

National Consumer Law Center Files FOIA Lawsuit Against U.S. Department of Education

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NCLC Seeks to Obtain Records Concerning the Department's Servicing of Defaulted Federal Student Loans

BOSTON, M.A — The National Consumer Law Center filed a federal lawsuit today against the U.S. Department of Education, asking the court to compel the Department to comply with a Freedom of Information Act (FOIA) request submitted by NCLC on October 10, 2017. The complaint, filed in the U.S. District Court for the District of Massachusetts, seeks the immediate release of records in connection with the Department's contractual arrangements with Maximus Federal Services, Inc. or the Default Resolution Group.

"There is a long history of abusive practices by Department of Education contractors which has led to many borrowers unnecessarily having their wages, Social Security, and Earned Income Tax Credits seized by the federal government," **said Persis Yu, director of the National Consumer Law Center's Student Loan Borrower Assistance Project.** "Quite simply, this information is necessary to determine what the Department of Education is telling its contractors to do."

A report released in 2014 by NCLC found that many of these abuses are rooted in structural problems related to the Department's contracts with private collection agencies. "Given that nearly 11% of all federal student loans are in default, all of the Department's contracts should be available for public scrutiny," **said Yu.**

NCLC's request for the records has gone unanswered for over 13 months. According to The FOIA Project, a nonprofit effort administered by Syracuse University, there has been a significant increase in the number of FOIA lawsuits against the Department of Education under the current administration.