



# Postsecondary Equity & Economics Research Project

A joint initiative of  
George Washington University,  
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## The Hidden Loophole

### *How Predatory Offshore Medical Schools are Partnering with U.S. Universities to Access Federal Student Aid Funds*

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For-profit, offshore Caribbean medical schools that are not eligible to participate in Federal Student Aid's Direct Loan Program are taking advantage of a regulatory loophole to obtain Title IV, Higher Education Act (HEA) funds: concurrent-enrollment partnerships with Title IV-eligible U.S. colleges that offer online programs of study.<sup>1</sup> Under this scheme, the offshore Caribbean medical schools and U.S. colleges encourage American students who are enrolled in the Caribbean medical schools to sign up for second degrees at the U.S. colleges, borrow the maximum amount of federal loans, and use credit balance refunds to pay for cost-of-living expenses and expensive tuition to attend the Title IV-ineligible offshore Caribbean medical schools. While the offshore Caribbean medical schools and U.S. schools benefit financially from this partnership, students who participate in these programs face the danger of overborrowing for a subpar medical education (a high percentage of offshore Caribbean medical school students either drop out or fail U.S. medical licensing exams) and an expensive second degree that is unnecessary to become licensed as a physician in the United States. Meanwhile, an unknown amount of Title IV funding is flowing to foreign for-profit medical schools that have failed to meet the eligibility requirements to participate in the Direct Loan Program.

In this report, we discuss how these predatory, offshore medical schools, partnering with American schools, are taking advantage of students to syphon Title IV funds, and call on the U.S. Department of Education to implement policies to address the regulatory loophole and protect students and preserve the integrity of the Title IV program.

### BACKGROUND

In the 1970s, offshore medical schools in the Caribbean were established to cater to U.S. students who were not admitted to U.S. medical schools.<sup>2</sup> These schools, the majority of which are for-profit, have laxer admissions requirements than their U.S. equivalents and recruit heavily for U.S. students.<sup>3</sup> There are around 50 medical schools located in the Caribbean that are categorized as "offshore" institutions, meaning they cater primarily to U.S. and Canadian students planning to practice medicine in the United States or Canada.<sup>4 5</sup> The majority of these schools have an office location in the United States, and owners or executives who are based in the United States.<sup>6</sup>

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**Table 1. Outcomes of U.S. Medical Schools vs. Offshore Caribbean Medical Schools**

<b>U.S. Medical Schools</b>	<b>Offshore Caribbean Medical Schools</b>
4-year graduation rate 90 to 95%	4-year graduation rate 50 to 80%
Residency match rate 94%	Residency match rate 54%

The student outcomes for these offshore medical schools pale in comparison to their U.S. counterparts. Whereas U.S. medical schools have 4-year graduation rates that range from 90 to 95%, offshore Caribbean medical schools' 4-year graduation rates range from 50 to 80%.<sup>7</sup> In order to practice as a doctor in the United States, medical school graduates must first complete a 3 to 7 year residency in the United States.<sup>8</sup> Graduates of U.S. institutions have a 94% chance of landing one of these residencies, while U.S. citizens who graduate from a foreign school have only a 53% chance.<sup>9</sup> Licensure and residency match success rates weigh heavily in students' decisions to enroll.

Most Caribbean offshore medical schools are not eligible to participate in Title IV programs.<sup>10</sup> The Department considers multiple factors when determining a foreign medical school's eligibility to participate in Title IV, including accreditation and United States Medical Licensing Examination (USMLE) passage success. The Department and the National Committee on Foreign Medical Education and Accreditation (NCFMEA) must determine whether the school's local or international accreditation criteria are "comparable to the standards used to accredit medical schools in the United States."<sup>11</sup> In addition to the "comparable standards" test, offshore medical schools must have at least a 75% annual pass rate on each part of the USMLE to receive Title IV funding.<sup>12 13</sup> There is also a Citizenship Rate Requirement for schools to be eligible for Title IV funding—at least 60% of the school's full-time students and most recent graduating class must *not* be U.S. citizens, nationals, or permanent residents.<sup>14</sup>

U.S. medical schools are overseen by two accrediting bodies: the Liaison Committee on Medical Education for schools that grant Doctor of Medicine (MD) degrees, and the Commission on Osteopathic College Accreditation for schools that grant Doctor of Osteopathic Medicine (DO) degrees.<sup>15</sup> In contrast, there is no uniform oversight or accreditation criteria for offshore Caribbean medical schools. Some Caribbean countries have national accrediting bodies. Others do not require accreditation.<sup>16</sup> The Caribbean Accreditation Authority for Education in Medicine and Other Health Professions accredits the majority of offshore Caribbean medical schools, and the Accreditation Commission on Colleges of Medicine accredits an additional group of these schools.<sup>17</sup>

## **CONCURRENT ENROLLMENT PARTNERSHIPS**

The funding options for students attending Caribbean offshore medical schools are limited. Given that the vast majority of Caribbean offshore medical schools do not participate in Title IV, U.S. students who enroll in them cannot borrow federal student aid to cover tuition and living expenses and must instead pay out of pocket, obtain scholarships, or take out private loans. Based on interviews with U.S. students attending Caribbean schools, private loans and scholarship opportunities are limited, leaving most students to pay out of pocket for their medical school education.

Although offshore Caribbean medical schools that do not participate in Title IV are significantly less expensive than their Title IV-eligible counterparts—the total median tuition and fees at a Title IV-eligible Caribbean medical school is \$269,155 compared with \$109,100 at ineligible Caribbean institutions—the cost to attend is considerable for a student paying out of pocket.

To induce more U.S. students who are not flush with cash to enroll, some offshore Caribbean medical schools exploit a regulatory loophole to indirectly access Title IV funds through partnerships with online U.S. colleges that offer online degree programs. The partnering schools encourage U.S. students who are enrolled in offshore Caribbean medical schools to enroll

in a second online degree program at the U.S. Title IV-eligible schools, borrow the maximum amount of federal loans—which is thousands of dollars more than the tuition to pay for the second degree—and use whatever is left to pay their costs at the ineligible offshore Caribbean medical school.

**Table 2. Non-Title IV Eligible Caribbean Medical Schools and their U.S. Partner Institutions**

<b>Non-Title IV Eligible Caribbean Medical School<sup>18</sup></b>	<b>Total Tuition &amp; Fees</b>	<b>U.S. Partner Institution(s)</b>
University of Science, Arts and Technology Faculty of Medicine	\$65,840.00	Walden University and Franklin University
International American University College of Medicine	\$96,550	Walden University and Franklin University
Saint James School of Medicine – Anguilla	\$101,550	Walden University and Franklin University
Saint James School of Medicine – St. Vincent	\$91,550	Walden University and Franklin University
Xavier University School of Medicine	\$195,920 to \$198,020	Walden University and Franklin University
Windsor University School of Medicine	\$73,050	Walden University and Franklin University
Caribbean Medical University School of Medicine	\$117,130	Walden University and Franklin University
John F. Kennedy University School of Medicine	\$82,575	Walden University and Maharishi University of Management
Metropolitan University College of Medicine	Not publicly available	Walden University
University of Health Sciences Antigua School of Medicine	\$116,649	Walden University
University of Medicine and Health Sciences	\$168,128 to \$171,804	Walden University
American University of Integrative Sciences	\$140,665	Walden University
Aureus University School of Medicine	\$86,945	Walden University
American International School of Medicine	\$141,500	Walden University
American University of St. Vincent	Not publicly available	Walden University
Texila American University	\$126,090	Franklin University
Universal Caribbean University School of Medicine	\$61,000	Franklin University
Avalon University School of Medicine	\$122,985	Franklin University

Believe it or not, this scheme has been around for over a decade. Today, there are at least eighteen Caribbean offshore medical schools promoting this type of partnership with U.S. schools—most with either Walden University or Franklin University.<sup>19</sup> On several of the offshore Caribbean institutions’ websites, the option to enroll in a concurrent enrollment program is featured on the schools’ financial aid or student services pages (as opposed to the academic pages). For example, Metropolitan University College of Medicine’s student services page states that its financial aid counselors can advise students how to “procure funds” and specifies that an affiliation with Walden University provides “[d]ual-degree programs, where students can apply for grants through the second university.”<sup>20</sup> Another offshore school, Caribbean Medical University, explains how

students can qualify for “federal and private student loans in the amount of up to \$28,500 per year.”<sup>21</sup> Although CMU touts that a secondary degree from its partner Walden in healthcare management, public health or clinical research administration will “prepare you for the medical workforce,” CMU advertises the so-called second degree program on its financial aid page, listed at the top of its student loan options.<sup>22</sup>

It’s worth noting that Walden makes no mention of its concurrent enrollment partnerships on its public-facing website.<sup>23</sup> Franklin, on the other hand, devotes an entire page to its partnerships with Caribbean medical schools and markets its MBA with a Specialization in Healthcare as an “advantage for medical doctors” and specifically tailored to current medical students. It claims, without citing any source, that “MD/MBAs have a starting salary nearly \$100,000 greater than their MD-only colleagues [sic].”<sup>24</sup>

For U.S. students attending ineligible Caribbean medical schools, enrolling in a concurrent enrollment program at a U.S. school can result in thousands of extra federal dollars to cover their medical school costs. U.S. students enrolling in a graduate level program at a Title IV-eligible school can borrow up to \$20,500 per year in unsubsidized direct loans,<sup>25</sup> and up to the rest of the cost of attendance in Direct PLUS loans.<sup>26</sup> The Direct Loan program requires students to be enrolled at least half time in order to qualify for student aid. According to the American students featured in this paper, many offshore Caribbean medical schools and their U.S. partners encourage U.S. students to take the minimum course load at the U.S. school to meet that requirement, meaning their tuition costs are typically less than \$10,000 annually. If a U.S. student takes out the maximum in unsubsidized Direct Loans, this can leave the student with over \$10,000 per year in unused federal student loans to cover their costs at the offshore Caribbean medical school. In some instances, Caribbean offshore medical schools and partner U.S. schools negotiate substantial discounts—20 to 25 percent—on Title IV-eligible degree tuition, further leveraging the amount of Title IV funds that the student can apply toward costs at the offshore Caribbean medical school.<sup>27</sup>

**Table 3. Walden Partners and Tuition Discounts**

<b>Walden Partners with Tuition Discounts<sup>28</sup></b>	<b>Discount</b>
University of Science, Arts and Technology Faculty of Medicine	20%
International American University College of Medicine	20%
Saint James School of Medicine – Anguilla	25%
Saint James School of Medicine – St. Vincent	25%
Xavier University School of Medicine	25%
Windsor University School of Medicine	N/A*
Caribbean Medical University School of Medicine	25%
John F. Kennedy University School of Medicine	20%
Metropolitan University College of Medicine	N/A*
University of Health Sciences Antigua School of Medicine	25%
University of Medicine and Health Sciences	20%
University of Science, Arts and Technology Faculty of Medicine	20%
Aureus University School of Medicine	25%
American International School of Medicine	N/A*
American University of St. Vincent	25%

\* Information on the tuition discount not publicly available.

**Table 4. Franklin Partners and Tuition Discounts**

<b>Franklin Partners with Tuition Discounts<sup>29</sup></b>	<b>Discount</b>
University of Science, Arts and Technology Faculty of Medicine	N/A*
International American University College of Medicine	20%
Saint James School of Medicine – Anguilla	20%
Saint James School of Medicine – St. Vincent	20%
Xavier University School of Medicine	20%
Windsor University School of Medicine	20%
Caribbean Medical University	20%
Texila American University	20%
Universal Caribbean University School of Medicine	20%
Avalon University School of Medicine	20%

\* Information on the tuition discount not publicly available.

The concurrent enrollment programs offered to American students are typically master’s degree programs. These programs, while usually related to public health or healthcare administration, are not necessary to practice medicine. Additionally, some students who are enrolled in Caribbean medical schools that offer joint bachelor’s/M.D. programs are taking out thousands of dollars in federal loans for second bachelor’s degrees at Title IV schools, which offer little to no professional value and are not prerequisites to attend offshore medical schools

## **REGULATORY OVERSIGHT AND THE LOOPHOLE**

The Direct Loan program is Federal Student Aid’s largest source of funding for institutions of higher education.<sup>30</sup> It provides funds to students in the form of loans, which students or their families are obligated to repay to the Department, often over the course of decades. When Congress established the Direct Loan program, it created a regulatory structure to ensure institutions of higher education remained accountable to the Department. To participate in the program, institutions of higher education are required to apply for the program,<sup>31</sup> be selected by the Secretary to participate,<sup>32</sup> and enter into a special agreement, known as a Direct Loan Agreement,<sup>33</sup> with the Secretary describing the terms of participation.<sup>34</sup>

The HEA and regulations define the types of charges that Title IV funds can cover, including tuition, fees and room and board—all of which are tied to enrollment in an academic program approved by an institution that has been vetted and authorized by the Department to participate in Title IV.<sup>35</sup> And while the HEA and its implementing regulations contemplate Title IV dollars covering a student’s living expenses while enrolled at an eligible institution, the HEA does not contemplate the use of Title IV dollars to cover attendance at an ineligible institution—including related living expenses—for a completely separate education program. Although eligible institutions may enter into written arrangements with ineligible institutions to offer a joint program of study that students can pay for with Title IV funds,<sup>36</sup> that’s not what is happening between U.S. schools and offshore Caribbean medical schools.

The Department’s regulations do not explicitly address the arrangement at issue here—where eligible institutions are partnering with ineligible institutions to provide completely separate programs of study that students enroll in concurrently.

And though it is illegal for an institution to tell prospective students they can use federal student aid dollars to pay tuition for a second-degree program at an ineligible school,<sup>37</sup> the regulations do not explicitly prevent schools like Walden and Franklin from partnering with ineligible offshore Caribbean medical schools and encouraging students to borrow federal student aid to pay for ineligible education programs.

Federal regulations do assign liability to *student borrowers* if they apply their federal student aid to pay for educational expenses at a school other than the one that facilitated their Title IV loans.<sup>38</sup> When eligible institutions partner with offshore Caribbean medical schools to jointly market their programs as a way to syphon federal dollars to pay the cost of unapproved education programs, students are being misled and, ultimately, caught in the middle.

## **CASE STUDIES: International American University College of Medicine and Caribbean Medical University**

### *Michael Preston, International American University College of Medicine*

In May 2014, Michael Preston moved from Florida to St. Lucia to start an MD degree program at International American University College of Medicine (IAU). IAU is an ineligible offshore Caribbean medical school. When he enrolled at IAU, school representatives told him that the school was accredited and had multiple U.S. affiliations – including an affiliation with the regionally accredited, U.S. for-profit Walden University.

For the first year of the program, he paid for tuition and living expenses through a combination of out-of-pocket payments, scholarships, and private loans. In his first year at IAU, Michael was introduced to the concurrent enrollment partnership with Walden through the financial aid office at IAU. IAU financial aid representatives told him that if he enrolled in a Walden program, he would receive federal financial aid credits that he could use for his medical school expenses. He was encouraged to speak with a representative from Walden. According to Michael, the Walden representative told him that a second-degree program at Walden would be a smart way to pay for medical school expenses since IAU was not eligible for federal student loans. For these reasons, Michael enrolled in Walden's bachelor's in Health Administration program, even though the degree was not a prerequisite to attend IAU.

While Michael was concurrently enrolled at IAU and Walden, IAU's accrediting body issued a decision withdrawing IAU's accreditation.<sup>39</sup> After learning about the loss of accreditation, Michael withdrew from IAU because as a student enrolled in an unaccredited medical school he may not be eligible to sit for the USMLE.<sup>40</sup> He wanted to stay enrolled at Walden, so that he would at least have one degree as a result of all of his debt. However, soon after withdrawing from IAU, Michael learned he would have to pay out of pocket to stay at Walden—because he had reached his federal loan borrowing limit.<sup>41</sup> As a result, Michael had to withdraw from Walden as well. He now has over \$35,000 in federal student loan debt from Walden and nearly \$50,000 in private student loan debt from IAU despite receiving no degree.

### *Sarah Zinn,<sup>42</sup> Caribbean Medical University*

Sarah Zinn transferred to Caribbean Medical University (CMU) after completing two semesters at a different offshore medical school in Antigua. CMU is an ineligible offshore Caribbean medical school. In her first semester at CMU, Sarah spoke with Walden representatives who had set up an information booth in a classroom on CMU's campus. They told her that they had an offer for CMU medical students to get their master's in business or in public health at Walden and use federal loan refunds to pay for school at CMU. The Walden representatives also offered her a tuition discount. Sarah decided to sign up for Walden's master's in public health program in order to use federal loan refunds to help pay her way through medical school.

Sarah was concurrently enrolled at Walden and CMU for a year before she reached the first step of the USMLE. When it came time for the exam, she felt the school had not prepared her well enough. She self-studied for a year and a half, paying

a leave of absence fee to CMU each semester, but was ultimately unsuccessful on the exams. As a result, she dropped out of CMU and enrolled in a nursing program in Illinois. When Sarah dropped out of CMU, she stopped registering for Walden classes as well. She now has over \$100,000 in federal student loans from Walden/CMU, and no degree from either institution.

## PROPOSALS

Concurrent enrollment partnerships between U.S. institutions and ineligible offshore medical schools create a blind spot in the Department's oversight. Under current policy, there is no law or regulation that addresses such arrangements, which is resulting in ineligible offshore medical schools syphoning federal funds, and students like Sarah and Michael borrowing tens of thousands of dollars to pay for second, arguably unnecessary, degrees and subpar medical school programs.

The Department, however, has the statutory authority to regulate in this space and better protect student borrowers and preserve the integrity of the federal student loan programs. The Department could amend 34 C.F.R. § 668.5, which addresses written arrangements between institutions to provide educational programs, to explicitly address when it is impermissible for a Title IV-eligible institution to partner with an ineligible institution to offer a concurrent enrollment program. The proposed provisions address: recruitment/targeted marketing to students enrolled in the ineligible institution, steering students to overborrow and apply credits to ineligible program costs, offering tuition reductions that result in even more federal student aid going to ineligible institution costs, and enrolling students in unnecessary bachelor's and master's degrees. The addition of subparagraph (i) to section 668.5 would state as follows:

***(i) Written arrangements between an eligible institution and an ineligible institution offering a concurrent enrollment program.***

If an eligible institution enters into a written arrangement with an ineligible foreign medical school under which the eligible institution concurrently enrolls students of the foreign medical school in an education program, the Secretary considers that education program to be an eligible program if –

- (1) The eligible institution has not engaged in the recruiting of or targeted marketing to students enrolled in the foreign medical school (e.g., enrollment or financial aid advisors advertising on-campus of the ineligible school, sending promotional materials to a list of students provided by the ineligible school);
- (2) The eligible institution has not and will not encourage students to apply federal student aid funds to cover the students' concurrent foreign medical school education costs;
- (3) The eligible institution has not and will not provide any form of negotiated tuition reduction to students enrolled in the foreign medical school on the basis of their concurrent enrollment; and
- (4) The eligible institution is not concurrently enrolling a student who is enrolled in an ineligible foreign graduate medical school (as defined in section 600.52), in a bachelor's or master's degree program when the student already has earned such degree or equivalent, when such degree is not a prerequisite to sit for the United States Medical Licensing Examination, or when such degree is not a prerequisite to enroll in the foreign graduate medical school.

Until the Department regulates concurrent enrollment partnerships, schools like Walden and Franklin and their offshore Caribbean medical school partners will continue to exploit federal student aid programs. The Department must implement a regulation governing these partnerships, so the schools taking advantage of students to access taxpayer-funded Title IV dollars can be held accountable.

## ENDNOTES

- 1 In addition to the Direct Loan Program, FSA additionally administers Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOGs), Federal Perkins Loans, and TEACH grants. While it is possible some students who are concurrently enrolled at a Caribbean medical school and U.S. partner institution have been advised to finance their education with these other products, this report focuses on the use of Direct Loans, since our investigation has found that Direct Loans are most widely recommended to concurrently enrolled Caribbean medical school students.
- 2 Emma Goldberg, *It's Tough to Get Out': How Caribbean Medical Schools Fail Their Students*, N.Y. Times (updated Oct. 13, 2021), <https://www.nytimes.com/2021/06/29/health/caribbean-medical-school.html>.
- 3 *Id.*
- 4 Sateesh B. Arja et al., *Impact of Accreditation on Caribbean Medical Schools' Processes*, 12(4) Can. Med. Educ. J. 79, 80 (published online Sept. 14, 2021), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8463220/>.
- 5 The offshore medical schools discussed in this report are distinct from regional medical schools in the Caribbean (e.g., The University of the West Indies), which exist to train doctors from the region who plan to practice medicine in the region. Jeffrey Morgan, et al., *"Location is surprisingly a lot more important than you think": a critical thematic analysis of push and pull factor messaging used on Caribbean offshore medical school websites*, 17 BMC Med. Educ. 9 (2017), <https://bmcmmeduc.biomedcentral.com/articles/10.1186/s12909-017-0936-x>.
- 6 N. Lynn Eckhart & Marta van Zanten, *Overview of For-Profit Schools in the Caribbean*, Found. for Advancement of Int'l Med. Educ. and Rsch. (2014), <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.739.3869&rep=rep1&type=pdf>.
- 7 Edward C. Halperin & Robert B. Goldberg, *Offshore Medical Schools Are Buying Clinical Clerkships in U.S. Hospitals: The Problem and Potential Solutions*, 91(5) Acad. Med. 639, 639 (May 2016), <https://pubmed.ncbi.nlm.nih.gov/26910896/>.
- 8 *The Road to Becoming a Doctor*, Am. Ass'n of Med. Colls. (Nov. 2020), <https://www.aamc.org/system/files/2020-11/aamc-road-to-becoming-doctor-2020.pdf>.
- 9 Halperin & Goldberg, *supra* note 7, at 641.
- 10 There are currently eight offshore Caribbean medical schools eligible for Title IV funding: American University of Antigua, Ross University (RUSM), St. Matthew's University, St. George's University (SGU), Medical University of the Americas, American University of the Caribbean (AUC), and Saba University School of Medicine. *International Schools Participating in the Federal Student Loan Programs*, Fed. Student Aid, <https://studentaid.gov/sites/default/files/international-schools-in-federal-loan-programs.xlsx> (last accessed Nov. 3, 2022).
- 11 34 C.F.R. § 600.55(h)(1).
- 12 34 C.F.R. § 600.55(f)(1)(ii).
- 13 Three of the eight offshore Caribbean medical schools (SGU, AUC, and RUSM) that receive Title IV funding however, are not subject to this last requirement under an exemption which allows for foreign graduate medical programs that had state-approved clinical training programs as of January 1992 and continue to operate a state-approved clinical training program to receive Title IV funding regardless of USMLE pass rates. 34 CFR § 600.55(f)(2). This exemption has come under scrutiny by policymakers, and federal legislation has been introduced to close the loophole and hold the three exempted offshore Caribbean medical schools to the same minimum standards as other foreign medical schools that receive Title IV funding. See, e.g. Press Release, Sen. Dick Durbin, Durbin To Duncan: Time To Crack Down On For-Profit Medical Schools That Use Offshore Loophole (Sept. 10, 2013), <https://www.durbin.senate.gov/newsroom/press-releases/durbin-to-duncan-time-to-crack-down-on-for-profit-medical-schools-that-use-offshore-loophole>; Press Release, Sen. Dick Durbin, Durbin Introduces Legislation To Improve Accountability Of Foreign Medical Schools Receiving Federal Student Aid (Sept. 7, 2022), <https://www.durbin.senate.gov/newsroom/press-releases/durbin-introduces-legislation-to-improve-accountability-of-foreign-medical-schools-receiving-federal-student-aid>.
- 14 34 C.F.R. § 600.55(f)(1)(i)(A).
- 15 Douglas L. Wood & Marc B. Hahn, *Accreditation Standards of Osteopathic and Allopathic Medical Schools: Could They Affect Educational Quality?*, 84(6) Acad. Med. 724, 724 (June 2009), <https://pubmed.ncbi.nlm.nih.gov/19474546/>.
- 16 Sateesh B. Arja et al., *supra* note 4, at 80.
- 17 *Id.*
- 18 Total tuition and fees estimates and this listing of partnerships are based on Student Defense analysis of publicly available materials on institutions' websites. Records of these materials are on file with Student Defense.
- 19 Janet Lorin, *For-Profit Caribbean Medical Schools Use Federal Funds Loophole*, Bloomberg (Dec. 3, 2013, 12:01 AM), <https://www.bloomberg.com/news/articles/2013-12-03/for-profit-caribbean-medical-schools-use-federal-funds-loophole>.
- 20 *Student Services*, Metropolitan Univ. Coll. of Med., <https://metropolitanmedschool.net/student-services-2/> (last accessed Sept. 22, 2022).
- 21 *Student Loans*, Caribbean Med. Univ., <https://cmumed.org/financial-aid/student-loans/> (last accessed Sept. 22, 2022).
- 22 *Id.*
- 23 Walden does have a series of pages about specific concurrent enrollment programs hosted at the link address: <https://www.waldenu.edu/partners>. These pages require a direct link to access and are not otherwise linked to on the Walden website. See, e.g. *25% Tuition Savings Plus Grants for Saint James School of Medicine Employees*, Walden Univ., [https://www.waldenu.edu/partners/sjism?comm\\_code=4221708](https://www.waldenu.edu/partners/sjism?comm_code=4221708) (last accessed Nov. 15, 2022), *25% Tuition Savings Plus Grants for Aureus University School of Medicine Employees, Students and Graduates*, Walden Univ., <https://www.waldenu.edu/partners/aureus> (last accessed Nov. 15, 2022).
- 24 *Medical School Partnerships*, Franklin Univ., <https://www.franklin.edu/about-us/partnerships/medical-school-partnerships> (last accessed on Nov. 8, 2022).



- 25 *Federal Student Loans for College or Career School are an Investment In Your Future*, Fed. Student Aid <https://studentaid.gov/understand-aid/types/loans> (last accessed Sept. 22, 2022).
- 26 Undergraduate students can borrow between \$5,500 to \$12,500 in Direct Loans, depending on their year in school and their dependency status. Additionally, parents of dependent undergraduate students can borrow up to the cost of attendance at a school in Direct PLUS Loans. *How Much Money Can I Borrow in Federal Student Loans?*, <https://studentaid.gov/help-center/answers/article/how-much-money-can-i-borrow-federal-student-loans> (last accessed Sept. 22, 2022).
- 27 Franklin University states on its website that “students currently enrolled in a medical program at Universal Caribbean University can take advantage of a 20% tuition discount toward Franklin University’s MBA with an Emphasis in Healthcare.” *Get the Skills to Manage a Healthcare Practice*, Franklin Univ., <https://www.franklin.edu/info/universal-caribbean-university> (last accessed on Nov. 8, 2022).
- 28 This listing of tuition discounts is based on Student Defense analysis of publicly available materials on institutions’ websites. Records of these materials are on file with Student Defense.
- 29 This listing of tuition discounts is based on Student Defense analysis of publicly available materials on institutions’ websites. Records of these materials are on file with Student Defense.
- 30 Alexandra Hegji et al. Cong. Rsch. Serv., R47196, *Federal Student Loan Debt Cancellation: Policy Considerations* 39 n.94 (July 27, 2022), <https://crsreports.congress.gov/product/pdf/R/R47196>.
- 31 HEA § 453(b)(1), 20 U.S.C. § 1087c(b)(1).
- 32 HEA § 453(b)(2), 20 U.S.C. § 1087c(b)(2); see also HEA § 453(a), 20 U.S.C. § 1087c(a) (directing the Secretary to “enter into agreements pursuant to section 454(a) with institutions to participate in the direct student loan program”).
- 33 See generally HEA § 454; 20 U.S.C. § 1087d.
- 34 See generally HEA §§ 451–454, 20 U.S.C. §§ 1087a–1087d.
- 35 HEA § 472, 20 USC § 1087II; 34 CFR § 668.164. It’s also important to note that institutions are fiduciaries with regard to managing Title IV, HEA program funds. 34 CFR §§ 668.161.
- 36 34 CFR § 668.5(c).
- 37 See 34 CFR § 668.73(d) (schools cannot misrepresent “[t]he availability or nature of any financial assistance offered to students”).
- 38 While regulations do not restrict the use of federal student loan credit balance refunds to pay cost of living expenses, regulations do restrict Title IV funds to pay tuition at an ineligible program. The Master Promissory Note (MPN) that students sign to borrow a federal student loan requires students to promise to “use the loan money I receive only to pay for my authorized educational expenses for attendance at the school that determined I was eligible to receive the loan” and to “immediately repay any loan money that is not used for that purpose.” The MPN includes a header at the top that states “[a]ny person who knowingly makes a false statement or misrepresentation on this form or any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.”
- 39 See Int’l Am. Univ. Coll. of Med., St. Lucia – Accreditation Withdrawn, CAAM-HP (Aug. 2022), <https://caam-hp.org/wp-content/uploads/2022/08/International-American-University-College-of-Medicine.pdf>.
- 40 See USMLE – Eligibility, United States Medical Licensing Exam, <https://www.usmle.org/bulletin-information/eligibility> (last accessed on Nov. 8, 2022).
- 41 Michael reached his \$57,500 loan limit for subsidized and unsubsidized loans because he previously took out loans to attend a public university in Florida for undergraduate studies prior to enrolling in the second-degree program at Walden.
- 42 Sarah Zinn is a pseudonym, which is used throughout this report at the interviewee’s request, to maintain financial privacy.