

September 15, 2020

ATTORNEY GENERAL RAOUL ANNOUNCES \$9.4 MILLION IN RELIEF FOR FORMER ITT TECH STUDENTS IN ILLINOIS

Relief for Illinois Students is Part of \$330 Million National Settlement

Chicago — Attorney General Kwame Raoul today announced [a settlement agreement](#) that includes more than \$9.4 million in student loan debt relief to former Illinois students of the failed, for-profit ITT Tech. The relief is part of a \$330 million national settlement reached by Raoul's office, 47 other attorneys general and the Consumer Financial Protection Bureau (CFPB) with PEAKS Trust, which operated a private loan program for ITT Tech (ITT) students.

Nationally, the settlement will result in debt relief for more than 35,000 former students, and approximately 43,000 loans will be discharged. PEAKS Trust is a special purpose entity that, with ITT, operated a private loan program for ITT students. ITT filed bankruptcy in 2016 amid investigations by Illinois and other states' attorneys general, and following action by the U.S. Department of Education to restrict ITT's access to federal student aid.

"This settlement holds PEAKS accountable for its role in misleading ITT Tech students in Illinois about the loans it offered," Raoul said. "Especially during this time of uncertainty brought on by COVID-19, the settlement will provide much-needed relief to students who were pressured into taking on these loans. I urge students and their families to utilize the free resources offered by my office before taking out loans for college or other educational opportunities."

PEAKS was formed after the 2008 financial crisis when private sources of lending available to for-profit colleges diminished. ITT developed a plan with PEAKS to offer students temporary credit to cover remaining tuition not covered by federal student aid.

By entering into the agreement, or Assurance of Voluntary Compliance, PEAKS acknowledges the following:

- ITT and PEAKS knew or should have known that the students would not be able to repay the temporary credit when it became due nine months later. Many students complained that they thought the temporary credit was like a federal loan and would not be due until six months after they graduated.
- When students were required to start repaying the temporary credit, ITT pressured and coerced students into accepting loans from PEAKS. For many students, the loans carried interest rates far exceeding rates for federal loans. Pressure tactics used by ITT included pulling students out of class and threatening to expel them if they did not accept the loan terms. ITT credits would not transfer to most schools, and many low-income ITT students were forced to choose between enrolling in PEAKS loans or dropping out and losing any credits they had earned.
- The default rate on the PEAKS loans is projected to exceed 80 percent, due to both the high cost of the loans and the lack of success ITT graduates had getting jobs that earned enough to make repayment feasible. The defaulted loans continue to affect students' credit ratings and are usually not dischargeable in bankruptcy.

Under the settlement, PEAKS has agreed that it will forgo collection of the outstanding loans and cease doing business. PEAKS will notify borrowers of the canceled debt and ensure that automatic payments are canceled. The settlement also requires the PEAKS to supply credit reporting agencies with information to

update affected borrowers' credit information. ITT operated several campuses in Illinois, including Arlington Heights, Oak Brook, Orland Park and Springfield.

Students do not need to do anything to receive the debt relief. PEAKS' notices will explain students' rights under the settlement. Students may direct questions to PEAKS by emailing customerservice@peaksloans.com or calling 866-747-0273. Student borrowers who have questions or need assistance can also call the Attorney General's Student Loan Helpline at 1-800-455-2456. Students can also contact the [Consumer Financial Protection Bureau](#) at 855-411-2372.

Illinois is a national leader in investigating and enforcing consumer protection violations in the higher education field. Attorney General Raoul has overseen the rollout of the state's first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide a resource for student borrowers struggling with student loan payments. [In June 2019](#), Attorney General Raoul announced a \$168 million settlement with student loan lender Student CU Connect CUSO, LLC, which resulted in debt relief for 18,664 former ITT students.

Student borrowers can file complaints against their student loan servicers by visiting the Illinois Attorney General's website. Resources about student loans are also available on the [Attorney General's website](#).

Joining Raoul in the settlement are the CFPB and the attorneys general of Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

STATE OF ILLINOIS)
COUNTY OF COOK)

2020- AVC-10-C

IN THE MATTER OF: **PEAKS Trust 2009-1**
Investigation # 2014-CONSL-5294

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance/Assurance of Voluntary Discontinuance (“**Settlement**” or “**Assurance**”) is entered into between the States of Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia (the “**States**” or individually, a “**State**”), acting through their respective Attorneys General, Departments of Justice, or Offices of Consumer Protection, on the one hand, and PEAKS Trust 2009-1 (“**PEAKS**”), a Delaware statutory trust, Deutsche Bank National Trust Company (“**DBNTC**”), solely in its capacity as lender trustee of PEAKS, Deutsche Bank Trust Company Delaware (“**DBTCD**”), solely in its capacity as owner trustee of PEAKS, and Deutsche Bank Trust Company Americas (“**DBTCA**”) solely in its capacity as indenture trustee and collateral agent of PEAKS (collectively “**Defendants**,” as defined below), on the other hand (the States and Defendants are, together, the “**Parties**”). The Parties hereby agree to this Settlement pursuant to the States’ respective laws to settle the States’ concerns that the conduct of PEAKS may have violated the States’ consumer

protection laws relating to unfair and deceptive business acts and practices.¹ The Parties have agreed to execute this Assurance for the purposes of settlement only.

DEFINITIONS

In addition to the definitions set forth in the provisions above, the following definitions apply to this Assurance of Voluntary Compliance:

1. “**Affected Consumer**” means any student borrower who received a Loan (as defined below) that was not paid in full as of the Effective Date (as defined below).
2. “**Consumer Information**” means identifying information obtained by Defendants about any individual consumer in connection with the PEAKS Private Student Loan Program

¹ See generally Ariz. Rev. Stat. §§ 44-1521 – 44-1534; Ark. Code Ann. § 4-88-101 *et seq.*; Colo. Rev. Stat. §§ 6-1-101 *et seq.*; Conn. Gen. Stat. § 42-110a *et seq.*; 6 Del. C. § 2511 *et seq.*, § 2531 *et seq.*; Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2018); Fair Business Practices Act, O.C.G.A. § 10-1-390 *et seq.*; Uniform Deceptive Trade Practices Act, Haw. Rev. Stat. Chpt. 481A and Haw. Rev. Stat. § 480-2; Idaho Code § 48-601 *et seq.*; 815 ILCS 505/1 – 815 ILCS 505/12; Ind. Code § 24-5-0.5 *et seq.*; Iowa Code §§ 714.16 – 714.16A; Kansas Consumer Protection Act, K.S.A. § 50-623 *et seq.*; Ky. Rev. Stat. § 367.110 *et seq.*; La. Rev. Stat. § 51:1401 *et seq.*; Me. Unfair Trade Practices Act, 5 M.R.S. § 205-A *et seq.*; Md. Code Ann., Com. Law §§ 13-101 – 13-501 (2013 Repl. Vol. and 2016 Supp.); Mass. Gen. Laws c. 93A; Mich. MCL 445.901 *et seq.*; Consumer Fraud Act, Minn. Stat. § 325F.69 *et seq.* and Deceptive Trade Practices Act, Minn. Stat. § 325D.44 *et seq.*; Miss. Code § 75-24-1 *et seq.*; the Missouri Merchandising Practices Act, Chapter 407, RSMo; Neb. Rev. Stat. § 59-1601 *et seq.* and § 87-301 *et seq.*; Nev. Rev. Stat. 598.0903 *et seq.*; NH RSA Chapter 358-A; N.J.S.A. 56:8-1 to -226; NMSA 1978, §§ 57-12-1 – 26 (2003, as amended 2019); N.Y. Gen. Bus. Law § 349; N.Y. Exec. Law § 63(12); N.C. Gen. Stat. § 75-1.1 *et seq.*; N.D.C.C. § 51-15-06.1; O.R.C. § 1345.01 *et seq.*; 15 O.S. § 751 *et seq.*; ORS 646.605 *et seq.*; 73 Pa. Cons. Stat. Ann. §§ 201-1 – 201-9.3 (West); R.I. Gen. Laws § 6-13.1-6; S.C. Code of Laws, § 39-5-10 *et seq.*; SDCL Chapter 37-24; Tenn. Code Ann. § 47-18-101 *et seq.*; Texas Bus. & Com. Code § 17.41 *et seq.*; Utah Code § 13-11-1 *et seq.*; 9 V.S.A. chapter 63; Va. Code §§ 59.1-196 – 59.1-207; RCW § 19.86.020; W. Va. Code §§ 46A-6-101 *et seq.*; Wis. Stat. § 100.18(1); Wyoming Consumer Protection Act, Wyo. Stat. Ann. §§ 40-12-101 through -114; Consumer Protection Procedures Act, D.C. Code § 28-3901 *et seq.*

(as defined below), including that consumer's name, address, telephone number, email address, social security number, or any data that enables access to any account of that consumer (including a credit card, bank account, or other financial account). Consumer Information does not include any compilation or summary of Consumer Information if such compilation or summary does not include identifying information of individual consumers.

3. **“Consumer Reporting Agency”** has the same meaning as set forth in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f).
4. **“Defendants”** means PEAKS and each of its successors and assigns, and DBNTC, DBTCD, and DBTCA, solely in their respective capacities as lender trustee, owner trustee, and indenture trustee and collateral agent, and each of their successors and assigns.
5. **“Effective Date”** means the date on which the court Order approving the settlement between the Bureau of Consumer Financial Protection (the **“Bureau”**) and the Defendants is issued in the separate action to be filed by the Bureau against Defendants in the United States District Court for the Southern District of Indiana, Indianapolis Division.
6. **“ITT”** means ITT Educational Services, Inc.
7. **“Lead State”** means the Office of the Attorney General for the State of Iowa.
8. **“Loan”** means one of the private student loans entered into by or originated to students of ITT schools by a third party pursuant to the PEAKS Private Student Loan Program (as defined below) and purchased by PEAKS, including active loans and defaulted loans.
9. **“PEAKS Private Student Loan Program”** means the private student loan program

which provided funding for students attending ITT schools established pursuant to a loan origination and sale agreement between the bank that originated loans to ITT students, ITT, PEAKS, and DBNTC, as lender trustee; a servicing agreement between PEAKS, DBTCA, as indenture trustee and collateral agent, ITT, and the Servicer; as well as an indenture and credit agreement and the PEAKS 2009-1 statutory trust agreement, to which DBTCA, as indenture trustee and collateral agent, and DBTCD, as owner trustee, respectively, were parties.

10. “**Redress Plan**” means the comprehensive written plan for the Defendants’ implementation of this Assurance.
11. “**Servicer**” means the third party contracted by PEAKS to perform servicing of the Loans, including performing all collections actions and acceptance of payments related to the Loans.

BACKGROUND

12. Each of the States has enacted a statute relating to unfair and deceptive business acts and practices as referenced in footnote 1 herein (“**Footnote 1**”)
13. PEAKS is a Delaware statutory trust that was created for the PEAKS Private Student Loan Program for the purposes of, among other things, purchasing and holding beneficial ownership of the Loans. In connection with the PEAKS Private Student Loan Program, DBNTC, as lender trustee, holds legal title to the Loans on behalf of and for the benefit of PEAKS. Subject to certain conditions and limitations contained in certain PEAKS Private Student Loan Program agreements, servicing of the Loans is performed by the Servicer. PEAKS and the other Defendants will take the actions in this Assurance with respect to the Loans in accordance with their roles and responsibilities in the program

documents, including, where applicable, acting through agents and contractors including the Servicer.

14. The States initiated an investigation of the PEAKS Private Student Loan Program and its transaction parties, including Defendants, and their relationship with ITT with respect to the origination and servicing of private student loans, including concerns that the existence of the PEAKS Private Student Loan Program allowed ITT to perpetrate a scheme wherein ITT presented a façade of compliance with federal laws requiring that ten percent (10%) of a for-profit school's revenue come from sources other than federal student aid (20 U.S.C. 1094(a)(24), the "**90/10 Rule**"), and in doing so took unreasonable advantage of ITT student borrowers who were unaware of the scheme associated with this loan program, and therefore were unable to protect their interests in taking out such loans.

THE STATES' FACTUAL ALLEGATIONS²

ITT Engaged in a Private Loan Scheme to Benefit Itself at the Expense of Students

15. The PEAKS Private Student Loan Program originated approximately \$350 million in student loans to ITT students. The Loans were available only to ITT students. Proceeds from the Loans were disbursed directly to ITT; and were required to be used only to pay ITT and could not be used by students for any other purposes.
16. Funding for the PEAKS Loans was provided primarily by PEAKS through an automatic purchase agreement with a bank that originated the PEAKS Loans.
17. PEAKS continues to own all outstanding Loans made to Affected Consumers, and directs

² Defendants neither admit nor deny the States' factual allegations contained herein.

servicing and collections of those Loans through the Servicer.

18. ITT was a publicly traded, for-profit corporation that, until September 2016, enrolled consumers in classes at 149 locations throughout the country.
19. The low-income consumers whom ITT targeted could rarely afford to pay its high tuition out-of-pocket. Therefore, ITT's business model relied on these consumers obtaining federal aid, mostly loans, to pay ITT.
20. Federal aid, including federal loans, did not, however, typically provide an ITT student with enough money to cover ITT's entire tuition. Few of ITT's students could afford to cover this tuition gap with their own money.
21. To close this tuition gap, ITT, when it recruited new students, offered them zero-interest, short-term loans payable in a single payment nominally due nine months later, at the end of that academic year. ITT referred to these loans as "**Temporary Credit.**"
22. If students were not able to pay off the Temporary Credit at the end of the academic year—something ITT knew few students would be able to do—ITT coerced them into paying off their Temporary Credit amounts with private loans, including the Loans, payable over ten years.
23. At the same time, to cover the tuition gaps for the upcoming year, students were coerced by ITT into taking out additional private student loans. If students were unable to pay off the Temporary Credit and pay the second-year tuition gap, and they refused the private loans, they were threatened by ITT with expulsion. Thus, through December 2011, ITT's Temporary Credit operated merely as an entry point to private student loans, including the Loans.
24. The staff of ITT's campus financial aid offices (the "**Financial Aid staff**") engaged in a

variety of aggressive tactics, such as pulling students from class, withholding course materials or transcripts, and rushing students through financial aid appointments, to get those students to sign up for private loans, including the Loans. Certain ITT students did not understand the terms of their private loans, and some students did not realize they had taken out loans at all.

25. While students were left unaware that the zero-interest Temporary Credit was just an entry point for additional private loans, ITT consistently told its investors, from the time the private lending programs were put in place, that it was ITT's "plan all along" that students' Temporary Credit would be paid off through the Loan Program and other private lending programs. ITT had established the lending programs to ensure that its income and free cash flow would improve, which in turn improved the appearance of ITT's financial statements.
26. Default rates for ITT students on all loans have been high. Default rates on the Loan Program are now, post-ITT school closures and bankruptcy filing, projected to exceed 80%. ITT knew that the Loans would impose an unsurmountable burden to many of its students: ITT knew that many students ultimately placed into ITT Private Loan Programs were likely to default. Simply to enhance its financial statements and appearance to investors, and to enhance its compliance with the 90/10 Rule and access to funds provided by the federal government under Title IV of the Higher Education Act of 1965, 20 U.S.C. § 1070 *et seq.* ("**Title IV**"), ITT sacrificed its students' futures by saddling them with debt on which it knew they would likely default.
27. ITT was putting students into these private loans in order to convert uncollectible zero interest Temporary Credits into revenue to make ITT's financial statements more

appealing to investors.

28. ITT's revenues came from student tuition and fees. ITT's tuition was higher than that of most other for-profit post-secondary institutions. During the period when the Loans were offered, ITT's two-year associate degree programs—the programs in which approximately 85% of ITT students were enrolled—cost a total of approximately \$44,000, based on a charge of \$493 per credit hour. By the same measure, ITT's bachelor's degree programs cost a total of approximately \$88,000.
29. ITT students generally had poor credit profiles and low earnings; according to ITT's former Chief Financial Officer (“CFO”), during the period when the Loans were offered, the average ITT student earned around \$18,000 per year and had a credit score under 600 at the time he or she enrolled. Such students could very rarely pay for ITT's tuition out-of-pocket.
30. The primary method by which students paid their ITT tuition, and the main source of ITT's cash receipts, was financial aid provided by the federal government under Title IV.
31. In 2011, about 89% of ITT's cash receipts came from the government, and around 7% came from private loans, such as the Loans.
32. Obtaining these federal and private loans required an extensive application process involving numerous forms and the collection of financial and personal information from students. ITT's Financial Aid staff administered this process from the time students enrolled in ITT schools through to their graduation.
33. The financial aid process was complicated and difficult to understand. Rather than helping students better understand the borrowing process and make informed decisions in their best financial interests, ITT made a practice of having its Financial Aid staff take

control of the students' loan applications and rush them through the process of signing up for loans, leaving many unsure what they were signing.

34. The financial aid process was structured so that ITT's Financial Aid staff were essentially holding the students' hands while they reviewed and signed federal and private loans. Part of the way that Financial Aid staff did this 'hand holding' was through the automated financial aid platform set up by ITT. ITT provided its Financial Aid staff with software called "SmartForms," which automatically populated and submitted financial aid applications for its students to the federal government or other lenders, requiring only e-signatures from students.
35. The financial aid appointments for continuing students with ITT's Financial Aid staff were called "repackaging" or "repack" appointments. In order to ensure that continuing students (including graduating students) came to the repack appointments, which often occurred months in advance of the applicable academic term, ITT instructed and incentivized its Financial Aid staff to use aggressive tactics (the "**repackaging tactics**") such as calling students at home, finding them in the bookstore or the library or the student lounge, pulling them from class, barring them from class, enlisting the aid of other ITT staff (including professors), and withholding course materials, diplomas, and transcripts. ITT's repackaging tactics were so ingrained into the company's operations that even its former Chief Executive Officer ("**CEO**") personally encouraged ITT's Financial Aid staff to pull students from class and take them to the ITT financial aid office to complete financial aid applications.

ITT Coerced Students to Take Out the Loans for ITT's Own Financial Gain, through a Private Student Loan Financing Scheme Involving "Temporary Credit"

36. Using the tactics described above and others, ITT's Financial Aid staff coerced students

into Loans that they did not want, did not understand, or did not even realize they were getting. ITT's Financial Aid staff coerced students into taking out private student loans, including the Loans, to cover the tuition gap between what federal loans and grants would cover and the high cost of attending ITT.

37. Through December 2011, ITT sought to have its students pay for the tuition gap with private loans, including the Loans, because outside sources of payment could be booked as income to the company, improving its free cash flow and the appearance of its financial statements, and because outside sources of revenue helped ITT meet a requirement by the Department of Education that at least 10% of its revenue be derived from sources outside Title IV loans and grants and the 90/10 Rule.

Temporary Credit

38. Prior to February 2008, ITT relied on a large third-party lender to provide private loans to its students to cover their tuition gap. In or about 2008, after the third-party funding source dried up, ITT began offering its students loans that it called Temporary Credit to cover their tuition gaps. ITT's Temporary Credit was a no-interest loan payable in a single lump sum payment, with a due date typically nine months after enrollment at the end of the academic year for which it was offered.
39. ITT had minimal credit criteria that students had to meet to be eligible for Temporary Credit. Even if a student did not meet these minimal criteria, staff at ITT headquarters could—and, when asked, often did—grant exceptions.
40. Before ITT provided Temporary Credit to students, it performed credit checks to determine if they met the limited credit criteria. Thus, at the time ITT provided Temporary Credit to students, it knew their credit scores.

41. Temporary Credit was offered and granted during rushed financial aid appointments controlled by ITT's Financial Aid staff. Thus, some students who had a Temporary Credit loan obligation did not even know they had received Temporary Credit or did not know that it was a loan that would have to be repaid.
42. ITT's Financial Aid staff also led some students to believe that Temporary Credit would be available to cover their tuition gaps for their entire educational program, and that it would only be due to be repaid after the students graduated from ITT.
43. ITT's records show students reported that its Financial Aid staff told them that Temporary Credit would be available throughout their entire ITT education, and would not have to be repaid until after graduation. Moreover, ITT's financial aid training materials noted that students were not a "reliable source" as to whether they had ever received Temporary Credit.
44. ITT knew that the vast majority of students who received Temporary Credit did not, and would not, have the resources or access to credit, to make the entire lump sum payment within nine months.
45. From 2009 through 2011, ITT was lending students approximately \$100 million to \$150 million per year in Temporary Credit. ITT did not intend to continue offering Temporary Credit to students throughout their entire ITT education. ITT believed most students were unlikely to repay the Temporary Credit loans and deeply discounted them on its balance sheet, calling them "doubtful accounts."
46. In 2009, ITT's Financial Aid staff began coercing students into repaying their Temporary Credit with private loans, including the Loans. After implementing the private loan programs, ITT no longer had to maintain those deep discounts on its balance sheet

because it expected students would be forced to repay the Temporary Credit with private loans.

The ITT Private Loan Programs

47. In 2008, ITT began to build two separate, unrelated private loan programs from scratch, later to be referred to from time to time as the CUSO Loan Program and the PEAKS Loan Program (together, the “**ITT Private Loan Programs**” or the “**ITT Private Loans**”). The ITT Private Loan Programs were intended by ITT to be the vehicle for students to pay off their Temporary Credit, enabling ITT to convert Temporary Credit into immediate income and cash-on-hand. The private loans also financed students’ second year tuition gap.
48. ITT disclosed to its auditors and its investors that the ITT Private Loan Programs were specifically intended, and would be used, to reduce the amount of Temporary Credit outstanding and to help ITT avoid lending students any further amounts from its own books after their first year.
49. Indeed, ITT’s Temporary Credit program operated as a tool to pre-qualify students for the ITT Private Loans, often regardless of their credit profile. Pursuant to the written underwriting criteria for the ITT Private Loans, a continuing ITT student who had received Temporary Credit could be automatically eligible for ITT Private Loans notwithstanding his or her failure to satisfy the remaining loan underwriting criteria so long as he or she had not declared bankruptcy within 24 months (“**Temporary Credit Exception**”).
50. ITT students did not know this, nor were they made aware that ITT would coerce them into using the ITT Private Loans to repay Temporary Credit, until the point that ITT’s

Financial Aid staff gave them no choice other than to take the ITT Private Loans or be expelled from ITT schools.

51. ITT instructed its Financial Aid staff to identify students to repackage into the ITT Private Loans as soon as possible in order to further its scheme and remove the Temporary Credits from its corporate financial reports.
52. ITT's Financial Aid staff used all of the repackaging tactics described above to get students to repackage.
53. Some students objected to the ITT Private Loans, but they were told by ITT's Financial Aid staff that if they refused to use them, they either had to pay any outstanding Temporary Credit and the next year's tuition gap—which most could not do—or leave the school in the middle of their program and forfeit the investment they had made so far.
54. Some ITT students did not even realize that they took out the ITT Private Loans. For some students, this lack of awareness was due to the rushed and automated manner in which ITT Financial Aid staff processed their paperwork. For other students, it was due to flaws in the SmartForms system that allowed ITT Financial Aid staff unauthorized access to student loan documents.
55. The interest rate for the Loans, which carried a ten-year term, was based on a student's credit score. For borrowers with credit scores under 600, the interest rate initially went as high as the prime rate plus 10.5%, with an origination fee as high as 10%. Starting in or around April 2011, borrowers with credit scores under 600 were charged an interest rate of prime plus 13%, in addition to the 10% origination fee.
56. For most of the period since 2009, the prime rate has been 3.25%; thus the effective interest rate for the Loans has been 13.75% for some borrowers with credit scores under

600; for borrowers taking out Loans after April 2011 with credit scores under 600, the interest rate has been 16.25%. Approximately 46% of the borrowers of the Loans had credit scores under 600, and thus were subject to interest rates of 13.75% or 16.25% and origination fees of 10%. Recent increases in the prime rate have increased the interest rates of the Loans, further impacting borrowers.

57. ITT knew that many students ultimately placed into ITT Private Loans were likely to default. According to models constructed by ITT and the administrators of the CUSO Loan Program based on the historic performance of private student loans provided to ITT students, 30% of ITT students were projected to default on their loans. For ITT students with credit scores below 600, the projected rate was 58.9%. Prior to the inception of its loan program, ITT estimated that 45.8% of loan recipients would have a credit score below 600.
58. Defaults on PEAKS Loans exceeded ITT's predictions. By 2013, ITT projected defaults across the PEAKS portfolio to reach 49.4% to 55.4%.
59. Soon after the loans entered repayment, ITT took steps to temporarily reduce the number of defaults. A key feature of the PEAKS Private Student Loan program was a guarantee agreement with ITT. When loan defaults caused the asset/liability ratio in the trust to fall below certain thresholds, ITT was obligated to make payments to PEAKS. This ensured PEAKS investors received full payments of the amounts due on their investments. From October 2012 until early 2014, ITT made "Payments on Behalf of Borrowers" ("**POBOBS**")—direct payments on students' loan accounts—to prevent PEAKS Loans from defaulting and thereby defer ITT's financial obligations related to the loans under the guarantee agreement. These payments were undisclosed to PEAKS, student loan

borrowers, and ITT's investors until September 2013. Without the POBOBS, the early years of the PEAKS Private Student Loan Program would have demonstrated more clearly the eventual scale of default, which is now approximately 80%. An agreement between PEAKS and ITT ended the POBOB program in March 2014.

60. In June 2012, PEAKS's servicer stated, "Based on the portfolio performance, it would not be surprising if 70% or more of loan balances ultimately default."
61. In September 2016, ITT filed for bankruptcy protection and ceased all operations.
62. Approximately 80% of PEAKS Loans have defaulted.
63. Neither prospective students nor current students were told by ITT the default rates on the Loans.
64. As private student loans, the Loans are difficult to discharge in bankruptcy, requiring the student-borrower to make a special showing of "undue hardship."

PEAKS's Crucial and Ongoing Role in ITT's Private Loan Program

65. PEAKS facilitated the PEAKS Private Student Loan Program by helping ITT recruit investors for the program, by immediately purchasing the PEAKS Loans from the originating entity, by participating in setting the interest rates and terms of the Loans, by distributing payments from students and ITT to investors, and by conducting the management and oversight of loan servicing and collection activities, which continues through the present day.
66. PEAKS knew that the purpose of the PEAKS Private Student Loan Program was to convert Temporary Credit into revenue for ITT. PEAKS knew that many of the borrowers consisted of students who held Temporary Credit issued by ITT and were repack-eligible, but who did not have the resources or the access to credit to be able to

repay the loans.

67. PEAKS was also on notice about ITT's financial aid practices: during the period when the PEAKS Private Student Loan Program was actively making Loans, numerous students lodged complaints with the PEAKS Loan origination agent and the Program's servicer claiming that they did not realize they had taken out Loans, were not aware of the terms of the Loans, were not aware that the Loans were not federal student loans, and that ITT Financial Aid employees had used high pressure tactics during their financial aid appointments. Additionally, students lodged complaints that Financial Aid staff had signed PEAKS Loan applications and promissory notes without the students' knowledge or authorization.
68. But PEAKS had reason to continue with the Private Student Loan Program because ITT, through an "out-of-the-money" corporate guarantee agreement, guaranteed the PEAKS investors' returns. ITT unconditionally guaranteed payment of the investors' and program participants' fees, principal, and interest "as and when due." When the asset-to-liability ratio in the trust fell below certain thresholds, ITT was required to make payments to PEAKS. This guarantee incentivized PEAKS to make available and service the loans.
69. The guarantee agreement allowed ITT to continue to exert control over the PEAKS Private Student Loan Program after origination of the loans. The governing documents of the PEAKS Private Student Loan Program, including the guarantee agreement, gave ITT certain servicing rights, and guarantee payments were only made if PEAKS continued to actively collect the loans.
70. Despite the significant default predictions, actual defaults that exceeded projections, ITT's efforts to manipulate the default rate of the loans, knowledge of numerous

consumer complaints, and the Bureau's lawsuit against ITT alleging unlawful practices related to the ITT Private Loan Programs, PEAKS continued servicing and collecting PEAKS Loans in accordance with the loan program agreement with ITT.

ITT Files for Bankruptcy and Closes Its Campuses

71. In August 2016, the U.S. Department of Education took a series of actions against ITT to protect students and taxpayers by banning ITT from enrolling new students using federal financial aid funds and stepping up financial oversight of the for-profit educational provider.
72. One month later, in September 2016, ITT abruptly closed its more than 100 campuses leaving more than 35,000 of its students without a degree and saddled with student debt, including Loans they needed to repay.

Borrowers Left with Unaffordable Loan Payments, Default in Large Numbers

73. Former ITT students, having been coerced by ITT into the Loans, face a high likelihood of defaulting. As noted above over 80% of PEAKS Loans have defaulted.
74. The Loans carry a high monthly payment, with higher interest rates, more rigid conditions, and fewer options to reduce monthly payments than federal loans offer. For most former ITT students, this monthly payment, on top of all other loan obligations, is unaffordable.
75. ITT and PEAKS facilitated access to capital for the Loans, and monitored the progress of Loan originations within the PEAKS Private Student Loan Program.
76. Students were not able to protect their interests in selecting or using Loans because few students had the resources, particularly in the time permitted, to repay the Temporary Credit or pay the tuition gap out of pocket, or to obtain private loans elsewhere. Given the

virtual non-transferability of ITT credits, most students were forced to either take the Loans or forfeit their entire investment.

77. ITT took unreasonable advantage of ITT students' inability to protect their interests in selecting or using the ITT Private Loans. ITT knew about these vulnerabilities and exploited them by taking control of the complex financial aid process, using aggressive financial aid packaging tactics, and pushing students into expensive, high-risk loans that ITT knew were likely to default.
78. The above-described ITT conduct was unfair, abusive, deceptive, or otherwise unlawful in violation of the State consumer protection laws cited in Footnote 1, as well as the Consumer Financial Protection Act ("CFPA"), 12 U.S.C. § 5531, enforceable by the States pursuant to 12 U.S.C. § 5552.
79. The Federal Trade Commission's (FTC's) Rule on the Preservation of Consumers' Claims and Defenses, better known as the "Holder in Due Course Rule," or "**Holder Rule**," 16 C.F.R. § 433, states that "it is an unfair or deceptive act or practice . . . for a seller, directly or indirectly, to . . . [t]ake or receive a consumer credit contract which fails to contain" specific language, prescribed in the rule, that any holder is subject to all claims and defenses that the debtor could enforce against the seller.
80. The loan agreements utilized by PEAKS contained the following clause:

NOTICE: IF THE PROCEEDS OF THE LOAN MADE UNDER THIS PROMISSORY NOTE ARE USED TO PAY TUITION AND CHARGES OF A FOR-PROFIT SCHOOL THAT REFERS LOAN APPLICANTS TO THE LENDER, OR THAT IS AFFILIATED WITH THE LENDER BY COMMON CONTROL, CONTRACT, OR BUSINESS ARRANGEMENT, ANY HOLDER OF THIS CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SCHOOL WITH RESPECT TO THE LOAN. RECOVERY UNDER THIS

PROVISION SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR ON THE LOAN.

81. The States allege that ITT Private Loans are subject to all claims and defenses which borrowers could enforce against ITT, including but not limited to fraud, unconscionability and violations of the States' consumer protection laws referenced in Footnote 1, as well as the failure to deliver promised degrees and educational services following the closure of ITT's schools, each of which would void the ITT Private Loans.
82. The States assert that enforcement claims based upon fraud at the origination of the Loans are available against a holder of the loan under the Holder Rule.

Application

83. The provisions of this Assurance will apply to Defendants and any of their officers, employees, agents, successors, assignees, merged or acquired entities, wholly owned subsidiaries, and all other persons or entities acting in concert or participation with any of them, who receive actual notice of this Assurance, regarding Defendants' treatment of the Loans pursuant to the terms of this Assurance.
84. The States and Defendants acknowledge that this Assurance is being similarly entered into between Defendants and each of the States. The States and Defendants intend to coordinate implementation of the terms of this Assurance. Where reasonably possible, the States will attempt to coordinate communication with Defendants through the Lead State.

TERMS OF ASSURANCE

I. FINANCIAL RELIEF

85. PEAKS has not acquired and will not acquire loans other than the Loans, does not and will not conduct business other than Loan Program business, and will cease conducting

all business upon the completion of its obligations as set out in this Assurance. It is currently anticipated that PEAKS will begin the process of dissolution, winding up and termination promptly after completion of its obligations under the Redress Plan, the Bureau Order, and this Assurance. As laid out more fully in paragraph 113, the States are not seeking injunction, compliance, and reporting requirements relating to the subject matter of this Assurance beyond those specified in this Assurance.

86. As of the Effective Date:

- a. PEAKS will terminate all collections activities and terminate the acceptance of payments from Affected Consumers related to any Loan;
- b. Defendants will take no further action directly or through any agent or contractor, to enforce or to collect any Loan of an Affected Consumer; and
- c. Defendants will refrain from selling, transferring, or assigning any Loan.
- d. Notwithstanding the requirements of subparagraphs (a) and (b) of this Paragraph, Defendants will not be regarded as in violation of this Assurance if they or the Servicer send out routine statements or notices that could be considered collection activity within 20 days after the Effective Date; nor will Defendants be regarded as in violation of this Assurance in the event that a payment from an Affected Consumer related to any Loan is discovered to have been accepted or processed after the Effective Date, provided that Defendants, or the Servicer acting on one of Defendants' behalf, makes efforts to return the full payment to the Affected Consumer as specified in the Redress Plan.

87. Within 30 days of the Effective Date, PEAKS, DBNTC, as lender trustee, and DBTCA,

as indenture trustee and collateral agent, will discharge and cancel all outstanding balances of all Affected Consumers' Loan accounts, including their associated fees, charges, and interest.

88. Within 30 days of the Effective Date, PEAKS will cause the Servicer to submit written requests to all Consumer Reporting Agencies to which Defendants or the Servicer has reported information about the Affected Consumers' Loans, directing those Consumer Reporting Agencies to delete the consumer trade lines associated with the Affected Consumers' Loans by updating those consumer trade lines with the appropriate codes to reflect that each of those consumer trade lines has been deleted and, if an explanation is required, with codes referencing a negotiated settlement.
89. Within 30 days of the Effective Date, PEAKS will send notifications to the Affected Consumers, by first class mail to the most recently available postal address contained in the Servicer's system of record for each Affected Consumer, informing them of the new status of their Loans, and the requested updated status of the credit reporting related to their Loans, consistent with this Assurance.
90. Except as and to the extent provided herein and in the Redress Plan, Defendants will relinquish all dominion, control, and title to all Loan payments made by Affected Consumers after the Effective Date. No part of those funds may be retained by Defendants.
91. Upon the Effective Date, Defendants promptly will begin implementation of the Redress Plan consistent with the requirements of this Assurance. The States have reviewed the Redress Plan and have approved it. The Redress Plan, among other things:
 - a. Specifies how Defendants or the Servicer will notify Affected Consumers,

consistent with this Assurance, of (i) the new status of their Loans and (ii) the request to the Consumer Reporting Agencies to update the status of the credit reporting related to their Loans.

- b. Provides an exemplar of written communications to be sent by Defendants or the Servicer to Affected Consumers regarding their Loans and the redress provided in this Assurance.
 - c. Identifies a Servicer telephone number that will be active for 150 days after the Effective Date to assist Affected Consumers who have questions about the status of their Loan accounts, and describes the types of questions to which the Servicer will be prepared to respond.
 - d. Specifies the efforts that Defendants and the Servicer will undertake to prevent any payment made on a Loan from being accepted after the Effective Date.
 - e. Provides a copy of the notice to be posted to the home page of the website, www.peaksloans.com, maintained by the Servicer, which notice will provide general information for Affected Consumers regarding their Loans.
 - f. Specifies how Defendants and the Servicer will make efforts to return, to reverse, or otherwise effectively to reject in full any payment on a Loan of an Affected Consumer that has been received by Defendants or the Servicer after the Effective Date.
92. In the event that (a) a payment on a Loan of an Affected Consumer is received by Defendants or the Servicer after the Effective Date, and (b) the state of the last known residence of the person who made that payment (the “**Payor**”) is among the States, and (c) (i) notwithstanding Defendants’ efforts pursuant to the Redress Plan, the refund

remains undeliverable, undeposited or uncashed, or (ii) the payment was received more than 150 days after the Effective Date, then Defendants will pay any such funds to the State of the Payor's last known residence in accordance with the Instructions Regarding Unreturnable Payments attached as Exhibit 2 hereto. Prior to any transfer of funds pursuant to this Paragraph, the Servicer will stop payment on any outstanding refund check representing those same funds. Under no circumstances will the Servicer or Defendants be required to make more than one payment on account of any payment received after the Effective Date.

93. Defendants agree, pursuant to Rev. Proc. 2020-11, not to issue Internal Revenue Service Form 1099-Cs to Affected Consumers.

II. CONSUMER INFORMATION

94. Defendants, and their officers, employees, representatives, and agents who receive actual notice of this Assurance, whether acting directly or indirectly, may not disclose, use, or benefit from Consumer Information, except as follows:

- a. Consumer Information may be disclosed if requested by a government agency or required by law, regulation, or court order;
- b. Consumer Information may be used to effectuate and to carry out the obligations set forth in this Assurance.

III. REPORTING REQUIREMENTS

95. Defendants will notify the Lead State of any development that may affect Defendants' compliance with obligations arising under this Assurance, including but not limited to dissolution, assignment, sale or merger of PEAKS, or other action that would result in the emergence of a successor entity to PEAKS; the creation of a subsidiary, parent, or

affiliate of PEAKS that engages in any acts or practices subject to this Assurance; the filing of any bankruptcy or insolvency proceeding by or against PEAKS; or a change in PEAKS' name or address. Defendants will provide this notice, if practicable, at least 30 days before the development, but in any case, no later than 14 days after the development. The Lead State may in turn notify the other participating States of the development.

96. Within 120 days of the Effective Date, Defendants will submit to the Lead State an accurate written compliance progress report that:
- a. Describes in detail the manner and form in which Defendants have complied with this Assurance; and
 - b. a list of all Affected Consumers for each State that, for each Affected Consumer, will set forth his/her name, corresponding unique identifying Loan number(s), last known contact information (mailing address, email address and telephone number), and outstanding Loan balance(s) on the day prior to the Effective Date (broken down among principal, interest, fees and any other amount due and owing);
 - c. a list of all Affected Consumers whose notices of discontinuance of billing and collection of the Loans, after commercially reasonable efforts, were undeliverable; and
 - d. a list of Loan payments that were not able to be returned, reversed, or otherwise effectively rejected, as described in Paragraphs 87 and 92 above.

IV. ASSURANCE DISTRIBUTION AND CONTACT

97. Within 30 days of the Effective Date, Defendants will deliver a copy of this Assurance to

the Servicer and to any manager, employee, service provider, or other agent or representative who has responsibilities related to compliance with this Assurance.

98. Defendants will direct and provide all notices, submissions, or other communications or documents required to be sent to the States or requested by the States pursuant to this Assurance, including, but not limited to notices and reports pursuant to Section III above, or records pursuant to Section VI below, to the Lead State, Office of the Iowa Attorney General, Office of Consumer Protection; Jessica Whitney, Attn: PEAKS Settlement; 1305 E. Walnut St., Des Moines, IA 50319, by overnight courier or first-class mail, for appropriate subsequent distribution by the Lead State to the other States. Nothing herein shall preclude any State from requesting of Defendants, in writing, that Defendants provide any such required notice, submission or other communications or documents pertaining to residents of that State directly to that State, and subject to the limitations provided in Paragraph 103 hereof, Defendants agree to comply with any such reasonable request of an individual State.
99. Defendants will secure a signed and dated statement acknowledging receipt of a copy of this Assurance, ensuring that any electronic signatures comply with requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Assurance under this Section IV.

V. RECORDKEEPING

100. For three years from the Effective Date, Defendants will maintain, all documents and records necessary to demonstrate full compliance with this Assurance, including all submissions made to the Lead State pursuant to Paragraph 96 (a) hereof.
101. Defendants must make the documents identified in Paragraph 99 hereof to the Lead State

upon the Lead State's request.

VI. COOPERATION WITH THE ATTORNEY GENERAL

102. Defendants, and their agents, officers and employees, will cooperate fully with the States in this matter and in any investigation by the States related to or associated with the conduct set forth in this Assurance. Defendants will provide truthful and complete non-privileged, non-work product information, evidence, and testimony. Defendants will appear and will cause their officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that a State reasonably may request upon 10 business days' written notice, or other reasonable notice, at such places and times as the Lead State may designate, without the service of compulsory process.
103. The States agree to make good faith efforts to coordinate, with each other and with the Bureau, any such future requests of Defendants for information, evidence or testimony, to the extent they are reasonably able, in order to avoid multiple or duplicative requests of Defendants and to avoid any undue burden on Defendants in providing such information, evidence or testimony; *provided, however*, nothing in this Assurance will limit the States' lawful use of civil investigative demands under State law, the use of examinations under Federal Rules of Bankruptcy Procedure 2004, or any other discovery device available under State law or the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, subject to Defendants' ability to seek a protective order.

VII. RELEASE

104. The States, and each of them, release and discharge Defendants from all potential liability for civil violations of consumer protection law that the States have or might have asserted

under the State consumer protection laws referenced in Footnote 1 or otherwise, based on the practices described in this Assurance, to the extent such practices occurred before the Effective Date and the States know about them as of the Effective Date. The States may use the practices described in this Assurance in future enforcement actions against the Defendants, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the States to determine and ensure compliance with this Assurance, or to seek penalties for any violations of this Assurance.

VIII. MISCELLANEOUS

105. Each of the Parties is responsible for its own costs and expenses, including, without limitation, attorneys' fees. Notwithstanding the foregoing, PEAKS agrees to pay filing fees for the filing of this Assurance with the Courts in the States where such filing and such fees are required.
106. The Parties may modify or amend this Assurance in a writing executed by those Parties affected by the modification or amendment. In those States in which Court approval of this Assurance was required, notwithstanding any other provision hereof, (a) any time limit for performance fixed by this Assurance may be extended by mutual written agreement of Defendants and the affected State(s) and without Court approval; (b) details related to the administration of Sections III through VII of this Assurance and to the terms and implementation of the Redress Plan may be modified by written agreement of Defendants and the affected State(s) and without Court approval; and (c) any other modification to this Assurance may be made only upon approval of the Court, upon

motion by either Party.

107. This Assurance will not prejudice or otherwise negatively affect the States' claims against any other party. Nothing in this Assurance will be deemed to preclude the States from pursuing claims against other parties based on the practices described in this Assurance.

IX. ENFORCEMENT

108. This Settlement may be enforced by the States in any and all ways consistent with State laws. For all necessary purposes, this Settlement will be considered a formal, binding agreement on the Parties, which may be enforced only by the Parties in any court of competent jurisdiction. Any material violation of this Settlement may result in a State seeking all available relief to enforce this Settlement, including injunctive relief, damages, and any other relief provided by the laws of the State, or authorized by a court of competent jurisdiction.

X. GENERAL PROVISIONS

109. By agreeing to this Assurance, Defendants reaffirm and attest to the material truthfulness and accuracy of all of the information provided by Defendants to the States prior to entry into this Assurance. The States' agreement to this Assurance is expressly premised upon the material truthfulness and accuracy of the information provided by Defendants to the States throughout the course of the investigation of this matter, which information was relied upon by the States in negotiating and agreeing to the terms and conditions of this Assurance.
110. Defendants will not participate, directly or indirectly (including without limitation by forming a separate corporation or entity), in any acts or practices prohibited, in whole or

in part, by this Assurance.

111. Nothing in this Assurance will be construed to waive or limit any right of action by any individual, person or entity, including, but not limited to any other state or governmental entity other than the States.
112. The Parties acknowledge that the discontinuance of collection of the Loans, as described in this Assurance, is based on alleged infirmities in the original creation of the Loans, stemming from alleged unlawful actions or other alleged misconduct, perpetrated at the time of the Loans' origination, that allegedly render the Loans unenforceable. The cessation of collection is for the purpose of correcting the alleged unlawful business practices and alleged misconduct.
113. This Assurance sets forth all of the promises, covenants, agreements, conditions and understandings between the Parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, remedies, or understandings, oral or written, between the Parties relating to the subject matter of this Assurance that are not fully expressed herein or attached hereto. Each Party specifically warrants that this Assurance is executed without reliance upon any statement or representation by any other Party hereto, except as expressly stated herein. In the event that any term, provision, or section of this Assurance is determined to be illegal or unenforceable, subject to consultation with all Parties to this Assurance, such determination will have no effect on the remaining terms, provisions, and sections of this Assurance, which will continue in full force and effect.
114. The titles and headers in each section of this Assurance are used for convenience purposes only and are not intended to lend meaning to the actual terms and conditions of

this Assurance.

115. This Assurance will not be construed against the “drafter” because all Parties participated in the drafting of this Assurance.
116. This Assurance may be executed in counterparts, each of which will constitute an original counterpart hereof and all of which together will constitute one and the same document. One or more counterparts may be delivered by facsimile or electronic transmission, or a copy thereof, with the intent that it or they will constitute an original counterpart hereof.
117. Nothing in this Assurance will be construed as relieving PEAKS, DBNTC solely in its capacity as lender trustee of PEAKS, DBTCD solely in its capacity as owner trustee of PEAKS, and DBTCA solely in its capacity as indenture trustee and collateral agent of PEAKS, of its ongoing obligations to comply with applicable state and federal laws, regulations or rules.
118. Any failure of any of the Parties to exercise any of its rights under this Assurance will not constitute a waiver of its rights hereunder.
119. Defendants agree to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance, whether required prior to, contemporaneous with, or subsequent to the Effective Date, as defined herein.
120. The Parties agree to this Assurance, without any adjudication of fact or law, to settle and to resolve all matters arising under State consumer protection laws, including those referenced in Footnote 1, based on the allegations asserted herein. The States and Defendants understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Assurance will not be deemed or construed as: (a) an

admission of the truth or falsity of any allegations made herein; (b) approval by the States of any alleged act or practice of Defendants or ITT as described in the Factual Allegations section herein; (c) an admission by Defendants of its having knowledge of the conduct and acts of ITT, its CEO or its CFO; or (d) an admission by Defendants that they have violated or breached any law, statute, regulation, or obligation.

121. Unless otherwise specifically provided, all actions required of Defendants pursuant to this Assurance will commence as of the Effective Date.

XI. RETENTION OF JURISDICTION


122. In those States in which Court approval of this Assurance was required, the Court will retain jurisdiction over matters pertaining to this Assurance for purposes of its construction, modification, and enforcement. The Parties may jointly seek to modify the terms of this Assurance, which, except as specified in Paragraph 106 hereof, may be modified only by Court order.

[Signature pages to follow]

Dated this 14 day of September, 2020.

PEAKS Trust 2009-1, a Delaware statutory trust

By: DEUTSCHE BANK TRUST COMPANY
DELAWARE, not in its individual or
personal capacity but solely in its capacity
as Owner Trustee

By: 
Name Chad Jones
Title Vice President

By: 
Name Katie Hall
Title Associate

Dated this ___ day of _____, 2020.


DEUTSCHE BANK NATIONAL TRUST
COMPANY, not in its individual or personal
capacity but solely in its capacity as lender trustee


By: _____
Name
Title

By: _____
Name
Title

Dated this 14 day of September, 2020.

DEUTSCHE BANK TRUST COMPANY
DELAWARE, not in its individual or personal
capacity but solely in its capacity as Owner Trustee

By: 
Name Chad Jones
Title Vie President

By: 
Name Katie Hall
Title Associate

Dated this ___ day of _____, 2020.

Dated this ___ day of _____, 2020.

PEAKS Trust 2009-1, a Delaware statutory trust

By: DEUTSCHE BANK TRUST COMPANY
DELAWARE, not in its individual or
personal capacity but solely in its capacity
as Owner Trustee

By: _____
Name
Title

By: _____
Name
Title

Dated this 14 day of September, 2020.

DEUTSCHE BANK NATIONAL TRUST
COMPANY, not in its individual or personal
capacity but solely in its capacity as lender trustee

By: _____
Name **Ronaldo Reyes**
Title **Vice President**

By: _____
Name 
Title **Katherine M. Warnenmacher**
Vice President

Dated this ___ day of _____, 2020.


DEUTSCHE BANK TRUST COMPANY
DELAWARE, not in its individual or personal
capacity but solely in its capacity as Owner Trustee


By: _____
Name
Title

By: _____
Name
Title

Dated this ___ day of _____, 2020.


DEUTSCHE BANK TRUST COMPANY
AMERICAS, not in its individual or personal
capacity but solely in its capacity as indenture
trustee and collateral agent

By: 
Name **Ronaldo Reyes**
Title **Vice President**

By: 
Name **Katherine M. Wannemacher**
Title **Vice President**

Dated this 14 day of September, 2020.

PEOPLE OF THE STATE OF ILLINOIS,
by KWAME RAOUL,
Attorney General of Illinois,

BY:  _____

ANDREW DOUGHERTY, Deputy Chief
Consumer Fraud Bureau

DATED: 9/14/20

KWAME RAOUL
Attorney General of Illinois

SUSAN ELLIS, Chief
Consumer Protection Division

GREG GRZESKIEWICZ, Chief
Consumer Fraud Bureau

ANDREW DOUGHERTY, Deputy Chief
Consumer Fraud Bureau

JOSEPH SANDERS, Student Loan Ombudsman and Assistant Attorney General
GREGORY JONES, Assistant Attorney General
Consumer Fraud Bureau
100 W. Randolph St., 12th Fl.
Chicago Illinois 60601

EXHIBIT 1

STATE REDRESS PLAN

REDRESS PLAN

PEAKS Trust 2009-1, a Delaware statutory trust (“PEAKS”); Deutsche Bank Trust Company Delaware, not in its individual capacity but solely in its capacity as Owner Trustee under the PEAKS Trust 2009-1 Amended and Restated Trust Agreement dated as of January 20, 2010 (the “Owner Trustee”), Deutsche Bank National Trust Company, not in its individual capacity but solely in its capacity as lender trustee under the PEAKS Trust 2009-1 Lender Trustee Agreement dated as of January 20, 2010 (the “Lender Trustee”); and Deutsche Bank Trust Company Americas, not in its individual capacity but solely in its capacity as indenture trustee and collateral agent under the PEAKS Trust 2009-1 Amended and Restated Indenture and Credit Agreement dated as of December 31, 2010 (the “Secured Party,” and together with PEAKS, the Owner Trustee, and the Lender Trustee, the “PEAKS Parties”) submit this Redress Plan to the Bureau of Consumer Financial Protection (“Bureau”), to set forth a summary of the tasks that will be performed to implement the PEAKS Parties’ settlement with the Bureau, the methods that will be used in performing those tasks, and the timeline for completion of those tasks. This document will serve as the Redress Plan referenced in the [Proposed] Stipulated Final Judgment and Order (“Consent Order”) that will be submitted to the United States District Court for the Southern District of Indiana in the action to be filed therein and to be titled *Bureau of Consumer Financial Protection v. PEAKS Trust 2009-1, et al.* (the “Action”).

To the extent that this Redress Plan provides for tasks to be performed by the Servicer (as defined below), PEAKS, and any of the other PEAKS Parties as may be required, has directed and will direct the Servicer (currently Vervent Inc.) to perform those tasks, and the Servicer has agreed to perform the tasks using the methods and in accordance with the timeline set out herein. PEAKS has committed to give notice to the Servicer of the Effective Date promptly upon learning that it has occurred.

I. Definitions

The following defined terms, in addition to those set forth above, are used herein:

- a. “Affected Consumers” means those borrowers with Affected Loans (as defined below).
- b. “Affected Loans” means those loans in the Program (as defined below), including active loans and charged off loans, that have more than a zero balance on the Effective Date (as defined below).
- c. “Consumer Reporting Agencies” means the credit bureaus and consumer reporting agencies to which the Servicer (as defined below) has reported information about the Affected Loans.
- d. “Consumers” means the borrowers, including but not limited to Affected Consumers, of Program loans.
- e. “Effective Date” means the effective date of the Consent Order.
- f. “IVR” means the Servicer’s standard interactive voice response system.
- g. “Notice” means the notification to be sent by the Servicer pursuant to Section II.d below.
- h. “Payment Portal” means the portion of the Website (as defined below) that functions as an entry point for certain Consumers, enabling them, once they log in, to access individual, account-level information.

- i. “Payors” means those who make payments on Affected Loans, including but not limited to Affected Consumers.
- j. “Program” means the PEAKS loan program serviced by the Servicer.
- k. “Script” means the written document that will assist the Servicer in responding to telephonic inquiries from Consumers about the Settlement (as defined below) and the status of their Program loan accounts after the Effective Date.
- l. “Servicer” means the servicer of the Program loans (currently Vervent Inc.).
- m. “Settlement” means the coordinated settlements of PEAKS with the Bureau and the States (as defined below) relating to the Program.
- n. “States” means Arizona, Arkansas, Colorado, Connecticut, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Mexico, North Carolina, Oregon, Pennsylvania, Tennessee, Washington, West Virginia, Wisconsin, and the District of Columbia, and any other state that may join in the Settlement.
- o. “Website” means the webpage (www.peaksloan.com), maintained by the Servicer, that provides general information for Consumers regarding their Program loans.
- p. “Unreturnable Funds” means funds from a payment on an Affected Loan that was received after the Effective Date, which payment (i) either (1) cannot be returned, reversed or otherwise effectively rejected pursuant to the procedures described in Sections IV.d, IV.e and IV.f below, or (2) is received more than 150 days after the Effective Date; and (ii) is not required, pursuant to a Settlement agreement between the state of the Payor’s last known residence and PEAKS, to be paid to that state, because either the state has not so required or the Payor’s last known residence is not in one of the States.

II. Notification to Affected Consumers

- a. PEAKS will give the Servicer advance notice of the Effective Date by advising the Servicer when the first court filing has been made with respect to the Consent Order (such date, the “Advance Notice Date”). PEAKS will notify the Servicer of the date of filing of the Consent Order. Immediately upon receiving the approved Consent Order, PEAKS shall provide the approved Consent Order to the Servicer. All notices to be delivered to the Servicer under this subsection will be delivered by email to the attention of David Johnson (david@vervent.com) and Stephanie Jimenez (sjimenez@vervent.com).
- b. The Servicer will identify the Affected Consumers and Affected Loans, by conducting a query against the servicing system of record that will output a list of Program accounts with balances greater than zero on the Effective Date.
- c. The Servicer will prepare a list of all Affected Consumers, which, for each Affected Consumer, will set forth his/her name, corresponding unique identifying loan number(s), last known contact information (mailing address, email address and telephone number), and Affected Loan balance(s) on the day prior to the Effective Date (broken down among principal, interest, fees and any other amount due and owing). The Servicer will identify mailing addresses for the Affected Consumers by locating the most recently available postal address contained in the Servicer’s system of record for each Affected Consumer.

- d. Within 30 days after the Effective Date, the Servicer will send to each Affected Consumer, by first class U.S. mail, the Notice, consisting of (i) a copy of the Notice to Affected Consumers of Discontinuance of Billing and Collection, in the form of Exhibit A hereto, and (ii) an account statement reflecting an updated balance of \$0 for each of the Affected Consumer's Affected Loans, in the form of the sample Form of Zero Balance Account Statement attached hereto as Exhibit B. The account statements may be used by the Affected Consumers as verification that no further payment is due with respect to the Affected Loans.
- e. If any Notice sent pursuant to Section II.d above is returned as undeliverable, the Servicer, within 30 days of receiving the returned Notice, will use commercially reasonable efforts to obtain the Affected Consumer's updated mailing address, and, if successful, then will re-send the Notice, containing the materials outlined in Section II.d above, to the Affected Consumer. The commercially reasonable efforts will include: (i) using a commercial skip tracing service to obtain an updated address for the Affected Consumer; (ii) sending an email to the Affected Consumer's email address on file and requesting an updated mailing address; and (iii) calling the Affected Consumer using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the Notice to each Affected Consumer.
- f. The Servicer will prepare a list of all Affected Consumers whose Notices, after commercially reasonable efforts, were undeliverable, including, for each such Affected Consumer, his/her name and last known mailing address, email address and telephone number.

III. Online Account Updates and Servicer Provision of Information

- a. The Servicer will designate 866-747-0273 as the telephone number Consumers should call with questions about the Settlement and the status of their Program loan accounts after the Effective Date. This number will route through the IVR, which provides basic account information and an option to speak with a live agent. Commencing on the day that the Servicer has received notice of the Effective Date, and until the Servicer telephone agents have completed their training to respond to Consumers' questions pursuant to the Script and the recorded introductory statement set out in the Script has been activated (but in no event later than five business days after the Effective Date), the live agents will answer any question concerning the discontinuance of collection of the Affected Loans by stating, "We have discontinued collection and enforcement of certain loans and are in the process of implementing this new policy. More information will be available by [*date five business days after Effective Date*]."
- b. Within five business days after the Effective Date, the Servicer (i) will update the online accounts of all Affected Consumers for all Affected Loans, so that the Affected Consumers' online accounts for each of the Affected Loans will reflect a \$0 balance as of the Effective Date; (ii) will make copies of the Notice accessible to Affected Consumers through the Payment Portal, in connection with their online accounts for the Affected Loans; (iii) will send an email to each Affected Consumer who is registered to receive, and who regularly receives, email notices of his/her Affected Loan statements or balance(s), providing a link to his/her online account(s) for the Affected Loan(s); (iv) will post a notice

- on the Website home page, in form of Exhibit C hereto; and (v) will ensure that (1) Consumers calling the Servicer with questions about the Settlement or the new status of the Affected Loans will be directed through the IVR to the recorded introductory statement set out in the Script, and (2) those Consumers who opt to speak with a live agent after listening to that recorded message will be directed to telephone agents who will respond to questions in accordance with the Script. The Script is attached as Exhibit D hereto.
- c. The Payment Portal will be deactivated, and will become inaccessible to Consumers, two months after the Effective Date. The Servicer will maintain its above-referenced telephone number and the Website for 150 days after the Effective Date, after which time the telephone line and the Website will be dismantled.

IV. Discontinuance of Collections and Rejection of Payments after the Effective Date

- a. Within five business days after the Effective Date, the Servicer (i) will cease issuing monthly account statements to the Affected Consumers, whether by mail or by electronic means; (ii) will deactivate all active recurring and scheduled payments, and cancel all automatic payment arrangements, relating to the Affected Loans (whether through ACH or payment cards, via the IVR or the Payment Portal, or otherwise); and (iii) will initiate additional commercially reasonable efforts not to accept any payment received after the Effective Date on any Affected Loan, including by arranging for blocking or automatic reversal of ACH payments and bank transfers.
- b. Upon the Effective Date, the Servicer will cease remitting payments received for Affected Loans to PEAKS, the Secured Party or any assignee of the Affected Loans. In the event the Servicer remits any payments received for Affected Loans to PEAKS and/or the Secured Party on or after the Effective Date, then PEAKS and/or the Secured Party will return such payments to the Servicer within 10 (ten) business days of knowledge of receipt.
- c. Within 30 days of the Effective Date, PEAKS, the Lender Trustee, the Secured Party, and the Servicer will discharge all Affected Loans and will cancel all outstanding balances of all Affected Loans, including principal, interest, fees and any other amount due and owing.
- d. In the event that a check has been received by the Servicer's automated lockbox, or that a payment otherwise has been made for which a refund check is necessary (for example, payment by cash or an electronic payment sent through a bill pay service from the Payor's banking institution), the Servicer, within 30 days after receipt of the payment and identification of the correct PEAKS account, will mail a refund check, by first class U.S. mail, to the most recently available postal address contained in the Servicer's system of record for the Payor, together with a Letter to Payor with Return of Post-Effective Date Payment, in the form of Exhibit E hereto.
- e. If any refund check and Letter to Payor with Return of Post-Effective Date Payment sent pursuant to Section IV.d above is returned as undeliverable, the Servicer, within 30 days after receiving the returned check and Letter to Payor, will use commercially reasonable efforts to obtain the Payor's updated mailing address and, if successful, then will re-send the check and the Letter to the Payor. The commercially reasonable efforts will include: (i) using a commercial skip tracing service to obtain an updated address for the Payor; (ii) sending an email to the Payor's email address on file and requesting an updated mailing address; and (iii) calling the Payor using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the returned check and the Letter to Payor with Return of Post-Effective Date Payment to each Payor.
- f. If any refund check sent pursuant to Section IV.e above, and not returned as undeliverable, is not deposited or cashed within 30 days, the Servicer will use commercially reasonable efforts over the

ensuing 30 days to contact the Payor, at least two additional times, by email or by telephone, in order to advise the Payor to deposit or to cash the check.

- g. The Servicer will prepare a list of all Affected Loan payments received after the Effective Date that were not able to be returned, reversed or otherwise effectively rejected.
- h. Any payment on an Affected Loan that should be refunded but, notwithstanding the efforts made pursuant to Sections IV.e and IV.f above, remains undeliverable, undeposited or uncashed, or that is received more than 150 days after the Effective Date, (i) will be paid to the State of the Payor's last known residence, if that State has so required in a Settlement agreement between that State and the PEAKS Parties, in accordance with the terms specified in that agreement, or, (ii) if the payment qualifies as Unreturnable Funds, will be paid by wire transfer to the Bureau or to the Bureau's agent, in accordance with the Consent Order. Prior to any transfer of funds pursuant to this paragraph, the Servicer will stop payment on any outstanding refund check representing those same funds. Under no circumstances will the Servicer be required to make more than one payment on account of any Affected Loan payment received after the Effective Date.

V. Credit Reporting

- a. Within 30 days after the Effective Date, the Servicer will submit a Metro 2 file to all Consumer Reporting Agencies, directing them to delete the consumer trade lines associated with the Affected Loans by updating those consumer trade lines with the appropriate codes to reflect that each of those consumer trade lines has been deleted. If any Consumer Reporting Agency should require an explanation, the Servicer will report "deleted as a result of a negotiated court settlement."
- b. To identify the appropriate Consumer Reporting Agencies, the Servicer will use its standard monthly Metro 2 reporting for the Program loans and will update the Consumer Reporting Agencies' information based on the application of a designated account status for the Affected Consumers' accounts.
- c. The Servicer will respond to all Consumer Reporting Agency inquiries concerning this procedure.
- d. For as long as PEAKS exists as a legal entity, PEAKS will ensure the Servicer complies with any applicable requirements under the Fair Credit Reporting Act and Regulation V.

VI. Timeline for Redress Plan and Notifications to the Bureau

- a. PEAKS will comply with all deadlines set forth above and in the Consent Order, and where applicable, will ensure that the Servicer takes all necessary steps to meet the deadlines set forth above and in the Consent Order.
- b. 120 days after the Effective Date, PEAKS will direct the Servicer to provide to the Bureau, on an encrypted disk or drive:
 - i. The list of the Affected Consumers, with their last known contact information and the Affected Loan balances, as described in Section II.c above;
 - ii. The list of undeliverable Notices, as described in Section II.f above; and
 - iii. The list of Affected Loan payments that were not able to be returned, reversed, or otherwise effectively rejected, as described in Section IV.g above.
- c. It is currently anticipated that the agreement by and among PEAKS, the Secured Party, ITT Educational Services, Inc., and the Servicer (the "Existing Agreement") will be

terminated promptly after the completion of the Servicer's Settlement implementation tasks as described in this Redress Plan. To the extent of any conflict between the Existing Agreement and this Redress Plan, the PEAKS Parties will consider the terms of this Redress Plan as controlling.

- d. It is currently anticipated that PEAKS will begin the process of dissolution, winding up and termination promptly after the completion of its obligations under this Redress Plan and the Consent Order.

EXHIBIT A

**FORM OF NOTICE TO AFFECTED CONSUMERS
OF DISCONTINUANCE OF BILLING AND COLLECTION**

[STANDARD SERVICING PEAKS LETTERHEAD]

XXXXX XX, 2020

BORROWER NAME

ADDRESS LINE 1

ADDRESS LINE 2

CITY, STATE ZIP

Re: **NOTICE THAT NO FURTHER PAYMENT IS DUE ON YOUR PEAKS
LOAN**

Account ID: XXXXXXXX (your "PEAKS Loan")

Dear *BORROWER NAME*:

You are receiving this notice because you are a former student of ITT Technical Institute ("ITT") who received a private student loan in connection with your ITT education, which loan is now outstanding, owned by PEAKS Trust 2009-1 ("PEAKS"), and serviced and collected by Vervent Inc. ("Vervent"). Pursuant to a settlement with the Bureau of Consumer Financial Protection and certain state Attorneys General, PEAKS has agreed to discontinue collection and enforcement of the entire outstanding balance of all such outstanding loans ("PEAKS Loans"), effective as of [*insert Effective Date of settlement*].

This notice is to inform you that **you are no longer obligated to make any payment on your PEAKS Loan.**

PEAKS and Vervent have discontinued billing, and have discontinued collection of payments, for your PEAKS Loan. There will be no further action by PEAKS or Vervent with respect to any balance previously due and owing on your account. An account statement reflecting a \$0 balance on your PEAKS Loan is enclosed with this notice, and you may use this account statement as verification that you are not obligated to make any further payment on your PEAKS Loan.

Additionally, all consumer credit reporting agencies to which PEAKS and Vervent formerly reported credit information concerning your PEAKS Loan will be directed to delete the trade lines regarding your PEAKS Loan.

If you have other outstanding PEAKS Loans, they will be treated in the same manner. You will receive a copy of this notice and an account statement reflecting a \$0 balance for each of your outstanding PEAKS Loan accounts.

It is possible that some billing statements or other notices relating to your PEAKS Loan(s) were mailed prior to or shortly after the effective date of the settlement. If you receive such a billing statement or notice from PEAKS regarding your PEAKS Loan, you may disregard that document, as it is no longer valid, and payments are no longer required on any PEAKS Loan.

Vervent will reject or return any payment on your PEAKS Loan(s) that it receives after [*insert Effective Date of settlement*].

If you have a recurring or one-time electronic payment through the Vervent payment platform that is scheduled to make any payment on your PEAKS Loan(s) after the date of this letter, please note that Vervent has cancelled that payment, and all future payments, for your PEAKS Loan(s).

If you were sending payments directly through a bill pay service from your banking institution, you will need to contact your bank immediately to stop the payments on your PEAKS Loan(s). Vervent is not authorized to stop these transactions, as they are sent from your banking institution.

Please note that you may have other types of loans related to your ITT education that are not PEAKS Loans. This notice relates only to your PEAKS Loan(s) and does not apply to any other obligation you may have (even if serviced by Vervent), including other debts

associated with your ITT education, loans owned by someone other than PEAKS, or loans that once were owned by PEAKS but were paid in full prior to *[insert Effective Date of settlement]*.

Any questions about this notice or the status of your PEAKS Loan account(s) may be directed to:

PEAKS Loans
P.O. Box XXXXX
San Diego, CA 92150-3430
customerservice@peaksloans.com
XXX-XXX-XXXX

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Sincerely,

PEAKS Trust 2009-1

Encl.: Account Statement *[reflecting a \$0 loan balance]*

EXHIBIT B

**FORM OF
ZERO BALANCE ACCOUNT STATEMENT**



PO BOX 206536
DALLAS TX 75320-6536
(866) 747-0273

Account Summary

Account Number	dbo.loanacct.loan_number
Due Date	N/A
Monthly Payment	\$0.00
Past Due Payment Amount	\$0.00
Total Payment Amount	\$0.00

Amount Remitted

dbo.cif.mail_name1
dbo.cif.street_address1
dbo.cif.city dbo.cif.state, dbo.cif.zip

Mail Payments To:
PEAKS PRIVATE STUDENT LOANS
PO BOX 206536
DALLAS TX 75320-6536

060217 00000000000000000308521 06 0 0030311500 6

Please detach and return the top portion of this statement with your payment.

Summary of Account		Payment Information	
Statement Date	Current Date	Monthly Payment	\$0.00
Account Number	dbo.loanacct.loan_number	Past Due Amount	\$0.00
Current Interest Rate	dbo.loanacct.current_interest_rate %*	Total Current Due Amount	\$0.00
Maturity Date	dbo.loanacct.curr_maturity_date	Payment Due Date	N/A
Current Balance*	\$0.00	Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to: \$0.00.	
Payments since last bill (-)	\$0.00	Graoc Period expires:	N/A
*Do not use this amount as a payoff for this account. Please contact our office for a payoff.		Please send billing inquiries and correspondence to: PO BOX 206536 DALLAS TX 75320-6536	

Questions: Call Customer Service: (866) 747-0273.

Transactions			
Trans Date	Post Date	Description	Amount
		Fees	
		Interest Charged	
		Interest Charged	\$0.00

EXHIBIT C

**FORM OF
NOTICE TO BE POSTED ON THE WEBSITE HOME PAGE**

**NOTICE THAT NO FURTHER PAYMENTS
ARE DUE ON PEAKS LOANS**

Pursuant to a settlement with the Bureau of Consumer Financial Protection and certain state Attorneys General, and effective as of [*insert Effective Date of settlement*], PEAKS Trust 2009-1 (“PEAKS”) has agreed to discontinue collection and enforcement of the entire outstanding balances of all outstanding PEAKS loans made to former students of ITT Technical Institute (“ITT”) who received private student loans in connection with their ITT education (“PEAKS Loans”).

Borrowers are no longer obligated to make any payments on their PEAKS Loans.

PEAKS and the servicer of the PEAKS Loans, Vervent Inc. (“Vervent”), have discontinued billing, and have discontinued collection of payments, for all PEAKS Loans. There will be no further action by PEAKS or Vervent with respect to any balance previously due and owing on any account.

An account statement reflecting a \$0 balance for each PEAKS Loan with an outstanding balance as of [*insert Effective Date of settlement*] will be delivered to each borrower of those PEAKS Loans, and these account statements may be used as verification that the borrowers are not obligated to make any further payment on those PEAKS Loans.

Vervent will reject or return any payment on PEAKS Loans that it receives after [*insert Effective Date of settlement*].

For those borrowers who have recurring or one-time electronic payments through the Vervent payment platform that are scheduled to make any payment on a PEAKS Loan after [*insert Effective Date of settlement*], please note that Vervent has cancelled those payments, and all future payments, for PEAKS Loans.

If you were sending payments directly through a bill pay service from your banking institution, you will need to contact your bank immediately to stop the payments on your PEAKS Loan(s). Vervent is not authorized to stop these transactions, as they are sent from your banking institution.

Additionally, for each borrower who had an outstanding balance on a PEAKS Loan as of [*insert Effective Date of Settlement*], all consumer credit reporting agencies to which PEAKS and Vervent reported credit information concerning that PEAKS Loan will be directed to delete the trade lines regarding that PEAKS Loan.

It is possible that some billing statements or other notices relating to PEAKS Loans were delivered prior to or shortly after the effective date of the settlement. If you receive such a billing statement or notice from PEAKS regarding your PEAKS Loan, you may disregard that document, as it is no longer valid, and payments are no longer required on any PEAKS Loan.

Please note that borrowers may have other types of loans related to their ITT education that are not PEAKS Loans. This notice relates only to PEAKS Loan(s) with outstanding balances as of [*insert Effective Date of settlement*], and does not apply to any other student loan (even if serviced by Vervent), including other debts associated with ITT, loans owned by someone other than PEAKS, or loans that once were owned by PEAKS but were paid in full prior to [*insert Effective Date of settlement*].

Any questions about this notice or the status of a PEAKS Loan account(s) may be directed to:

PEAKS Loans
P.O. Box XXXXX
San Diego, CA 92150-3430
customerservice@peaksloans.com
XXX-XXX-XXXX

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

EXHIBIT D

**VERVENT SCRIPT
FOR ANSWERING CONSUMER INQUIRIES
CONCERNING THE SETTLEMENT AND ITS IMPACT
ON THE STATUS OF THE PROGRAM LOAN ACCOUNTS**

Vervent Script
for answering Consumer inquiries concerning
the settlement and its impact on the status of the Program loan accounts

Introductory recorded statement:

Thank you for calling about the recent settlement between PEAKS and the Government.

The Bureau of Consumer Financial Protection, along with the Attorneys General of several states, entered into a settlement with PEAKS concerning collection and enforcement of private student loans that were made to students of ITT Technical Institute, and are owned by PEAKS. Under the settlement, PEAKS **agreed to discontinue collection and enforcement of the entire outstanding balance of each of those loans.**

What this means to you is that: if (1) you are a former student of ITT Technical Institute, and (2) you received a private student loan in connection with your ITT education, and (3) that loan is owned by PEAKS, and (4) that loan had an outstanding balance due and owing as of [*insert Effective Date of settlement*], then you do not have to make any further payment on that loan.

If you still have questions about your PEAKS loan, please stay on the line, or dial [XXX], to speak with a live operator.

If you still have questions about the settlement, you can contact the Bureau of Consumer Financial Protection through the Bureau's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Live operator script:

Exactly who settled what with whom and why?

For details about the settlement, you can contact the Bureau of Consumer Financial Protection through the Bureau's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)). In what State do you live? {*check against list of participating states, to be supplied. If caller lives in one of those states:*} You also can contact your State's Attorney General at {*list of participating states and corresponding contact information to be supplied*}.

What does the settlement mean to me?

Under the settlement, PEAKS agreed to discontinue collection and enforcement of the entire outstanding balance of each of the loans that it owns.

Am I affected?

You are affected if (1) you are a former student of ITT Technical Institute, and (2) you received a private student loan in connection with your ITT education, and (3) that loan is owned by PEAKS, and (4) that loan had an outstanding balance due and owing as of [*insert Effective Date of settlement*].

This applies to you if you are up to date on your payments, or if you are delinquent in your payments, or if you have defaulted on your loan.

What if I already paid off my loan?

If you previously have paid off your PEAKS loan, the settlement does not affect you or that loan.

What is the relief that affected borrowers receive?

PEAKS and Vervent have discontinued billing, and have discontinued collection of payments, for PEAKS loans with outstanding balances due and owing as of *[insert Effective Date of settlement]*.

This includes the outstanding principal amount, as well as any and all outstanding fees, penalties and other account charges.

There will be no further action by PEAKS or Vervent with respect to any balance previously due and owing on your account.

An account statement reflecting a \$0 balance on your PEAKS loan has been, or shortly will be, sent to you, and you may use this account statement as verification that you are not obligated to make any further payment on your PEAKS loan.

What will happen to any negative credit reporting that may have flowed from my late payment, or non-payment, of my PEAKS loan?

PEAKS is requesting that credit reporting agencies delete any reference to these accounts from the credit reports of the affected borrowers.

If you previously paid off your PEAKS loan, no change will be requested on your credit report. It will continue to reflect that you made payment in full.

Do I need to take any action to qualify for relief?

No. Affected borrowers do not need to do anything to receive the relief. The relief is automatic.

Does the discharge of my loan affect my income tax liability?

The IRS has established that a taxpayer whose private student loan is discharged based on a settlement of a legal cause of action resolving allegations of unlawful business practices against a private lender that made student loans to finance attendance at a for-profit schools will not recognize gross income as a result of the discharge, and the taxpayer should not report the amount of the discharged loan in gross income on his or her Federal income tax return. You should consult your tax advisor if you have questions about the applicability of the IRS's ruling to your PEAKS loans. Based on the ruling, PEAKS has determined that it will not send you a Form 1099.

Does the relief extend to any other loan?

The settlement affects only amounts owed on PEAKS loans as of [*insert Effective Date of settlement*].

The settlement does not affect any amount that you may owe on federal student loans, or by another entity other than PEAKS.

The settlement does not affect any PEAKS loan that already has been paid in full.

If you have a federal student loan, you must contact your lender to determine if you remain responsible for paying it. If you are still obligated to make those payments, failure to do so could harm you, by creating delinquencies and negative remarks on credit reports.

What about my other loans that are serviced by Vervent?

The settlement affects only amounts owed on PEAKS loans as of [*insert Effective Date of settlement*]. It does not affect any amount you may owe on another loan, even if that loan is also serviced by Vervent.

What is the amount of my loan that was discharged under the settlement?

If you have questions about your monthly payments to Vervent, or about the outstanding balance on your PEAKS loan, please provide your account number, and we will assist you. {*Loan-specific questions to be answered as appropriate.*}

EXHIBIT E

**FORM OF LETTER TO PAYORS
WITH RETURN OF POST-EFFECTIVE DATE PAYMENT**

[STANDARD SERVICING PEAKS LETTERHEAD]

XXXXX XX, 2020_

PAYOR NAME

ADDRESS LINE 1

ADDRESS LINE 2

CITY, STATE ZIP

Re: **NOTICE OF REJECTION AND RETURN OF PAYMENT**

Account ID: XXXXXXXX (your "PEAKS Loan")

Dear *PAYOR NAME*:

You are receiving this notice because you are a former student of ITT Technical Institute ("ITT"), or have made a payment on behalf of a former ITT student, who received the private student loan with the account identification number referenced above, and because we received a payment from you in connection with that PEAKS Loan after [*insert Effective Date of settlement*].

Pursuant to a settlement with the Bureau of Consumer Financial Protection ("Bureau") and certain state Attorneys General, the owner of your PEAKS Loan agreed to discontinue collection and enforcement of the entire outstanding balance of the Loan, effective as of [*insert Effective Date of settlement*]. **As a result of the settlement, you are no longer obligated to make any payment on your PEAKS Loan.**

Because we received a payment from you after the date we stopped accepting payments on your PEAKS Loan, **we are returning the payment to you. Enclosed please find a check representing the return of funds received from you.**

Please deposit or cash this refund check as soon as possible. If you fail timely to deposit or to cash this check, the check will be cancelled after 60 days [*or such other longer period, if any, as may be required by Vervent's banking agreement*] as noted on the face of the check, and the funds will be deemed to be unclaimed property and will be sent to the state of your last known residence or the Bureau.

[*ADD IF APPROPRIATE*: This check represents a refund of the electronic payment you sent from your banking institution. We are not authorized to stop these transactions, as they are sent from your banking institution. **Please contact your bank immediately to stop future payments on the PEAKS Loan.**]

Any questions about this notice or the status of your PEAKS Loan may be directed to:

PEAKS Loans

P.O. Box XXXXX

San Diego, CA 92150-3430

customerservice@peaksloans.com

877-662-2470

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Sincerely,

PEAKS Trust 2009-1

EXHIBIT 2

**INSTRUCTIONS
REGARDING UNRETURNABLE PAYMENTS**

Instructions Regarding Unreturnable Payments

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Arizona	Check payable to “State of Arizona Attorney General’s Office” or by such other means as the parties may agree	Office of the Attorney General Attention: Consumer Protection & Advocacy Section 205 N. Central Avenue Phoenix, Arizona 85004	Cover letter stating the identity of the payor, and the last known contact information for the payor These payments will be deposited in an interest-bearing account within the Consumer Restitution and Remediation Revolving Fund pursuant to Ariz. Rev. Stat. § 44-1531.02(B)	Rebecca Salisbury Senior Litigation Counsel Office of the Arizona Attorney General 602-542-8766 Rebecca.Salisbury@azag.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Arkansas	Check payable to “Auditor of State”	Andrea Lee, Auditor of State Unclaimed Property Division 1401 West Capitol Avenue Suite 325 Little Rock, Arkansas 72201	Cover letter stating the identity of the payor, the last known contact information for the payor, and that Vervent has attempted to notify the payor	David A.F. McCoy Assistant Attorney General Office of Arkansas Attorney General Leslie Rutledge 501-682-7506 david.mccoy@arkansasag.gov or Josh Wood 501-682-6000 holders@auditor.ar.gov
Colorado	Check payable to “Colorado State Treasury Unclaimed Property Division”	Colorado State Treasury Unclaimed Property Division 1580 Logan Street Suite 500 Denver, Colorado 80203	Cover letter stating that the funds are being remitted pursuant to agreement with the Colorado Attorney General Vervent’s TIN/FEIN must appear on the check	Olivia D. Webster Senior Assistant Attorney General 720-508-6203 libby.webster@coag.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Connecticut	Check payable to “Unclaimed Property Division, Connecticut Office of the Treasurer”	<p>State of Connecticut Office of the State Treasurer Unclaimed Property Division P.O. Box 150435 Hartford, Connecticut 06115-0435</p> <p>Attention: Cathy Kristof, Associate Examiner</p>	<p>Cover letter stating that the funds are being remitted pursuant to agreement with the Connecticut Attorney General</p> <p>Enclose completed and notarized Form ST77, available at https://www.ott.ct.gov/ucpdocs/2017/ReportofUnclaimedPropertyFormST-77-October%202017.pdf</p> <p>In completing the form, use NAUPA code MS11 (“Refunds Due”)³</p> <p>If more than three checks are to be sent, contact Cathy Kristof for further instructions</p>	<p>Cathy Kristof Associate Examiner Office of the Treasurer 860-702-3276 cathy.kristof@ct.gov</p> <p>or</p> <p>Joseph J. Chambers Assistant Attorney General 860-808-5270 joseph.chambers@ct.gov</p>

³ “NAUPA” refers to the National Association of Unclaimed Property Administrators.

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Delaware	Check payable to “State of Delaware Consumer Protection Fund”	Delaware Department of Justice Attn: Director of Consumer Protection 820 North French Street 5 th Floor Wilmington, Delaware 19801	Cover letter (a) stating the identity of the payor, the last known contact information for the payor, the social security number of the payor (if available) and the amount for each payor, and (b) identifying the party (by name, contact information, and EIN) on whose behalf the check is submitted	Regina S. Schoenberg, Deputy Director of Consumer Protection Delaware Department of Justice 302-577-8211 Gina.Schoenberg@delaware.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
District of Columbia	Check payable to “DC Treasurer”	Benjamin M. Wiseman Director, Office of Consumer Protection D.C. Office of the Attorney General 400 6 th Street NW 10 th Floor Washington, D.C. 20001	Cover letter stating the identity of the payor, and the last known contact information for the payor Any part of these funds, at the sole discretion of the Attorney General for the District of Columbia, may be (a) held by the District as unclaimed property on behalf of consumers or (b) used in accordance with District law for any other lawful purpose, including the payment of restitution to impacted consumers or placed in, or applied to, the District’s litigation support fund.	Benjamin M. Wiseman Director, Office of Consumer Protection Office of the Attorney General 202-741-5226 Benjamin.wiseman@dc.gov

<p>Florida</p>	<p>Check payable to “Florida Department of Financial Services”</p>	<p>Florida Department of Financial Services Attn: Division of Unclaimed Property</p> <p>200 East Gaines St. Tallahassee, FL 32399-0358</p>	<p>Submit a report to the Florida Department of Financial Services via the Department’s Online System. The Online System can be accessed at www.FLTreasureHunt.gov v.</p> <p>The report of unclaimed property must have sufficient information so that owners can easily search the unclaimed property database to recover their property. The report of unclaimed property must include the name, social security number, a taxpayer identification number, and date of birth, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property which is presumed unclaimed.</p> <p>Include with the check, a</p>	<p>Department of Financial Services Questions Phone: (850) 413-5522</p> <p>E-Mail: EReporting@MyFloridaCFO.com</p> <p>Mailing Address: Post Office Box 6350, Tallahassee, FL 32399-6350.</p> <p>If you need assistance using the Online System, a handbook is available at www.FLTreasureHunt.gov, under the Report/Remit link, Prepare Report tab.</p> <p>Attorney General Questions:</p> <p>Assistant Attorney General James Millard Office of the Attorney General, State of Florida (904) 348-2720 James.millard2@myfloridalegal.com</p>
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<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
			<p>copy of the coupon attached to the confirmation email received after filing your report of</p> <p>unclaimed property through the Online System..</p>	
Georgia	Check payable to "Georgia Department of Law"	Consumer Protection Division Georgia Department of Law 2 Martin Luther King, Jr. Drive Suite 356 Atlanta, Georgia 30334	Cover letter referencing the AVC and including the following information: the identity of each payor, the amount of funds due to each payor, the last known contact information for each payor, the social security number or taxpayer identification number, if known, or each payor, and the CUSO's Federal Employer ID Number	Christine Hom Assistant Attorney General Consumer Protection Division 404-656-4739 chom@law.ga.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Hawaii	Check payable to: State of Hawaii Office of Consumer Protection	State of Hawaii Office of Consumer Protection 235 S. Beretania Street #801, Honolulu, HI 96813	Cover letter should indicate the name, address and last known contact information for the payor (student borrower), including phone, email and last four numbers of their SSN if available.	James Evers, Enforcement Attorney, State of Hawaii Office of Consumer Protection phone: (808) 586-2636, email: jevers@dcca.hawaii.gov
Idaho	Check payable to “Idaho Unclaimed Property”	Idaho State Treasurer’s Office Unclaimed Property P.O. Box 83720 Boise, Idaho 83720-9101	Check to be accompanied by a “holder report” using the NAUPA format or manually, at https://yourmoney.idaho.gov/app/submit-a-report	Amada Galvey Business Specialist Unclaimed Property Office 208-332-2977 megan.gregory@sto.idaho.gov or Jane Hochberg Deputy Attorney General 208-332-3553 Jane.hochberg@ag.idaho.gov

Illinois	Transfer of funds made via the Illinois State Treasurer's Office's online portal, located at https://icash.illinois-treasurer.gov/	N/A	<p>Funds to be sent with a report submitted via the same online portal as the funds, which report must:</p> <ol style="list-style-type: none"> 1. be signed by or on behalf of Vervent or PEAKS, and be verified as to its completeness and accuracy; 2. identify the amount of funds due to the payor and the number of any uncashed reimbursement check issued; 3. state the name; last-known address including zip code, if known; and social security number or taxpayer identification number, if known or readily ascertainable, of the payor; 4. state the date of the uncashed reimbursement check sent to the payor; and 5. state that the funds are being remitted pursuant to agreement with the Illinois 	<p>Gregory Jones Assistant Attorney General 312-814-4987 GJones@atg.state.il.us</p>
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<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
			Attorney General and that diligent, good faith efforts were taken to return the funds to the owner of such funds in accordance with that agreement, but the payor has not been located	
Indiana	Check payable to "Office of the Indiana Attorney General" or by such other means as the parties may agree	Office of the Indiana Attorney General 302 West Washington Street IGCS Fifth Floor Indianapolis, Indiana 46204	Cover letter stating the identity of the payor, the last known contact information for the payor, and any other information that can help identify/locate the individual	Clinton Bohm Director of Finance Office of the Indiana Attorney General 317-234-7131 317-525-5192 Clinton.bohm@atg.in.gov

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Iowa	Check payable to “Treasurer of the State of Iowa”	Iowa State Treasurer’s Office Unclaimed Property P.O. Box 10430 Des Moines, Iowa 50309	Cover letter stating that the funds are being remitted pursuant to agreement with the Iowa Attorney General Vervent’s TIN/FEIN must appear on the check	Jessica Whitney Special Assistant Attorney General 515-281-5926 jessica.whitney@ag.iowa.gov
Kansas	Check payable to “Office of the Kansas Attorney General”	Sarah M. Dietz Assistant Attorney General Office of the Kansas Attorney General 120 SW 10 th Avenue 2 nd Floor Topeka, Kansas 66512	Cover letter stating the identity of the payor, and the last known contact information for the payor, and that the funds are remitted pursuant to the agreement with the Kansas Attorney General	Tabetha Mallonee Director of Fiscal Operations Office of the Kansas Attorney General 785-296-1553 Tabetha.mallonee@ag.ks.gov
Kentucky	Check payable to “Kentucky State Treasurer”	Office of the Attorney General 1024 Capital Center Drive Suite 200 Frankfort, Kentucky 40601 Attn: Rebecca Price	Cover letter stating the identity of the payor, and the last known contact information for the payor	Rebecca Price Assistant Attorney General Office of the Kentucky Attorney General 502-696-5664 Rebecca.price@ky.gov

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Louisiana	Check payable to “State of Louisiana Unclaimed Property Division”	State Capitol Building Annex 1051 N. 3 rd Street Room 150 Baton Rouge, Louisiana 70802	Cover letter stating the identity of the payor, the last known contact information for the payor, and that the funds are remitted pursuant to agreement with the Louisiana Attorney General	Cathryn Gits Assistant Attorney General 225-326-6414 gitsc@ag.louisiana.gov
Maine	Check payable to “State of Maine Attorney General’s Office”	Office of Maine Attorney General 111 Sewall Street Burton Cross State Office Building 6 th Floor Augusta, Maine 04330 Attn: Consumer Protection	Cover letter stating the identity of the payor, and the last known contact information for the payor	Linda Conti Assistant Attorney General 207-626-8591 linda.conti@maine.gov

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Maryland	Check payable to “State of Maryland Unclaimed Property Division”	Unclaimed Property Division Comptroller of Maryland Attention: Eric Eichler 301 West Preston Street Room 310 Baltimore, Maryland 21201	Cover letter stating: <ol style="list-style-type: none"> 1. the identity and last known contact information, including but not limited to the last known address, for the payor; 2. that the funds are unreturnable funds being delivered pursuant to an agreement with the Maryland Attorney General; 3. the amount due to the payor; 4. the date that the payment to be submitted to the state was first received; and 5. the date of the last transaction with the payor with respect to the funds (that is, the date that the last letter was sent to, or the last contact was actually made with, the payor) 	Christopher Madaio Assistant Attorney General 410-576-6585 cmadaio@oag.state.md.us

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Massachusetts	Check payable to “Commonwealth of Massachusetts”	Office of the Attorney General ATTN: Erica Harmon, Insurance and Financial Services Division One Ashburton Place 18th Floor Boston, Massachusetts 02108	Cover letter stating the identity of the payor, and the last known contact information for the payor	Diana Hooley Assistant Attorney General 617-963-2198 diana.hooley@mass.gov Alternative: Glenn Kaplan, Assistant Attorney General 617-784-8327 Glenn.kaplan@mass.gov
Michigan	Check payable to “State of Michigan”	Michigan Department of Attorney General Corporate Oversight Division P.O. Box 30736 Lansing, Michigan 48909	Cover letter stating the name and last known contact information for the payor, and, in the event of multiple payors, the amount due per payor	Brian G. Green Assistant Attorney General Corporate Oversight Division 517-335-7632 greenb@michigan.gov
Minnesota	Check payable to “State of Minnesota”	Adam Welle Minnesota Attorney General's Office 445 Minnesota Street Suite 1200 St. Paul, Minnesota 55101	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Adam Welle Assistant Attorney General 651-757-1425 Adam.Welle@ag.state.mn.us

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Mississippi	Check payable to "Mississippi Treasure's Office"	Office of the State Treasurer Unclaimed Property Division PO Box 138 Jackson, MS 39205	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Seth Shannon Consumer Protection Division Mississippi Attorney General's Office 601-359-3680 seth.shannon@ago.ms.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Missouri	Check payable to "Missouri State Treasurer's Office"	Missouri State Treasurer's Office Unclaimed Property P.O. Box 11272 Jefferson City, Missouri 65102-1272	Cover letter stating that the funds are being remitted pursuant to agreement with the Missouri Attorney General, and diligent, good faith efforts were taken to return the funds to the owner of such funds in accordance with that agreement, but were unsuccessful Enclose completed Unclaimed Property Report Form (available, with instructions, at www.treasurer.mo.gov/UnclaimedProperty/PDFs/Report.pdf)	Missouri State Treasurer's Office Unclaimed Property 573-751-8533 ucp@treasurer.mo.gov or Michael Schwalbert Assistant Attorney General 314-340-7888 Michael.schwalbert@ago.mo.gov
Nebraska	Check payable to "Nebraska State Treasurer"	Nebraska State Treasurer Attention: Meaghan Aguirre Director of Unclaimed Property 809 P Street Lincoln, Nebraska 68508-1390	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Meghan Stoppel Chief, Consumer Protection Division Assistant Attorney General 402-471-0858 meghan.stoppel@nebraska.gov

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Nevada	Check payable to "Nevada State Treasurer"	Nevada State Treasurer Attn: Unclaimed Property 555 East Washington Avenue Suite 4200 Las Vegas, Nevada 89101	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Linda Tobin Deputy State Treasurer 702-486-4354 ltobin@nevadatreasurer.gov
New Hampshire	Check payable to "Treasurer, State of New Hampshire"	Thomas McAnespie Abandoned Property Director 25 Capitol Street Concord, New Hampshire 03301	Cover letter stating (to the extent the information is available) the identity and last known contact information, including but not limited to the last known address, for the payor, date of birth of the payor, social security number of the payor, and amount of payment to be returned	Thomas McAnespie Abandoned Property Director 603-271-1499 tmcanespie@treasury.state.nh.us

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New Jersey	Check payable to “New Jersey Division of Consumer Affairs”	Case Initiation and Tracking Unit New Jersey Division of Consumer Affairs Office of Consumer Protection 124 Halsey Street 7th Floor Newark, New Jersey 07102 Attn: Van Mallett, Lead Investigator	Cover letter stating the (a) identity of the payor, (b) social security number of the payor, (c) last known contact information, including but not limited to last known address, for the payor, (d) the amount of funds due to the payor, (e) that good faith efforts were taken to return the funds to the payor, but that the payor has not been located, and (f) the funds are being sent pursuant to an agreement with the Office of the New Jersey Attorney General	
New Mexico	Check payable to “New Mexico Office of the Attorney General”	Office of the Attorney General Attention: Chief Financial Officer P.O. Drawer 1508 Santa Fe, New Mexico 87504- 1508	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Cholla Khoury Assistant Attorney General 505-490-4060 ckhoury@nmag.gov

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New York	Check payable to “State of New York”	Carolyn Fast, Special Counsel Office of the Attorney General Bureau of Consumer Frauds and Protection 28 Liberty Street New York, New York 10005	Cover letter referencing the Assurance and stating the identity, last known contact information, and amount due to be refunded to each payor	Carolyn Fast, Special Counsel Office of the Attorney General Bureau of Consumer Frauds and Protection 212-416-6250 Carolyn.fast@ag.ny.gov
North Carolina	Check payable to “North Carolina Department of Justice”	North Carolina Department of Justice Attention: Matt Liles, Assistant Attorney General 114 W. Edenton Street Raleigh, North Carolina 27603	Cover letter stating the identity of the payor, and the last known contact information for the payor	Matt Liles Assistant Attorney General 919-716-0141 mliles@ncdoj.gov

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North Dakota	<p>PAYMENT-We prefer electronic payment. The banking information can be found here: https://unclaimedproperty.nd.gov/app/remitting-guidelines</p> <p>If an electronic payment is not an option, checks payable to: North Dakota Department of Trust Lands – Unclaimed Property Division</p>	North Dakota Department of Trust Lands – Unclaimed Property Division 1707 N 9 th Street Bismarck, ND 58501	Payment to be accompanied by a “holder report” using the standard NAUPA format or manually, at https://unclaimedproperty.nd.gov/app/submit-a-report	Susan Dollinger Unclaimed Property Administrator unclaimed@nd.gov 701-328-1944

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Ohio	Check payable to "Ohio Attorney General"	Ohio Attorney General's Office c/o Teresa Heffernan 30 East Broad Street 14 th Floor Columbus, Ohio 43215	Cover letter referencing the AVC, stating the identity of the payor, and the last known contact information for the payor. Payments sent to the Ohio Attorney General pursuant to Paragraph 94 of this AVC shall be considered consumer restitution under O.R.C. § 1345.01 et seq.	Teresa Heffernan Principal Assistant Attorney General 614-466-8831 Teresa.Heffernan@OhioAttorneyGeneral.gov

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Oklahoma	Check payable to "Oklahoma State Treasurer – Unclaimed Property Division"	Oklahoma State Treasurer – Unclaimed Property Division 2300 N. Lincoln Boulevard Room 217 Oklahoma City, Oklahoma 73105	<p>All checks must have a notarized Verification and Checklist – in the form of Form Number 496-UP-Revision 05072018, to be found at</p> <p>https://www.ok.gov/treasurer/documents/Verification_Checklistrevised2018-NOV1%20Cos.pdf</p> <p>Include (a) payor’s full name, date of birth, social security number, last known address (with zip code), and phone number; (b) the identifying number and date of the payor’s erroneous payment (e.g., check number, transaction number, etc.), as well as the date on which that payment was received by the Servicer/PEAKS; and (c) the total amount due the payor</p>	Donice Blakely Senior Unclaimed Property Auditor Oklahoma State Treasurer’s Office 405-522-4086

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Oregon	Check payable to “Oregon Department of Justice”	Oregon Department of Justice Attn: Karen Rounsville 1162 Court Street NE Salem, Oregon 97301-4096	Cover letter stating the identity of the payor, and the last known contact information for the payor	Katherine Campbell Assistant Attorney General 971-673-1880 Katherine.campbell@doj.state.or.us
Pennsylvania	Check payable to “Commonwealth of Pennsylvania, Office of Attorney General”	Pennsylvania Office of Attorney General Bureau of Consumer Protection Attn: John M. Abel 15th Floor Strawberry Square Harrisburg, Pennsylvania 17120	Cover letter stating the identity of the payor, and the last known contact information for the payor, and that the funds are being remitted pursuant to agreement with the Pennsylvania Office of Attorney General Vervent’s TIN/FEIN must appear on the check	Jesse F. Harvey Chief Deputy Attorney General 412-565-2883 jharvey@attorneygeneral.gov

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Rhode Island	Check payable to “The State of Rhode Island”	Rhode Island Office of the Attorney General Chief Financial Officer 150 South Main Street Providence, RI 02903	Cover letter referencing the AVC, stating the identity of the payor and the amount due. Additionally, include an encrypted thumb drive or compact disc with the payor’s date of birth, social security number and last known contact information for the payor.	David Marzilli Special Assistant Attorney General 401-274-4400 ext. 2030 dmarzilli@riag.ri.gov
South Carolina	Check payable to “South Carolina Attorney General’s Office”	South Carolina Attorney General’s Office Post Office Box 11549 Columbia, South Carolina 29211-1549	Cover letter	Kristin Simons Assistant Attorney General 803-734-6134 KSimons@scag.gov

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South Dakota	Check payable to “SD State Treasurer – UCP”	South Dakota State Treasurer – UCP 500 East Capitol Avenue Suite 212 Pierre, South Dakota 57501	Cover letter stating the identity of the payor, the last known contact information for the payor, and that Vervent has attempted to notify the payor	Lee DeJabet UCP Administrator 605-773-3900 lee.dejabet@state.sd.us or Anissa Grambihler Compliance Manager 605-773-4168 Anissa.grambihler@state.sd.us

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Tennessee	Check payable to “Tennessee State Treasurer”	State of Tennessee, Treasury Department Unclaimed Property Division P.O. Box 198649 Nashville, Tennessee 37219- 8649	Key required information into spreadsheet and submit cover letter stating: 1. the identity and last known contact information for the payor; 2. that the funds are being remitted pursuant to a settlement agreement with the Tennessee Attorney General, and diligent, good faith efforts were taken to return the funds in accordance with that agreement, but were unsuccessful; and 3. that John Gabriel approved payment by this method and by remittance outside of the portal	Mary Roberts-Krause Mary.Roberts-Krause@tn.gov or Ann Mikkelsen Assistant Attorney General 615-253-3819 ann.mikkelsen@ag.tn.gov

<u>State</u>	<u>Mode of Payment</u>	<u>Address to which To Send Check (if any) and Cover Letter</u>	<u>Additional Instructions</u>	<u>Contacts for Reference in the Event of Questions</u>
Texas	<p>Check payable to “Texas Comptroller of Public Accounts – Unclaimed Property Division”</p> <p>or</p> <p>wire transfer via instructions from Mr. Clayton or Mr. Angus</p>	<p>Texas Comptroller of Public Accounts Unclaimed Property Division Mr. Bryant Clayton P.O. Box 12019 Austin, Texas 78711-2019</p>	<p>Cover letter stating payor name, last known contact information (address, email address, phone, etc.), date of birth and social security number (if available), account and/or check number, description of the payment, and the amount due to the payor. If possible we would also like images of the front and back of the check; ACH account transfer information; and names/contact information of any other party who may be entitled to receive the money, if any.</p> <p>Ideally, an unclaimed property report also will be submitted with the funds and information, the form for which can be found at https://claimitexas.org/app/create-a-report</p>	<p>Bryant Clayton Assistant Director of Unclaimed Property Division Texas Comptroller of Accounts (512) 463-6059, Bryant.Clayton@cpa.texas.gov</p> <p>or</p> <p>Matthew Angus Supervisor Unclaimed Property Division Texas Comptroller of Accounts (512) 463-5225 Matthew.Angus@cpa.texas.gov</p>

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Utah	Check payable to "Utah State Treasurers Office"	Utah State Treasurers Office P.O. Box 142321 Salt Lake City, Utah 84114- 2321	<p>Cover letter stating last and first name of payor, last known address of payor, social security number of payor, date of last activity (last payment), check number and loan account number</p> <p>Manual file can be uploaded at https://mycash.utah.gov/app/submit-a-report or a naupa II file can be created and uploaded at website listed above</p> <p>UPexchange and HRS also offer software.</p> <p>https://hrspro.unclaimedproperty.com/ https://www.unclaimed.org/reporting/ https://up.eagletm.com/UPTiles/Pricing</p>	<p>Karin Adams Program Specialist Utah State Office of Unclaimed Property karinadams@utah.gov 801-715-3308 direct line</p> <p>or</p> <p>Kevin McLean Assistant Attorney General Utah Attorney General's Office 801-366-0254 kmclean@agutah.gov</p>

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Vermont	<i>No state-specific instructions</i>	<i>No state-specific instructions</i>	<i>No state-specific instructions</i>	<i>No state-specific instructions</i>
Virginia	Check payable to “Treasurer of Virginia”	Virginia Treasury Division of Unclaimed Property P.O. Box 2478 Richmond, Virginia 23218- 2478	Cover letter stating the name of the payor, the address of the payor, the social security number of the payor, the last known contact information for the payor (including address, telephone number and email address), the loan account number, and the amount due to be refunded to the payor	Brad Earl Director Division of Unclaimed Property 804-225-3156 Brad.Earl@trs.virginia.gov or Trey Wood Records and Receipts Manager Division of Unclaimed Property 804-225-2547 Trey.Wood@trs.virginia.gov or James E. Scott Assistant Attorney General Office of the Attorney General (804) 225-4778 Office JScott@oag.state.va.us

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Washington	Check payable to “State of Washington Attorney General’s Office”	Office of the Attorney General Attention: Margaret Farmer, Litigation Support Manager 800 Fifth Avenue Suite 2000 Seattle, Washington 98104	Cover letter stating the identity of the payor, the last known contact information for the payor, and the amount due	Margaret Farmer Office of the Attorney General Litigation Support Manager 206-389-2521 margaretf@atg.wa.gov or Craig Rader Assistant Attorney General 206-442-4482 CraigR1@atg.wa.gov
West Virginia	Check payable to “West Virginia State Treasurer”	West Virginia State Treasurer Unclaimed Property Office 1900 Kanawha Boulevard Capitol Complex Building #1 Room E-145 Charleston, West Virginia 25305	Cover letter requesting that the funds be accepted, stating the amount(s), and stating that the funds are being remitted pursuant to agreement with the West Virginia Attorney General	Ann L. Haight Deputy Attorney General Norman Googel Sr. Assistant Attorney General 304-558-8986 Ann.L.Haight@wvago.gov Norman.A.Googel@wvago.gov

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Wisconsin	Check payable to "Wisconsin Department of Justice"	Wisconsin Department of Justice Consumer Protection and Antitrust Unit 17 West Main Street P.O. Box 7857 Madison, Wisconsin 53707-7857	Cover letter stating the payor's name, last known address, social security number, and date of birth	Shannon Conlin Assistant Attorney General 608-266-1677 conlinsa@doj.state.wi.us
Wyoming	Check payable to "Wyoming State Treasurer Unclaimed Property Division"	Wyoming State Treasurer Unclaimed Property Division Herschler Building East 122 West 25th St., Suite E300 Cheyenne, WY 82002	Check to be accompanied by NAUPA report, available at https://wyoming.findyournunclaimedproperty.com/app/submit-a-report	Jeff Robertson Administrator of Unclaimed Property mycash.wyo.gov 307-777-5590 upreports@wyo.gov



June 18, 2019

ATTORNEY GENERAL RAOUL ANNOUNCES SETTLEMENT WITH ITT TECH PRIVATE STUDENT LOAN LENDER

Illinois Students to Receive More Than \$4.5 Million in Debt Relief

Chicago — Attorney General Kwame Raoul, along with 44 attorneys general, today announced a settlement that will provide more than \$168 million in student loan debt relief to former students of the failed, for-profit ITT Tech. The settlement with Student CU Connect CUSO LLC (CUSO) will benefit more than 18,000 students nationwide who took out loans with CUSO to attend ITT Tech.

Under the settlement, CUSO agrees to discharge all outstanding student loans and forgo efforts to collect amounts borrowers still owe. Nearly 500 Illinois students will receive more than \$4.5 million in relief. The settlement was coordinated with the Consumer Financial Protection Bureau (CFPB) and is contingent on federal court approval of a related settlement between CUSO and the CFPB, which includes the detailed plan for consumer redress.

“ITT Tech filed for bankruptcy in 2016, leaving students with useless degrees and debt they have no ability to repay,” Raoul said. “The settlement holds CUSO accountable for its role in taking advantage of students who did not understand repayment terms or the long-term damage that would be done to their credit, which even outlasted the school students attended.”

CUSO originated approximately \$189 million in student loans to ITT Tech students between 2009 and 2011. According to Raoul and the attorneys general, ITT Tech pressured students to take out loans through CUSO by first convincing them to accept temporary credit they would be unable to repay. ITT Tech offered the temporary credit upon enrollment and required students to repay it before the upcoming academic year. Many students accepted the credit believing that, like a federal loan, repayment would not become due until six months after graduation. When students were unable to meet the repayment deadline, ITT Tech coerced them into accepting high-interest loans through CUSO. Neither ITT nor CUSO informed students of the true temporary credit repayment cost until after the credit was converted to a loan. Raoul alleged that students were pulled out of class and threatened with expulsion when they could not repay the temporary credit.

Under the settlement, CUSO agrees to forgo collection of the outstanding loans and supply credit reporting agencies with information to update affected borrowers’ credit information. Additionally, CUSO, which was organized for the sole purpose of providing the ITT loans, will cease doing business. Under a redress plan, CUSO’s loan servicer will send notices to borrowers about the cancelled debt and ensure that automatic payments are cancelled.

Illinois is a national leader in investigating and enforcing consumer protection violations in the higher education field. Recently, Attorney General Raoul has overseen the rollout of the state’s first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide a resource for student borrowers struggling with student loan payments.

Earlier this month, Raoul called on the Department of Education to forgive the federal loans of students who attended the Illinois Institute of Art and were misled by that school’s failure to disclose its lack of accreditation. This year, Raoul has also advocated for protections for veterans in higher education as part of a coalition of state attorneys general.

In January, Raoul’s office obtained relief totaling more than \$48 million for more than 16,800 former Illinois students of Career Education Corp. In 2017, the office filed a lawsuit against Navient, one of the nation’s largest student loan servicers, after an investigation revealed widespread abuses of student loan borrowers.

Student borrowers who have questions or are in need of assistance can call the Attorney General’s Student Loan Helpline at 1-800-455-2456. Borrowers can file complaints against their student loan servicer at the [Illinois Attorney General’s website](#).

Student Loan Ombudsman and Assistant Attorney General Joseph Sanders and Assistant Attorney General Gregory Jones handled the case for Raoul's Consumer Protection Division.

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