

FEBRUARY 28, 2022

## **Carr: Georgia Joins Multistate Agreement to Secure Private Debt Relief for Former Argosy University Students**

ATLANTA, GA — Attorney General Chris Carr today announced the State of Georgia has joined a multistate settlement agreement with the entities controlling Argosy University student debt. Specifically, the entities have agreed to cancel the outstanding principal and interest for students who attended Argosy University in the years preceding its abrupt closure in 2019. This multistate deal also includes the cancellation of more than \$150,000 in debt for students who attended Argosy's Atlanta campus.

“By engaging in deceptive practices, Argosy University and Dream Center Education Holdings left Georgia students saddled with student loan debt but with no degree to show for it,” said Carr. “This settlement is welcome news for Georgia borrowers, who will be relieved of the ongoing financial burden associated with Argosy loans. Georgians who were misled by the University and its owners deserve relief, and we hope this agreement sends a message that this type of behavior will not be tolerated.”

A bipartisan group of nine other states have joined the agreement to be filed in respective state courts and in a federal receivership court. In total, the agreement cancels nearly \$2.1 million in “institutional debt” taken out by

students at 12 campuses directly from the school. The agreement also prevents further collection and negative credit reporting against harmed students.

As detailed in the agreement to be filed in court, Carr alleged that when Argosy was purchased by Dream Center Education Holdings in 2017, it falsely marketed to prospective students that it was a “nonprofit” institution. Carr also alleged that the owners misled students about their ability to obtain degrees and provided misleading and incomplete information leading up to the school’s ultimate closure. The schools issued so-called “institutional loan debt” to students who were enrolled based on these marketing and recruitment practices.

Mismanagement by Dream Center ultimately led to insolvency and the closure of Argosy schools in 2019, which upended the lives of Argosy students in Georgia and across the country. The schools later entered federal receivership, a process similar to bankruptcy that can limit the financial relief available to students and other aggrieved creditors. Once in receivership, ownership of the institutional student debt changed hands. Today’s agreement was secured with the entities that now control the debt.

Joining Carr in filing the settlement are the attorneys general of Arizona, Colorado, Florida, Illinois, Minnesota, Tennessee, Utah and Virginia, and the State of Hawaii Office of Consumer Protection.

The agreement will be filed in the Ohio federal court overseeing the receivership.