

# Closed School Guide



**BPPPE**

Bureau for Private Postsecondary Education

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

Bureau for Private Postsecondary Education  
2535 Capitol Oaks Drive, Suite #400 ♦ Sacramento, CA 95833  
Toll Free (888) 370-7589 ♦ FAX (916) 263-1896  
[www.bppe.ca.gov](http://www.bppe.ca.gov) ♦ email: [strf@dca.ca.gov](mailto:strf@dca.ca.gov)

The closing of a school can be a very confusing and stressful event for students. The Bureau for Private Postsecondary Education (Bureau) has designed this guide to help you navigate this process by providing you with the information necessary to continue your education and relieve or mitigate your economic loss.

### **STEP 1: Obtain Your Academic and Financial Records:**

1. Obtain your Student Academic Record (transcripts)
2. Obtain your Student Financial Record (ledger)
3. Obtain your Proof of Training Document (for cosmetology/barbering students)
4. Obtain copies of ALL paperwork the school is providing you or asking you to sign. **CAREFULLY REVIEW ALL PAPERWORK BEFORE YOU SIGN!**
5. Make copies of your enrollment agreements and all receipts
6. Create a folder to keep all the documentation you have

It is **important** that you obtain your academic, attendance, and financial records as soon as possible. Since your school has closed or is closing, your ability to access these records from the school may be temporary. Certain records are necessary if you plan to transfer to a new school, submit a Student Tuition Recovery Fund (STRF) claim, or ask for a student loan discharge from the United States Department of Education. If you transfer to a new school, these records will help your new school determine what federal student aid you have received and coursework you have successfully completed. This information will also help the new school determine your student aid eligibility and how many credits may be transferable to your new program of study.

### **STEP 2: Explore Your Options:**

#### **Teach-Out vs. Transfer**

If you want to continue your education at a different institution, you will need to understand the difference between a **teach-out** and a **transfer**.

**Teach-out** means another school allows you to complete your program of study for which you will not incur additional costs (outside of what you would have paid had you been able to complete your program at the school that closed). California Education Code section 94866 defines teach-out as “the arrangements an institution makes for its students to complete their educational programs when the institution ceases to operate.”

If you choose to participate in an available teach-out, you need to be aware of the following:

- You may not be eligible for discharge of your federal student loans.
- If you *complete* the teach-out, your economic loss under STRF (discussed below) does not include any amount you paid to the closed school for instruction.
- If you withdraw from the teach-out institution *within* the first two weeks of enrollment, your economic losses under STRF are calculated as though you never participated in the teach-out.
- If you withdraw from the teach-out institution *after* the first two weeks of enrollment, your economic loss under STRF includes only a pro rata portion of charges for the hours of the education service paid for, but not received from, either institution.

**Transfer** means you take the academic credits or “clock” hours you have earned at the closed school and move them to a new school.

If you choose to transfer, you need to be aware of the following:

- With a transfer, you may incur additional costs required by the new school.
- You will need to contact the school you wish to transfer to in order to find out if any of the credits you want to transfer will be accepted. Schools have a maximum amount of credits that they will transfer from a prior school.
- You may be eligible for reimbursements from STRF for the portion of credits/hours completed that were not accepted at the new school.

### **Loan Discharge**

If you are unable to complete your education due to a school closure and you don't participate in a teach-out or transfer to another school, you may be eligible for a discharge of your student loan(s).

Loan discharges are not automatic with the closure of a school. You must send an application for loan discharge to the holder or servicer of your loan(s).

You can find a loan discharge application and other important information for federal student loans at <https://studentaid.ed.gov/sa/>

. ALL federal government loan questions should be directed to the United States Department of Education at 800-4FED-AID (433-3243).

For non-federal loans, contact the holder or servicer of your loan(s) to inquire what relief may be available to you.

*Credit Card Payments:* If you made payments to the school with a credit card, you may be able to dispute the charges and request that the charges be reversed. You will need to contact your specific credit card company to obtain the proper process. For more information visit: <https://www.consumer.ftc.gov/articles/0219-disputing-credit-card-charges>

### **Student Tuition Recovery Fund (STRF)**

The STRF exists to relieve or mitigate economic losses suffered by a student in an educational program at a qualifying institution.

You may download a STRF claim application in English or Spanish at <http://www.bppe.ca.gov/students>.

Before completing the STRF application, you should review the eligibility requirements listed in this document as the first step in determining whether you are eligible for reimbursement from the STRF.

### **Eligibility Requirements**

- The school you attended was not exempt from the Bureau's laws.
- You were a California resident or enrolled in a California residency program at the time you signed the enrollment agreement.

- You must have proof you pre-paid tuition.
- You must have proof you paid the STRF fee payment (or proof you paid tuition equal to or greater than the STRF assessment).
- You must show proof that you have suffered economic loss because of one of the following:
  1. You attended when your school or program was closed or discontinued (and you did not participate in or complete a teach-out);
  2. You attended within 120 days of the school closure or program discontinuance;
  3. You attended more than 120 days before the school closure or program discontinuance, and there was a significant decline in the quality of the program more than 120 days before the closure;
  4. Your school was ordered by the Bureau to pay a refund but failed to do so;
  5. Your school failed to properly pay or reimburse you federal student loan proceeds;
  6. You have obtained a monetary award against the school based on a violation of the Bureau's laws but have been unable;
  7. Your charges were paid by a third-party payer, and you have suffered educational opportunity losses as a result of the school or program closure.
- You must have a Social Security Number or Taxpayer ID. If you do not have a Social Security Number or Taxpayer ID, please contact the Internal Revenue Service. For information on obtaining an Individual Taxpayer Identification Number, visit this web page: <https://www.irs.gov/individuals/general-itin-information>

If you do not meet the above eligibility requirements but feel that you qualify otherwise, please contact the Bureau for assistance at (888) 370-7589.

### **Submitting a STRF Application and Documentation**

The STRF application can be downloaded at [www.bppe.ca.gov](http://www.bppe.ca.gov) under the "Students" tab. You must complete the application in its entirety, including your signature and the date. Incomplete applications can delay the Bureau's ability to act upon the application.

If you choose to submit a STRF application you have up to four (4) years from the date of the school closure or discontinuance of the educational program to submit your STRF application.

The application asks for several pieces of documentation including, but not limited to:

- Enrollment agreement.
- Loan documents including the current status of your student loan(s) and whether you have applied for a loan discharge.
- Transcripts, certificates, diplomas, and proof of training document (if applicable).
- Leave of absence documentation.
- Receipts for all transactions with the school (e.g., bank/credit card statements, receipts from the school, statement from the school listing all payments).

Please provide a description of your economic loss. Economic losses include tuition, cost of equipment and materials required for the educational program, interest on student loan(s), collection cost and penalties, and the amount the institution collected and failed to pay to third parties on behalf of the student. Economic losses do not include STRF assessments, room and board, supplies, transportation, application fees, or non-pecuniary damages such as inconvenience, emotional distress, or punitive damages.

When filling out the application, be sure to answer each question with as much detail as possible. You may attach additional documents or explanations as warranted.

### **Mailing your Claim to the Bureau**

Mail all of the required documents to the address listed at the top of the application form. Please be sure to include the original signed application and copies of your supporting documents. DO NOT send original supporting documents as those documents will not be returned to you.

Upon receipt of your application, the Bureau will notify you that your claim has been received and provide you with a claim number. Please keep this notification for your records. You will need the claim number for all inquiries regarding your application.

### **Approving or Denying Your Claim**

Claims are reviewed in the order they are received. Please be patient. Your claim will be processed as quickly as possible.

During the Bureau's review process, you may be asked to provide additional documentation. Please provide the documents or a thorough explanation as to why the documents could not be provided within the timeframe listed on the notice. If you need additional time to submit the requested documentation please contact the Bureau immediately.

If your claim is approved you will be mailed a letter of confirmation stating the amount of the claim to be paid. Payment is typically received within 60 days of the date on the letter.

If your claim is denied you will receive a letter of explanation for the denial. This letter will include instructions on the Bureau's appeal process.

Should you have further questions please contact the Bureau's STRF Unit at (888) 370-7589 and press "5" when prompted.

Revised  
9/1/2016