

Kathy Kraninger's CFPB Hired A Former Student Loan Servicer Executive To Serve As The Bureau's Private Education Loan Ombudsman

In August 2019, Kathy Kraninger Hired Robert Cameron To Serve As CFPB Private Education Loan Ombudsman – Cameron Previously Worked For The Pennsylvania Higher Education Assistance Agency (PHEAA), A Troubled Federal Student Loan Servicer That Is Accused Of “Derailing Hundreds Of Public-Sector Workers From Receiving Student Loan Forgiveness.”

In August 2019, Robert G. Cameron Was Named The Consumer Financial Protection Bureau’s (CFPB’s) Private Education Loan Ombudsman, A Position Responsible For Resolving Complaints From Borrowers And Making Recommendations To Top Officials And Congress.

In August 2019, The Consumer Financial Protection Bureau (CFPB) Announced That Robert G. Cameron Would Become The Bureau’s Private Education Loan Ombudsman. On August 16, 2019, “The Consumer Financial Protection Bureau (Bureau) announced the appointment of Robert G. Cameron to serve as the Bureau’s private education loan ombudsman.” [[Press Release](#), Consumer Financial Protection Bureau, 08/16/19]

The Private Education Loan Ombudsman, A Position Created Under Dodd-Frank Financial Reform, “Is Responsible For Receiving, Reviewing, And Attempting To Resolve Complaints From Private Student Loan Borrowers.” “The Dodd-Frank Act created a private education loan ombudsman position within the Bureau. The Dodd-Frank Act gave the Treasury Secretary, in consultation with the CFPB Director, the authority to designate the ombudsman. The ombudsman is responsible for receiving, reviewing, and attempting to resolve complaints from private student loan borrowers.” [[Press Release](#), Consumer Financial Protection Bureau, 08/16/19]

The Private Education Ombudsman Is Also Responsible For “Analyzing Complaint Data” And Making Recommendations To The CFPB Director, The Treasury Secretary, The Secretary Of Education, And Congress. “The ombudsman is also responsible for compiling and analyzing complaint data on private education loans and making appropriate recommendations to the Secretary of the Treasury, the Bureau Director, the Secretary of Education, and Congress.” [[Press Release](#), Consumer Financial Protection Bureau, 08/16/19]

Robert G. Cameron Previously Served As The Deputy Chief Counsel And Vice President Of Enterprise Compliance For The Pennsylvania Higher Education Assistance Agency (PHEAA).

Robert G. Cameron Served As PHEAA’s Deputy Chief Counsel And Vice President Of Enterprise Compliance, Primarily Responsible For “Litigation, Compliance And Risk Mitigation Efforts At The Agency.” “Cameron, a former colonel and advocate for the National Guard, had been deputy chief counsel

and vice president of enterprise compliance at the Pennsylvania Higher Education Assistance Agency. [...] The CFPB said Cameron was responsible for litigation, compliance and risk mitigation efforts at the agency.” [Kate Berry, “[CFPB names student loan servicing exec as ombudsman](#),” *American Banker*, 08/16/19]

As Of September 2018, PHEAA Was Facing Ten Class-Action Lawsuits Brought By Tens Of Thousands Of Borrowers Who Have Been Saddled With Additional Debt Because The Servicer Failed To Properly Process Payments.

PHEAA Faced At Least Ten Class-Action Lawsuits Brought By Tens Of Thousands Of Borrowers Who “Have Been Saddled With Additional Debt Because PHEAA Cannot Or Will Not Properly Process Their Payments.” University of Pittsburgh Law graduate Arianne Gallagher was “a plaintiff in one of 10 class-action lawsuits filed against the Pennsylvania Higher Education Assistance Agency that have been bundled in federal court in Philadelphia. The plaintiffs — borrowers from 10 states — say they represent tens of thousands who have been saddled with additional debt because PHEAA cannot or will not properly process their payments. The agency, which conducts its federal loan business as FedLoan Servicing, does not comment on pending litigation, spokesman Keith New said. But he maintains PHEAA is living up to the terms of its contracts with the U.S. Department of Education. The federal agency hired PHEAA to process payments on 7.6 million student loans, which represents about a quarter of the \$1.3 trillion in federal student loan debt owed by 44 million Americans.” [Deb Erdley, “[Federal class-action lawsuits target practices of Pennsylvania-based student loan agency](#),” *Pittsburgh Tribune-Review*, 09/01/18]

PHEAA Was Sued In Massachusetts For Allegedly Preventing “Borrowers From Making Qualifying Monthly Payments That Count Toward Loan Forgiveness” And Also For Overcharging Students. In 2017, “Massachusetts Attorney General Maura Healey filed the lawsuit against Pennsylvania Higher Education Assistance Agency, which manages over a fourth of the nation’s \$1.4 trillion student loan debt on behalf of various lenders. The complaint, filed in Suffolk County Superior Court, claimed PHEAA caused teachers and other public servants to lose benefits and financial assistance under two federal programs.” [Nate Raymond, “[Massachusetts accuses PHEAA of unfair student loan servicing practices](#),” *Reuters*, 08/23/17]

- “According to Healey’s lawsuit, PHEAA has prevented borrowers from making qualifying monthly payments that count toward loan forgiveness and also overcharged students.” [Nate Raymond, “[Massachusetts accuses PHEAA of unfair student loan servicing practices](#),” *Reuters*, 08/23/17]

FedLoan, “An Arm Of” PHEAA, Is The Only Servicer That Manages Loans For Borrowers Pursuing Public Service Loan Forgiveness.

FedLoan, “An Arm Of” PHEAA, “Is The Only Servicer Designated By The Education Department To Manage Loans Held By Borrowers Pursuing Public Service Loan Forgiveness.” “FedLoan, an arm of Pennsylvania Higher Education Assistance, is the only servicer designated by the Education Department to manage loans held by borrowers pursuing Public Service Loan Forgiveness.” [Danielle Douglas-Gabriel, “[Watchdog agency blasts government contractor for mishandling student loan forgiveness program](#),” *The Washington Post*, 06/22/17]

- **The Department Of Education Manages The PSLF Program And Contracts With A Single Loan Servicer—FedLoan—“To Handle Day-To-Day Activities Associated With The Program,” Including Making Determinations About Whether Employment And Loans Qualify For PSLF.** “The Department of Education (Education) manages the PSLF program and contracts with a single loan servicer to handle day-to-day activities associated with the program, which include responding to borrower inquiries, making preliminary determinations about whether borrowers’ employment and loans qualify for PSLF, and processing loan forgiveness applications.” [“[Public Service Loan Forgiveness:](#)

[Education Needs to Provide Better Information for the Loan Servicer and Borrowers](#),” U.S. Government Accountability Office, 09/05/18]

The First Borrowers Began Applying For Loan Forgiveness In September 2017, Ten Years After The PSLF Program Was Established. “Starting in September 2017, borrowers began applying to have their federal student loans forgiven through the Public Service Loan Forgiveness (PSLF) program. This program, established by law in 2007, is intended to encourage individuals to enter and continue careers in public service by forgiving borrowers’ remaining federal student loan balances after they have made at least 10 years of loan payments while working in public service and meeting other requirements.” [[Public Service Loan Forgiveness: Education Needs to Provide Better Information for the Loan Servicer and Borrowers](#),” U.S. Government Accountability Office, 09/05/18]

In 2017, It Was Reported That A CFPB Report Found FedLoan Was “Derailing Hundreds Of Public-Sector Workers From Receiving Student Loan Forgiveness.”

In A 2017 Report, The CFPB Found That Fedloan Was “Derailing Hundreds Of Public-Sector Workers From Receiving Student Loan Forgiveness.” “Flawed payment processing, botched paperwork and inaccurate information from FedLoan Servicing is derailing hundreds of public-sector workers from receiving student loan forgiveness, the Consumer Financial Protection Bureau said in a [report](#) Thursday.” [Danielle Douglas-Gabriel, [“Watchdog agency blasts government contractor for mishandling student loan forgiveness program,”](#) *The Washington Post*, 06/22/17]