

Closed Schools: A Guide for Students

HPEAP Hawaii Post-Secondary Education Authorization Program



Hawaii Post-Secondary Education Authorization Program
335 Merchant Street ♦ Honolulu, HI 96813
(808) 586-7327 ♦ FAX (808) 586-2856
cca.hawaii.gov/hpeap ♦ email: hpeap@dcca.hawaii.gov

The closing of a school can be a very confusing and stressful event for students. The Hawaii Post-Secondary Education Authorization Program (HPEAP) is providing this guide to help you navigate this process and to give you information necessary to continue your education. Please note that Hawaii does NOT have a student tuition recovery fund.

Obtaining Academic and Financial Records

1. Obtain your Student Academic Record
2. Obtain your Student Financial Record
3. Obtain your Proof of Training Document (if applicable)
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.** These records are necessary if you plan to transfer into a new school, submit a claim, or ask for a student loan discharge from the U.S. Department of Education. These records will help your new school determine what Federal student aid you have received and coursework you have successfully completed. This information will then help the new school determine how many credits may transfer, if applicable, into your new program of study and your student aid eligibility, if any, for the remainder of the school year.

A closed school is supposed to transmit its records to HPEAP. Once the records are received, we will notify students on our website at cca.hawaii.gov/hpeap. You will be given instructions on how to request a transcript at that time.

Options

Generally, you have a few options if your school notifies you that it is closing. Depending on the information the school gives you, you may be able to:

- Withdraw and potentially receive a refund for the costs paid to your school.
- Complete your program at your campus before closure. If you choose to complete your program, you will not be able to apply for a refund or a loan discharge to cancel your loans.
- Accept an offer which allows you to transfer to a comparable program which may or may not have additional costs.

Teach Out vs. Transfer

If you want to continue your education at a different school, you will need to understand the following two terms:

Teach Out – a teach-out agreement is an arrangement through which you may be able to complete your program and receive your degree. The closing school and the teach-out school must get the approval of their accrediting agencies before they can implement the teach-out agreement. HPEAP must also be notified about the teach-out agreement and approve.

If you choose to participate in the teach-out, you will not be eligible for a loan discharge if you completed or in the process of completing a comparable program of study. That means you are still responsible for repaying all of your federal student loans. If you decline a teach-out offer and your school closes, you may not have to pay back your federal student loans.

Transfer means you **may** be able to use the academic credits you have earned at the school that is closed toward the completion of a similar or different program of study at another school.

- You **MAY** incur additional costs
- You **WILL** need to contact the school you wish to transfer to, in order to find out if any or all of the credits you want to transfer will be accepted.
- You will not be eligible for a loan discharge if you completed or are in the process of completing a comparable educational program at another school.

Loan Discharge

If you are unable to complete your education due to a school closure, and do not accept a teach-out or transfer to another school, you may be eligible for a discharge of your federal student loan.

Loan discharges **are not automatic** with the closure of a school. You **MUST** send an application for loan discharge to the holder of your loan.

You can find important information at:

<https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/closed-school>

<https://www.myeddebt.com/borrower/>

- **For ANY federal government loan questions you may contact the United States Department of Education at 1-800-4FED-AID (433-3243).**

For Non-Federal Loans, contact the holders of your loan to inquire about what relief may be available to you concerning these loans.

Filing a Claim with HPEAP

Please note that Hawaii does NOT have a student tuition recovery fund. According to the law that governs HPEAP, a student who has exhausted all other possible ways to

recover lost tuition expenses, **including a refund request to the school**, may file a claim if the claim results from an act that violates this law. If a student submits a claim, the State will evaluate the claim pursuant to applicable law.

The claim form should only be used to file a claim against a private college or university authorized by HPEAP. The list of authorized schools can be found at <http://cca.hawaii.gov/hpeap/authorized-schools/>.

To file a claim you must be a student or enrollee, or a parent or legal guardian of the student or enrollee, who claims loss of tuition or fees as a result of cessation of operations if the claim results from an act or practice that violates a provision of HRS Chapter 305J. The student must have been enrolled in the private college or university at the time it ceased operations. You must have proof you pre-paid tuition and proof that you attended at or near the time of school closure.

<http://cca.hawaii.gov/hpeap/files/2014/06/Student-Claim-Form-Closed-Institution.pdf>

Documentation you should provide include:

- Enrollment agreement
- Receipts for any transaction with the school (i.e. bank/credit card statements, receipts from the school, statement from the school listing all payments).
- If you paid by credit card, you should dispute the charges and ask that the charges be reversed, in writing, to your credit card company. The credit card company will respond with a letter denying or approving this request. Please submit a copy of this letter with your application.
- Loan documents – Please include the current status of your student loans and whether you have applied for a loan discharge.
- Transcripts, certificates, diplomas, proof of training document if applicable.
- Leave of absences

Incomplete or undocumented claims will be returned to the student. During the review process, you may be asked to provide additional documentation. Place all of your documents in an envelope and mail to the address listed. Please be sure to include the original signed application and COPIES of your supporting documents, DO NOT send original supporting documents, as the documents will not be returned to you.

Should you have further questions, please contact HPEAP at hpeap@dcca.hawaii.gov or at (808) 586-7327.