

Arbitration Agreement and Class Action Waiver Information

Please Note - Disputes between students and the institution on SARA-related matters are resolved by following the South College SARA Complaint Policy included in the South College Complaint and Grievance Processes. South College utilizes the published mandatory arbitration agreement process as described below in the resolution process for non-SARA complaints or disputes.

South College requires, as a term of enrollment, that students agree to resolve any legal disputes with the school through binding arbitration. Because the student and South College agree to this in advance, it is sometimes called a “pre-dispute arbitration agreement.” Both the College and students waive any right to a jury trial as part of that agreement. In addition, as a term of enrollment, students agree to waive their right to enter into a class action lawsuit or class arbitration against the school. South College’s arbitration and class action waiver are applicable to all students, for all legal claims, regardless of the type of claim, or whether the student finances their education using Federal Student Aid funds like Direct Loans.

The Department of Education (ED) requires that South College disclose specific additional information about how the arbitration agreement and class action waiver impact students who borrow money through the Federal Direct Loan program or use Title IV Federal Student Aid funds to pay for their educational program, when the claim relates to the making of the Direct Loan, or the educational services that it pays for.

- If the student borrows money to pay for school through the Federal Direct Loan program, South College cannot require the borrower to participate in arbitration or any internal dispute resolution process offered by the institution prior to filing a borrower defense to repayment application with ED. Student borrowers can file borrower defense applications at any time.
- South College cannot, in any way, require students to limit, relinquish, or waive their ability to pursue filing a borrower defense claim at any time. This means that South College will not ask a student borrower to agree not to file a borrower defense claim with ED.
- Any arbitration that is commenced based on the student and South College entering into the pre-dispute arbitration agreement, “tolls” the limitations period for filing a borrower defense to repayment application. This means that if a student borrower wanted to file a borrower defense claim with ED but they are going through the arbitration process, they will have additional time to file. Generally the time to file with ED will be extended for the same amount of time as it takes for the borrower’s claim in arbitration to be resolved. This ensures that a borrower can still file a borrower defense claim, even if the deadline for filing has passed, if the student is pursuing their claim in arbitration.

When new students enroll at South College, they will receive a detailed arbitration agreement and class action waiver that will provide additional information about the applicable rules, responsibility for fees, and other rights and conditions.