

# Pre-Dispute Arbitration and Class Action Waiver Disclosures

A student who enrolls at American Public University System (“University”) agrees, as a condition of enrollment, to resolve any legal disputes with the University through arbitration. Specifically, the student and University enter into a “pre-dispute arbitration agreement” which means that the student and the University are agreeing to resolve through arbitration any disputes that may arise in the future between the student and the University. Because arbitration is a way to resolve a dispute without filing a lawsuit and going to court, both the University and the student waive any rights to jury trial as part of the pre-dispute arbitration agreement. As an additional condition of enrollment, students agree to waive their right to bring their claims together through a class action lawsuit or class arbitration against the University. These conditions of enrollment apply to all students and all of their legal claims, regardless of whether the student receives financial assistance or loans from the U.S. Department of Education (“ED”).

ED requires the following disclosures related to how the above pre-dispute arbitration agreements and class action waivers affect students who receive federal student aid, including students who obtain Federal Direct Loan Program loans. With respect to such students:

1. The University cannot require the student borrower to participate in arbitration or any other internal dispute resolution process prior to filing a borrower defense to repayment claim with ED. Student borrowers may file borrower defense to repayment claims at any time.
2. The University cannot require students to limit, relinquish, or waive their ability to pursue filing a borrower defense claim at any time.
3. All arbitration proceedings conducted under any pre-dispute arbitration agreement toll the limitations period for filing a borrower defense to repayment claim with ED. Students going through arbitration therefore will receive an extension on their deadline to file a borrower defense claim with ED.

Descriptions of the arbitration process are provided in the University’s enrollment agreement. As noted in the enrollment agreement, if any of the provisions of the dispute resolution section of the enrollment agreement conflict with the applicable law of the jurisdiction in which a student is located, then conflicts are resolved in favor of the applicable law of that jurisdiction. Additionally, an arbitrator’s decision and any award are final and binding on the student and the University, unless within 30 days after the decision the student notifies the University in writing that the student is unsatisfied with an arbitrator’s decision and any award. In that case, the student may take other legal action in court to resolve the dispute.