

Top universities agree to settle financial aid suit for \$104.5 million

By Jeff Winter, CNN

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Columbia University.

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CNN —

Five universities agreed to settle a lawsuit accusing them of colluding on financial aid and admissions violations, according to new court filings.

Yale, Columbia, Duke, Brown and Emory universities will pay a combined \$104.5 million to settle their portions of the case, which was brought by five former students against more than a dozen schools.

The suit alleges the universities violated antitrust law when they ignored their pledge to not weigh a student's ability to pay tuition when considering whether or not to accept, a practice referred to as "need-blind" admission.

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"It is past time for the presidents and governing bodies of the remaining defendants to stand up and do the right thing for their students and alumni, and resolve the overcharges to middle class and working class students that stemmed from the twenty years of collusion on financial aid by elite universities," Robert D. Gilbert, one of the lead attorneys representing the students, said in a statement.

In the settlement filings, the schools continue to deny any wrongdoing or liability, asserting that "the Universities' financial aid policies were legal and pro-competitive and financial aid awards were not artificially reduced, that the Universities have valid defenses to Plaintiffs' allegations, and that Plaintiffs' claims would have been rejected prior to trial, at trial, or on appeal."

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CNN reached out to all five schools for comment. Every school denied the allegations of the suit and any wrongdoing in separate statements.

"While Columbia disputes the merit of this case, the University has determined to put this matter behind us," said a Columbia spokesperson. "The University's participation in the 568 Group was intended to benefit our students. Columbia's mission is to help all students admitted, regardless of individual financial circumstances, achieve their goal of pursuing a world class education at our university."

"We are settling this case to avoid the wasteful cost and inconvenience of prolonged litigation. We remain committed to providing equitable access to a Duke education and ensuring students have the resources they need to truly thrive while here at Duke," Frank Tramble, vice president of communications for Duke, said in a statement.

Columbia and Duke are both settling for \$24 million, respectively.

“This settlement contains no admission that Yale did anything wrong but allows the university to avoid the cost and disruption of further litigation and to continue its work in making undergraduate education more affordable for more families,” a Yale spokesperson said in a statement. Yale agreed to settle for \$18.5 million.

In a statement, an Emory spokesperson said, “While Emory continues to believe the plaintiffs’ claims have no merit, we are pleased the litigation is behind us. Our focus has been and always will be to make an Emory education accessible to all talented students, regardless of their financial resources, and we look forward to continuing that mission.” Emory is also settling for \$18.5 million.

A spokesperson for Brown, which is settling for \$19.5 million, said, “We vehemently believe that the claims had no merit, but given the time and financial resources required to take this case to trial, we determined that our resources are better spent resolving this matter and supporting the education of our students.”

Last year the University of Chicago, one of the other schools named in the suit, settled for \$13.5 million, bringing the settlement total to \$118 million.

Vanderbilt has reached an agreement to settle, but the amount has yet to be disclosed, according to a school spokesperson. “Though we believe the plaintiffs’ claims are without merit, we have reached a settlement in order to maintain our commitment to the privacy of our students and families and keep our focus on providing talented scholars from all social, cultural and economic backgrounds one of the world’s best undergraduate educations,” the spokesperson said in a statement.

The remaining schools yet to settle are the University of Pennsylvania, Georgetown University, Cornell University, University of Notre Dame, Massachusetts Institute of Technology, California Institute of Technology, Johns Hopkins University, Dartmouth College, Northwestern University and Rice University, according to attorneys.