

Appendix: The Student Loan Companies Driving the System Today

The U.S. Department of Education (the Department) pays more than a billion dollars every year to a network of private companies known as student loan servicers. These companies are responsible for the day-to-day tasks of managing the federal student loan portfolio, including assisting borrowers in selecting repayment plans, applying for employment-specific programs, and preventing borrowers from defaulting on their student loans.

In June 2020, the Department's Office of Federal Student Aid awarded contracts for Business Process Operations (BPO) services to five vendors: EdFinancial, a former NFP servicer; F.H. Cann, a debt collection agency formerly under contract with FSA; Maximus, a longtime vendor of FSA used for managing and collecting defaulted loans; MOHELA, a former NFP servicer; and Trellis, a guaranty agency based out of Texas. On the day prior to FSA's go-live date for the BPO work, Trellis backed out of the contract. BPO servicers are responsible for managing the Department's inbound call centers when borrowers reach out with questions, and servicing borrowers accounts when they apply for a "specialty program," such as Public Service Loan Forgiveness or disability discharge, by reviewing and processing these applications

Then in April 2023, the Department awarded the new USDS servicing contracts to five companies: Central Research, Inc. (CRI), a collection agency formerly under contract with FSA; EdFinancial; Maximus; MOHELA; and Nelnet. These servicers manage the day-to-day aspect of a borrower's account, including sending monthly bills, processing payments, and managing interest adjustments.

THE NEXTGEN FUNCTIONS OF SERVICERS

BUSINESS PROCESS OPERATIONS (BPO):



THESE CONTRACTORS ACT ON BEHALF OF THE DEPARTMENT UNDER ITS FSA BRAND OF NEXTGEN BY:

- Operating contact centers to answer borrower questions, including calls, chat sessions, and email exchanges
 - Manually processing applications for specialty programs, such as PSLF, TPD, TEACH
- Handling complaints with borrowers, including “feedback” and “dispute” cases with the FSA Ombudsman office

UNIFIED SERVICING AND DATA SOLUTION (USDS):



THESE CONTRACTORS MANAGE DAY-TO-DAY ASPECT OF NEXTGEN, INCLUDING BY:

- Issuing monthly bills and payment processing
- Operating in-house contact centers
- Handling payment plan applications
- Enacting interest adjustments

IN ADDITION TO THE ABOVE CONTRACTORS, FSA HAS TWO ADDITIONAL CONTRACTORS THAT ENGAGE IN REGULAR SERVICING AND COLLECTIONS WORK THAT OPERATE UNDER THE FSA BRAND:



- Handling mass communications with borrowers, such as notifying them of the outcome of their processed applications and changes to repayment plans
- Supporting origination of Direct Loans
- Maintaining StudentAid.gov
- Operating the Department’s Customer Relationship Management (CRM) system



- Maintaining DCMS platform
- Handling all account maintenance for borrowers in default
- Managing garnishment hearings
- Referring accounts for Treasury Offset Program

GCR SERVICING GROUP, A SPINOFF OF CRI, IS THE SOLE SERVICER OF THE LEGACY PERKINS LOAN PORTFOLIO. THIS PORTFOLIO IS NOT PART OF THE NEXTGEN PLATFORM, BUT IS INCLUDED HERE DUE TO ITS NATURE AS A SERVICER, WHICH INCLUDES:



- Performing default aversion
- Managing monthly bill payment
- Operating contact centers to answer borrower questions, including phone calls, chat, text, and email
- Processing Federal Perkins Loan Cancellation and Discharge

For decades, student loan borrowers have faced widespread and serious harms by student loan servicers, including guiding borrowers into programs that cost borrowers billions of dollars in unnecessary interest charges when they were eligible for affordable repayment plans and misleading borrowers about debt relief options. And despite promises from Department officials that NextGen would deliver a new era in servicing standards and accountability for borrowers, little has changed as they continue to experience billing errors, improper denials for loan forgiveness, and extended wait times when they call their servicer to address problems as they arise. This should not come as a surprise: the Department contracted with the same companies that committed decades of borrower harm.

Without addressing the role that these student loan servicers play in driving up the costs on families struggling to repay their student loans—and the student loan default crisis that arises as a result—the burden imposed by student debt will continue to only make it harder for families to stay afloat.

The following overview of these companies was compiled using government and congressional oversight reports, the final U.S. Department of Education [servicer performance reports](#) and servicer specific data, and the [“Annual Servicer Activity Reports”](#) published by the District of Columbia Student Loan Ombudsman. To build a more comprehensive review of these companies and their practices, we encourage other state enforcers and student loan ombudsman's to make company complaints and performance reports publicly available.

EdFinancial Services

EdFinancial Services is a Tennessee-based company that provides student loan servicing, default prevention, and cohort default management services, among other financial services. EdFinancial has held a federal Direct Loan servicing contract since 2012, when it received a no-bid NFP contract from the Department. The Department later awarded EdFinancial both USDS and BPO contracts as part of its NextGen Initiative.

EdFinancial By the Numbers

- **6.9 million borrower accounts** serviced under its USDS contract, as of December 31, 2025.
- **\$216 billion in federal student loan debt** managed under its USDS contract, as of December 31, 2025.
- **\$827 million in payments** received from the Department since the start of NextGen (2022).
- **426,260 borrowers** serviced by EdFinancial are at least three payments behind, as of December 31, 2025.
- **417,187 borrowers** serviced by EdFinancial defaulted on their loans in 2025.
- **76,009 EdFinancial accounts** flagged for servicing errors; only 1,480 affected borrowers were notified.
- **17,020 complaints** filed against EdFinancial by borrowers in 2025.
- **15,370 billing notices** sent with incorrect information by EdFinancial during Return to Repayment.
- **\$161,000 in payments** withheld by the Department as a penalty for EdFinancial's servicing misconduct.
- **63-out-of-100** in customer satisfaction, effectively scoring a D grade in customer service interactions.
- **2nd-highest** call abandonment rate among the Department's contracted servicers.
- **Maximum financial penalty enforced against EdFinancial** for its customer service timeliness, including processing repayment plan applications, account status changes, and certain loan discharges, following the last servicer loan performance review.
- **\$1 million penalty** issued by the CFPB for EdFinancial "routinely and systematically" misleading borrowers about repayment and forgiveness options.

Maximus/Aidvantage

Maximus is the largest student loan servicing company in the world, operating under multiple brands and subsidiaries across every stage of the federal student loan lifecycle. As the Default Resolution Group (DRG), Maximus serves as the Department's "default servicer," managing all aspects of account management after a borrower defaults and is the sole vendor contracted to operate the Department's Debt Management Collection System (DMCS), the central servicing platform for defaulted borrowers. Under the Aidvantage brand, Maximus services borrowers not in default. Notably, Maximus is the only company to hold all three types of NextGen contracts—BPO, USDS, and default recovery—making it virtually unavoidable for federal student loan borrowers.

Maximus/Aidvantage By the Numbers

- **9.85 million accounts** serviced under its USDS contract, as of December 31, 2025.
- **\$363.2 billion in federal student loan debt** managed under its USDS contract, as of December 31, 2025.
- **9 million accounts** in default serviced under its DMCS contract, as of December 31, 2025.
- **\$202.6 billion in defaulted student debt** serviced under its DMCS contract, as of December 31, 2025.
- **\$1.2 billion in payments** from the Department of Education since 2013.
- **1.3 million** serviced by Maximus (d/b/a Aidvantage) are at least three payments behind, as of December 31, 2025.
- **591,000+** borrowers serviced by Maximus (d/b/a Aidvantage) defaulted on their loans in 2025.
- **61-out-of-100** in customer satisfaction—the third worst score among the Department's contracted servicers.
- **14,266 complaints** filed against Maximus by borrowers in 2025.
- **\$2 million in payments withheld** from Maximus in 2024 for failing to send timely bills to hundreds of thousands of borrowers.
- **1,930 borrowers with wages illegally garnished** by Maximus during the COVID-19 federal payment pause.

Nelnet

Nelnet is a massive financial services firm engaging in student loan servicing, payment processing, video-learning technology, fringe benefit services, student loan refinancing, and banking services, among other things. It has been under contract with the Department since 2009, first as a TIVAS (and ultimately buying another TIVAS, Great Lakes), and then as a USDS servicer. In 2020, Nelnet lost its bid to become a BPO servicer. It remains the only USDS servicer to operate its own proprietary servicing platform.

Nelnet By the Numbers

- **12.48 million** federal student loan accounts, borrower accounts serviced as a USDS servicer, as of December 31, 2025.
- **\$480.5 billion** in federal student loan debt managed as a USDS servicer, as of December 31, 2025.
- **\$3.1 billion** in payments received from the Department of Education since 2009.
- **979,316 borrowers** serviced by Nelnet are at least three payments behind, as of December 31, 2025.
- **881,270 borrowers** serviced by Nelnet defaulted on their loans in 2025.
- **75,697 complaints** submitted by borrowers against Nelnet in 2025.
- **56-out-of-100** in customer satisfaction—the second worst score among the Department's contracted servicers and fails to meet the Department's servicing standards.
- **Maximum financial penalty enforced against Nelnet** for its customer service timeliness, including processing repayment plan applications, account status changes, and certain loan discharges, following the last servicer loan performance review.
- **\$13,000 in payments** withheld by the Department of Education from Nelnet for failing to send timely bills to borrowers.
- **\$1.8 million fine** imposed by the Massachusetts Attorney General stemming from Nelnet's failure to keep borrowers in affordable repayment plans, resulting in borrowers losing progress towards loan forgiveness and their balances ballooning.
- **1.4 million** duplicate student loan records appeared on borrower credit reports due to a botched transfer of student loans from MOHELA to Nelnet.

MOHELA

The Higher Education Loan Authority of the State of Missouri (MOHELA) was created by the Missouri legislature to offer loans to Missouri students, though it operates as a "quasi-governmental entity" empowered to act independently of the State. Starting as a small nonprofit servicer with the Department in 2011, MOHELA has grown into a servicing giant now operating under both the BPO and USDS contracts. Its portfolio has since expanded well beyond its original mandate to include income-share agreement account management and consumer loan servicing. In April 2024, MOHELA was the sole topic of a Senate Banking Committee oversight hearing on its performance as a servicer.

MOHELA By the Numbers

- **7 million** federal accounts borrower accounts serviced as a USDS servicer, as of December 31, 2025.
- **\$318.5 billion** in federal student loan debt managed as a USDS servicer, as of December 31, 2025.
- **\$1.54 billion** in payments from the Department of Education since 2011.
- **347,963** of these borrowers are at least three payments behind.
- **75,821** borrowers serviced by MOHELA defaulted last year.
- **41,364 complaints** submitted by borrowers against MOHELA in 2025.
- **280,000 borrowers** issued incorrect billing notices by MOHELA during Return to Repayment.
- **50-out-of-100** in customer satisfaction—the worst score among the Department's contracted servicers and fails to meet the Department's servicing standards.
- **Worst average speed to answer time**, with borrowers waiting more than 13 minutes for an answer.
- **Worst abandoned call rate**, with 14 percent of borrowers calling MOHELA giving up before talking to a call center representative.
- **Maximum financial penalty enforced against MOHELA** for its customer service timeliness, including processing repayment plan applications, account status changes, and certain loan discharges, following the last servicer loan performance review.
- **\$7.3 million in payments** withheld by the Department of Education for failing to send monthly student loan bills to 2.5 million borrowers, resulting in 800,000 borrowers missing a monthly payment.

- **1 million** borrowers' accounts transferred away from MOHELA after the company admitted its inability to properly service borrower accounts.
- In October 2024, the Department announced it would temporarily stop assigning new borrower accounts to MOHELA due to its errors in handling accounts, including the failure to process **more than 460,000 applications** for a popular repayment plan that could have saved borrowers money.

Accenture Federal Services

Accenture Federal Services (Accenture) is a Fortune 500 consulting company and has been a contractor for the Department since at least 2001, when it won a five-year, \$193 million agreement to develop a system to support the origination and disbursement of federal student loans. Accenture now operates under multiple contracts with the Department, and within its central role in the federal student loan system the company regularly sends important electronic messages to borrowers under the branding of the Department's Office of Federal Student Aid. Borrowers reasonably rely on the information contained in these missives to plan for, and manage household finances related to, the repayment of their debts.

Despite Accenture's size as a student loan company and the danger it evidently poses to millions of student loan borrowers, regulators have shied away for years from scrutinizing the firm and its operations in the way that they do for other student loan companies.

Accenture By the Numbers

- **\$2.6 billion** in payments from the Department of Education since 2015.
- **40+ million borrower accounts** touched by Accenture as the primary vendor managing StudentAid.gov, under its USDS contract, as of December 31, 2025.
- **19 categories of data** collected by Accenture as the primary vendor for the National Student Loan Data System.
- **9 million** federal student loan borrowers received erroneous emails from Accenture with false promises of debt relief
- **17 states** in which Accenture refuses to become licensed as a student loan servicer.
- **41 borrowers** failed to receive notices required by the Sweet v. McMahon lawsuit due to errors in Accenture's management of borrower data.

New(ish) Servicers

Not every company now servicing federal student loans came to the role with servicing experience. As the Department reshuffled its contractor ecosystem under the NextGen initiative, it elevated two firms whose experience lies not in managing borrower accounts but in collecting on defaulted debt: F.H. Cann & Associates and Central Research, Inc. (CRI). Both built their federal track records as private collection agencies: F.H. Cann & Associates began its student loan collections work in 2014, and CRI as a debt collector for the Department starting around 2015. Both have since been entrusted with front-end, borrower-facing responsibilities they had never before held.

When the Department awarded CRI a USDS servicing contract in April 2023, consumer advocates flagged it as the only one of the five USDS servicers with no prior experience servicing federal student loans. F.H. Cann & Associates, meanwhile, moved from collections into a NextGen BPO contract in 2020, thereby embedding a debt collector inside the borrower-facing system without ever appearing on it as a named prime servicer. As a result, the servicing apparatus is increasingly staffed by companies trained to collect at all costs, rather than assist borrowers as they navigate a rapidly changing and complex repayment system.

Central Research, Inc

Central Research, Inc (CRI) first worked for the Department as a private collection agency, collecting on defaulted federal student loans. CRI has been sued several times for “violating consumer’s rights and [using] illegal and harassing communication tactics to attempt to coerce a payment from the harassed consumer.”

CRI By the Numbers

- **2.97 million** federal student loan accounts serviced as of December 31, 2025.
- **\$53 billion** in student debt managed as of December 31, 2025.
- **\$424 million** in payments from the Department of Education since 2015.
- **392,368** of these borrowers are at least 3 payments behind.
- **2,607** borrowers serviced by CRI defaulted last year.
- **1,822 complaints** submitted by borrowers against CRI in 2025.

F.H. Cann & Associates

F.H. Cann (FHC) is a Massachusetts-based company that launched as a debt collector in 1999. In 2014, F.H. Cann secured a contract with the Department to collect on defaulted student loans. Since 2016 the company has received \$358 million in payments from the Department.

In June 2020, the Department announced that FHC had been awarded a BPO servicing contract. In addition to this contract, both Maximus and MOHELA have subcontracted work under their USDS contracts to FHC.