



PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

New Jersey Office of the Attorney General

Division of Consumer Affairs
Office of the Director
124 Halsey Street, 7th Floor, Newark NJ 07102



GURBIR S. GREWAL
Attorney General

PAUL R. RODRÍGUEZ
Acting Director

March 29, 2019

Mailing Address:
P.O. Box 45027
Newark, NJ 07101
(973) 504-6534

Hand Delivered

Premier Education Group, L.P. d/b/a Harris School of Business
c/o National Registered Agents, Inc. of NJ
820 Bear Tavern Road
West Trenton, New Jersey 08628

Dear Sir or Madam:

You are directed to cease and desist from advertising that students attending the Harris School of Business may apply for and receive student loans through the New Jersey College Loans to Assist State Students (“NJCLASS”) Program. As discussed below, the Harris School of Business is ineligible for the NJCLASS Program due to the high default rates of its graduates, and it appears that certain of your advertisements violate the New Jersey Consumer Fraud Act, specifically N.J.S.A. 56:8-2.

According to the U.S. Department of Education’s National Center for Education Statistics, the cohort default rates for the Harris School of Business in Cherry Hill were 26.5% for FYE2013, 25.6% for FYE2014 and 35% for FYE2015—the three most recent years for which data are available.¹ The same cohort default rates are attributed to the Harris School of Business’s Linwood campus.² For the Harris School of Business in Voorhees, the cohort default rates were reported to be 27% for FYE2013, 23.1% for FYE2014 and 28.1% for FYE2015.³ By way of comparison, the average cohort default rate for schools in New Jersey in FYE2015 was 9.7%.⁴

The high default rates of its graduates make the Harris School of Business ineligible for its students to receive loans under the NJCLASS Program. The NJCLASS Program is a State student loan program administered by the Higher Education Student Assistance Authority (“HESAA”). N.J.S.A. 18A:71C-21 et seq.; N.J.A.C. 9A:10-6.1 et seq. The NJCLASS Program is a:

¹ See <https://nces.ed.gov/collegenavigator/?id=184870#fedloans>.

² See <https://nces.ed.gov/collegenavigator/?id=448983#fedloans>.

³ See <https://nces.ed.gov/collegenavigator/?id=185332#fedloans>.

⁴ See <https://www2.ed.gov/offices/OSFAP/defaultmanagement/staterates.pdf>.

State student loan program intended to supplement the subsidized Federal Direct Stafford Loan Program and make State sponsored student loans available to students who cannot obtain Federally backed student loans, either because those loans are not available, because the student does not meet the program eligibility requirements as defined by the Federal government, because the student has additional financial need unmet by Federally backed student loans, or because the NJCLASS program offers more affordable interest rates and fees.

[N.J.A.C. 9A:10-6.1.]

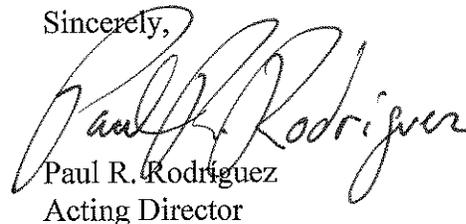
To be eligible for the NJCLASS Program, a student shall “be enrolled or accepted for enrollment on at least a half-time basis in an eligible institution.” N.J.A.C. 9A:10-6.4(b)(4) (emphasis added). “Eligible institutions” include proprietary institutions that, among other things, have an “annual cohort default rate of 25 percent or less.” N.J.A.C. 9A:10-6.3(a).

With annual cohort default rates over 25 percent, the Harris School of Business is not an “eligible institution” under the NJCLASS Program. Yet, the Harris School of Business directs visitors to its websites to advertisements that the NJCLASS Program has “expressed [its] willingness to lend to students attending” the Harris School of Business.⁵ Such statements appear to violate the CFA, specifically N.J.S.A. 56:8-2.

You must immediately remove any and all representations concerning the NJCLASS Program from your websites, including links to other websites containing such representations, and immediately cease advertising your eligibility under the NJCLASS Program until such time you become eligible under the NJCLASS Program, except for any statements making clear that Harris School of Business and its students are not currently eligible for NJCLASS loans. If you fail to remove such representations from your websites by April 22, 2019, the Division will proceed to take all appropriate civil enforcement action available to it.

Should you have any questions, please contact Joshua Bengal, Acting Deputy Director of the Office of Consumer Protection, at (973) 504-6252.

Sincerely,



Paul R. Rodriguez
Acting Director

CC: David J. Socolow, HESAA, Executive Director
Marnie Grodman, HESAA, Director of Legal and Government Affairs

⁵ See <http://www.premiereeducationgroup.com/Student-Consumer-Information/Harris-School-Cherry-Hill/Alternative-Loan-Information/127/>; <http://schooliya.com/peg/CherryHill/preferredlender.html>; <http://schooliya.com/peg/Linwood/preferredlender.html>; <http://schooliya.com/peg/Voorhees/preferredlender.html>.