

# U.S. Department of Education Sets Liability For Pennsylvania College of Straight Chiropractic -- Approximately \$173,000

Editorial Staff

In an administrative hearing with the U.S. Department of Education (USDE), which took place early in 1990, Pennsylvania College of Straight Chiropractic (PCSC) was found to have been previously ineligible for student loans (please see "U.S. Department of Education Determines Pennsylvania College of Straight Chiropractic Previously Ineligible for Student Loans" in the April 11, 1990 issue).

According to administrative law, Judge Walter J. Alprin, PCSC "had failed to qualify as an eligible institution from March 1981, through June 1984, and was liable to ED (USDE) for repayment of all funds it or its students had received during that period, under the financial assistance programs of Title IV of the Act, in the sum of \$3,048,706, and the sum of \$1,195,385 interest and special allowances paid by ED (USDE)."

According to sources in the USDE, the USDE and PCSC have apparently come to a settlement that reduces the \$4.2 million liability to approximately \$173,000 (the actual figure is still being calculated). The \$4.2 million is the amount of the original liability multiplied by the college's loan default rate (4.2%).

While \$173,000 is much lower than a liability of \$4.2 million, it will tend to complicate the situation the college faces with due to the USDE Advisory Committee's vote against SCASA's re-recognition as an accrediting agency this past November.

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