

-----Original Message-----

From: Manheimer, Ann [mailto:Ann.Manheimer@ed.gov]  
Sent: Friday, April 02, 2010 4:03 PM  
To: Antal Desai  
Subject: RE: NegReg: Program Integrity

This request may seem a little odd, but by any chance have you collected anecdotes or data on examples of students taking on debt with nothing to show for it? I am looking esp for particular examples of students enrolling with promises of high earnings only to find out their training did not qualify them for the job they expected to get -- examples I have already indicate students end up unable to repay their debt because they can only find a minimum wage job, they stay with the job they had before buying the training or they cannot find a job. FYI - I am already doing a literature search on this - just wondered if you had come up with instances during your own work.  
Thanks - Ann Manheimer,  
202.260-1488

-----Original Message-----

From: Antal Desai [mailto:adesai@cpmg-inc.com]  
Sent: Tuesday, February 23, 2010 7:44 AM  
To: Bergeron, David; Manheimer, Ann  
Cc: Gargano, Anthony; Brian.Kerrigan@ed.gov; McCullough, Carney; Sellers, Fred; Kent McGaughy; Lee  
Godown  
Subject: NegReg: Program Integrity

Dear David and Ann:

We commend the Department on the progress achieved during the most recent round of negotiated rulemaking. The Department's gainful employment and incentive compensation proposals are an important step in eliminating the waste, fraud and abuse being perpetrated by illegitimate marketing machines.

In the attached memo, we have outlined our perspectives regarding the Department's gainful employment and incentive compensation proposals and the dishonest, vacuous counter-arguments brought forth by illegitimate marketing machines opposing these important proposals.

We extend our full support to the Department during this critical time and hope that our perspectives are

helpful.

As always, thank you very much for your time.

Best Regards,

Kent McGaughy

Antal Desai

From: Antal Desai [adesai@cpmg-inc.com]  
Sent: Monday, April 05, 2010 6:21 PM  
To: Manheimer, Ann  
Subject: RE: NegReg: Program Integrity  
Attachments: Homeless.pdf

Hi Ann,

Thanks for the email.

As you know, we have spent considerable time conducting research at homeless shelters and have found that for-profits are systematically and deceptively recruiting the homeless with empty promises. Sadly, the empty promises do not lead to a better life, just a pile of debt whose repayment is untenable, which makes a student loan default inevitable.

Our big takeaway is that excessive debts at for-profits perpetuate joblessness, which eventually perpetuates homelessness. Once a student defaults on their debt, their credit record becomes tarnished beyond repair, making it nearly impossible to pass the credit checks required for most quality jobs. With excessive debt to repay, no job and a tarnished credit record, the odds for becoming homeless increase exponentially.

I have attached a copy of excerpts from conversations with homeless shelter directors and their clients addressing your request. I would be happy to put you in touch with them. I am also in the process of pulling some additional student interviews that I will send your way once completed.

Regarding data analysis, I wonder if pulling data from the income contingent repayment database wouldn't provide solid analytical support for the high debt / low to no income point. Theoretically, one could analyze the database of students in the income contingent repayment program to determine debt levels and income levels, etc.

Feel free to reach out if you have any additional questions or need any further help.

Best Regards,  
Antal Desai

Ps - Do let me know if you would like to speak with the homeless shelter directors, and I will send you a contact list.