The DeVos Debt Disaster: Brought To You By The Student Loan Servicing Industry

Executive Summary

The Student Loan Servicing Industry Has Poured Millions Of Dollars Into Lobbying And Political Campaigns—And Its Investment Is Now Paying Dividends Through Education Secretary Betsy DeVos' Onslaught Against Borrower Protections.

The Department of Education (ED) contracts its $1.4 trillion federal student loan portfolio to servicers like Navient and Nelnet. These companies are required by law and Office of Federal Student Aid (FSA) rules to work in borrowers' best interests, guiding them through the repayment process while protecting the interests of American taxpayers.

However, federal student loan servicers are putting their bottom lines before borrowers or taxpayers. These companies have perverse incentives to cut costs and deprive borrowers of the assistance to which they are legally entitled. The servicers' profiteering has run amok under Betsy DeVos, who has let every servicer violate federal rules and has "rarely" punished them for their abuses. In this kind of environment, no wonder a servicing giant like Navient feels free to declare, "'there is no expectation that the servicer will act in the interest of the consumer.'"

While servicers continue to squeeze every cent they can from struggling student loan borrowers, even pulling profits from the shady for-profit school industry, they pour millions of dollars into lobbying and political campaigns. Their heavy spending has paid dividends under Betsy DeVos, whose onslaught against protections for borrowers and students includes:

- Obstructing Obama-era borrower defense rules through an "unlawful" delay and proposing more onerous replacement regulations that would deny $13 billion to students who were victimized by sham schools.

- Repealing the Obama-era gainful employment rule to prevent federal loan aid from being wasted on schools that chronically disregard students' job prospects, costing taxpayers over $6 billion.

- Working alongside servicers to combat state-level borrower protections, even appearing to "strategize together" in one lawsuit.

- Even thwarting another Trump Administration agency's efforts to oversee servicers, prompting its Director to say Devos is "getting in the way of efforts to police the student loan industry."

Betsy DeVos and her political appointees at ED will continue to let the student loan servicing industry call the shots unless they are finally held accountable for upholding the department's mission to defend student borrowers.

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FSA Contracts With Companies Who Are Responsible For Collecting Payments, Advising Borrowers, And Servicing The $1.4 Trillion Federal Student Loan Portfolio…

FSA "Contracts With Several Entities To Manage The Servicing" Of The Federal Student Loan Portfolio Who, Among Other Duties, "Are Responsible For Collecting Payments On A Loan" And "Advising Borrowers On Resources And Benefits To Better Manage Their" Loan Obligations. "Federal Student Aid contracts with several entities to manage the servicing of millions of federal student loans. These entities are responsible for collecting payments on a loan, advising borrowers on resources and benefits to better manage their federal student loan obligations, responding to customer service inquiries, and performing other administrative tasks associated with maintaining a loan on behalf of the U.S. Department of Education." ["Loan Servicing Contracts," U.S. Department of Education, accessed 08/26/19]

The Federal Student Loan Portfolio Consists Of $1.4 Trillion In Debt Held By 43 Million Borrowers. "Total federal student loan borrowers: 43 million. [...] Total outstanding federal student loan debt: $1.4 trillion." [Teddy Nykiel, "2019 Student Loan Debt Statistics," *NerdWallet*, 06/24/19]

…With Student Borrowers Not Having Any Choice In Who Services Their Loans.

Student Borrowers Typically Have "No Control Or Choice Over Which Company Services A Loan." "A servicer is often different than the lender itself, and a borrower typically has no control or choice over which company services a loan. When problems arise because of servicing concerns, student loan borrowers may end up in trouble. They may miss a payment, owe more money because of additional interest on principal, or face future difficulties with credit because of a poor payment history." [Press Release, Consumer Financial Protection Bureau, 12/03/13]

The Department Of Education Uses Delinquency Rates And Customer Satisfaction To Determine What Percentage Of Federal Loans Each Servicer Is Allocated.

Every Six Months, The Department Of Education Uses A Common Set Of Metrics Based On Customer Satisfaction And Default Prevention To Evaluate The Loan Servicers And Determine What Percent Of Federal Loans Each Will Be Allocated To Service. "We use a common set of metrics to measure the performance of each federal loan servicer and a common calculation methodology to allocate new loan volume to all servicers. The Department compiles customer satisfaction survey scores and default prevention statistics for the members of the federal loan servicer team every six months to determine each servicer's allocation of loan volume.**"** [Explanation of Allocation and Performance Measure Methodology, U.S Department of Education, accessed 08/29/19]

Federal Student Loan Servicers' FSA Contracts Require Them To Provide Assistance And Guidance To Borrowers And To Comply With Laws And Regulations On Both The Federal And State Levels.

Federal Student Loan Servicers Have A Wide Range Of Responsibilities To Borrowers, Including Advising Them On Repayment Options, Deferments, And Consolidation.

ED's 15 Student Loan Servicers Are Responsible For "Collecting Payments," "Advising Borrowers" On How To "Better Manage Their Loan Obligations," And Responding To Borrowers' Questions, Among Other Things. "These 15 servicers have been responsible for collecting payments on federally held student loans that are not in a default status, advising borrowers on available resources to better manage their loan obligations, responding to borrowers' inquiries, and performing other administrative tasks associated with collecting and servicing federally held student loans on behalf of the Department." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

Servicers Are Accountable For Adhering To FSA Requirements Related To Income-Driven Repayment, Forbearance, Deferment, Loan Consolidation, And Payments. "FSA is responsible for ensuring servicers comply with all requirements for servicing federally held student loans, including requirements relevant to income-driven repayment plans, forbearances and deferments of loan payments, consolidations of loans, and principal and interest payments." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

Federal Student Loan Servicers' Contracts State They Are Responsible For Complying With, And Maintaining A, "'Full Understanding'" Of State And Federal Laws And Regulations.

Servicers' Contracts State They Are Responsible For Remaining In Compliance And Maintaining A "'Full Understanding'" With All State And Federal Laws And Regulations. "The contracts with the servicers stated that: 'The contractor(s) will be responsible for maintaining a full understanding of all federal and state laws and regulations and FSA requirements and ensuring that all aspects of the service continue to remain in compliance as changes occur.'" ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

Despite Its Responsibility To Assist Borrowers, Navient Made An Unprecedented Claim That "'There Is No Expectation That The Servicer Will Act In The Interest Of The Consumer'" When It Was Sued By The CFPB For "Systematically And Illegally" Failing To Assist Borrowers.

In 2017, The CFPB Sued Navient And Accused The Company Of "Systematically And Illegally" Cheating Customers By Failing To Inform Consumers Of Their "Rights To Lower Repayment."

In January 2017 The CFPB Sued Navient "For Systematically And Illegally Failing Borrowers" As They Had "Illegally Cheated Many Struggling Borrowers Out Of Their Rights To Lower Repayments." In 2017, The CFPB sued Navient "for systematically and illegally failing borrowers at every stage of repayment. […] Through shortcuts and deception, the company also illegally cheated many struggling borrowers out of their rights to lower repayments, which caused them to pay much more than they had to for their loans. The Bureau seeks to recover significant relief for the borrowers harmed by these illegal servicing failures." [Press Release, Consumer Financial Protection Bureau, 01/18/17]

Navient Claimed In A March 2017 Court Filing That There Is No Expectation For The Company To "'Act In The Interest Of The Consumer'"…

Navient Claimed In A March 2017 Court Filing That Borrowers "Can't Reasonably Rely On" The Company As "'There Is No Expectation That The Servicer Will Act In The Interest Of The Consumer.'" "Borrowers can't reasonably rely on America's largest student loan servicer to counsel them about their many options, Navient said on March 24 in a motion to dismiss the case, because its primary role is, after all, to collect their payments. 'There is no expectation that the servicer will act in the interest of the consumer,' Navient said in response to the litigation filed Jan. 18 by the U.S. Consumer Financial Protection Bureau.” [Shahien Nasiripour, “Student Debt Giant Navient to Borrowers: You’re on Your Own,” *Bloomberg*, 04/03/17]

…Yet, On March 20, 2017, CEO Jack Remondi Said Navient Prioritizes Helping Customers “‘Successfully Manage Their Loans.’”

Navient CEO Jack Remondi Has Repeatedly Touted “The Company’s Devotion To Helping Americans Cope With Student Debt” And On March 20 He Wrote On His Blog, ‘At Navient, Our Priority Is To Help Each Of Our 12 Million Customers Successfully Manage Their Loans.’” “Over the past several years, Jack Remondi, chief executive of student loan giant Navient Corp., has gone out of his way to tout the company’s devotion to helping Americans cope with student debt. He’s mentioned it in meetings with investors, on calls with Wall Street analysts, in testimony before Congress, and even on his Medium blog. ‘At Navient, our priority is to help each of our 12 million customers successfully manage their loans in a way that works for their individual circumstances,’ he said March 20.” [Shahien Nasiripour, “Student Debt Giant Navient to Borrowers: You’re on Your Own,” *Bloomberg*, 04/03/17]

ED And CFPB Officials Said They Had Never Heard A Student Loan Servicer Argue It Wasn’t Required To Guide Borrowers On Repayment Options.

ED And CFPB Officials Could Not “Recall Ever Hearing—In Public Or Private—A Loan Servicer Arguing That It Wasn’t Required To Counsel Borrowers About Their Options.” “Bergeron, the former Education Department official, and Rohit Chopra, formerly a student loan regulator with the CFPB, added that they couldn’t recall ever hearing—in public or private—a loan servicer arguing that it wasn’t required to counsel borrowers about their options.” [Shahien Nasiripour, “Student Debt Giant Navient to Borrowers: You’re on Your Own,” *Bloomberg*, 04/03/17]

Sen. Warren Called Navient’s Statements “‘Appalling’” And Questioned How They Could Make That Claim When They Are Paid Over $100 Million A Year “To Help Borrowers Manage Their Student Loans.”

Sen. Warren Called Navient’s Claims “‘Appalling’” And Criticized That They Are Paid Over “‘$100 Million Last Year To Help Borrowers Manage Their Student Loans, Yet This Company Doesn't Believe It Should Try To Act In The Best Interest Of Students?’” “The statement sparked outrage from critics, such as the Massachusetts Democratic senator, Elizabeth Warren. ‘That's appalling,’ she wrote on Facebook in April of 2017. ‘The federal government paid this company more than $100 million last year to help borrowers manage their student loans, yet this company doesn't believe it should try to act in the best interest of students?’” [Karl Baker, “Navient says it's a scapegoat for the credit industry, as lawsuits pour in,” *Delaware News Journal*, 07/18/18]

...But Servicers Have Perverse Incentives To Cut Costs And Disregard The Best Interests Of Borrowers

ED's Contracts With Servicers Incentivize Them To Cut Costs At The Expense Of Borrower Assistance, Resulting In A Race To The Bottom In Which FSA Still Awards New Accounts To Underperforming Servicers.

The Department Of Education's Servicer Contracts Are Structured In A Way That Incentivizes Cost-Cutting Over Thorough Borrower Assistance.

The CFPB Has Argued That The Current "Fee Structure May Create An Economic Disincentive To Address Borrower Default." "For both private and federal student loans, the compensation model used in most third-party servicing contracts provides student loan servicers with a flat monthly fee per account serviced. Although this fee may adjust based on a loan's repayment status, fees are generally fixed on a monthly basis and do not rise or fall depending on the level of service a particular borrower requires in a given month. In effect, this fee structure may create an economic disincentive to address borrower default, since compensation remains fixed irrespective of the services a borrower needs, and the servicer will likely incur unreimbursed costs when seeking to mitigate default." ["Student Loan Servicing," Consumer Financial Protection Bureau, September 2015]

The GAO Found That There May Be A "Disincentive" For Servicers To "Counsel Borrowers On Debt Relief Programs." "We found that the performance metrics Education used to reward servicers did not fully align with its goals of superior service and program integrity. For example, because servicers are compensated based on the number of borrowers they serve, there may be a disincentive for them to counsel borrowers on debt relief programs that may benefit the borrower but require loan transfers to a different servicer." [Letter from the U.S. Government Accountability Office to Robert C. "Bobby" Scott et. al, 07/27/18]

One Study Argued That "Cost Minimization Is The Dominant Profit-Maximizing Strategy" For Servicers. Eric M. Fink and Rollan Zullo's 2014 study on servicer contracts found, "[t]he volume and nature of borrower complaints indicates that cost minimization is the dominant profit-maximizing strategy." [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

- "Federal Student Loan Servicing: Contract Problems and Public Solutions" was released on June 25, 2014. [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

The Structure Of ED's Contract System “Inflicts Minor Financial Penalties” When An Account Goes Delinquent, So There Is Little Incentive To Guide Borrowers Into Easier Repayment Plans. “[…][T]he graduated payment design inflicts minor financial penalties on contractors when a loan account becomes delinquent. Using a few hypothetical (yet conservative) assumptions, we show that a profit-maximizing contractor will avoid the non-routine, labor-intensive services associated with assisting borrowers with distressed loans." [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

Servicers Keep A Tight Leash On The Time Their Customer Service Representatives Spend Trying To Help Distressed Borrowers.

Servicers Do Not Have A Strong Incentive To Spend Time And Resources Helping Borrowers As It Could Take Nearly Three Years For A Servicer To Recoup A 30-Minute Call To Assist A Borrower. “Assume that the contractor’s average labor cost for a loan-servicing professional is $20.00/hour, and that it takes an average of 30 minutes for her to contact a borrower and arrange for a loan restructure or other appropriate repayment alternative. If an account is 31–60 days delinquent, and a single 30-minute call is sufficient to bring and keep that account current, the intervention would cost the contractor $10. For this expense, the contractor gains an extra $0.28 per month in revenue. Under these simple assumptions, it would take more than 35 months for the servicer to recoup the cost of intervention.” [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

It Could Take A Servicer Nearly Twelve Years To Recoup A Single 30 Minute Interaction If All Factors Are Accounted For. “Continuing the hypothetical, assume that half of all delinquent accounts self-correct and that half of all interventions into delinquent account will fail. This would mean that intervention by the TIVAS or NFP is both necessary and effective for only 25 percent of delinquent loans. Under these assumptions, the payout for a proactive loan-servicing agent is reduced by a factor of four. It would take 140 months (longer than the standard 10-year repayment term under the DL program) of current and uninterrupted loan payments to recoup the cost of a single, 30-minute intervention on an account 31–60 days delinquent.” [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

Servicers Compete Against One Another In A Race To The Bottom Where The “Least Of The Worst” Still Gets Awarded New Borrower Accounts

Because Servicers Are “Assessed Against Each Other, Rather Than Independent Standards,” The “‘Least Of The Worst’” Could Still Be Awarded New Accounts. “Moreover, because the contractors are assessed against each other, rather than against independent standards, all the contractors could perform poorly and face no punitive consequences; slightly more new accounts would be allocated to the 'least of the worst' among the contractors." [Eric M. Fink and Roland Zullo, "Federal Student Loan Servicing: Contract Problems and Public Solutions," SSRN, 06/25/14]

Servicers Are Incentivized To Offer Borrowers Forbearance Instead Of More Borrower-Friendly Options Because They Can Continue To Reap Interest.

An FSA Audit Found That Navient Disproportionately Offers Forbearance To Distressed Borrowers…

An FSA Audit Of Navient's Customer Service Calls Found That The Company Offered Borrowers Only The Option Of Forbearance In "Nearly 10 Percent Of Calls." "A team from Federal Student Aid listened to 2,388 calls shorter than 5 minutes between student loan borrowers and Navient, a publicly traded company. It found that in nearly 10 percent of calls, Navient's customer service representatives offered borrowers only the option of 'forbearance,' which allows them to put off making any payments for a certain period of time." [Laurel Wamsley, "Student Loan Servicer Steered Some Borrowers To Higher-Cost Plans, Government Says," *NPR*, 11/21/18]

Borrowers Were Offered Forbearance Even When They Could Pay Enough To Avoid Additional Costs, With Some Not Even Told About Income-Based Repayment. "Some borrowers were offered forbearance even when they said they could make a payment within a time frame that wouldn't incur an additional cost. In other cases, the customer service reps didn't mention the option of switching to an available income-driven repayment plan." [Laurel Wamsley, "Student Loan Servicer Steered Some Borrowers To Higher-Cost Plans, Government Says," *NPR*, 11/21/18]

…Because Navient Could Wring Thousands Of Extra Dollars From Borrowers Who Opt For Forbearance.

The GAO Found That A "Typical Borrower" Who Opts To Forbear Their Loan For Three Years Pays Nearly $7,000 Extra In Interest. "A 2017 study by the Government Accountability Office estimates that a typical borrower of a $30,000 student loan who places their loan into forbearance for three years — the maximum allowed for economic-hardship forbearance — would pay an additional $6,742 in interest on that loan." [Ken Sweet, "AP Exclusive: Gov't questions unfair student loan practices," *Associated Press*, 11/20/18]

The CFPB Found That Navient Reaped An Extra $4 Billion In Interest From Borrowers Whose Loans Were In Forbearance. "According to the CFPB, from January 2010 to March 2015, Navient added up to $4 billion in interest charges to the principal balances of borrowers who were enrolled in multiple, consecutive forbearances. This audit report raises questions about whether a significant portion of these charges could have been avoided had Navient acted in the best interests of these borrowers. It also gives disturbing new weight to Navient's astounding assertion in response to the CFPB's lawsuit that, 'There is no expectation that the servicers will act in the interest of the consumer.'" [Press Release, Sen. Elizabeth Warren, 11/20/18]

Servicers Reap Profits From The Billions Of Dollars Of Student Debt Generated By Low-Quality And Fraudulent For-Profit Schools—Driving Already Struggling Borrowers Even Deeper Into Financial Distress

Low-Quality For-Profit Schools Fail To Advance Students' Careers While Generating Billions Of Dollars In Debt.

For-Profit Schools Ran *98%* Of Those Programs That Were Found To Fail In Helping Students Find Gainful Employment Under The Obama Administration's Standards.

The Education Department Found That In 2017, 98% Of Programs That Failed Gainful Employment Standards Were Run By For-Profit Schools. "The rule, known as gainful employment, was heavily criticized by the for-profit college sector and Republicans in Congress. In the first gainful-employment ratings released in 2017, 98 percent of programs that failed the standards were operated by for-profit institutions. The Education Department estimated that repealing the rule would cost $6.2 billion over 10 years in payments for Pell Grants and student loans for programs that otherwise would have been cut off from federal aid." [Andrew Krieghbaum, "DeVos Issues Final Repeal of Gainful Employment," *Inside Higher Ed*, 07/02/19]

$7.5 Billion Worth Of Student Debt Is From Institutions That Failed To Meet The Obama Administration's Gainful Employment Standards...And That Just Accounts For Loans Held By Students Who Completed Their Programs.

Programs That Failed To Meet The Obama Administration's Gainful Employment Rule Account For Nearly $7.5 Billion In Student Debt Among "More Than 350,000" Students That Have Completed Programs. "More than 350,000 students have completed programs at schools that failed to meet the guidelines established by the GE Rule. These students hold nearly $7.5 billion in student debt they are unlikely to be able to repay." ["What to Know About the Gainful Employment Rule," The Institute for College Access & Success, August 2019]

There Are Billions More Dollars In Debt Held By Students Who Had To Drop Out Of Their Programs—Over $5.2 Billion In Debt Was Held By For-Profit Dropouts In FY2015-16 Alone.

During Fiscal Years 2015-2016, There Were Approximately 900,000 Undergraduate Students At For-Profit Institutions Who Dropped Out With An Average Debt Of $5,812. [Jill Barshay, "Federal data shows 3.9 million students dropped out of college with debt in 2015 and 2016," *The Hechinger Report*, 11/06/17]

A 2017 Study Showed That Although For-Profit Schools Only Enrolled 10% Of All Undergraduate Students, These Schools Accounted For 23% Of All Undergraduate Dropouts. "My figures show a total of 3.9 million undergraduates with federal student loan debt dropped out during fiscal years 2015 and 2016 (from mid-2014 through mid-2016). I found that more than 900,000 of these students dropped out of for-profit universities. That's 23 percent of all the indebted dropouts, even though only 10 percent of all undergraduate students attend for-profit schools." [Jill Barshay, "Federal data shows 3.9 million students dropped out of college with debt in 2015 and 2016," *The Hechinger Report*, 11/06/17]

More Than Half Of Borrowers Who Had To Drop Out Of For-Profit Schools Are Likely To Default On Their Loans In The Coming Years.

An Analysis From The Institute For College Access And Success Found That "More Than Half Of Students Who Drop Out Of A For-Profit College Default On Their Loans Within 12 Years." "Students at for-profit colleges are in a particularly tough spot. More than half of students who drop out of a for-profit college default on their loans within 12 years, according to one analysis from The Institute for College Access and Success." [Elissa Nadworny, Clare Lombardo, "'I'm Drowning': Those Hit Hardest By Student Loan Debt Never Finished College," *NPR*, 07/18/19]

Loan Defaults Among Borrowers Who Didn't Complete Their Degrees Is "Three Times As High As The Rate For Borrowers Who Did Earn A Diploma"—And These Borrowers Do Not Enjoy The Higher Incomes That Completed Degrees Typically Bring. "The default rate among borrowers who didn't complete their degree is three times as high as the rate for borrowers who did earn a diploma. When these students stop taking classes, they don't get the wage bump that graduates get that could help them pay back their loans." [Elissa Nadworny, Clare Lombardo, "'I'm Drowning': Those Hit Hardest By Student Loan Debt Never Finished College," *NPR*, 07/18/19]

The For-Profit Industry Preys Heavily On Already-Vulnerable Populations—Minority Students Make Up "More Than Half" Of For-Profit Undergraduates.

Minority Students Make Up "More Than Half" Of Undergraduates At For-Profit Schools And They Are "Disproportionately Impacted By The High-Cost, Low-Quality Programs" At These Institutions. "Students of color account for more than half of the undergraduate enrollment at for-profit colleges, and they are disproportionately impacted by the high-cost, low-quality programs identified and addressed by the GE Rule." ["What to Know About the Gainful Employment Rule," The Institute for College Access & Success, August 2019]

Even Though Student Loan Borrowers Are Getting Fleeced By Servicers—ED's Inspector General Has Found That FSA Is Doing Little To Stop Them

The Education Department's Inspector General Found That FSA Has "Rarely Held Servicers Accountable," Which "Harms Students And Their Families"

The Education Department's Inspector General Just Issued A "Critical New Report" On How The Office Of Federal Student Aid (FSA) "Failed To Adequately Supervise" Student Loan Servicers, "Rarely Penalizing Them" For Not Complying With Federal Requirements. "A critical new report from the U.S. Department of Education's Office of Inspector General finds the department's student loan unit failed to adequately supervise the companies it pays to manage the nation's trillion-dollar portfolio of federal student loans. The report also rebukes the department's office of Federal Student Aid for rarely penalizing companies that failed to follow the rules." [Cory Turner, "Federal Watchdog Issues Scathing Report On Ed Department's Handling Of Student Loans," *NPR*, 02/14/19]

- **The Report Also Found That FSA Did Not Make Adequate Efforts To "Identify Broader Patterns Of Noncompliance That Could Have Hurt Many More Students" Than The Few Incidents The Office Chose To Document.** "Among the inspector general's findings: While FSA did document servicers' many failures to follow the rules, it did not study these isolated failures to identify broader patterns of noncompliance that could have hurt many more students." [Cory Turner, "Federal Watchdog Issues Scathing Report On Ed Department's Handling Of Student Loans," *NPR*, 02/14/19]

- **The Report Analyzed Records From January 2015 Through September 2017.** "The Education Department's independent watchdog reviewed FSA oversight records from January 2015 through September 2017, a period that includes both the Obama and Trump administrations."

The Education Department's Inspector General Found That Federal Student Aid (FSA) Has "Rarely Held Servicers Accountable"

ED's Inspector General Found That FSA Didn't Adequately Track Servicers' Noncompliance With Federal Requirements And "Rarely Held Servicers Accountable."

The Education Department's Inspector General found in a February 12, 2019 report that, "FSA Did Not Track All Identified Instances of Noncompliance and Rarely Held Servicers Accountable for Noncompliance with Requirements." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

- FSA "did not analyze the records relevant to identified instances of noncompliance to identify trends and recurring noncompliance for each servicer and across all servicers." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

- FSA "rarely used available contract accountability provisions to hold servicers accountable for instances of noncompliance." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

- FSA "did not incorporate a performance metric relevant to servicer compliance with Federal requirements into its methodology for assigning loans to servicers." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Education Department's Inspector General Found That FSA Was Allowing Servicers To Engage In Behavior That "Harms Students And Their Families," Including Mishandling Income-Driven Repayment Plans

ED's Inspector General Argued That FSA Was Allowing Servicers To Engage In "Continued Noncompliance That Harms Students And Their Families." "By rarely holding servicers accountable for instances of noncompliance with Federal loan servicing requirements, FSA is not providing servicers with incentive to take actions to mitigate the risk of continued noncompliance that harms students and their families. Failure by servicers to take appropriate corrective actions could lead to borrowers not receiving the most favorable repayment terms that should have been available to them. Additionally, FSA's not holding servicers accountable could lead to servicers being paid more than they should be (the contracts with servicers allow FSA to recover amounts paid for loans not serviced in compliance with requirements)." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Found That Servicers Were Withholding Easier Repayment Plans From Borrower And Possibly Being Paid More Than Their Contracts Specified. "[…][B]orrowers might not have received the most favorable repayment terms available to them, and servicers might have been paid more than they should have been under their contracts." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer

Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Found That All Servicers Were "Not Sufficiently Informing Borrowers About Available Repayment Options." "Servicer Representatives Not Sufficiently Informing Borrowers of Available Repayment Options […] From January 2015 through September 2017, monthly reports on FSA's monitoring activities disclosed recurring instances at all servicers of servicer representatives not sufficiently informing borrowers about available repayment options." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Found That All Servicers Were "Not Correctly Calculating Borrowers' Monthly Payment Amounts Under Income-Driven Repayment Plans." "Income-Driven Payment Amounts Not Correctly Calculated […] From January 2015 through September 2017, reports on FSA's monitoring activities (Financial Institution Oversight Service reviews, process monitoring team reviews, servicer liaison reviews, and reviews of audit reports on servicers' systems of internal control) disclosed recurring instances of servicers not correctly calculating borrowers' monthly payment amounts under income-driven repayment plans. FSA identified such noncompliance at seven servicers—at four more than once." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Education Department's Inspector General Found That, Although All Servicers Were Flouting Federal Rules, FSA Never Punished Them By Revoking Federal Dollars Or Reducing Servicers' Loan Allotments

The Education Department's Inspector General Found Widespread Noncompliance With Federal Requirements Among All Servicers And That FSA Was Not Doing Enough To Monitor Them

ED's Inspector General Found That 61% Of "Reports On FSA's Oversight Activities Identified Instances Of Servicer Noncompliance." "However, we disagree with FSA's statement that the risk of servicer noncompliance is not broad. As stated in this finding, from January 1, 2015, through September 30, 2017, 61 percent (210) of 343 reports on FSA's servicer oversight activities identified instances of servicer noncompliance with Federal loan servicing requirements." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Reports Found "Noncompliance By All Nine Servicers," Including Consumer Protection, Income-Driven Repayment, Interest Rates. "These reports disclosed noncompliance by all nine servicers and recurring instances of noncompliance by some servicers. These instances included failure to comply with requirements relevant to forbearances, deferments, income-driven repayment, interest rates, due diligence, and consumer protection." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Found That FSA Was Not Tracking Enough Information To Accurately Disclose Patterns In Servicer Noncompliance. "FSA Did Not Track All Information Necessary to Identify Trends in Servicer Noncompliance with Federal Requirements." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Education Department's Inspector General Found That FSA Has Required Noncompliant Servicers To Return Funds To Taxpayers Only Four Times

ED's Inspector General Found Only 4 Times That FSA Required Servicers To Return Funds To The Federal Government After They Failed To Meet Servicing Requirements. "Contractual Accountability Provisions Rarely Used […] FSA provided us with evidence of only four instances, affecting three servicers, in the past 5 years in which it required a servicer to return funds to the Federal government for failure to service loans in compliance with Federal requirements." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Education Department's Inspector General Found That FSA Never Took Loans Away From Noncompliant Servicers

ED's Inspector General Found That FSA Never Punished A Noncompliant Servicer By Reducing Its Allotment Of Loans. "FSA has not adjusted the number of new loans assigned to a servicer or transferred a noncompliant servicer's current loan volume to another servicer because of a servicer's noncompliance with Federal loan servicing requirements." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

The Education Department's Inspector General Has Argued That FSA Should Better Uphold Servicers' Contractual Obligations To The Federal Government

The Education Department's Inspector General Has Recommended That FSA Actually Hold Servicers Accountable For Their Contracts With The Federal Government

ED's Inspector General Recommended That FSA Hold Servicers More Accountable For Their Contractual Obligations To The Federal Government. "Use the contractual accountability provisions available, such as requiring the return of funds or reducing future loan volume, to hold servicers accountable for instances of noncompliance." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Recommended That FSA Track All Forms Of Servicer Noncompliance. "Track all instances of noncompliance identified during FSA reviews, regardless of whether the specific instances were corrected and did not require further action to be taken by either the servicer or FSA." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

ED's Inspector General Recommended That FSA More Effectively Analyze Noncompliance Among Servicers In Order To Hold Them More Accountable. "Analyze the records relevant to noncompliance, identify trends and recurring noncompliance for each servicer and across all servicers, and use the information as a basis for assessing servicer performance." ["Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans," U.S. Department of Education, 02/12/19]

To Maintain This System, Student Loan Servicers Have Spent Over $7.5 Million On Lobbying Since Donald Trump Took Office And Industry Has Poured $3.9 Million Into Political Contributions Since 2012

Navient Has Spent Over $5.1 Million Lobbying The Federal Government Since 2017.

In 2017, Navient Spent Over $2.2 Million Lobbying the Federal Government.

In The First Quarter Of 2017, Navient Spent $1,086,981 Lobbying Congress And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/19/17]

In The Second Quarter Of 2017, Navient Spent $410,000 Lobbying Congress And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/19/17]

In The Third Quarter Of 2017, Navient Spent $380,000 Lobbying Congress, The Executive Office Of The President, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/20/17]

In The Fourth Quarter Of 2017, Navient Spent $360,000 Lobbying Congress, The Executive Office Of The President, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/19/18]

In 2018, Navient Spent Over $1.9 Million Lobbying The Federal Government.

In The First Quarter Of 2018, Navient Spent $800,000 Lobbying Congress, The Executive Office Of The President, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/19/18]

In The Second Quarter of 2018, Navient Spent $350,000 Lobbying Congress And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/20/18]

In The Third Quarter Of 2018, Navient Spent $420,000 Lobbying Congress, The National Economic Council, The Office Of Management And Budget, The Department Of Treasury, The Federal Trade Commission, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/19/18]

In The Fourth Quarter Of 2018, Navient Spent $400,000 Lobbying Congress, The. Department Of Treasury, The Office Of Management And Budget, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/18/19]

So Far In 2019, Navient Has Spent At Least $1,040,000 Lobbying the Federal Government.

In The First Quarter Of 2019, Navient Spent $730,000 Lobbying Congress, The Office of The Vice President, And The Executive Office Of The President. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/18/19]

In The Second Quarter Of 2019, Navient Spent $310,000 Lobbying Congress, The Office Of The Vice President, The Executive Office Of The President, Department Of Treasury, And The Federal Communications Commission. [Navient Solutions, LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/19/19]

Nelnet Has Spent At Least $577,000 Lobbying The Federal Government Since 2017.

In 2017, Nelnet Spent $227,000 Lobbying The Federal Government On Student Loan And Communications Issues.

In The First Quarter Of 2017, Nelnet Spent $170,000 Lobbying Congress, The Department Of Education, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/20/17]

In The Second Quarter Of 2017, Nelnet Spent $10,000 Lobbying Congress, The Department Of Education, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/19/17]

In The Third Quarter Of 2017, Nelnet Spent $10,000 Lobbying Congress, The Department Of Education, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/17/17]

In The Fourth Quarter Of 2017, Nelnet Spent $37,000 Lobbying Congress, The Department Of Education, The Department of Treasury, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/17/18]

In 2018, Nelnet Spent $210,000 Lobbying The Federal Government On Student Loan And Communications Issues.

In The First Quarter Of 2018, Nelnet Spent $40,000 Lobbying Congress, The Department Of Education, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/18/18]

In The Second Quarter Of 2018, Nelnet Spent $50,000 Lobbying Congress, The Department Of Education, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/17/18]

In The Third Quarter Of 2018, Nelnet Spent $60,000 Lobbying Congress, The Department Of Education, The Department of Treasury, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/19/18]

In The Fourth Quarter Of 2018, Nelnet Spent $60,000 Lobbying Congress, The Department Of Education, The Department of Treasury, And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/16/19]

So Far In 2019, Nelnet Has Spent $140,000 Lobbying The Federal Government On Student Loan And Communications Issues.

In The First Quarter Of 2019, Nelnet Spent $80,000 Lobbying Congress And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/17/19]

In The Second Quarter Of 2019, Nelnet Spent $60,000 Lobbying Congress And The FCC. [Nelnet LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/10/19]

The Missouri Higher Education Loan Authority (MOHELA) Has Spent At Least $720,000 Lobbying The Federal Government Since 2017.

In 2017, MOHELA Spent $280,000 Lobbying The Federal Government.

In The First Quarter Of 2017, MOHELA Spent $70,000 Lobbying Congress, The Executive Office Of The President, And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/19/17]

In The Second Quarter Of 2017, MOHELA Spent $70,000 Lobbying Congress, The Executive Office Of The President, And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/20/17]

In The Third Quarter Of 2017, MOHELA Spent $70,000 Lobbying Congress. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/18/18]

In The Fourth Quarter Of 2017, MOHELA Spent $70,000 Lobbying Congress, The Executive Office Of The President, And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/20/18]

In 2018, MOHELA Spent $280,000 Lobbying The Federal Government On Higher Education Issues.

In The First Quarter Of 2018, MOHELA Spent $70,000 Lobbying Congress, The White House, And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/20/18]

In The Second Quarter Of 2018, MOHELA Spent $70,000 Lobbying Congress And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/18/18]

In The Third Quarter Of 2018, MOHELA Spent $70,000 Lobbying Congress And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/19/18]

In The Fourth Quarter Of 2018, MOHELA Spent $70,000 Lobbying Congress And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/18/19]

So Far In 2019, MOHELA Has Spent $160,000 Lobbying The Federal Government On Higher Education Issues.

In The First Quarter Of 2019, MOHELA Spent $80,000 Lobbying Congress And The Department Of Education. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/19/19]

In The Second Quarter Of 2019, MOHELA Spent $80,000 Lobbying Congress, The Department Of Education, And The Executive Office Of The President. [Thompson Coburn LLP LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/19/19]

The Pennsylvania Higher Education Assistance Agency (PHEAA) Has Spent $1,030,000 Lobbying The Federal Government Since 2017.

In 2017, PHEAA Spent $410,000 Lobbying The Federal Government.

In The First Quarter Of 2017, PHEAA Spent $100,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/12/17]

In The Second Quarter Of 2017, PHEAA Spent $110,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/13/17]

In The Third Quarter Of 2017, PHEAA Spent $90,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/17/17]

In The Fourth Quarter Of 2017, PHEAA Spent $110,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management

And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/17/18]

In 2018, PHEAA Spent $420,000 Lobbying The Federal Government.

In The First Quarter Of 2018, PHEAA Spent $100,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/17/18]

In The Second Quarter Of 2018, PHEAA Spent $110,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/13/18]

In The Third Quarter Of 2018, PHEAA Spent $100,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/16/18]

In The Fourth Quarter Of 2018, PHEAA Spent $110,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/10/19]

So Far In 2019, PHEAA Has Spent At Least $200,000 Lobbying The Federal Government.

In The First Quarter Of 2019, PHEAA Spent $100,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/10/19]

In The Second Quarter Of 2019, PHEAA Spent $100,000 Lobbying Congress, The Federal Communications Commission, The Department Of Education, The Office Of Management And Budget, The Department Of Treasury, And The Consumer Financial Protection Bureau. [Pennsylvania Higher Education Assistance Agency LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/15/19]

Great Lakes Has Spent At Least $6,600 On Lobbying Since 2017.

From January 2017 to December 2018, Great Lakes Spent $6,600 Lobbying The State Government In Wisconsin.

Great Lakes Education Loan Services, Inc. Spent $6,600 On Lobbying The Wisconsin Government From January 2017 To December 2018. [Search for Great Lakes Educational Loan Services, Inc., 2017-2018 Legislative Session, accessed 07/01/19]

The Education Finance Council Has Spent Over $193,000 Lobbying The Federal Government Since Donald Trump Took Office.

In 2017, The Education Finance Council Spent $87,043 Lobbying The Federal Government.

In The First Quarter Of 2017. The Education Finance Council Spent $31,010 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 07/26/17]

In The Second Quarter Of 2017, The Education Finance Council Spent $23,636 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 03/29/18]

In The Third Quarter Of 2017, The Education Finance Council Spent $23,802 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The U.S. Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 03/29/18]

In The Fourth Quarter Of 2017, The Education Finance Council Spent $8,595 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 03/29/18]

In 2018, The Education Finance Council Spent $60,238 Lobbying The Federal Government.

In The First Quarter Of 2018, The Education Finance Council Spent $15,360 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The U.S. Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 07/16/18]

In The Second Quarter Of 2018, The Education Finance Council Spent $16,358 Lobbying Congress, The White House, The CFPB, The Department Of Education, And The

Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 07/16/18]

In The Third Quarter Of 2018, The Education Finance Council Spent $14,820 Lobbying Congress, The CFPB, The Department Of Education, And The Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 11/26/18]

In The Fourth Quarter Of 2018, The Education Finance Council Spent $13,700 Lobbying Congress, The Department Of Education, And The Department Of The Treasury. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 03/04/19]

So Far In 2019, The Education Finance Council Has Spent At Least $46,212 Lobbying The Federal Government.

In The First Quarter Of 2019, The Education Finance Council Spent $16,212 Lobbying Congress, The CFPB, And The Department of Education. [Education Finance Council, Inc. LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 05/10/19]

In The Second Quarter Of 2019, The Education Finance Council Spent $30,000 Lobbying Congress. [Chartwell Strategy Group LLC LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 07/18/19]

The National Council Of Higher Education Resources (NCHER) Has Spent $210,000 Lobbying The Federal Government Since Donald Trump Took Office.

In 2017, NCHER Spent $80,000 Lobbying The Federal Government On Student Loan Servicing Issues.

In The First Quarter Of 2017, NCHER Spent $20,000 Lobbying Expenses. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/20/17]

In The Second Quarter Of 2017, NCHER Spent $20,000 Lobbying Congress. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/20/17]

In The Third Quarter Of 2017, NCHER Spent $20,000 Lobbying Congress. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/20/17]

In The Fourth Quarter Of 2017, NCHER Spent $20,000 Lobbying Congress. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 01/22/18]

In 2018, NCHER Spent $90,000 Lobbying The Federal Government On Student Loan Servicing Issues.

In The First Quarter Of 2018, NCHER Spent $20,000 Lobbying Congress, The Department Of Education And The White House. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/20/18]

In The Second Quarter Of 2018, NCHER Spent $20,000 Lobbying Expenses. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/20/18]

In The Third Quarter Of 2018, NCHER Spent $20,000 Lobbying Congress. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 10/22/18]

In The Fourth Quarter Of 2018, NCHER Spent $30,000 Lobbying Congress And The White House. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 12/31/18]

So Far In 2019, NCHER Has Spent $40,000 Lobbying The Federal Government On Student Loan Servicing Issues.

In The First Quarter Of 2019, NCHER Spent $20,000 Lobbying Congress And The White House. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 04/22/19]

In The Second Quarter Of 2019, NCHER Spent $20,000 Lobbying Congress And The White House. [Penn Hill Group LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Act Database, 07/22/19]

The National Association of Student Financial Aid Administrators (NASFAA) Has Spent Over $30,000 Lobbying The Federal Government Since Donald Trump Took Office.

In 2017, NASFAA Spent $17,216 Lobbying The Federal Government.

In The Second Quarter Of 2017, NASFAA Spent $5,566.63 Lobbying Congress, The White House, And The Department Of Education. [National Association of Student Financial Aid Administrators LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 07/12/17]

In The Third Quarter Of 2017, NASFAA Spent $6,085.37 Lobbying Congress, The White House, And The Department Of Education. [National Association of Student Financial Aid Administrators LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 10/17/17]

In The Fourth Quarter Of 2017, NASFAA Spent $5,564.85 Lobbying Congress, The White House, And The Department Of Education. [National Association of Student Financial Aid Administrators LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 01/18/18]

In 2018, NASFAA Spent $5,680 Lobbying The Federal Government.

In The First Quarter Of 2018, NASFAA Spent $5,680.54 Lobbying Congress. [National Association of Student Financial Aid Administrators LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 04/18/18]

So Far In 2019, NASFAA Has Spent $7,267 Lobbying The Federal Government.

In The First Quarter Of 2019, NASFAA Spent $7,267.48 Lobbying Congress, And The Department Of Education. [National Association of Student Financial Aid Administrators LD-2 Disclosure Form, U.S. Senate Lobbying Disclosure Database, 04/18/19]

The Student Loan Industry Has Contributed Over $3.9 Million To Political Campaigns Since The 2012 Election Cycle.

During The 2012 Election Cycle, The Student Loan Industry Spent A Total Of $1,150,082 In Campaign Contributions.

During The 2012 Election Cycle, The Student Loan Industry Donated A Total Of $1,150,082 In Campaign Contributions. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2014 Election Cycle, The Student Loan Industry Spent A Total Of $1,058,525 In Campaign Contributions.

During The 2014 Election Cycle, The Student Loan Industry Donated A Total Of $1,058,525 In Campaign Contributions. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2016 Election Cycle, The Student Loan Industry Spent A Total Of $1,031,471 In Campaign Contributions.

During The 2016 Election Cycle, The Student Loan Industry Donated A Total Of $1,031,471 In Campaign Contributions. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2018 Election Cycle, The Student Loan Industry Spent A Total Of $661,419 In Campaign Contributions.

During The 2018 Election Cycle, The Student Loan Industry Donated A Total Of $661,419 In Campaign Contributions. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

So Far In The 2020 Election Cycle, The Student Loan Industry Spent A Total Of $59,253 In Campaign Contributions.

Since the Beginning Of The 2020 Election Cycle, The Student Loan Industry Has Donated A Total Of $59,253 In Campaign Contributions. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 08/29/19]

The Student Loan Industry Has Contributed Over $1.8 Million To Republican Political Candidates Since The 2012 Election Cycle.

During The 2012 Election Cycle, The Student Loan Industry Contributed $625,182 To Republican Candidates.

During The 2012 Election Cycle, The Student Loan Industry Donated A Total Of $625,182 To Republican Candidates. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2014 Election Cycle, The Student Loan Industry Contributed $228,200 To Republican Candidates.

During The 2014 Election Cycle, The Student Loan Industry Donated A Total Of $228,200 To Republican Candidates. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2016 Election Cycle, The Student Loan Industry Contributed $570,129 To Republican Candidates.

During The 2016 Election Cycle, The Student Loan Industry Donated A Total Of $570,129 To Republican Candidates. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

During The 2018 Election Cycle, The Student Loan Industry Contributed $421,782 To Republican Candidates.

During The 2018 Election Cycle, The Student Loan Industry Donated A Total Of $421,782 To Republican Candidates. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 06/28/19]

So Far In The 2020 Election Cycle, The Student Loan Industry Has Contributed $42,300 To Republican Candidates.

Since the Beginning Of The 2020 Election Cycle, The For-Profit Education Industry Has Donated A Total Of $42,300 To Republican Candidates. [Student Loan Industry Long-Term Contribution Totals, OpenSecrets.org, accessed 08/29/19]

Meanwhile, Betsy DeVos Has Hobbled Borrower Protections Instead Of Holding Servicers And Schools Accountable

Betsy DeVos Attempted To Undo Regulations Designed To Help Student Loan Borrowers Who Were Victims Of Fraud Or Misconduct. Although A Judge Declared Her Actions Unlawful, More Than 150,000 Borrowers Are Still Waiting To Have Their Claims Decided.

In 2017, Betsy DeVos Announced ED Would "Rewrite Borrower Defense" Regulations, Claiming They Were "'Overly Burdensome And Confusing.'"

Borrower Defense To Repayment Is A Claim Student Borrowers Can Make To Have Their Student Loans Forgiven If They Were Misled By A School, Or Attended A School That Engaged In Misconduct Of Some Sort Related To A Student Loan Or Education Services. "Under the law, you may be eligible for borrower defense to repayment forgiveness of the federal student loans that you took out to attend a school if that school misled you, or engaged in other misconduct in violation of certain state laws. Specifically, you may assert borrower defense by demonstrating that the school, through an act or omission, violated state law directly related to your federal student loan or to the educational services for which the loan was provided. You may be eligible for borrower defense regardless of whether your school closed or you are otherwise eligible for loan forgiveness under other laws." ["Who Qualifies for Borrower Defense to Repayment Loan Forgiveness," *US Department Of Education – Federal Student Aid,* accessed 08/29/19]

On June 14, 2017, Betsy DeVos Announced ED Would Delay implementation And "Rewrite Borrower Defense To Repayment… Regulations" Because She Claimed They "Were 'Overly Burdensome And Confusing' And Need To Be Streamlined." "The Education Department announced Wednesday that it will change two key Obama-era rules governing student loan forgiveness in cases involving fraud and misconduct by universities. The department said it will convene special committees to rewrite Borrower Defense to Repayment and Gainful Employment regulations. The rules were introduced last year as the department was processing claims from thousands of students who say there were defrauded by for-profit colleges. […] DeVos said in a statement Wednesday that the regulations were 'overly burdensome and confusing' and need to be streamlined." [Maria Danilova, "Government to rewrite rules for student loan forgiveness," *The Associated Press*, 06/14/17]

- **In October 2017, DeVos Requested A Second Delay Of The Borrower Defense Rule.** "Education Secretary Betsy DeVos is proposing another delay of an Obama-era overhaul of rules to erase the federal student debt of borrowers defrauded by colleges. In a Federal Register notice published Tuesday, the U.S. Department of Education invited public comment on a plan that would give the agency until July 1, 2019, to implement updates to a regulation known as borrower defense to repayment. The rule, which dates to the 1990s, wipes away federal loans for students whose colleges used illegal or deceptive tactics to get them to borrow money to attend." [Danielle Douglas-Gabriel, "DeVos calls for another delay of rule to protect students from predatory colleges," *The Washington Post*, 10/24/17]

On October 28, 2017, It Was Reported That ED Was "Considering Only Partially Forgiving Federal Loans For Students Defrauded By For-Profit Colleges." "The Education Department is considering only partially forgiving federal loans for students defrauded by for-profit colleges, according to department officials, abandoning the Obama administration's policy of erasing that debt. […] But President Donald Trump's education secretary, Betsy DeVos, is working on a plan that could grant such students just partial relief, according to department officials. The department may look at the average earnings of students in similar programs and schools to determine how much debt to wipe away." [Maria Danilova, "AP sources: DeVos may only partly forgive some student loans," *The Associated Press*, 10/29/17]

Six Months Into Her Tenure, Betsy DeVos' ED Had Not Approved Any Applications For Loan Forgiveness By Defrauded Borrowers—While 15,000 New Applications Flooded In During That Time.

As Of July 26, 2017, ED Had "Not Approved Any Applications For Student-Loan Forgiveness In Cases Of Possible Fraud" Since The Beginning Of The Trump Administration. "The U.S. Education Department has not approved any applications for student-loan forgiveness in cases of possible fraud since President Donald Trump took office, according to records sent to an Illinois senator. […] But in the letter responding to Durbin's questions, Acting Under Secretary James Manning wrote that 'no borrower defense applications have been approved between Jan. 20, 2017, and today.'" [Collin Binkley, "Records: Student-loan forgiveness has halted under Trump," *The Associated Press*, 07/26/17]

ED Had Received Almost 15,000 Applications For Forgiveness From The Beginning Of The Trump Administration To July 5, 2017. "The records also revealed that the department has continued to receive new applications from borrowers who say they were victims of fraud. In total, the department said it received nearly 15,000 applications between Jan. 20 and July 5, mostly from Corinthian borrowers and from former students of ITT Technical Institute, a chain that closed last year." [Collin Binkley, "Records: Student-loan forgiveness has halted under Trump," *The Associated Press*, 07/26/17]

By December 2017, Even ED's Inspector General (IG) Was Urging DeVos To "Resume The Process Of Forgiving Student Loans."

On December 11, 2017, The ED OIG "Urg[ed] The Education Department To Resume The Process Of Forgiving Student Loans." "A government watchdog is urging the Education Department to resume the process of forgiving student loans for tens of thousands Americans who were defrauded by for-profit colleges. In a report published Monday, the Office of Inspector General, an independent body within the education agency, recommends that the department restart 'review, approval, and discharge process' for defrauded students." [Maria Danilova, "Education Department urged to resume loan cancellations," *The Associated Press*, 12/11/17]

Despite The IG's Recommendation, Six Months Later DeVos Had Cut The Number Of Staff Working On Borrower Defense Claims And Stopped "Developing Protocols To Simplify The Process."

In June 2018, It Was Reported That, According To ED's Inspector General, "As Thousands Of Applications For Student Debt Forgiveness Poured Into the U.S. Education Department," Not Only Did DeVos "Cut The Staff Working On The Claims," But The Unit "Developing Protocols To Simplify The Process" Was Directed To Stop By Then-Acting Undersecretary James Manning. "As thousands of applications for student debt forgiveness poured into the U.S. Education Department, the Trump administration cut the staff working on the claims and ordered a halt to an overhaul of the system, according to the agency's inspector general. The result: Claims lingered month after month. A letter from the agency watchdog to Sen. Richard J. Durbin (D-Ill.), obtained Wednesday by The Washington Post, sheds light on the Education Department's controversial handling of more than 100,000 debt relief claims submitted by defrauded student loan borrowers. The unit charged with sifting through applications began developing protocols to simplify the process in January 2017. But James Manning, then an acting undersecretary, directed the unit to stop, according to the letter." [Danielle Douglas-Gabriel, "Trump administration undermined student debt relief unit while claims mounted, watchdog finds," *The Washington Post*, 06/14/18]

DeVos Then Proposed A New Version Of Borrower Defense That Would Cut The Amount Of Relief Awarded To Defrauded Students By $13 Billion Over The Next Decade.

On July 25, 2018, DeVos Proposed A New Borrower Defense Rule, Under Which Defrauded Students "Would Have A Harder Time Getting Their Federal Loans Erased" As They Only "Would Be Eligible For Loan Relief If They Can Prove Their Schools Knowingly Misled Them." "Students who are defrauded by their schools would have a harder time getting their federal loans erased under new rules proposed by the Trump administration Wednesday. […] Under the proposal, students would be eligible for loan relief if they can prove their schools knowingly misled them with statements or actions that directly led them to take out loans or enroll at the school." [Collin Binkley, "DeVos rules would cut estimated $13B in student loan relief," *The Associated Press*, 07/25/18]

DeVos' Proposal Would Cut "The Amount Of Loan Relief Awarded To Students" By "Nearly $13 Billion Over The Next Decade." "The new proposal is estimated to save nearly $13 billion over the next decade compared with spending estimates under the Obama rules, primarily by reducing the amount of loan relief awarded to students." [Collin Binkley, "DeVos rules would cut estimated $13B in student loan relief," *The Associated Press*, 07/25/18]

In September 2018, A Federal Judge Ruled That DeVos' Delay Of The Borrower Defense Rule Was "Unlawful" And Ordered Her To Reverse Her Decision To Relax The Rules.

In September 2018, A Federal Judge Found DeVos' Delay Of The Borrower Defense Rule "To Be 'Arbitrary And Capricious'" And Determined Her "Actions Were Unlawful." "Education Secretary Betsy DeVos' move to delay Obama-era protections for students defrauded by for-profit colleges was dealt a setback when a federal judge found her actions to be 'arbitrary and capricious.' U.S. District Judge Randolph Moss ruled Wednesday in a lawsuit challenging the delay that had been filed by Democratic attorneys general from 19 states and the District of Columbia and former students, finding that DeVos' actions were unlawful." [Maria Danilova, "Federal court rules against DeVos in for-profit fraud case," *The Associated Press*, 09/13/18]

- **Just Five Days Later The Same Judge Ruled That "DeVos' Move To Ease Protections For Former Students Of For-Profit Colleges Should Be Reversed."** "A federal judge has ruled that Education Secretary Betsy DeVos' move to ease protections for former students of for-profit colleges should be reversed, handing a victory to those who said they were defrauded by their schools. But U.S. District Judge Randolph Moss put his ruling on hold for 30 days, giving the Education Department and others a chance to respond. Moss had ruled last week that DeVos' decision to freeze Obama-era protections for defrauded students was illegal. But he went a step further Monday and said the regulation needs to be voided. […] But while the court ruling late Monday was good news for students, it was unclear how much weight it would carry or when students may enjoy the benefits of stronger protections." [Maria Danilova, "Defrauded students inch closer to victory in DeVos lawsuit," *The Associated Press*, 09/18/18]

On October 12, 2018, ED Said "It [Would] No Longer Try To Delay An Obama-Era Regulation That Helped Students Defrauded By For-Profit Colleges Get Their Loans Forgiven." "The Education Department said Friday it will no longer try to delay an Obama-era regulation that helped students defrauded by for-profit colleges get their loans forgiven. A federal court ruled last month that Education Secretary Betsy DeVos' decision to delay the regulation, known as borrower defense, was unlawful and that the rule should go into effect. The department had until next Tuesday to respond." [Maria Danilova, "DeVos will not seek further delay of Obama for-profits rule," *The Associated Press*, 10/12/18]

By March 2019 However, More Than 150,000 Students Were Still Waiting To Hear If Their Borrower Defense Claim Would Be Approved.

In March 2019, "More Than 158,000 People [Were] Waiting To Hear Whether Their Debt Will Be Canceled" By The Federal Government. "More than 158,000 people are waiting to hear whether their debt will be canceled, according to the Education Department data, which was sent to Washington Democratic Sen. Patty Murray's office on Friday." [Katie Lobosco, "Data shows DeVos didn't immediately forgive student loans after court order," *CNN*, 03/29/19]

- **In Fact, ED "Didn't Grant A Single Claim For Loan Forgiveness To People Who Said They Were Defrauded By Their Colleges Between June And December 2018," Which Meant That The Department Did Not Begin Immediately Providing Relief "Despite An October Court Order."** "The Education Department didn't grant a single claim for loan forgiveness to people who said they were defrauded by their colleges between June and December 2018, according to data sent to Congress and provided to CNN on Friday. While Education Secretary Betsy DeVos told senators on Thursday that her department had restarted loan forgiveness to defrauded students, the data shows it did not immediately start doing so despite an October court order." [Katie Lobosco, "Data shows DeVos didn't immediately forgive student loans after court order," *CNN*, 03/29/19]

In June 2019, ED Was Sued By Defrauded Borrowers Who Claimed The Government Was Garnishing Their Tax Refunds For Loans They Shouldn't Have To Repay.

On June 23, 2019, It Was Reported A New Lawsuit "Alleges That Betsy DeVos And The Department Of Education [ED] Are Collecting On Debt That Isn't Legally Enforceable" By Garnishing Borrowers' Tax Refunds. "For the past few years, the government has been taking pains to collect on Tamara Blanchette's student loans — garnishing some of the money she receives through her tax refund. But it's debt the government shouldn't be collecting on in the first place, a new lawsuit alleges. The suit, filed on behalf of Blanchette and similarly situated borrowers, alleges that Betsy DeVos and the Department of Education are collecting on debt that isn't legally enforceable." [Jillian Berman, "Lawsuit alleges the government is illegally garnishing tax refunds of student-loan borrowers," *MarketWatch*, 06/23/19]

Betsy DeVos Repealed A Rule Designed To Stop Student Aid Money From Going To Colleges Whose Graduates Could Not Find Good-Paying Jobs. DeVos' Action Was Estimated To Cost The Federal Government $6.2 Billion Over Ten Years.

The Gainful Employment Rule Was Created By The Obama Administration To Make Sure Only Institutions That Reliably Aided Students' Careers Would Be Eligible To Receive Federal Student Loan Money.

In 2014, The Obama Administration Instituted The "Gainful Employment" Rule Which Would Hold "Career Training Programs Accountable For Putting Their Students On The

Path To Success." "To protect students at career colleges from becoming burdened by student loan debt they cannot repay, today the U.S. Department of Education is announcing regulations to ensure that these institutions improve their outcomes for students—or risk losing access to federal student aid. These regulations will hold career training programs accountable for putting their students on the path to success, and they complement action across the Administration to protect consumers and prevent and investigate fraud, waste and abuse, particularly at for-profit colleges." [Press Release, "Obama Administration Announces Final Rules to Protect Students from Poor-Performing Career College Programs," *US Department of Education*, 10/30/14]

- **The Rule Said Schools That Forced A Typical Graduate Into An "Estimated Annual Loan Payment" That Exceeded "20 Percent Of His Or Her Discretionary Income Or 8 Percent Of His Or Her Total Earnings" Would Be At Risk Of Losing The Ability To Accept Federal Student Loan Dollars.** "To qualify for federal student aid, the law requires that most for-profit programs and certificate programs at private non-profit and public institutions prepare students for 'gainful employment in a recognized occupation.' Under the regulations finalized today, a program would be considered to lead to gainful employment if the estimated annual loan payment of a typical graduate does not exceed 20 percent of his or her discretionary income or 8 percent of his or her total earnings. Programs that exceed these levels would be at risk of losing their ability to participate in taxpayer-funded federal student aid programs." [Press Release, "Obama Administration Announces Final Rules to Protect Students from Poor-Performing Career College Programs," *US Department of Education*, 10/30/14]

Just Three Months Into Her Tenure, Betsy DeVos Announced A Delay Of The Gainful Employment Rule's Compliance Date And The Following Year She Proposed Scrapping The Rule Entirely.

On March 10, 2017, The DeVos Education Department Announced It Was Allowing "Additional Time, Until July 1, 2017, For Institutions To Comply With" The Gainful Employment (GE) Regulations. "On January 6 and January 19, 2017, the Department announced dates by which institutions subject to the Department's gainful employment (GE) regulations must comply with certain provisions of the GE regulations. This document announces that the Department allows additional time, until July 1, 2017, for institutions to submit an alternate earnings appeal and to comply with the disclosure requirements in the GE regulations. […] To permit the Department's further review of the GE regulations and their implementation, […]" ["Program Integrity: Gainful Employment," Federal Register, 03/10/17]

On October 17, 2017, "Democratic Attorneys General In 17 States And The District Of Columbia Filed Suit Tuesday Against The U.S. Department Of Education Over Its Decision To Block" The Gainful Employment Rule. "Democratic attorneys general in 17 states and the District of Columbia filed suit Tuesday against the U.S. Department of Education over its decision to block an Obama-era rule designed to protect students from being defrauded by for-profit colleges. The Gainful Employment rule was supposed to take effect this year, but Education Secretary Betsy DeVos froze it until a new rule could be crafted." [Maria Danilova, "States sue DeVos to get for-profit college rule restored," *The Associated Press*, 10/17/17]

Then, On July 26, 2018, It Was Reported That DeVos Planned "To Eliminate Regulations That Forced For-Profit Colleges To Prove That They Provide Gainful Employment To The Students They Enroll." "Education Secretary Betsy DeVos plans to eliminate regulations that forced for-profit colleges to prove that they provide gainful employment to the students they enroll, in what would be the most drastic in a series of moves that she has made to free the for-profit sector from safeguards put in effect during the Obama era. […] Now, a draft regulation, obtained by The New York Times, indicates that the Education Department plans to scuttle the regulations altogether, not simply modify them, as Ms. DeVos did Wednesday with new regulations that scaled back an Obama-era debt relief plan for student borrowers who felt duped by the unrealistic appeals of for-profit colleges." [Erica L. Green, "DeVos to Eliminate Rules Aimed at Abuses by For-Profit Colleges," *The New York Times*, 07/26/18]

In June 2019, The Gainful Employment Rule Was Officially Rescinded, Despite Estimates Its Repeal Would Cost The Federal Government An Additional $6.2 Billion Over Ten Years.

On June 28, 2019, DeVos Announced "The 2014 Gainful Employment Rule Will Be Rescinded Effective July 1, 2020" And Said It "Unfairly Targeted For-Profit Colleges." "The Trump administration on Friday revoked an Obama-era rule that aimed to terminate federal funding to for-profit college programs that consistently left graduates with high student debt. Department officials announced that the 2014 gainful employment rule will be rescinded effective July 1, 2020. The agency's announcement said the rule focused too narrowly on graduate earnings and unfairly targeted for-profit colleges." [Collin Binkley, "DeVos revokes Obama-era rule policing for-profit colleges," *The Associated Press*, 06/28/19]

- **The Education Department "Estimated That Repealing The Rule Would Cost $6.2 Billion Over 10 Years In Payments For Pell Grants And Student Loans For Programs That Otherwise Would Have Been Cut Off From Federal Aid."** "The rule, known as gainful employment, was heavily criticized by the for-profit college sector and Republicans in Congress. In the first gainful-employment ratings released in 2017, 98 percent of programs that failed the standards were operated by for-profit institutions. The Education Department estimated that repealing the rule would cost $6.2 billion over 10 years in payments for Pell Grants and student loans for programs that otherwise would have been cut off from federal aid." [Andrew Krieghbaum, "DeVos Issues Final Repeal of Gainful Employment," *Inside Higher Ed*, 07/02/19]

In 2018, Betsy Devos Declared That State Student Loan Regulations Were Superseded By Federal Authority After Industry Extensively Lobbied ED—Industry And ED Even Appeared To "Strategize Together" To Support Servicer Lawsuits Against State Efforts To Protect Borrowers.

In March 2018, Betsy DeVos' ED Officially Announced Its Stance That "State Regulation Of Direct Loans Is Preempted By Federal Law" And That Federal Student Loan Servicers Should "Only Be Subject To Federal Oversight."

On March 12, 2018, ED "[Published] A Notice In The Federal Register Stating Its View That State Regulation Of Direct Loans Is Preempted By Federal Law" As "Companies Hired By The Government To Service Its Own Loans Should Only Be Subject To Federal Oversight." "Department of Education Secretary Betsy DeVos says that the companies hired by the government to service its own loans should only be subject to federal oversight. In January, the department filed a brief in support of PHEAA with the Suffolk County Superior Court. Now the department is taking things a step further. On [March 12, 2018] it will publish a notice in the Federal Register stating its view that state regulation of Direct Loans is preempted by federal law. State regulation of the servicing of Direct Loans 'impedes uniquely federal interests,' the notice states." [Allison Bisbey, "DeVos Ups Ante with State AGs; The Department of Education secretary says the companies hired by the government to service its own loans should only be subject to federal oversight," Asset Securitization Report, 03/09/18]

In September 2018, The Trump Administration Formally Backed A Student Loan Industry Lawsuit Against The D.C. Government's Efforts To Hold Servicers Accountable For "Fraudulent Or Irresponsible Practices"—DeVos' Spokesperson Characterized Such Efforts As "An Illegal Veto Of Federal Authority."

On September 6, 2018, It Was Reported That "Trump Administration Lawyers Filed A "'Statement Of Interest'" In The Student Loan Servicing Alliance's (SLSA's) Lawsuit "Against The District Of Columbia For Creating A Student Loan Ombudsman Office" In Which The Administration Claims DC Is "Violating The Supremacy Clause." "Trump administration lawyers filed a 'statement of interest' last month supporting a lawsuit from the Student Loan Servicing Alliance, an industry trade group, against the District of Columbia for creating a student loan ombudsman office. Under a new city law, the companies would be required to apply for licenses and could lose their right to operate if officials determine that they have engaged in fraudulent or irresponsible practices. Administration lawyers accused the District of Columbia of trying 'to second-guess' department officials in the selection of loan servicers, violating the supremacy clause in the Constitution in a case that could determine the future role of states in consumer protection." [Glenn Thrush, "After Scaling Back Student Loan Regulations, Administration Tries to Stop State Efforts," *The New York Times,* 09/06/18]

Betsy Devos' Spokesperson Backed Up The Administration's Action, Claiming, "'Federal Loans Are Federal Assets And Therefore Must Be Controlled And Regulated By The Federal Government,'" And That States Had Engaged In "An Illegal Veto Of Federal Authority." "'Federal loans are federal assets and therefore must be controlled and regulated by the federal government,' said Elizabeth Hill, a spokeswoman for Ms. DeVos. She described the actions of the states as an illegal veto of federal authority." [Glenn Thrush, "After Scaling

[Back Student Loan Regulations, Administration Tries to Stop State Efforts](#)," *The New York Times,* 09/06/18]

In October 2017, 26 Attorneys General Urged Betsy DeVos To "Reject The Campaign By Student Loan Servicers And Debt Collectors To Dismantle State Oversight Of The Student Loan Industry," Noting They Had Recovered "Tens Of Millions Of Dollars" To Harmed Borrowers.

On October 24, 2017 A Bipartisan Group Of 26 Attorneys General Wrote DeVos To "Urge The U.S. Department Of Education To Reject The Campaign By Student Loan Servicers And Debt Collectors To Dismantle State Oversight Of The Student Loan Industry" In Which "Leading Industry Groups Have Begun Lobbying The Department To Block Or 'Preempt' State Led Efforts." "Attorney General Peter F. Kilmartin joined a bi-partisan effort by 25 states to protect students from predatory student loan servicers. In a letter to Secretary Betsy DeVos, the attorneys general urge the U.S. Department of Education to reject the campaign by student loan servicers and debt collectors to dismantle state oversight of the student loan industry. In recent years, state attorneys general have investigated a number of significant, far reaching problems in the student loan industry and won settlements returning tens of millions of dollars to student borrowers. In response, leading industry groups have begun lobbying the Department to block or 'preempt' state led efforts to combat potential and ongoing abuses by student loan servicers. As the attorneys general explain in today's letter, the Department lacks the legal authority to block state oversight and any attempt to sideline effective state oversight amid the mounting student loan crisis would only put students and borrowers at risk." ["Press Release, Office of the Rhode Island Attorney General, 10/24/17]

- **State Attorneys General Had Returned "Tens Of Millions Of Dollars To Student Borrowers" In Previous Years.** "In recent years, state attorneys general have investigated a number of significant, far reaching problems in the student loan industry and won settlements returning tens of millions of dollars to student borrowers." ["Press Release, Office of the Rhode Island Attorney General, 10/24/17]

- **The Attorneys General Argued That Betsy DeVos' ED "Lacks The Legal Authority To Block State Oversight."** "As the attorneys general explain in today's letter, the Department lacks the legal authority to block state oversight and any attempt to sideline effective state oversight amid the mounting student loan crisis would only put students and borrowers at risk." ["Press Release, Office of the Rhode Island Attorney General, 10/24/17]

In September 2017, Navient CEO Jack Remondi Personally Asked A Top DeVos Aide To "'Quickly'" Shoot Down State Oversight Of Servicers, Arguing That Urgent Action Was "'Critical'" For Servicers To Avoid State Licensing Fees.

Navient's CEO "Personally Emailed" A Top Betsy DeVos Aide Asking ED To "'Quickly' Declare That States Lacked The Authority To Police" Servicers, Claiming That Timing Was "'Critical'" If Servicers Were To Avoid State Licensing Fees. "Jack Remondi, chief executive officer of Navient, personally emailed a top aide to Education Secretary Betsy DeVos, urging the administration to 'quickly' declare that states lacked the authority to police the companies that, like his, collect federal student loans. […] Remondi, who called the timing 'critical,' told the top DeVos adviser that he was especially concerned about the licensing fees that companies would potentially have to pay to state regulators." [Michael Stratford, "How the student loan industry lobbied DeVos to fight state regulations," *Politico*, 08/15/19]

The Student Loan Servicing Alliance's (SLSA's) Executive Director Also Helped ED Officials Track State Loan Servicing Regulations Before The Department Came Out Against Them.

The Executive Director Of The Student Loan Servicing Alliance (SLSA) "Was In Frequent Contact With Kathleen Smith, Another DeVos Aide, About The Progress Of The Laws In Various States" As ED Was "Closely Monitoring The Status Of State Loan Servicing Laws Before Coming Out Against Them." "The emails also show that Education Department officials were closely monitoring the status of state loan servicing laws before coming out against them. Crigler was in frequent contact with Kathleen Smith, another DeVos aide, about the progress of the laws in various states, trading intelligence about whether state lawmakers and governors would adopt them, according to the emails." [Michael Stratford, "How the student loan industry lobbied DeVos to fight state regulations," *Politico*, 08/15/19]

- **Winkie Crigler Is The Executive Director Of The Student Loan Servicing Alliance.** [LinkedIn Profile for WInkie Crigler, accessed 08/29/19]

PHEAA Lawyers And ED Officials Were In Contact As The Administration Was Trying To Prevent "Massachusetts From Suing The Company" And Even "Appeared To Strategize Together" On One Occasion.

Emails Between ED Officials And PHEAA Show They Communicated "As The Trump Administration Sought To Stop Massachusetts From Suing The Company" And "In At Least One Case The PHEAA Lawyer And The Administration Appeared To Strategize Together." "The emails also show correspondence between Education Department officials and attorneys for another loan servicer, the Pennsylvania Higher Education Assistance Authority, or PHEAA, as the Trump administration sought to stop Massachusetts from suing the company. The administration in January 2018 filed a statement of interest in state court in Massachusetts that said the state attorney general, Maura Healey, lacked the authority to sue PHEAA because it collects student loans on behalf of the federal government. PHEAA's outside counsel, an attorney at the firm Ballard Spahr, was in contact with Education Department attorneys before and after the Trump administration made the filing. And in at least one case the PHEAA lawyer and the administration appeared to strategize together, according to the emails, some of which are redacted." [Michael Stratford, "How the student loan industry lobbied DeVos to fight state regulations," *Politico*, 08/15/19]

In 2017, The Department Of Education Canceled An Information Sharing Agreement With The CFPB, An Industry-Friendly Move That Hindered The Bureau's Ability To Police Servicers.

In August 2017, The Department Of Education Terminated Its Two Memorandums Of Understanding (MOUs) With The CFPB, Which Allowed The Two Agencies "To Share Information And Cooperate On Enforcement."

In August 2017, The Department Of Education Terminated Its Two Memorandums Of Understanding (MOUs) With The CFPB, Which Allowed The Two Agencies "To Share Information And Cooperate On Enforcement." "[T]he U.S. Education Department has just called a halt to the enforcement collaboration between itself and CFPB. This move leaves 44 million student loan borrowers, owing $1.4 trillion in debt, with potentially less, or at least less-coordinated, oversight of their rights. […] CFPB had two memorandums of understanding with the Education Department that allowed the two to share information and cooperate on enforcement. At the end of August, the Department of Education terminated those arrangements." [Anya Kamenetz, "The Department Of Education Cuts Off A Student Loan Watchdog," *NPR,* 09/20/17]

- **The Move Was Among Many Actions From The Trump Administration "Seen As Friendly To The Student Loan Industry."** "The move is not surprising coming from the Trump administration, which has taken many actions seen as friendly to the student loan industry." [Anya Kamenetz, "The Department Of Education Cuts Off A Student Loan Watchdog," *NPR,* 09/20/17]

In April 2019, Kathy Kraninger Told Lawmakers That The Department Of Education Was "Getting In The Way Of Efforts To Police The Student Loan Industry."

In An April 2019 Letter To Sen. Elizabeth Warren (D-MA), Kathy Kraninger Told Lawmakers That The "Trump Administration's Education Department Is Getting In The Way Of Efforts To Police The Student Loan Industry." "The director of the Consumer Financial Protection Bureau says the Trump administration's Education Department is getting in the way of efforts to police the student loan industry. The revelation, in a letter obtained by NPR, comes at the same time that lawsuits allege widespread wrongdoing by student loan companies is costing some borrowers thousands of dollars. CFPB Director Kathy Kraninger explained the problem in an April letter responding to questions from Sen. Elizabeth Warren and other lawmakers about whether the federal regulator had 'abandoned its supervision and enforcement activities' related to more than $1 trillion in student loans. [Chris Arnold, "CFPB Chief Says Education Department Is Blocking Student Loan Oversight," *NPR*, 05/16/19]

Senators Were Appalled That Servicers Were Refusing The CFPB And Wrote To Them To Clarify That Department Guidance Does Not Permit Them To Skirt The Law.

In Response To Kraninger's Letter, "Elizabeth Warren, Sherrod Brown, And Three Other Democratic Senators" Sent Letters To Student Loan Servicers Stating That "No 'Guidance' From The Department Of Education 'Can Absolve Servicers Of Their Legal Responsibility To Comply" With The Law. "In response to Kraninger's letter, Elizabeth Warren, Sherrod Brown, and three other Democratic senators called the revelations 'disturbing' in a round of letters they fired off this week to loan servicing companies. The lawmakers say in their letters that since Kraninger says the CFPB has attempted to get documents it needs for supervision and been rebuffed by the servicers, that 'reveals that the Department under Secretary DeVos, […] federal student loan servicers, who are paid by the federal government, are ignoring federal regulators' requests for information.' The senators' letters add that no 'guidance' from the Department of Education 'can absolve servicers of their legal responsibility to comply with state and federal consumer protection law.'" [Chris Arnold, "CFPB Chief Says Education Department Is Blocking Student Loan Oversight," *NPR*, 05/16/19]