



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 13, 2020
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.J. Res. 76 – Providing for Congressional Disapproval of the Rule Submitted by the Department of Education Relating to “Borrower Defense Institutional Accountability”

(Rep. Lee, D-NV, and 131 cosponsors)

The Administration strongly opposes passage of H.J. Res. 76. This resolution would undermine the Administration’s efforts to protect students and taxpayers by nullifying the Borrower Defense Institutional Accountability rule published on September 23, 2019. H.J. Res. 76 would restore the partisan regulatory regime of the previous administration, which sacrificed the interests of taxpayers, students, and schools in pursuit of narrow, ideological objectives.

The Trump Administration’s rule establishes a clear standard for borrower defenses to repayment, providing transparency to both students and institutions. If a student enrolls at an institution based on a knowing misrepresentation, the rule provides that student with a fair process to obtain debt relief. Additionally, the rule helps support students affected by school closures by extending the window to qualify for loan discharge and by encouraging schools to provide high-quality teach-outs that enable students to complete their programs. The Trump Administration’s rule restores due process, the rule of law, and student choice.

H.J. Res. 76 would also overturn important steps this Administration has taken to hold schools accountable. The Department of Education has a dual responsibility to ensure that all institutions participating in the Federal student aid program comply with legal requirements and to provide equitable treatment for all borrowers when adjudicating borrower defense to repayment claims. The previous administration instituted a regulatory regime designed to allow the Federal Government and State attorneys general to pick winners and losers at considerable cost to taxpayers. Politically motivated regulatory actions facilitated and encouraged by the previous rules forced precipitous school closures that hurt students and taxpayers. The Trump Administration’s rule, by contrast, fairly holds all institutions to clear standards of accountability and allows the Department of Education to respond quickly and decisively to early signs of financial instability.

The Trump Administration’s borrower defense rule puts students first and ensures that student borrowers who have been defrauded by an institution of higher education have access to individualized debt relief. By overturning this rule, H.J. Res. 76 would undermine the ability of students to make educational choices that meet their needs.

If H.J. Res. 76 were presented to the President, his advisors would recommend that he veto it.

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