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## Our student loan complaint system is open for business

BY [ROHIT CHOPRA](#)

Since we opened our doors, student loan borrowers have told us about some of the frustrations they sometimes face with their lenders, servicers, and debt collectors. Borrowing for college should be the best investment you'll make, but for many Americans, paying off those student loans is a real challenge.

For several years, federal student loan borrowers have had the [Department of Education's Federal Student Aid Ombudsman](#) to help bring their concerns to financial institutions. But for millions of students and their families, federal student loans don't cover the full cost of college and they need private student loans to make ends meet.

However, private student loans – which don't always carry the same consumer protections as federal student loans – have been overseen by a patchwork of government agencies. In the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress established an Ombudsman for private student loans within the Consumer Financial Protection Bureau to assist borrowers with private student loan complaints. This means a single federal agency is now responsible for watching out for all students and families who choose to borrow private student loans.

Today, we are open for business and [ready to hear from you](#). To ask a question, file a complaint, or share your story: go to [www.consumerfinance.gov/complaint](http://www.consumerfinance.gov/complaint) or call our toll-free number at 1-855-411-CFPB.

If you file a complaint, we'll work with your lender or servicer to get a response. While we certainly can't make your debt disappear, we can help bring your concern to your financial institution's attention. If you don't have a specific complaint or question, but want to tell us what is – or is not – working in the student loan market, we invite you to [tell your story](#).

And while the Consumer Bureau has only been open for a short time, we've been hard at work to gather the facts and provide tools to help you make good decisions about student loans. We launched an online tool, the [Student Debt Repayment Assistant](#), to help you navigate the maze of student loan repayment options. We also launched [Know Before You Owe: student loans](#) and worked with the Department of Education to develop a draft "financial aid shopping sheet" for schools to improve the student loan information they give to students.

Our team at the Bureau will keep working to give you the tools and the information to make sound financial decisions on student debt – and to figure out your options in case things don't go according to plan. These days, we all seem to know someone having a tough time with their student loans, so share this new resource by e-mail, Twitter, and Facebook (just use one of the buttons below). With your participation, we can help make the student loan market work better for all of us.

*Rohit Chopra is the CFPB's student loan ombudsman.*


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**Gitanobravowwf**

I do not think it's fair that our government gave a PRIVATE Lender of student loans that are not FEDERALLY BACKED take away bankruptcy protection when they are unsecured loans just like any other type of unsecured debt! Sallie Mae does not offer IBR repayment but has all the protection Federally back loans have and that has caused serious rise in Defaults and monthly payments. They are predatory lenders and though I advocate for bankruptcy protection to be returned to ALL STUDENT LOANS at least they should be returned to private ones



**Grads For Reform**

Thank you for allowing us to voice our concerns regarding this important issue. These predatory lenders are proving to be so detrimental to our financial futures and are actively destroying the American dream. I hope many struggling borrowers can find relief because of your new system. Thank you.



**Charlie Kent**

This is a great forum to help straighten out the confusing jargon, rules, and regulations of Student Loans. I hope this forum will help alleviate a lot of the stress we deal with on a daily basis!!! This is a GREAT IDEA!!!



**Dparfitt**

As families, with kids who we have co-signed for private and Federal Loans, we seriously need help! Especially with private loans! With the interest rates we seem to never be able to get ahead of the debt! And they are going to go up again this July! If we don't help our kids their future looks bleak, but we can only be able to do this for so long. I am 70 and my wife is almost 60. They may never be able to afford a house and may have difficulty being able to start a family. The college degrees they have, have not led to jobs that will even begin to help them pay back their loans! Unfortunately, access to bankruptcy proceedings may be their only hope!?



**mid Brow**

This is sad, having loans through Sallie Mae should mean they are public loans. I have loans with American Education Services, I'm frustrated with the lack of help available for public loans. I have contacted Department of Education, received generic form replies, and passing the buck to Congress about interest rates and oversight of predator lending companies. I feel all the student loans, parent plus loans, both public and private, should be geared back to 0% and see how fast the system changes to help the borrower achieve their higher education dreams instead of being burdened with life-time debt for a worthless piece of paper.



**Nettlekl191**

I don't understand how we can bail banks out and lend money at 0%. but my loans are 6.8%? Its insane and the economy is going to tank because of it.



**Jennifer Rash**

I found a book at the library one time called "A pictorial history of the Mafia". While reading it - simply for the sake of curiosity - I found that the description of loan sharks fits Sallie Mae like a second skin. The only difference is, when the loans default, Sallie Mae doesn't go around shooting the people that took out the loans, they simply murder them financially for generations to come. Yes, I'm one such victim of Sallie Mae's loan sharking. Even worse is the school I chose wasn't worth the loans. I couldn't find any potential employer that would accept the degree I was trying to earn and the credits are non-transferable. Tell me, how was I expected to pay back loans with a degree that isn't recognized anywhere or transfer credits for a higher degree elsewhere to earn more?

Is it just me, or does it seem like the Mafia's made their once illegal activities legal and moved into Washington?



**Jacqueline Brown**

I honestly don't know HOW these people SLEEP at night!



**Joanmarie**

I am grateful President Obama made the recess appointment to get this long overdue, consumer friendly web site up and running. I most certainly hope that this site becomes a true consumer venue, to never allow the past atrocities of this predatory lending system to manifest itself to the degree it has, again. I urge the new Director, and all those involved to please work diligently for the consumers and help them rectify some of the injustices of misinformation, disinformation, misguidance, avoidance, imparted upon them by legislators, lenders, and the Dept. of Education. I certainly hope, as a retired college Prof, aware of the malfeasance of the educational bureaucracy, lending and legislative bureaucracy of the past 25 years, this is the beginning of a new era of genuine openness, justice and fairness for American Consumers, and not another band aid, that does not find solutions and prevent injustices to continue. Thank you, and I wish much success to this new Consumer advocacy group.



**Drtlede**

I have a problem with spousal consolidated student loans. Prior to July 06, this was acceptable, and for husband and wife a great idea. Downfall, what about divorce or death. No one goes into a marriage with those thoughts, but now you need to. I am locked into dealing my loan debt with my ex husband for 72 months now, and we were only married 14months!!! we cant split them up not even 50/50. So if he or I dont follow protocol, then we are in jeopardy of loosing everything, including the license to practice. Combined we are at \$405,000.00 !! HELP



**tsylvain**

I am also very happy to see this new government initiative. I hope it is a sign that the student loan industry will finally be held accountable for stacking the deck against student debtors. I would like to offer the following suggestions:

1. Please find a way to help people who are already in repayment. The enhancements to the IBR plan that Obama signed into law late last year don't apply to me or to many other student loan debtors. If there is going to be any kind of loan forgiveness, make sure that it gives people credit for what they have already paid. In other words, if people are going to have their loan debt forgiven after 20 years repayment, don't start the clock from 2012 forward. This leaves middle-aged debtors like me in the same bind we were in.
2. Require that Sallie Mae and other lenders provide detailed information to their debtors (they currently do not do so). Require them also to treat people with respect and at the very least follow the same lending and debt collecting laws that apply to banks and collection agencies.
3. Create incentives for lenders to help debtors avoid going into default. I understand from what I have read (and I've done a lot of

research on this subject) that there is actually a perverse incentive in place now, meaning that Sallie Mae makes more if their customers default than if they pay on time. Something seriously needs to change if that is the case.

4. Set fair limits on interest rates.
5. Reinstate bankruptcy protections.

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