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When students attend these colleges, taxpayers often pay. Here's why

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HEARD ON ALL THINGS CONSIDERED



Cory Turner



Audio will be available later today.



Lisa Collenbaugh says she still owes the U.S. government \$10,389.47 for the certificate program she couldn't afford to finish at UEI College.

Jessica Pons for NPR

Five-hundred colleges and universities in the U.S. now share one alarming distinction: At least 40% of recent students who borrowed federal loans aren't paying them back. That's according to the latest federal nonpayment-rate data published by the U.S. Education Department.

The data looks at the roughly 17 million borrowers who entered repayment for the first time between January 2020 and May 2025.

"These numbers are really jaw-dropping," says Eileen Connor, head of the Project on Predatory Student Lending, a nonprofit that advocates for borrowers and that reviewed the data.

At many schools, more than *half* of recent borrowers are at least three months late on their payments or have already passed nine months, which means they're in default.

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What's going on?

One explanation is that pandemic-driven disruptions to the student loan system have left many borrowers feeling confused. But Lisa Collenbaugh's story offers another possibility: Many of these troubled schools charge too much for too little — and aren't being held accountable.

Collenbaugh enrolled in one school on the list, UEI College, more than a decade ago, agreeing to pay nearly \$20,000 for a short-term training program to become a computer systems technician. But she says the program didn't deliver the life-changing skills she had hoped for. "I thought that I was gonna actually be prepared for a career path and my life was gonna change because of that. And looking back, it's like, 'Oh, they got me.'"

With rising public fear over student debt — as well as skepticism about the value of higher education — this data shines a hot light on hundreds of mostly for-profit schools where something is clearly not working.

500 colleges and universities in the U.S. have student loan nonpayment rates of 40% or higher

Many of these schools receive millions of dollars in federal student aid each year, which often accounts for most of their total revenue.

SCHOOL NAME	STATE	FEDERAL STUDENT LOAN NONPAYMENT RATE	% OF SCHOOL REVENUE FROM FEDERAL SOURCES	FEDERAL LOANS AND GRANTS TO STUDENTS (2024- 2025)
Construction Training Center	SC	82%		
Legends Barber College	TX	81%	69.5%	\$356,846
Diversified Vocational College	CA	73%	88.3%	\$3,472,070
Networks Barber College	IL	72%	85.6%	\$860,090
Houston School of Carpentry	TX	72%		
K&G 5 Star Barber College	TX	71%		
Associated Technical College	CA	70%	86.7%	\$2,615,183
Washington Barber College	AR	69%	80.6%	\$750,417
Ray J's College of Hair	LA	69%	77.0%	\$644,844
Barber Institute of Texas	TX	68%	81.3%	
Texas Barber College	TX	66%	89.3%	\$4,778,232
Jay's Technical Institute	TX	66%	58.6%	\$668,860
GoodFellas Barber College	AR	66%	81.6%	\$473,893
Barbers Trade School	TX	66%	84.6%	\$390,470
Professional Career Training Institute	TX	65%		
Larry's Barber College	IL	65%	88.5%	\$2,219,394
Moore Career College	LA	64%	89.7%	
Community Christian College	AZ	64%		\$9,145,941
Top of the Line Barber College	SC	64%	88.0%	\$581,150
Baltimore Studio of Hair Design	MD	63%	87.6%	\$492,356

Notes

Nonpayment rate data run by the U.S. Education Department in May 2026 for borrowers who entered repayment for the first time between January 2020 and May 2025. Revenue percentages are listed for private, for-profit

institutions where available — technically, the law punishes schools if they exceed 90% reliance on federal sources. This data is the most recent available from each school, ranging from the 2021-2022 school year through the 2024-2025 school year. The federal loans and grants total is the total of Direct Loans, Pell Grants and TEACH Grants disbursed during the 2024-2025 school year.

Source: Nonpayment rate data from the U.S. Education Department's office of Federal Student Aid. School revenue and federal loan and grant totals aggregated from multiple federal sources by the Project on Predatory Student Lending.

Credit: NPR

The new data isn't just worrying for borrowers — it's also bad news for taxpayers. That's because many of these schools don't just benefit from federal student aid; they depend on it.

Preston Cooper, who studies higher education at the conservative-leaning American Enterprise Institute, says this data raises questions about whether some schools should lose access to federal aid entirely.

"If a private lender were looking at a school that has a 40%, 50% delinquency rate on past loans, they would probably say, 'We're not going to lend to that school.' Why does it make sense for the federal government and for taxpayers?"

The Education Department declined to comment for this story but referred NPR to a press release from February, when the administration was already sounding the alarm.

"Institutions cannot benefit from taxpayer dollars while ignoring the fact that a significant share of their students are not well-prepared to repay their loans. It's time for institutions to step up or risk losing access to federal student aid," said Nicholas Kent, undersecretary of education, in a statement.

What the federal data shows

Of the 500 schools with nonpayment rates of 40% or higher, just 15 are public institutions. Most (424) are private, for-profit schools — the same kind of schools that the Obama administration famously cracked down on, pressuring two large chains to close.



THE TWO-WAY

Large, For-Profit ITT Tech Is Shutting Down All Of Its Campuses

Tulsa Welding School is among the colleges with alarmingly high nonpayment rates. As of May, it had nearly 20,000 recent students with federal loans in repayment, but more than half weren't actually making payments.

Miller-Motte College, a career training school with campuses in Tennessee, Georgia, North Carolina and Oklahoma, had 37,000 borrowers — but, again, only about half were actually making payments.

Most schools with high nonpayment rates are private, for-profit institutions

Of the 500 schools with federal student loan nonpayment rates of 40% or higher, 424 are private for-profits.

	Public	Private, nonprofit	Private, for-profit	
40-49%	13	42		293
50-59%	2	16	99	
60-69%		3	25	
70-79%			5	
80-89%			2	

Source: Nonpayment rate data run by the U.S. Education Department in May 2026 for borrowers who entered repayment for the first time between January 2020 and May 2025.

Credit: Brent Jones/NPR

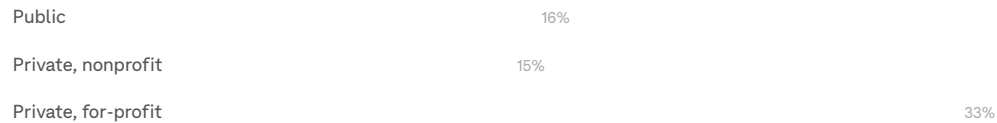
Many cosmetology and barbering schools are also on the list, including the tiny Legends Barber College in Texas, where the vast majority of its 100 borrowers, 81%, are not repaying their loans.

By comparison, the data shows that public institutions as well as private, nonprofit colleges and universities had average nonpayment rates around just 15%.

In a statement, Legends Barber College said it "takes student loan repayment and borrower education seriously. ... We are reviewing the underlying data and our current repayment-support procedures so that we can identify where additional outreach may be needed."

Miller-Motte's parent company told NPR in a statement that "the student loan landscape in recent years has presented unprecedented external challenges for borrowers across higher education" and that Miller-Motte is using "data-driven default management strategies to identify at-risk borrowers early and offer targeted intervention."

Loan nonpayment rates for former students of private, for-profit schools are about twice as high as at other institutions



Source: Nonpayment rate data run by the U.S. Education Department in May 2026 for borrowers who entered repayment for the first time between January 2020 and May 2025.

Credit: Brent Jones/NPR

Tulsa Welding School did not respond to NPR's requests for comment.

The prevalence of cosmetology schools in the data doesn't surprise Jordan Matsudaira, a professor at American University who was the Education Department's inaugural chief economist in the Biden administration.

Matsudaira says cosmetology schools are "notoriously programs that tend to deliver students who have lower earnings. It's not surprising that they're struggling to repay their debts."

One student's story

While many of the troubled schools are quite small, with just a few hundred borrowers, several large schools stand out. Among them: Lisa Collenbaugh's alma mater, UEI College.

Like many of the schools on the list, UEI is a for-profit college that specializes in career training, including 10-month programs to become medical assistants, dental assistants and HVAC technicians, to name a few. But UEI, with 22 campuses, mainly in California, has more borrowers in the data pool — almost 32,000 — than most of the other schools on the list.



UEI College has 22 campuses, mainly in California, including this one in Huntington Park.

Jessica Pons for NPR

According to this new data, the school's nonpayment rate — again, the share of recent borrowers who are not repaying their loans — is hovering around 55%.

Collenbaugh's story helps explain why. She enrolled at a Los Angeles-area UEI campus in 2015 to become a computer systems technician. Like many students drawn to the promise of a good job and better pay for less than a year of

schooling, Collenbaugh was barely making ends meet. She was sleeping in her car, and her friend recommended the school as a way to find a career and stability.

"I wanted to do something that would help my life," Collenbaugh remembers. "If there was a career path, that would be amazing. And that was my understanding of what was gonna happen at UEI."

Tuition cost \$19,500 in 2015, according to Collenbaugh's old receipts.

"When I see a career school charging \$20,000 for a short-term certificate, some red flags are going off in my head," says the American Enterprise Institute's Cooper. "That's more per annum than a lot of four-year colleges are charging."

Like the majority of UEI students, Collenbaugh took out federal student loans to pay for it. She also received a federal Pell Grant for low-income students.



NPR ED

The Collapse Of Corinthian Colleges

From the start, Collenbaugh remembers, the coursework was oddly easy and she wasn't sure how it would land her a well-paying job. The school also struggled to find her an externship — essentially job shadowing — which was required for her to graduate. After finishing all her other coursework and waiting several months, Collenbaugh says, the only externship the school could offer her was on the other side of Los Angeles.

"I just couldn't afford the gas," she says. "And I let them know that. And it was just like, 'Oh, sorry.'"

Nearly finished with the program, Collenbaugh dropped out.

She says she continued to struggle financially and went years without making payments on her loans.

NPR shared Collenbaugh's story with UEI. Spokesperson Joseph Cockrell says the school discontinued her computer systems training program, in part because of evidence that it wasn't working well, including poor completion and job placement rates.

"When a program we offer no longer has workforce demand or is not meeting the outcomes that our accreditors require, that the state requires, that the Department of Education requires, we make decisions about those programs. ... That's something that we take very seriously."

Cockrell added, not speaking specifically of Collenbaugh's case, that UEI can support students only so much. "Transportation, childcare, work schedules and finances can all be very real obstacles, particularly for the population we serve," he says. "Our job is to work with students as much as reasonably possible to help them overcome those barriers."

This new federal data shows that a large share of UEI's recent borrowers also struggle with repayment: More than 17,000 are late on their payments or in default.

"We were really surprised at how much higher it was than we had anticipated," says Darcy Schnuth, vice president of student finance at International Education Corp. (IEC), the school's parent company.

Schnuth says the pandemic payment pause, coupled with Biden-era promises of loan forgiveness, left many borrowers feeling confused and disconnected from their loans — a complaint echoed by Miller-Motte College in its response to NPR.

"After going two, three, four years without getting very much in communication, they thought they didn't have loans anymore," Schnuth says. "Now, trying to reengage with those students and reconnect with them has been more challenging than we had anticipated."

IEC has hired two third-party companies to help reconnect with borrowers, Schnuth says.

When asked why UEI College's nonpayment rate is so much higher than even those of its fellow for-profit colleges, which averaged 33% in the data, Schnuth admits, "We're not fully sure why ours is higher than the rest within our sector, and we're really working to try to reconnect with those students to find out more about exactly what is happening."

But Collenbaugh says she thinks UEI's nonpayment rate is so high for the same reason that she still struggles to repay her loans: The school saddles low-income students with big debts in return for low-quality training that often leads them nowhere. "It's almost like this school is preying on the vulnerable."

Cooper, of the American Enterprise Institute, adds that many for-profit schools like UEI have long had higher delinquency and default rates compared with more traditional schools.

"This is really uncovering, I think, problems that were already there at these schools rather than being entirely attributable just to the end of the payment pause," Cooper says.

Schnuth says that serving lower-income students is a point of pride for IEC but that it also comes with greater risk — that students are more likely to drop out and not repay their debts than students in more traditional programs. "We definitely believe borrower demographics and financial circumstances are an important part of the difference."

Dependence on federal student aid

Were it not for federal student loans and grants, many of the schools on the list would close.

That's what happened to Florida Career College (FCC), also owned by IEC.



EDUCATION

Ed. Dept. says college chain took advantage of students, cuts off student loan access

In 2023, the Education Department took the rare step of cutting FCC's access to federal aid because an investigation found that the school broke rules around enrolling students without a high school diploma. That's after the Project on Predatory Student Lending (PPSL) filed a class action lawsuit against the school in 2020.

Shutting off the spigot of federal dollars was a death blow, forcing FCC to close its doors.

Today, all that remains of the school are its former students and their considerable debts. According to the data, nearly two-thirds of FCC's 28,000 recent borrowers are not repaying their loans.

FCC's dependence on federal aid isn't unusual: Of the 424 private, for-profit schools on the list, the vast majority rely on the federal government for more than half their revenue, according to federal data compiled by PPSL and reviewed by NPR.

Think of it like a triangle: For-profit schools market to low-income students, like Collenbaugh, who rely on the government to pay for their training through grants and loans that the student promises to pay back. Meanwhile, those federal dollars flow directly into the schools' pockets.



THE CORONAVIRUS CRISIS

Students Call College That Got Millions In Coronavirus Relief 'A Sham'

On UEI's campuses, for example, federal aid accounts for between 79% and 85% of revenue.

At Miller-Motte College, nearly 86% of revenue comes from federal aid.

American InterContinental University System has one of the highest rates of federal aid dependence. The large school, with tens of thousands of borrowers, received 89% of its revenue from the U.S. government, in the most recent year of federal data. Technically, the law punishes schools if they exceed 90% reliance on federal sources, which is why many schools on the list hover just below that.

"If the federal student loan program did not exist, these schools would not exist," says PPSL's Eileen Connor. "And the reason is really obvious. Why would any bank give or lend money to someone to go to these schools when it's a near certainty that they're not going to be able to repay it?"

She says awarding loans under those conditions "is the definition of predatory lending."

What federal accountability looks like today

These nonpayment rates, high as they are, won't trigger any kind of federal accountability — at least not yet. For that to happen, borrowers who are at least three months late on their payments would all have to reach the nine-month threshold for default. Only then would the cohort default rate test kick in.



Millions of student loan borrowers aren't repaying their loans — and defaults are up

That test works like this: If 30% or more of a college's borrowers default on their loans, for three years in a row, the school is supposed to lose access to federal student aid. The presumption is that if so many former students are struggling, the school must not offer a good return on investment.

If a school's default rate hits 40%, it could lose access to federal student loans after just one year.

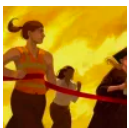
The problem is that the cohort default rate hasn't worked for years. That's because, during the COVID-19 pandemic, students were *unable* to default on their loans, rendering the federal test useless.

But the test is set to resume soon, and the nonpayment rates in this new data are high enough that student loan experts are concerned.

The American Enterprise Institute's Cooper says, "The bill is going to come due, and a lot of schools could be dealing with very serious consequences."

A new federal accountability test is on the way

The federal government is also adding a *new* test to its toolbox, created as part of the Republicans' One Big Beautiful Bill Act: If a program's graduates don't earn more than workers who never went to college, that program could be cut off from federal loans.



EDUCATION

Under a new federal rule, colleges must leave grads better off or lose financial aid

"If a program cannot show that it leaves its graduates financially better off than if they had never enrolled, it should not be underwritten by federal taxpayers," said

Undersecretary of Education Nicholas Kent in a statement explaining the new "do no harm" test.

The Education Department says it will begin calculating the first year of graduate earnings in early 2027, and "some programs could be designated as low-earning outcome programs beginning in the 2028-2029 [financial aid] award year."

But it's not clear how many of the 500 schools with high nonpayment rates would actually run afoul of the coming "do no harm" test. Why? Because it considers only earnings — not loan debt.

"It is a big gap in the new accountability rules," says Jordan Matsudaira, at American University. "There are a fair number of programs that have earnings that are modest but high enough to clear the pretty low bar of the high school earnings test — but that have really high debt and students are struggling."

Cooper, of the American Enterprise Institute, did a preliminary analysis, at NPR's request, to see how many schools with nonpayment rates over 30% would also likely be flagged under the "do no harm" test.

What he found was a mixed bag. "So we have around 500 schools which are likely to be caught under both measures. But a roughly equal number of schools with high nonpayment rates may still pass the earnings test."

Today, Lisa Collenbaugh has finally found some of the stability she was looking for when she enrolled at UEI College. She works for a ministry in Orange County, California. "We bring Bible studies to drug and alcohol treatment centers, sober living homes, safe houses, places where people are rebuilding their lives."

As she rebuilds her life, Collenbaugh says, she still owes the U.S. government \$10,389.47 for the certificate program she couldn't afford to finish.

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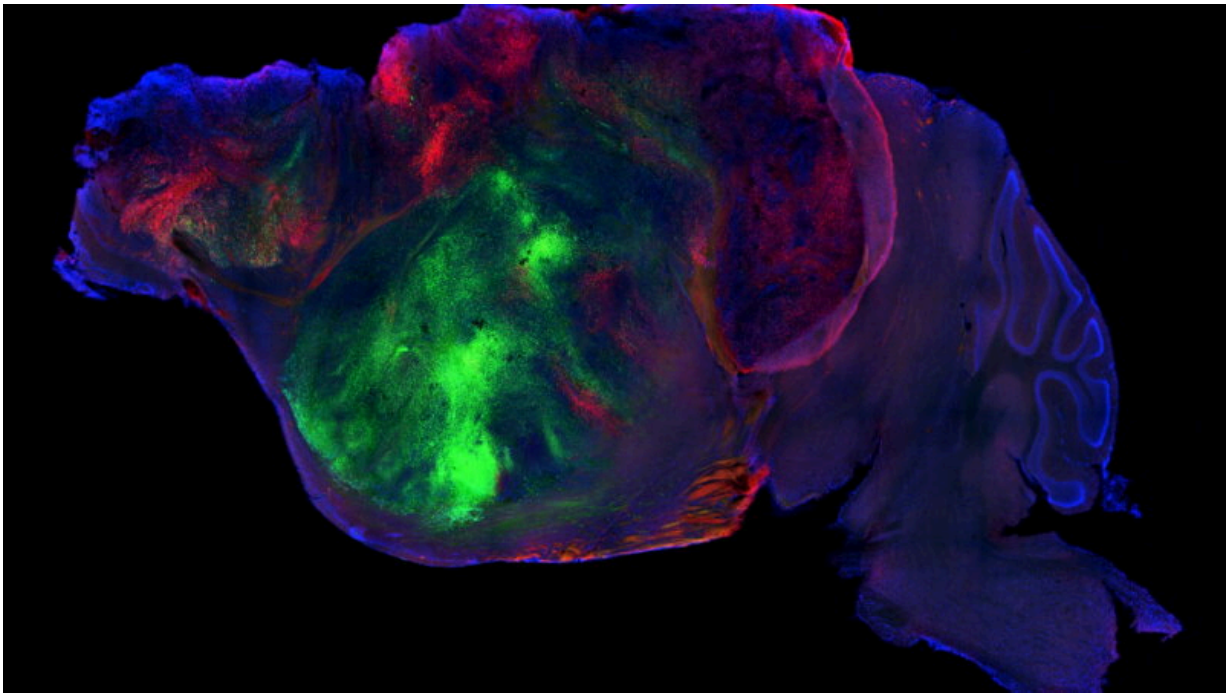
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