

1. **Deletion - Page 20, College #2, Scenario 2, 1<sup>st</sup> bullet:**

Original:

Financial aid representative estimated federal aid eligibility without the undercover applicant's reported \$250,000 in savings to see if applicant qualified for more financial aid. The representative informed the applicant he was ineligible for any grants.

Revised:

Upon request by applicant, the financial aid representative estimated federal aid eligibility without the undercover applicant's reported \$250,000 in savings to see if applicant qualified for more financial aid. The representative informed the applicant he was ineligible for any grants.

2. **Subject Change - Page 8, Table 1, 2<sup>nd</sup> bullet:**

Original:

The representative told the undercover applicant that by the time the college would be required by Education to verify any information about the applicant, the applicant would have already graduated from the 7-month program.

Revised:

The undercover applicant suggested to the representative that by the time the college would be required by Education to verify any information about the applicant, the applicant would have already graduated from the 7-month program. The representative acknowledged this was true.

3. **Deletion - Page 26, College #14, Scenario 1, 2<sup>nd</sup> Bullet:**

Original:

Admissions representative did not disclose the graduation rate after being directly asked. The college's Web site also did not provide the graduation rate.

Revised: (Now appears on page 27)

The college's Web site did not provide the graduation rate.

4. **Misrepresentation - Page 22, College #7, Scenario 1:**

Original

- Admissions representative did not provide the graduation rate when directly asked, but said it is "very high." The college's Web site also did not provide the graduation rate.
- Admissions officer was vague about graduation rate. She told undercover applicant that the last class had 16 people graduate, but did not say how many started.
- Admissions representative told our prospective undercover applicant that student loans were not like car loans because "no one will come after you if you don't pay." In reality, students who cannot pay their loans face fees, may damage their credit, have difficulty taking out future loans, and in most cases, bankruptcy law prohibits a student borrower from discharging a student loan.

Revised: (Now appears on page 23)

- When asked by the undercover applicant for the graduation rate for two programs, the admissions representative did not answer directly. For example the representative stated that "I've seen it's an 80 to 90% graduation rate" for one of the programs but said for that information "I would have to talk to career services." She also said 16 or 17 students graduated from one of the programs, but couldn't say how many students had started the program. The college's Web site also did not provide the graduation rate.
- Admissions representative told our prospective undercover applicant that student loans were not like car loans because student loans could be deferred in cases of economic hardship, saying "It's not like a car note where if you don't pay they're going to come after you. If you're in hardship and you're unable to find a job, you can defer it." The representative did not explain the circumstances under which students might qualify for deferment. Borrowers who do not qualify for deferment or forbearance and who cannot pay their loans face fees, may damage their credit or have difficulty taking out future loans. Moreover, in most cases, bankruptcy law prohibits a student borrower from discharging a student loan.

5. **Deletion - Page 24, College #10, Scenario 2:**

Original:

- When the undercover applicant asked about the qualification of the professors, the only information provided about the qualifications of the professors is that they have professional experience.
- Admissions representative did not provide the graduation rate when directly asked. Instead she said “not everyone graduates”.

Revised:

Admissions representative did not provide the graduation rate when directly asked. Instead she indicated that not everyone graduates.

6. **Deletion - Page 25, College #13, Scenario 1:**

Original:

- Admissions representative did not disclose the graduation rate after being directly asked. The college’s Web site also did not provide the graduation rate.
- Admissions representative said the program would cost between \$50,000 and \$75,000 instead of providing a specific number.

Revised: (Now appears on page 26)

Admissions representative said the program would cost between \$50,000 and \$75,000 instead of providing a specific number. It was not until the admissions representative later brought the student to financial aid that specific costs of attendance were provided.

7. **Neutral to Negative - Page 22, College #6, Scenario 1, 2<sup>nd</sup> bullet:**

Original:

Admissions representative told the undercover applicant that all graduates get jobs. He stated that the president of the college would employ student graduates in his local salons if they did not find work elsewhere.

Revised:

Admissions representative suggested to the undercover applicant that all graduates get jobs. Specifically he told the applicant that if he had not found a job by the time he graduated from the school, the owner of the school would personally find the applicant a job himself.

8. **Neutral to Negative - Page 19, College #1, Scenario 2, 2<sup>nd</sup> bullet**

Original:

According to the admissions representative the undercover applicant was qualified for \$9,500 in student loans, and the representative said that the applicant should take out the full amount even though the applicant stated that he had \$250,000 in savings. Admissions representative told the undercover applicant that the graduation rate is 20 percent. Education reports that it is 15 percent.

Revised:

According to the admissions representative the undercover applicant was qualified for \$9,500 in student loans, and the representative indicated that the applicant could take out the full amount even though the applicant indicated that he had \$250,000 in savings.

**9. Neutral to Negative - Page 24, College #11, Scenario 1:**

Original:

Admissions representative told the undercover applicant that she should take out the maximum amount of federal loans she could, even if she did not need all the money. She told the applicant she should put the extra money in a high-interest savings account. While subsidized loans do not accrue interest while a student is in college, unsubsidized loans do accrue interest. The representative did not disclose this distinction to the applicant when explaining that she should put the money in a savings account.

Revised: (Now appears on page 25)

Admissions representative told the undercover applicant that she could take out the maximum amount of federal loans, even if she did not need all the money. She told the applicant she could put the extra money in a high-interest savings account. While subsidized loans do not accrue interest while a student is in college, unsubsidized loans do accrue interest. The representative did not disclose this distinction to the applicant when explaining that she could put the money in a savings account.

**10. Deletion - Page 20, College #3, Scenario 2, 3<sup>rd</sup> bullet:**

Original:

The career representative told the undercover applicant that getting a job is a “piece of cake” and then told the applicant that she has graduates making \$120,000 - \$130,000 a year. This is likely the exception; according to the BLS 90 percent of architectural and civil drafters make less than \$70,000 per year.

Revised:

The career representative told the undercover applicant that getting a job is a “piece of cake” and then told the applicant that she has graduates making \$120,000 - \$130,000 a year. This is likely the exception; according to the BLS 90 percent of architectural and civil drafters make less than \$70,000 per year. She also stated that in the current economic environment, the applicant could expect a job with a likely starting salary of \$13-\$14 per hour or \$15 if the applicant was lucky.

**11. Deletion - Page 21, College #4, Scenario 2, 1<sup>st</sup> bullet:**

Original:

Undercover applicant was told that he could earn up to \$100 an hour as a massage therapist. While this may be possible, according to the BLS, 90 percent of all massage therapists in California make less than \$34 per hour.

Revised:

While one school representative indicated to the undercover applicant that he could earn up to \$30 an hour as a massage therapist, another representative told the applicant that the school’s massage instructors and directors can earn \$150-\$200 an hour. While this may be possible, according to the BLS, 90 percent of all massage therapists in California make less than \$34 per hour.

**12. Neutral to Negative - Page 21, College #5, Scenario 2, 1<sup>st</sup> bullet:**

Original:

Admissions representative said the bachelor’s degree would take 3.5 to 4 years to complete, but he provided a one-year cost estimate equal to 1/5 of the required credit hours.

Revised:

Admissions representative said the bachelor’s degree would take 3.5 to 4 years to complete. He gave the applicant the cost per 12 hour semester, the amount per credit, the total number of credits required for graduation, and the number of credits for the first year. When asked if the figure he gave multiplied by four would be the cost of the program, the representative said yes, although the actual tuition would have amounted to some \$12,000 more.

13. Added Language - Page 23, College #8, Scenario 2, 2<sup>nd</sup> bullet:

Original:

The representative first told the undercover applicant the program would take 18 months to complete. He later said it would take 2 years to complete. He said that student loans would absolutely cover all costs in this 2-year program. However, to pay for the program, the undercover applicant would need to 1) acquire federal student loans for 3 years, or 2) acquire private loans or pay some out of pocket to complete the program in less than 3 years.

Revised: (Now appears on page 24)

The representative said that student loans would absolutely cover all costs in this 2-year program. The representative did not specify that federal student loans by themselves would not cover the entire cost of the program. While there are private loan programs available, they are normally based on an applicant passing a credit check, and typically carry higher interest rates than federal student loans.