



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

December 3, 2015

The Honorable Sherrod Brown  
United States Senate  
Washington, DC 20510

Dear Senator Brown:

Thank you for your letter and your continuing engagement regarding the tax treatment of the student loan discharges by the Department of Education for borrowers who attended schools owned by Corinthian Colleges, Inc. As you know, the Department of Education, with support from across the Administration, has been working diligently to develop and implement a streamlined process to provide debt relief to these borrowers. The process is designed to provide relief to students whose schools have closed and also to those who were victims of fraud, whether their schools have closed or not.

The Department of the Treasury is pleased to inform you that we are releasing a Revenue Procedure today that will explain to borrowers whose Corinthian-related federal student loans are discharged that they will not be required to recognize income as a result of that discharge. This guidance also provides that for discharged loans within the scope of the Revenue Procedure's coverage, taxpayers do not need to file additional forms or include additional information on their federal income tax returns. In addition, this Revenue Procedure reiterates that under existing law, borrowers whose federal student loans are discharged under the Closed School discharge process do not have to recognize income and do not have to report the discharge on their federal income tax returns.

Thank you for highlighting the concerns of the student-borrowers in this situation and the potentially significant financial and tax administration burdens that they might have faced in the absence of this guidance. Your efforts helped the Treasury Department and the Internal Revenue Service focus our resources and develop a solution that is equitable and administrable for all of the parties involved. If you have additional questions please contact me or have your staff contact Sandra Salstrom, Office of Legislative Affairs, at (202) 622-1900.

Sincerely,

Anne Wall  
Assistant Secretary for Legislative Affairs

Identical letter sent to:

The Honorable Elizabeth Warren  
The Honorable Richard J. Durbin  
The Honorable Maxine Waters