

# **Statement re: DeVos Decision to Stop Working with CFPB to Protect Student Loan Borrowers**

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BOSTON – The Department of Education’s decision (issued late last Friday, September 1) to stop cooperating with the Consumer Financial Protection Bureau (CFPB) and to try to block the CFPB’s efforts to protect student loan borrowers is outrageous and deeply troubling at a time when federal student loan debt has topped \$1.3 trillion. Over the last several years, the CFPB has stood up for students and demonstrated the urgent need for an independent watch dog over student loan servicers and collectors. The CFPB has fought to ensure that struggling borrowers can access the repayment programs they are entitled to. This decision comes on the heels of Secretary Betsy DeVos’ decisions to withdraw guidance intending to provide borrowers basic consumer protections against student loan servicer’s errors and abuse, and to roll back important protections for defrauded student loan borrowers defrauded by predatory for-profit schools. DeVos also just appointed a former DeVry University official to run the Department of Education’s enforcement unit, which is responsible for enforcing rules relating to school fraud after DeVry itself had last year agreed to pay \$100 million to resolve allegations that it misled students about their job and salary prospects.

The claim that the CFPB “unilaterally” expanded its oversight role over servicers and collectors of federal student loans is unfounded. Congress gave the CFPB authority over those servicers and collectors and directed the CFPB to establish the agreement that Education has terminated “to ensure coordination in providing assistance to and serving borrowers seeking to resolve complaints related to their private education or Federal student loans.”

Education is now trying to stop the CFPB from handling loan-related complaints, but Education’s failures are what led Congress to give the CFPB authority to help students. DeVos is prioritizing the interests of predatory for-profit schools, debt collectors, and troubled student loan services over the interests of student loan borrowers.