

[National Consumer Law Center Attorney Persis Yu to Testify on September 10 before U.S. House on Protecting Student Borrowers and Holding Student Loan Servicers Accountable](#)

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

Full testimony of NCLC attorney Yu will be available by 10 a.m. EDT on Sept. 10, 2019:
www.nclc.org/issues/yu-test-sept2019.html

Boston - On Tuesday, September 10, at 10 a.m. ET, National Consumer Law Center attorney and Director of NCLC's Student Loan Borrower Assistance Project Persis Yu will testify before the U.S. House of Representatives Committee on Financial Services at the hearing, "[A \\$1.5 Trillion Crisis: Protecting Student Borrowers and Holding Student Loan Servicers Accountable](#)" During her testimony, Yu will discuss how widespread servicer misconduct threatens the financial lives of 45 million student loan borrowers.

"The scale of the federal student loan servicing industry as well as the impact of its actions—and inactions—have been devastating for many borrowers," **says Yu**. "Data from the U.S. Department of Education and the Consumer Financial Protection Bureau shows that almost 25% of the nearly 45 million student loan borrowers are behind on their loans. With the assistance of a competent and efficient servicer, financially distressed borrowers may avoid default by accessing flexible repayment plans, loan cancellation programs, or deferments or forbearances—mechanisms that temporarily stop payments—as appropriate for their circumstances. Unfortunately, as has been extensively documented, the student loan servicing industry has long been rife with misconduct."

During her testimony, Yu will note that the CFPB has documented:

- A wide range of sloppy practices by servicers that create obstacles to repayment, raise costs, cause distress, and drive struggling borrowers to default.
- Processing delays, inaccurate denials, lost paperwork, and insufficient information and guidance, making it difficult for students to enroll and stay in income-driven repayment plans.
- Failure to tell students that they are not in a qualifying payment plan, even when students have told them that they were pursuing Public Service Loan Forgiveness. Some borrowers have learned only after years of payments that their loans were not enrolled in a qualifying repayment plan.

"As record numbers of Americans struggle to afford their student loans, upholding and improving federal consumer protection laws is critical to hold servicers accountable and to redress the harm done to borrowers impacted by illegal servicer conduct," **explained Yu, who will share problems that her clients have experienced**. "When servicers act abusively and deceptively, the harm can be long-term and irreparable. As research from the Department of Education and the CFPB demonstrate, those harms are disproportionately borne by low-income borrowers and borrowers of

color and their families through higher default rates from which many will never financially recover.

“Accountability is critical to ensuring that borrowers receive quality servicing. Borrowers need real rights to critical information (such as repayment options, cancellation programs, and payment histories); consumer protections to ensure that borrowers are not left holding the bag when servicers commit costly errors; and they need legal tools, unencumbered by forced arbitration clauses, to enforce those protections,” **Yu said.**