STUDENT BORROWER PROTECTION CENTER

Prepared Testimony of Seth Frotman
California Assembly Committee on Banking and Finance
The Consumer Financial Protection Bureau:
An Examination of the CFPB under the current Federal Administration and Options for California to Protect its Consumers
Sacramento, CA
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Chairwoman Limón. Vice Chairman Chen. Members of the Committee. Thank you so much for the honor of testifying here today.

This is my second time testifying before the California legislature. I was last here in 2017 as California became one of the first states in the country to take the critical step of overseeing the student loan market.[1]

But as I sit here today, the breadth of the challenges that consumers face across this state and this country loom larger; the risks more significant; the harms more severe. The threats—even from those serving in power—are tangible. The allies are scarce.

And with that, the seriousness and scope of this state's collective response—and the centrality of this Committee in that response—more critical. The deep, systemic reforms—more necessary.

The financial futures of tens of millions of citizens across this state rest in the balance.

There is perhaps no better demonstration of this precarious position than through the lens of the student debt crisis going on right outside these walls. Because I can think of no more apt example that conveys the urgency of the requisite action than what has happened across the student loan market in just these past two years.

- $143 billion in student debt has been added nationally—now borrowers collectively owe more than $1.5 trillion in outstanding student loans;[2]
- More than half a million people have been forced to take on student debt—now there are more than 44 million Americans getting a student loan bill each month.[3]
- $3,000 dollars have been added to borrowers' balances—now student loan borrowers owe, on average, more than $35,000 in student debt.[4]
- More than a quarter of a million older borrowers have brought nearly $19 billion of student debt into their retirement years—now 3.2 million seniors owe more than $85 billion in student debt.[5]

- And, in the 24 months since I was last here, two million borrowers have defaulted on their student loans—now 8.5 million student loan borrowers across the country are in default.[6]

And across California, the picture is equally bleak.

- 3.8 million Californians owe more than $134 billion in student loan debt.[7]

- Nearly half a million of these borrowers live in rural communities across California, and more than 80,000 of these borrowers are at least three payments behind.[8]

- Over 300,000 of California's seniors owe student loan debt, many of which are having their Social Security benefits offset because their loans are in default.[9]

But this is more than numbers. This is the pain of forcing a parent to choose between groceries or making her student loan payment.[10] This is the pain of forcing a neighbor to choose between his medicine or his debt.[11] This is the pain of living amidst another crisis.[12]

By holding this hearing today, this Committee has again taken a major step in recognizing that California is in a crisis. But more importantly, by holding this hearing today, this Committee has recognized its power to help end it.

From this perspective, the story of the student debt crisis and California's response is a lesson in the power of public policy to improve student loan borrowers' lives. But more than that, it can create a roadmap for how the government oversees all of consumer finance. It can provide the blueprint for California to build an oversight framework that matches the complexity and nefariousness of a financial sector that seems to know no bounds.

The Student Debt Crisis

The student debt crisis—both in California and across the country—is about more than debt loads and ballooning balances. It is about more than higher education policy and college affordability. The student debt crisis is a significant—perhaps the *most* significant—consumer finance issue threatening our nation at this time.

We have dropped a trillion dollars of debt on the backs of American families with little thought to the oversight, consumer protection, or accountability that is necessary to manage it.

We encouraged millions of students to take on billions in debt. And then, to add insult to injury, we sent them into a market with a piecemeal consumer protection framework that buckled under the weight of this historic burden. We continue to ignore the risks that pervade this market and the harms inflicted upon millions of borrowers who are falling through its cracks.

From student loan servicers[13] to for-profit schools,[14] from debt collectors[15] to private student lenders,[16] from private equity firms[17] to debt relief scams[18]—entire industries have built their profit models around taking advantage of student loan borrowers. Their practices collectively add billions of dollars of additional student debt to household balance sheets, damaging the financial future of an entire generation.[19]

Throughout America, big banks and small scams hurt millions of borrowers at every single point of their financial lives—from the day a student receives her first bill until the day she pays off her last loan.

- Student loan servicers are doling out millions in executive compensation while arguing that they have no responsibility to the very borrowers they are paid to serve;[20]
- Private student lenders with business practices that would make payday lenders blush are casually making non-dischargeable loans they know are going to fail;[21]
- Banks are setting up shop on campuses to prey on students—leeching overdraft fees from the financial aid of the most vulnerable;[22]
- Social media companies are driving revenue for investors by pushing scam ads that tout fake "student loan debt relief" to the most desperate borrowers;[23]
- Companies that exist solely to manipulate outcomes for the poorest-performing schools are committing illegal practices that keep the taxpayer spigot flowing;[24]
- Debt collectors and collection lawyers are manipulating the court system in order to garnish borrowers' wages and destroy consumers' credit.[25]

And sadly, this is only a mere glimpse.

Tens of millions of student loan borrowers nationally, and millions right here in California, are trapped in a broken system.

The Consumer Financial Protection Bureau

If you are chasing the American dream, you should not be ripped off at every turn.

Almost a decade ago, that was the vision for the Consumer Financial Protection Bureau—a federal agency with the tools, resources, and resolve to stand up for the 260 million consumers in this country.[26]

From mortgages to money orders.[27] From credit cards to credit reporting.[28] From prepaid cards to payday loans.[29] And of course, student loans.[30]

Across all of these markets, the Consumer Bureau had one mission—protect consumers.

And in nowhere was this mission more important than in the student loan market—a market where, prior to the CFPB, any notion of oversight came from the Department of Education—the self-described "largest special purpose consumer bank in the world."[31]

In effect, lawmakers placed a trillion-dollar bet on the prospect that a giant creditor could be trusted to self-police. They wagered the financial futures of millions of students, and those students lost.

Student loan borrowers needed a watchdog that was not tainted by its role as a creditor and contract administrator. They needed a watchdog that was not trying to push dollars out the door. They needed a watchdog that was not sending out mixed messages prompted by perverse incentives.

The CFPB could fill this role because its mission was clear—protect consumers.

Furthermore, it did not define success as simply fixing the system for the next person. The CFPB was an agency focused on helping the people that were already struggling—on getting justice for borrowers who had already been ripped off.

It recognized that that what plagues higher education finance is not limited to some small set of actors; that the problem is not limited to one sector of schools; that it was not merely dealing with outliers in an otherwise benevolent system.

The CFPB was an independent agency that utilized every authority bestowed upon it by Congress—from supervision to enforcement, from documenting complaints to helping individual consumers.

- It helped servicemembers and disabled veterans.[32]
- It helped teachers, nurses, cops, and firefighters.[33]
- It helped borrowers in all 50 states and every US territory.[34]
- It helped borrowers of every age, every race, every gender.[35]
- It helped American families.[36]

The Bureau oversaw all aspects of the market, from banks to nonbanks, lenders to servicers. It took enforcement action against those who broke the law, from small scammers to large financial institutions like Wells Fargo, Discover, and Navient.[37]

And it worked. In those seven years, the CFPB returned more than $750 million to student loan borrowers.[38]

But when the formerly independent CFPB was placed under the political influence of Mick Mulvaney, Kathy Kraninger, and their appointees, everything changed. The CFPB walked away from the 44 million Americans with student debt.

Where the CFPB once stood proudly as the most vocal and vehement champion for student loan borrowers, it is now willfully absent.

- In the 16 months since Director Cordray left, there has not been a single enforcement action announced against a student loan company.
- In those 16 months, there has not been a single effort to expose the rampant breakdowns borrowers face across the student loan market.
- In those 16 months, there has not been a single for-profit school, a single bank, a single company held to account for the harm inflicted on vulnerable student loan borrowers.
- In those 16 months, the Bureau has prioritized the wishes of the most powerful financial companies in America over the needs of the very people they were tasked by Congress to protect, all under the selective invocation of "statutory restraint."[39]

And after public testimony by Director Kraninger just this month, it is now clear that the CFPB has broken its promise to prioritize rooting out discrimination in the student loan market.[40] In fact, it appears that the Bureau has ceased supervising the $1.2 trillion federal student loan market at all.[41] Instead, a once-independent agency now waits for a permission slip from the Department of Education before it does its job—before it does the very work it was tasked by Congress to do.

The CFPB has made the dangerous decision to cave to the U.S. Department of Education—the same Department that, under Betsy DeVos, has used every opportunity to place corporations above consumers—from the rolling back of responsible regulations to filling positions of power with industry insiders.[42] The Education Department slammed shut courthouse doors on borrowers ripped off by predatory players.[43] It illegally delayed borrower protections that were the result of years of negotiation at every level of government.[44] It rolled back accountability for predatory schools that leave borrowers with mounds of debt and worthless degrees.[45] And then, in an effort to take away the last avenue of recourse, the Department has tried to block states from protecting their own residents.[46]

But the problem is broader than the CFPB; it is broader than the Department of Education. The entire federal government has not only turned its back on student loan borrowers—it is now aggressively arming the other side. Just last year, the Justice Department brazenly marched into federal and state court houses arguing that student loan companies are above the law.[47] In 2016, the Federal Communications Commission rolled back protections that prevented student loan borrowers from getting harassed on their cell phones.[48]

The message is clear—there is no white knight. The federal government is not going to ride to the rescue. There is no cavalry on the horizon.

That is why today's hearing matters. That is why this Committee matters. That is why state consumer protection matters.

California Must Act

For more than a hundred years, the American financial system has recognized the critical role that states play in overseeing financial markets.[49] The foundational premise of any state's police power is the ability to oversee the general well-being of its citizens. That includes the power to oversee the companies responsible for the financial futures of those citizens. As the United States Supreme Court has stated, [quote] "banking and related financial activities are of profound local concern. . . . [S]ound financial institutions and honest financial practices are essential to the health of any State's economy and to the well-being of its people."[50]

The impact of student debt on the lives and livelihoods of borrowers is unimpeachable.

Research shows that student loan borrowers are less likely to buy homes,[51] start families,[52] and save for retirement.[53] They are less likely to start businesses or serve their communities.[54] But the impact doesn't end there—it ripples across neighborhoods, across communities, and across the state.

With $130 billion affecting nearly four million people across California, there are few markets as consequential to the well-being of this state than the student loan market.[55] Research now shows the effects of student debt on communities and the economy—including stymying asset accumulation,[56] driving income, racial, and gender inequality,[57] and preventing residents from establishing long-term ties to their communities.[58]

And when the student loan market fails, communities struggle. And the student loan market has already failed.

Communities struggle as needless defaults cause their public colleges to risk missing key metrics that are crucial to their funding.[59] They struggle as their residents fall behind in critical credit markets and find fewer economic and job opportunities.[60] They struggle as fewer licensed professionals are eligible to serve in high-demand fields.[61] They struggle as their aging populations have less financial security.[62]

Taking action to protect student loan borrowers is necessary to the health of your nearly $3 trillion economy.[63] It is necessary to the well-being of your nearly 40 million citizens.[64] It is necessary to the well-being of your families, your neighborhoods, and your communities. It is necessary to the well-being of California.

And that is why California must continue to lead the way.
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For years, California has been a national leader in the fight for student loan borrowers' rights.

In 2016, California passed Assemblymember Stone's Student Loan Servicing Act. This law provided a key building block for this state to engage in meaningful oversight and root out illegal practices that plague the student loan industry.[65]

In 2018, Attorney General Becerra sued Navient, one of the largest student loan servicers in the country, for hurting every type of borrower, with every type of loan, at every stage of repayment.[66]

And now, the groundbreaking new legislation introduced by Assemblymember Stone will make California the first state in the nation to give student loan borrowers the same kind of strong, enforceable rights long provided to consumers with mortgages and credit cards.

For the millions of Californians trapped in a broken student loan system, Assemblymember Stone's Student Borrower Bill of Rights also brings real accountability to a student loan industry responsible for ripping off borrowers at every turn. This bill bans abuses by the student loan industry—ensuring that companies can no longer get rich by doing business on the cheap, by cutting corners and cheating borrowers out of their rights.

It also establishes a new California Student Borrower Advocate to help individuals when they run into trouble. And it creates the first-ever public "report card" for the student loan industry—ensuring regulators, lawmakers, and the public can spot emerging risks to borrowers.

My organization, the Student Borrower Protection Center, was honored to join with NextGen and Consumer Reports to co-sponsor AB 376. We applaud Assemblymember

Stone for his continued leadership and stand ready to serve as a partner and an ally as the California Legislature advances this critical legislation in the weeks and months ahead.

Diligent supervision. Proactive enforcement. Deliberate rulemaking. Smart data collection. And a deep commitment to demanding answers when consumers ask for help. These are the measures that this bill will implement—the same measures that made the Consumer Financial Protection Bureau a fierce ally for consumers.

These critical reforms offer a path forward for student loan borrowers, and also for all Californians.

Because consumer finance affects more than student loan borrowers. It's all people who are left behind because of a broken system. It's the single mother who can no longer provide for her kid. It's the family who can no longer keep a roof over its head. It's the servicemember who can no longer defend her country—because they were each ripped off at every turn, but never saw justice.

California families are facing significant challenges that demand significant solutions—solutions that can match the seriousness and scale of the harm perpetrated across the market.

The California Consumer Bureau

As you have already heard from Director Cordray and Professor Peterson, and what I am sure you are currently hearing from your constituents, is that people need your help. Millions of people in this state need your help.

As the former Assistant Director of the Office for Young Consumers, I heard directly from a generation borne of the financial crisis—a generation forced to endure challenges that the prior generation had never fathomed. Challenges that continue to leave millions of consumers barely able to keep their heads above water, while large segments of this generation simply drown

- The rate of young consumers behind on their car loans has hit record levels as they are continually left out of a growing labor market;[67]

- They are among those hit hardest by overdraft fees that send their finances spiraling;[68]

- One-in-three millennials have used a payday loan, sending them into the vicious cycle of debt;[69]

- And as homeownership rates among African Americans remain alarming low compared to their white peers, we know that borrowers of color, especially young borrowers of color, disproportionately struggle in the mortgage market.[70]

An entire generation is being preyed upon by a financial system seeking to strip them of their wealth before they ever have a chance to earn it. They are being knocked down, again and again, before they can ever stand up.

But the problems are not limited to young consumers. For four years, I had the honor of working for Holly Petraeus in the Office for Servicemember Affairs. I traveled to dozens of states, including California. I heard from servicemembers down in San Diego at the Marine Corps Recruit Depot about the financial predators that line up outside the gates of installations like “bears at a trout stream.”[71] I talked with veterans groups about mortgage products targeting those who wore the uniform, rivaling the worst practices we saw during the financial crisis.[72] I met with California’s Adjutant General and heard tales of how military consumers are targeted by schemes from pension advances to predatory loans.[73]

But it’s not just young people. It’s not just servicemembers. The stakes are so much bigger. At stake is the future of the American dream and the character of our country—whether the American dream we all recognize—a house to raise our family, a car to get to work, a college education to give our kids a better life—will be the province of a select few; while the rest have their money stolen at every turn, or worse, face denials and discrimination based on factors like race or sex. Whether we live in a just and equitable society where the American dream is open and accessible to all who seek it, or whether that America is reserved only for a select few.

Consumer finance matters because the American dream matters. To young people. To servicemembers. To all consumers—to the 30 million across California and the 260 million across America.[74]

People are not buying a house in cash, cutting a check to pay for their car or paying for their children’s full college tuition with what they have in their savings accounts. They rely on credit—and a well-functioning credit market—to accomplish each of these goals.

That is why consumer protection matters. That is why a California Consumer Bureau matters.

A California Consumer Bureau can do what the federal government lacks the authority to do.

A California Consumer Bureau can push other states, the federal government, and everyone else to do better.

A California Consumer Bureau can stand up when the federal government falls down.

But let me be clear—this isn't just about having a backstop for when times are bad. This isn't just about Donald Trump. This is about creating a long-lasting legacy that can stand up for consumers regardless of who sits in the White House. This is about having a mechanism to push the status quo forward even when our allies sit behind the resolute desk. This is about a legacy that recognizes that the collective fate of 40 million Californians' lives should not live and die by what happens on the first Tuesday, following the first Monday, every fourth November.

And so, as this Committee undertakes the important and necessary work of crafting a California Consumer Bureau, I would like to offer some observations that—after seven and half years at the CFPB—I know to be true:

- **First, complaints are a critical component of consumer-driven reform.** The CFPB gave power to American consumers by giving them the ability to raise their hand and say, "this isn't right!" Over a million consumers were helped through the CFPB's complaint portal.[75] And more importantly, the CFPB looked at those million complaints and recognized that those were not isolated incidents. It knew that for every consumer who complained about being ripped off, ten more sat silent despite being harmed. But through that one complaint, the CFPB could help all of them.

  For six years, these complaints were the foundation of the CFPB's work, leading to real reform across markets. These complaints drove the prioritization of supervision and enforcement. They drove the research and analysis underpinning rulemaking. They drove strategic inter- and intragovernmental efforts. Through a million complaints, the CFPB was able to help tens of millions of people.

  The California Consumer Bureau can do more than replicate this approach—it can improve upon it. Institutions, regardless of size or structure, should be statutorily required to engage in a robust complaint resolution process, where substantive answers to consumers' questions are mandated and guidelines around "resolution" are clearly articulated. Furthermore, the California Consumer Bureau should enshrine in statute the power of public access to complaints. Public access to individual consumer experiences, including maximum possible detail around borrowers' complaints, should be required by law. This information—including company responses—should be shared as widely as possible across both federal and California's law enforcement channels to ensure strategic coordination in tackling market breakdowns.

- **Second, distinct populations can bring unique insight.** Consumer-driven reform is not limited to complaints. The designers of the CFPB realized that special populations interact with consumer financial markets in unique ways, and with that often comes unique problems. From the Office for Young Consumers to the Office for Servicemember Affairs to the Office for Older Americans—dedicating resources to understanding the problems and experiences of these populations was a key to the CFPB's success. Further, their challenges often served as the "canary in the coalmine"—when they faced breakdowns in their financial lives, it signaled emerging risks at a company or across an entire industry.[76]

A California Consumer Bureau can do the same thing. The state of California has two million servicemembers and veterans, seven million senior citizens, and five million credit invisibles.[77] The California Consumer Bureau can house dedicated offices for each population, serving as an external outreach mechanism that creates an avenue for these populations to engage with the Bureau.

These offices can also serve as drivers of policy change. They can coordinate the work of offices across the California Consumer Bureau—aligning oversight, enforcement, research, rulemaking, and more to ensure that everyone is working in the interest of these constituencies.

A California Consumer Bureau can also make sure that the uniquely diverse populations of this state are represented—an Office for New Americans, an Office for Rural Affairs, and an Office for Financial Inclusion. Furthermore, the California Consumer Bureau should be adaptable to address the needs of emerging populations not yet contemplated to guarantee that the agency's policy perspectives—and subsequent actions—remain responsive to the entire state.

- **Third, markets should be defined by who needs protection, not what a product is called or whether an institution takes deposits.** One of the most significant lessons of the crisis was that all financial institutions, regardless of structure, need robust and comprehensive oversight if we wish to counter the deep-seated, intrinsic consumer harm that plagues the market. That lesson is as true now as it was then. We have seen how banks like Wells Fargo can rip millions of people off without them ever knowing.[78] But we have also seen how nonbank financial service providers can harm people to the tune of billions of dollars.[79]

  The structure of the CFPB was unique in that it recognized that consumers' financial lives do not fit neatly into categories like "bank" and "nonbank." Nor are consumers' lives organized by the type of product they are using. Any meaningful effort to systemically reform the consumer finance market must necessarily share this perspective.

And those who created the CFPB rejected the idea of determining the scope of the Bureau's authority based on these artificial lines. In order to empower the CFPB to fulfill its mission of protecting consumers, they could not define jurisdiction through easily evaded definitions of product or narrow demarcations of covered entities. Instead, they gave the agency the ability to take action against the full range of players in the market.

However, the California Consumer Bureau has the opportunity to go beyond the CFPB, where political influence outweighed consumer harm and excluded entire markets from oversight. Lawmakers should not let lobbyists draw arbitrary lines exempting markets or market participants. Additionally, lawmakers need not limit the scope of the agency's oversight based out of political concern over a specific tier of financial institutions while ignoring the risks these entities may pose. While recognizing where preemption will preclude certain measures, lawmakers should not limit the California Consumer Bureau before it even opens its doors. Only by giving the California Consumer Bureau the broadest range of authorities to oversee all markets, for all institutions of all sizes will it have the power to protect consumers across their entire financial lives.

- **Fourth, consumer protection laws should be consolidated at a single agency, ensuring regulators can translate lessons across markets.** One of the most powerful things the Dodd-Frank Act did was to consolidate the most essential consumer protection laws under one roof.[80] From the Truth in Lending Act to the Equal Credit Opportunity Act, from the Fair Debt Collection Practices Act to the Fair Credit Reporting Act, the CFPB administers a wide range of laws to ensure that consumers were protected. Congress also bestowed upon the CFPB broad authority to stamp out unfair, deceptive, and abusive practices across the market.[81] With respect to each of these laws, the CFPB has rulemaking and supervisory authority. The CFPB also shares enforcement authority with state attorneys general, state banking departments and, in some cases, other federal regulators.

  A California Consumer Bureau should enjoy the same range of authorities in order to hold companies accountable for the same range of harm. A California Consumer Bureau should incorporate these statutes by deeming any violation of any law under CFPB jurisdiction as a violation of California state law.

  But a California Consumer Bureau could go further. It could recognize additional protections not incorporated as enumerated statutes under Dodd-Frank but which are still essential to protecting consumers, like the Military Lending Act or the Servicemembers Civil Relief Act.[82] A California Consumer Bureau should also protect consumers from being harassed on their cell phones or from being harmed by a predatory small business loan.

And more importantly, a California Consumer Bureau can stand up when the federal government fails. Californians should not be subjected to discrimination in the credit market simply because Mick Mulvaney and other Washington officials are more in tune to the needs of K Street than the continuing struggles of communities of color. California should ensure that its statutes—from state fair lending to state consumer protection law—are stronger. Statutes should explicitly contain the critical mechanisms needed to hold companies accountable when they cause disparate harm to vulnerable communities.

Furthermore, California should create mechanisms, where appropriate, to allow municipalities and private individuals to enforce key protections and become an equal partner in protecting consumers.

- **And most importantly, having access to the full toolbox is critical if you want to fix a broken consumer finance market.** From complaints to supervision, from enforcement to rulemaking, having the full panoply of tools to hold bad actors accountable for conduct is the most important part of creating an effective Consumer Bureau. The premise and genius of the CFPB was the recognition that providing one agency with the full range of policy interventions on behalf of consumers and allowing it to select the most effective and efficient means to protect them was the best way to prevent another financial crisis.

  And specifically, Congress gave the CFPB the authority to write rules to ban specific unfair, deceptive, and abusive acts and practices wherever they occur, as long as the company committing predatory acts falls under the agency's jurisdiction. In effect, this gives the agency the ability to take what it learns from supervision, from consumer complaints, from research, and from enforcement and apply these insights to set standards. It lets a Consumer Bureau be nimble by allowing each of its tools to work in concert to effectively regulate an entire industry or market.

  This should be the guiding principle for a California Consumer Bureau. It should have the full range of tools necessary to tackle the harm borrowers face across the financial market—tools that can operate independently and are not predicated on the use of another.

  Parallel, or even overlapping, mechanisms of accountability should not be dismissed as duplicative or superfluous. Instead, they should be considered critically important to the effective protection of consumers.

Conclusion

In closing, I would like to address some of the common retorts I know you will hear as you undertake this ambitious agenda on behalf of the people you serve. Some will tell you that you cannot act, or that this is not what state governments do. Some will say that your aspirations are too great and that you must accept the status quo.

They will say that this is the work of the federal government and suggest that states must always play second fiddle.

They will tell you to tamper your ambitions and expectations of what is possible.

They are wrong.

They are wrong because they do not understand this unique moment in time. They do not understand the will of this Committee or of this Assembly to act. Of California to act.

To act to offer a different path than what is being offered 3,000 miles away. One that puts people above special interests. One that stands up for borrowers' rights. One that understands that the well-being of this state—of this nation—is premised on protecting its consumers with the full range of authorities it has. One that is willing to break the hold of special interests and overcome inertia and inaction.

They are wrong because we know that this Committee will stand up. It will stand up for the 30 million people chasing the American dream. It will stand up for this state and show that there is a much different path.

Thank you.

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[1] *See Prepared Remarks of Seth Frotman Before the California State Senate Banking and Financial Institutions Committee* (Mar. 22, 2017), https://files.consumerfinance.gov/f/documents/201703_cfpb_Frotman-Testimony-CA-Senate-Banking-Committee.pdf.

[2] *See* Fed. Res. Bd., *Consumer Credit – G.19* (Mar. 7, 2019), https://www.federalreserve.gov/releases/g19/current/default.htm.

[3] Between Q4 2015 and Q4 2017, the number of student loan borrowers increased by 536,400. As of Q4 2017, there were 44.7 million student loan borrowers. *See* Fed. Res. Bank of N.Y., *2016 Student Loan Update* (2016), https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2016.xlsx; Fed. Res. Bank of N.Y., *2018 Student Loan Update* (2018), https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2018.xlsx.

[4] Based on SBPC's analysis of Fed. Res. Bank of N.Y., *2018 Student Loan Update* (2018), https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2018.xlsx.

[5] Based on SBPC's analysis of Fed. Res. Bank of N.Y., *2018 Student Loan Update* (2018), https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2018.xlsx.

[6] *See* U.S. Dep't of Educ., *Federal Student Loan Portfolio*, https://studentaid.ed.gov/sa/about/data-center/student/portfolio (last visited Mar. 3, 2018); U.S. Dep't of Educ., *Federal Perkins Loan Program Status of Default as of June 30, 2016* (June 12, 2017), https://ifap.ed.gov/perkinscdrguide/1516PerkinsCDR.html.

[7] *See* U.S. Dep't of Educ., *Portfolio by Location* (Sept. 30, 2018), https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/Portfolio-by-Location.xls; Fed. Res. Bank of N.Y., State Level Household Debt Statistics 2003-2018 (Mar. 2019), https://www.newyorkfed.org/medialibrary/Interactives/householdcredit/data/xls/area_report_by_year.xlsx.

[8] Based on SBPC's analysis of U.S. Dep't of Educ., *Portfolio by Location* (Sept. 30, 2018), https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/Portfolio-by-Location.xls and Fed. Res. Bank of Phila., *Consumer Credit Explorer* (2018), https://www.philadelphiafed.org/eqfx/webstat/index; *see also* PJ Tabit & Josh Winters, *"Rural Brain Drain": Examining Millennial Migration Patterns and Student Loan Debt*, Fed. Res. Consumer & Cmty. Context (Jan. 2019), https://www.federalreserve.gov/publications/files/consumer-community-context-201901.pdf.

[9] *See* Consumer Fin. Prot. Bureau (CFPB), *Older consumers and student loan debt by state* (Aug. 2017), https://files.consumerfinance.gov/f/documents/201708_cfpb_older-consumers-and-student-loan-debt-by-state.pdf; *see also* U.S. Gov't Accountability Office (GAO), GAO-17-45, Social Security Offsets: Improvements to Program Design Could Better Assist Older Student Loan Borrowers with Obtaining Permitted Relief (Dec. 2016), https://www.gao.gov/assets/690/681722.pdf.

[10] *See, e.g.*, Me. Ctr. for Econ. Policy, *Student Lending Reform* 4 (Nov. 2018) https://www.mecep.org/wp-content/uploads/2018/11/MECEP-CRL-Student-Loans-and-Lending-Poll-November-2018.pdf.

[11] *See, e.g.*, *id.* at 6; *see also* CFPB, *Snapshot Of Older Consumers And Student Loan Debt* 13 (2017), https://files.consumerfinance.gov/f/documents/201701_cfpb_OA-Student-Loan-Snapshot.pdf ("The Bureau's analysis of survey data shows that older consumers with outstanding student loans are more likely than those without outstanding student loans to report that they have skipped necessary health care needs such as prescription medicines, doctors' visits, and dental care because they could not afford it.")

[12] *See generally* Seth Frotman, *Broken Promises: How Debt-financed Higher Education Rewrote America's Social Contract and Fueled a Quiet Crisis*, 2018 Utah L. Rev. 4 (2018), https://dc.law.utah.edu/ulr/vol2018/iss4/1/.

[13] *See, e.g.*, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2018) (stating "Navient's compensation policies for its customer service representatives have incentivized them to push numerous borrowers to forbearance without adequately exploring income-driven repayment plans with those borrowers, and in some cases, without even mentioning income-driven repayment plans at all."); Complaint at 11, California v. Navient Corp., No. CGC-18-567732 (2018) (stating "Navient's compensation policies for customer service representatives incentivized this misconduct."); Complaint at 13, Mass. v. Pa. Higher Educ. Assistance Agency, No. 1784-cv-02682 (2017) (". . . PHEAA has wrongfully held borrowers' money that it was not entitled to collect."); Complaint at 18, Wells Fargo Bank, N.A., CFPB No. 2016-CFPB-0013 (Aug. 22, 2016) at 9 (Respondent . . . maximized late fees incurred by many consumers . . .); Office of N.Y. Att'y Gen., *Attorney General James And Superintendent Vullo Announce $9 Million Settlement Of Federal Student Loan Servicing Claims With*

Acs Education Services (Jan. 4, 2019), https://ag.ny.gov/press-release/attorney-general-james-and-superintendent-vullo-announce-9-million-settlement-federal.

[14] *See, e.g.*, Complaint at 10, CFPB v. Corinthian Colleges, Inc., No. 14-4194 (N.D. Ill. 2014) (stating "Regardless of whether students were able to repay the private student loans, Corinthian would profit from the increased availability of Title IV monies."); Complaint at 26, CFPB v. ITT Educational Services, Inc., No. 1:14-cv-292 (S.D. Ind. 2014) (stating "While ITT remains profitable—it reaped approximately $59 million in net income during 2013—former ITT students, having been coerced by ITT into the ITT Private Loans, face a high likelihood of defaulting."); Bridgepoint Education, Inc., CFPB No. 2016-CFPB-0016 (Sept. 9, 2016); Complaint, California v. Ashford University, LLC, No. RG17883963 (2017); U.S. v. Educ. Mgmt. Corp., No. 07-461 (W.D. Pa. 2011); U.S. Dep't of Justice, *For-Profit College Company to Pay $95.5 Million to Settle Claims of Illegal Recruiting, Consumer Fraud and Other Violations* (Nov. 16, 2015), https://www.justice.gov/opa/pr/profit-college-company-pay-955-million-settle-claims-illegal-recruiting-consumer-fraud-and; M.D. Att'y Gen., *AG Frosh:$1.4 Million in Loans Forgiven for Nearly 1,000 Maryland Students* (Nov. 16, 2015), http://www.marylandattorneygeneral.gov/Press/2015/111615.pdf.

[15] *See, e.g.*, Complaint at 45, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2017) ("Pioneer's false promises that rehabilitation would remove all adverse information regarding the borrowers' loans from their credit reports."); Minn. Commerce Dep't, *Minnesota Commerce Department announces action against improper student loan debt collections* (Aug. 11, 2017), https://mn.gov/commerce/media/news/?id=17-307713 ("Minnesota Commerce [Department] . . . and regulators in four other states have reached a $500,000 joint settlement with two subsidiaries of iQor Holdings Inc. for improper debt collection practices, including making abusive and harassing phone calls to increase student loan payments."); Complaint at 70, Ill. v. Navient Corp., No. 17-CH-00761 (Jan. 18, 2017) (". . . ...Pioneer Credit Recovery, and General Revenue Corporation's unfair and deceptive debt collection practices."); Transworld Systems, Inc., CFPB No. 2017-CFPB-0018 (Sept. 18, 2017), https://files.consumerfinance.gov/f/documents/201709_cfpb_transworld-systems_consent-order.pdf ("In support of many of these lawsuits, [Transworld] executed affidavits that falsely claimed personal knowledge of the account records and the consumer's debt, and, in many cases, personal knowledge of the chain of assignments establishing ownership of the loans.").

[16] *See, e.g.*, Complaint at 10, Wash. v. Navient Corp., No. 17-2-01115-1 SEA (2017) ("From 2006-2007 Sallie Mae claimed 42% of the private student loan market by pursuing an unfair and deceptive subprime lending strategy of providing expensive subprime loans to vulnerable borrowers even though Sallie Mae knew many — even most — of those loans would default."); Consent Judgment, CFPB v. Nat. Collegiate Master Student Loan Trust, No. 1:17-cv-01323-UNA (Del. 2017); Discover Bank, CFPB No. 2015-CFPB-0016 (July 22, 2015), https://files.consumerfinance.gov/f/201507_cfpb_consent-order-in-the-matter-of-discover-bank-student-loan-corporation.pdf; Citibank, N.A., CFPB No. 2017-CFPB-0021 (Nov. 21, 2017), https://files.consumerfinance.gov/f/documents/cfpb_citibank-n.a._consent-order_112017.pdf.

[17] *See, e.g.*, CFPB, *CFPB Takes Action Against Aequitas Capital Management for Aiding Corinthian Colleges' Predatory Lending Scheme* (Aug. 17 2017), https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-aequitas-capital-management-aiding-corinthian-colleges-predatory-lending-scheme; Or. Dep't of Justice, *AG Rosenblum Announces $192 Million Aequitas Settlement; $2.1 Million for Oregon Students* (Aug. 17, 2017), https://www.doj.state.or.us/media-home/news-media-releases/ag-rosenblum-announces-192-million-aequitas-settlement-2-1-million-oregon-students; *see also* Charlie Eaton, Sabrina Howell & Constantine Yannelis, *When Investor*

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[18] *See, e.g.*, CFPB, *CFPB Takes Action to Shut Down Illegal Student Debt Relief Scheme* (Mar. 15, 2016), https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-shut-down-illegal-student-debt-relief-scheme; Complaint, CFPB v. IrvineWebWorks, Inc., No. 8:14-cv-1967 (C.D. Cal. 2014); Wash. Att'y Gen., *AG Ferguson Surpasses $1 Million in Student-Borrower Recoveries* (Jan. 5, 2017), https://www.atg.wa.gov/news/news-releases/ag-ferguson-surpasses-1-million-student-borrower-recoveries ("Since November 2015, Ferguson has brought lawsuits or resolved allegations against 15 out-of-state student loan adjusters for violating Washington's Debt Adjustment Act and Consumer Protection Act by charging illegal fees for debt adjusting and ignoring legal obligations to inform customers of important rights."); FTC, *FTC, State Law Enforcement Partners Announce Nationwide Crackdown on Student Loan Debt Relief Scams* (Oct. 13, 2017), https://www.ftc.gov/news-events/press-releases/2017/10/ftc-state-law-enforcement-partners-announce-nationwide-crackdown.

[19] *See, e.g.*, Complaint at 23, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2017) (stating "At the conclusion of those forbearances, Navient had added nearly four billion dollars of unpaid interest to the principal balance of their loans.").

[20] *See, e.g.*, Memorandum of Law in Support of Defendants' Motion to Dismiss at 20, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2017) (stating that "the servicer acts in the lender's interest… and there is no expectation that the servicer will 'act in the interest of the consumer.'"); *see also* Shahien Nasiripour, *Student Debt Giant Navient to Borrowers: You're on Your Own*, Bloomberg (Apr. 3, 2017), https://www.bloomberg.com/news/articles/2017-04-03/student-debt-giant-navient-to-borrowers-you-re-on-your-own.

[21] *See, e.g.*, Complaint at 10, Wash. v. Navient Corp., No. 17-2-01115-1 SEA (2017) ("From 2006-2007 Sallie Mae claimed 42% of the private student loan market by pursuing an unfair and deceptive subprime lending strategy of providing expensive subprime loans to vulnerable borrowers even though Sallie Mae knew many — even most — of those loans would default.").

[22] *See, e.g.*, CFPB, *Student banking* 9-21 (Dec. 2016), https://files.consumerfinance.gov/f/documents/2016_cfpb_student_banking_report.pdf (where the Bureau included a section on the "high cost account fees and aggressive marketing" used by banks with college-sponsored accounts.).

[23] *See, e.g.*, *Letter from CFPB Asst. Director Rohit Chopra to Google Vice President Susan Molinari* (June 22, 2015), https://www.cfpbmonitor.com/wp-content/uploads/sites/5/2015/06/Google.pdf; Kate Knibbs, *Inside the "Obama Student Loan Forgiveness" Scams*, The Ringer (Feb. 7, 2017), https://www.theringer.com/2017/2/7/16037256/inside-the-obamas-student-loan-forgiveness-scams-8112c06728d4.

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[26] *See* Elizabeth Warren, *Unsafe at Any Rate*, Sum. 2007 Democracy J. 5 (2007), https://democracyjournal.org/magazine/5/unsafe-at-any-rate/.

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[27] *See* 12 C.F.R. § 1003 (2015); 12 C.F.R. § 1026 (2013); 12 C.F.R. Part 1090 (2014).

[28] *See* 12 C.F.R. Part 1026 (2013); 12 C.F.R. Part 1090 (2012).

[29] *See* 12 C.F.R. § 1026 (2016); 12 C.F.R. § 1041 (2017).

[30] *See* 12 C.F.R. Part 1090 (2013).

[31] Stephanie Eidelman, *ED Data Shows 109% Increase in Student Loan Defaults Over Last 4 Years; Says Small Businesses Can Handle*, InsideARM (May 28, 2018), https://www.insidearm.com/news/00044012-ed-data-shows-109-increase-student-loan-de (quoting former FSA Chief Operating Officer Wayne Johnson as stating "The FSA Student Loan Program represents the equivalent of being the largest special purpose consumer bank in the world.").

[32] *See, e.g.*, CFPB, *CFPB Statement On Department of Defense Military Lending Act Final Rule* (July 21, 2015), https://www.consumerfinance.gov/about-us/newsroom/cfpb-statement-on-department-of-defense-military-lending-act-final-rule; Rohit Chopra & Holly Petraeus, *Veterans: Take advantage of student loan forgiveness, but don't let it damage your credit*, CFPB (Nov. 17, 2014), https://www.consumerfinance.gov/about-us/blog/veterans-dont-let-student-loan-forgiveness-damage-your-credit; CFPB, *CFPB Sues Nation's Largest Student Loan Company Navient Failing Borrowers at Every Stage of Repayment* (Jan. 18, 2017), https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-nations-largest-student-loan-company-navient-failing-borrowers-every-stage-repayment (...[T]he Bureau charges that Navient . . . [h]armed the credit of disabled borrowers, including severely injured veterans.").

[33] *See, e.g.*, CFPB, *CFPB Spotlights Borrower Complaints About Student Loan Servicers Mishandling Public Service Loan Forgiveness Program: Consumer Bureau Launches "Certify Your Service" Campaign to Help Teachers, First Responders, and Other Public Servants Stay on Track* (Jun. 22, 2017), https://www.consumerfinance.gov/about-us/newsroom/cfpb-spotlights-borrower-complaints-about-student-loan-servicers-mishandling-public-service-loan-forgiveness-program/.

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[37] *See* Complaint at 18, Wells Fargo Bank, N.A., CFPB No. 2016-CFPB-0013 (Aug. 22, 2016) at 9 (Respondent . . . maximized late fees incurred by many consumers . . .); Complaint, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2017); Discover Bank, CFPB No. 2015-CFPB-0016 (July 22, 2015), https://files.consumerfinance.gov/f/201507_cfpb_consent-order-in-the-matter-of-discover-bank-student-loan-corporation.pdf.

STUDENT BORROWER PROTECTION CENTER

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[47] *See* Statement of Interest of the United States, Student Loan Servicing Alliance v. Taylor, 1:18-CV-0640 (D.D.C. 2018); *but see* Brief of Amici Curiae of States of N.Y, et al., Student Loan Servicing Alliance v. Taylor, 1:18-CV-0640 (D.D.C. 2018).

[48] Section 301 of the Bipartisan Budget Act authorized the FCC to adopt rules to "restrict or limit the number and duration" of any wireless calls "to collect a debt owed to or guaranteed by the US." The FCC set forth its rules in a 2016 Report and Order, the effective date of which would have been 60 days following approval by the Office of Management and Budget. These regulations never went into effect. *See* Fed. Commc'n Comm'n, FCC 16-99, *In the Matter of Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991* (Aug. 11, 2016).

[49] *See* Alejandro Komai & Gary Richardson, *A Brief History of Regulations Regarding Financial Markets in the United States: 1789 to 2009* at 4, NBER Working Paper 17443 (Sept. 2011), https://www.nber.org/papers/w17443.pdf.

[50] Lewis v. BT Inv. Managers, Inc., 447 U.S. 27, 38 (1980).

[51] *See, e.g.*, Meta Brown & Sydnee Caldwell, *Young Student Loan Borrowers Retreat from Housing and Auto Markets*, Fed. Res. Bank of N.Y.: Liberty Street Econ. (Apr. 17, 2013), https://libertystreeteconomics.newyorkfed.org/2013/04/young-student-loan-borrowers-retreat-from-housing-and-auto-markets.html (illustrating the potential for lost asset accumulation opportunities, homeownership rates of 30-year-old student loan borrowers decreased by more than 5 percent compared with homeownership rates of 30-year-old non-borrowers); Fed. Res. Bank of N.Y., *Press Briefing On Household Debt, With Focus On Student Debt* 36–47 (Apr. 3, 2017), https://www.newyorkfed.org/medialibrary/media/press/PressBriefing-Household-Student-Debt-April32017.pdf (finding that college attendees with student debt have lower homeownership rates than college attendees without student debt and that higher debt balances are associated with lower home ownership rates).

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[54] *See, e.g.*, Brent W. Ambrose et al., *The Impact of Student Loan Debt on Small Business Formation* (Mar. 31, 2014), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2417676; Brandon Busteed, *Student Loan Debt: Major Barrier to Entrepreneurship*, Gallup (Oct. 14, 2015), https://news.gallup.com/businessjournal/186179/student-loan-debt-major-barrier-entrepreneurship.aspx.

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[56] *See, e.g.*, Meta Brown & Sydnee Caldwell, *Young Student Loan Borrowers Retreat from Housing and Auto Markets*, *supra* note 28; *see generally* William Elliot & Melinda Lewis, *Student Debt Effects on Financial Well-Being: Research and Policy Implications*, 29 J. Econ. Surveys 614 (2015), http://onlinelibrary.wiley.com/doi/10.1111/joes.12124/full (finding that student loan debt can delay asset accumulation for years and can decrease a family's net worth by 63 percent).

[57] *See* Richard Fry, *Young Adults, Student Debt, and Economic Well Being* (2014), http://www.pewsocialtrends.org/2014/05/14/young-adults-student-debt-and-economic-well-being/ ("showing that millennials who incur debt after graduation have an average net worth of seven times less than that of their non-indebted counterparts. Millennials with no debt when graduating have an average net worth of $64,700, while millennials graduating with student debt have only $8,700 on average."). Additional research shows that an average student debt load ($53,000) for a dual-headed household with bachelor's degrees from four-year universities leads to a wealth loss of nearly $208,000. Robert Hiltonsmith, *At What Cost? How Student Debt Reduces Lifetime Wealth* (2013), http://www.demos.org/sites/default/files/imce/AtWhatCostFinal.pdf; Fed. Res. Bank of Bos., Daniel Cooper & J. Christina Wang, *Student Loan Debt and Economic Outcomes* (2014),

https://www.bostonfed.org/-/media/Documents/Workingpapers/PDF/economic/cpp1407.pdf. Furthermore, women and borrowers of color are disproportionately affected by student debt. *See* American Association of University Women, *Women's Student Debt Crisis in the United States*, http://www.aauw.org/research/deeper-in-debt (showing that on average, women have higher student loan balances than men); CFPB, *The significant impact of student debt on communities of color* (Sep. 15, 2016), https://www.consumerfinance.gov/about-us/blog/significant-impact-student-debt-communities-color ("Student loan borrowers of color are more likely to attend for-profit colleges and face unique obstacles while completing a degree. Data shows that over 90 percent of African-American and 72 percent of Latino students leave college with student loan debt, compared to 66 percent of white students and 51 percent of Asian-American students. Upon entering repayment, research suggests higher rates of student loan defaults and delinquencies in zip codes populated primarily by minorities with higher income levels and education."); Emily Rauscher & William Elliott, *The Relationship between Income and Net Worth: A Virtuous Cycle for High but Not Low Income Households*, Journal of Poverty 20(4): 380-395 (2016) (finding that a college graduate with an extra $10,000 in student loans will achieve the nation's median net worth 26 percent slower than a college graduate without that debt , and concluding that financing higher education through student loans can put college graduates who begin school with few assets even further behind their wealthier peers.).

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[64] *See* U.S. Census Bureau, *QuickFacts: California* (2018), https://www.census.gov/quickfacts/ca.

[65] A.B. 2251, 2015-16 Sess. (Cal. 2016).

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[71] Christopher Peterson & Steve Graves, *Predatory Lending and the Military: The Law and Geography of 'Payday' Loans in Military Towns*, 66 Ohio State L. J. 653 (2005).

[72] *See, e.g.*, CFPB, *CFPB Takes Action Against NewDay Financial for Deceptive Mortgage Advertising and Kickbacks* (Feb. 10, 2015), https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-newday-financial-for-deceptive-mortgage-advertising-and-kickbacks/; Office of Sen. Elizabeth Warren, *Senator Warren Raises Concerns About Aggressive and Misleading Marketing of VA Refinance Mortgages, Urges Ginnie Mae to Work with Her and Other Agencies to Crack Down on Abuses* (Sept. 6, 2017), https://www.warren.senate.gov/oversight/letters/senator-warren-raises-concerns-about-aggressive-and-misleading-marketing-of-va-refinance-mortgages-urges-ginnie-mae-to-work-with-her-and-other-agencies-to-crack-down-on-abuses.

[73] *See, e.g.*, David Lazarus, *'Pension advance' company is unmasked*, Los Angeles Times (Mar., 14, 2017), 'Mhttps://www.latimes.com/business/lazarus/la-fi-lazarus-cfpb-future-income-payments-20170317-story.html; Joel Hoffmann, *Companies target military pensions*, The San Diego Tribune (Nov. 3, 2014), https://www.sandiegouniontribune.com/news/watchdog/sdut-military-pension-advances-predatory-lending-2014nov03-htmlstory.html; Nora Dowd Eisenhower & Holly Petraeus, *Consumer advisory: 3 pension advance traps to avoid*, CFPB (Mar. 16, 2015), https://www.consumerfinance.gov/about-us/blog/consumer-advisory-3-pension-advance-traps-to-avoid; Cal. Att'y Gen. Xavier Becerra, *Attorney General Xavier Becerra Sues For-Profit Ashford University for Defrauding and Deceiving Students* (Nov. 29, 2017), https://oag.ca.gov/news/press-releases/attorney-general-xavier-becerra-sues-profit-ashford-university-defrauding-and ("Ashford University preyed on veterans and people of modest means.").

[74] *See* Fed. Res. Bank of N.Y., *Quarterly Report on Household Debt and Credit, 2018:Q4* (Feb. 2019), https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2018Q4.pdf.

[75] *See* CFPB, https://www.consumerfinance.gov (last visited Mar. 2, 2019) (stating that the CFPB has handled "1.5 million+ complaints . . . from consumers").

[76] *See generally* CFPB, *Written Testimony of Rohit Chopra before the Committee on the Budget* (June 4, 2014), https://www.consumerfinance.gov/about-us/newsroom/written-testimony-of-rohit-chopra-before-the-committee-on-the-budget/.

[77] As of December 2018, there were 215,877 active duty and national guard/reserve military personnel in California. *See* U.S. Dep't of Defense, Number of Military and DoD Appropriated Fund (APF) Civilian Personnel Permanently Assigned (Dec. 31, 2018), https://www.dmdc.osd.mil/appj/dwp/rest/download?fileName=DMDC_Website_Location_Report_1812.xlsx&groupName=milRegionCountry. As of 2016, there were more than 1.78 million veterans living in California. *See* U.S. Dep't of Veterans Affairs, *Table 6L: Vetpop2016 Living Veterans By State, Age Group, Gender, 2015-2045* (2016), https://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/6L_VetPop2016_State.xlsx. According to the 2017 Census, there were more than 7.2 million senior citizens (60+) in California. *See* U.S. Census Bureau, *American Fact Finder:* Population 60 Years and Over in The United States (2017), https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S0102&prodType=table. According to a 2018 CFPB report, there are more than 5 million "credit constrained" individuals in California. *See* CFPB, California Cmty. Credit Profile (Aug. 31, 2018), https://files.consumerfinance.gov/f/documents/bcfp_credit-profiles_california.pdf.

[78] *See* CFPB, *Consumer Financial Protection Bureau Fines Wells Fargo $100 Million Widespread Illegal Practice of Secretly Opening Unauthorized Accounts* (Sept. 8, 2016), https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/.

[79] *See, e.g.*, Complaint at 23, CFPB v. Navient Corp., No. 3:17-cv-00101-RDM (M.D. Pa. 2017) (stating "At the conclusion of those forbearances, Navient had added nearly four billion dollars of unpaid interest to the principal balance of their loans.").

[80] *See, e.g.*, Consumer Reports, *Prof. Elizabeth Warren on why we need the CFPB, Part 1* (Aug. 12, 2009), https://www.consumerreports.org/cro/news/2009/08/prof-elizabeth-warren-on-why-we-need-the-cfpa-part-1/index.htm ("A Consumer Financial Protection Agency will bring complex and sometimes contradictory consumer regulations under one roof and transform them into a coherent set of smarter rules. The CFPA would put someone in Washington—someone with real power—who cares about consumers and has expertise on consumer finance issues. This will help steer us out of the current crisis and also prevent future crises.").

[81] 12 U.S.C. § 1002(12).

[82] *See also* A.B. 3212, 2017-18 Sess. (Cal. 2018).