**Consumer Financial Protection Bureau | November 2026**

# Annual Report of the CFPB Private Education Student Loan Ombudsman

Consumer Financial Protection Bureau

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# Executive Summary

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law 111-203, ("Act"), this report analyzes complaints from consumers regarding private student loans from July 1, 2025, through June 30, 2026 (the "2025-2026 Award Year" or "AY 2025-2026"), as well as provides an update on the Bureau's initiatives and proposes recommendations to other agencies and lawmakers.

During this period, the Consumer Financial Protection Bureau ("Bureau" or "CFPB") received approximately 21,200 complaints related to private and federal student loans.[1] Overall, the number of student loan complaints decreased seven percent during this period. The CFPB also received approximately 2,400 debt collection complaints related to private and federal student loan debt.

- For the award year ending June 30, 2026, the Bureau received approximately 4,500 private student loan complaints, an increase of approximately one percent year-over-year.
- Over the same period, the Bureau received approximately 16,600 federal student loan complaints, a decrease of approximately nine percent year-over-year.[2]

Notably, for AY 2025-2026, 85 percent of student loan consumers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB, compared to 77 percent in the prior year.

This past year, entities failed to respond in a timely manner to approximately 33 percent of private and federal student loan complaints sent to companies. The untimely rate was ten percent in AY 2023-2024 and 21 percent in AY 2024-2025. The CFPB is actively working to understand why complaint responses are untimely and coordinating with colleagues at the Department of Education to ensure that borrowers receive timely responses to their issues. The Bureau also continues to conduct ongoing complaint monitoring to inform its work.

Companies closed approximately 65 percent of complaints sent to them with an explanation or with relief, and consumers provided feedback about the company's response by completing an optional survey in approximately 27 percent of these complaints. Approximately 92 percent of consumers who provided feedback reported that they did not think the response addressed all of their concerns. As with most products, frauds and scams continue to be a problem in the student loan market. As the private student loan volume in the market likely increases in response to,

[1] Private and federal student loans are defined as complaints where consumers selected 'Student loan' as their product and 'Private student loan' or 'Federal student loan' as their sub-product, respectively, during the complaint submission process.

[2] The Bureau and the Department of Education have a Memorandum of Understanding (dated on January 31, 2020), regarding the sharing of complaint information.

among other things, changes in federal student loan programs, the incidence of frauds and scams may increase.

The Bureau is already pursuing a variety of initiatives intended to strengthen consumers' financial capability and reduce the risk of financial harm. Through its financial education programs, the CFPB develops and disseminates research-based resources that help consumers make informed decisions regarding borrowing, credit, debt management, paying for college, and other major financial choices. In addition, the Bureau has expanded efforts to educate consumers about increasingly sophisticated frauds and scams through online tools, targeted educational materials, webinars, and partnerships with federal, state, nonprofit, and community organizations. The Bureau also conducts specialized outreach and financial education initiatives for populations that may face unique financial challenges, including servicemembers, veterans, military families, older Americans, and young people. Further, the CFPB evaluates the effectiveness of these efforts through financial well-being research and program measurement and is supporting implementation of Trump accounts through consumer education, public engagement, and the development of educational resources designed to encourage saving and investing at an early age.

Policymakers, federal and state law enforcement agencies, advocacy groups, and market participants should consider the following:

- Further build upon existing consumer education initiatives by continuing to expand coordinated and collaborative efforts regarding student loans, financial decision-making, and frauds and scams. Stakeholders should continue to develop metrics that measure the effectiveness of consumer education programs, evaluate outcomes against those metrics, and direct additional resources toward the approaches that demonstrate the greatest impact.

- Continue strengthening coordination among enforcement agencies to identify, disrupt, and prosecute individuals and organizations perpetrating frauds and scams. Because the activities and effects of bad actors frequently extend across products, markets, and jurisdictions, stakeholders should continue to share information and widely publicize enforcement outcomes to enhance deterrence and consumer awareness.

- Further develop risk-focused supervisory strategies for private student lenders and servicers that prioritize practices and activities most likely to cause borrower harm. Such an approach will enable regulators to identify emerging risks more efficiently and direct limited resources toward areas of greatest consumer impact.

# 1. About this report

The Act established a Private Education Loan Ombudsman ("Ombudsman") within the CFPB to provide timely assistance to borrowers of private education loans. The statutory functions of the Ombudsman include the following requirements:

- Receiving, reviewing, and attempting to informally resolve private student loan complaints, to include working with the Department of Education, institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in private education loan programs;
- Compiling and analyzing data on borrower complaints regarding private education loans;
- Making appropriate recommendations to the Secretary of the Treasury, the Secretary of Education, the Director of the CFPB, the Committee on Banking, Housing and Urban Affairs and the Committee on Health, Education, Labor and Pensions of the Senate, and the Committee on Financial Services and the Committee on Education and Labor of the House of Representatives; and
- Preparing an annual report that describes the activities and evaluates the effectiveness of the Ombudsman during the preceding year. This Report is submitted to the Secretary of the Treasury, the Secretary of Education, the Director of the CFPB, the Committee on Banking, Housing and Urban Affairs, the Committee on Health, Education, Labor and Pensions of the Senate, and the Committees on Financial Services and Education and Labor of the House of Representatives.[3]

This is the 14th Annual Ombudsman Report drafted pursuant to the Act and covers the activities and effectiveness of the Ombudsman including compilation, presentation, analysis, and discussion of Bureau complaint data from July 1, 2025, through June 30, 2026, as well as makes appropriate recommendations based on that data and other sources of information.

[3] The Act also requires the establishment of a memorandum of understanding ("MOU") with the Department of Education student loan ombudsman to ensure coordination in assisting and serving borrowers in resolving student loan complaints related to their private education loans or federal student loans. The memorandum was established and signed on January 31, 2020.

# 2. Student loan market

Over 44 million consumers have private and federal student loans,[4] with outstanding student loan debt totaling $1.86 trillion.[5] Federal student loans comprise approximately $1.72 trillion (approximately 93 percent) and private student loans comprise approximately $137 billion (approximately seven percent).[6] Student loan debt is the third largest source of household debt after mortgages and auto loans.

This market is part of the larger financial ecosystem, and it supports the higher education ecosystem.[7] Generally, the interrelated component parts of the student loan market and the education ecosystem are (1) the actual education provided (mostly determined by schools), (2) the cost of the education provided (mostly determined by schools), (3) financing of the cost (mostly by federal and private lenders), and (4) servicing of the financing (mostly by student loan servicers).

Each of the foregoing parts has varying degrees of information asymmetry between student loan borrowers and the organizations with which they interact. As a result, empowered student loan borrowers who know their rights will be better equipped to make informed decisions, avoid unscrupulous actors, and navigate the consumer financial marketplace with more confidence.

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[4] Total number of consumers with any type of student loan is calculated using the total number of consumers with an outstanding student loan reported on credit records (40.4 million; the credit records do not distinguish between private and federal student loans) plus the number of borrowers with defaulted federal student loans that do not appear on credit records because the loans have been in default for more than seven years as of June 2026 (4.1 million). The estimated number of borrowers from credit record data are from the CFPB Consumer Credit Information Panel (CCIP) which is a two percent deidentified, nationally representative sample of credit records from one of the three nationwide consumer reporting agencies. The number of borrowers with defaulted federal student loans no longer on credit records is the number of borrowers with defaulted loans as reported by the U.S. Department of Education (*Federal Student Aid Portfolio Summary*, U.S. Department of Education, Federal Student Loan Portfolio, https://studentaid.gov/data-center/student/portfolio (FFY 2026 Q3)) minus the number of borrowers with defaulted federal student loans in the CCIP data.

[5] Federal Student Aid Portfolio Summary," Student Aid Portfolio Summary of outstanding student loan balances were at least 90 days past due. Federal Student Aid Data Center, https://studentaid.gov/data-center/student; Federal Reserve, *G19 Consumer Credit Series*, http://www.federalreserve.gov/releases/g19/current/default.htm.

[6] Total outstanding balances are the sum of balances across all student loans reported in the Federal Reserve's G19 ($1.86 trillion). Outstanding private student loan balances are the difference between the total outstanding balances and federal balances. Balances of federal student loans are from the U.S. Department of Education (*Federal Student Aid Portfolio Summary*, Department of Education., Federal Student Loan Portfolio, https://studentaid.gov/data-center/student/portfolio (FFY 2026 Q3)).

[7] Together the student loan market and the education ecosystem include institutions of higher education of various types (for example, private, public, not-for-profit, for-profit, 2-year schools and 4-year schools), lenders of various types (for example, the federal government, banks, credit unions, state agencies or state affiliated organizations, and schools), guaranty agencies, loan servicers, federal and state regulators and agencies, consumer advocacy groups, trade associations, other participants and stakeholders, and various student loan borrowers (for example, students, parents, grandparents, servicemembers, veterans, older consumers, and co-signers, all of whom have a variety of backgrounds and income levels).

Further, approximately 60 percent of college graduates relied on student loans in order to have access to post-secondary education in 2020, down from 70 percent of college graduates in 2016,[8] and they take out those loans with the expectation of completing their education. This section of the report provides a broad overview of the student loan market, with a focus on student loan debt and degree completion, that policymakers and others may wish to consider in creating and implementing policies and solutions.

# 2.1 Household versus student loan debt

As of June 2026, total outstanding household debt is $18.8 trillion. As a share of household debt, private and federal student loan debt is the third largest category after home mortgage and auto loan debt. Figure 1 shows the percentages of household debt for mortgages (69.9%), auto loans (9.1%), student loans (8.8%), credit cards (6.7%), home equity revolving credit ("HELOC") (2.4%) and other (3.0%).[9]

**Figure 1** STUDENT LOANS AS A SHARE OF HOUSEHOLD DEBT, JUNE 2026

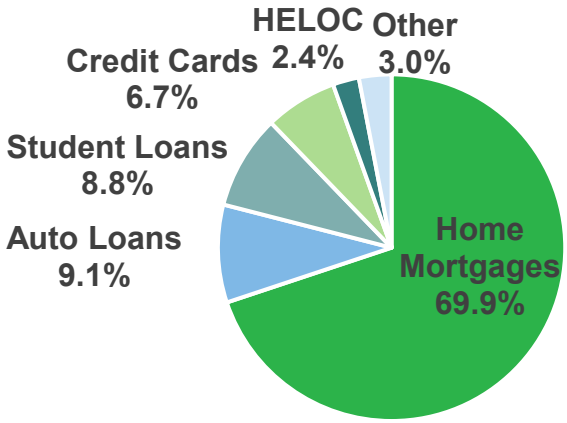
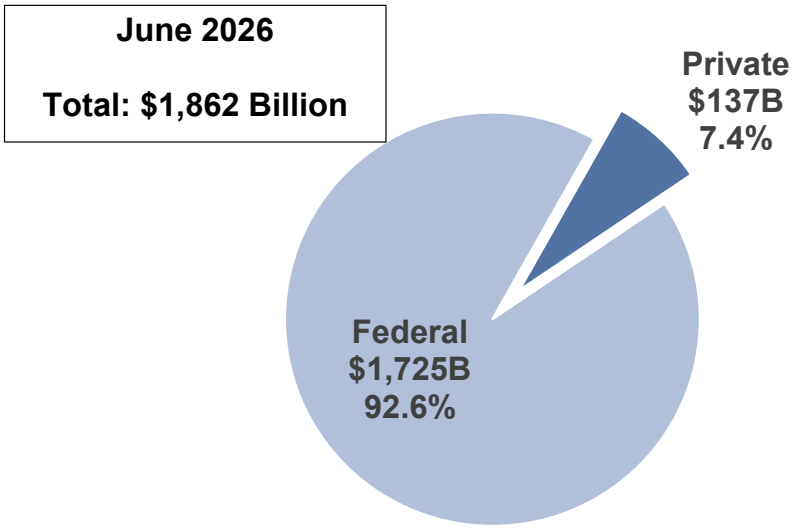



Figure 2 shows the total dollar value of outstanding student loan debt, with private education loans comprising $137 billion (7.4%) and federal education loans comprising $1.7 trillion (92.6%) of the $1.86 trillion total.

[8] National Center for Education Statistics (NCES), DataLab, cumulative amount borrowed for undergrad filtered by graduating senior from a bachelor's degree program in 2019-2020, https://nces.ed.gov/datalab/; the institute for college access & success (TICAS), Quick facts about student debt, (April 2019), https://ticas.org/files/pub_files/qf_about_student_debt.pdf. The data for 2024 has not been released prior to the publication of this report.

[9] Federal Reserve Bank of New York Consumer Credit Panel/Equifax, *Total Debt Balance and its Composition*, https://www.newyorkfed.org/microeconomics/data.html.

**Figure 2** FEDERAL AND PRIVATE STUDENT LOAN DEBT AS A SHARE OF TOTAL STUDENT LOAN DEBT, JUNE 2026[10]

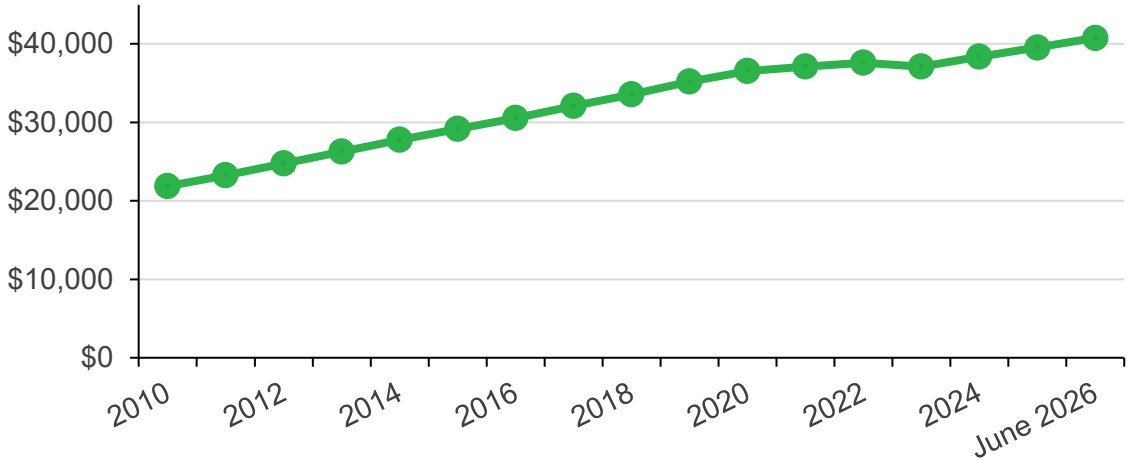



## 2.2 Average outstanding balances

The average debt level per loan recipient has increased from just over $20,000 in 2010 to approximately $40,800 as of June 2026. Figure 3 shows the year-by-year average Title IV loan balance per recipient through June 2026.

[10] Federal Student Aid Data Center, *Federal Student Aid Portfolio Summary*, https://studentaid.ed.gov/sa/data-center; Federal Reserve, G19 Consumer Credit Series, http://www.federalreserve.gov/releases/g19/current/default.htm.

**Figure 3** AVERAGE TITLE IV LOAN BALANCE PER LOAN RECIPIENT, 2010–2026[11]




However, averages are not always useful in understanding the distribution of debt, and averages do not reveal important borrower characteristics. For example, students who start, but do not complete, their post-secondary education generally take out fewer loans and have lower loan balances than the average while students who attend professional, graduate, and doctoral programs (for example, doctors, dentists, lawyers, MBAs, and others) generally have much higher loan balances than the average.[12] Students from low and moderate income (LMI)[13] households and communities are less likely to complete their post-secondary education than higher income households.

Figure 4 shows one way of assessing debt distribution by displaying the average direct loan balance by level of indebtedness. Among student loan borrowers, (1) those with over $40,000 of student loan debt have an average debt of $102,131, and (2) those with less than $40,000 have an average of $14,701. Generally, the lower average debt of $14,701 is attributable, in part, to students who do not complete their post-secondary education while the higher average of $102,131 is attributable, in part, to students borrowing additional funds to pursue professional, graduate, and doctoral degrees. In 2019, eight percent of all student loan debt was held by

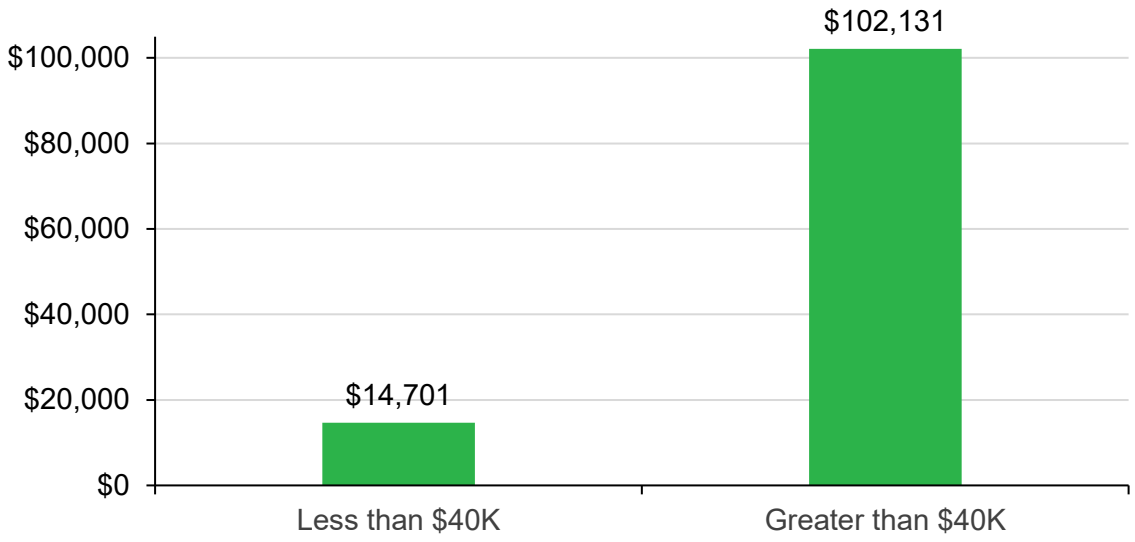
[11] Federal Student Aid Data Center, *Federal Student Aid Portfolio Summary*, https://studentaid.ed.gov/sa/data-center; chart and table reflect quarter-end data.

[12] Please note that this is a helpful, but broad, generalization of 45 million borrowers with a combined student loan debt of $1.858 trillion. There are exceptions to this general rule.

[13] An LMI neighborhood is defined as a Census tract where the median income is less than 80 percent of the average median income in the metro area or state. See Federal Reserve Bank of St. Louis, Bridges, (Summer 2016), https://fraser.stlouisfed.org/title/bridges-federal-reserve-bank-st-louis-6272/bridges-601022.

households that did not attain a degree, while 56% was held by households that attained degrees from professional, masters, or doctoral programs.[14]

**Figure 4** AVERAGE DIRECT LOAN BALANCE, MARCH 2026[15]




# 3. Student loan complaint data

Consumer complaints are central to the CFPB's work. Congress directed the Bureau to collect, monitor, and respond to consumer complaints about financial products and services, and to provide consumers with timely responses.[16] The CFPB sends complaints to companies, companies review them and respond, and consumers can provide feedback about the responses they receive. Taken together, complaints help inform the Bureau's supervision, enforcement, and market monitoring work.

[14] Sandy Baum and Adam Looney, Brookings, *Who owes the most in student loans: New data from the Fed*, (Oct. 9, 2020), https://www.brookings.edu/blog/up-front/2020/10/09/who-owes-the-most-in-student-loans-new-data-from-the-fed/; Federal Reserve, Survey of Consumer Finances (SCF), https://www.federalreserve.gov/econres/scfindex.htm.

[15] Federal Student Aid Data Center, *Federal Student Aid Direct Loan Portfolio by Debt Size*, https://studentaid.ed.gov/sa/data-center. Data used to compile this chart include the number of Direct Loan borrowers in the specified debt size category. The data include both student and parent borrowers. All loan statuses are included (*e.g.*, in-school, grace, repayment, deferment, forbearance, and default).

[16] 12 USC 5493(b)(3), 5534(a).

Complaints are one of the primary ways the Ombudsman learns of issues faced by borrowers in the marketplace.[17] Complaints also provide companies with insight into the student loan market, including issues that, if unaddressed, may become larger and affect more borrowers.

## Sources of information

This report includes complaints received by the Bureau about student loans and student loan debt collection.[18] It primarily focuses on complaints received from July 1, 2025, through June 30, 2026.[19] However, prior years are referenced throughout the report for historical context.

Complaint data includes, among other things, the consumer-selected product and issue, the company to which the complaint relates, a description of what happened and desired resolution, and optional demographic information (e.g., servicemember status).

To identify and assess issues faced by student loan borrowers, in addition to complaints, the Bureau relies on other sources of information, including information gathered by other Bureau units (e.g., the Office of Servicemember Affairs, the Section for Students and Young Consumers, the Section for Older Americans, the Division of Consumer Response and Education, and the Divisions of Supervision and Enforcement), regulators, law enforcement agencies, and the Department of Education.

## Limitations

The CFPB does not verify the allegations in consumers' complaints. As a result, the Bureau opted in August to cease the discretionary publication of unverified complaint narratives and associated data visualizations.[20] Unproven allegations in consumer narratives were previously regarded as opinion and reflective of the consumer's experience in the marketplace, rather than conclusory facts. By discontinuing publication of unproven consumer allegations, the Bureau can

[17] *See* discussion *infra* Section 1.

[18] The CFPB accepts complaints about consumer financial products and services. More than 7,400 companies registered to participate in the Bureau's complaint program. *See generally* Consumer Fin. Prot. Bureau, *Consumer Response Annual Report* (Mar. 2026), https://files.consumerfinance.gov/f/documents/cfpb_2025-cr-annual-report_2026-03.pdf (discussing complaints received in 2025).

[19] Complaint data in this report are current as of September 1, 2026. This report excludes some complaints that the CFPB received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates), whistleblower tips, and complaints that the CFPB found to be not actionable. Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100%.

[20] Press Release, Consumer Financial Protection Bureau, *The CFPB to Cease Discretionary Publication of Complaint Narratives and Visualizations* (Aug. 14, 2026), https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-to-cease-discretionary-publication-of-complaint-narratives-and-visualizations/.

avoid the potential for consumer confusion and needless harm to companies' reputations, and more closely align the Bureau's operations and statutory authorities.

This report does not suggest the complaints the Bureau receives are a statistical sample, therefore they cannot be deemed representative of all consumers' experiences with a financial product or company. Despite its limitations, complaint data is an important tool for the Bureau, consumers, advocates, other federal and state regulators, and market participants. For borrower assistance and advocacy organizations, published data provides insights and situational awareness regarding issues experienced by consumers and informs their advocacy. For state ombudsman offices and other state regulators, it provides key insights regarding issues faced by consumers in their states as well as a comparison to other states. For market participants, consumer complaint information is an important tool to inform and support internal compliance and monitoring activities.

## 3.1 Complaint process and findings

The CFPB accepts complaints from consumers through its website, by telephone, and mail. The Bureau also accepts referrals from the White House, congressional offices, and other federal and state agencies. When consumers submit complaints, the CFPB asks them to identify the consumer financial product or service with which they have a problem, the issue that best describes the problem, and the company to which they want to direct their complaint. Consumers also describe what happened and their desired resolution.

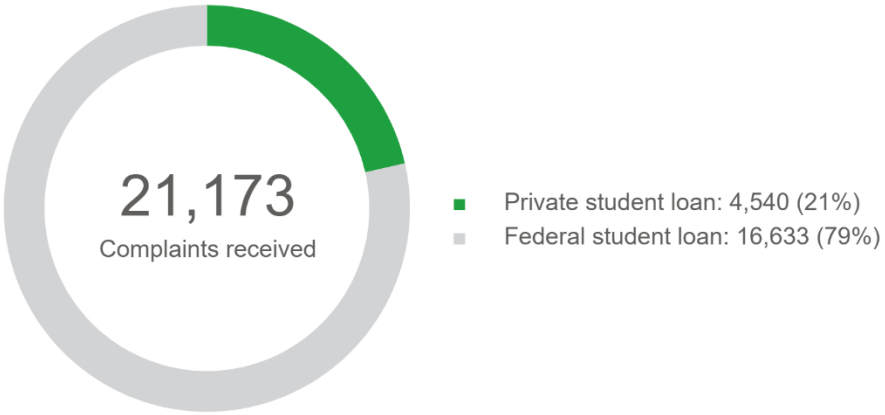
Complaints submitted to the CFPB go through several steps to help ensure consumers get timely responses to their issues. The Bureau routes consumers' complaints about consumer financial products and services directly to companies. Companies review the information provided in the complaint, communicate with the consumer as needed, determine what action to take in response, and provide a written response to the CFPB and the consumer. Companies have 15—and up to 60—days to provide a final response. After a consumer receives the company's response, the consumer can provide feedback by completing an optional survey. This information is made available to companies via the Company Portal.

As part of its ongoing monitoring efforts, the Bureau reviews and assesses how well companies are providing complete, accurate, and timely responses. The Bureau also shares consumer complaint information with the prudential regulators, the Federal Trade Commission (FTC), other federal and state agencies—including the Department of Education.

## 3.2 Year-over-year student loan complaints

In AY 2025-2026, the Bureau received approximately 21,200 student loan complaints. Of those, approximately 4,500 were related to private student loans and 16,600 were related to federal student loans (Figure 5).

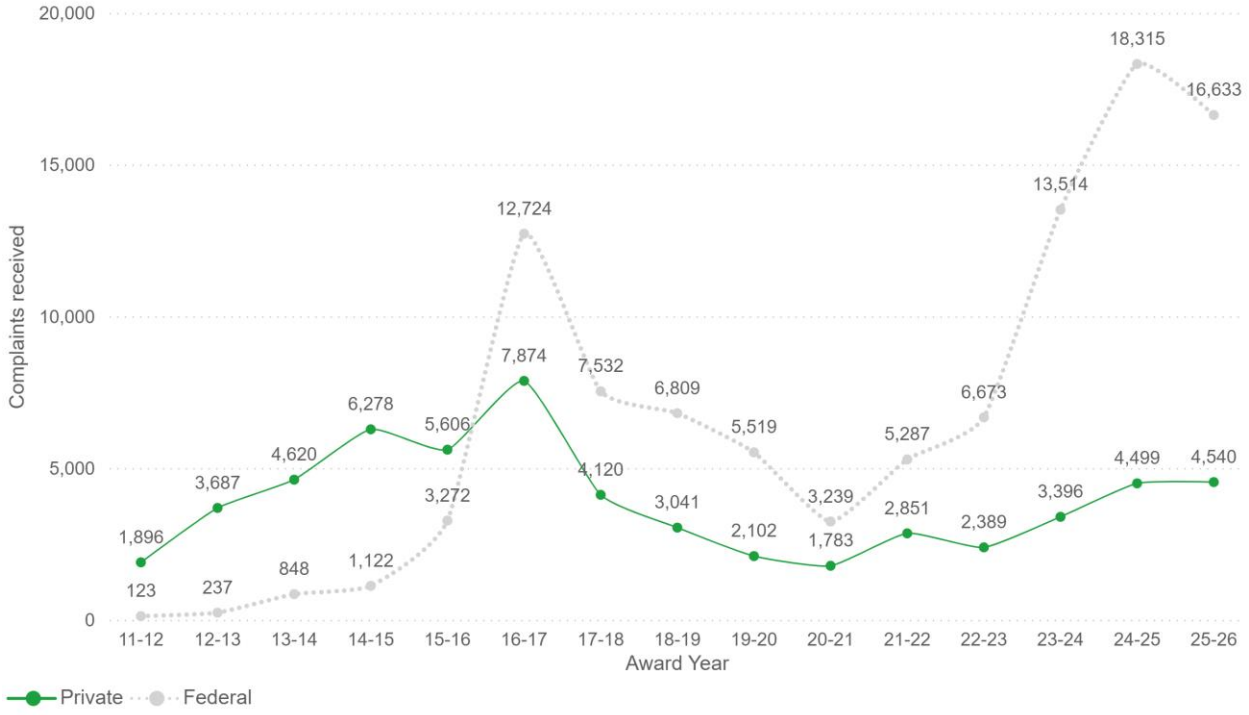
**Figure 5** PRIVATE AND FEDERAL STUDENT LOAN COMPLAINTS RECEIVED, AY 2025–2026




In AY 2025–2026, overall student loan complaints decreased seven percent (Figure 6). Private student loan complaints increased one percent, while federal student loan complaints decreased nine percent but remain at elevated levels. Figure 6 reflects year-over-year aggregate complaint data for private and federal student loans starting from when the Bureau began to receive student loan complaints. As noted in last year's report, complaint volumes have risen since federal student loans returned to repayment following the expiration of COVID relief measures.[21]

[21] For federal student loans, the volume of increases in two consecutive award years in AY 2023-2024 and AY 2024-2025 coincided with the return to repayment for federal student loans following the expiration of COVID relief measures. The return to repayment includes Direct loans (subsidized, unsubsidized, and consolidation), Department held Federal Family Education Loans ("FFEL"), Graduate Plus loans, Parent Plus loans, and Health Education Assistance Loans ("HEAL"). The federal return to repayment has had various starts and pauses of federal repayment and forgiveness programs including Public Service Loan Forgiveness ("PSLF"), Saving for a Valuable Education ("SAVE"), Income Based Repayment ("ICR"), Pay As You Earn ("PAYE"), Income Driven Repayment ("IDR"), and default collections and loan rehabilitation.

**Figure 6** STUDENT LOAN COMPLAINTS SUBMITTED TO THE CFPB BY AWARD YEAR (2011–2026)




In AY 2025-2026, approximately 200 private student loan complaints (approximately five percent of the 3,900 complaints sent to companies) received untimely responses, whereas approximately 6,300 federal student loan responses (approximately 40 percent of 15,600 complaints sent to companies) were untimely (Figure 7). The number and percent of untimely responses is the highest it has been since the Bureau began receiving complaints.

**Figure 7** SHARE OF PRIVATE AND FEDERAL STUDENT LOAN COMPLAINTS WITH UNTIMELY RESPONSES, AY 2011–2026

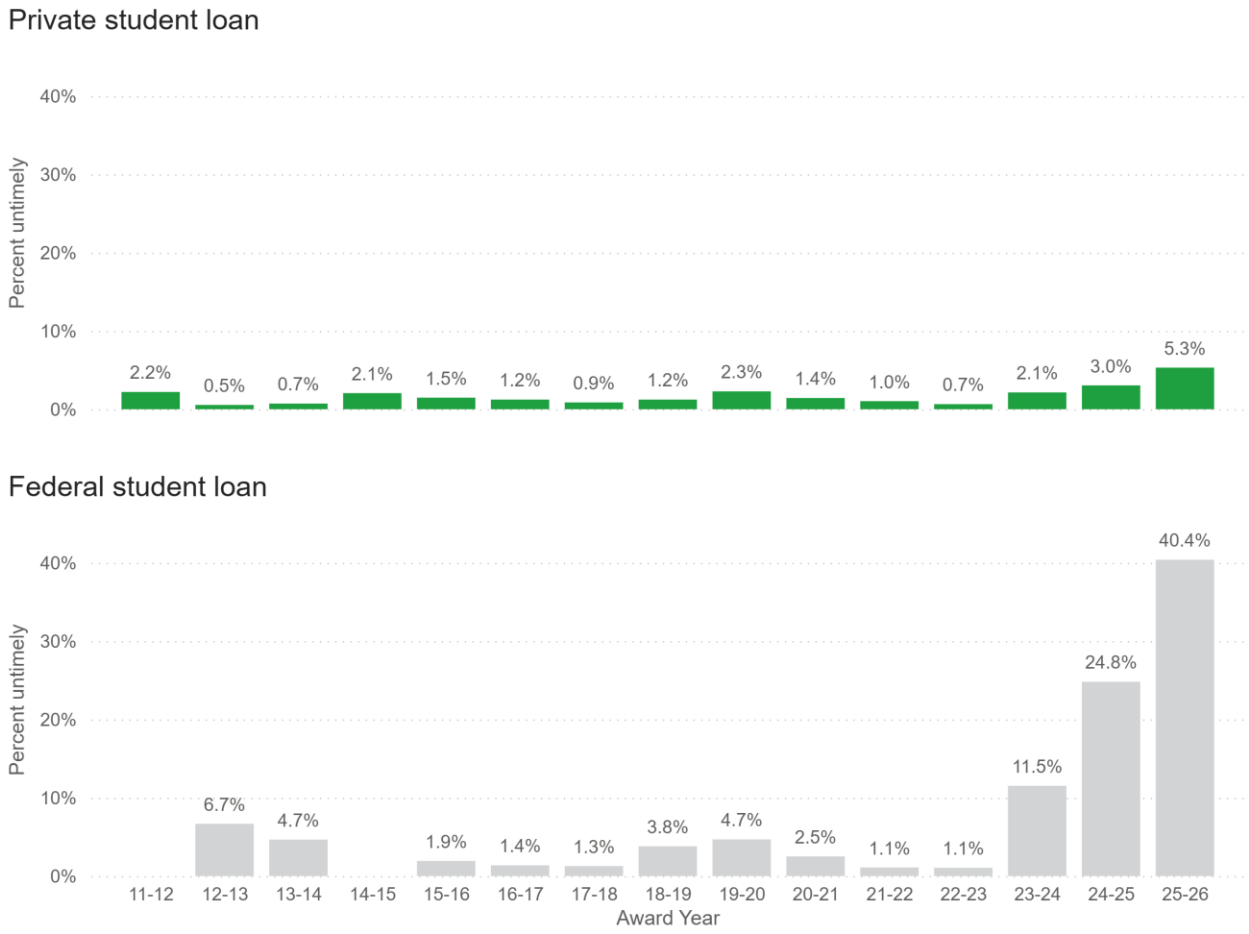
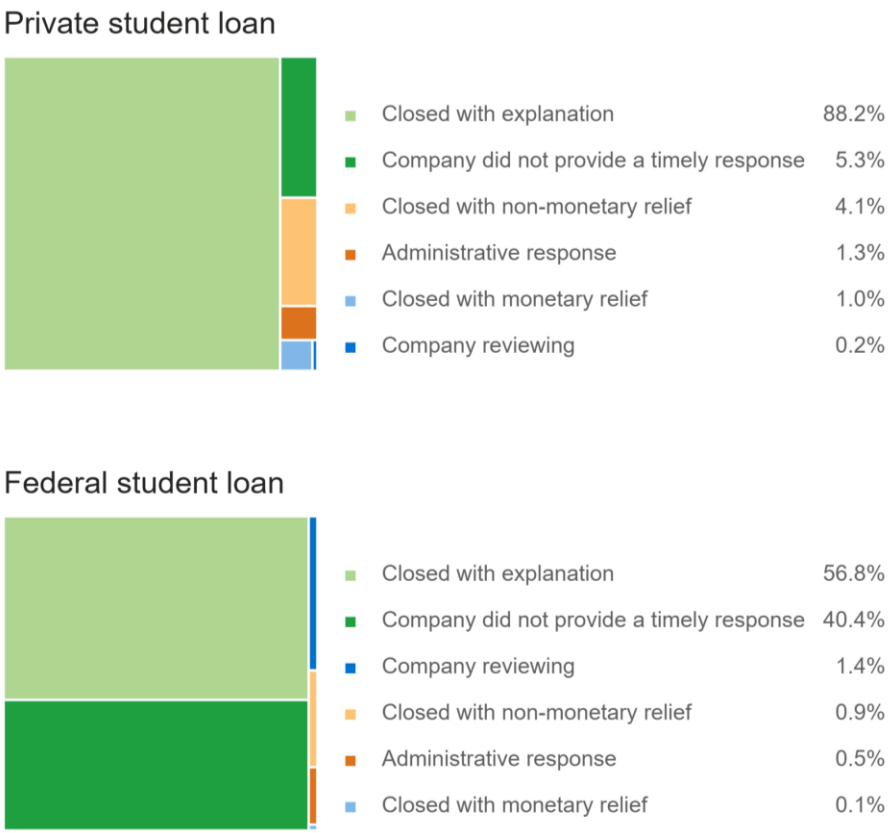


**Figure 8** PRIVATE AND FEDERAL STUDENT LOAN COMPLAINT OUTCOMES




In addition to monitoring how companies respond, the CFPB monitors and analyzes complaints from servicemembers, veterans, and military families (collectively, "servicemembers"). During AY 2025-2026, approximately 1.3 percent (1,680 of 134,068) of complaints submitted by servicemembers were private and federal student loans compared to 0.2 percent (19,493 of 8,133,998) of complaints submitted by non-servicemembers (Figure 9).

**Figure 9** STUDENT LOAN COMPLAINTS SUBMITTED BY SERVICEMEMBERS AND NON-SERVICEMEMBERS FOR PRIVATE AND FEDERAL STUDENT LOANS RECEIVED, AY 2025–2026

| | Servicemember | | Non-Servicemember | | Total | |
|---|---|---|---|---|---|---|
| | # | % of total | # | % of total | # | % of total |
| Private student loan | 353 | 0.3% | 4,187 | 0.1% | 4,540 | 0.1% |
| Federal student loan | 1,327 | 1.0% | 15,306 | 0.2% | 16,633 | 0.2% |
| Total student loan | 1,680 | 1.3% | 19,493 | 0.2% | 21,173 | 0.3% |
| All products | 134,068 | 100.0% | 8,133,998 | 100.0% | 8,268,066 | 100.0% |

Although servicemember student loan complaints represent a relatively small share of overall complaint volume, the data indicate that student loan issues make up a substantially greater share of complaints submitted by servicemembers than of complaints submitted by non-servicemembers. In AY 2025-2026, student loans accounted for approximately 1.3 percent of complaints submitted by servicemembers, compared with 0.2 percent of complaints submitted by non-servicemembers. These data reinforce the importance of the Bureau's efforts to prioritize the financial welfare of servicemembers, veterans, and their families, as discussed in Section 4.2.

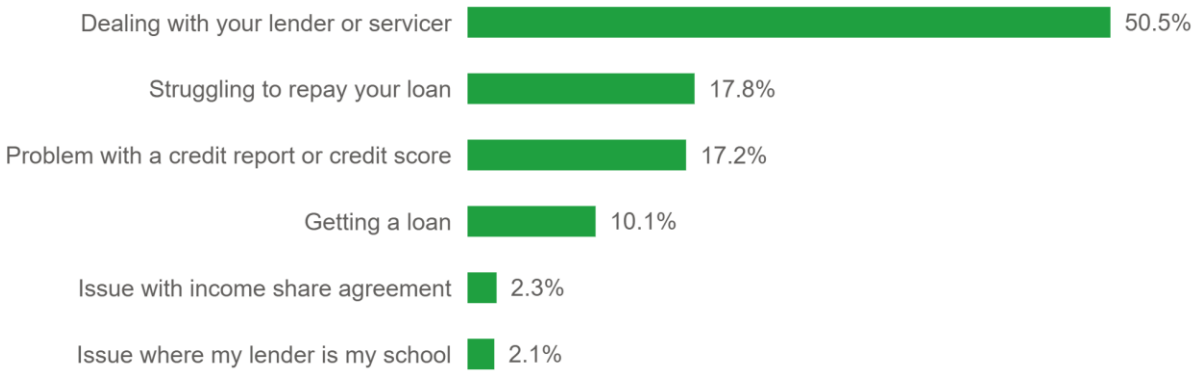
# 3.3 Private student loan complaints

For AY 2025-2026, the CFPB handled approximately 4,500 private student loan complaints, an increase of one percent over the prior award year.

## Private student loan complaints by issue

Consumers submitting student loan complaints may select from the following six complaint categories: "Dealing with your lender or servicer," Struggling to repay your loan," Problem with your credit report or score," "Getting a loan," "Issue with income share agreement," and "Issue where my lender is my school."

**Figure 10** PRIVATE STUDENT LOAN COMPLAINTS BY ISSUE (SENT TO COMPANY)

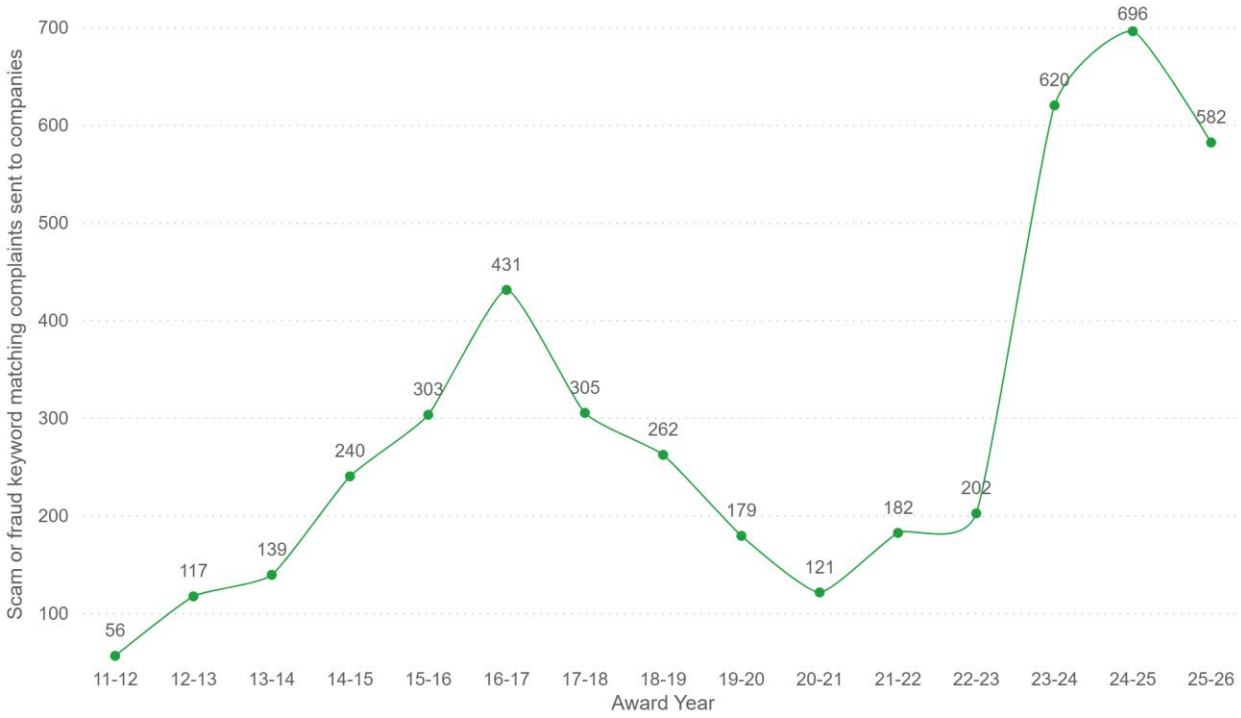



## Private student loan "scam or fraud" complaints

Scams or frauds mentioned in complaints for AY 2025-2026 are down about 16 percent from the previous year, but the level nonetheless is the third highest on record. Figure 11 shows private student loan complaints where consumers mention problems with a "scam or fraud."[22]

[22] For the purposes of this report, "scam or fraud" complaints include those where the consumer included fraud or scam keywords (e.g., fraud, defraud, scam) in their complaint narrative.

**Figure 11** PRIVATE STUDENT LOAN SCAM OR FRAUD COMPLAINTS (SENT TO COMPANIES)




## Complaint normalization

The number of borrowers varies among servicers, with some servicers having significantly more borrowers than others. This means that simply looking at the number of complaints for each servicer may not provide a representative picture of the consumer experience between servicers. Figures 12 and 13 below compare the number of complaints per 10,000 borrowers at each servicer. This adjusts for servicer size and provides more meaningful complaint comparison among the servicers. This is one way to normalize complaint data, but it is not the only way, it is not necessarily applicable to other sectors and does not reflect a change in CFPB policy.

**Figure 12** NORMALIZATION TABLE BASED ON COMPLAINTS PER 10,000 BORROWERS, AWARD YEAR 2025–2026[23]

| Company | Number of complaints | Number of borrowers in millions | Complaints per 10K borrowers |
|---|---|---|---|
| MOHELA | 5,834 | 7.0 | 8.4 |

[23] The number of borrowers is an average based on quarter-end borrower counts. Throughout this reporting period, there were five federal student loan servicers. This table reflects account data for federal student loans serviced and does not include accounts of non-ED owned loans.

| Company | Number of complaints | Number of borrowers in millions | Complaints per 10K borrowers |
|---|---|---|---|
| Nelnet | 3,146 | 12.4 | 2.5 |
| Maximus/Aidvantage | 2,488 | 9.7 | 2.6 |
| EdFinancial | 1,396 | 6.8 | 2.1 |
| CRI | 484 | 2.9 | 1.7 |

**Figure 13** NORMALIZATION TABLE, COMPLAINTS AND COMPLAINTS PER 10,000 BORROWERS, AWARD YEARS 2023–2026[24]

| | AY 2023-2024 | | AY 2024-2025 | | AY 2025-2026 | |
|---|---|---|---|---|---|---|
| MOHELA | 5,428 | 6.5 | 6,852 | 9.3 | 5,834 | 8.4 |
| Nelnet | 2,941 | 1.9 | 3,265 | 2.2 | 3,146 | 2.5 |
| Maximus/Aidvantage | 1,949 | 2.0 | 3,111 | 3.0 | 2,488 | 2.6 |
| EdFinancial | 1,774 | 2.7 | 1,340 | 1.9 | 1,396 | 2.1 |
| CRI | 0 | - | 73 | 0.6 | 484 | 1.7 |

[24] The methodology for normalization uses borrower counts based on quarterly average federal loan servicing portfolios (as in Table 1). As in prior reports, this table displays only the companies to which complaints were routed. These companies are the "parent company."

# 4. Discussion

## 4.1 Market developments and complaints

As discussed in its Strategic Plan for FY 2026—FY 2030, the Bureau uses both market monitoring and complaint monitoring to detect and assess market risks and trends that present tangible harms to consumers.[25] Together, these activities help the CFPB identify areas of concern, target resources effectively, and develop initiatives, guidance, research, and oversight efforts that promote a fair, transparent, and competitive marketplace for consumers.

The One Big Beautiful Bill Act ("OBBBA"), which took effect on July 1, 2026, made significant changes to the federal student loan program, which accounts for approximately 93 percent of the student loan market. Among other things, these changes eliminated Grad PLUS loans for new borrowers, capped graduate and Parent PLUS borrowing, and created the Repayment Assistance Plan (RAP). These changes to the federal student loan program may spur innovation in the private student loan market and expand financing options for students and parents. Families will continue to consider factors such as interest rates, repayment terms, cosigner requirements, repayment flexibility, borrower incentives, and loan forgiveness provisions. At the same time, creditworthiness and other underwriting factors may play a larger role in determining eligibility for private financing.

Borrowers and lenders may also place greater emphasis on educational outcomes, including completion rates, the time needed to finish a degree, and the return on investment (ROI) associated with programs of study. A wide range of financing options can help students access and complete higher education while pursuing a meaningful return on their educational investment. However, the benefits and costs of available options may become increasingly complex, making it more important than ever for borrowers to understand their choices and effectively manage the costs of their education.

In addition to monitoring market developments, consumer complaints help give the Bureau insights into problems people are experiencing in the marketplace. As noted in Section 3, untimely responses to complaints have increased in the most recent award year. Responding to borrowers' issues promptly—including providing timely responses to their complaints—is important so borrowers can take appropriate steps. When a company systematically fails to respond to consumer complaints in a timely manner, it is to the detriment of consumers and creates an uneven playing field (i.e., a lack of fairness, transparency, and competitiveness) for companies that provide timely responses with complete and accurate information. The CFPB is actively working to understand why complaint responses are untimely and coordinating with

[25] *See, e.g.*, Consumer Fin. Prot. Bureau, *Consumer Financial Protection Bureau Strategic Plan FY 2026 – FY 2030* (Apr. 2026), https://files.consumerfinance.gov/f/documents/cfpb_strategic-plan_fy2026-fy2030.pdf (Objective 1.2 discusses the strategies used to detect and assess market risks and trends).

colleagues at the Department of Education to ensure that borrowers receive timely responses to their issues.

Complaints also help the Bureau better regulate consumer financial products and services, enforce those laws judiciously, and educate and empower consumers to make more informed financial decisions. The Bureau continues to conduct ongoing complaint monitoring to inform its work. As discussed in Section 3, during AY 2025-2026, student loans represented approximately 1.3% of complaints submitted by servicemembers and complaints referencing fraud and scams are at near all-time highs. The Bureau has several initiatives underway focused on these and other areas.

## 4.2 Bureau initiatives

Financial education helps consumers weigh options, including whether—and how best—to finance their education. Congress charged the CFPB with ensuring consumers receive timely and understandable information to make responsible financial decisions.[26] The CFPB's research makes clear that actionable, relevant information delivered at the moment of a financial decision is among the most effective ways to improve financial well-being. Choosing how to pay for college is exactly that kind of decision. The CFPB's collection of educational resources and tools—including its *Paying for college* tool and Ask CFPB—help borrowers understand the ins and outs of student financial aid and loan repayment. Overall, CFPB educational products have been accessed through the Bureau's website more than 11 million times, reflecting substantial consumer use of this content.

In addition to managing its suite of educational tools and resources, the CFPB works with the Financial Literacy and Education Commission (FLEC) to increase financial literacy and, ultimately, financial well-being.[27] The FLEC's National Strategy for Financial Literacy was updated in October 2026 and includes several important priority areas. The National Strategy includes youth financial capability (building a foundation of basic financial skills) and scams and fraud education (empowering consumers to better protect themselves)—both of which are relevant to obtaining and managing student loans.[28]

Under the leadership of Acting Directors Vought and Paoletta, the CFPB is advancing the Trump Administration's expansive efforts to improve financial literacy and increase early access to

[26] 12 U.S.C. 5511(b)(1).

[27] The FLEC was established under the Fair and Accurate Credit Transactions Act of 2003. It is chaired by the Secretary of the Treasury and the Vice Chair is the Director of the Bureau of Consumer Financial Protection. The Commission is made up of the heads of 24 federal agencies. It is coordinated by the Department of the Treasury's Office of Consumer Policy. See, e.g., U.S. Department of the Treasury, Financial Literacy and Education Commission, https://home.treasury.gov/policy-issues/consumer-policy/financial-literacy-and-education-commission.

[28] *See* Fin. Literacy & Educ. Comm'n, 2026 Update to the U.S. National Strategy for Financial Literacy (2026) https://home.treasury.gov/system/files/231/National-Strategy-Financial-Literacy-2026.pdf.

financial empowerment opportunities. As outlined in the Bureau's most recent Financial Literacy Annual Report, the CFPB has been fulfilling its statutory obligations to conduct financial education programs and improve financial well-being.[29] These programs include a range of initiatives and activities aimed at groups that need them the most: youth and young adults, servicemembers and veterans, and older Americans. It also includes educational resources—aimed at these groups and consumers more broadly—on critical topics, such as combatting the threat of fraud and scams.

## Youth and young adults

For many young people, a student loan is the first significant credit decision they will make, often before they have ever managed a budget, held a credit card, or signed a contract. The skills they bring to that decision are formed years earlier. The CFPB's youth financial education program, a research-based framework that helps children and young people acquire the knowledge, skills, and behaviors associated with financial well-being, includes several activities on paying for college. By beginning the conversation early, young people and their families will be better able to weigh the options of taking out student loans.

The CFPB's youth financial education strategy supports improving executive functioning skills, creating and encouraging positive financial habits, and building financial knowledge and decision-making skills, which are the three building blocks children develop in youth. As part of its youth financial education program, the CFPB focused on several areas. These areas include:

- *Money as You Grow Bookshelf for Parents and Caregivers.* The CFPB updated its set of book and guides that help parents build their child's money skills.
- *Trump accounts.* The CFPB is supporting implementation of Trump accounts through consumer education, public engagement, and integration with federal financial education resources and programming.
- *Classroom activities.* The Bureau has also begun developing educational materials to help children, parents, teachers, and communities understand the benefits of saving and investing early. These K–12 financial education resources provide the financial knowledge, skills, and habits to help young people on their path to adult financial well-being.

By connecting financial education to real-world financial decisions and opportunities, whether financing higher education or building long-term savings through Trump accounts, the CFPB seeks to help young people develop the knowledge, skills, and habits that support lifelong financial well-being.

[29] Consumer Financial Protection Bureau, 2025 Financial Literacy Annual Report (May 2026), https://www.consumerfinance.gov/data-research/research-reports/2025-financial-literacy-annual-report/.

## Servicemembers and veterans

Many servicemembers, veterans, and their families have earned federal education funding that does not need to be repaid. Many states have education funding programs for members of the National Guard that may reduce or eliminate the need to borrow. Understanding these benefits and how institutions of higher education may provide complementary funding through Blue Ribbon programs may reduce or eliminate the need to borrow in the first place.

For those servicemembers who do borrow to fund their education, it is important for them to know the details around debt management, repayment, and what to do if they have trouble repaying. This is especially true for those servicemembers who may face circumstances that impede their ability to contact companies to verify information, receive a response, or otherwise access relief. Falling behind on student loans may have unique consequences for servicemembers, including the potential loss of a security clearance. Therefore, it is important for servicemembers to understand their options. For example, servicemembers have access to student loan protections such as the Servicemembers Civil Relief Act (SCRA), which caps interest at six percent on federal and private student loans taken out before active duty service, for borrowers and cosigners alike.[30] Further, many states have statutes similar to the SCRA that may provide more protection for citizens of those states.

The Bureau has engaged with federal, state, and local agencies to educate and empower servicemembers and their families to help them make better informed decisions regarding consumer financial products and services. Example engagements and activities include:

- *Interagency coordination.* CFPB staff coordinated with federal and state agencies and organizations including, for example, the Department of Defense (DoD), Department of Veterans Affairs (VA), DOJ, Federal Trade Commission and the National Association of Attorneys General to monitor emerging financial risks, address violations of the Servicemembers Civil Relief Act and Military Lending Act, and to coordinate educational initiatives.
- *Naval Justice School Basic Lawyer Course.* In January 2026 and May 2026, CFPB staff trained Navy, Marine Corps, and Coast Guard judge advocates on key consumer protection statutes that are commonly used in military legal assistance, with an emphasis on the Military Lending Act. The training included information on resources available to military legal assistance attorneys, including CFPB resources.
- *Naval Reserve Judge Advocate Legal Assistance-Core Competency Training.* In March 2026, CFPB staff provided military consumer law training to Naval reserve judge advocates as part of its core competency training.

[30] 50 U.S.C. 3937.

- *Joint Base Anacostia-Bolling.* In March 2026, CFPB staff provided military consumer law training, with an emphasis on debt collection, to military and civilian legal staff assigned to Joint Base Anacostia-Bolling (DC).
- *Updated CFPB Servicemember and Veteran Webpage.* In June 2026, CFPB staff refreshed the Servicemember and Veteran webpage to update content and improve accessibility, readability, and navigation, of financial education resources, consumer rights information, and complaint submission guidance.[31]

## Older Americans

An estimated 452,000 borrowers aged 62 and older—and who are likely receiving Social Security benefits—have a defaulted student loan.[32] Older Americans living on fixed incomes may have to make tradeoffs between making student loan payments or, for example, buying groceries, filling prescriptions or paying other bills. When borrowers default on their federal student loans, the Department of Education can collect the outstanding debt, including through offset of tax refunds and Social Security benefits. Under this program, Social Security recipients could have as much as 15% of their payments go to repayment of outstanding debt. Between 2001 and 2019, the number of student loan borrowers facing collection of their Social Security benefits increased from at least 6,200 to 192,300.[33] At the beginning of the COVID-19 pandemic, the Department of Education paused collections on defaulted federal student loans.

The Trump Administration is committed to protecting Social Security recipients who oftentimes rely on a fixed income. In June 2025, the administration announced it would not pursue offsets of peoples' Social Security benefits.

Additionally, the CFPB offered training and contributed expertise to groups and committees to promote financial security and financial caregiving of older adults. Example engagements and activities include:

- *American Society on Aging Economic Security Advisory Council.* The Council addresses policies and programs to improve economic security for older adults and assure a dignified old age.

[31] *See, e.g.*, Consumer Fin. Prot. Bureau, *Financial resources for serving servicemembers, veterans, and military families*, https://www.consumerfinance.gov/consumer-tools/educator-tools/servicemembers/.

[32] Consumer Fin. Prot. Bureau, Social Security Offsets and Defaulted Student Loans (Jan. 8, 2025), https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-social-security-offsets-and-defaulted-student-loans/.

[33] *Id.*

- *Interagency Coordinating Committee on Healthy Aging and Age-Friendly Communities.* Authorized by the Older Americans Act, the Coordinating Committee supports federal coordination on aging-related priorities.
- *Updated CFPB Older Americans Webpage.* In June 2026, CFPB staff refreshed the Older Americans webpage to provide updated content and improve accessibility, readability, and navigation.[34]

## Frauds and scams

Scammers thrive on confusion, and periods of significant policy and technological change can create challenges for student loan borrowers. In July 2026, for example, the Department of Education's Office of Inspector General warned that impersonation is a top scam targeting borrowers, with fraudsters exploiting uncertainty about repayment plans through emails, text messages, and phone calls that use AI-generated voices. Providing complete and accurate information to student loan borrowers increases borrower awareness and limits opportunities for fraudsters and scammers.

The actions of bad actors committing frauds and scams are generally not confined to the jurisdiction of a single agency, market, or geographic area. For example, they often target specific populations such as students, servicemembers, veterans, and older Americans, which may involve multiple agencies (both federal and state), markets, and geographic areas. Federal and state agencies operate under different statutory authorities and have varying tools to investigate misconduct, take action, and obtain redress. These tools may include supervisory and enforcement actions, as well as administrative, civil, and criminal proceedings that can lead to restitution, fines, penalties, restraining orders, injunctions, and imprisonment. As a result, interagency coordination, including the sharing of complaint data, is essential to identifying and disrupting bad actors quickly and limiting harm to consumers.[35]

The Trump Administration, and the CFPB in particular, has made addressing frauds and scams a priority. In addition to developing targeted educational materials and resources, the CFPB is taking several actions in this critical area. Example actions include:

[34] Consumer Fin. Prot. Bureau, *Working with older adults*, https://www.consumerfinance.gov/consumer-tools/educator-tools/resources-for-older-adults/.

[35] As noted in last year's report, federal agencies including the Bureau, the Federal Trade Commission (FTC) (https://reportfraud.ftc.gov/), and the FBI (https://www.justice.gov/action-center/report-crime-or-submit-complaint) receive, compile, and report on complaints pertaining to a myriad of issues, including fraud and scams.

- *Increasing awareness.* In its Financial Literacy Annual Report and in its engagements with key stakeholder groups, the CFPB highlighted trends in fraudulent activity, such as fraudulent transfers in peer-to-peer ("P2P") payment services.[36]
- *Participating in the Cyber-Enabled Scam Initiative.* Since March 2026, the CFPB has worked with the Department of Justice and other federal agencies through the Cyber-Enabled Scam Initiative (CSI), which seeks to identify, disrupt, and stop cyber-enabled criminal networks that target American consumers. Through CSI, the Bureau collaborates with partner agencies to combat scams and frauds that often transcend jurisdictions, markets, and traditional enforcement boundaries.
- *Encouraging industry participation.* The CFPB recognizes that government alone cannot solve these threats and that private-sector efforts play an important role in identifying and stopping them. That is why the CFPB is encouraged by recent educational campaigns from industry, such as the American Bankers Association's #BanksNeverAskThat and #PracticeSafeChecks campaigns, which aim to help consumers recognize scams and combat check fraud.
- *Convening the Consumer Advisory Board ("CAB").* The CFPB has scheduled an upcoming meeting of the CAB to receive input not only from its members, but from industry stakeholders as well, to explore partnerships that can help better protect consumers.
- *Supporting unified fraud reporting.* The CFPB is part of the Department of Treasury's effort to create a single, unified portal where Americans can report scams that may be under federal jurisdiction. As part of this program, the Bureau will coordinate with the Federal Bureau of Investigation, the Federal Trade Commission, the Federal Communications Commission, the U.S. Postal Inspection Service, and the U.S. Secret Service.

Through collaboration among government agencies, industry participants, and consumers themselves, these efforts can help reduce opportunities for fraudsters, protect American families, and strengthen the overall economy.

[36] Financial Literacy Annual Report *supra* note 30.

# 5. Recommendations

Policymakers, federal and state law enforcement agencies, advocacy groups, and market participants may wish to consider the following:

- Further Strengthen Consumer Education and Fraud Prevention. Continue to build on and expand coordinated, collaborative consumer education efforts regarding student loans generally and frauds and scams in particular. Review and refine metrics for measuring the effectiveness of these efforts, assess the results using those metrics, and reinforce the successful ones with additional resources. Notably, CFPB research shows that providing actionable, relevant, and timely information connected to a financial product or decision is one of the most effective ways to improve financial well-being. The Acting Director of the CFPB serves as Vice Chair of the Financial Literacy and Education Commission (FLEC). The CFPB works with FLEC to advance the administration's financial literacy and education goals, including through the new U.S. National Strategy for Financial Literacy.[37]

- Continue Enhancing Coordinated Enforcement Against Fraud and Scams. Reinforce coordinated supervisory, enforcement, and prosecutorial actions against individuals and organizations perpetrating frauds and scams and widely publicize the results. These efforts should be consistent with the CFPB's supervision and enforcement priorities, particularly those cases involving actual fraud against consumers and identifiable victims with material and measurable damages. Frauds and scams frequently cross jurisdictions and may involve multiple federal and state agencies. Determining which agency is best situated to proceed and sharing information among agencies are key to achieving the best outcomes for consumers, synchronizing efforts, and thus making the most of limited resources.

- Further Focus Supervision on Areas of Greatest Consumer Risk. Develop and implement a supervisory strategy for private student lenders and servicers that focuses supervisory activity on discrete challenges and issues that may create borrower harm across the sector, rather than conducting a comprehensive supervisory examination of one organization at a time. Supervisory activities should align with CFPB priorities, correct violations of federal consumer financial law, remediate harm to consumers and address compliance management weaknesses. The CFPB should request focused data sets

[37] *See, e.g.*, Consumer Fin. Prot. Bureau, *CFPB Proud to Support the National Strategy for Financial Literacy* (Oct. 2, 2026), https://www.consumerfinance.gov/about-us/newsroom/cfpb-proud-to-support-the-national-strategy-for-financial-literacy/.

concerning specific issues that cause concrete consumer harm, rather than expansive data sets. A strategy based on these principles would allow the Bureau to use its resources efficiently and focus on the greatest risks to consumers.

- Keep Expanding Protections for Servicemembers. Require private student loan lenders and servicers to proactively search the Department of War's Defense Manpower Data Center (DMDC) to identify servicemembers who may be eligible for protections under the Servicemembers Civil Relief Act (SCRA) and apply those protections as appropriate. Federal student loan servicers have proactively searched the DMDC as a best practice for more than a decade and have done so efficiently and cost effectively.[38]

- Continue Improving Private Student Loan Transparency. Collect private student loan data consistent with the CFPB's priorities to protect consumers from concrete harm, increase transparency, and improve monitoring of the market. Available data do not distinguish among traditional private student loans, institutional student loans, and state-based lending. Credit bureaus' data also do not distinguish between private and federal student loans, leaving the two types largely indistinguishable in that data set. Student loan asset-backed securities (SLABs) may have a larger role as the private student loan market grows, but there is limited visibility into fundamental data elements, such as who holds the promissory notes and who can make dispositive decisions about borrower inquiries. As a result, the CFPB has generally been positioned to respond only after consumer harm occurs. Focused data collection would help prevent concrete borrower harm and better inform public policy. Greater transparency may also enable private markets to underwrite student loans more efficiently and accurately.

[38] The modern SCRA was passed in December 2003 and requires that servicemembers (1) request the protections of the SCRA and (2) provide a copy of their orders. December 2003 predates the wide availability of the DMDC information. The SCRA has not kept up with technological change. Federal student loan servicers have been proactively using the DMDC pursuant to federal contractual requirements and a DOJ settlement with Navient. Generally automated batch processing against the DMDC tends to be more cost effective than processing paper requests and paper orders.