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ATTORNEY GENERAL MADIGAN DEMANDS U.S. EDUCATION SECRETARY DEVOS REJECT STUDENT LOAN SERVICING INDUSTRY'S DEMAND FOR IMMUNITY FROM STATE LAW OVERSIGHT AND ENFORCEMENT

Madigan & Officials from 25 States Oppose Improper Industry Attempt to Sideline State Regulators amid Student Loan Crisis

Chicago — Attorney General Lisa Madigan, along with a bipartisan coalition of attorneys general and officials representing 25 states, sent a letter to U.S. Education Secretary Betsy DeVos urging the Department of Education to reject the campaign by student loan servicers and debt collectors to dismantle state oversight of the student loan industry. In recent years, Madigan's investigations have revealed significant, far-reaching problems in both the student loan and for-profit school industries. As a result, Madigan has won settlements returning more than \$30 million dollars in relief to struggling Illinois student borrowers.

In response to recent investigations and lawsuits specific to student loan servicing, leading industry groups have begun lobbying the Department to block or "preempt" state-led efforts to combat ongoing abuses by these industries. As Madigan and the other attorneys general explain in the letter, the Department lacks the legal authority to block state oversight and any attempt to sideline effective state oversight amid the mounting student loan crisis would only put students and borrowers further at risk.

"My office has been fighting tirelessly for student borrowers who have been defrauded," Madigan said. "The industries that fraudulently put and keep millions of Americans in debt and then refuse to help them pay it off must be held accountable. Since the Department of Education refuses to enforce the law, I will continue to use all the tools in my legal arsenal to help students, their families and our economy attain the benefits of higher education."

Madigan and the other attorneys general explain in their letter that the industry demands would undermine *"the well-established role of states in protecting their residents from fraudulent and abusive practices, plainly exceed the scope of the Department's lawful administrative authority, and would needlessly harm the students and borrowers at the core of the Department's mission."*

Additionally, the attorneys general point out that *"state enforcement agencies have long been at the frontlines in protecting their citizens from fraud, deceptive conduct, and unfair business practices, including by financial service companies, debt collectors, and others."*

Earlier this year, Attorney General Madigan sued Navient, one of the country's largest student loan servicing companies, after her investigation of the company revealed widespread abuses and failures by the student loan industry to provide student loan borrowers with accurate information.

Joining Madigan in sending the letter are the attorneys general and other top state officials of: California, Colorado, Connecticut, Delaware, Hawaii, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Maryland, Maine, Minnesota, Montana, New York, North Carolina, Oregon, Rhode Island, Tennessee, Texas, Virginia, Vermont, Washington and the District of the Columbia.

A copy of the letter can be found [here](#).

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