NCLC Advocates Applaud Department of Education Crack Down of Student Debt Relief Companies

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(BOSTON) Advocates at the National Consumer Law Center (NCLC) applaud the U.S. Department of Education’s decision to send cease and desist letters to two companies that have used the Department of Education seal to sell student loan debt relief services. The two businesses are Georgia-based Perfect Privacy, LLC acting as SL Programs Student Loan and Debt Consolidation (SL Programs) and The Student Loan Project in California.

As the National Consumer Law Center described in its 2013 report, Searching for Relief: Desperate Borrowers and the Growing Student Loan “Debt Relief” Industry, improperly claiming government affiliations is one of the misleading tactics that many companies use to get student loan borrowers to pay for services they can access for free. “We hope that the Education Department’s actions will prevent other companies from using this practice as well,” says the National Consumer Law Center’s Student Loan Borrower Assistance Project Director Persis Yu. “Such practices severely compound the pain of vulnerable consumers seeking to find resolutions to difficult student debt problems.”

The student loan “debt relief” industry has sprung up in response to the demand for student loan borrower assistance. NCLC advocates also call on the U.S. Department of Education to make it easier for student loan borrowers to access its borrower assistance programs so that they do not feel they need to turn to debt relief providers, and on federal and state authorities to continue to take enforcement actions to ensure that these companies comply with the law so that consumers truly understand what services they are buying.

Related Resources


U.S. Department of Education tips on debt relief scams:

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org

NCLC’s Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable. www.studentloannborrowerassistance.org

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