

Navient Reaches \$1.85 Billion Settlement for Defrauding Millions of Students

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WASHINGTON — Today, Navient, one of the largest student loan servicers in the country, reached a \$1.85 billion settlement with 39 states over predatory student loan practices.

In response, the **National Consumer Law Center (NCLC)** and the **Center for Responsible Lending (CRL)** released the following statement:

“Navient’s history of steering borrowers into high-cost, long-term forbearances instead of placing them in affordable income-driven repayment (IDR) plans harmed millions of borrowers nationwide—many of whom were borrowers of color and low-income students.

“This settlement requires Navient to change its practices going forward, but what it doesn’t do is credit borrowers with the years toward student loan cancellation through IDR that they missed out on as a result of poor loan servicing.

“The Department of Education can and should do exactly that for all borrowers: give them back the time they should have earned toward IDR cancellation and restore the promise of IDR.”

Additional Background

- Joint Report “Restoring the Promise of Income-Driven Repayment: An IDR Waiver Proposal”
- In 2017, the Consumer Financial Protection Bureau (CFPB) sued Navient in federal court for illegally cheating struggling borrowers out of lower repayment rights, failing to address complaints, and providing deceiving information, among others. The investigation is still ongoing.