



This Week in Wall Street Reform | September 8 - 14

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TABLE OF CONTENTS

- [Consumer Finance and the CFPB](#)
- [Investor Protection, SEC, Capital Markets](#)
- [Private Funds](#)
- [Mortgages and Housing](#)
- [Student Loans and For-Profit Schools](#)
- [Systemic Risk](#)
- [Elections, Money and Politics](#)
- [Other Topics](#)

CONSUMER FINANCE AND THE CFPB

INVESTOR PROTECTION, SEC, CAPITAL MARKETS

[Banks Around The World Face Significant Profits Pressure For The Foreseeable Future | Forbes](#)

Numerous indicators in the U.S. and around the world are signaling a slowing economy at best and a near-term recession at worst. The slowing global economy, along with low interest rates, ongoing trade tensions, and intensifying Brexit uncertainty will weigh on banks' profitability for the foreseeable future. In the US, whatever benefits banks derived from Trump's tax reform, if any, are long gone.

Last week's announcement from Coalition that American and European investment banks' capital markets and advisory's revenues hit a thirteen-year low is likely to be the beginning of

more challenges to come. Even before that announcement, Moody's Investor Services had changed its positive outlook on global investment banks to stable precisely due to slower economic growth and lower interest rates.

PRIVATE FUNDS

MORTGAGES AND HOUSING

STUDENT LOANS AND FOR-PROFIT SCHOOLS

[**How For-Profit Colleges Have Targeted and Taken Advantage of Black Students**](#) | Vice

In a 2015 TV spot, comedian Steve Harvey told a room full of people that if they didn't like their lives, they should change them. "If you keep doing what you've been doing, you're gonna keep getting what you've been getting," he said. "Make the decision to move your life forward, go to a place that can help you get it done, and go see what else life's got for you."

It sounds like the kind of boilerplate inspirational messaging you'd expect from the host of Family Feud. But the commercial was part of an ad campaign from Strayer University, a for-profit school that has marketed itself to people of color; another ad featuring an inspirational Queen Latifah speech and shots of ecstatic Black people. There's reason to be skeptical about the life-changing potential of a Strayer education: According to the Brookings Institution, graduates from Strayer hold more total student debt than those of the notoriously expensive New York University, and they struggle to pay back their loans on a median salary of about \$46,000.

[**Dean of struggling Florida Coastal School of Law in Jacksonville abruptly resigns**](#) | Florida Times-Union

The dean of Florida Coastal School of Law in Jacksonville abruptly resigned Tuesday afternoon. Scott DeVito's departure comes one day after he sent an email to students informing them the school had just learned that the American Bar Association denied its application to convert to a nonprofit status.

DeVito had been a professor at the school for 11 years and served as dean for the past four. "After considerable thought and personal reflection, I have made the decision to resign from Florida Coastal School of Law," according to his statement Tuesday. "I wish you all the very best and will greatly miss you."

[**ABA legal ed denies Florida Coastal's nonprofit app, along with reports students haven't gotten financial aid**](#) | ABA Journal

In addition to InfiLaw's Florida Coastal School of Law losing its bid to become a nonprofit school and its dean resigning, there are reports that federal financial aid funds have not been disbursed to students.

The money for the fall semester was expected to be deposited to student accounts by or before Sept. 9, Above the Law reports. The website posted an email Wednesday that Rick Inatome, InfiLaw's CEO, sent to students.

[**Struggling Law School's Dean Unexpectedly Resigns Amid News Of Missing Student Loan Funds | Above the Law**](#)

When we last checked in with Coastal School of Law in February 2019, the struggling law school had recently announced its plans to convert to a nonprofit institution, having already submitted an application to the American Bar Association for the change. At the time, the law school was out of compliance with the ABA's accreditation standards pertaining to its admissions practices and risked facing similar consequences as its defunct Infilaw sister schools, Charlotte School of Law, which closed in August 2017, and Arizona Summit Law School, which had its accreditation revoked in June 2018 and will officially close by spring 2020.

As luck would have it, in June 2019, Florida Coastal found itself back in the ABA's good graces after adopting higher admissions standards, but there was still no word on its would-be conversion to a nonprofit in affiliation with a yet-to-be publicly named "university located in the Southeast." All that was known was that the affiliate school could potentially give Florida Coastal the ability to double or triple in size.

[**Students reeling after Frederick for-profit cosmetology school shuts down | Frederick \[MD\] News Post**](#)

Allison Patrick was 20 days from being able to take the state board exams to earn her cosmetology license. She could have taken the written portion of the exam on Tuesday. Instead, she drove to class at Frederick School of Cosmetology. Running a few minutes late, she arrived at the school at 403 S. Jefferson St. to see several students carrying bags out of the building. The school had closed, the other students told her.

"I am just shocked," said Patrick, 18. "I was so far along and I thought I was finally close to being done, and now it's just, boom, no, I'm not."

[**For-Profit College Phasing Out Enrollment at Physical Campuses | Inside Higher Ed**](#)

The Center for Excellence in Higher Education, a for-profit college chain based in Salt Lake City, is halting enrollment of new students at physical locations as it looks to shift to mostly online instruction. "We're going through a reevaluation of what is the right model for delivery of higher education," said Eric Juhlin, the company's CEO.

CEHE, which operates Stevens-Henager College and College America, has about 2,100 students attending classes at its campuses. Another 10,000 are enrolled in online programs. Juhlin said the company isn't planning to close any campuses, but will experiment with a model where some student services and lab or clinical work happens on campuses and most instruction takes place online.

[Proposed Amendment Scrutinizes For-Profit Schools Targeting Veterans](#) | Diverse: Issues in Higher Education

Men in camouflage descend the steps of a plane. The camera cuts away to the front of a large house where a soldier embraces his pregnant wife and picks up his son. Instrumental music swells in the background.

“It took extraordinary courage, sacrifice, commitment – and most of all, it took hope,” says a male voice. “We want to thank all those men and women who served our nation and help protect our freedom. Thank you from all of us at ITT Technical Institute.”

[Hayes moves to help students hurt by college closures](#) | Greenwich Times

A national wave of shuttering for-profit colleges has left some low-income students unable to get their undergraduate degrees, after using up their federal aid eligibility at the closing institutions.

More than 1,000 students from the state have applied to the U.S. Department of Education for “borrower defense” in the hopes of getting student-loan forgiveness because their school misled them or engaged in misconduct. These students join more than 239,000 nationwide seeking loan help.

[The Trump Administration Is Canceling California's GI Bill Approval Power, But The State Is Fighting Back](#) | LAist

There's a knock-down, drag-out brawl being waged right now in the world of college financing. On the surface, it's about the future of veterans' education and which schools are allowed to accept valuable GI Bill payments. On a deeper level, this is a fight for the survival and prosperity of the troubled for-profit college industry.

It's a complicated situation, so buckle up.

OTHER TOPICS