 14,267.00
Dissertation Fee	\$ 3,425.00	\$ 3,425.00	\$ 3,425.00	\$ 3,425.00
Payment on 8/01	\$ (5,000.00)	\$ -	\$ -	\$ -
Payment on 8/02	\$ (3,500.00)	\$ -	\$ -	\$ -
Monthly Payments	\$ (500.00)	\$ (2,000.00)	\$ (1,500.00)	\$ (1,500.00)
	\$ -	\$ -	\$ -	\$ -
Sub Totals	\$ 10,917.00	\$ 12,342.00	\$ 14,267.00	\$ 16,192.00
Amount Deferred	\$ 21,692.00			

The amount deferred is an estimate based on information provided at the time it was processed.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS	TOTAL SALE PRICE
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled	The total cost of your purchase on credit, including your down payment of
0.00%	\$0.00	\$21,692.00	\$21,692.00	\$21,692.00

Your payment schedule will be:

Number of Payments	Monthly Payments	When Payments Are Due
(12)	\$ 500.00	Monthly Payments starting 8/20/18 through 7/20/19
()	\$ -	

Notes:

Student understands that she is financially responsible for each quarter started and billed for the duration of her annual registration.

Student understands that she may apply for the *Dissertation Hardship Relief (DHR)* program once she is near receiving her final draft approval and understands that she is responsible for any remaining balance due following the final draft approval and any DHR awarded her.

Student understands that, should she miss three consecutive monthly payments of \$500.00, her dissertation registration will be pulled.

Prepayment: If you pay off early, you

☐ may

☒ will not have to pay a penalty

PROMISE TO PAY:

In consideration for educational services (including tuition, fees, and electronic course materials) that you have purchased from School, you promise to pay School, in accordance with the terms of this Agreement, the Amount Financed listed in the Federal Truth in Lending Act disclosure included in this Agreement, and any other charges added to the Amount Financed as described in this Agreement.

RIGHT TO PREPAY:

You have the right to prepay all or any part of the outstanding balance at any time without penalty.

LATE CHARGES:

If you fail to make any part of an installment payment, which remains in delinquency for more than 10 days, you will pay a late charge of ten dollars (\$10). You will pay only one late fee for any late installment payment, regardless of the number of days it is late.

COLLECTION FEES:

If you fail to communicate with School for a period of 45 days after any default in making payments due under this Agreement, you agree to pay School its actual and reasonable costs of collection occasioned by such failure on your part.

ACCELERATION UPON DEFAULT:

If you fail to make any part of an installment payment which remains unpaid for more than 30 days, or if you otherwise default under this Agreement, the entire balance outstanding under this Agreement, will be due and payable at once.

WAIVER:

School will not lose any rights under this Agreement if it delays taking action for any reason. Any change to this Agreement must be in writing and signed by School.

ADDITIONAL PROVISIONS:

You agree to notify School of any change in your name, address, phone number, e-mail address, and/or applicable school enrollment status within ten (10) days of such occurrence.

You represent that you have not made any false written statement with respect to this Agreement.

If any provision of this Agreement is determined to be unenforceable or is prohibited by law, such provision shall be considered ineffective without invalidating the remaining provisions of this

NOTICE:

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE BUYER COULD ASSERT AGAINST THE SELLER OF GOODS AND SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE BUYER SHALL NOT EXCEED AMOUNTS PAID BY THE BUYER HEREUNDER.

NOTICE TO BUYER :

- (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in.
- (2) You are entitled to a completely filled-in copy of this agreement. Keep it to protect your legal rights.
- (3) You can prepay the full amount due under this agreement at any time.
- (4) If you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request.

THE BUYER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS RETAIL INSTALLMENT CONTRACT

[Redacted]

Buyer's Name

DocuSigned by:

[Redacted]

FD8902808BDF4D1...
Buyer's Signature

8/1/2018 7:02:16 PM PDT

Date

[Redacted]

School Representative

DocuSigned by:

[Redacted]

78FC1E185FE340E
Signature

8/2/2018 9:39:24 AM PDT

Date

Example 7

Installment Note and Disclosure Agreement

Date of Note: June 9, 2009

Borrower: [REDACTED] Home Phone: [REDACTED] Alt. Phone: [REDACTED]
Address: [REDACTED] Email Address: [REDACTED]

The interest rate you will pay on this loan is: 10.000 %
The loan fee for this loan is: 2.66%

Courseware Purchased: **Film & Video Editing Program**
Disbursement Date: 7/7/2009

Itemization of the Amount Financed

1. Cash Price	
a. Tuition	\$28,716.60
b. Books, including Sales Tax	\$1,287.40
c. Non-refundable Application Fee	\$100.00
d. Non-refundable STRF Fee	\$0.00
e.	\$0.00
2. Total Cash Price:	\$30,104.00
3. Less Deductions:	
a. Cash Down Payment	\$1,600.00
b. Federal Loans	\$9,510.00
c. Pell Grant	\$4,300.00
d. Student Payment	\$85.00
4. Total Deductions:	\$15,295.00
5. Amount Financed:	\$14,809.00
6. Non-refundable Loan Fee:	\$394.00
7. Loan Amount:	\$15,203.00

In this retail installment contract (Note), the words I, me, mine, and my mean each and all of those who signed it as Buyer and Co-Buyer (where applicable). The words you, your, and yours mean Video Symphony EnterTraining, Inc. or anyone legally entitled to receive payments from me.

PROMISE TO PAY: I promise to pay the Total of Payments in the number and amount of the installments and on the dates as shown below at your address, or to the address of anyone legally entitled to receive such payments. This Note is part of and is subject to the terms and conditions contained in any written agreement between Buyer and Seller made in connection with this Note. All amounts are shown and payable in legal money of the United States.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

5. Amount Financed The amount of credit provided to me or on my behalf \$14,809.00	8. FINANCE CHARGE The dollar amount the credit will cost me \$5,776.31	9. Total of Payments The amount I will have paid after I have made all payments as scheduled. \$20,585.08	10. Total Sales Price The total cost of my purchase on credit, including my down payment of \$1,600.00 3.a. + 9. \$22,184.08	11. ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate. 11.09
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YOUR PAYMENT SCHEDULE WILL BE:

Number of payments:	Amount of each payment:	Payments are due monthly, the same day of each month beginning:
16	\$75.00	August 7, 2009
44	\$440.57	November 7, 2010

DEFAULT: I will be in default if I don't fully pay any installment on time, at which time the interest rate may change to 18% per annum. Alternatively and at any time thereafter, you may then demand the unpaid balance, earned finance charge, plus any attorney fees, expenses of collection, court fees and interest as allowed by law.

LATE CHARGE: If any part of a payment is more than 10 days late I may be charged the lesser of 10% of the payment, \$10.00, or up to the highest amount allowed by law. See the note below for any additional information about nonpayment, default, any required payment in full before the scheduled date, and prepayment refunds and penalties.

AMOUNT FINANCED: The amount financed will be applied to my account.

PREPAYMENT: I may prepay my balance due in full any time without penalty. My account will be credited for the unearned finance charge, calculated by the actuarial method. The words "paid in full" or any other restrictive endorsements will not have any effect on my account. If any of my payments are not honored by my bank I may be charged \$25.00 or up to the highest amount allowed by law.

COMMENCEMENT OF FINANCE CHARGE: The finance charge will begin to accrue one calendar month prior to the first payment due.

SUBSTITUTION: Video Symphony EnterTraining, Inc. reserves the right to substitute services and/or merchandise of equal or superior value.

CREDIT INFORMATION: You may investigate my credit history and furnish information concerning myself and this Note to any person or firm who may lawfully receive such information.

INVALID PART OF NOTE: If any part of this Note is invalid under the law you will not lose any of your rights as to the other parts of this Note.

TRANSACTION VALIDITY: It is anticipated that this note will be transacted through TFC Credit Corporation (TFC).

By signing below, Buyer and Co-Buyer (where applicable) acknowledge receipt of a complete and true copy of this installment Note and jointly and severally agree to all the terms and conditions.

Buyer: [REDACTED] Date: *6/10/09*

Co-Buyer: [REDACTED]

Co-Buyer's SSN: [REDACTED]

Co-Buyer Information:

[REDACTED]

NOTICE TO BUYER:

1. DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS CONTRACT WHEN YOU SIGN IT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 4. IF YOU DESIRE TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE, THE AMOUNT OF THE REFUND YOU ARE ENTITLED TO, IF ANY, WILL BE FURNISHED UPON REQUEST.

[Handwritten signature]