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Julia Nagel/Sun Assistant Photography Editor

Cornellians walk in the snow on the arts quad on Jan. 23, 2022. Cornell is one of six Ivy League universities facing a financial aid lawsuit.

FINANCIAL AID

January 27, 2022

## Cornell Among 16 Elite Colleges Facing Financial Aid Lawsuit

By Kayla Riggs

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A Jan. 9 lawsuit has accused Cornell University, along with 15 other private, elite universities in the U.S., of student financial aid collusion, alleging that the colleges have reduced financial aid packages through a price-fixing cartel.

The class action suit, submitted to a Chicago federal court earlier this month, was filed by five former college students. It alleges that the schools in question have violated [Section 1 of the Sherman Antitrust Act of 1890](#), which prohibits the restraint of trade or commerce.

Other nationwide universities involved in the lawsuit include Brown University, California Institute of Technology, Columbia University, Dartmouth College, Duke University, Emory University, Georgetown University, Massachusetts Institute of Technology, Northwestern University, University of Chicago, University of Notre Dame, University of Pennsylvania, Rice University, Vanderbilt University and Yale University.

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These universities all claim to have need-blind financial aid policies, regulations that ensure applicants' admissions decisions are not impacted by their financial aid needs. They are affiliated with [568 Presidents Group](#), an organization that helps maintain a need-based financial aid system. The suit states that the 568 Presidents Group uses "Consensus Methodology," which it defines as a formula in which an applicant's ability to pay determines the net price of the institution for that applicant.

The plaintiffs state that a majority of the schools have not been need-blind for some time, instead overcharging an estimated 170,000 students over the course of two decades. This forms, in their words, a "568 Cartel."

"At least nine Defendants for many years have favored wealthy applicants in the admissions process," the suit said.

Cornell, according to the suit, was not a part of the nine schools accused of favoring wealthy applicants.

The University is instead grouped into the remaining seven schools, which were allegedly involved with 568 Presidents Group for part of the last twenty years and may have breached their need-blind promise, "conspiring" with the other universities to reduce financial aid and increase the net price of attendance.

This lawsuit joins recent controversy sparked by the [Varsity Blues Admissions trial](#), a 2019 trial that accused dozens of parents, coaches and exam administrators of falsifying college admissions information, further questioning the legitimacy of college admissions processes.

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"In critical respects, elite, private universities like Defendants are gatekeepers to the American Dream," the suit says. "Defendants' misconduct is therefore particularly egregious because it has narrowed a critical pathway to upward mobility that admission to their institutions represents."

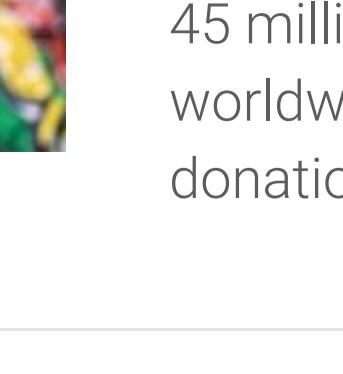
Students who currently attend or began attending any of these institutions after 2003 and received a grant from any of the universities listed in the suit but paid some of the tuition, room or board costs are asked to contact the [legal team](#) involved in the lawsuit.

### ABOUT KAYLA RIGGS

Kayla Riggs is a member of the Class of 2024 in the College of Agriculture and Life Sciences. She is an assistant news editor for the news department and can be reached at [krieggs@cornellsun.com](mailto:krieggs@cornellsun.com)

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