

Mccann, Clare

From: Mccann, Clare
Sent: Monday, July 12, 2021 2:31 PM
To: Miller, Benjamin
Subject: RE: Washington Post

In case it's helpful in putting together a quote, (b)(5)

(b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 2:20 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi all,

(b)(5)

Thanks,

Joanna

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Monday, July 12, 2021 1:09 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 12:53 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

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What's our timeline?

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Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

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Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

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OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw

U.S. Department of Education | Press Office

Washington

202-401-2310 | (b)(6)

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Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams

Chief of Staff

Office of Postsecondary Education

U.S. Department of Education

Pronouns: he, him, his

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Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.

I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.

Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.

Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

Miller, Benjamin

From: Miller, Benjamin
Sent: Thursday, July 15, 2021 11:56 AM
To: Morgan, Julie
Subject: Re: Washington Post

Yep. (b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Morgan, Julie <Julie.Morgan@ed.gov>
Sent: Thursday, July 15, 2021 11:55:17 AM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>
Subject: Fwd: Washington Post

(b)(5)

Begin forwarded message:

From: "Miller, Benjamin" <Benjamin.Miller@ed.gov>
Date: July 15, 2021 at 11:53:21 AM EDT
To: "Bradshaw, Jim" <Jim.Bradshaw@ed.gov>, "Darcus, Joanna" <Joanna.Darcus@ed.gov>, "McCann, Clare" <Clare.E.McCann@ed.gov>, "Williams, Rich" <Rich.Williams@ed.gov>, "Morgan, Julie" <Julie.Morgan@ed.gov>
Cc: "Leon, Kelly S." <Kelly.S.Leon@ed.gov>, "Harmoush, Vanessa" <Vanessa.Harmoush@ed.gov>, "Betancourt, Alberto" <Alberto.Betancourt@ed.gov>
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(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

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Sent: Thursday, July 15, 2021 10:50:05 AM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; McCann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
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Joanna

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Office of the Under Secretary

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Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

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Good afternoon. Kelly asked us to check with you. (b)(5)

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Washington
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I’m adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we’ll have an announcement related to FAFSA tomorrow.

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Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

Miller, Benjamin

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Sent: Thursday, July 15, 2021 2:07 PM
To: Merrill, Toby; Darcus, Joanna; Mccann, Clare; Bradshaw, Jim; Williams, Rich; Morgan, Julie
Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto
Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>
Sent: Thursday, July 15, 2021 2:06 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

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+ Toby

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Joanna, (b)(5)

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Clare McCann
Office of the Under Secretary
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Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

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Sent: Thursday, July 15, 2021 11:59 AM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
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Sent: Monday, July 12, 2021 3:38 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

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(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Monday, July 12, 2021 1:09 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 12:53 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

What's our timeline?

From: Mccann, Clare <Clare.E.McCann@ed.gov>

Sent: Monday, July 12, 2021 12:52 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann

Office of the Under Secretary

clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Monday, July 12, 2021 12:51 PM

To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare

<Clare.E.McCann@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw

U.S. Department of Education | Press Office

Washington

202-401-2310 | (b)(6)

From: Williams, Rich <Rich.Williams@ed.gov>

Sent: Monday, July 12, 2021 12:47 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams

Chief of Staff

Office of Postsecondary Education

U.S. Department of Education

Pronouns: he, him, his

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Monday, July 12, 2021 12:39 PM

To: Williams, Rich <Rich.Williams@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.

I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.

Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.

Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

Merrill, Toby

From: Merrill, Toby
Sent: Thursday, July 15, 2021 2:15 PM
To: Scaniffe, Dawn; Darcus, Joanna
Cc: Siegel, Brian
Subject: RE: [Media Inquiry - BK] FW: Washington Post

Got it, thanks

From: Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>
Sent: Thursday, July 15, 2021 2:07 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>
Sent: Thursday, July 15, 2021 2:04 PM
To: Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

Thanks Dawn, this is helpful, I'll send it back.

From: Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>
Sent: Thursday, July 15, 2021 1:58 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>
Cc: Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

I would modify as indicated below:

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 1:46 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>
Cc: Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post
Importance: High

Hi all,

(b)(5)

Quick edits for accuracy and clarity are welcome.

Thanks,

Joanna

Joanna K. Darcus (she/her/hers)
Senior Counsel, Office of the General Counsel
U.S. Department of Education
Mobile: (b)(6)
Email: joanna.darcus@ed.gov

From: Merrill, Toby <Toby.Merrill@ed.gov>
Sent: Monday, July 12, 2021 4:41 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>; Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

(b)(5) thanks.

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 3:55 PM
To: Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

Thanks, Dawn. (b)(5)

(b)(5)

(b)(5)

Joanna

From: Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>
Sent: Monday, July 12, 2021 2:47 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Siegel, Brian <Brian.Siegel@ed.gov>
Subject: RE: [Media Inquiry - BK] FW: Washington Post

(b)(5)

(b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 2:23 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Siegel, Brian <Brian.Siegel@ed.gov>; Scaniffe, Dawn <Dawn.Scaniffe@ed.gov>
Subject: [Media Inquiry - BK] FW: Washington Post

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in

bankruptcy? The previous administration started the review in 2018 [here](#).

Joanna

Quesinberry, Elaine

From: Quesinberry, Elaine
Sent: Thursday, July 22, 2021 4:56 PM
To: Morgan, Julie
Subject: RE: Inquiry from MarketWatch similar to recent Washington Post Inquiry

Thank you!

From: Morgan, Julie <Julie.Morgan@ed.gov>
Sent: Thursday, July 22, 2021 4:29 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Quesinberry, Elaine <Elaine.Quesinberry@ed.gov>
Subject: RE: Inquiry from MarketWatch similar to recent Washington Post Inquiry

This makes sense – thanks!

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Thursday, July 22, 2021 4:01 PM
To: Betancourt, Alberto <Alberto.Betancourt@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Quesinberry, Elaine <Elaine.Quesinberry@ed.gov>
Subject: RE: Inquiry from MarketWatch similar to recent Washington Post Inquiry

That makes sense to me, but now that Julie is back in the office she should weigh in on whether there are tweaks she'd like to make.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Sent: Thursday, July 22, 2021 3:56 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Quesinberry, Elaine <Elaine.Quesinberry@ed.gov>
Subject: RE: Inquiry from MarketWatch similar to recent Washington Post Inquiry

Good Afternoon,

Please know that my colleague, Elaine Quesinberry (on Cc) line, received a very similar inquiry to Danielle's Washington Post inquiry.

Jillian Berman, MarketWatch, is working on a story that rounds up some developments in the bankruptcy and student loan world this week. She plans to [mention this law review essay](#) from NSLDN and wanted to check in to see if ED had any comment on it? In particular, she asked if we are considering taking any of the steps they suggest, such as not contesting undue hardship requests?

Here is the response we sent Danielle. (b)(5)

ON BACKGROUND:

"The Department of Education is committed to making existing cancellations authorities work better for borrowers. We've already taken steps on this front, such as rescinding formulas that granted insufficient partial relief for approved borrower defense claims and documentation requirements for those with a total and permanent disability discharge. With respect to bankruptcy, the Department is committed to reviewing its 2015 guidance on undue hardship student loan discharges in bankruptcy proceedings, as well as other policies related to such proceedings to assess the types of changes that might better protect borrowers.

"While that review work continues, the Department also recognizes the added challenges, including risks to personal health, that come from the ongoing pandemic. That is why the Education Department has agreed and will continue to agree to any stay of proceedings requested by the plaintiff in bankruptcy actions at least through the end of the pause on student loan payment and involuntary collection, currently set to expire on Sept. 30, 2021 (and updates on student loan relief can be found at studentaid.gov)." The Department agreed to begin granting "stay of proceedings" around the start of the national emergency last year.

Please advise.

Thanks!

V/R

Al.



Alberto "Al" Betancourt, M.A.Ed
Press Officer

Press and Customer Relations Division | Office of Communications & Outreach
U.S. Department of Education | 400 Maryland Avenue, S.W. | Washington, D.C. 20202
(phone) 202.453.5753 | alberto.betancourt@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 9:48 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 9:46:30 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

Thanks, Joanna. (b)(5)

(b)(5)

Jim

On Jul 15, 2021, at 7:08 PM, Darcus, Joanna <Joanna.Darcus@ed.gov> wrote:

?

(b)(5)

Joanna Darcus

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 6:10:09 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Joanna, (b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 6:07 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi, all – We shared the statement below with Danielle Douglas-Gabriel at the Washington Post (Danielle.Douglas@washpost.com). She said thanks and asked, “When did the department agree to

grant 'stay of proceedings?'"

Any preference on a response? Thanks.

Jim

"The Department of Education is committed to making existing cancellations authorities work better for borrowers. We've already taken steps on this front, such as rescinding formulas that granted insufficient partial relief for approved borrower defense claims and documentation requirements for those with a total and permanent disability discharge. With respect to bankruptcy, the Department is committed to reviewing its 2015 guidance on undue hardship student loan discharges in bankruptcy proceedings, as well as other policies related to such proceedings to assess the types of changes that might better protect borrowers.

"While that review work continues, the Department also recognizes the added challenges, including risks to personal health, that come from the ongoing pandemic. That is why the Education Department has agreed and will continue to agree to any stay of proceedings requested by the plaintiff in bankruptcy actions at least through the end of the pause on student loan payment and involuntary collection, currently set to expire on Sept. 30, 2021 (and updates on student loan relief can be found at studentaid.gov)."

From: Bradshaw, Jim

Sent: Thursday, July 15, 2021 3:36 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Thanks, Toby, Ben and others. (b)(5)

Many thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>

Sent: Thursday, July 15, 2021 2:08 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby

Sent: Thursday, July 15, 2021 2:06 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 1:33 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>

Sent: Thursday, July 15, 2021 1:31 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie

<Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Joanna, (b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 1:30 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:59 AM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie

Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 10:50:05 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 8:18 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Monday, July 12, 2021 7:45:43 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 4:37:30 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

Joanna

From: Darcus, Joanna

Sent: Monday, July 12, 2021 4:02 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi all,

(b)(5)

(b)(5)

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 3:38 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna

<Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

(b)(5)

(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Monday, July 12, 2021 1:09 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 12:53 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

What's our timeline?

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Monday, July 12, 2021 12:52 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:51 PM
To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Williams, Rich <Rich.Williams@ed.gov>
Sent: Monday, July 12, 2021 12:47 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:39 PM
To: Williams, Rich <Rich.Williams@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.

I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.

Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.

Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In Re:

Chapter 7
LESLIE A. ROFF,

Debtor.

Bankruptcy

92-10985-CLB

LESLIE A. ROFF,

Plaintiff,

v.

UNITED STATES DEPARTMENT OF
EDUCATION,

Defendant.

Adversary Proceeding
No. 19-01081-CLB

SETTLEMENT AGREEMENT

This agreement is made by and between the parties to this action, Leslie A. Roff, ("Plaintiff"), by and through her attorney, Ruth R. Wiseman, and the United States Department of Education ("Department"), by and through its attorney, James P. Kennedy, Jr., United States Attorney for the Western District of New York, and Mary Clare Kane, Assistant U.S. Attorney, of counsel (the "Parties"). The agreement is effective the latest date beneath the signatures below.

WHEREAS, Plaintiff filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code on March 20, 1992.

WHEREAS, the Department reviewed Plaintiff's account on April 23, 1992 and determined that four of the six outstanding debts it held at that time would be dischargeable under the bankruptcy provisions in 11 U.S.C. § 523(a)(8) that were applicable at the time.

In short, loans for which, excluding suspensions of repayment (e.g., deferment periods), seven years or more had elapsed between the filing date and the first payment due date of the loan were discharged. The Department determined that the two loans that are the subject of this Adversary Proceeding did not meet the seven-year criteria for discharge.

WHEREAS, Plaintiff was granted a general discharge for four out of six loans and a Final Decree was entered on June 24, 1992.

WHEREAS, Plaintiff re-opened her bankruptcy by motion on December 6, 2019 for the sole purpose of collecting damages related to alleged financial and emotional distress she suffered as a result of the Department's collection, through the Treasury Offset Program ("TOP") and Administrative Wage Garnishment ("AWG"), on two student loans that Plaintiff alleged were discharged in the 1992 Bankruptcy. Plaintiff also sought a determination regarding the dischargeability of the remaining two loans pursuant to 11 U.S.C. § 523.

WHEREAS, Plaintiff is indebted to the Department for a Family Federal Education Loan Program ("FFELP") loan disbursed in the amount of \$5,000.00 on August 22, 1984 at a 9% interest per annum for studies undertaken at Golden Gate University School of Law. Plaintiff defaulted on the FFELP loan obligation on November 19, 1986. The loan was assigned to the Department on or about November 15, 1991 and was assigned Debt Identification Number (DIN) (b)(6) at that time.

WHEREAS, Plaintiff is indebted to Department for an Auxiliary Loan Assistance for Students ("ALAS") loan disbursed in the amount of \$3,000.00 on November 6, 1984 at a variable rate of interest to be established annually by the Department of Education. Plaintiff defaulted on the ALAS loan obligation on December 5, 1985. The loan was

assigned to the Department on or about on October 30, 1991 and was assigned Debt Identification Number (DIN) (b)(6)

WHEREAS, subsequent to the 1992 filing of Plaintiff's bankruptcy, the Department received payments from all sources, including through TOP and AWG. Payments received from all sources, including TOP and AWG, totaled \$20,657.02 and were applied in a pro rata fashion to each of the Plaintiff's two debts.

WHEREAS, the amount due and owing on the FFELP loan obligation referred to herein through June 3, 2021 is \$7,899.93.

WHEREAS, the amount due and owing on the ALAS loan obligation referred to herein through June 3, 2021 is \$3,331.17.

IT IS NOW HEREBY AGREED AND STIPULATED THAT Plaintiff and the Department now desire to discontinue litigation, resolve their dispute and terminate the instant Adversary Proceeding. In consideration of the mutual covenants and conditions herein contained, the Parties agree as follows:

1. Plaintiff agrees to dismiss with prejudice the current Adversary Proceeding, in which she was seeking a ruling that repayment of the student loan debts (DINs (b)(6) and (b)(6) referenced above were dischargeable pursuant to 11 U.S.C. § 523(a)(8)(B). Plaintiff further agrees not to seek recovery from the Department of any monies paid to the Department on these student loan debts from any source, other than as provided in ¶2 below. Finally, Plaintiff agrees not to seek recovery of any damages or attorney's fees from the Department for collection actions taken in reference to the student loan debts that are the subject of this agreement.

2. The Department agrees to perform the following actions:

- i. The Department will write off the amount due on the ALAS student loan debt (DIN (b)(6)) as of June 3, 2021, that amount due is \$3,331.17. For purposes of this agreement, the Parties agree that Plaintiff's debts to Department on the ALAS loan only is hereby deemed dischargeable under the provisions of 11 U.S.C. § 523(a)(8).
- ii. The Department will reallocate the payments made on the ALAS Loan DIN (b)(6) to the balance owed on the FFELP loan DIN (b)(6) as of the date the payments were originally credited and will then refund any overpayment to Plaintiff through her attorney.
- iii. Subsequent to the actions in subparagraphs 2.i & 2.ii, the Department will cease any further collection activity with regard to the FFELP loan DIN (b)(6) and the debt will be considered paid in full.

3. This Settlement Agreement pertains to and applies to only the student loan debts referenced within this agreement (DINs (b)(6) and (b)(6)).

4. This Settlement Agreement constitutes a settlement and full accord and satisfaction of all matters related to the student loan debts that are the subject of this agreement and any matters related to those student loans which could have been the subject of litigation within the Adversary Proceeding initiated by Plaintiff. This Agreement

constitutes full and final release by the Department of Plaintiff from any and all civil remedies related to those student loan debts.

5. This Settlement Agreement does not constitute an admission of liabilities owed, wrongdoing or noncompliance by either Plaintiff or the Department.

6. No modifications or additions to the terms of this Settlement Agreement shall be effective unless made in writing and signed by the authorized representatives of the parties.

7. This Settlement Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement is the United States District Court for the Western District of New York. For purposes of construing this Settlement Agreement, it shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

8. The Court shall retain jurisdiction to enforce the terms and conditions contained herein and to determine any disputes that may arise.

9. This document may be executed in counterparts and may be delivered by facsimile or by electronic scan and e-mail. Any copy so executed and delivered (including delivery electronically by facsimile or e-mail), when taken with another executed copy, shall be considered and deemed and original hereof.

DATED: Buffalo, New York ~~June~~ July 19, 2021 2021

Dated: July 19, 2021
(b)(6) 2021 (b)(6)

Assistant United State Attorney
U.S. Attorney's Office
Western District of New York
138 Delaware Avenue
Buffalo, N.Y. 14202

Dated: (b)(6) June July 8, 2021

Ruth R. Wiseman, Esq.
Andreozi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: (b)(6) June 30, 2021

Ms. Leslie A. Roff
c/o Ruth R. Wiseman, Esq.
Andreozi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: July 14, 2021 (b)(6)

Mr. Chad Keller
Litigation Branch
San Francisco Service Center
United States Department of Education
50 United Nations Plaza
San Francisco, CA 94102-4987

DATED: Buffalo, New York June , 2021.

Dated: June _____, 2021

Mary Clare Kane

Assistant United State Attorney
U.S. Attorney's Office
Western District of New York
138 Delaware Avenue
Buffalo, N.Y. 14202

Dated: (b)(6) June July 8, 2021

Ruth R. Wiseman, Esq.
Andreozzi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: (b)(6) June 30, 2021

Ms. Leslie A. Roff
c/o Ruth R. Wiseman, Esq.
Andreozzi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: Sub June 14, 2021

(b)(6)

Mr. Chad Keller
Litigation Branch
San Francisco Service Center
United States Department of Education
50 United Nations Plaza
San Francisco, CA 94102-4987

DATED: Buffalo, New York June , 2021.

Dated: June __, 2021

Mary Clare Kane

Assistant United State Attorney
U.S. Attorney's Office
Western District of New York
138 Delaware Avenue
Buffalo, N.Y. 14202

Dated: (b)(6) June July 8, 2021

Ruth R. Wiseman, Esq.
Andreozi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: (b)(6) June 30, 2021

Ms. Leslie A. Roff
c/o Ruth R. Wiseman, Esq.
Andreozi Bluestein LLP
9145 Main Street
Clarence, New York 14031

Dated: June __, 2021

Mr. Chad Keller
Litigation Branch
San Francisco Service Center
United States Department of Education
50 United Nations Plaza
San Francisco, CA 94102-4987

Entered: March 5th, 2021

Signed: March 4th, 2021

SO ORDERED



Nancy V. Alquist
NANCY V. ALQUIST
U. S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

In re:	*	
Jeffrey Bowers & Tammy Bowers,	*	Case No. 19-20680
Debtors	*	Chapter 7
* * * * *	*	* * * * *
Jeffrey Bowers	*	
and	*	
Tammy Bowers,	*	
Plaintiffs	*	Adversary No. 20-00137
v.	*	
US Department of Education,	*	
Defendant.	*	
* * * * *	*	* * * * *

CONSENT JUDGMENT DISCHARGING STUDENT LOAN OBLIGATIONS

UPON consideration of the Consent by the Defendant, the U.S. Department of Education (“DOE”), and Plaintiffs Jeffrey Bowers and Tammy Bowers (“Plaintiffs” or “Debtors”) to the relief sought herein, and it appearing that DOE is the holder of all right, title, and interest in the Federal Direct Stafford/Ford Loans represented by Parent Plus Nos. EXXXX7508 and

EXXXX6701, of which Debtors are the obligors (the “Student Loans”), and for good cause shown, it is, by the United States Bankruptcy Court for the District of Maryland, hereby

ORDERED, ADJUDGED AND DECREED that the Student Loans constitute, and they are hereby, an undue hardship on the Debtors and the Debtors’ dependents within the meaning of Section 523(a)(8) of the United States Bankruptcy Code, 11 U.S.C. § 101 et. seq, and are therefore not subject to the exclusion from discharge interposed by said Section 523(a)(8); and it is further

ORDERED, ADJUDGED AND DECREED that the Student Loans be, and they are hereby, DISCHARGED in the above-captioned Chapter 7 bankruptcy case; and it is further

ORDERED, ADJUDGED AND DECREED that any and all individual taxation consequences as a result of this Consent Judgment are the sole and exclusive responsibility of Debtors; and it is further

ORDERED, ADJUDGED AND DECREED that DOE does not warrant or make any representation with respect to any tax consequences of this Consent Judgment; and it is further

ORDERED, ADJUDGED AND DECREED that nothing contained herein shall constitute a waiver by Debtors of any right to challenge any tax consequences of this Consent Judgment; and it is further

ORDERED, ADJUDGED AND DECREED that the parties will bear their own attorneys’ fees and costs.

AGREED:

/s/Ronald J. Drescher
RONALD J. DRESCHER
4 Reservoir Circle, Suite 107
Baltimore, MD 21208
rondrescher@drescherlaw.com
(410) 484-9000

Counsel for the Plaintiffs

Robert K. Hur
United States Attorney

/s/ Kimberly S. Phillips

Kimberly S. Phillips
Assistant U.S. Attorney
36 S. Charles Street, 4th Floor
Baltimore, MD 21201
(410) 209-4800
kimberly.phillips@usdoj.gov

Counsel for Defendant

Cc:

Ronald J. Drescher
4 Reservoir Circle, Suite 107
Baltimore, MD 21208

Kimberly S. Phillips
Assistant U.S. Attorney
36 S. Charles Street, 4th Floor
Baltimore, MD 21201

From: [Thomas, Rachel](#)
To: [Landis, Patricia](#)
Subject: FW: Vara Updates & Options
Date: Wednesday, July 28, 2021 9:21:46 AM
Attachments: [MSB Globe Settlement reached.msg](#)

Hi Patricia, I have this email thread in response to the FOIA request you sent last week. (b)(5)

(b)(5)

(b)(5) Can you please let me know what will be released before it goes out?

Thanks,
Rachel

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Friday, July 16, 2021 3:23 PM
To: Comen, Deven <Deven.Comen@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

(b)(5)

Joanna

From: Darcus, Joanna
Sent: Friday, July 16, 2021 3:16 PM
To: Comen, Deven <Deven.Comen@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

(b)(5)

From: Varnovitsky, Natasha
Sent: Fri, 16 Jul 2021 18:38:18 +0000
To: Siegel, Brian
Cc: Darcus, Joanna;Leheny, Emma
Subject: MSB Globe Settlement reached
Attachments: Confirmed Plan.pdf, Fully-Executed Global Settlement Agreement.PDF
Importance: High

Brian,

(b)(5)

(b)(5)

(b)(5)

Let me know if you have any questions.

Natasha

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

Jointly Administered Under
Case No. 19-33629 (WJF)

In re:

Minnesota School of Business, Inc.,
Globe University, Inc.,

Debtors.

Case No.: 19-33629
Case No.: 19-33632
Chapter 11 Cases

**SECOND MODIFIED JOINT PLAN OF REORGANIZATION OF THE CHAPTER 11
TRUSTEE AND DEBTORS DATED JULY 15, 2021**

The Chapter 11 Trustee and the Debtors propose the following Second Modified Joint Plan of Reorganization (the "Plan") for approval by the creditors and other interested parties. Subject only to the restrictions and requirements set forth in relevant provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (including 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019), the Plan Proponents reserve all available rights to amend, alter, revise, modify, revoke, or withdraw this Plan prior to its substantial consummation.

This Plan is subject to the Bankruptcy Court's approval and certain other conditions. This Plan is not an offer with respect to any securities. Acceptances or rejections with respect to this Plan may not be solicited until the Bankruptcy Court has approved an accompanying disclosure statement in accordance with section 1125 of the Bankruptcy Code. Any solicitation of this Plan will occur only in compliance with applicable provisions of securities and bankruptcy laws.

INTRODUCTION

The Plan contemplates a reorganization (“Reorganization”) of the Debtors and payment in full of Allowed General Unsecured Claims as of the Effective Date of the Plan from the following sources (“Funding Sources”): (i) proceeds from sales of certain parcels of Real Property owned by MSB’s subsidiaries; (ii) cash in the Debtors’ bankruptcy estates and their subsidiaries; (iii) the Deposit; (iv) loans from refinancing of other parcels of Real Property owned by MSB’s subsidiaries, which loans will be secured by mortgages on the parcels and guaranteed by the Debtors’ principal shareholder; and (v) loans from the Debtors’ principal shareholder in an amount necessary for the Plan.

A precondition to the Plan is receipt of final approval from the Department of Education of the Settlement Agreement by and among the Debtors, the State, the Chapter 11 Trustee, and the Department of Education, which Settlement Agreement is attached hereto as **Exhibit A**. In the unexpected event that final approval is not received from the Department of Education, the Chapter 11 Trustee will modify the Plan to be a liquidating plan.

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EXHIBITS

Exhibit A – Settlement Agreement

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ARTICLE I DEFINITIONS

The following words and phrases when used herein shall have the following meanings:

1.1 “Administrative Expense Claim” means a claim of the kind described in Section 4.1 of this Plan.

1.2 “Allowed” means with respect to any claim: (a) a claim that has been scheduled by the Debtors in their Schedules as other than disputed, contingent, or unliquidated and as to which the Chapter 11 Trustee, the Debtors, or any other party-in-interest has not filed an objection; (b) a claim that either is not a Contested Claim or has been allowed by a Final Order; (c) a claim that is allowed in a stipulation or settlement executed prior to or after the Effective Date; (d) a claim relating to a rejected executory contract or unexpired lease that is not a Contested Claim or has been allowed by a Final Order, only if a proof of claim has been timely filed; or (e) a claim as to which a proof of claim has been timely filed and as to which the Chapter 11 Trustee, the Debtors, or any party-in-interest has not filed an objection; and with respect to all claims, only after reduction for applicable setoff and similar rights of the Debtors.

1.3 “Assumed Contracts” means those executory contracts and unexpired leases identified on Exhibit C to this Plan.

1.4 “Avoidance Claims” means all claims, causes of action, or rights to property of either of the Debtors or their bankruptcy estates under sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.

1.5 “Avoidance Claim Deadline” means the deadline applicable in these Bankruptcy cases for asserting Avoidance Claims under Section 544, 545, 547, 548, or 553 of the Bankruptcy Code, as provided for in Section 546(a) of the Bankruptcy Code.

1.6 “Bankruptcy Code” or “Code” means Title 11 of the United States Code.

1.7 “Bankruptcy Rule” or “Rule” means a Federal Rule of Bankruptcy Procedure.

1.8 “Causes of Action” means any and all actions, proceedings, causes of action (including, without limitation, any causes of action of a debtor or debtor in possession or the bankruptcy estate(s) under Chapter 5 of the Bankruptcy Code such as the Avoidance Claims), liabilities, obligations, suits, reckonings, covenants, contracts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment, rights to object to claims, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, or whether asserted or assertable directly or derivatively, in law, equity, or otherwise, and all rights thereunder or attendant thereto that belong to either of the Debtors or the bankruptcy estates.

1.9 “Chapter 11 Cases” means Debtors’ pending cases under Title 11 of the United States Code, enumerated in the caption at the top of this Plan.

1.10 “Claim” means a “claim,” as defined in section 101(5) of the Bankruptcy Code, against either of the Debtors.

1.11 “Confirmation Date” means the date on which the Confirmation Order is entered.

1.12 “Confirmation Order” means the order confirming this Plan.

1.13 “Contested Claim” means: (a) a claim that was scheduled by the Debtors in their Schedules as a disputed, contingent, or unliquidated claim and that has not been otherwise Allowed; (b) a claim that is not an Allowed claim because the Chapter 11 Trustee, Debtors, or other party-in-interest has objected to allowance of the claim under sections 502(b) or 503 of the Bankruptcy Code and Bankruptcy Rule 3007; (c) any secured or unsecured portions of a secured claim that is the subject of a motion for determination of the value of security under section 506(a) of the Bankruptcy Code and Bankruptcy Rule 3012; (d) any claim held by a creditor against which the Chapter 11 Trustee or the Debtors has demanded the recovery of property pursuant to section 502(d) of the Bankruptcy Code, without regard to whether such claim was previously an Allowed claim; (e) a claim that is subject to final adjudication in a proceeding outside the Court against one or more of the Debtors’ insurers; or (f) a claim whose validity or amount is subject to determination in an adversary proceeding that has not been resolved by a Final Order.

1.14 “Court” means the United States Bankruptcy Court for the District of Minnesota.

1.15 “Creditor” means a holder of a claim entitled to distributions under the Plan.

1.16 “Debtors” means the debtors in these Chapter 11 Cases—Minnesota School of Business, Inc. and Globe University, Inc.

1.17 “Department of Education” means the United States Department of Education.

1.18 “Deposit” means the funds deposited by the Debtors in the Hennepin County District Court on account of fees and costs ordered in pre-bankruptcy litigation between the Debtors and the State, having a current balance of \$332,589.

1.19 “Disbursing Agent” shall mean James A. Bartholomew, as set forth in Section 7.1.2(a) of this Plan.

1.20 “Disclosure Statement” means the Disclosure Statement for this Plan, as may be further revised, modified, or amended.

1.21 “Effective Date” means the first business day following the day on which the conditions of Section 9.1 of this Plan have been satisfied.

1.22 “Estate Assets” means all of the Debtors’ right, title, and interest in and to property of whatever type or nature as provided in section 541 of the Bankruptcy Code, including Avoidance Claims and Causes of Action, that are not expressly abandoned or otherwise transferred under this Plan.

1.23 “Equity Interest” means an “equity security” as defined in section 101(16) of the Bankruptcy Code.

1.24 “Equity Interest Holder” means the holder of an Equity Interest in either of the Debtors.

1.25 “Exculpated Trustee Parties” means and the Chapter 11 Trustee, as well as his agents, employees, attorneys, accountants, financial advisors, consultants, and representatives (solely in their capacities as such).

1.26 “Exculpated Debtor Parties” means the Debtors, as well as their shareholders, directors, officers, agents, employees, attorneys, accountants, financial advisors, consultants, and representatives (solely in their capacities as such).

1.27 “Filing Date” means November 20, 2019.

1.28 “Final Determination” means a determination under non-bankruptcy law that has not been stayed, reversed, or amended and to which (a) the time to appeal or seek review or rehearing has expired, and (b) no appeal or petition for review or rehearing was filed or, if filed, remains pending.

1.29 “Final Order” means an order of the Court for which the time to appeal from such order has expired, and which has not been reversed, stayed, modified, or amended.

1.30 “Funded” means cash placed into the Disbursing Account in the total amount sufficient to pay (i) the Allowed General Unsecured Claims existing as of the Effective Date in the approximate amount of \$23,898,840; (ii) all Allowed Administrative and Priority Claims as of the Effective Date; and (iii) a reserve (determined by the Chapter 11 Trustee in his sole discretion) in an amount sufficient to pay in full all estimated Administrative Claims (including professional fees, Chapter 11 Trustee fees, and U.S. Trustee fees and any costs associated with closing the Bankruptcy Cases), and any Contested Claims in the event such claims become Allowed.

1.31 “Funding Deadline” means the date that is thirty (30) days after the Effective Date; provided, however, that the Funding Deadline may be extended in ten (10) day increments, not to exceed thirty (30) days in total, at the discretion of the Chapter 11 Trustee, in consultation with the holders of Allowed General Unsecured Claims.

1.32 “General Unsecured Claims” means any Claim that is not an Administrative Claim, Priority Tax Claim, or Unclassified Priority Claim, and is not otherwise classified in Class 1, Class 2, Class 3, Class 5, Class 6 or Class 7.

1.33 “Globe” means Debtor Globe University, Inc.

1.34 “Home Federal Loan” has the meaning set forth in Section 5.2.1 of this Plan.

1.35 “Impaired” means, with respect to a Class of Claims or Equity Interests, a Claim or Equity Interest that is “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

1.36 “Lake Area Bank Loan” has the meaning set forth in Section 5.1.1 of this Plan.

1.37 “Liquidating Agent” means the person identified in Section 6.10.3 of this Plan.

- 1.38 “Liquidating Fund” has the meaning set forth in Section 6.9.2 of this Plan.
- 1.39 “MSB” means Debtor Minnesota School of Business, Inc.
- 1.40 “Other Priority Claims” means the claims described in Section 3.3.2 of this Plan.
- 1.41 “Plan” means this Chapter 11 Plan of Reorganization as revised or modified or amended.
- 1.42 “Plan Default” shall occur automatically if the Plan is not Funded on or prior to the Funding Deadline.
- 1.43 “Priority Tax Claim” means a claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.
- 1.44 “Record Date” means the last date on which a claim transfer will be recognized. The Record Date is the Confirmation Date.
- 1.45 “Reorganized Debtor” means Minnesota School of Business, Inc., on and after Substantial Consummation.
- 1.46 “Retained Causes of Action” means Causes of Action held by MSB or Globe for recovery of non-federally guaranteed loans made by MSB or Globe to former students; provided, however, that the Retained Causes of Action shall not include (i) Causes of Action relating to any former student eligible to claim restitution as determined by the State Court in the State Court Litigation, including, without limitation (a) those former students contained on the list of students eligible to claim restitution that the Debtors produced to the State in 2017, and (b) those former students identified on Attachment A to the Settlement Agreement; and (ii) any loans that were determined by the State Court in the State Court Litigation to violate Minnesota state law.
- 1.47 “Schedules” means the Debtors’ schedules of assets and liabilities and the statement of financial affairs on file with the Clerk of the United States Bankruptcy Court for the District of Minnesota, as amended or modified in accordance with Bankruptcy Rule 1009.
- 1.48 “Settlement Agreement” shall mean the settlement agreement attached hereto as **Exhibit A**.
- 1.49 “State” means the State of Minnesota by and through its Attorney General Keith Ellison.
- 1.50 “State Court” means the Hennepin County District Court.
- 1.51 “State Court Litigation” means the pre-petition civil enforcement action brought by the State against MSB and Globe in Hennepin County District Court, entitled *Minnesota v. Minnesota School of Business, et al.*, Case No. 27-cv-14-12558.
- 1.52 “State’s Revised Claim” shall mean the State’s total Allowed unsecured claim as reduced to \$15,801,879.00 by the Settlement Agreement.

1.53 “Statutory Fees and Court Costs” means court costs and fees payable by the Debtor under 28 U.S.C. § 1930 and United States Trustee fees.

1.54 “Substantial Consummation” occurs when the Debtors have Funded the Plan, so long as the Plan is Funded on or before the Funding Deadline.

1.55 “Unclassified Priority Claims” means the claims described in Article III of this Plan.

1.56 “Unsecured Claims” means all claims that are unsecured, including Unsecured Priority Claims and General Unsecured Claims.

1.57 “Unsecured Priority Claims” means the Priority Tax Claims and Other Priority Claims.

1.58 “Voting Deadline” means the deadline for voting to accept or reject the Plan.

**ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS**

The following table designates the classes of claims against and equity interests in the Debtors and specifies which of those classes are (i) impaired or unimpaired by the Plan and (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

Class	Designation	Impaired	Entitled to Vote
N/A	Administrative Expense Claims	N/A	No
N/A	Priority Claims	N/A	No
1	Lake Area Bank	No	No
2	Home Federal Savings Bank	No	No
3	General Unsecured Claims	Yes	Yes
4	Claims of Insiders	Yes	Yes
5	Intercompany Claims	Yes	Yes
7	Equity Interests in MSB	No	No
8	Equity Interests in Globe	No	No

*N/A = Not applicable.

**ARTICLE III
SETTLEMENT AGREEMENT**

The terms and provisions of the Settlement Agreement are fully incorporated into this Plan.

**ARTICLE IV
TREATMENT OF CERTAIN UNCLASSIFIED PRIORITY CLAIMS**

Certain Allowed claims which are not classified will be treated as follows:

4.1 Allowed Administrative Expense Claims

Except as otherwise provided in this Article, all Allowed claims specified in Bankruptcy Code § 507(a)(2), not previously paid, will be paid in full by the Debtors, Chapter 11 Trustee, Liquidating Agent, Disbursing Agent, or Reorganized Debtor, as applicable, as soon as practicable but no later than ten (10) business days following the later of: (i) the Effective Date, or (ii) the date such claim becomes an Allowed claim.

4.1.1 Professional Fees and Expenses

The Debtors and Chapter 11 Trustee have paid and intend to pay professional fees and expenses during the Chapter 11 Cases as allowed by Court orders. Professional fees and expenses incurred through the time of Plan confirmation and not previously Allowed will be subject to Court approval after the Effective Date on a timeline to be determined by the Court. Any such Allowed claims will be paid first from any retainers, and then by the Chapter 11 Trustee, Disbursing Agent, or the Liquidating Agent, as applicable, as such Allowed claims are approved by the Court.

All fees incurred by Fredrikson & Byron, P.A. during the period between the appointment of the Chapter 11 Trustee and the Effective Date will be paid solely by the Reorganized Debtor as soon as practicable after (i) Substantial Consummation, and (ii) Fredrikson's filing of a statement of compensation with the Court as required by Section 329 of the Bankruptcy Code. For purposes of clarity, (i) neither the Debtors' estates nor the Chapter 11 Trustee are responsible for such fees under the Plan, which will be paid exclusively by the Reorganized Debtor after the Plan is fully Funded and Substantial Consummation has occurred; and (ii) none of amount Funded into the Disbursing Account under the Plan will be used to pay Fredrikson's fees.

4.2 Statutory Fees and Court Costs

Court costs and fees payable by the Debtors under 28 U.S.C. § 1930 will be paid by the Debtors or Reorganized Debtor, as applicable, no later than ten (10) business days after the Effective Date or as required under the Office of the United States Trustee's quarterly payment guidelines. The Debtors have remained current on such payments. After confirmation, the Reorganized Debtor or the Liquidating Agent, as applicable, will continue to pay quarterly fees to the Office of the United States Trustee and file quarterly reports with the Office of the United States Trustee until these cases are closed by the Court, dismissed, or converted. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 Cases.

4.3 Unsecured Priority Claims

4.3.1 Priority Tax Claims

Allowed Priority Tax Claims will be paid by the Debtors or Reorganized Debtor, as applicable, as soon as practicable but no later than ten (10) business days following the later of: (i)

the Effective Date, or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim. The Proponents do not anticipate any Allowed Priority Claims.

4.3.2 Other Priority Claims

All other Allowed claims not specifically treated in this section and entitled to priority under § 507(a) of the Bankruptcy Code will be paid by the Debtors or Reorganized Debtor, as applicable, in full in cash as soon as practicable but no later than ten (10) business days following the later of: (i) the Effective Date, or (ii) the date on which such claims are Allowed.

ARTICLE V TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

5.1 Class 1 – Lake Area Bank

5.1.1 Classification

Classification. Class 1 consists of all Allowed claims arising against the Debtors from that certain Business Loan Agreement dated December 12, 2016, as amended and/or renewed, between (i) Lake Area Bank, as lender, and (ii) MSB and MSB Holdings – Lakeville, LLC, as co-borrowers (the “Lake Area Bank Loan”).

5.1.2 Treatment

As of the Effective Date, the Lake Area Bank Loan will continue to be paid in accordance with the terms of the applicable loan documents and MSB will reaffirm its obligations thereunder.

5.1.3 Voting

Class 1 is Unimpaired and therefore is deemed to have accepted the Plan.

5.2 Class 2 – Home Federal Savings Bank

5.2.1 Classification

Class 2 consists of all Allowed claims against the Debtors arising from that certain Business Loan Agreement dated December 30, 2013, as amended December 30, 2018, between (i) Home Federal Savings Bank, as lender, and (ii) MSB, Globe, and MSB Holdings – Rochester, LLC, as co-borrowers, and that certain Reserve Account Agreement dated December 23, 2016 (together, the “Home Federal Loan”).

5.2.2 Treatment

As of the Effective Date, the Home Federal Loan will continue to be paid in accordance with the terms of the applicable loan documents and MSB will reaffirm its obligations thereunder. Home Federal Savings Bank shall retain its interest in the Reserve Account.

5.2.3 Voting

Class 2 is Unimpaired and therefore is deemed to have accepted the Plan.

5.3 Class 3 – General Unsecured Claims

5.3.1 Classification

Class 3 consists of General Unsecured Claims.

5.3.2 Treatment

Except to the extent that that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each holder of an Allowed General Unsecured Claim shall receive on account of, and in full and complete settlement, release and discharge of such Claim, payment in full in cash on the later of (i) five days after Substantial Consummation; (ii) the date on which such General Unsecured Claim becomes Allowed or as soon thereafter as practicable; or (iii) such other date as may be ordered by the Bankruptcy Court.

5.3.3 Voting

Class 3 is Impaired and is therefore entitled to vote to accept or reject the Plan.

5.4 Class 4 – Claims of Insiders

5.4.1 Classification

Class 4 consists of all Allowed Insider Claims, other than claims classified in Class 5.

5.4.2 Treatment

Except to the extent that that a holder of an Allowed insider claim agrees to a less favorable treatment, Allowed insider claims shall remain outstanding valid obligations. Such claims, however, will be subordinated to Allowed General Unsecured Claims.

For the avoidance of doubt, in the event of a Plan Default, Allowed insider claims shall be subordinated to Allowed General Unsecured Claims.

5.4.3 Voting

Class 4 is Impaired and therefore entitled to vote to accept or reject the Plan. Such votes, however, will not be counted with respect to determining whether the Plan has been accepted by an impaired class under 11 U.S.C. § 1129(a)(10).

5.5 Class 5 – Intercompany Claims

5.5.1 Classification

Class 5 consists of all Allowed claims held by MSB against Globe and all Allowed claims held by Globe against MSB.

5.5.2 Treatment

As of the Effective Date, all intercompany claims between the Debtors shall remain outstanding obligations between the Debtors. Such claims, however, will be subordinated to Allowed General Unsecured Claims.

For the avoidance of doubt, in the event of a Plan Default, Allowed Insider Claims shall be subordinated to Allowed General Unsecured Claims.

5.5.3 Voting

Class 5 claims are Impaired and are entitled to vote on the Plan. Such votes, however, will not be counted with respect to determining whether the Plan has been accepted by an impaired class under 11 U.S.C. § 1129(a)(10).

5.6 Class 6 – Equity Interests in MSB

5.6.1 Classification

Class 6 consists of all Equity Interests in MSB.

5.6.2 Treatment

Class 6 Equity Interests shall retain their interests in MSB.

5.6.3 Voting

Holders of Class 6 Equity Interests are Unimpaired under the Plan and are therefore not entitled to vote on the Plan.

5.7 Class 7 – Equity Interests in Globe

5.7.1 Classification

Class 7 consists of all Equity Interests in Globe.

5.7.2 Treatment

Holders of Equity Interests in Globe shall retain their interests.

5.7.3 Voting

Holders of Class 7 Equity Interests are Unimpaired under the Plan and are therefore not entitled to vote on the Plan.

5.8 Special Provisions Relating to Creditors' Rights of Setoff

Nothing in this Plan shall expand or enhance a creditor's right of setoff, which shall be determined as of the Filing Date. Nothing in this Plan is intended to, or shall be interpreted to,

approve any creditor's effectuation of a post-Filing Date setoff without the consent of the Chapter 11 Trustee unless prior Court approval has been obtained.

ARTICLE VI MEANS OF EXECUTION OF THE PLAN

6.1 Substantive Consolidation

6.1.1 Confirmation Order

The Plan contemplates and is predicated upon the Confirmation Order substantively consolidating the Debtors' Estates and the Chapter 11 Cases as set forth herein. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to sections 105(a) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Estates of the Debtors for the purposes of confirming and consummating the Plan, including, without limitation, voting, confirmation, and Distributions under the Plan.

6.1.2 Treatment of Liabilities Under the Plan

On and after the Effective Date, (i) all liabilities of the Debtors shall be treated as though they were pooled, (ii) each Claim filed or to be filed against either Debtor shall be deemed filed as a single Claim against, and a single obligation of, the Debtors, (iii) all Claims held by a Debtor against the other Debtor shall be treated as provided for in Section 5.5.2 of this Plan, (iv) no Distributions shall be made under the Plan on account of any Claim held by a Debtor against the other Debtor, and (v) any liability of any of the Debtors shall be one obligation of the substantively-consolidated Debtors and any Claims based upon such joint or several liability shall be treated as one Claim against the substantively consolidated Debtors.

6.1.3 Preservation of Legal Separateness

The substantive consolidation of the Debtors under the Plan shall not (other than for purposes related to funding Distributions under the Plan) affect (i) the legal and organizational structure of the Debtors, (ii) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected, (iii) the ability to subordinate or otherwise challenge Claims on an entity-by-entity basis, (iv) any Causes of Action or defenses thereto, which in each case shall survive entry of the Confirmation Order as if there had been no substantive consolidation of the Estates of the Debtors, and (v) distributions to the Debtors from any insurance policies or the proceeds thereof. Notwithstanding the substantive consolidation called for herein, each Debtor shall remain responsible for the payment of U.S. Trustee fees pursuant to 28 U.S.C. § 1930 until its particular case is closed, dismissed, or converted.

6.2 Revesting

As of Substantial Consummation, all assets of Globe will be transferred to and vest in MSB, and all such assets shall thereafter remain in MSB, as the Reorganized Debtor, free and clear of all liens, charges, encumbrances, claims, or interests pursuant to § 1141(b) of the Bankruptcy Code, except as otherwise provided in the Plan.

6.3 Ongoing Operations

MSB, as the Reorganized Debtor, shall continue in existence on and after Substantial Consummation.

6.4 Section 1145 Exemption

To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the offering, issuance, and distribution of any securities issued and distributed pursuant to the Plan will be exempt from, among other items, the registration and prospectus delivery requirements of section 5 of the Securities Exchange Act of 1933 and any other applicable state and federal law requiring registration and/or delivery of a prospectus prior to the offering, issuance, distribution, or sale of securities subject to the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an “underwriter” in section 2(a)(11) of the Securities Act. To the extent that such exemption under section 1145 is not available with respect to the offering, issuance and distribution of any securities issued and distributed pursuant to the Plan, such offering, issuance and/or distribution, as applicable, will be made pursuant to the exemption set forth in Section 4(a)(2) of the Securities Act or another exemption thereunder. In addition, any securities contemplated by the Plan and any and all agreements incorporated therein, will be subject to (i) compliance with any rules and regulations of the SEC, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities and instruments; and (iii) applicable regulatory approval, if any.

6.5 Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes

The Reorganized Debtor, the Debtors and/or the Liquidating Agent, as the case may be, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan, including, but not limited to, all documentation required by purchasers and title companies to transfer real property on behalf of the Reorganized Debtor, the Debtors, or the Liquidating Fund. Pursuant to section 1146(a) of the Bankruptcy Code, the following shall not be subject to any stamp tax, real estate transfer tax, mortgage recording tax, sales or use tax, or similar tax: (a) the creation of any mortgage, deed of trust, lien, or other security interest; (b) the making or assignment of any lease or sublease; or (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with any of the foregoing or pursuant to this Plan.

6.6 Plan Funding

The Plan shall be Funded on or before the Funding Deadline from the Funding Sources.

6.7 Causes of Action and Avoidance Claims

Upon Substantial Consummation and only in such event, all Causes of Action (including Avoidance Claims), except for the Retained Causes of Action, shall be released and waived by the Chapter 11 Trustee, the Debtors, and Debtors’ estates. The Reorganized Debtor shall have no right

to pursue any Causes of Action except for the Retained Causes of Action upon Substantial Consummation.

To the extent permitted by applicable law, the deadline to bring Avoidance Claims under Section 546(a) of the Bankruptcy Code is hereby extended to the later of (i) the Avoidance Claim Deadline, or (ii) the date that is three months after the Plan Default. Notwithstanding the foregoing, any defendant subject to an action asserting Avoidance Claims is not precluded from contesting the validity of the extension provided in part (ii) of this paragraph.

6.8 Management of the Reorganized Debtor

On and after Substantial Consummation, Terry Myhre shall continue to be the President of the Reorganized Debtor and Kenneth McCarthy shall continue to be the Chief Financial Officer of the Reorganized Debtor. The Reorganized Debtor shall have no authority or control over the Disbursing Agent or the Disbursing Account.

6.9 Chapter 11 Trustee after Confirmation Date

The Chapter 11 Trustee shall continue to serve in such capacity through the earlier of (i) Substantial Consummation, or (ii) the date of a Plan Default.

6.10 Event of Default under Plan

Upon the occurrence of a Plan Default and only in such event, the following shall occur:

6.10.1 Revised Claims

Notwithstanding anything to the contrary in this Plan or the Settlement Agreement, in the event of a Plan Default (i) the State shall have an Allowed General Unsecured Claim of \$35,000,000; (ii) the Department of Education will not be entitled to the Borrower Defense Discharge Claim as set forth in the Settlement Agreement; and (iii) Tuition Options, LLC shall be entitled to an Allowed General Unsecured Claim of \$117,415.

6.10.2 Liquidating Fund

All Estate Assets shall become part of a liquidating fund ("Liquidating Fund"), which shall be used for the administrative costs of administering the Plan and for payments to holders of Allowed Claims and Equity Interests in accordance with the terms of the Plan under the direction of the Liquidating Agent. The transfer of assets and rights to the Liquidating Fund shall not be construed to destroy or limit any such assets or rights or be construed as a waiver of any right, and such rights may be asserted by the Liquidating Fund as if the asset or right was still held by the Debtors.

6.10.3 Liquidating Agent

James A. Bartholomew, the Chapter 11 Trustee, shall serve as the Liquidating Agent. In the event of the resignation or termination of the Liquidating Agent, any successor Liquidating Agent shall be appointed by the Oversight Committee. The Liquidating Agent's primary tasks are to receive the Liquidating Fund, liquidate assets, pursue causes of action, administer claims, and

distribute proceeds for the benefit of Creditors. The Liquidating Agent will file a motion, application, or other request to close the Debtors' Chapter 11 Cases when the cases have been fully administered.

6.10.4 Powers and Duties of the Liquidating Agent

Subject to the direction and consent of the Oversight Committee, in addition to the powers and authority specifically provided elsewhere in the Plan, the Liquidating Agent shall receive the Liquidating Fund, have the powers of an agent to act for the holders of claims under the Plan on account of such claims and be a "representative of the estate" as set forth in 11 U.S.C. § 1123(b)(3)(B) together with the power and authority to (a) hold, manage or sell the Estate Assets, (b) effectuate all actions and execute all agreements, instruments and other documents necessary to implement the provisions of this Plan, including, but not limited to, all documentation required by purchasers and title companies to transfer real property on behalf of the Debtors (or its subsidiaries) and the Liquidating Fund, (c) establish reserves for Contested Claims, taxes, assessments, professional fees, and other expenses of administration of the Liquidating Fund as may be necessary and appropriate for the operation of the Liquidating Fund, (d) calculate and make distributions from the Liquidating Fund to the holders of all Allowed Claims in accordance with the provisions of this Plan, (e) investigate, prosecute, litigate, settle or compromise any objections to claims, Avoidance Claims, and Causes of Action on behalf of the Debtors and those claims may be settled or compromised without notice and a hearing and without Court approval (but subject to the consent of the Oversight Committee), (f) review, reconcile or object to claims and resolve such objections as set forth in this Plan, (g) object to the amount of any claim on the Debtor's Schedules if the Liquidating Agent determines in good faith that the claim is invalid, has previously been paid or satisfied, or other grounds exist for an objection, (h) defend, protect, and enforce any and all rights and interests transferred to the Liquidating Fund or Liquidating Agent, (i) retain professionals and incur any reasonable and necessary expenses in performance of its duties, and to the extent such payments are approved by the Oversight Committee, to pay those expenses without any further application to the Bankruptcy Court, (j) pay any and all claims, liabilities, losses, damages, costs, and expenses incurred by the Liquidating Agent, including all fees and expenses of the Liquidating Agent and professionals retained by the Liquidating Agent, (k) file estate or other tax returns, (l) operate assets for periods reasonably required to preserve or maximize value pending liquidation and distribution to Creditors, (m) open, create, or close accounts to deposit, hold, and disburse funds, (n) invest cash in demand or time deposits to obtain market rates of return pending distributions, (o) file any and all reports and motions or requests for relief with the court or any opposition thereto, (p) extend, renew, enter into, authorize, and benefit from any insurance policies, including but not limited to tail coverage for insurance policies in place on the Filing Date, and rights of indemnification, (q) dissolve the Debtors or otherwise wind up any of the Debtors' corporate affairs and existence, (r) subject to approval of the Oversight Committee, incur indebtedness to fund administration of the Plan, (s) perform any other functions that are necessary to effectuate this Plan and perform its duties as Liquidating Agent, (t) have the power and authority to administer the closure of the Chapter 11 Cases, and (u) if and to the extent required to effectuate any action necessary in the performance of the Plan or wind up of the Debtors' corporate affairs and existence, have the power and authority to reconstitute the board of directors of the Debtors, by: (i) re-appointing one or more of the former directors (specifically, those who were serving on the Filing Date) who agree to the reappointment, or (ii) seeking an order of the Court appointing a board of directors. In all circumstances, the Liquidating Agent will act in the best interests of the Creditors.

6.10.5 Compensation and Retention of Professionals

The Liquidating Agent will be entitled to be paid reasonable compensation and expenses from the Liquidating Fund in accordance with the provisions of Section 326(a) of the Bankruptcy Code, subject to the consent of the Oversight Committee. The Liquidating Agent will be entitled to retain professionals without court approval but with consent of the Oversight Committee to assist in its duties, and will be entitled to pay such professionals reasonable compensation and expenses, subject to the consent of the Oversight Committee. Subject to the consent of the Oversight Committee, the Liquidating Agent may hire former employees and other “insiders” (as that term is defined in the Bankruptcy Code) of the Debtors for post-confirmation services, and may pay such individuals reasonable compensation and expenses. The Liquidating Agent may retain attorneys, consultants, and other professionals that represent the Debtors or the Chapter 11 Trustee, subject to the consent of the Oversight Committee. Fees that the professionals incur after a Plan Default may be paid out of the Liquidating Fund, subject to the consent of the Liquidating Agent and Oversight Committee, or by Court Order. Any dispute as to such compensation and expenses between the Liquidating Agent, its professionals, and the Oversight Committee, or any objection by any party in interest as to such compensation and expenses, will be resolved by the Court on motion.

6.10.6 Removal of Liquidating Agent

At any time upon thirty (30) days’ written notice to the Liquidating Agent and upon a unanimous vote by the members of the Oversight Committee, the Oversight Committee may file a notice with the Court stating that it has removed the Liquidating Agent and appointed a successor Liquidating Agent. The notice shall identify the successor Liquidating Agent.

6.10.7 Oversight Committee

The Oversight Committee shall consist initially of: (i) a representative of the State, and (ii) a representative of the Department of Education. The Oversight Committee may act with as few as two members. In the event that a resignation or termination of members of the Oversight Committee reduces the number of members to less than two members, then one successor member shall be appointed by the remaining member and the Liquidating Agent. The Oversight Committee will monitor the Liquidating Agent and all activities set forth in this Plan. The Oversight Committee will have the power and authority to ratify or reject decisions of the Liquidating Agent, and in its discretion, the Oversight Committee may delegate to the Liquidating Agent such power and authority as it deems proper. The members of the Oversight Committee will not be paid for their services except for reimbursement of actual expenses incurred by such members. The Oversight Committee will be governed by by-laws substantially in the form of those attached as **Exhibit B**. In the event that a vote by the Oversight Committee results in a tie vote, the Liquidating Agent (although not a member) shall be entitled to vote on that issue as set forth in the by-laws.

6.10.8 Effectuating Documents, Further Transactions, Exemption from Certain Transfer Taxes

The Liquidating Agent shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan, including, but not

limited to, all documentation required by purchasers and title companies to transfer real property on behalf of the Debtors' subsidiaries or the Liquidating Fund. Pursuant to section 1146(a) of the Bankruptcy Code, the following shall not be subject to any stamp tax, real estate transfer tax, mortgage recording tax, sales or use tax, or similar tax: (a) the creation of any mortgage, deed of trust, lien, or other security interest; (b) the making or assignment of any lease or sublease; or (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with any of the foregoing or pursuant to this Plan.

6.10.9 Liability and Indemnification

Neither the Liquidating Agent nor any member of the Oversight Committee, nor any of their designees, employees, professionals, or agents will be liable for the act or omission of any other designee, employee, professional, or agent, nor will the Liquidating Agent or the Oversight Committee members be liable for any act or omission taken or omitted to be taken in their respective capacities, other than acts or omissions resulting from willful misconduct, gross negligence, or fraud. The Liquidating Agent, Oversight Committee members, and their designees, employees, professionals, and agents shall be indemnified and held harmless, including the cost of defending such claims and the attorney fees in seeking indemnification, by the Liquidating Fund against any and all claims arising out of their duties under this Plan, except to the extent their actions constitute willful misconduct, gross negligence, or fraud.

6.10.10 Preservation of Causes of Action and Avoidance Claims

Upon the occurrence of a Plan Default, the Liquidating Agent shall be vested in and retain, as the representative of the estates under section 1123(b)(3)(B) of the Bankruptcy Code, all Causes of Action, including Avoidance Claims, and the Liquidating Agent may enforce or not enforce, consistent with its fiduciary duties, any Causes of Action that the Debtors, the Chapter 11 Trustee, the estates, or the Liquidating Agent may hold against any entity. No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors, Chapter 11 Trustee or the Liquidating Agent will not pursue any and all available Causes of Action against them. The Debtors and Chapter 11 Trustee expressly reserves all Causes of Action, including Avoidance Claims, for later enforcement by the Liquidating Agent, unless and until Substantial Consummation occurs. Therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of, the Confirmation Order. The Liquidating Agent may, at its option, compromise any Cause of Action, Avoidance Claim, or any other claim, interest, or objection retained herein after a Plan Default without notice and a hearing and without Court approval, subject to unanimous approval by the Oversight Committee. To the extent required by the Bankruptcy Code, the Liquidating Agent is hereby designated as the "Plan Representative." All recoveries on the Causes of Action and Avoidance Claims shall be retained by the Liquidating Agent for making distributions under this Plan after a Plan Default. Nothing in this Plan shall shorten or otherwise affect the Liquidating Agent's deadline to assert Avoidance Claims or other Causes of Action as governed by section 546(a) of the Bankruptcy Code or other applicable law.

6.10.11 Closing of Cases

The Chapter 11 Trustee shall retain full authority to close these Chapter 11 Cases on and after the Effective Date, Substantial Consummation, and/or a Plan Default.

ARTICLE VII DISTRIBUTIONS AND CLAIMS ADMINISTRATION

7.1 Distributions

Except as provided elsewhere in the Plan, distributions shall be made as set forth in the treatment of each class of claims.

7.1.1 Distributions Upon Plan Default – Liquidating Agent

In the event of a Plan Default and in accordance with Section 6.9.3 of this Plan, the Liquidating Agent shall be responsible for liquidating Estate Assets and making distributions, including interim distributions as deemed practicable by the Liquidating Agent and Oversight Committee, with a final distribution after determining that all Estate Assets, including Causes of Action and Avoidance Claims, that feasibly could be liquidated have been liquidated and that the next distribution will be the final distribution.

7.1.2 Distributions Upon Substantial Consummation – Disbursing Agent

Upon Substantial Consummation, the following provisions shall apply:

a. Disbursing Agent

James A. Bartholomew will be responsible for making distributions required under the Plan as the Disbursing Agent from the Disbursing Account. In the event the Disbursing Agent resigns or is no longer able to serve in such capacity, the State shall appoint the successor Disbursing Agent.

b. Disbursing Account

The amount Funded under the Plan shall be segregated into a separate bank account (“Disbursing Account”) held by the Disbursing Agent. The Disbursing Account shall be used for payment of holders of Allowed Claims in accordance with the terms of the Plan. The Disbursing Agent shall have sole authority and control over the Disbursing Account.

c. Distribution to State

The State’s Revised Claim will be deemed paid and satisfied as of the date the amounts Funded under this Plan are placed into the Disbursing Account.

7.2 Method of Distribution

Unless otherwise agreed to by the claim holder or otherwise provided herein, distributions under this Plan will be made by check, mailed with first class postage pre-paid, to the holder of each claim at the address listed on its proof of claim as of the Record Date, or if no proof of claim

has been filed by the date of the hearing on confirmation, to the address listed on the Schedules as of the Record Date. Distributions shall be deemed made when postmarked.

7.2.1 Payments to Former Students on Account of State's Claim

Payments to Former Students on account of the State relating to Usury Loan Restitution Claims and Student Cash Restitution Claims can be made directly by the Disbursing Agent or Liquidating Agent, as applicable, to former students at the sole direction of the State.

In the event a payment delivered by the Disbursing Agent or Liquidating Agent, as applicable, directly to a Former Student is returned with no indication of the Former Student's forwarding address, the Disbursing Agent or Liquidating Agent, as applicable, will hold such payment for a period of 120 days from the date of return to allow the State time to locate the Former Student. If not claimed by the Former Student and the State cannot locate the Former Student within that timeframe, the payment will be delivered by the Disbursing Agent or Liquidating Agent to the Unclaimed Property Division of the Minnesota Department of Commerce.

In the event that a payment delivered by the Disbursing Agent or Liquidating Agent to a Former Student is not returned but remains uncashed as of the date that is 60 days after postmarked delivery date of the payment, the Disbursing Agent or Liquidating Agent, as applicable, shall cancel the check and hold such payment for an additional 120 days to allow the State time to locate the Former Student. If at that point the Former Student has not claimed the payment or the State has not located the Former Student, it will be delivered by the Disbursing Agent or Liquidating Agent to the State to be placed in the Unclaimed Property Division of the Minnesota Department of Commerce.

7.2.2 Unclaimed Distributions

In the event a distribution check to the holder of an Allowed Claim pursuant to the Plan is returned to the Liquidating Agent or Disbursing Agent, with no indication of the payee's forwarding address, the Liquidating Agent or Disbursing Agent, as applicable, will hold such payment for a period of 90 days from the date of return. If not claimed by the payee by the end of that period, the payment will be delivered to the Unclaimed Property Division of the Minnesota Department of Commerce.

In the event a distribution is not returned but remains uncashed as of the date that is 60 days after postmarked delivery date of the distribution, the Disbursing Agent or Liquidating Agent, as applicable, shall cancel the check and hold such payment for an additional 60 days. If at that point the payee has not claimed the payment, it will be delivered to the Unclaimed Property Division of the Minnesota Department of Commerce.

7.3 Claims Administration Responsibility

7.3.1 Reservation of Rights to Object to Claims

Unless a claim is specifically Allowed under the Plan, or otherwise Allowed prior to or after the Effective Date, the Debtors, Reorganized Debtor, Chapter 11 Trustee, Disbursing Agent, or Liquidating Agent, as applicable, shall have and retain any and all objections to any and all

claims and motions or other requests for the payment of claims, whether administrative expense, secured, or unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged administrative expense claims, priority tax claims, liens and security interests, whether under the Bankruptcy Code, other applicable law, or contract.

7.3.2 Filing of Objections

Unless otherwise ordered by the Court in the Confirmation Order, any objections to claims, except objections to administrative expense claims or objections arising under 11 U.S.C. § 502(d), will be filed no later than sixty (60) days after the Effective Date (unless such day is not a business day, in which case such deadline will be the next business day thereafter) or at such later date as approved by the Court. Any claim objections arising solely under 11 U.S.C. § 502(d) are not subject to the 60-day deadline and may be pursued through an adversary proceeding asserting an Avoidance Claim.

7.3.3 Determination of Claims

Except as otherwise agreed by the Reorganized Debtor, Debtors, Chapter 11 Trustee, Disbursing Agent, or the Liquidating Agent, as applicable, any Claim as to which a proof of claim or motion or other request for payment was timely filed in the Chapter 11 Cases may be determined and liquidated pursuant to (a) a Final Order of the Court, or (b) a Final Determination under applicable non-bankruptcy law, and will be deemed Allowed in such liquidated amount and satisfied in accordance with this Plan. Unless and until Substantial Consummation, nothing contained in this Plan, the Disclosure Statement, or the Confirmation Order will constitute or be deemed a waiver of any claim, right, interest, or Cause of Action that the estates, the Chapter 11 Trustee, the Liquidating Agent, or the Liquidating Fund may have against any person in connection with or arising out of any claim or claims, including, without limitation, any rights under section 157(b) of Title 28 of the United States Code.

On and after Substantial Consummation, the Disbursing Agent and Reorganized Debtor shall have the authority to assert, compromise, settle, otherwise resolve, or withdraw any objections to Claims, and compromise, settle, or otherwise resolve any other form of contested Claims, without further approval of the Bankruptcy Court.

7.4 Procedures for Treating and Resolving Contested Claims

7.4.1 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan, no payments or distributions will be made with respect to the portion of a Claim that is a Contested Claim unless and until all objections to such Contested Claim have been settled or withdrawn or resolved by a Final Order, and the Contested Claim at issue has become an Allowed Claim.

7.4.2 Claim Estimation

The Debtors, the Chapter 11 Trustee, Disbursing Agent, or the Liquidating Agent, as applicable may request estimation or limitation of any Contested Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code; provided, however, that the Court will determine (i) whether such Contested Claim is subject to estimation pursuant to section 502(c)

of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any. Unless provided otherwise in an order of the Court, the estimated amount shall constitute the Allowed amount of such Claim or a maximum limitation on such claim, as the Court may direct; provided, however, that if the estimate constitutes the maximum limitation on such claim, the Debtors may elect to pursue supplemental proceedings to object to the ultimate allowance of such Claim. The foregoing shall not limit the rights granted by Section 502(j) of the Bankruptcy Code.

7.4.3 No Distribution if Cause of Action Asserted

Notwithstanding any other provision in this Plan and except for claims that are Allowed Claims pursuant to a Final Order of the Bankruptcy Court entered prior to the Confirmation Date, no payment or distribution will be made with respect to all or any portion of a Claim or Allowed Claim held by a claimant against whom a Cause of Action is asserted unless and until such Cause of Action has been settled or withdrawn or has been determined by Final Order.

7.4.4 Payment Upon Allowance and Disallowance of Contested Claims

At such time as a Contested Claim becomes, in whole or in part, an Allowed claim, the Disbursing Agent or the Liquidating Agent, as applicable, shall distribute to the holder thereof the distribution(s) to which the holder is then entitled under the Plan.

7.4.5 Record Date

The Record Date for any claim transfers shall be the Confirmation Date. Payments under the Plan will be mailed to the address of the holder of the Allowed Claim as of the Record Date until the holder of the Allowed Claim as of the Record Date notifies the Debtors, Chapter 11 Trustee, or Liquidating Agent, as appropriate, in writing of a different address.

ARTICLE VIII EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Executory Contracts and Unexpired Leases

The executory contracts and unexpired leases identified on Exhibit C shall be deemed assumed as of Substantial Consummation or Plan Default, without the need for further notice or action, order, or approval of the Bankruptcy Court. The Reorganized Debtor in the event of Substantial Consummation or Liquidating Agent in the event of a Plan Default, shall satisfy the applicable requirements of section 365 of the Bankruptcy Code, including payment of any default amount and any actual pecuniary loss resulting from such default (“Cure Amount”). The Cure Amount for each Assumed Contract identified on Exhibit C shall be paid as of the date of assumption or on such other terms as the counterparty to such Assumed Contract otherwise agrees, in full satisfaction of amounts required to be paid pursuant to section 365(b)(1)(B) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, approval of the assumption of the Assumed Contracts.

Except for the Assumed Contracts, all other executory contracts and unexpired leases not previously assumed or rejected by Order of the Court in the Bankruptcy Cases or as otherwise provided for in the Bankruptcy Code shall be deemed rejected as of the Effective Date. Entry of

the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, the approval of the rejection of all such executory contracts and unexpired leases. To the extent not subject to a claims bar date set forth in any prior or subsequent order of the Court, claims arising out of the rejection of an executory contract or unexpired lease must be filed with the Court no later than 30 days after the entry of the Confirmation Order and, upon allowance, shall be an Allowed General Unsecured Claim, unless such claimant is an insider, in which case the claim will be treated as an insider Claim in Class 4. Any rejection claims not filed within such applicable time periods shall be forever barred from receiving a distribution under the Plan.

ARTICLE IX CONFIRMATION OF THE PLAN

9.1 Conditions Precedent to Effective Date

The following are conditions precedent to the occurrence of the Effective Date: (i) the Confirmation Order shall have been entered by the Bankruptcy Court and be a Final Order, be in full force and effect, and not subject to any stay or injunction; and (ii) approval of the Settlement Agreement through the Plan.

9.2 Conditions Precedent to Substantial Consummation

Substantial Consummation shall not occur unless (i) the Effective Date has occurred, and (ii) the Debtors have Funded the Plan by the Funding Deadline.

9.3 Waiver of Conditions to Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived or modified in whole or in part at any time by the Proponents.

9.4 Cramdown

The Proponents requests confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired class that has not accepted or is deemed not to have accepted this Plan pursuant to section 1126 of the Bankruptcy Code.

9.5 Effect of Confirmation of the Plan

9.5.1 Title to and Vesting of Assets

To the extent allowed by section 1141(b) of the Code, as of Substantial Consummation, all property of the Debtors and the estates vests in the Reorganized Debtor, and such property is free and clear of all liens, encumbrances, claims, and interests of creditors and equity security holders, except to the extent the Plan explicitly provides that such liens, encumbrances, claims, or interests are retained. From and after Substantial Consummation, the Reorganized Debtor, may operate, use, acquire, and dispose of property in accordance with the Plan, free and clear of any restrictions of the Bankruptcy Code and the Bankruptcy Rules, and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided in the Plan.

9.5.2 Corporate Action

Upon Substantial Consummation, all matters provided for herein that would otherwise require approval of the stockholders or directors of the Debtors shall be deemed to have occurred and shall be in effect from and after Substantial Consummation pursuant to the applicable general corporation law of Minnesota, without any requirement of further action by the stockholders or directors of the Debtors.

9.5.3 Injunction Against Interference with the Plan

The Plan is binding on the Debtors, any Creditor, any holder of Equity Interests, or others to the full extent provided in section 1141(a) of the Code. All entities who are bound by the Plan, including entities with claims not listed on the Schedules, or who are listed on the Schedules as disputed, unliquidated, or contingent and who did not timely file proofs of claim, are hereby enjoined and prevented from commencing or continuing any judicial or administrative proceeding or employing any process to interfere with the consummation or implementation of the Plan or the payments to be made hereunder, including commencing or continuing any judicial or administrative proceeding or employing any process against the Debtors, their estates, or the Chapter 11 Trustee; provided, however, such injunction shall not prohibit any entity from pursuing actions they may have against non-debtor third parties, except as otherwise set forth in the Plan.

Notwithstanding the foregoing, the State, Chapter 11 Trustee, Liquidating Agent, and Disbursing Agent, as applicable, are entitled to take such actions as necessary in the pre-bankruptcy litigation between the State and the Debtors to (i) file quarterly or other reports as directed by the state court; (ii) release the Deposit for purposes consistent with this Plan; and (iii) take other actions necessary to conclude proceedings in the litigation.

9.5.4 Discharge

To the extent permitted by § 1141 of the Bankruptcy Code, Substantial Consummation of the Plan shall serve to discharge, waive, and release the Reorganized Debtor from any debt that arose before Substantial Consummation and any debt of a kind specified in Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, regardless of whether or not proof of the Claim based on such debt was filed or deemed filed under Section 501 of the Bankruptcy Code, such Claim is allowed under Section 502 of the Bankruptcy Code, or the holder of such Claim has accepted the Plan. To the extent permitted by the Bankruptcy Code, the payments of, distributions on account of, or treatments of Claims in this Plan are deemed to satisfy in full all Claims.

For the avoidance of doubt, the Debtors will not receive a discharge in the event of a Plan Default.

9.5.5 Permanent Injunction

In the event of Substantial Consummation, and except as provided in this Plan, as of the Effective Date and subject to its occurrence, all persons that have held, currently hold, or may have asserted a claim, a Cause of Action or other debt, liability, interest, or other right of a holder of an equity interest that is discharged, released, or terminated pursuant to the Plan, are hereby permanently enjoined from commencing or continuing against the Debtors, in any manner or in any place, any: action or other proceeding; enforcing, collecting, or recovering in any manner any

judgment, award, decree, or order; creating, perfecting, or enforcing any lien or encumbrance; and/or asserting a set-off, right of subrogation, or recoupment of any kind against any debt, liability or obligation.

9.5.6 Exculpation

Subject to the occurrence of the Effective Date, none of the Exculpated Trustee Parties shall have or incur any liability to any holder of a claim or interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases and this Plan, the solicitation of this Plan, the pursuit of confirmation of this Plan, the consummation of this Plan, the administration of this Plan, or the property to be distributed under this Plan; provided, however, that: (a) nothing herein is meant to or shall be deemed to expand or otherwise modify the scope of 11 U.S.C. § 1125(e); (b) nothing herein is meant to or shall be deemed to affect the police and regulatory activities of governmental agencies; (c) the Exculpated Trustee Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan; and (d) nothing in this Plan shall, or shall be deemed to, release or exculpate the Exculpated Trustee Parties with respect to their respective obligations or covenants arising pursuant to this Plan, or for any gross negligence, willful misconduct, or fraud.

Subject to the occurrence of Substantial Consummation, none of the Exculpated Debtor Parties shall have or incur any liability to any holder of a claim or interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases and this Plan, the solicitation of this Plan, the pursuit of confirmation of this Plan, the consummation of this Plan, the administration of this Plan, or the property to be distributed under this Plan; provided, however, that: (a) nothing herein is meant to or shall be deemed to expand or otherwise modify the scope of 11 U.S.C. § 1125(e); (b) nothing herein is meant to or shall be deemed to affect the police and regulatory activities of governmental agencies; (c) the Exculpated Debtor Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan; and (d) nothing in this Plan shall, or shall be deemed to, release or exculpate the Exculpated Debtor Parties with respect to their respective obligations or covenants arising pursuant to this Plan, or for any gross negligence, willful misconduct, or fraud.

ARTICLE X RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order, the occurrence of the Effective Date, and the occurrence of Substantial Consummation of the Plan, the Court shall retain such jurisdiction over the Chapter 11 Cases after the Effective Date as is legally permissible to the full extent permitted by the Code, including jurisdiction to:

a. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate, or establish the priority or secured or unsecured status of any claim, including the resolution of any request for payment of any Administrative Expense Claims, and the resolution of any objections to the amount, allowance, priority, or classification of claims;

b. Determine all questions and disputes regarding title to the assets of the estates to the extent required for the implementation or execution of the Plan;

c. Either grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before Substantial Consummation;

d. Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtors were or are a party or with respect to which the Debtors may be liable and to hear, determine and, if necessary, liquidate any claims arising therefrom;

e. Ensure that distributions to holders of Allowed claims are accomplished pursuant to the provisions of this Plan;

f. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and either grant or deny any applications involving the Debtors or the Chapter 11 Trustee that may be pending on the Effective Date or brought thereafter;

g. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

h. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is entered into or delivered pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

i. Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into, delivered, or created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

j. Issue injunctions, enforce the injunctions contained in this Plan and the Confirmation Order, and enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

k. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

l. Determine any other matters that may arise in connection with or in relation to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

- m. Enforce or clarify any orders previously entered by the Court in the Chapter 11 Cases;
- n. Enter a final decree closing the Chapter 11 Cases;
- o. Determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any Contested Claims for taxes;
- p. Recover all assets of the Debtors and the estates, wherever located; and
- q. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.1 Modification of the Plan

Subject to the restrictions on alteration, amendment, and modification set forth in section 1127 of the Bankruptcy Code, the Proponents reserve the right to alter, amend, or modify this Plan before the Effective Date.

11.2 Revocation of the Plan

The Proponents reserve the right to revoke or withdraw this Plan prior to the Confirmation Date. If the Proponents revoke or withdraw this Plan, or if confirmation does not occur, then this Plan shall be null and void in all respects, and nothing contained in this Plan shall: (a) constitute a waiver or release of any claims by or against the Debtors, (b) prejudice in any manner the rights of the Debtors or any other party in interest, or (c) constitute an admission of any sort by the Debtors or any other party in interest.

11.3 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of this Plan is held by the Court to be invalid, void, or unenforceable, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

11.4 Corporate Documents

The certificates of incorporation of the Debtors and related documents will be amended to the extent necessary as required by section 1123(a)(6) of the Bankruptcy Code and as may otherwise be required by this Plan.

11.5 Regulated Rates

This Plan affects no rates subject to approval by any governmental regulatory commission.

11.6 Successors and Assigns

The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

11.7 Governing Law

The rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of Minnesota, without giving effect to principles of conflict of laws.

11.8 Construction

The section headings contained in this Plan are for reference purposes and shall not affect in any way the meaning or interpretation of the Plan. To the extent of any inconsistencies between the information contained in the Disclosure Statement and the terms and provisions of the Plan, the terms and provisions of the Plan shall govern.

[signature page follows]

**SIGNATURE PAGE TO
SECOND MODIFIED JOINT PLAN OF REORGANIZATION OF THE CHAPTER 11
TRUSTEE AND DEBTORS DATED JULY 15, 2021**

IN WITNESS WHEREOF, the undersigned has executed this Second Modified Joint Plan of Reorganization as of the date set forth above.

James A. Bartholomew, Chapter 11

(b)(6)

Minnesota School of Business, Inc.

By: Terry Myhre
Its: President/Chairman

Globe University, Inc.

By: Terry Myhre
Its: President/Chairman

STINSON LLP

Edwin H. Caldie (#0388930)
Phillip J. Ashfield (#0388990)
50 South Sixth Street Suite 2600
Minneapolis, MN 55402
Telephone: 612.335.1500
Facsimile: 612.335.1657

**COUNSEL TO THE CHAPTER 11
TRUSTEE**

FREDRIKSON & BYRON, P.A.

Clinton E. Cutler (#0158094)
James C. Brand (#387362)
Samuel M. Andre (#0399669)
200 South Sixth Street
Suite 4000
Minneapolis, MN 55402-1425
(612) 492-7000

ATTORNEYS FOR THE DEBTORS

**SIGNATURE PAGE TO
SECOND MODIFIED JOINT PLAN OF REORGANIZATION OF THE CHAPTER 11
TRUSTEE AND DEBTORS DATED JULY 15, 2021**

IN WITNESS WHEREOF, the undersigned has executed this Second Modified Joint Plan of Reorganization as of the date set forth above.

**James A. Bartholomew, Chapter 11
Trustee**

Minnesota School of Business, Inc.

(b)(6)

(b)(6)

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TRUSTEE AND DEBTORS DATED JULY 15, 2021**

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By: Terry Myhre
Its: President/Chairman

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By: Terry Myhre
Its: President/Chairman

STINSON LLP

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(612) 492-7000

**COUNSEL TO THE CHAPTER 11
TRUSTEE**

ATTORNEYS FOR THE DEBTORS

EXHIBIT A
Settlement Agreement

AGREEMENT

THIS AGREEMENT (“this Agreement”) is made and entered into by and among the following parties (“the Parties”): James A. Bartholomew, Chapter 11 Trustee (“the Trustee”) for Globe University (“Globe”) and Minnesota School of Business (“MSB”), the State of Minnesota by and through its Attorney General Keith Ellison (“the State”), Terry L. Myhre and Kathryn M. Myhre, on behalf of the equity owners of MSB and Globe (“the Myhres”), the United States Department of Education (“Education”), and Tamara Blanchette, plaintiff in the matter *Blanchette v. DeVos*, 19-cv-1774 (D.D.C.) (“Blanchette”).

Recitals

A. On November 20, 2019, MSB and Globe filed petitions seeking protection under Chapter 11 of the United States Bankruptcy Code 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), in the cases entitled *In re Minn. Sch. of Bus.*, No. 19-33629 (Bankr. D. Minn.), and *In re Globe Univ., Inc.*, No. 19-33629 (Bankr. D. Minn.) (the “Bankruptcy Cases”).

B. On May 13, 2020, James A. Bartholomew was appointed as Chapter 11 Trustee in the Bankruptcy Cases and continues to serve as the Trustee.

C. Prior to the Bankruptcy Cases, the State and the Debtors were parties to a pre-petition civil enforcement action brought by the State against MSB and Globe in Hennepin County District Court, entitled *Minnesota v. Minnesota School of Business, Inc. et al.*, Case No. 27-cv-14-12558 (the “State’s Litigation”), in which the State, acting in its *parens patriae* authority and Minn. Stat. § 8.31, sought restitution for former students in MSB’s and Globe’s criminal justice program (the “Former MSB/Globe Students”).

D. On September 9, 2016, the Hennepin County District Court issued its Findings of Fact, Conclusions of Law, and Order (the “FFCLO”), finding that MSB and Globe violated the Minnesota Consumer Fraud Act, Minn. Stat. § 325F.69, and Deceptive Trade Practices Act, Minn. Stat. § 325D.44, in its marketing, recruitment, and advertising of its criminal justice program. The court subsequently issued a Second Amended Order for Restitution on July 21, 2017, in which it established a process for Former MSB and Globe Students to submit claims in order to qualify for payment of restitution.

E. Certain Former MSB/Globe Students, identified in Attachment A to this Agreement (the “Participating Students”), testified at the trial in the State’s Litigation or submitted claims to participate in restitution awarded to the State.

F. The State filed Claim No. 95 in the MSB bankruptcy case and Claim No. 9 in the Globe bankruptcy case (together, “the State’s Claims”) asserting claims arising from the State’s Litigation.

G. After MSB and Globe objected to the State’s Claims, the parties to such objections entered into a compromise, approved by the Bankruptcy Court on December 22, 2020, pursuant to which the State was granted an allowed unsecured claim in the amount of \$35,000,000 in the Bankruptcy Cases.

H. The restitution awarded to the State as part of the State's Litigation includes, among other amounts, refunds to Participating Students of amounts financed through federal student loans from (or guaranteed by) Education and owed by Participating Students, including but not limited to costs, fees, interest and other charges, for attendance at MSB and Globe between 2009 and 2016 (the "Federal Loan Obligations"), as well as reimbursement of amounts paid by Participating Students on those loans.

I. Based on limited student loan data held and provided by Education, MSB's and Globe's tuition and payment records, and payment information provided to the State by student loan servicers related to the Federal Loan Obligations, the Trustee has reasonably estimated past payments made to or collected by Education, whether voluntarily or involuntarily, towards the Participating Students' Federal Loan Obligations (the "Federal Loan Restitution").

J. The Debtors, in their schedules of assets and liabilities filed in the Bankruptcy Cases, scheduled an unliquidated and disputed claim in favor of Education for chargebacks of potential discharged student loans.

K. Education filed Claim No. 8 in the Globe bankruptcy case and Claim No. 60 in the MSB bankruptcy case asserting that MBS and Globe owed Education \$1,852,889 due to the discharge of federal student loans made or guaranteed by Education due to MSB's and Globe's closure (together, "Closed School Discharge Claim").

L. After MSB and Globe objected to the Closed School Discharge Claim, MSB, Globe, and Education entered into a compromise (the "Closed School Discharge Compromise"), approved by the Bankruptcy Court on October 16, 2020, pursuant to which Education was granted an allowed claim of \$1,350,000 and was permitted to offset \$331,039.38 in funds owed Globe against this claim, resulting in a remaining Closed School Discharge Claim in the amount of \$1,018,960.62.

M. Education is party to litigation brought by Blanchette against Education on June 18, 2019, entitled *Blanchette v. DeVos*, No. 19-cv-1775 (D.D.C.) (the "*Blanchette* Litigation"), in which Blanchette (who is a Participating Student), on behalf of herself and a putative class of Former MSB/Globe Students, alleges that their Federal Loan Obligations are subject to "borrower defense discharge applications" pursuant to 34 C.F.R. § 685.206 and § 685.222, rendering such loan obligations unenforceable against Former MSB/Globe Students, and that Education unlawfully subjected Former MSB/Globe Students to involuntary collection procedures based on the Federal Loan Obligations.

N. Education has agreed to treat the Participating Students as having filed borrower defense discharge applications. As a result, each of the Participating Students has a borrower defense discharge application on file with Education.

O. Education, in connection with a denial of recertification of MSB and Globe as Title IV lenders issued on December 6, 2016, reviewed relevant documents from the Minnesota Litigation, including the FFCLD and the Second Amended Restitution Order, and determined that such Orders established that MSB and Globe, inter alia: (1) committed fraud involving federal student loan program funds; and (2) substantially misrepresented the nature

of its criminal justice program and the employability of criminal justice program graduates. Education is adjudicating Participating Students' borrower defense discharge applications based on these violations of Minnesota law.

P. Education contends that it holds contingent claims against the Estate and the Myhres for reimbursement, should it grant borrower defense discharges to the Participating Students (the "Borrower Defense Liabilities"). The Myhres, Debtors, and Chapter 11 Trustee contend that Education is not entitled to any such claims based on, among other possible defenses, a release of claims in the Closed School Discharge Compromise.

Q. The Trustee and Debtors filed on March 15, 2021, a Joint Chapter 11 Plan of Reorganization, as modified on April 29, 2021 (the "Plan")¹ under which one hundred percent (100%) of all allowed unsecured claims shall be paid after Substantial Consummation, subject to the terms set forth in this Agreement. As set forth in the Plan, the Debtors and Myhres must provide full Funding on or before the Funding Deadline in order for Substantial Consummation to occur.

R. The Parties wish to obtain certainty and alleviate the substantial risks, costs, and delays associated with further litigation and/or collection related to the matters described herein.

S. The Parties have negotiated a fair and global resolution of the matters referenced in this Agreement and have executed this Agreement subject to approval of the Bankruptcy Court.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties agree as follows:

1. Confirmation of Chapter 11 Plan. The Trustee and Debtors shall seek confirmation of the Plan paying and satisfying in full one hundred percent (100%) of all allowed unsecured claims after Substantial Consummation. This Agreement shall be attached as an Exhibit to the Plan or included with a plan supplement to be filed prior to confirmation of the Plan, and the provisions of the Plan shall incorporate the material terms of this Agreement. MSB, Globe, and the Myhres agree to cooperate with the Trustee's efforts to confirm and fund the Plan.

2. Adjustment to State's Allowed Claim. Except in the case of default as provided in paragraph 10 below and as otherwise provided in this paragraph, the Allowed State Claim is hereby reduced by \$19,198,121 and is hereby allowed in the amount of \$15,801,879 (the "State's Adjusted Allowed Claim"). In addition, any BDDC Adjustment Amount (as described in paragraph 4 below) shall be added to the State's Adjusted Allowed Claim up to a maximum of \$7,000,000. The State will allocate the BDDC Adjustment Amount to the Participating Students

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

whose borrower defense discharge application are denied or whose loans are not discharged or released for other reasons, as additional restitution on account of the outstanding amount of the Participating Students' Federal Loan Obligations. The amount paid on the State's Adjusted Allowed Claim will be distributed by the State, or agent authorized by the Plan, to the Participating Students as determined by the Attorney General pursuant to Minn. Stat. § 8.31. Distributions by the State to Participating Students will include the Federal Loan Restitution. The Trustee and the State may also agree to permit the Trustee (or other agent designated under the Plan) to remit such amounts determined in the Attorney General's discretion directly to the Participating Students from the Disbursing Account or as otherwise allowed by the Plan. The State, Trustee and/or other agent designated under the Plan shall use all reasonable efforts to make Federal Loan Restitution payments to Participating Students, and shall provide a certification (the "Payment Certification") in writing within thirty (30) days after the Funding Date designated in the Plan, specifying: (1) the payments of Federal Loan Restitution that have been made to Participating Students; and (2) any payments have not been released to Participating Students and the reason such payments have not been released.

3. Borrower Defense Discharges or Release. Education's receipt of any payment for its Borrower Defense Discharge Claim (as defined in Paragraph 4 below) is conditioned on it completing adjudication of all Participating Students' borrower defense discharge applications ("Discharge Determinations"). If Education is unable to complete Discharge Determinations within thirty (30) days after Substantial Consummation, Education shall provide written notice to the parties to this Agreement, indicating the Discharge Determinations that have not been made and its projected time for completing such Discharge Determinations. If any Participating Student's borrower defense discharge application is denied as part of the Discharge Determination, Education may, to the extent permitted by federal law, review and determine whether such Participating Student's Federal Loan Obligations can be discharged or released for any other reason ("Supplemental Determination").

4. Stipulated Claim Allowance to Education. Education is hereby granted a stipulated allowed general unsecured claim of \$7,000,000 for the Participating Students' Borrower Defense Liabilities against each of MSB and Globe (the "Borrower Defense Discharge Claim"), provided that the United States is not waiving, and may exercise at any time, all rights of setoff or recoupment that it may hold concerning such claim, and the Borrower Defense Discharge Claim shall be treated as secured to the extent of such right, if any, and provided further, that in no event shall Education be entitled to receive more than \$7,000,000 in cash and the value of any such setoff or recoupment against the Borrower Defense Discharge Claim. Education's Borrower Defense Discharge Claim will be against both MSB's and Globe's bankruptcy estates, provided that Education is only entitled to a single satisfaction and recovery for the Borrower Defense Discharge Claim. The United States shall provide written notice to all parties to this Agreement upon completion of all the Discharge Determinations and Supplemental Determinations, and the Trustee shall then pay in cash the Borrower Defense Discharge Claim amount as adjusted, if any as provided herein, or satisfied through setoff or recoupment within fourteen (14) days after such notice, provided that, if Education denies any Participating Student's borrower defense discharge application as part of the Discharge Determination and does not discharge or release the Participating Student's loan as part of the Supplemental Determination, Education's total Borrower Defense Discharge Claim shall be

reduced by the amount of the Participating Student's outstanding Federal Loan Obligation at the time of Education's adjudication ("BDDC Adjustment Amount"). In the event the Plan is not Funded by the Funding Deadline, Education will not be entitled to the Borrower Defense Discharge Claim through this Agreement, but reserves the right, if any, to assert any claims relating to any Borrower Defense Liability.

5. Education's Closed School Loan Discharge Claims. The Borrower Defense Discharge Claim is separate from and does not subsume the Closed School Discharge Claim. This Agreement does not alter or amend the Closed School Discharge Compromise. In the event Substantial Consummation occurs under the Plan, the Closed School Discharge Claim shall be paid in full within fourteen (14) days following Substantial Consummation.

6. Education's Release. Except as provided below in paragraph 7, upon Substantial Consummation, Education releases and forever discharges the Trustee in his capacity as Trustee of the bankruptcy estates of the Debtors; MSB; Globe; all current and former officers, directors, and employees of MSB and Globe; and the Myhres from any and all Participating Students' Borrower Defense Liabilities. The release provided for in this paragraph shall in no way affect, alter, limit, extend, or ratify the release of claims provided by Education in the Closed School Discharge Compromise.

7. Limitation on Release. The release provided in paragraph 6 does not release or affect any other claim, liability, or cause of action of the United States not the subject of such releases, and without any party conceding the existence or merits thereof, the United States does not release any other claim, liability, or cause of action for: (i) any civil, criminal, or administrative liability arising under Title 26 of the United States Code (the Internal Revenue Code); (ii) any criminal liability; (iii) any liability under subchapter III of chapter 37 of Title 31 of the United States Code; (iv) any liability that is based on conduct in violation of antitrust laws; (v) any claim of any agency of the United States of America other than Education, or any of the mutual obligations in this Agreement.

8. Dismissal of *Blanchette* Litigation. No later than ten (10) days following Education's discharge of the Federal Loan Obligations described in this Agreement (including any loan obligation owed to Education by Blanchette) and Blanchette's receipt of her portion of any restitution amount paid pursuant to the State's Adjusted Allowed Claim, Blanchette and Education shall prepare and file such documents as are necessary to effectuate a dismissal of the *Blanchette* Litigation with prejudice.

9. Blanchette's Release. Effective upon Education's discharge of Federal Loan Obligations as described in paragraph 3 (including any loan obligation owed to Education by Blanchette) and Blanchette's receipt of her portion of any amount paid pursuant to the State's Adjusted Allowed Claim, Blanchette hereby releases and forever discharges Education, together with its predecessors, representatives, independent contractors, agents, assigns, and successors in interest, from any and all actions, causes of actions, claims, suits, proceedings, known or unknown, which she hereto ever had, now has, or may have or shall have, arising out of or resulting from any claim made by Blanchette, or that could have been made by Blanchette, in

connection with or related in any way to her portion of the Federal Loan Obligations, including the claims she has asserted in the *Blanchette* Litigation.

10. Bankruptcy Court Approval/Effectiveness. This Agreement will be incorporated into the Plan. The terms of this Agreement and the effectiveness thereof are subject to and conditioned upon either a final, non-appealable order of the Bankruptcy Court: (1) approving the terms of this Agreement and authorizing the Trustee to enter into the Agreement; or (2) confirming the Plan, provided that the order approves the terms of this Agreement and authorizes the Trustee to enter into the Agreement.

11. Condition Precedent to Effectiveness. The occurrence of Substantial Consummation under the Plan is a condition to the effectiveness of this Agreement, and the failure of such condition shall constitute a default under this Agreement. Upon such a default, the terms of this Agreement (including, without limitation, the releases contained herein and the adjustment of the State's Allowed Claim) will have no further force or effect, and the rights and obligations of the parties shall revert to their pre-settlement positions.

12. Execution and Delivery. This Agreement may be executed in counterparts, which taken together shall constitute one agreement binding on all the Parties. Electronically transmitted signatures shall be valid and binding to the same extent as signatures delivered in original. In making proof of this Agreement, it will be necessary to produce only one copy signed (or reproduced from an electronically delivered signature) by the Party to be charged.

13. Amendment to the November 27 Agreement. Except as set forth in this Agreement, the November 27 Agreement between the Trustee, the State, and the Myhres remains in full force and effect in accordance with its terms. If there is a conflict between this Agreement and the November 27 Agreement, the terms of this Agreement shall prevail.

14. Integrated Agreement. This Agreement constitutes all agreements, covenants, representations, and warranties, express or implied, oral or written, of the Parties; all prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties are merged herein; and this is an integrated agreement. This Agreement may not be enlarged, modified or altered, except in a writing signed by all the Parties hereto expressly referencing this Agreement.

15. No Presumption against Drafter. Each Party acknowledges that, with the assistance of counsel, it has participated in the drafting of this Agreement. The Parties agree that this Agreement has been negotiated at arm's length by parties of equal bargaining power, each of whom was represented by competent counsel of its own choosing. None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

16. Capacity. Each Party declares and represents that it is competent to execute this instrument and that it is duly authorized, and has the full right and authority, to execute this Agreement on behalf of the Party for whom he or she is signing.

17. Governing Law and Enforcement. This Agreement and any interpretation of this Agreement shall be governed by Federal law. To the extent that state law would inform the Federal rule of decision, the applicable state law to inform the Federal rule of decision shall be the laws of the State of Minnesota. The Bankruptcy Court retains jurisdiction to interpret and enforce this Agreement.

(signature pages follow)

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Dated: July 15, 2021

(b)(6) _____
MENT OF JUSTICE

Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Robert C. Merritt
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Attorneys for the United States
Department of Education

Dated: _____, 2021

KEITH ELLISON
Minnesota Attorney General

BY: ADAM WELLE
Assistant Attorney General
445 Minnesota Street, Suite 120
St Paul, MN 55101
adam.welle@ag.state.mn.us
(651) 757-1425

Attorneys for the State of Minnesota, Attorney
General Keith Ellison

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Dated: _____, 2021

UNITED STATES DEPARTMENT OF JUSTICE

Augustus T. Curtis
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Robert C. Merritt
Trial Attorney
United States Department of Justice
Civil Division
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Washington D.C. 20005
(202 598-7524

Attorneys for the United States
Department of Education

Dated: June 9, 2021

KEITH ELLISON
Minnesota Attorney General

(b)(6)

BY: ADAM WELLE
Assistant Attorney General
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(651) 757-1425

Attorneys for the State of Minnesota, Attorney
General Keith Ellison

Globe University, Inc.

Dated June 10, 2021

(b)(6) (b)(6)

James Bartholomew
Chapter 11 Trustee

Minnesota School of Business, Inc.

Dated June 10, 2021

(b)(6) (b)(6)

James Bartholomew
Chapter 11 Trustee

Dated: _____, 2021

Terry L. Myhre, on behalf of himself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

Dated: _____, 2021

Kathryn M. Myhre, on behalf of herself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

Dated: _____, 2021

Robyn K. Bitner (D.C. Bar No. 1617036)
NATIONAL STUDENT LEGAL DEFENSE NETWORK
1015 15th Street N.W., Suite 600
Washington, D.C. 20005
Telephone: (202) 734-7496
E-mail: robyn@defendstudents.org

Attorney for Tamara Blanchette

Globe University, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

Minnesota School of Business, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

Dated: June 9, 2021

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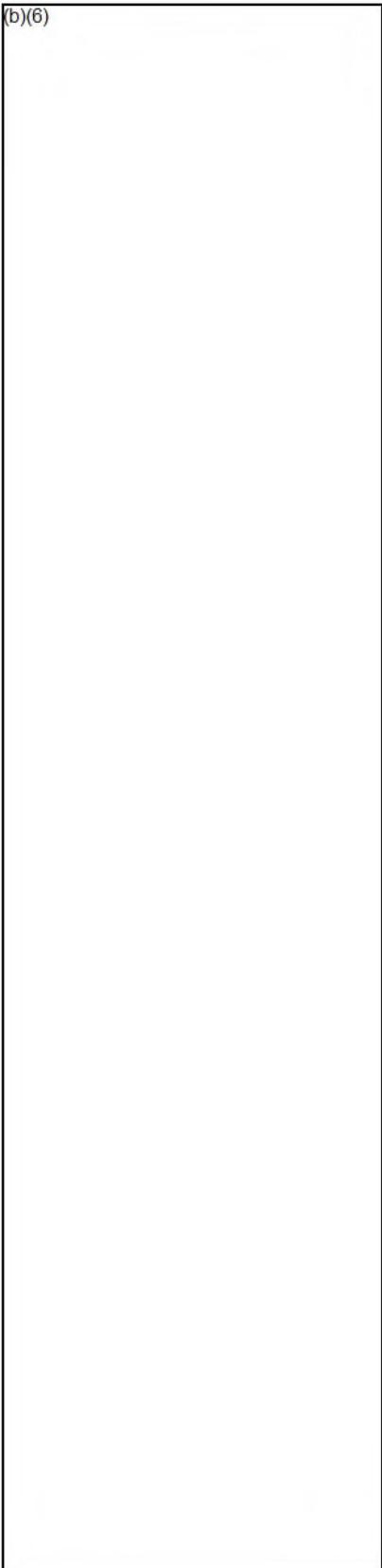
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Attorney for Tamara Blanchette

Attachment A

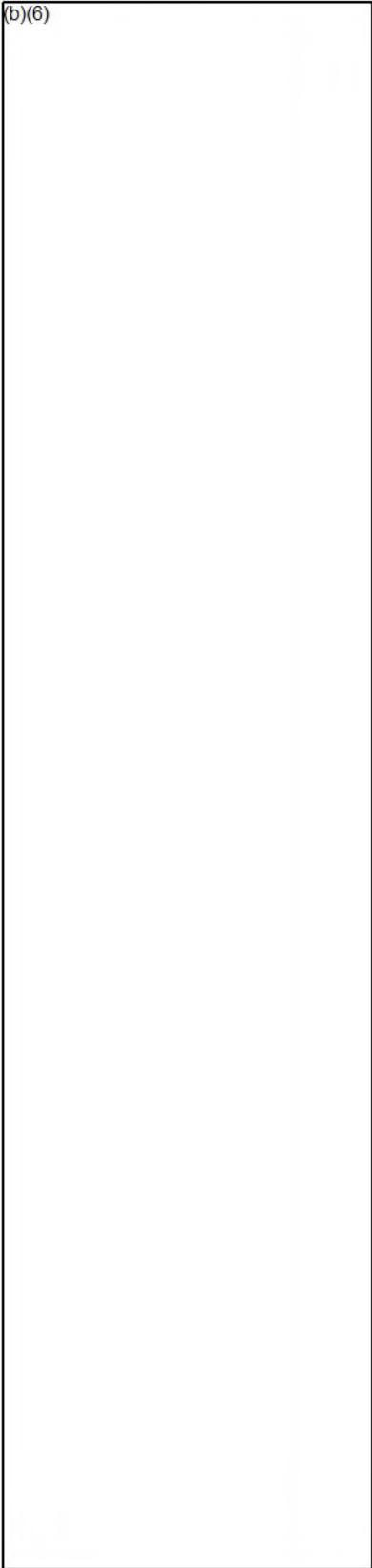
Minnesota School of Business, Inc. / Globe University, Inc.
Schedule of Participating Students with outstanding Federal Loan Obligations
Attachment A to Settlement Agreement

(b)(6)



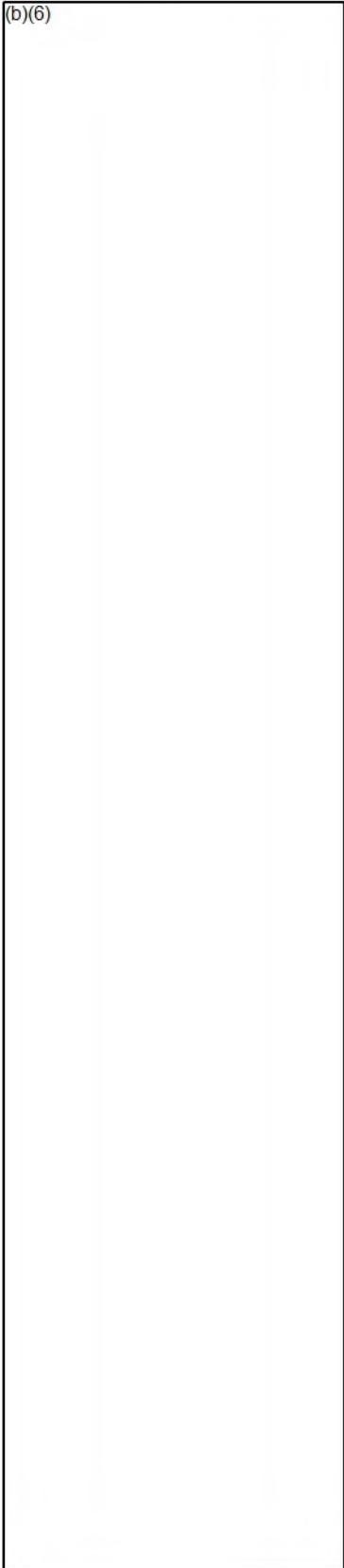
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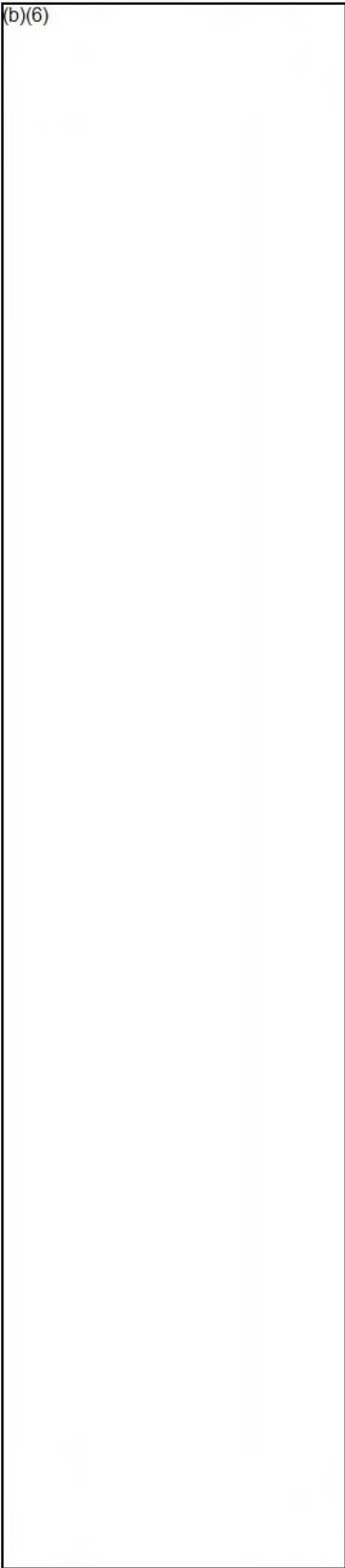
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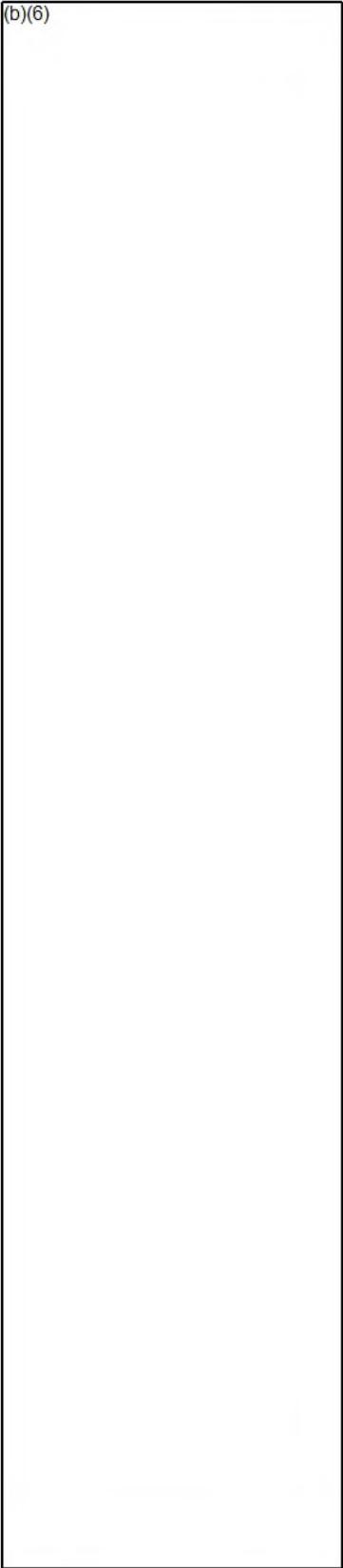
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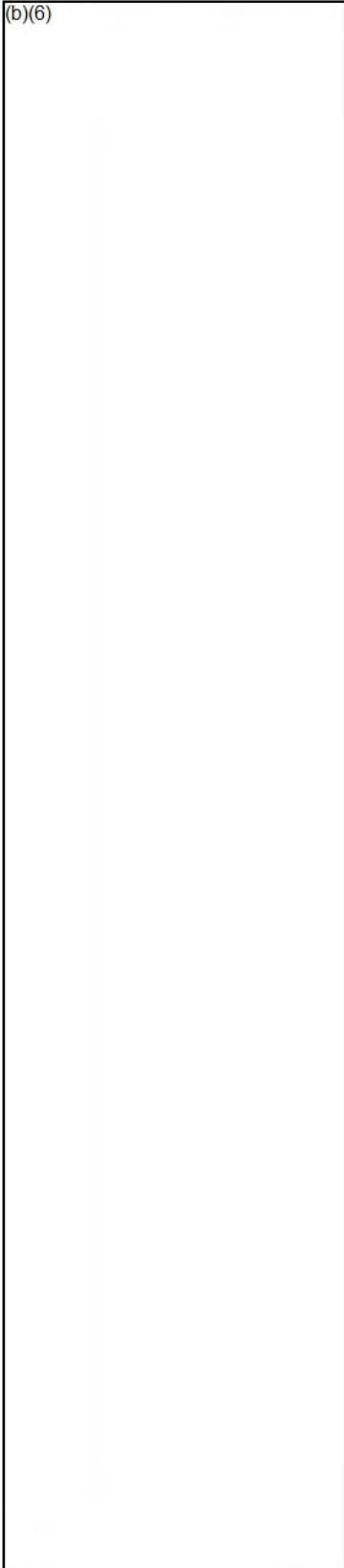
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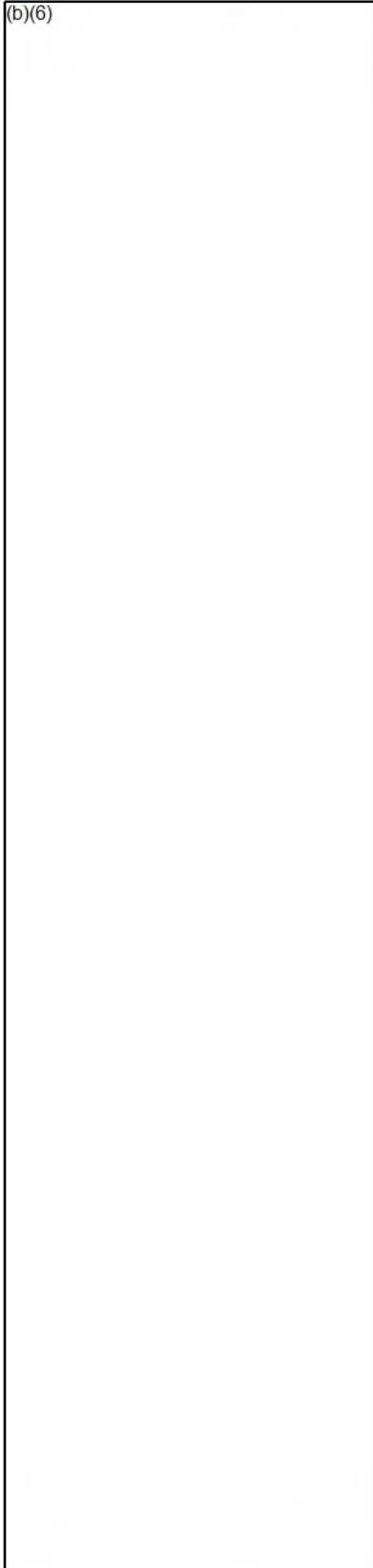
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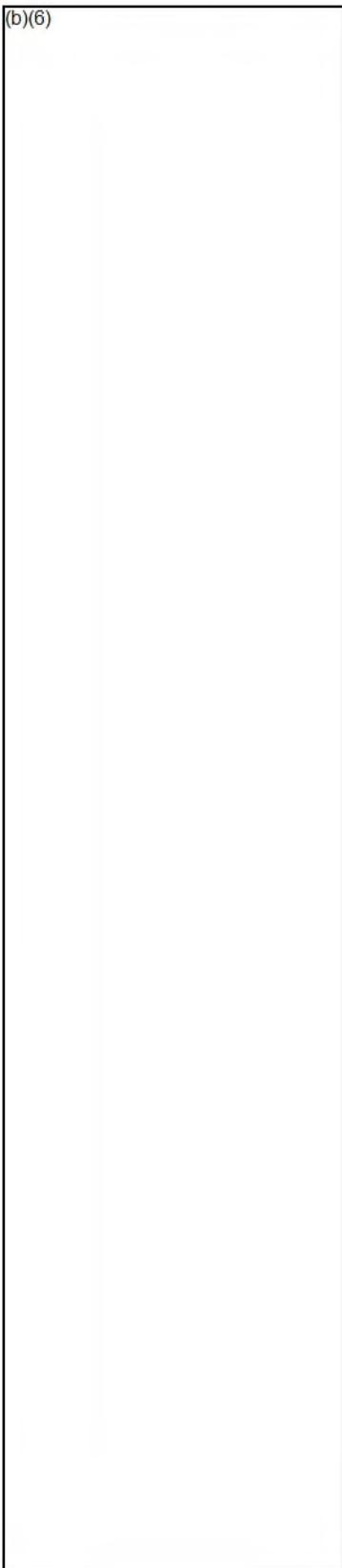
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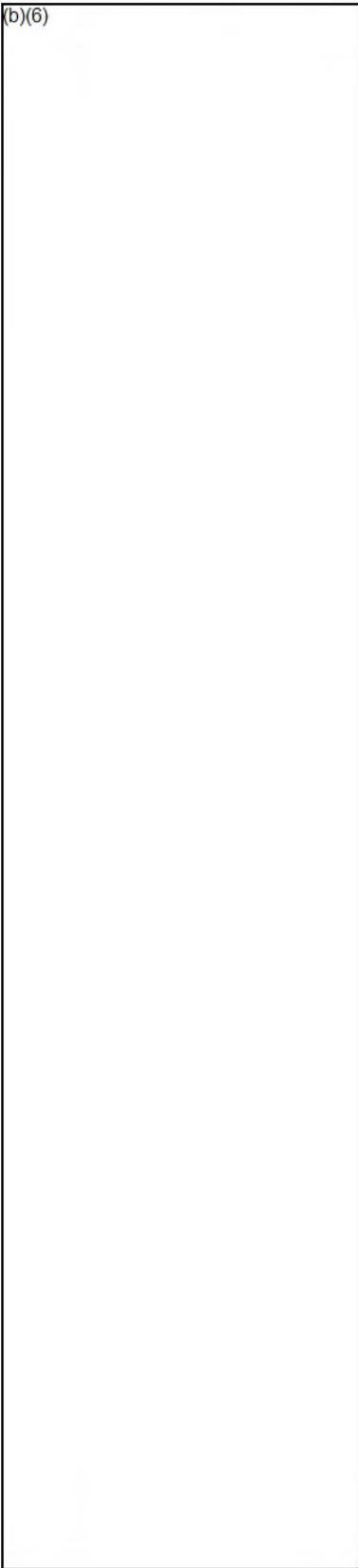
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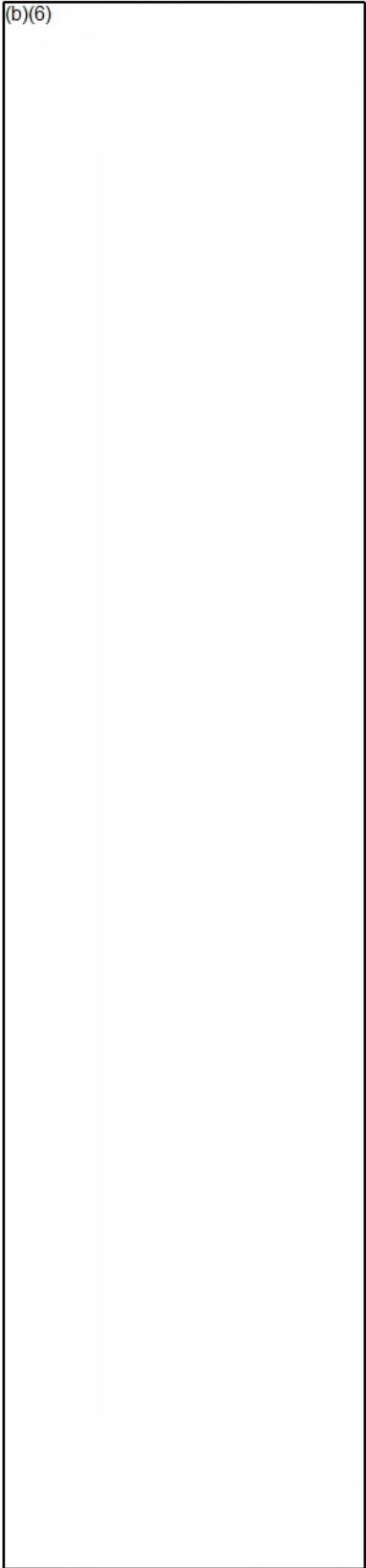
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(b)(6)



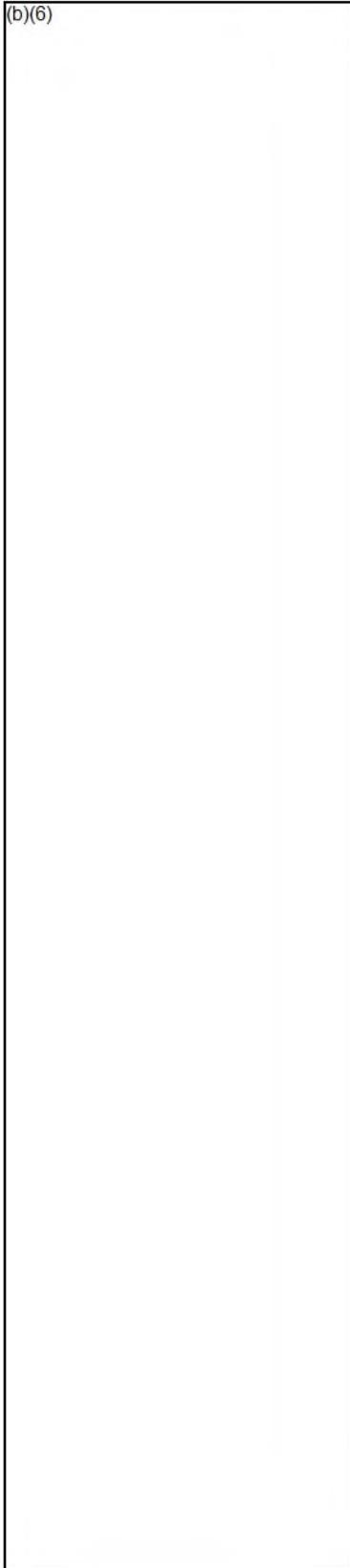
Minnesota School of Business, Inc. / Globe University, Inc.
Schedule of Participating Students with outstanding Federal Loan Obligations
Attachment A to Settlement Agreement

(b)(6)



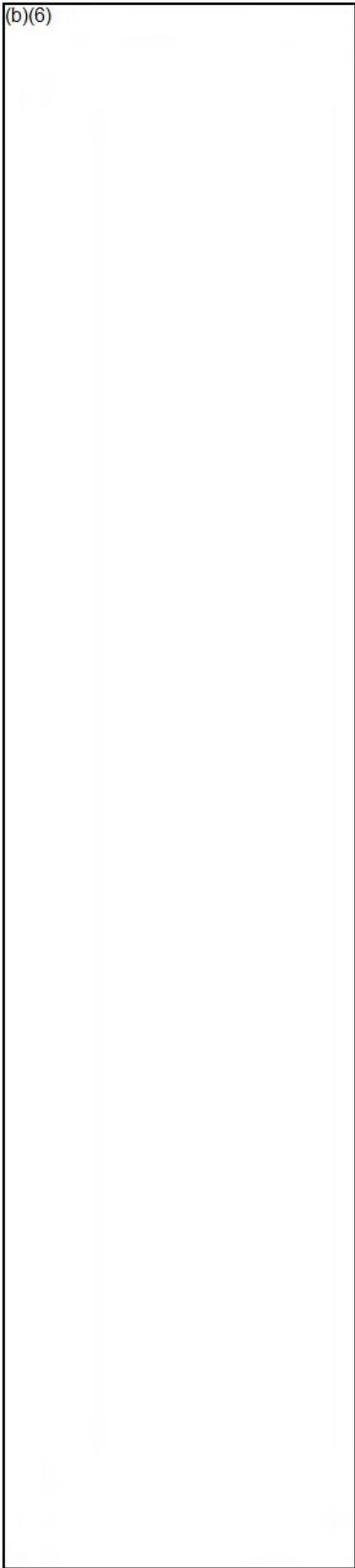
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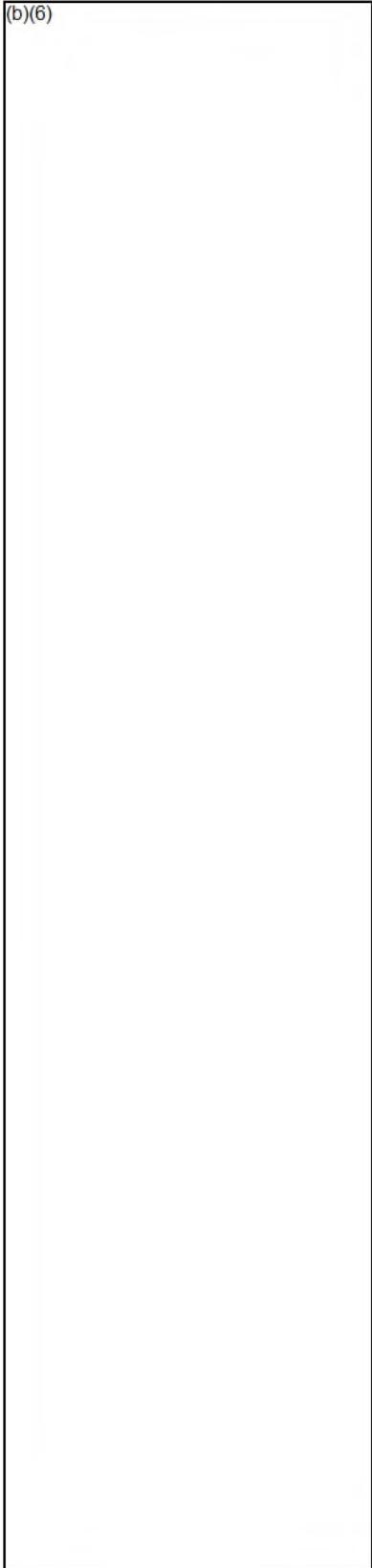
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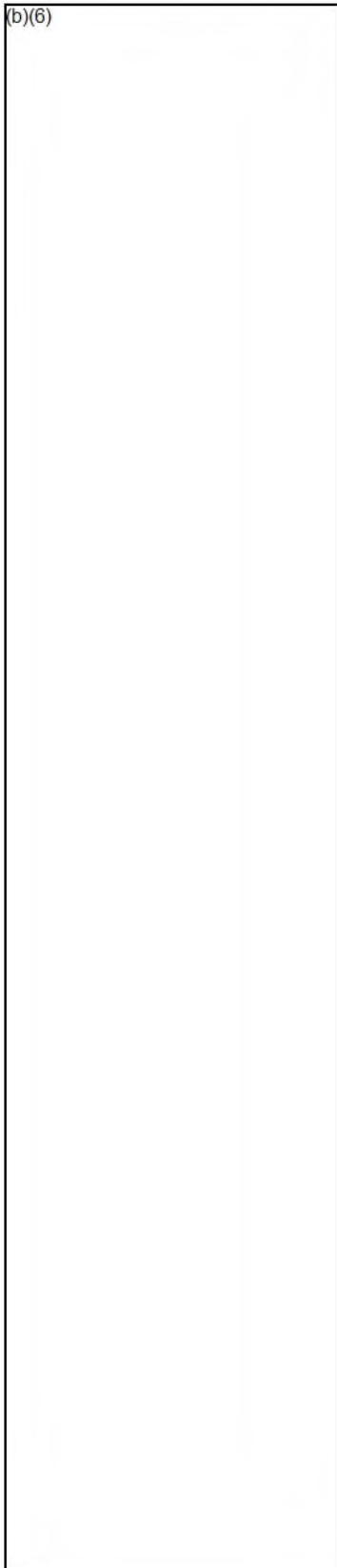


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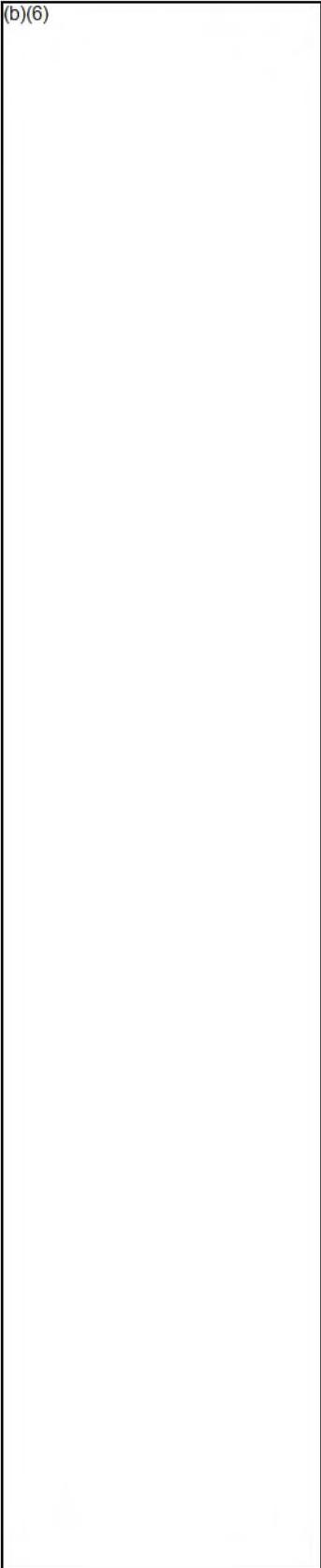
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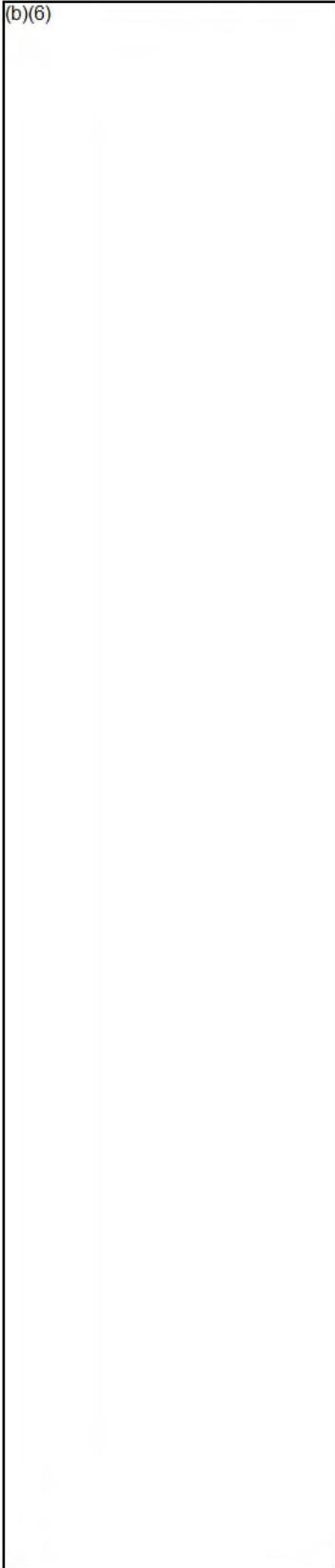
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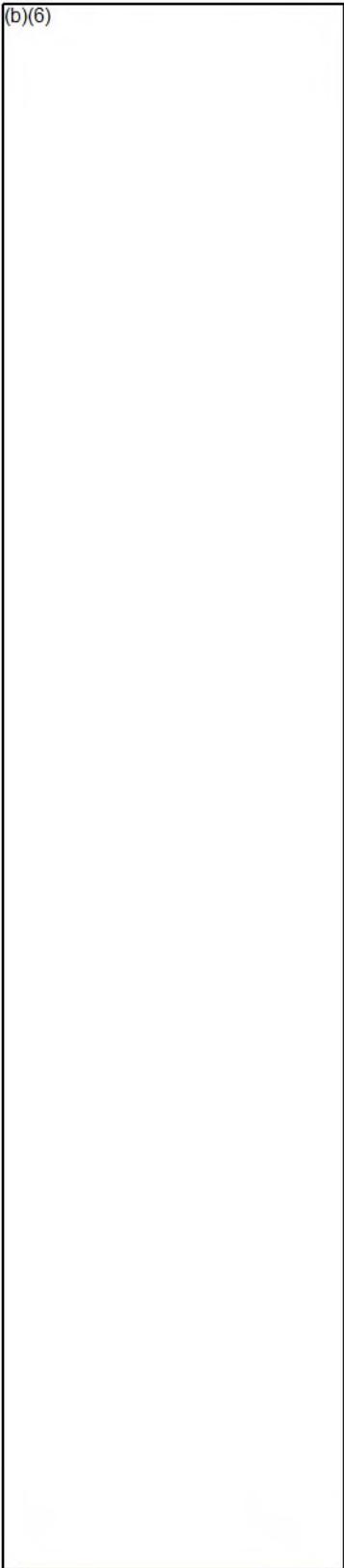
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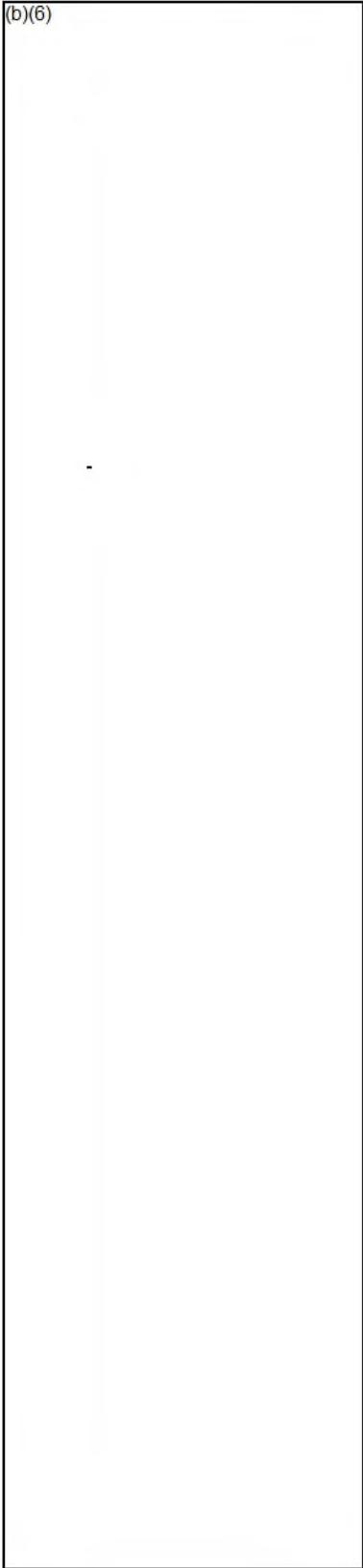
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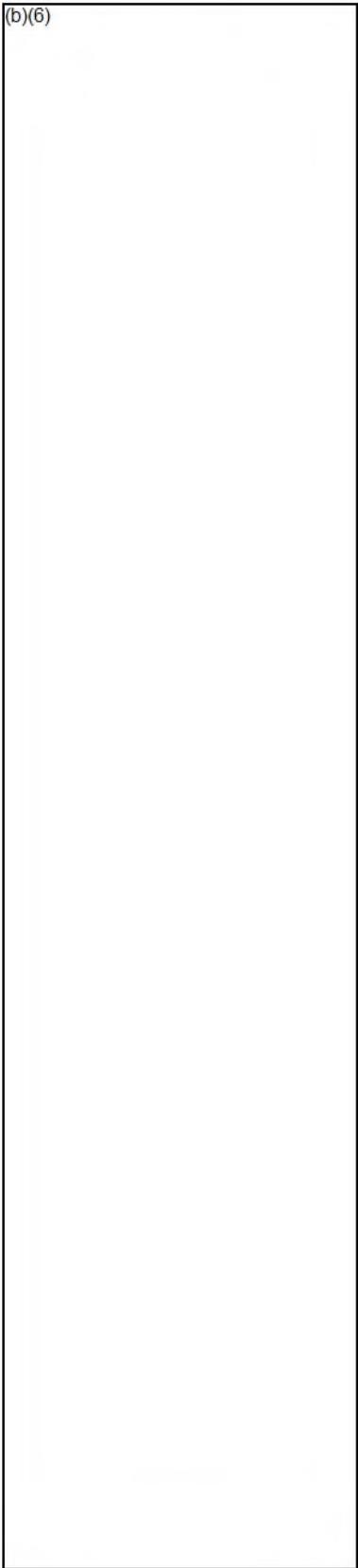
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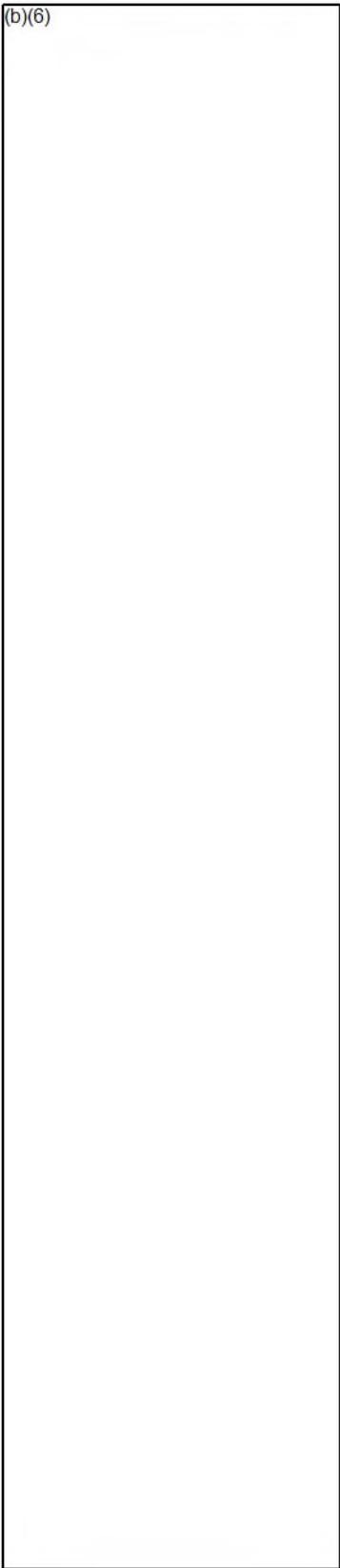
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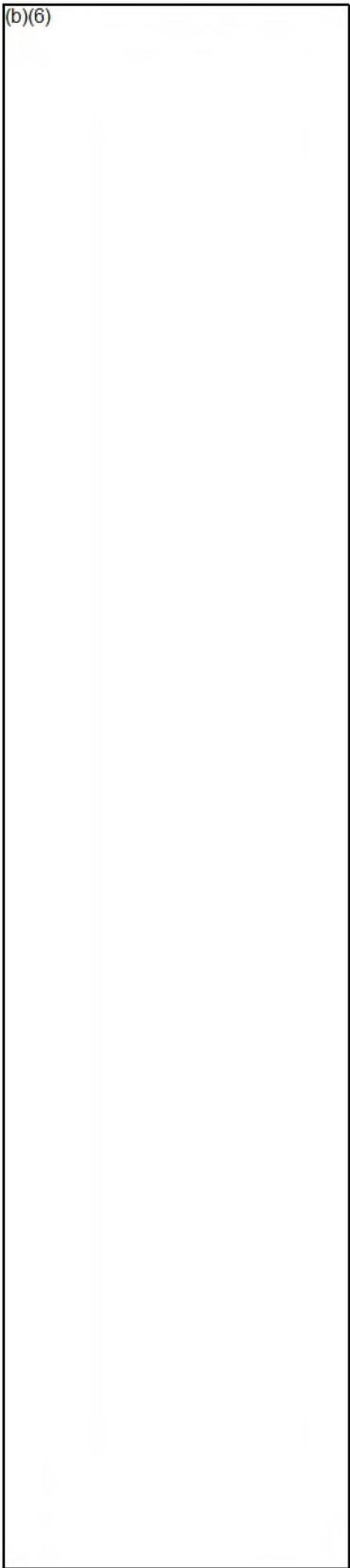
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Minnesota School of Business, Inc. / Globe University, Inc.
Schedule of Participating Students with outstanding Federal Loan Obligations
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	Student Initials	Student ID
Total	920	

EXHIBIT B
Oversight Committee By-Laws

BY-LAWS OF THE OVERSIGHT COMMITTEE
In re MINNESOTA SCHOOL OF BUSINESS, INC. AND GLOBE UNIVERSITY, INC.

Case Nos. 19-33629, 19-33632

1. THE COMMITTEE.

1.1. Appointment of Committee. On _____, 2021, the United States Bankruptcy Court for the District of Minnesota (“Bankruptcy Court”) entered an order confirming the *Joint Plan of Reorganization* (“Plan”) filed by the Minnesota School of Business, Inc. (“MSB”), Globe University, Inc. (“Globe” and, together with MSB, the “Debtors”), and James A. Bartholomew, in his former capacity as Chapter 11 Trustee (“Chapter 11 Trustee” and, together with the Debtors, the “Proponents”). Pursuant to the Plan, all Estate Assets¹ became part of the Liquidating Fund, which shall be used to liquidate remaining Estate Assets and distribute the proceeds according to the terms of the Plan under the direction of the Liquidating Agent. Under Section 6.10 of the Plan and as a result of the Plan Default, this Oversight Committee was appointed to undertake the powers and duties granted to it as set forth in the Plan, including monitoring the Liquidating Agent and the activities set forth in the Plan.

1.2. The members of the Oversight Committee are referred to individually herein as a “Member” and collectively as the “Members.” The functions of the Oversight Committee are set forth in the Plan. All Members of the Oversight Committee shall have the duties imposed upon committee members pursuant to 11 U.S.C. § 1103.

1.3. Membership. The Oversight Committee is composed of the Members listed in Exhibit A, which also identifies the representatives for the respective Members where appropriate. The Oversight Committee shall initially consist of two Members that hold significant claims against the Debtors.

1.4. Chairperson. The Oversight Committee will select its chairperson (“Chairperson”) at its first meeting. In the event the Chairperson resigns or for any other reason is unable to serve, the majority of the Members entitled to vote shall choose a successor. Additionally, such a majority may at any time, with or without cause, replace the Chairperson at: (i) a meeting called with at least three days’ advance written notice, or (ii) a meeting attended by all Members.

1.5. Other Professional Persons. Pursuant to Section 6.10.3 of the Plan, James A. Bartholomew will serve as the Liquidating Agent. The Liquidating Agent will be entitled to be paid reasonable compensation and expenses from the Liquidating Fund in accordance with the provisions of Section 326(a) of the Bankruptcy Code, subject to the consent of the Oversight Committee. The Liquidating Agent is entitled to retain professionals to assist in its duties and to pay such professionals’ reasonable compensation and expenses, subject to the consent of the Oversight Committee. Through execution of these By-Laws, the Oversight Committee consents to the Liquidating Agent’s retention of (i) Stinson LLP, to serve as the Liquidating Agent’s general

¹ All capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

bankruptcy counsel (“Counsel”), and (ii) Winthrop & Weinstine, P.A. to serve as special counsel relating to Avoidance Actions (“Special Counsel”).

1.6. Resignation. A Member may resign at any time by giving written notice thereof to the Liquidating Agent and a copy to Counsel.

1.7. Replacement of Representative of Member. If any representative of a Member that is a corporate entity resigns, dies, is no longer employed by, or is no longer an agent of the Member represented, or for any other reason is unable to serve, the Member represented shall have the absolute right to designate a successor representative or alternate, as the case may be, which shall be any authorized employee or agent of such Member.

1.8. Resignation, Removal, and Replacement Members. In the event of the resignation or removal of any Member of the Oversight Committee, the Oversight Committee shall perform all of its functions with its reduced number (disregarding such vacancy for purposes of determining a majority). The Oversight Committee may act with as few as two (2) members. If the resignation or removal reduces the number of members to less than two (2) members, then one successor Member shall be appointed by the remaining Member and the Liquidating Agent.

2. MEETINGS AND ACTION BY THE OVERSIGHT COMMITTEE.

2.1. Calling and Notice. Meetings of the Oversight Committee may be called by the Chairperson, the Liquidating Agent, or by Counsel, and shall be called by Counsel, the Liquidating Agent, or the Chairperson upon the request of two of the voting Members. Notice of the time and place of each meeting of the Oversight Committee shall be given to each Member and its counsel no less than two (2) business days in advance of such meeting except when such notice is impractical or unreasonable due to exigent circumstances. No notice of an adjourned meeting need be given, other than by announcement at the meeting at which the adjournment is taken and by reasonable notice (under the circumstances) to any Members and their counsel who were not present at such meeting. The Oversight Committee shall endeavor, whenever feasible, to determine at each meeting when the next meeting shall be held. If feasible, each notice of a meeting shall be in writing; if not, notice may be given orally, by telephone or otherwise.

2.2. Place of Meetings; Meetings by Conference Call. Meetings of the Oversight Committee shall be held at such place as designated by the Oversight Committee. Meetings shall be held in person or by conference call.

2.3. Meeting Agenda. The agenda for regularly scheduled meetings shall be prepared by Counsel. Any Member or the Liquidating Agent may supplement the Agenda by circulating additional items by email to all other Members, the Liquidating Agent, and Counsel. If feasible, a proposed agenda will be circulated to each Member, the Liquidating Agent, and Counsel at least one (1) business day in advance of each Oversight Committee meeting.

2.4. Quorum. A majority of all voting Members shall constitute a quorum for the transaction of business at any meeting. A quorum shall include Members attending in person, by Proxy (with respect to any Oversight Committee votes within the scope of such Proxy), and by telephone connection as long as such connection is sufficient for all attending Members to hear each other attending Member (in each such case, such Member deemed to be “Present”).

2.5. Voting; Polling by Telephone. Each voting Member shall be entitled to one vote, and may attend and vote (a) by its representative, or (b) through a designated alternate. Subject to Section 2.7, all issues to be voted on shall be decided by a simple majority of those present at the meeting in which the vote takes place. Each Member shall have the right to authorize any other Member to cast the Member's vote for them ("Voting by Proxy") in the event that the Member is not able to attend or participate by telephone in a meeting. Action of the Oversight Committee shall be authorized by the vote of a majority of the Members Present at the time of the vote if there is a quorum. A Member who abstains shall be counted as voting. A Member recused from voting under Section 2.7 shall not be counted as voting. In the event that a vote by the Oversight Committee results in a tie vote on an issue other than a vote under Section 2.7(b), the Liquidating Agent (although not a Member) shall be entitled to vote on that issue.

The designation of alternates at meetings may be in such form, written or oral, as may be acceptable to the Chairperson, upon advice of Counsel. If the matter to be voted on is one of significance and urgency, as determined by a majority of the Members Present, with the advice of Counsel, a reasonable effort shall be made during the meeting to poll by telephone or email all absent Members, provided that the failure to reach any such absent Member will not affect the validity of any vote otherwise proper under these By-Laws. Telephone or email votes solicited pursuant to this section, along with Votes by Proxy, shall be given full voting effect, and may be counted in computing a quorum in respect of the relevant action. Attendance at meetings of the Oversight Committee shall be limited to Members, their respective counsel, the Liquidating Agent, professionals or agents employed or retained by the Oversight Committee, and other persons invited by the Oversight Committee for special or limited purposes.

2.6. Action Without Meeting. Any action required or permitted to be taken by the Oversight Committee, or any subcommittee, may be taken without a meeting provided that a reasonable effort is made to contact each Member or subcommittee member for its vote and to notify each ex officio member of the pendency of such action, and the action voted on is approved by no less than a majority of the entire Oversight Committee or subcommittee then acting as such. Such polling shall be conducted by the Chairperson or by Counsel acting upon the direction of the Chairperson, or by the chairperson of a subcommittee. Any action taken pursuant to this section shall be memorialized in writing and filed with the minutes of the Oversight Committee or subcommittee, as the case may be.

2.7. Conflicts of Interest. In the event that any matter under review or consideration by the Oversight Committee may involve a conflict of interest with respect to any Member, such Member shall disclose such potential conflict of which he or she has knowledge, shall be removed from voting on the matter voluntarily or, if determined by the Oversight Committee to involve a conflict of interest, may be excluded by vote of a majority of the Members then Present and not subject to such conflict of interest from that portion of the meeting at which such matter is considered.

(a) A Member shall be deemed to have an irrebuttable conflict in matters concerning: (1) any potential or actual Causes of Action (as that term is defined in the Plan) asserted against the Member; and (2) any potential or actual Contested Claim (as that term is defined in the Plan) involving a claim asserted by the Member.

(b) Counsel shall make a determination as to whether a Member should be excluded from a meeting or any portion thereof and shall submit a recommendation to the Oversight Committee in respect of each potential conflict unless the Member voluntarily abstains from voting or otherwise participation in the consideration of the matter giving rise to a potential conflict. Any Member subject to an alleged conflict of interest that does not fall within the scope of Section 2.7(a) shall be provided with a reasonable opportunity to be heard and to provide other Members with additional information and/or refute any allegations of its alleged conflict of interest prior to any Oversight Committee vote regarding such Member's alleged conflict of interest. Whether a conflict of interest exists as to a particular Member or group of Members will be determined on an individual basis and each Member shall have the opportunity to be heard and have the Oversight Committee vote in connection with its alleged conflict of interest. For the purpose of a vote under this Section to exclude a particular Member from a meeting, the Member not allowed to vote shall not be counted for a quorum. Also, for purposes of a vote under this Section, if Counsel recommended that more than one Member be excluded from a meeting for a substantially similar reason ("Excluded Members"), and if one or more of the Excluded Members requests a reasonable opportunity to be heard on the conflict issue, the Excluded Members shall not be entitled to vote on whether a conflict of interest exists on that issue for any other Excluded Member. Additionally, for the purpose of a vote under this Section, a majority vote is required to overrule Counsel's recommendation to the Oversight Committee on issues of potential conflicts. For clarification, in the event of a tie vote, Counsel's recommendation is adopted.

(c) Consistent with the foregoing, the Member having a conflict of interest shall not have access to summaries, analyses, reports or work product prepared by the professionals of the Oversight Committee with respect to the matter in which the conflict of interest exists, except to the extent determined to be appropriate under the circumstances in the discretion of the Oversight Committee.

(d) Each Member of the Oversight Committee retains the right to appear in the Chapter 11 cases of the Debtor in respect of its own interests and to take a position different from that of the Oversight Committee, provided, however, that no Member shall purport to represent or speak for the Oversight Committee in connection therewith. While all Members acknowledge that they are acting in a fiduciary capacity as defined by law, nothing contained in these By-Laws shall: (i) prevent any Member from exercising or seeking to enforce or protect any of its rights as an individual creditor or other party-in-interest; or (ii) otherwise affect the ability of any Member to act in its capacity as an individual creditor or other party-in-interest as it may deem appropriate, whether or not such actions are opposed by the Oversight Committee.

3. ACTION BY REPRESENTATIVES OF THE OVERSIGHT COMMITTEE.

3.1. Chairperson. The Chairperson shall preside at the meetings of the Oversight Committee. Subject to the vote of the Oversight Committee, the Chairperson shall have such powers and duties as are set forth in these By-Laws or as the Committee assigns to him.

3.2. Emergency Motions. Subject to Section 2.5, the Chairperson, with the advice of Counsel, or Counsel shall be empowered, without prior Oversight Committee action or consent, to consent to or otherwise act upon applications or motions for court orders on an emergency basis if the Chairperson, with the advice of Counsel, or Counsel determines that it is

not feasible to obtain a vote of the Oversight Committee pursuant to these By-Laws. The Chairperson and Counsel will make best efforts under the circumstances to communicate with as many Members of the Oversight Committee as possible before taking any such actions. The Oversight Committee shall be advised of any court orders, motions or applications so acted upon by the Chairperson pursuant to this section promptly thereafter.

3.3. Subcommittees. The Oversight Committee may, with the advice of Counsel, form one or more subcommittees to serve at the Oversight Committee's pleasure, with such powers and duties as the voting Members of the Oversight Committee shall determine.

3.4. Professionals' Actions. The Oversight Committee's professionals shall act at the request of the Oversight Committee (or, when appropriate, a subcommittee) or the Chairperson, and shall perform the duties specified in their respective orders of retention, together with such implementing duties as are set forth in these By-Laws or as may be requested by the Chairperson, the Oversight Committee, or a subcommittee.

3.5. Secretary. There shall be no secretary for the Oversight Committee. In lieu thereof, Counsel shall maintain minutes of the meetings which shall include a list of the Members Present and the Oversight Committee action with respect to any motion or resolution. The minutes shall be circulated to the Members for approval as soon as practicable.

4. MISCELLANEOUS.

4.1. Ex Officio Members. There shall be no ex officio members of the Oversight Committee without the express approval of the Oversight Committee upon a vote of the majority of participating members voting on such issue. Such ex officio members shall be subject to any and all restrictions contained in these By-Laws including, but not limited to, Section 4.2. Ex officio members shall not be permitted to vote on any matters.

4.2. Confidentiality. Each Member of the Committee is aware of the fiduciary duty to unsecured creditors of the Debtor and agree that it shall act in accordance with such duty in dealing with confidential information. Except to the extent otherwise required by 11 U.S.C. § 1102: (i) all information, documents and matters of whatever nature and kind disclosed to the Oversight Committee (unless such information becomes generally available to the Oversight Committee on a non-confidential basis); (ii) all information or documents generated by the Oversight Committee, the Liquidating Agent, or by any of the Oversight Committee's professionals, or by any Member or counsel to any Member for the Oversight Committee's use; and (iii) all communications between Members in their capacity as such, including information regarding specific positions taken by Members, and all matters discussed at Oversight Committee meetings and the minutes thereof (collectively, (i), (ii) and (iii) are referred to as "Confidential Information"), are confidential and shall not be disclosed or revealed to third parties in any manner whatsoever, except that a Member may share any such Confidential Information with its attorneys and financial consultants, provided that the person or entity receiving such disclosure agrees to be and is bound by these rules of confidentiality.

With respect to any required disclosure of Confidential Information by a Member to a third party by order of a court of appropriate jurisdiction, such Member shall promptly advise

Counsel of such disclosure or prospective disclosure and shall reasonably cooperate with Counsel's efforts to obtain a protective order or other appropriate remedy to protect the confidentiality of such information. With respect to any required disclosure of Confidential Information relating to the Debtor, the Member shall advise Counsel as promptly as reasonably possible prior to such disclosure, and Counsel shall immediately notify the Debtor and the Debtor's counsel so that the Debtor may seek a protective order or other appropriate remedy to protect the confidentiality of such information.

Upon the resignation or removal of a Member, such Member shall promptly return to counsel to the Liquidating Agent or destroy any non-public or confidential material (including copies thereof) received by the Member solely in its capacity and in the course of its tenure as a member of the Committee. Notwithstanding the resignation or removal of a member, such Member shall continue to be bound by the confidentiality provisions of these By-Laws.

Each Member hereby acknowledges that it may be receiving material, non-public information regarding the Debtors and (1) that the trading of claims or securities of the Debtor while in possession of such information may be subject to various federal and/or state laws; and (2) Section 7.4.5 of the Plan provides for a Record Date for claim transfers. No Member shall have the right to transfer its membership in the Oversight Committee.

4.3. Causes for Removal From Oversight Committee. Upon receiving a recommendation from the Liquidating Agent, a Member, or Counsel, the Oversight Committee may elect to remove a Member under the following circumstances:

- (a) For a breach of any of his/her fiduciary duties as a Member;
- (b) For a breach of Section 4.2 of these By-Laws;
- (c) For conduct that would warrant removal of a member of any committee by the United States Trustee or the court pursuant to 11 U.S.C. §§ 1102-1103.

A Member may be removed by the affirmative vote of not less than two-thirds of the Members entitled to vote on such matters.

4.4. Media Communications. No Member shall communicate directly with the public or the media as a representative of the Oversight Committee, unless the Oversight Committee has so authorized the communication to be made by majority vote. Nothing in these By-Laws shall preclude any Member from sharing public, non-confidential information concerning this bankruptcy case with other creditors.

4.5. Expenses. Reasonable and actual expenses of the Oversight Committee and of Members incurred in connection with Oversight Committee business may be submitted to the Liquidating Agent, with a copy to Counsel, in order to seek reimbursement from the Liquidating Fund pursuant to Section 6.10.7 of the Plan. Unless approved in advance by the Chairperson, with the advice of Counsel, reasonable expenses shall not include the expenses of any person other than a designated representative of a Member, an alternate, or a person invited by the Oversight Committee or by the Chairperson to attend an Oversight Committee meeting or participate in an

Oversight Committee-related function. Requests for reimbursement shall be itemized and reasonably detailed, and shall include receipts where practicable.

4.6. Amendments. These By-Laws may be amended, repealed or adopted by the vote of a majority of the Members of the Oversight Committee entitled to vote.

4.7. Execution of These By-Laws. These By-Laws may be executed in any number of counterparts, each of which shall constitute an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to these By-Laws by telecopier or email shall be as effective as delivery of a manually-executed counterpart of a signature page of these By-Laws.

IN WITNESS WHEREOF, the undersigned Members have executed these By-Laws on this ____ day of _____, 2021.

EXHIBIT C
Assumed Contracts

ASSUMED CONTRACTS

COUNTERPARTY	CONTRACT	CURE AMOUNT
Insperity Professional Employee Org.	Health Insurance Services	\$0

AGREEMENT

THIS AGREEMENT (“this Agreement”) is made and entered into by and among the following parties (“the Parties”): James A. Bartholomew, Chapter 11 Trustee (“the Trustee”) for Globe University (“Globe”) and Minnesota School of Business (“MSB”), the State of Minnesota by and through its Attorney General Keith Ellison (“the State”), Terry L. Myhre and Kathryn M. Myhre, on behalf of the equity owners of MSB and Globe (“the Myhres”), the United States Department of Education (“Education”), and Tamara Blanchette, plaintiff in the matter *Blanchette v. DeVos*, 19-cv-1774 (D.D.C.) (“Blanchette”).

Recitals

A. On November 20, 2019, MSB and Globe filed petitions seeking protection under Chapter 11 of the United States Bankruptcy Code 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), in the cases entitled *In re Minn. Sch. of Bus.*, No. 19-33629 (Bankr. D. Minn.), and *In re Globe Univ., Inc.*, No. 19-33629 (Bankr. D. Minn.) (the “Bankruptcy Cases”).

B. On May 13, 2020, James A. Bartholomew was appointed as Chapter 11 Trustee in the Bankruptcy Cases and continues to serve as the Trustee.

C. Prior to the Bankruptcy Cases, the State and the Debtors were parties to a pre-petition civil enforcement action brought by the State against MSB and Globe in Hennepin County District Court, entitled *Minnesota v. Minnesota School of Business, Inc. et al.*, Case No. 27-cv-14-12558 (the “State’s Litigation”), in which the State, acting in its *parens patriae* authority and Minn. Stat. § 8.31, sought restitution for former students in MSB’s and Globe’s criminal justice program (the “Former MSB/Globe Students”).

D. On September 9, 2016, the Hennepin County District Court issued its Findings of Fact, Conclusions of Law, and Order (the “FFCLO”), finding that MSB and Globe violated the Minnesota Consumer Fraud Act, Minn. Stat. § 325F.69, and Deceptive Trade Practices Act, Minn. Stat. § 325D.44, in its marketing, recruitment, and advertising of its criminal justice program. The court subsequently issued a Second Amended Order for Restitution on July 21, 2017, in which it established a process for Former MSB and Globe Students to submit claims in order to qualify for payment of restitution.

E. Certain Former MSB/Globe Students, identified in Attachment A to this Agreement (the “Participating Students”), testified at the trial in the State’s Litigation or submitted claims to participate in restitution awarded to the State.

F. The State filed Claim No. 95 in the MSB bankruptcy case and Claim No. 9 in the Globe bankruptcy case (together, “the State’s Claims”) asserting claims arising from the State’s Litigation.

G. After MSB and Globe objected to the State’s Claims, the parties to such objections entered into a compromise, approved by the Bankruptcy Court on December 22, 2020, pursuant to which the State was granted an allowed unsecured claim in the amount of \$35,000,000 in the Bankruptcy Cases.

H. The restitution awarded to the State as part of the State's Litigation includes, among other amounts, refunds to Participating Students of amounts financed through federal student loans from (or guaranteed by) Education and owed by Participating Students, including but not limited to costs, fees, interest and other charges, for attendance at MSB and Globe between 2009 and 2016 (the "Federal Loan Obligations"), as well as reimbursement of amounts paid by Participating Students on those loans.

I. Based on limited student loan data held and provided by Education, MSB's and Globe's tuition and payment records, and payment information provided to the State by student loan servicers related to the Federal Loan Obligations, the Trustee has reasonably estimated past payments made to or collected by Education, whether voluntarily or involuntarily, towards the Participating Students' Federal Loan Obligations (the "Federal Loan Restitution").

J. The Debtors, in their schedules of assets and liabilities filed in the Bankruptcy Cases, scheduled an unliquidated and disputed claim in favor of Education for chargebacks of potential discharged student loans.

K. Education filed Claim No. 8 in the Globe bankruptcy case and Claim No. 60 in the MSB bankruptcy case asserting that MBS and Globe owed Education \$1,852,889 due to the discharge of federal student loans made or guaranteed by Education due to MSB's and Globe's closure (together, "Closed School Discharge Claim").

L. After MSB and Globe objected to the Closed School Discharge Claim, MSB, Globe, and Education entered into a compromise (the "Closed School Discharge Compromise"), approved by the Bankruptcy Court on October 16, 2020, pursuant to which Education was granted an allowed claim of \$1,350,000 and was permitted to offset \$331,039.38 in funds owed Globe against this claim, resulting in a remaining Closed School Discharge Claim in the amount of \$1,018,960.62.

M. Education is party to litigation brought by Blanchette against Education on June 18, 2019, entitled *Blanchette v. DeVos*, No. 19-cv-1775 (D.D.C.) (the "*Blanchette* Litigation"), in which Blanchette (who is a Participating Student), on behalf of herself and a putative class of Former MSB/Globe Students, alleges that their Federal Loan Obligations are subject to "borrower defense discharge applications" pursuant to 34 C.F.R. § 685.206 and § 685.222, rendering such loan obligations unenforceable against Former MSB/Globe Students, and that Education unlawfully subjected Former MSB/Globe Students to involuntary collection procedures based on the Federal Loan Obligations.

N. Education has agreed to treat the Participating Students as having filed borrower defense discharge applications. As a result, each of the Participating Students has a borrower defense discharge application on file with Education.

O. Education, in connection with a denial of recertification of MSB and Globe as Title IV lenders issued on December 6, 2016, reviewed relevant documents from the Minnesota Litigation, including the FFCLD and the Second Amended Restitution Order, and determined that such Orders established that MSB and Globe, inter alia: (1) committed fraud involving federal student loan program funds; and (2) substantially misrepresented the nature

of its criminal justice program and the employability of criminal justice program graduates. Education is adjudicating Participating Students' borrower defense discharge applications based on these violations of Minnesota law.

P. Education contends that it holds contingent claims against the Estate and the Myhres for reimbursement, should it grant borrower defense discharges to the Participating Students (the "Borrower Defense Liabilities"). The Myhres, Debtors, and Chapter 11 Trustee contend that Education is not entitled to any such claims based on, among other possible defenses, a release of claims in the Closed School Discharge Compromise.

Q. The Trustee and Debtors filed on March 15, 2021, a Joint Chapter 11 Plan of Reorganization, as modified on April 29, 2021 (the "Plan")¹ under which one hundred percent (100%) of all allowed unsecured claims shall be paid after Substantial Consummation, subject to the terms set forth in this Agreement. As set forth in the Plan, the Debtors and Myhres must provide full Funding on or before the Funding Deadline in order for Substantial Consummation to occur.

R. The Parties wish to obtain certainty and alleviate the substantial risks, costs, and delays associated with further litigation and/or collection related to the matters described herein.

S. The Parties have negotiated a fair and global resolution of the matters referenced in this Agreement and have executed this Agreement subject to approval of the Bankruptcy Court.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties agree as follows:

1. Confirmation of Chapter 11 Plan. The Trustee and Debtors shall seek confirmation of the Plan paying and satisfying in full one hundred percent (100%) of all allowed unsecured claims after Substantial Consummation. This Agreement shall be attached as an Exhibit to the Plan or included with a plan supplement to be filed prior to confirmation of the Plan, and the provisions of the Plan shall incorporate the material terms of this Agreement. MSB, Globe, and the Myhres agree to cooperate with the Trustee's efforts to confirm and fund the Plan.

2. Adjustment to State's Allowed Claim. Except in the case of default as provided in paragraph 10 below and as otherwise provided in this paragraph, the Allowed State Claim is hereby reduced by \$19,198,121 and is hereby allowed in the amount of \$15,801,879 (the "State's Adjusted Allowed Claim"). In addition, any BDDC Adjustment Amount (as described in paragraph 4 below) shall be added to the State's Adjusted Allowed Claim up to a maximum of \$7,000,000. The State will allocate the BDDC Adjustment Amount to the Participating Students

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

whose borrower defense discharge application are denied or whose loans are not discharged or released for other reasons, as additional restitution on account of the outstanding amount of the Participating Students' Federal Loan Obligations. The amount paid on the State's Adjusted Allowed Claim will be distributed by the State, or agent authorized by the Plan, to the Participating Students as determined by the Attorney General pursuant to Minn. Stat. § 8.31. Distributions by the State to Participating Students will include the Federal Loan Restitution. The Trustee and the State may also agree to permit the Trustee (or other agent designated under the Plan) to remit such amounts determined in the Attorney General's discretion directly to the Participating Students from the Disbursing Account or as otherwise allowed by the Plan. The State, Trustee and/or other agent designated under the Plan shall use all reasonable efforts to make Federal Loan Restitution payments to Participating Students, and shall provide a certification (the "Payment Certification") in writing within thirty (30) days after the Funding Date designated in the Plan, specifying: (1) the payments of Federal Loan Restitution that have been made to Participating Students; and (2) any payments have not been released to Participating Students and the reason such payments have not been released.

3. Borrower Defense Discharges or Release. Education's receipt of any payment for its Borrower Defense Discharge Claim (as defined in Paragraph 4 below) is conditioned on it completing adjudication of all Participating Students' borrower defense discharge applications ("Discharge Determinations"). If Education is unable to complete Discharge Determinations within thirty (30) days after Substantial Consummation, Education shall provide written notice to the parties to this Agreement, indicating the Discharge Determinations that have not been made and its projected time for completing such Discharge Determinations. If any Participating Student's borrower defense discharge application is denied as part of the Discharge Determination, Education may, to the extent permitted by federal law, review and determine whether such Participating Student's Federal Loan Obligations can be discharged or released for any other reason ("Supplemental Determination").

4. Stipulated Claim Allowance to Education. Education is hereby granted a stipulated allowed general unsecured claim of \$7,000,000 for the Participating Students' Borrower Defense Liabilities against each of MSB and Globe (the "Borrower Defense Discharge Claim"), provided that the United States is not waiving, and may exercise at any time, all rights of setoff or recoupment that it may hold concerning such claim, and the Borrower Defense Discharge Claim shall be treated as secured to the extent of such right, if any, and provided further, that in no event shall Education be entitled to receive more than \$7,000,000 in cash and the value of any such setoff or recoupment against the Borrower Defense Discharge Claim. Education's Borrower Defense Discharge Claim will be against both MSB's and Globe's bankruptcy estates, provided that Education is only entitled to a single satisfaction and recovery for the Borrower Defense Discharge Claim. The United States shall provide written notice to all parties to this Agreement upon completion of all the Discharge Determinations and Supplemental Determinations, and the Trustee shall then pay in cash the Borrower Defense Discharge Claim amount as adjusted, if any as provided herein, or satisfied through setoff or recoupment within fourteen (14) days after such notice, provided that, if Education denies any Participating Student's borrower defense discharge application as part of the Discharge Determination and does not discharge or release the Participating Student's loan as part of the Supplemental Determination, Education's total Borrower Defense Discharge Claim shall be

reduced by the amount of the Participating Student's outstanding Federal Loan Obligation at the time of Education's adjudication ("BDDC Adjustment Amount"). In the event the Plan is not Funded by the Funding Deadline, Education will not be entitled to the Borrower Defense Discharge Claim through this Agreement, but reserves the right, if any, to assert any claims relating to any Borrower Defense Liability.

5. Education's Closed School Loan Discharge Claims. The Borrower Defense Discharge Claim is separate from and does not subsume the Closed School Discharge Claim. This Agreement does not alter or amend the Closed School Discharge Compromise. In the event Substantial Consummation occurs under the Plan, the Closed School Discharge Claim shall be paid in full within fourteen (14) days following Substantial Consummation.

6. Education's Release. Except as provided below in paragraph 7, upon Substantial Consummation, Education releases and forever discharges the Trustee in his capacity as Trustee of the bankruptcy estates of the Debtors; MSB; Globe; all current and former officers, directors, and employees of MSB and Globe; and the Myhres from any and all Participating Students' Borrower Defense Liabilities. The release provided for in this paragraph shall in no way affect, alter, limit, extend, or ratify the release of claims provided by Education in the Closed School Discharge Compromise.

7. Limitation on Release. The release provided in paragraph 6 does not release or affect any other claim, liability, or cause of action of the United States not the subject of such releases, and without any party conceding the existence or merits thereof, the United States does not release any other claim, liability, or cause of action for: (i) any civil, criminal, or administrative liability arising under Title 26 of the United States Code (the Internal Revenue Code); (ii) any criminal liability; (iii) any liability under subchapter III of chapter 37 of Title 31 of the United States Code; (iv) any liability that is based on conduct in violation of antitrust laws; (v) any claim of any agency of the United States of America other than Education, or any of the mutual obligations in this Agreement.

8. Dismissal of *Blanchette* Litigation. No later than ten (10) days following Education's discharge of the Federal Loan Obligations described in this Agreement (including any loan obligation owed to Education by Blanchette) and Blanchette's receipt of her portion of any restitution amount paid pursuant to the State's Adjusted Allowed Claim, Blanchette and Education shall prepare and file such documents as are necessary to effectuate a dismissal of the *Blanchette* Litigation with prejudice.

9. Blanchette's Release. Effective upon Education's discharge of Federal Loan Obligations as described in paragraph 3 (including any loan obligation owed to Education by Blanchette) and Blanchette's receipt of her portion of any amount paid pursuant to the State's Adjusted Allowed Claim, Blanchette hereby releases and forever discharges Education, together with its predecessors, representatives, independent contractors, agents, assigns, and successors in interest, from any and all actions, causes of actions, claims, suits, proceedings, known or unknown, which she hereto ever had, now has, or may have or shall have, arising out of or resulting from any claim made by Blanchette, or that could have been made by Blanchette, in

connection with or related in any way to her portion of the Federal Loan Obligations, including the claims she has asserted in the *Blanchette* Litigation.

10. Bankruptcy Court Approval/Effectiveness. This Agreement will be incorporated into the Plan. The terms of this Agreement and the effectiveness thereof are subject to and conditioned upon either a final, non-appealable order of the Bankruptcy Court: (1) approving the terms of this Agreement and authorizing the Trustee to enter into the Agreement; or (2) confirming the Plan, provided that the order approves the terms of this Agreement and authorizes the Trustee to enter into the Agreement.

11. Condition Precedent to Effectiveness. The occurrence of Substantial Consummation under the Plan is a condition to the effectiveness of this Agreement, and the failure of such condition shall constitute a default under this Agreement. Upon such a default, the terms of this Agreement (including, without limitation, the releases contained herein and the adjustment of the State's Allowed Claim) will have no further force or effect, and the rights and obligations of the parties shall revert to their pre-settlement positions.

12. Execution and Delivery. This Agreement may be executed in counterparts, which taken together shall constitute one agreement binding on all the Parties. Electronically transmitted signatures shall be valid and binding to the same extent as signatures delivered in original. In making proof of this Agreement, it will be necessary to produce only one copy signed (or reproduced from an electronically delivered signature) by the Party to be charged.

13. Amendment to the November 27 Agreement. Except as set forth in this Agreement, the November 27 Agreement between the Trustee, the State, and the Myhres remains in full force and effect in accordance with its terms. If there is a conflict between this Agreement and the November 27 Agreement, the terms of this Agreement shall prevail.

14. Integrated Agreement. This Agreement constitutes all agreements, covenants, representations, and warranties, express or implied, oral or written, of the Parties; all prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties are merged herein; and this is an integrated agreement. This Agreement may not be enlarged, modified or altered, except in a writing signed by all the Parties hereto expressly referencing this Agreement.

15. No Presumption against Drafter. Each Party acknowledges that, with the assistance of counsel, it has participated in the drafting of this Agreement. The Parties agree that this Agreement has been negotiated at arm's length by parties of equal bargaining power, each of whom was represented by competent counsel of its own choosing. None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

16. Capacity. Each Party declares and represents that it is competent to execute this instrument and that it is duly authorized, and has the full right and authority, to execute this Agreement on behalf of the Party for whom he or she is signing.

17. Governing Law and Enforcement. This Agreement and any interpretation of this Agreement shall be governed by Federal law. To the extent that state law would inform the Federal rule of decision, the applicable state law to inform the Federal rule of decision shall be the laws of the State of Minnesota. The Bankruptcy Court retains jurisdiction to interpret and enforce this Agreement.

(signature pages follow)

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Dated: July 15, 2021

(b)(6) _____
MENT OF JUSTICE

Augustus T. Curtis
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Robert C. Merritt
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Attorneys for the United States
Department of Education

Dated: _____, 2021

KEITH ELLISON
Minnesota Attorney General

BY: ADAM WELLE
Assistant Attorney General
445 Minnesota Street, Suite 120
St Paul, MN 55101
adam.welle@ag.state.mn.us
(651) 757-1425

Attorneys for the State of Minnesota, Attorney
General Keith Ellison

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Dated: _____, 2021

UNITED STATES DEPARTMENT OF JUSTICE

Augustus T. Curtis
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Robert C. Merritt
Trial Attorney
United States Department of Justice
Civil Division
1100 L. Street NW
Washington D.C. 20005
(202 598-7524

Attorneys for the United States
Department of Education

Dated: June 9, 2021

KEITH ELLISON
Minnesota Attorney General

(b)(6)

BY: ADAM WELLE
Assistant Attorney General
445 Minnesota Street, Suite 120
St Paul, MN 55101
adam.welle@ag.state.mn.us
(651) 757-1425

Attorneys for the State of Minnesota, Attorney
General Keith Ellison

Globe University, Inc.

Dated June 10, 2021

(b)(6) (b)(6)
James Bartholomew
Chapter 11 Trustee

Minnesota School of Business, Inc.

Dated June 10, 2021

(b)(6) (b)(6)
James Bartholomew
Chapter 11 Trustee

Dated: _____, 2021

Terry L. Myhre, on behalf of himself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

Dated: _____, 2021

Kathryn M. Myhre, on behalf of herself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

Dated: _____, 2021

Robyn K. Bitner (D.C. Bar No. 1617036)
NATIONAL STUDENT LEGAL DEFENSE NETWORK
1015 15th Street N.W., Suite 600
Washington, D.C. 20005
Telephone: (202) 734-7496
E-mail: robyn@defendstudents.org

Attorney for Tamara Blanchette

Globe University, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

Minnesota School of Business, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

(b)(6)

Dated: June 9, 2021

Terry L. Myhre, on behalf of himself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

(b)(6)

Dated: June 9, 2021

Kathryn M. Myhre, on behalf of herself and the equity owners of Minnesota School of Business, Inc. and Globe University, Inc.

Dated: _____, 2021

Robyn K. Bitner (D.C. Bar No. 1617036)
NATIONAL STUDENT LEGAL DEFENSE
NETWORK
1015 15th Street N.W., Suite 600
Washington, D.C. 20005
Telephone: (202) 734-7496
E-mail: robyn@defendstudents.org

Attorney for Tamara Blanchette

Globe University, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

Minnesota School of Business, Inc.

Dated: _____, 2021

James Bartholomew
Chapter 11 Trustee

Dated: _____, 2021

Terry L. Myhre, on behalf of himself and the equity
owners of Minnesota School of Business, Inc. and
Globe University, Inc.

Dated: _____, 2021

Kathryn M. Myhre, on behalf of herself and the
equity owners of Minnesota School of Business,
Inc. and Globe University, Inc.

Dated: June 9, 2021

(b)(6)

Robyn K. Bitner (D.C. Bar No. 1617036)
NATIONAL STUDENT LEGAL DEFENSE
NETWORK
1015 15th Street N.W., Suite 600
Washington, D.C. 20005
Telephone: (202) 734-7496
E-mail: robyn@defendstudents.org

Attorney for Tamara Blanchette

Joanna

From: Comen, Deven <Deven.Comen@ed.gov>
Sent: Friday, July 16, 2021 3:09 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Hi all,

Just had a quick sync with Kelly and Rachel. (b)(5)
(b)(5)

Thanks all,

Deven

Deven Comen (she/her)
(b)(6) | deven.comen@ed.gov

From: Comen, Deven
Sent: Friday, July 16, 2021 10:26 AM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

(b)(5)

Deven

Deven Comen (she/her)
(b)(6) | deven.comen@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Friday, July 16, 2021 7:27 AM

To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

(b)(5)

Joanna

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Sent: Friday, July 16, 2021 6:51 AM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

<https://www.washingtonpost.com/education/2021/07/15/corinthian-colleges-students-loan-cancellation/>

Hi Joanna,

Just noticed the above in our clips. (b)(5)

Thanks,
Kelly

P.S. Clare, thanks for your draft! (b)(5)

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Thursday, July 15, 2021 10:43 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

See attached for a draft. (b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 8:04 PM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Ok, Clare is going to assist!

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Sent: Thursday, July 15, 2021 7:51 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Yes. (b)(5)

(b)(5) The sooner the better. Thanks!

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 7:49 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Ok so if we do that timing, (b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 7:22 PM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: Re: Vara Updates & Options

In general, that timeline sounds good (b)(5)

(b)(5)

Joanna

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Sent: Thursday, July 15, 2021 7:01:31 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

We didn't land. (b)(5)
(b)(5) But we'd need a solid draft no later than Monday. (b)(5)
(b)(5)
(b)(5) Happy to try and make this work.

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 6:15 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Sorry where did we land (b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 2:46 PM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

(b)(5)

Thanks!

Joanna

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Sent: Thursday, July 15, 2021 2:44 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>
Subject: RE: Vara Updates & Options

Joanna, (b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 2:41 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>

Subject: RE: Vara Updates & Options

Hi all,

Here's what I've just heard:

(b)(5)

Thanks,

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 2:13 PM

To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>

Subject: RE: Vara Updates & Options

I think I do, let me see.

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>

Sent: Thursday, July 15, 2021 1:51 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Comen, Deven <Deven.Comen@ed.gov>; Thomas, Rachel <Rachel.Thomas@ed.gov>

Subject: RE: Vara Updates & Options

(b)(5)

(b)(5)

(b)(5)

I'll standby to learn more about what is possible.

+Deven and Rachel for awareness.

Thanks, All.

From: Leon, Kelly S.

Sent: Thursday, July 15, 2021 1:10 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: RE: Vara Updates & Options

Hi, I'm working on something time sensitive but will jump in here to give you my take on the

(b)(5)

question ASAP. (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 12:56 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: RE: Vara Updates & Options

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 12:40 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: RE: Vara Updates & Options

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 12:39 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: RE: Vara Updates & Options

(b)(5)

(b)(5)

Thanks,

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 12:01 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: Re: Vara Updates & Options

Ok. (b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 11:59:55 AM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: RE: Vara Updates & Options

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Subject: Re: Vara Updates & Options

(b)(5)

(b)(5)

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 11:51:59 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>
Subject: RE: Vara Updates & Options

Here's the final version—just received. FYI.

Joanna

From: Darcus, Joanna
Sent: Thursday, July 15, 2021 11:29 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>
Subject: RE: Vara Updates & Options

Hi Kelly,

Here's the latest draft of the decision announcement. It's not yet final, (b)(5)

(b)(5)

Thanks,

Joanna

From: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Sent: Thursday, July 15, 2021 10:19 AM
To: Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>
Subject: RE: Vara Updates & Options

Can I see a copy of the draft decision announcement?

From: Morgan, Julie <Julie.Morgan@ed.gov>
Sent: Wednesday, July 14, 2021 7:53 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Re: Vara Updates & Options

(b)(5)

- copying Kelly here for her thoughts.

On Jul 14, 2021, at 6:19 PM, Darcus, Joanna <Joanna.Darcus@ed.gov> wrote:

Hi Julie and Ben,

I've attached a draft of the decision announcement that will (once final) replace the one that's currently on FSA's website. (b)(5)

(b)(5)

Thanks,

Joanna

<Vara Decision Announcement draft 7 13 21 jd nv.docx>

From: [Bradshaw, Jim](#)
To: [Leon, Kelly S.](#)
Cc: [Harmoush, Vanessa](#); [Betancourt, Alberto](#)
Subject: Re: Washington Post
Date: Friday, July 16, 2021 8:40:24 AM

Thanks, Kelly.

Jim

On Jul 16, 2021, at 5:42 AM, Leon, Kelly S. <Kelly.S.Leon@ed.gov> wrote:

yes

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 9:53 PM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: FW: Washington Post

Hi, Kelly – (b)(5)

(b)(5)

(b)(5)

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 9:48 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 9:46:30 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

Thanks, Joanna. (b)(5)

(b)(5)

Jim

On Jul 15, 2021, at 7:08 PM, Darcus, Joanna <Joanna.Darcus@ed.gov> wrote:

(b)(5)

(b)(5)

Joanna Darcus

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 6:10:09 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Joanna, (b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 6:07 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa

<Vanessa.Harmoush@ed.gov>; Betancourt, Alberto
<Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi, all – We shared the statement below with Danielle Douglas-Gabriel at the Washington Post (Danielle.Douglas@washpost.com). She said thanks and asked, “When did the department agree to grant ‘stay of proceedings?’”

Any preference on a response? Thanks.

Jim

“The Department of Education is committed to making existing cancellations authorities work better for borrowers. We’ve already taken steps on this front, such as rescinding formulas that granted insufficient partial relief for approved borrower defense claims and documentation requirements for those with a total and permanent disability discharge. With respect to bankruptcy, the Department is committed to reviewing its 2015 guidance on undue hardship student loan discharges in bankruptcy proceedings, as well as other policies related to such proceedings to assess the types of changes that might better protect borrowers.

“While that review work continues, the Department also recognizes the added challenges, including risks to personal health, that come from the ongoing pandemic. That is why the Education Department has agreed and will continue to agree to any stay of proceedings requested by the plaintiff in bankruptcy actions at least through the end of the pause on student loan payment and involuntary collection, currently set to expire on Sept. 30, 2021 (and updates on student loan relief can be found at studentaid.gov).”

From: Bradshaw, Jim

Sent: Thursday, July 15, 2021 3:36 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Thanks, Toby, Ben and others. (b)(5)

(b)(5) Many thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>

Sent: Thursday, July 15, 2021 2:08 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby

Sent: Thursday, July 15, 2021 2:06 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 1:33 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>

Sent: Thursday, July 15, 2021 1:31 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Joanna, (b)(5)
(b)(5)

--
Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov
(b)(6)

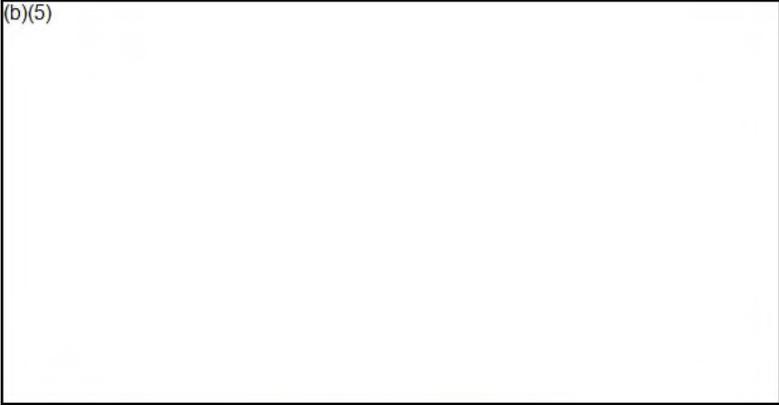
From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 1:30 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Sounds good, Ben. (b)(5)
(b)(5) Appreciate the help.

Jim

(b)(5)

(b)(5)



From: Miller, Benjamin <Benjamin.Miller@ed.gov>

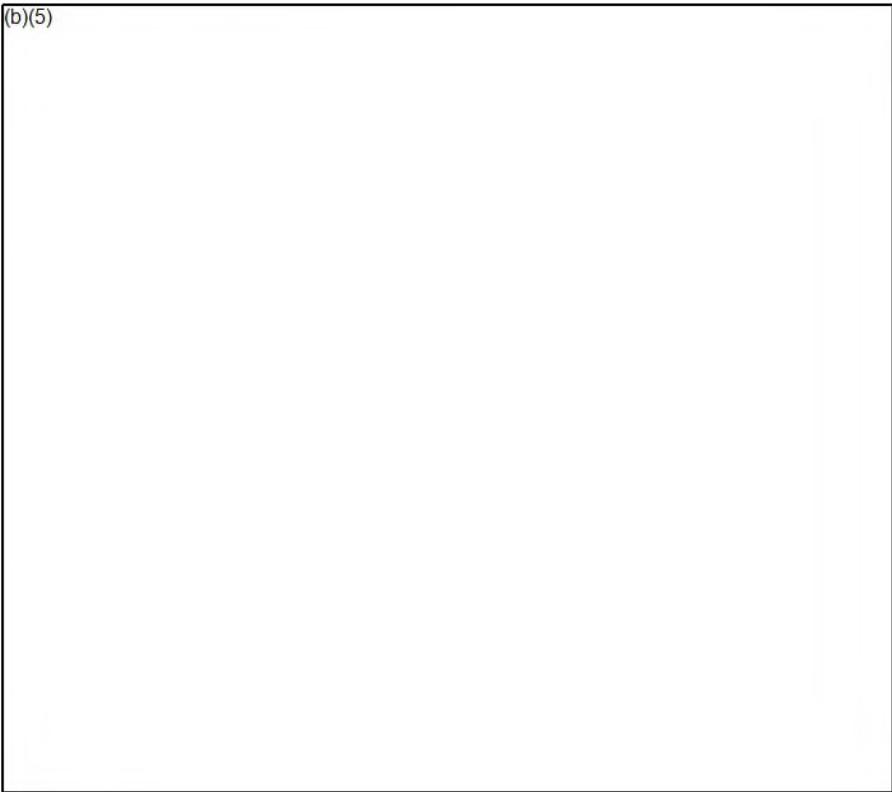
Sent: Thursday, July 15, 2021 11:59 AM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)



Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie

Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 10:50:05 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 8:18 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Monday, July 12, 2021 7:45:43 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 4:37:30 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

(b)(5)

Joanna

From: Darcus, Joanna
Sent: Monday, July 12, 2021 4:02 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie

<Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi all,

(b)(5)

(b)(5)

(b)(5)

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 3:38 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

(b)(5)

(b)(5)

(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 1:09 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Monday, July 12, 2021 12:53 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

What's our timeline?

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Monday, July 12, 2021 12:52 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:51 PM
To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have

(b)(5)

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Williams, Rich <Rich.Williams@ed.gov>
Sent: Monday, July 12, 2021 12:47 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:39 PM
To: Williams, Rich <Rich.Williams@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.
I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.
Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.
Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

From: Leon, Kelly S.
Sent: Thu, 15 Jul 2021 20:43:57 +0000
To: Bradshaw, Jim
Cc: Harmoush, Vanessa;Betancourt, Alberto
Subject: RE: Washington Post

(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 4:36 PM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, Kelly – (b)(5)

(b)(5)

(b)(5) As a refresher, Danielle is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

Here are her questions:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim

From: Bradshaw, Jim
Sent: Thursday, July 15, 2021 3:36 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Thanks, Toby, Ben and others. (b)(5) Many thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>
Sent: Thursday, July 15, 2021 2:08 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby
Sent: Thursday, July 15, 2021 2:06 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 1:33 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Thursday, July 15, 2021 1:31 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Joanna, (b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 1:30 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 11:59 AM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

(b)(5)

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie

Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 10:50:05 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post

(Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5) Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Monday, July 12, 2021 8:18 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
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(b)(5)

(b)(5)

Ben Miller

(b)(6)

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Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

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Sent: Monday, July 12, 2021 12:51 PM

To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare

<Clare.E.McCann@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw

U.S. Department of Education | Press Office

Washington

202-401-2310 | (b)(6)

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Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams

Chief of Staff

Office of Postsecondary Education

U.S. Department of Education

Pronouns: he, him, his

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Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Washington Post

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Good afternoon. Kelly asked us to check with you. (b)(5)

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Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
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Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

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Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.
I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.
Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.
Kelly

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Subject: Bankruptcy

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Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

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Sent: Thu, 15 Jul 2021 15:58:54 +0000
To: Bradshaw, Jim;Darcus, Joanna;Mccann, Clare;Williams, Rich;Morgan, Julie
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Office of the Under Secretary
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Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

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Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
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Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

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To: Williams, Rich
Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto
Subject: Washington Post

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Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

From: Leon, Kelly S.
Sent: Fri, 16 Jul 2021 09:42:51 +0000
To: Bradshaw, Jim
Cc: Harmoush, Vanessa;Betancourt, Alberto
Subject: RE: Washington Post

yes

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 9:53 PM
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Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
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Benjamin.Miller@ed.gov

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Thanks, Joanna. (b)(5)

(b)(5)

Jim

On Jul 15, 2021, at 7:08 PM, Darcus, Joanna <Joanna.Darcus@ed.gov> wrote:

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Subject: RE: Washington Post

Joanna, (b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 6:07 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, all – We shared the statement below with Danielle Douglas-Gabriel at the Washington Post (Danielle.Douglas@washpost.com). She said thanks and asked, “When did the department agree to grant ‘stay of proceedings?’”

Any preference on a response? Thanks.

Jim

“The Department of Education is committed to making existing cancellations authorities work better for borrowers. We’ve already taken steps on this front, such as rescinding formulas that granted insufficient partial relief for approved borrower defense claims and documentation requirements for those with a total and permanent disability discharge. With respect to bankruptcy, the Department is committed to reviewing its 2015 guidance on undue hardship

student loan discharges in bankruptcy proceedings, as well as other policies related to such proceedings to assess the types of changes that might better protect borrowers.

“While that review work continues, the Department also recognizes the added challenges, including risks to personal health, that come from the ongoing pandemic. That is why the Education Department has agreed and will continue to agree to any stay of proceedings requested by the plaintiff in bankruptcy actions at least through the end of the pause on student loan payment and involuntary collection, currently set to expire on Sept. 30, 2021 (and updates on student loan relief can be found at studentaid.gov).”

From: Bradshaw, Jim

Sent: Thursday, July 15, 2021 3:36 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Thanks, Toby, Ben and others. (b)(5) Many thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>

Sent: Thursday, July 15, 2021 2:08 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby
Sent: Thursday, July 15, 2021 2:06 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 1:33 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Thursday, July 15, 2021 1:31 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie

<Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Joanna, (b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 1:30 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;
Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:59 AM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare

<Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie

Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 10:50:05 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 8:18 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;

Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 7:45:43 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 4:37:30 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

Joanna

From: Darcus, Joanna

Sent: Monday, July 12, 2021 4:02 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi all,

(b)(5)

(b)(5)

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Monday, July 12, 2021 3:38 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

(b)(5)

(b)(5)

(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 1:09 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Monday, July 12, 2021 12:53 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

What's our timeline?

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Monday, July 12, 2021 12:52 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:51 PM
To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Williams, Rich <Rich.Williams@ed.gov>
Sent: Monday, July 12, 2021 12:47 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:39 PM
To: Williams, Rich <Rich.Williams@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.
I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.
Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.
Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

From: Bradshaw, Jim
Sent: Fri, 16 Jul 2021 01:53:13 +0000
To: Leon, Kelly S.
Cc: Harmoush, Vanessa;Betancourt, Alberto
Subject: FW: Washington Post

Hi, Kelly – (b)(5)
(b)(5)
(b)(5) Thanks.

Jim

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 9:48 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 9:46:30 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Miller, Benjamin <Benjamin.Miller@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

Thanks, Joanna. (b)(5)
(b)(5)

Jim

On Jul 15, 2021, at 7:08 PM, Darcus, Joanna <Joanna.Darcus@ed.gov> wrote:

(b)(5)

Joanna Darcus

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 6:10:09 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Joanna, (b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 6:07 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, all – We shared the statement below with Danielle Douglas-Gabriel at the Washington Post (Danielle.Douglas@washpost.com). She said thanks and asked, “When did the department agree to grant ‘stay of proceedings?’”

Any preference on a response? Thanks.

Jim

“The Department of Education is committed to making existing cancellations authorities work better for borrowers. We’ve already taken steps on this front, such as rescinding formulas that granted insufficient partial relief for approved borrower defense claims and documentation requirements for those with a total and permanent disability discharge. With respect to bankruptcy, the Department is committed to reviewing its 2015 guidance on undue hardship student loan discharges in bankruptcy proceedings, as well as other policies related to such proceedings to assess the types of changes that might better protect borrowers.

“While that review work continues, the Department also recognizes the added challenges, including risks to personal health, that come from the ongoing pandemic. That is why the Education Department has agreed and will continue to agree to any stay of proceedings requested by the plaintiff in bankruptcy actions at least through the end of the pause on student

loan payment and involuntary collection, currently set to expire on Sept. 30, 2021 (and updates on student loan relief can be found at studentaid.gov)."

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Sent: Thursday, July 15, 2021 3:36 PM

To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Thanks, Toby, Ben and others.

(b)(5)

Many

thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>

Sent: Thursday, July 15, 2021 2:08 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby

Sent: Thursday, July 15, 2021 2:06 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 1:33 PM

To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>

Sent: Thursday, July 15, 2021 1:31 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Joanna, (b)(5)

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 1:30 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 11:59 AM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Thursday, July 15, 2021 11:53 AM

To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie

Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>

Sent: Thursday, July 15, 2021 10:50:05 AM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 8:18 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

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(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

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Subject: RE: Washington Post

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(b)(5)

(b)(5)

(b)(5)

(b)(5)

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Sent: Monday, July 12, 2021 3:38 PM

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Subject: RE: Washington Post

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Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

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Subject: RE: Washington Post

What's our timeline?

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Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary

clare.e.mccann@ed.gov

(b)(6)

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Sent: Monday, July 12, 2021 12:51 PM
To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Williams, Rich <Rich.Williams@ed.gov>
Sent: Monday, July 12, 2021 12:47 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:39 PM
To: Williams, Rich <Rich.Williams@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.

I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.

Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.

Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

From: Gustafson, Haley
Sent: Fri, 14 Sep 2018 16:02:00 +0000
To: Fetalvo, Ninio J. EOP/WHO;Ditto, Jessica E. EOP/WHO;Flynn, Matthew J.
EOP/WHO;Paranzino, Anthony M. EOP/WHO;Goad, Robert T.
EOP/WHO;(b)(6)
Cc: Broadwater, Sara;Hill, Elizabeth;Bailey, Nathan;Nations, Kayla
Subject: ED Daily Comms Report 9.14
Attachments: ED Daily Comms Report 9.14.docx

Please see attached.

Thanks so much!

Haley Gustafson
United States Department of Education
Office of Communications and Outreach
400 Maryland Avenue, SW Washington, DC 20202
Office: 7w217
Phone: 202.453.7929
Email: haley.gustafson@ed.gov

U.S. Department of Education
WASHINGTON
9/14/2018

DAILY COMMUNICATIONS REPORT

TO: White House Cabinet Affairs Communications
FROM: Haley Gustafson
SUBJECT: Communications Update

Top Issues and Accomplishments

- **Friday, September 14**
 - Members of Senior Staff traveled to visit schools across the country as part of the Back to School Tour. States visited today: Ohio, Texas, Wyoming, Florida, South Dakota and Massachusetts

Press Release/ Op- Eds/ Media Advisory

[Media Advisory](#) announcing U.S. Secretary of Education Betsy DeVos to Deliver Remarks at the National Constitution Center's Annual Constitution Day Celebration

Clips of Note

[Soon After Arming Teachers Comments, US Education Official Visits Milwaukee School](#)

WUWM NPR Radio – Emily Files (audio included in link)

WUWM's Emily Files reports on Assistant Secretary of Education Frank Brogan's visit to a Milwaukee public school.

[Nearly 1 Million Students in 3 States to Miss Class as Hurricane Florence Bears Down on the Carolina Coast](#)

The 74 – Laura Fay

Nearly a million students will miss class this week because of hurricane-related school closures.

[Schools' language programs draw national attention](#)

Jackson Hole Daily – Kylie Mohr

Teton County schools had the largest percentage of English Language Learners in the state last year, making the district of interest to U.S. Department of Education Jose Viana.

Congressional spending deal would boost education funding

Politico (Subscription) – Michael Stratford

House and Senate negotiators have reached a deal on a government spending package that includes a boost for fiscal 2019 education funding—an increase even slightly higher than what appropriators in either chamber had proposed.

[Lawmakers Strike Deal on Education Spending, Omit Ban on Money for Guns](#)

ED Week – Andrew Ujifusa

The U.S. Department of Education would get a \$581 million increase in total funding, and programs for special education, career and technical education, and charter schools would also get more money, through a spending deal struck by lawmakers Thursday.

Prominent school choice group urges a 'no' vote on Arizona ballot question

Politico (Subscription) – Kimberly Hefling

A leading school choice group once headed up by Education Secretary Betsy DeVos is on the same side as public school advocates on a key ballot question in Arizona this fall.

[Judge Halts DeVos Move To Delay Help to Students](#)

New York Times – Stacy Cowley

A federal judge will rule Friday on how to address an improper decision by Education Secretary Betsy DeVos to freeze a plan to help student loan borrowers who were cheated by their schools.

[The War That Wasn't: A Year After Its Much-Hyped Launch, the NAACP's Push for a Charter School Moratorium Has Run Out of Steam](#)

The 74 – Beth Hawkins

A year ago, NAACP leaders announced a 50-state moratorium on new charter schools. What happened to it?

[Limiting the Debate](#)

Inside Higher ED – Andrew Kreighbaum

The Trump administration, which has frequently criticized colleges for not doing enough to protect free speech on campus, introduces a more expansive definition of anti-Semitism on campus. Civil liberties groups say it will result in the stifling of free speech.

[Due Process for Sexual Assault Cases](#)

Wall Street Journal – The Editorial Board

Opinion – The Sixth Circuit says the accused have a right to cross-examine.

[A Teacher-Recruitment Program Set Up to Fail](#)

National Review – Jason Delisle

Opinion - No one should be surprised that the federal TEACH Grant program is floundering.

From: Bradshaw, Jim
Sent: Thu, 15 Jul 2021 20:35:31 +0000
To: Leon, Kelly S.
Cc: Harmoush, Vanessa;Betancourt, Alberto
Subject: RE: Washington Post

Hi, Kelly – (b)(5)

(b)(5)

(b)(5) As a refresher, Danielle is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

Here are her questions:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

[Redacted content]

(b)(5) Thanks.

Jim

From: Bradshaw, Jim
Sent: Thursday, July 15, 2021 3:36 PM
To: Merrill, Toby <Toby.Merrill@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>;

Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Thanks, Toby, Ben and others.

(b)(5)

Many

thanks.

Jim

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>

Sent: Thursday, July 15, 2021 2:08 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby

Sent: Thursday, July 15, 2021 2:06 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Thursday, July 15, 2021 1:33 PM

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Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

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Subject: RE: Washington Post

(b)(5)

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

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Subject: RE: Washington Post

Sounds good, Ben.

(b)(5)

Appreciate the help.

Jim

(b)(5)

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Ben Miller

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Thanks.

Jim

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Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

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From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 12:51 PM
To: Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

OK, thanks, Rich. Julie and Clare, appreciate any guidance you might have on this.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

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To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Jim – This is an FSA topic so adding Julie and Clare. OGC may also have thoughts but defer to them.

Rich Williams
Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

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To: Williams, Rich <Rich.Williams@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Washington Post

Hi, Rich,

Good afternoon. Kelly asked us to check with you. (b)(5)

(b)(5)

Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is working on a story “about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment.”

So, the reporter asks:

1. Is there anything you can tell me about the department's policy during the pandemic?
2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

Any preference on how we handle? Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Leon, Kelly S.
Sent: Monday, July 12, 2021 11:52 AM
To: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

Hi Danielle.
I'm adding Vanessa and Jim to help out while on the road. In terms of the news this week.. off the record we'll have an announcement related to FAFSA tomorrow.
Vanessa and Jim I will follow up with you both in a moment on the bankruptcy thing.
Kelly

From: Douglas-Gabriel, Danielle <Danielle.Douglas@washpost.com>
Sent: Monday, July 12, 2021 11:48 AM
To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Kelly,

I hope you enjoyed your weekend. Any ETA on when I should expect something about the department's bankruptcy policy?

Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost

From: Miller, Benjamin
Sent: Thu, 15 Jul 2021 18:07:24 +0000
To: Merrill, Toby;Darcus, Joanna;Mccann, Clare;Bradshaw, Jim;Williams, Rich;Morgan, Julie
Cc: Leon, Kelly S.;Harmoush, Vanessa;Betancourt, Alberto
Subject: RE: Washington Post

(b)(5)

From: Merrill, Toby <Toby.Merrill@ed.gov>
Sent: Thursday, July 15, 2021 2:06 PM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi Clare, with thanks to Joanna and Dawn, (b)(5)

(b)(5)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>
Sent: Thursday, July 15, 2021 1:33 PM
To: Mccann, Clare <Clare.E.McCann@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Merrill, Toby <Toby.Merrill@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

+ Toby

(b)(5)

Joanna

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Thursday, July 15, 2021 1:31 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

(b)(5)

--
Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 1:30 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Sounds good, Ben. (b)(5) Appreciate the help.

Jim

(b)(5)

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 11:59 AM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Miller, Benjamin <Benjamin.Miller@ed.gov>
Sent: Thursday, July 15, 2021 11:53 AM
To: Bradshaw, Jim; Darcus, Joanna; Mccann, Clare; Williams, Rich; Morgan, Julie
Cc: Leon, Kelly S.; Harmoush, Vanessa; Betancourt, Alberto
Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Thursday, July 15, 2021 10:50:05 AM
To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Good morning, all. Danielle Douglas-Gabriel with the Washington Post (Danielle.Douglas@washpost.com) is checking back with us. As a refresher, she's working on a story "about the department contesting borrowers' attempts to discharge their student loans in bankruptcy during the pandemic. In light of the ongoing efforts to pause payments and garnishments, fighting hardship discharges in court seems counterintuitive at this moment."

(b)(5)

1. Is there anything you can tell me about the department's policy during the pandemic?

(b)(5)

2. Also, what is the status of the department's evaluation of its policy regarding undue hardship claims in bankruptcy? The previous administration started the review in 2018 [here](#).

(b)(5)

(b)(5)

Thanks.

Jim Bradshaw
U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 8:18 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann,

Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 7:45:43 PM

To: Darcus, Joanna <Joanna.Darcus@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: Re: Washington Post

(b)(5)

Ben Miller

(b)(6)

Benjamin.Miller@ed.gov

From: Darcus, Joanna <Joanna.Darcus@ed.gov>

Sent: Monday, July 12, 2021 4:37:30 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

Joanna

From: Darcus, Joanna

Sent: Monday, July 12, 2021 4:02 PM

To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>

Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

Hi all,

(b)(5)

(b)(5)

(b)(5)

(b)(5)

Joanna

From: Miller, Benjamin <Benjamin.Miller@ed.gov>

Sent: Monday, July 12, 2021 3:38 PM

To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>

Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>

Subject: RE: Washington Post

(b)(5)

(b)(5)

(b)(5)

(b)(5)

From: Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Sent: Monday, July 12, 2021 1:09 PM
To: Miller, Benjamin <Benjamin.Miller@ed.gov>; Mccann, Clare <Clare.E.McCann@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

Hi, Ben,

As far as timing, Danielle Douglas-Gabriel at the Post said she would like to hear from us: "By tomorrow afternoon would be great. I'd like to have the story to my editor by Wednesday morning at the latest."

Thanks.

Jim

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Subject: RE: Washington Post

What's our timeline?

From: Mccann, Clare <Clare.E.McCann@ed.gov>
Sent: Monday, July 12, 2021 12:52 PM
To: Bradshaw, Jim <Jim.Bradshaw@ed.gov>; Williams, Rich <Rich.Williams@ed.gov>; Morgan, Julie <Julie.Morgan@ed.gov>; Miller, Benjamin <Benjamin.Miller@ed.gov>; Darcus, Joanna <Joanna.Darcus@ed.gov>
Cc: Leon, Kelly S. <Kelly.S.Leon@ed.gov>; Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Betancourt, Alberto <Alberto.Betancourt@ed.gov>
Subject: RE: Washington Post

This has been Julie's thing but she's out this week. Adding Ben and Joanna in case they can provide any insights.

--

Clare McCann
Office of the Under Secretary
clare.e.mccann@ed.gov

(b)(6)

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Chief of Staff
Office of Postsecondary Education
U.S. Department of Education
Pronouns: he, him, his

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U.S. Department of Education | Press Office
Washington
202-401-2310 | (b)(6)

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Cc: Harmoush, Vanessa <Vanessa.Harmoush@ed.gov>; Bradshaw, Jim <Jim.Bradshaw@ed.gov>
Subject: RE: Bankruptcy

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To: Leon, Kelly S. <Kelly.S.Leon@ed.gov>
Subject: Bankruptcy

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Also, any higher ed news in the works this week?

Danielle Douglas-Gabriel

Washington Post

1301 K St. NW

Washington, DC 20071

(202) 334-9952

@DaniDougPost



National
Consumer Law
Center

NATIONAL HEADQUARTERS
7 Winthrop Square, Boston, MA 02110
(617) 542-8010

WASHINGTON OFFICE
Spanogle Institute for Consumer Advocacy
1001 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
(202) 452-6252

NCLC.ORG

Memorandum

To: U.S. Department of Education
From: John Rao and Persis Yu, National Consumer Law Center
Date: June 17, 2021
RE: Proposal to Implement Undue Hardship Safe Harbors

On May 14, 2021, the National Consumer Law Center and the National Association of Consumer Bankruptcy Attorneys submitted a letter to Secretary Cardona and COO Cordray urging the U.S. Department of Education to issue guidance adopting objectively defined criteria (“safe harbors”) for undue hardship for student loan borrowers seeking bankruptcy relief and instructing student loan servicers to consent to the discharge under those circumstances.

In operationalizing these safe harbors, the Department must prioritize the following principles:

1. Ensuring that borrowers for whom repayment of their student loans would be an undue hardship are able to have their loans discharged
2. Providing an easier and less costly avenue to pursue an undue hardship discharge so that the cost and process do not discourage borrowers from filing adversary proceedings in their bankruptcy cases
3. Providing consistent and clear standards for when the Department will not oppose undue hardship discharges, to reduce bias and discrimination

To meet these objectives, we recommend that the Department create a process to determine, before a borrower brings an adversarial proceeding, whether it will consent to a discharge. This should be based upon clearly and publicly available criteria, such as those identified in our May 14, 2021 letter.

The Department of Education utilized a similar process under the 2016 borrower defense regulations and in the Department’s interpretation of its prior regulations. Through that process; borrowers with FFEL Program loans, Perkins Loans, and several less common types of federal student loans could utilize the Direct Loan borrower defense process to seek relief so long as they were willing and able to consolidate into Direct Consolidation Loans.¹ Under this process,

¹ 34 C.F.R § 685.212(k)(2)(iv). See 81 Fed. Reg. 75,926, 75,961 (Nov. 1, 2016).

borrowers with FFEL Program loans and Perkins Loans could submit a borrower defense application directly to the Department. The Department would then make a preliminary determination. If it determined that the borrower qualified for a full or partial discharge, it would instruct the borrower to consolidate and apply that discharge to the Direct Consolidation Loan.

Similarly, borrowers who seek to discharge their federal student loans could submit documents to the Department of Education for a preliminary determination that they qualify for an undue hardship. Based on the outcome of that determination, when a borrower brings an adversarial proceeding, the Department would agree to the relief sought in the borrower's adversary complaint and would enter into a settlement agreement with the borrower.

In making the predetermination, the Department's regulations, guidance, and contracts should direct "federal student loan holders" (i.e., the Department, any guaranty agency, eligible lender or holder of a federal student loan, or any agent of these parties) to accept from the borrower reasonable proof that the borrower meets the criteria. This proof can include a written and sworn statement by the borrower made under penalty of perjury; the borrower's bankruptcy Schedules I and J and Schedule of Current Monthly Income; tax return transcripts for the relevant time period; verification of benefits from the Social Security Administration; or similar evidence.

The benefit of creating such a process would be:

1. Reduce costs of litigation for borrowers who qualify for an undue hardship;
2. Reduce litigation costs for the Department;
3. Increase access to bankruptcy as an option for borrowers who are discouraged from filing for bankruptcy because of the perceived impossibility of meeting the undue hardship standard, or because of the inability to find affordable and competent counsel to bring an adversarial proceeding.

The Department of Education's current process of determining whether to consent to a borrower's undue hardship petition has resulted in an extremely difficult and expensive process for even the most deserving borrowers, largely a consequence of the relentless litigation tactics employed by some student loan servicers or their agents. Failing to apply clear and transparent guidelines also leads to a potentially discriminatory outcome and could leave the Departments of Education and Justice vulnerable to potential civil rights litigation.

Thank you for your consideration of this proposal. We look forward to working with you to create an improved process to assist deserving student loan borrowers with access to their bankruptcy rights.

The rules specified that the following types of loans, if consolidated into a Direct Consolidation Loan, would be eligible for borrower defense relief: Direct Loans, FFEL Program loans, Perkins Loans, health professions student loan, loan for disadvantaged students under subpart II of part A of title VII of the Public Health Service Act, health education assistance loan, or nursing loan made under part E of the Public Health Service Act. 81 Fed. Reg. 75,926, 76,081 (Nov. 1, 2016) (amending § 685.212(k)(2)).