

May 16, 2019

Kathy Kraninger  
Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20052

Dear Director Kraninger,

We, the undersigned organizations representing student loan borrowers and workers, are writing to demand that the Consumer Financial Protection Bureau take the necessary steps to protect student loan borrowers working in public service.

We have significant, ongoing concerns about abuses by the financial services companies that handle student loans for tens of millions of Americans and, in particular, recent allegations of abuses affecting teachers, nurses and other public service workers with student debt in communities across the country.<sup>1</sup> These entities are regulated by the CFPB and we are deeply troubled by mounting evidence that, under your watch, the CFPB has routinely failed to perform its most basic oversight responsibilities.

Most recently, we were alarmed to see your response to Senator Bob Menendez during your March 12, 2019 appearance before the Senate Committee on Banking, Housing, and Urban Affairs.<sup>2</sup> In response to a pointed question about the CFPB's oversight role in this market, you appeared to lack a basic understanding of the nature of the CFPB's authority and its duty to protect student loan borrowers working in public service. When pressed, you explained recent Bureau inaction by stating:

*That is a question for the Department of Education. It is their process and program when it comes to Federal student loans. . . That is why I do want to have a conversation with the Department of Education.*<sup>3</sup>

This is both incorrect as a matter of law and a dereliction of your duty to protect these borrowers. Of greatest concern, you appeared unaware of the CFPB's public commitment to police abuses in the Public Service Loan Forgiveness program specifically, as described in your own "Examination Procedures," which remain on your website as of the date of this letter.<sup>4</sup> This gives borrowers false hope that your agency is actively watching their backs.

Millions of student loan borrowers working in public service depend on diligent, independent oversight to protect their rights and police abuses by the student loan industry. We demand that the CFPB follow the law, protect teachers, nurses, and other student borrowers working in public

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<sup>1</sup> See, e.g., Complaint, *Hyland v. Navient*, 1:18-cv-09031 (S.D.N.Y. 2018); Complaint, *Massachusetts v. Penn. Higher Educ. Assistance Agency*, 1784-cv-02683 (2017).

<sup>2</sup> Student Borrower Protection Center, *Senator Menendez Presses Kraninger on PSLF*, YouTube (Mar. 13, 2019), <https://www.youtube.com/watch?v=uxyDoOvlGt8>.

<sup>3</sup> *Id.*

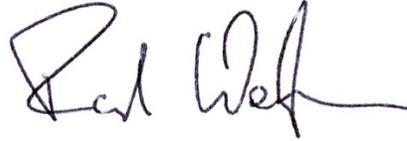
<sup>4</sup> See CFPB, *Examination Procedures: Education Loan Examination Procedures* (June 2017), [https://files.consumerfinance.gov/f/documents/201706\\_cfpb\\_Education-Loan-Servicing-Exam-Manual.pdf](https://files.consumerfinance.gov/f/documents/201706_cfpb_Education-Loan-Servicing-Exam-Manual.pdf).

service, and take immediate action to halt widespread abuses by the large financial services companies at the center of our nation's \$1.5 trillion student debt crisis.

Sincerely,



Seth Frotman  
Executive Director  
Student Borrower Protection Center



Randi Weingarten  
President  
American Federation of Teachers, AFL-CIO



*A Union of Professionals*

American Federation of Labor-Congress of Industrial Organizations



American Federation of State, County & Municipal Employees



National Education Association



Service Employees International Union



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