Statement: Nearly 50 Organizations Oppose FCC Proposed Cap on Universal Service Fund

FOR IMMEDIATE RELEASE: June 11, 2019

National Consumer Law Center contact: Jan Kruse, jkruse@nclc.org or (617) 542-8010

Washington, D.C.- The parties listed below make the following joint statement regarding the Notice of Proposed Rulemaking (NPRM) issued by the Federal Communications Commission proposing to place a cap on the federal Universal Service Fund (USF):

"When Congress codified the concept of universal service by enacting the Telecommunications Act of 1996, it called for the creation of different programs tailored to promote affordable communications services for those most in need, from students, library patrons and rural hospitals to low-income and rural communities. Grouped under a single umbrella of the Universal Service Fund, these programs are intended to work in concert to address the "digital divide" and ensure that all consumers have access to high-quality and affordable communications. Indeed, our nation's economic well-being and the well-being of people and businesses in rural and low-income communities require universal access to affordable, quality, high-speed broadband.

"The parties listed below believe that placing an overall cap on the USF puts at risk the comprehensive mission of universal service as Congress intended and articulated it. An overall USF cap, even if sized to meet current overall demand or the sum of authorized levels plus inflation, could still end up pitting these essential programs against each other in the future and undermine efforts to solve the "digital divide." By contrast, the 1996 Act specifically directs the FCC to ensure that the Universal Service Fund has "sufficient" funding, and the FCC must therefore evaluate and size each program to suit its unique and essential universal service mission. An overarching cap would thus undermine efforts to ensure that funding for each program is and will remain "sufficient" to satisfy Congress' mandates for universal service for all.

"For these reasons, the organizations and associations listed here respectfully oppose the imposition of an overall cap on the Universal Service Fund."

AASA, The School Superintendents Association

Access Humboldt

Advanced Data Services, Inc. (ADS)

Advocates for Basic Legal Equality (ABLE)

Alliance for Excellent Education

American Civil Liberties Union (ACLU)

American Library Association (ALA)

Appalshop

Asian Americans Advancing Justice |AAJC

Association of Educational Service Agencies

Benton Foundation

Center for Rural Strategies

Chief Officers of State Library Agencies (COSLA)

Citizens Coalition

Common Cause

Common Sense Media

Communications Workers of America

Conterra Networks

Consortium for School Networking (COSN)

Consumer Federation of America (CFA)

Free Library of Philadelphia

Georgia K-12 CTO Council

Greenlining

Illinois Educational Technology Leaders (IETL)

Infinity Communications & Consulting, Inc.

Institute for Local Self-Reliance

The Leadership Conference on Civil and Human Rights

Louisiana CTO Council

MediaJustice

Midland Council of Governments

Missouri Educational Technology Leaders (METL)

Mobile Beacon

NAACP

National Association of State Boards of Education

National Collaborative for Digital Equity (NCDE)

National Consumer Law Center, on behalf of its low-income clients (NCLC)

National Digital Inclusion Alliance (NDIA)

National Hispanic Media Coalition (NHMC)

National Rural Education Association

National Rural Education Advocacy Consortium

National Tribal Telecommunications Association

Native Public Media

Next Century Cities

North Central Ohio Computer Cooperative (NCOCC)

Northern Buckeye Education Council

NTCA – The Rural Broadband Association

New America's Open Technology Institute (OTI)

New York State Association for Computers and Technologies in Education (NYSCATE)

OCA – Asian Pacific American Advocates

Pennsylvania Association for Education Communications and Technology (PAECT)

Rural Wireless Association, Inc.

Schools, Health & Libraries Broadband (SHLB) Coalition

SouthWest Ohio Computer Association (SWOCA)

State Educational Technology Directors Association (SETDA)

Texas K-12 CTO Council

Tri-County Computer Services Association

Tribal Digital Village Network (TDVNet)

United Church of Christ, OC Inc. (UCC OC Inc.)

Urban Libraries Council (ULC)

Velocity Fiber

Virginia Society for Technology in Education (VSTE)

Voqal

WTA-Advocates for Rural Broadband

Yavapai County Education Service Agency

Consumer and Civil Rights Groups Send Letters to FDIC, OCC, and Fed Urging them to Prevent Bank Payday Loans

FOR IMMEDIATE RELEASE: June 11, 2019

National Consumer Law Center contact: Jan Kruse, jkruse@nclc.org **or (617) 542-8010**

Letters come after news that regulators pursuing joint small-dollar policy; Growing concern that several Administration appointees may be giving green light for predatory loans

WASHINGTON, D.C. – Today, the National Consumer Law Center (NCLC) joined a coalition of national civil rights and consumer groups in writing to top banking regulators on the importance of preventing banks from once again issuing payday loans that trap people in a cycle of debt. The groups pointed to a recent letter from more than 400 organizations to the Consumer Financial Protection Bureau (CFPB), which "prominently stressed the dangers of bank-issued payday loans in addition to those of non-bank payday lenders."

These new letters were sent to the Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Federal Reserve (Fed) by Americans for Financial Reform, the Center for Responsible Lending, Consumer Federation of America, The Leadership Conference on Civil and Human Rights, the NAACP, and the National Consumer Law Center (on behalf of its low-income clients).

The letters urged the regulators to "listen to the voices of Americans across the country who have spoken out so strongly in opposition to high-cost, balloon payment loans."

The letters also pointed out: "When bank payday loans were on the market, two-thirds of fees came from people who on average borrowed 15 or more times a year, many of whom took out loans 10 or more months a year."

A link to letter to the FDIC is here.

A link to letter to the OCC is here.

A link to letter to the Fed is here.

The letters echo recent concerns over the National Credit Union Administration's proposal to loosen standards in the Payday Alternative Loan (PAL) program.

National Consumer Law Center Attorney to Testify on June 11 before U.S. House Oversight Committee on Student Loan Servicing

FOR IMMEDIATE RELEASE: JUNE 10, 2019

National Consumer Law Center contact: Jan Kruse, jkruse@nclc.org or (617) 542-8010

Joanna K. Darcus's full testimony will be available by 10am ET on June 11 at:
http://bit.ly/nclc-test-loan-serv

Washington, D.C.- **National Consumer Law Center attorney Joanna K. Darcus** will testify on Tuesday, June 11 at 10am E.T. before the U.S. House Financial Services Committee's Oversight and Investigations Subcommittee at a hearing entitled "An Examination of State Efforts to Oversee the $1.5 Trillion Student Loan Servicing Market."

In her testimony, Darcus will note that the U.S. Department of Education data shows that nearly a quarter of the more than 43 million federal student loan borrowers are in distress on their loans. These borrowers need high-quality, timely assistance. Unfortunately, as extensively documented, the student loan servicing industry has long been rife with misconduct.

The consequences of servicers' misconduct are significant and, at times, catastrophic for borrowers' financial lives. According to an April 2017 CFPB report based upon student loan borrower complaints, sloppy practices by servicers created obstacles to repayment, raised the costs of debt, caused distress, and ultimately contributed to driving struggling borrowers to default.

In particular, many eligible borrowers are not enrolled in income-driven repayment (IDR) plans despite clear benefits to the financial health of borrowers and their families. Instead, servicers steer many borrowers into forbearances and deferments, which are profitable for the servicer and costly to the borrower.

Servicer misconduct leading to default exposes borrowers to aggressive federal debt collection practices. The amount the government seizes using wage garnishment and offsets of Social Security and tax refund (including the Earned Income Tax Credit) often is far greater than the payments borrowers would have been required to make under an IDR plan. The consequences of default include damage to borrowers' credit histories, increasing the cost of access to further credit and potentially erecting barriers to accessing employment and housing.

Darcus will also discuss how quality servicing is especially critical for addressing racial disparities in student loan outcomes, citing a Brookings Institution 2016 analysis by Judith Scott-Clayton & Jing Li that found, on average, that Black students graduated with about $7,400 more student loan debt than their White peers. Additionally Black and Latino students are also targeted for enrollment and overrepresented in high-cost, low-quality predatory schools.

Borrowers harmed by servicer misconduct need real relief. Reining in servicing misconduct and errors requires robust public oversight at the state and federal levels. Although some states have stepped up to protect their residents, borrowers nationwide also need and deserve for the Consumer Financial Protection Bureau to provide stronger oversight and for federal loan servicers to provide better assistance.

Statement re: FCC Approves Phone Companies Proactively Blocking Robocalls

FOR IMMEDIATE RELEASE: June 6, 2019

CONTACTS: National Consumer Law Center: Jan Kruse (jkruse@nclc.org) or (617) 542-8010; Margot Saunders (msaunders@nclc.org)

National Consumer Law Center Senior Attorney Margot Saunders issues statement on FCC proposal calling it "a meaningful first step, but not a magic bullet."

WASHINGTON, D.C.–Today, the FCC unanimously approved a proposal to grant phone service providers the authority to proactively block robocalls that its analysis determines are automated and likely illegal or unwanted. The proposal comes on the heels of the U.S. Senate's overwhelming approval of the bipartisan "TRACED Act" which would mandate the FCC to *require* that providers employ similar call-blocking authority as well as force implementation of call authentication technology known as STIR/SHAKEN.

National Consumer Law Center Senior Attorney Margot Saunders, a national expert on robocalls and the Telephone Consumer Protection Act (TCPA), issued the following statement on the approval of the proposal:

"We recognize the FCC's actions today as a meaningful step toward ridding consumers of unwanted and harassing robocalls, but it's not a magic bullet. Consumers must insist that Congress and the FCC go further towards restoring the use of their cellphones and restoring their faith in the modern communications infrastructure.

"Today's order only grants phone companies *permission* to block robocalls; it does not *require* them to do so–and proponents and opponents of the proposal have raised understandable concerns about the accuracy of phone companies' analysis regarding which calls will be blocked. It is unclear how the phone companies will identify and determine whether to permit or block robocalls primarily falling into four categories–scams, wanted calls (such as Rx reminders and school closing notices), unwanted but legal calls (such as debt collection calls with prior consent to call), and illegal debt collection and telemarketing calls made without prior consent or after consent has been revoked.

"Call blocking is a valuable tool and call authentication measures are essential going forward, but the measures are by no means a complete fix. A critical piece to remedy the nation's runaway robocall epidemic is a strong interpretation of the federal TCPA, which shields consumers from autodialed and prerecorded calls to their cell phones without consent, and strong FCC enforcement of the rules to rein in robo-harassment.

"Debt collectors and other prolific robocallers should follow the rules on who can be called and who is telling them to stop calling and then they must actually stop calling. Service providers must also be aware of who owns the numbers they have provided so that call authentication can provide a viable source of relief for consumers inundated with scam, spoofed, unwanted, and illegal robocalls."

For more information, state-by-state robocall data, and recommendations, visit NCLC's Robocalls and Telemarketing page.

National Consumer Law Center's Work to Protect Low-Income Consumers Featured in Visionaries Documentary

For Immediate Release: MAY 29, 2019

Contact: Jan Kruse, National Consumer Law Center, jkruse@nclc.org or (617) 542-8010

Award-winning Series Profiles Boston-based Nonprofit Fighting to Protect Vulnerable Families Striving to Live the American Dream

BOSTON – The work of the National Consumer Law Center (NCLC) is profiled in the upcoming season of ***Visionaries***, the award-winning public television series hosted by acclaimed actor Sam Waterston of the Netflix original series *Grace and Frankie* and formerly of HBO's *The Newsroom* and *Law & Order*. Episode 11 of the series' 23rd season, now available to PBS stations across the country, profiles NCLC attorneys and its civil legal-aid partners on location in Atlanta, Boston, Detroit, and Washington, DC as they work to protect low-income families from wrongful eviction, foreclosure, and other unfair and deceptive consumer abuses. The clients featured in the episode are emblematic of a larger American story of insecure housing; of Davids taking on corporate Goliaths; and of the principle that equal justice under the law is a fundamental right of all citizens.

"The documentary captures the heart and soul of advocates in the trenches fighting against long odds to protect consumers and keep at-risk families in their homes, and it embodies our vision of a nation in which everyone benefits from economic fairness, security, and justice," **said Richard Dubois, executive director of the National Consumer Law Center.** "We were thrilled that the *Visionaries* team selected NCLC and our network of civil legal-aid partners across the nation to be profiled in this long-running series."

Visionaries' latest season take viewers around the world to experience the lives of extraordinary people tackling some of humanity's toughest challenges. The producers chose to highlight advocacy surrounding consumer justice and economic security for vulnerable families by showcasing the work of the NCLC.

To view the 30-minute episode, stream/download it HERE.

In Comprehensive Official Comment Letter, Broad Coalition Rebukes Trump-appointed CFPB Director's Plan to Gut Payday Loan Rule

FOR IMMEDIATE RELEASE: May 17, 2019

National Consumer Law Center contacts: Lauren Saunders (lsaunders@nclc.org) or (202) 595-7845; or Jan Kruse (jkruse@nclc.org) or (617) 542-8010

CFPB is required to consider comments on its plan, which would eliminate protections from 300% APR payday loan debt traps

House Oversight and Reform subcommittee hearing held on the proposal

WASHINGTON, D.C. – The National Consumer Law Center (NCLC), as part of a coalition of civil rights, consumer, and labor groups, submitted an official comment letter (link to executive summary) to the Consumer Financial Protection Bureau (CFPB), excoriating CFPB Director Kathy Kraninger's plan to gut a 2017 CFPB rule that was issued to stop payday loan debt traps. The coalition's comment letter, submitted on the last day of the comment period, is a comprehensive rebuttal to Kraninger's rationale for rolling back the Payday Rule. The letter shows how her proposal fails to account for ample evidence of consumer harm of these 300%+ APR loans and abandons the CFPB's core mission. Select quotes from the comment are included below. More than 420 community, civil rights, and consumer groups across the nation sent a separate comment letter opposing the CFPB's proposed changes.

The proposal would rip out the heart of the 2017 payday rule–the commonsense requirement that a lender must check to see if a borrower can repay a loan before issuing it (an "ability-to-repay" standard).

Along with NCLC, signatories to the letter are: Center for Responsible Lending, Public Citizen, Consumer Federation of America, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), Americans for Financial Reform Education Fund, Leadership Conference on Civil and Human Rights, League of United Latin American Citizens (LULAC), NAACP, National Association for Latino Community Asset Builders, National Coalition for Asian Pacific American Community Development (National CAPACD), and U.S. PIRG.

The comment letter states:

"The Bureau spent over five years engaging in extensive information gathering, public input and analysis before finalizing a rule to address the unfair and abusive practice by payday and vehicle title lenders of making loans without considering ability to repay….

"The Proposal—a plainly outcome-driven, 47-page exercise in grasping for straws—has offered no reasonable basis to rescind that Rule.

“The Proposal never disputes the harms of the debt trap. But the Proposal, without basis, would permit those harms to continue. Payday and title lenders’ practice of making loans without considering ability to repay causes serious and widespread harm. Payday and vehicle title lenders turn responsible lending on its head, creating a debt trap by design that is the core element of their business model. The overwhelming majority of payday and auto vehicle loans are made to borrowers caught in a debt trap because they cannot afford to repay their loans on their initial terms….

“And lenders’ unfair and abusive practice causes particular harm to financially vulnerable communities, including older Americans, those on a fixed income, and communities of color….

“The Proposal abandons the Bureau’s core statutory mission of protecting consumers and shows an almost exclusive focus on the interests of payday and vehicle title lenders.”

Linked here is map showing the APR of a typical payday loan in those states without strong interest rate caps.

A House Oversight and Reform subcommittee held a hearing yesterday entitled **“**CFPB’s Role in Empowering Predatory Lenders: Examining the Proposed Repeal of the Payday Lending Rule**.”**

Report Documents Racial and Ethnic Disparities in Auto Sales and Finance; National Consumer Law Center Attorney to Testify at U.S. House Committee Hearing on May 1

FOR IMMEDIATE RELEASE: APRIL 30, 2019
National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Download the report, including ten charts, at: http://bit.ly/2PFsA9b

National Consumer Law Center attorney John W. Van Alst testimony will be available at 10 a.m. ET on Wednesday, May 1: http://bit.ly/2V2Tb6h

Boston – For many in America, a car provides not only physical mobility but also economic mobility. Yet a new report by the National Consumer Law Center documents that the costs of buying, financing, and using a car can vary based on race or ethnicity. National Consumer Law Center attorney John W. Van Alst, who authored the report, will discuss these disparities when testifying at the U.S. House Financial Services Committee hearing on the subject on Wednesday, May 1 at 10 a.m. ET.

The disparities make cars more expensive for some races and ethnic groups and keep some families from getting a car at all, as documented in the report *Time to Stop Racing Cars: The Role of Race and Ethnicity in Buying and Using a Car*. For example, of those at or below the poverty line, 31% of

African American households and 20% of Hispanic households lack access to a car compared with just 13% of White households.

"Many racial and ethnic disparities occur because the market for cars is troublingly opaque and inconsistent," **said Van Alst.** "A more consistent and transparent marketplace would not only benefit consumers of color but all marketplace participants, including car dealers, finance entities, and insurers that want to compete fairly and openly on price and quality."

Recommendations

To move toward creating a transparent and level playing field, the report recommends that federal and state policymakers should:

- **Ban dealer interest rate markups.** Any compensation paid to the dealer as part of the financing process should not be based on the interest rate or other financing terms, and should be consistently applied to all transactions.
- **Amend the Equal Credit Opportunity Act (ECOA) regulations (Regulation B)** to enable and require the collection and analysis of race and ethnicity data for auto financing transactions.
- **Prohibit discrimination in the pricing of goods and services.**
- **Increase enforcement of the ECOA and state fair lending laws.**
- **Increase enforcement against general abuses in the sale and financing of cars**. Given the evidence of discrimination in the sale and finance of cars, it is likely that many other abuses, from yo-yo sales to failure to pay off existing liens, are more likely to affect people of color. Stepped-up enforcement against all abuses in the sale and finance of cars could help address disparities and level the playing field for everyone.
- **Take action on insurance rate setting to address disparities based upon race and ethnicity.**
- **End suspension of driver's licenses for reasons beyond dangerous driving**.

National Consumer Law Center Attorney Margot Saunders Will Testify at U.S. House Hearing on Legislating to Stop the Onslaught of Annoying Robocalls

FOR IMMEDIATE RELEASE: April 30, 2019
National Consumer Law Center Contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

U.S. on Track to Hit 60 Billion Robocalls in 2019

Full written testimony of National Consumer Law Center Senior Counsel Margot Saunders is available at: http://bit.ly/2UIVXIM

Washington – On Tuesday, April 30 at 10:00 am ET, the U.S. House Committee on Energy and

Commerce subcommittee on Communications and Technology will convene a hearing on "Legislating to Stop the Onslaught of Annoying Robocalls" and H.R. 946: the Stopping Bad Robocalls Act, introduced by Rep. Frank Pallone (D-NJ) and co-sponsored by 37 other members of Congress. "Passage of the Stopping Bad Robocalls Act would create a powerful tool that will stop most unwanted robocalls in the United States, giving us once again control over our telephones and saving our telephone system," **said National Consumer Law Center Senior Counsel Margot Saunders**, who will testify at the hearing.

In her testimony, Saunders will discuss the surging problem of unwanted robocalls since the Telephone Consumer Protection Act (TCPA), which is overseen by the Federal Communication Commission (FCC), was enacted in 1991, and how this pending legislation would significantly dial back the scourge of robocalls.

H.R. 946 would provide new and substantial protections from robocallers by clarifying various terms in the TCPA and requiring the implementation of meaningful call authentication technology (so Caller ID is once again reliable), The bill would ensure that consumers are protected from unwanted robocalls and robotexts by clarifying the definition of autodialer to ensure robocallers cannot evade the law's requirement for consumers' consent for robocalls. The bill also amends the law to reinforce that the TCPA applies to text messages, and to make certain that consent provided for robocalls can always be revoked.

Saunders' testimony will include examples of dozens of well-known American businesses and debt collectors that are responsible for tens of millions of unwanted and illegal telemarketing and collection robocalls, including student loan servicer Navient, the mortgage servicer Ocwen, Citibank, and Sterling Jewelers.

Robocalls surged after a 2018 decision from the U.S. Court of Appeals in D.C. that set aside a 2015 FCC order on the question of how to interpret the TCPA's ban on autodialed calls to cell phones without the called party's consent. This decision raised the specter that the prohibition might be interpreted not to cover the autodialing systems that are currently used to deluge cell phones with unwanted calls.

Saunders will testify on behalf of the National Consumer Law Center (on behalf of its low-income clients), Consumer Action, Consumer Federation of America, and the National Association of Consumer Advocates.

Read more of NCLC's extensive body of work on illegal robocalls:
http://www.nclc.org/issues/robocalls-and-telemarketing.html

Report: Defaulted Federal Student Loan Borrowers in Communities of Color Are Disproportionately Sued

FOR IMMEDIATE RELEASE: APRIL 24, 2019

National Consumer Law Center contacts: Jan Kruse (jkruse@nclc.org) or Persis Yu (pyu@nclc.org); (617) 542-8010

Download the full report: http://bit.ly/2vj2uzz

Boston — Today, the National Consumer Law Center released a report which paints a troubling picture of the efforts by the U.S. Departments of Education and Justice to pursue defaulted student loan borrowers through litigation. "Lamentably, the evidence suggests that communities of color are disproportionately impacted by lawsuits and thus are more likely to suffer the consequences of these judgments," **said *Inequitable Judgments: Examining Race and Federal Student Loan Collection Lawsuits* co-author Margaret Mattes**.

"A federal judgment on a defaulted student loan can be devastating, especially for a low-income borrower," **added co-author Persis Yu, National Consumer Law Center staff attorney and director of NCLC's Student Loan Borrower Assistance Project.** "The concentration of lawsuits against defaulted student loan borrowers in areas with large communities of color increases the urgency of the Department of Education to address the systemic disadvantages faced by student loan borrowers of color."

In addition to the government's general collection authority (wage garnishment, loss of the Earned Income Tax Credit and other tax credits, and withholding of Social Security benefits), a judgment allows the government to put a lien on a borrower's home and take funds from a bank account.

The authors' analysis found that private debt collection attorneys are obtaining most of these judgments. The federal government's use of private attorneys has allowed suits to be brought against borrowers who would not otherwise be the targets of litigation; while federal authorities only sue borrowers with minimum principal balances of $45,000, this figure drops to an astonishing $600 for private attorneys.

The authors found during the period between January 2016 and June 2018 (the time period analyzed):

- **Debt collection lawsuits brought against defaulted student loan borrowers are disproportionately concentrated in areas that are home to communities of color.** Specifically, the zip codes in which defaulted student loan borrowers who were sued live have Hispanic or Latino populations double the national average and triple the average black or African American population.
- **Debt collection lawsuits brought against defaulted student loan borrowers are more concentrated in Texas, Michigan, Pennsylvania, California, and Florida than other states.** This may be because all of the private law firms that pursued suits against more than 50 student loan borrowers between January 2016 and June 2018 are headquartered in four of these five states.
- **Approximately 85% of the cases filed against defaulted student loans borrowers were brought by private law firms that contract with the U.S. Department of Justice on behalf of the Department of Education.**
- **Almost 60% of cases resulted in a default judgment against the borrower.**

Key Recommendations

- The U.S. Departments of Education and Justice should track and make publicly available data in order to track racial disparities in student loans.
- The U.S. Department of Education and Congress should take steps to address and prevent

racial disparities in student lending.
- The U.S. Department of Justice should review its guidelines for when to refer cases to litigation to avoid punitive lawsuits against borrowers with low balances and no ability to repay their loans.
- Congress should redefine the definition and consequences of student loan default to ensure that falling behind does not threaten the financial security of borrowers and their families.

National Consumer Law Center Sues U.S. Education Department to Obtain Copy of Student Loan Servicing Contract

FOR IMMEDIATE RELEASE: APRIL 18, 2019

National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Boston – The National Consumer Law Center (NCLC) filed a federal lawsuit late yesterday against the U.S. Department of Education (ED), asking the court to compel the Department to comply with a Freedom of Information Act (FOIA) request submitted by NCLC on July 17, 2018. NCLC is seeking the release of ED's contract with the Pennsylvania Higher Education Assistance Agency (PHEAA), also known as FedLoan Servicing.

According to the complaint, "NCLC requested documents that ED itself has identified as evidence that it alone is capable of, and responsible for, ensuring the proper servicing of the loans for millions of student loan borrowers."

In March 2018, ED announced its view that federal law preempts state efforts to stop unfair and deceptive actions by federal student loan servicers. In its announcement, ED stated that its contract with its servicers was a basis to support its pronouncement that state regulators and law enforcement agencies are prohibited from enforcing state consumer protection statutes against student loan servicers.

"Servicers who mistreat student loan borrowers and steer them into inappropriate payment plans should not be above the law," **said Persis Yu, an attorney at the National Consumer Law Center and Director of NCLC's Student Loan Borrower Assistance Project.** "The materials sought are of tremendous importance to understanding the $1.5 trillion student loan market, the vast majority of which is held by the Education Department and serviced by its contractors. Understanding what the Department requires from its contractors will improve public understanding of both how servicers are expected to perform and how the Department can better hold servicers accountable."

Yu added, "Despite the legal significance the Education Department ascribes to these materials, the Department has been unable or unwilling to provide those documents in the nine months since it received NCLC's request."

Related NCLC materials

NCLC attorney Joanna K. Darcus testimony to the U.S. House Appropriations Subcommittee on Labor, Health and Human Services, Education re: "Protecting Student Borrowers: Loan Servicing Oversight", March 6, 2019

Comments to CFPB on Proposal to Collect Student Loan Servicing Data (Federal and Private), April 24, 2017

Report: *Pounding Student Loan Borrowers: The Heavy Costs of the Government's Partnership with Debt Collection Agencies*, September 2014

Issue Brief: Making Federal Student Loan Servicing Work for Borrowers, November 2014

Issue Brief: Making Student Loan Servicing Work for Borrowers, June 2014