



Fact Sheet: The CFPB Protects Student Loan Borrowers and Holds Bad Actors Accountable

The Consumer Financial Protection Bureau (CFPB), created in the devastating wake of the 2008 financial crisis, is an independent agency that enforces consumer protection laws and protects people from financial companies engaged in unfair, deceptive, and abusive practices. Since its creation, the CFPB has already obtained over [\\$21 billion in relief](#) for over 205 million people from companies that cheated and violated the law—including more than \$5 billion in relief for Americans with student debt. The CFPB also levels the playing field between companies that treat workers and families fairly and those that do not. It's no wonder the CFPB's work is [broadly popular](#) among both Democrat and Republican voters, and the agency has received support across [many different sectors of the country](#).

Not surprisingly, companies that have been forced to return money to our pocketbooks are angry and have continued trying to attack the CFPB and undermine its consumer protection work. **Congress must [reject calls](#) to weaken the CFPB.**

The CFPB has taken actions to provide relief to student loan borrowers who have been cheated and to hold institutions, private student loan companies, and student loan servicers accountable:

- **Permanently banned student loan servicer [Navient](#) for its years of failures and lawbreaking in the student loan market.** The CFPB found that Navient failed borrowers at every stage of repayment by steering borrowers away from more affordable repayment options, allowing interest charges to rack up and pushing millions of Americans further into debt. Navient was required to pay a \$20 million penalty and provide \$100 million in redress for harmed borrowers.
- **Secured more than \$1 billion in debt relief for students misled by former for-profit giants like [Corinthian Colleges](#), [ITT Tech](#), and [Ashford University](#).** The CFPB found that these schools lured tens of thousands of students to take out high-cost private student loans destined to default, and then targeted them with aggressive debt collection tactics. Consumer complaints and evidence uncovered in these CFPB enforcement actions led to the U.S. Department of Education, other federal regulators, and a group of bipartisan state attorneys general taking additional action against these schools and [providing an additional \\$4.5 billion](#) more in debt relief for 261,000 former students.
- **Saved more than [100,000 military borrowers](#) tens of millions of dollars in interest payments.** After receiving complaints from these military borrowers, the CFPB shared its findings with the Department of Justice and the Federal Deposit Insurance Corporation who then took enforcement action to return \$60 million to 77,000 servicemembers who were overcharged by Sallie Mae.



- **Ordered big banks—including [Wells Fargo](#), [Citibank](#), and [Discover](#)—to pay \$30.15 million in redress to student loan borrowers and more than \$33.8 million in penalties for engaging in illegal servicing practices.** The CFPB has caught big banks charging consumers illegal fees and engaging in illegal debt collection tactics. These actions have strengthened the student loan repayment process for millions of borrowers.
- **Sued the [National Collegiate Student Loan Trusts](#) for unlawfully filing debt collection lawsuits against private student loan borrowers, returning \$2.25 million in redress for these borrowers.** The CFPB found that the National Collegiate Student Loan Trusts sued borrowers for debts they couldn't prove these borrowers owed, filed false and misleading affidavits against these borrowers, and attempted to collect on these debts after the statute of limitations expired.
- **Filed a lawsuit against the [Pennsylvania Higher Education Assistance Agency \(PHEAA\)](#) for illegally collecting on student loans that had been discharged in bankruptcy and sending false information about consumers to credit reporting agencies.** The CFPB alleged that PHEAA harmed borrowers by not tracking when their loans had been discharged via bankruptcy and falsely telling borrowers they still owed payments on discharged loans. The company also collected on and furnished inaccurate information about these discharged loans.

Since its creation, the CFPB has received more than 100,000 complaints from student loan borrowers, which have spurred federal and state regulator actions that have provided more billions in relief for Americans with student debt. But the CFPB continues to be targeted by companies that engage in abusive practices, extract billions in junk fees from everyday people, and are now trying to [“delete” the CFPB](#).

Congress must support the CFPB’s work to protect everyday Americans and create a fair financial marketplace.

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About Student Borrower Protection Center

[Student Borrower Protection Center \(SBPC\)](#) is a nonprofit organization focused on eliminating the burden of student debt for millions of Americans. We engage in advocacy, policymaking, and litigation strategy to rein in industry abuses, protect borrowers’ rights, and advance racial and economic justice.

Learn more at protectborrowers.org or follow SBPC on Twitter [@theSBPC](#).