

[IAVA Statement on Secretary Clinton Stance on For-Profit Schools](#)

New York (June 19, 2015) – IAVA applauds Secretary Hillary Clinton for bringing much needed attention to predatory “for-profit” colleges and their tactics in targeting Post-9/11 GI Bill beneficiaries. Today, in an early campaign appearance in Nevada, Clinton called for an end to this practice, which impacts many in the veterans community pursuing higher education. IAVA encourages candidates from both parties to come out in support of bipartisan action against these predatory education institutions, and to close what is commonly referred to as the “90/10 loophole.”

“The Post-9/11 GI Bill has been the best investment our country has made in its veterans since World War II. Unfortunately, these benefits are under attack. Many for-profit schools are targeting veterans to line their pockets with taxpayer money by aggressively and deceptively recruiting our service members while failing to deliver the high-quality education and career opportunities they promised,” said Paul Rieckhoff, CEO and Founder of IAVA.

The landmark [Post-9/11 GI Bill](#) has sent more than one million veterans to school. Designed to help veterans in their career and transition home, the GI Bill is educating tomorrow’s leaders. However, predatory actors in the for-profit school sector continue to take advantage of veteran benefits. IAVA has sought to bring attention to this targeting of veterans and their hard-earned GI Bill benefits.

Congress passed the 90/10 rule to make sure that no school could be funded by more than 90 percent of federal dollars, such as federal financial aid and loans. However, an unintended consequence has occurred and veteran and military benefits – such as the GI Bill – are currently excluded from earmarked federal dollars. This allows for-profit schools to supplement designated federal dollars with GI Bill funds, which are counted as private dollars. The loophole allows schools to be completely funded by federal dollars: 90 percent from federal financial aid and the 10 percent “private funds” from the GI Bill, thereby rewarding schools for targeting veterans.

For each veteran a school enrolls, a for-profit school can enroll nine students on federal financial aid. Many schools have developed aggressive and deceptive marketing campaigns aimed at getting as many veterans enrolled as possible. To aggravate matters, the for-profit school industry is using veterans’ own GI Bill dollars to lobby Congress against their interests. They are flooding millions of dollars to campaigns to ensure that bills closing the loophole never see a vote.

“The GI Bill remains at risk from predatory actors that see the GI Bill as potential cash flow rather than a historic benefit to help veterans transition home and realize their career goals,” said IAVA Chief Policy Officer Matthew Miller. “Even with additional regulations passed in 2012 to

help veterans evaluate schools for their career, the federal government still incentivizes predatory actors to target veterans and their families.”

In a time when Congress is looking for ways to cut spending on all types of veteran benefits, IAVA calls upon all 2016 presidential candidates to call for an end to these predatory practices and protect the New GI Bill by closing the 90/10 loophole.

IAVA is a nonprofit, nonpartisan organization and does not endorse any candidate for office or support any political party. It does, however, support troops and veterans during the election season by [educating and informing candidates](#) and the general public about issues of critical importance to vets and their families. Earlier this year, IAVA was the leading advocate behind the creation of the Post-9/11 Congressional Caucus, and is always willing to brief party leaders and candidates on the most urgent policy issues of our community.