

[NCLC Advocate Statement re: Education Secretary Withdrawal of Critical Student Loan Borrower Protections](#)

FOR IMMEDIATE RELEASE: APRIL 11, 2017 || CONTACTS: Persis Yu (pyu(at)nclc.org) or Jan Kruse (jkruse(at)nclc.org); 617.542.8010

Boston - Today, U.S. Secretary of Education Betsy DeVos formally [withdrew](#) several policies aimed at curbing abuses by federal student loan servicers. Those policy directives focused on four areas: helping borrowers get accurate and actionable information, providing consistent service, requiring servicers to be accountable, and providing transparency.

Statement of Persis Yu, director of the National Consumer Law Center's Student Loan Borrower Assistance Project:

"It is extremely disappointing to see Secretary DeVos walk away from these common-sense protections for student loan borrowers," said Persis Yu, director of National Consumer Law Center's Student Loan Borrower Assistance Project. "Servicers have often not even provided basic information to borrowers, such as an accurate payment history. It's simply mind-boggling that the Department of Education would take away basic rights for borrowers, which, as we saw with the recent CFPB Navient lawsuit, can result in borrowers paying too much for their loans. As the [CFPB lawsuit against Navient](#) demonstrates, problems with servicing are widespread and servicers' practices can create obstacles to repayment resulting in costly problems for borrowers. Today's action by Secretary DeVos could make it easier for the Department to hire servicers with a track record of harming borrowers.

Servicers are a borrower's primary point of contact. Ideally, they should provide borrowers with accurate and comprehensive information about their options and help them get relief. The reality of the current servicing system, unfortunately, is far from this ideal. For years, National Consumer Law Center staff members have sent examples of poor service and legal violations to the Department of Education and more recently, to the Consumer Financial Protection Bureau (CFPB).

The Department of Education should ensure that servicers who work for the taxpayer embrace student loan borrower-centric policies and are held accountable when they fall short, rather than rescinding basic rules that assist strapped borrowers."

Related NCLC Resources

- [Coalition comments to Dept. of Education re: suggestions for creating a system that promotes quality and consistent servicing](#), July 15, 2016
- Blog: [Give the Government's New Servicing Proposal a Chance](#), June 2016
- [Comments to the Consumer Financial Protection Bureau on Student Loan Servicing](#), July 13, 2015
- [NCLC Response to Department of Education Request for Information about Federal Student Loan Servicing](#), Jan. 30, 2015
- Blog: [Making Federal Student Loan Servicing Work for Borrowers](#), November 2014
- Blog: [Making Student Loan Servicing Work for Borrowers](#), June 2014