

Annual Report of the CFPB Private Education Student Loan Ombudsman

Table of contents

Table of contents.....	1
Executive Summary	2
1 About This Report	4
2 Student Loan Complaint Data.....	6
2.1 Sources of Information and Limitations.....	7
2.2 Complaint Process	8
2.3 Differences Between Private and Federal Student Loans.....	9
2.4 Year over Year Student Loan Complaints	10
2.5 Private Student Loan Complaints	15
3 Discussion	17
4 Recommendations.....	20

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 from July 1, 2024, through June 30, 2025 (the “Award Year” or “AY”).¹ During this time period the Consumer Financial Protection Bureau (“Bureau” or “CFPB”) received approximately 22,900 complaints related to private or federal student loans². Overall, the number of student loan complaints has increased to the highest level the Bureau has received in a one-year period. The CFPB also received approximately 2,100 debt collection complaints related to private and federal student loan debt.

- For the year ending June 30, 2025, the Bureau received approximately 4,500 private student loan complaints, an increase of approximately 33 percent, compared to that of the previous year. This is the 5th highest number of private student loan complaints received in a one-year period.
- For the year ending June 30, 2025, the Bureau received approximately 18,400 federal student loan complaints, an increase of approximately 36 percent compared to that of the previous year.³ This is the highest number of federal student loan complaints received in a one-year period.

This past year, entities failed to respond in a timely manner to approximately 20 percent of private and federal student loan complaints sent to companies.⁴ This is double the untimely rate of 10 percent in AY 2023-2024. Companies closed approximately 78 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 22 percent of these complaints. Approximately 91 percent of consumers who provided feedback reported that they did not think the response addressed all their concerns. Further, frauds and scams have been

¹ This is the second annual report using data for the award year (July 1 through June 30). Reports prior to the 2024 annual report used data from September 1 through August 31. For a portion of 2025 there was no Ombudsman. Pursuant to 12 U.S.C. § 5535(a), on January 6, 2026, the U.S. Treasury Secretary formally agreed with the Acting Director’s recommendation that Geof Gradler be designated as the Private Education Loan Ombudsman. Beginning shortly after the prior Ombudsman’s departure, Mr. Gradler worked with Robert Cameron to draft this report. Mr. Gradler would like to thank Mr. Cameron for his excellent assistance in creating this report.

² 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.

³ The Bureau and the Department of Education have a Memorandum of Understanding (dated on January 31, 2020), regarding the sharing of complaint information.

⁴ Notably, for AY24-25, 77 percent of student loan consumers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

active in the student loan market. This may be attributable to, in part, a lack of timeliness and responsiveness from companies. In the absence of timely and responsive answers, consumers may seek answers elsewhere to resolve their issues creating an environment for fraudsters and scammers to prey upon consumers.

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

- Initiate coordinated and collaborative consumer education efforts regarding frauds and scams, assess the effectiveness of those efforts with measurable metrics, and reinforce the successes with additional resources.
- Coordinate the enforcement actions and/or prosecution of individuals and organizations perpetrating frauds and scams and widely disseminate and publish the results.
- Address the lack of timeliness and responsiveness in company complaint responses.

1 About This Report

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”) established a Private Education Loan Ombudsman (“Ombudsman”) within the Consumer Financial Protection Bureau (“Bureau” or “CFPB”) to provide timely assistance to borrowers of private education loans.⁵ The statutory functions of the Ombudsman include the following ongoing requirements:⁶

- 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 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.

This report is 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, 2024, through June 30, 2025, as well as making appropriate recommendations

⁵ 12 U.S.C. § 5535.

⁶ The Act also requires the establishment of a memorandum of understanding (“MOU”) with the student loan ombudsman of the Department of Education to ensure coordination in providing assistance and serving borrowers seeking to resolve complaints related to their private education loans or federal student loans. The memorandum was established and signed on January 31, 2020.

based on that data and other sources of information. This is the 13th required Annual Ombudsman Report.

2 Student Loan Complaint Data

Over 46 million consumers have private and/or federal student loans, and of those, approximately 42 million consumers have federal student loans.⁷ At the end of AY 2024-2025, the outstanding volume in the student loan market totaled approximately \$1.85 trillion with federal student loans comprising approximately \$1.67 trillion (approximately 90 percent) and private student loans comprising approximately \$181 billion (approximately 10 percent).⁸

When consumers experience challenges with their student loans, they may file complaints with the Bureau, the Department of Education, state or other federal agencies, their school, lender, and/or servicer. Complaints provide insight into the student loan market, including issues, that if unaddressed, may become larger and impact more consumers.

When complaints are filed with the Bureau, the Ombudsman's activities include reviewing the complaints; compiling and analyzing the data; attempting to informally resolve complaints and

⁷ 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 (41.7 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 2025 (4.7 million). The estimated number of borrowers from credit record data are from the CFPB Consumer Credit Information Panel (CCIP) which is a 2% 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. Dept. of Educ., Federal Student Loan Portfolio, <https://studentaid.gov/data-center/student/portfolio> (FFY 2025 Q3)) minus the number of borrowers with defaulted federal student loans in the CCIP data. Total number of borrowers with a federal student loan is from the U.S. Department of Education (*Federal Student Aid Portfolio Summary*, U.S. Dept. of Educ., Federal Student Loan Portfolio, <https://studentaid.gov/data-center/student/portfolio> (FFY 2025 Q3)).

⁸ Total outstanding balances are the sum of balances across all student loans reported in the CCIP data (\$1.73 trillion) plus defaulted federal student loan balances that no longer appear on credit records because the loans have been in default for more than seven years as of June 2025 (\$108 billion). Outstanding private student loan balances are the difference between the total outstanding balances and federal balances. Estimated balances on credit records are from the CFPB CCIP. Balances of defaulted federal student loans and of all federal student loans are from the U.S. Department of Education (*Federal Student Aid Portfolio Summary*, U.S. Dept. of Educ., Federal Student Loan Portfolio, <https://studentaid.gov/data-center/student/portfolio> (FFY 2025 Q3)).

coordinating those efforts, when appropriate; identifying trends; sharing information when appropriate; and making recommendations based upon the data and other sources.⁹

2.1 Sources of Information and Limitations

This report includes complaints received by the Bureau from consumers about consumer financial products and services. Across all products, more than 7,400 financial companies can respond to their customers through the CFPB’s complaint process, ensuring the Bureau and the state and federal agencies with which the CFPB shares complaint information, including the Federal Trade Commission (FTC) and the Department of Education (for federal student loans), have the companies’ perspectives on these complaints.

To identify and assess issues faced by student loan borrowers, the Bureau relies on student loan complaints sent to the Bureau as well as other sources of information including internal offices and sections within the Bureau (such as 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.

The complaint data provided by consumers includes the type of complaint, the date of submission, the consumer’s zip code, and the company to which the complaint was sent for a response. The Bureau then notes whether the response was timely and how the company responded. It is important to note that complaint data is not a statistical sample of consumers’ experiences in the marketplace, and the number of complaints regarding any issue does not suggest the prevalence of issues as those issue relate to the entire student loan market.

The Bureau does not verify the allegations in consumers’ complaints, though the Bureau does confirm a commercial relationship between the borrower and the company. Unproven allegations in consumer narratives should be regarded as opinion and reflective of the consumer’s experience in the marketplace, rather than conclusory facts. However, companies

⁹ From the beginning of the Bureau, the volume of student loan complaints has required consideration of the most effective and efficient ways to leverage resources to assess, analyze, and informally resolve complaints. There is greater benefit in a systems approach versus a one-by-one approach to complaint issues and resolution, as a systems approach benefits the most consumers (i.e. the greatest number of complaints with the greatest impact get resolved). This approach for complaint resolution has generally included collaborating internally within the Bureau, and outreach with the Department of Education, advocates, institutions of higher education, market participants and others. For example, a credit reporting issue in May of 2020 was identified early and a corrective action plan was in place before many borrowers became aware of the issue. Working individual complaints one at a time is sometimes necessary, depending upon the facts and circumstances. For example, a borrower with institutional-held loans and held hostage by the Taliban in Afghanistan warranted an individual approach and achieved successful resolution. The Ombudsman will focus resources on systemic issues and will only work on individual complaints in the rare cases where it is necessary to do so.

and organizations can consider, and use when appropriate, the issues raised in complaints as they assess and analyze their compliance management systems (which are subject to supervisory examination) and take reasonable remedial action for populations affected by those issues, when appropriate.

Despite its limitations, the 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 and situational awareness regarding issues faced by consumers in their states as well as comparison to other states. For market participants, consumer complaint information is an important tool to inform and support internal compliance and monitoring activities.

2.2 Complaint Process

When a complaint is received, a commercial relationship with the company is determined and then the complaint is sent to that company for a response. Companies have a total of 60 days to respond to the complaint. The complaint is published after the company responds. The consumer has the opportunity to review the company's response and answer optional survey questions regarding the response.

The Bureau defines adequacy in complaint responses in three ways: timeliness, completeness, and accuracy.¹⁰ Timeliness is required under the CFPA.¹¹ Completeness includes whether the company addressed all issues raised in the complaint, provided relevant documentation, and described any follow-up actions. Accuracy includes whether the company selected the most appropriate response category and described the relief provided, when appropriate.

¹⁰ See Consumer Financial Protection Bureau, *Consumer Response Annual Report: January 1 – December 31, 2024* (2025), https://files.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2025-05.pdf pages 16-18.

¹¹ 12 U.S.C. § 5534.

FIGURE 1. CONSUMER COMPLAINT PROCESS



2.3 Differences Between Private and Federal Student Loans

Differences in student loan complaints may reflect differences between private student loans and federal student loans. Though some issues may overlap with federal student loans (for example, fraud, scams, and responsiveness), there are issues that are unique to private student loans and issues that are unique to federal student loans.¹² Further, where the issues overlap, there may be different underlying causes and/or different routes for relief.¹³ This means that one solution to an issue for private or federal student loans may not be a “one size fits all” solution for all student loans.

Differences between private and federal student loans include the following: generally private student loans include loans that are provided to students by banks, credit unions, non-depository institutions, schools¹⁴, and state agencies or state affiliated organizations¹⁵. Private student loans may cover the costs of attendance, cover other costs, and may be Direct to Consumer or sent to the school.¹⁶ Interest rates are set by the terms of the promissory note and may change based on those terms.¹⁷ Private student loans may include various structures or financing arrangements such as Income Share Agreements and Tuition Assistance Programs.

¹² For example, when a school has been found to have defrauded students after appropriate due process, students with federal student loans may apply for a Bad Conduct Discharge through the Department of Education. The same student at the same school with private student loans would have to take another route, such as raising the Federal Trade Commission’s Holder Rule, either with the loan owner or in a civil proceeding.

¹³ *Id.*

¹⁴ Schools are covered entities under the CFPA when they offer or provide private education loans, engage in financial advisory services, broker loans, or otherwise offer or provide a consumer financial product or service.

¹⁵ Prior to the transition to Federal Direct loans in 2010, many of these organizations also originated student loans under the Federal Family Education Loan Program (FFEL).

¹⁶ Generally, federal student loans only cover the costs of attendance and are typically sent to the school. These differences may also affect other possible remedies and relief, including dischargeability in bankruptcy.

¹⁷ The interest rate for federal student loans is determined annually by statute and generally remains the same for the life of the loan.

Private student loans are serviced¹⁸ by various entities designated by the organization that provided the loan. Private student loans are serviced in accordance with various federal and state consumer protection statutes and the terms of the servicing contract, but they are not subject to the Higher Education Act.¹⁹ Generally, third-party servicers have no right, title, or interest in the loans and do not make discretionary decisions regarding requests from borrowers. These requests are elevated to the loan owner for a decision. Private student loans are governed by federal and state consumer financial protection laws and the terms of the various promissory notes. To provide liquidity in the private student loan market and enable student loan lending for future students, there is a secondary market where private student loans may be bundled into various securities (Student Loan Asset Backed Securities or “SLABS”) and trusts.²⁰ When private student loans are in a trust, generally the trust is the owner, and the trust determines who performs various functions (including servicing) and makes final discretionary decisions on consumer requests regarding individual loans.

Generally, federal student loans offer more protections and more flexibility for student loan borrowers regarding repayment options and terms, to include grace periods (in-school and post-graduation), deferments, forbearances, subsidized interest on some loans, repayment based on income, loan discharge or cancellation (for example, disability discharges and school misconduct discharges), credit reporting, and credit-worthiness at origination.²¹ As a general rule, most borrowers should consider taking out available federal student loans before taking out private student loans.²²

2.4 Year over Year Student Loan Complaints

Figure 1 reflects year over year aggregate complaint data for private student loans and federal student loans starting from when the Bureau began to receive student loan complaints. Very broadly, when the Bureau began accepting student loan complaints, complaint volume started low and trended upward reaching a peak during AY 2016–2017 (particularly in January 2017). Complaint volume then trended downward and continued to this trend through COVID, with

¹⁸ Servicing includes day to day activities such as generating bills, collecting payments, and providing customer service. Servicing may sometimes be “white labeled” where the servicer provides services under the name of organization that provided the loan, rather the name of the company that does the servicing.

¹⁹ In contrast, federal student loans are originated and serviced in accordance with the Higher Education Act, its implementing regulations, and Department generated sub-regulatory guidance such as Dear Colleague Letters. In addition to the foregoing, the Federal Family of Education Loan Program (FFEL) uses the Common Manual for FFEL loans. Further, federal student loans are subject to various consumer financial protection laws.

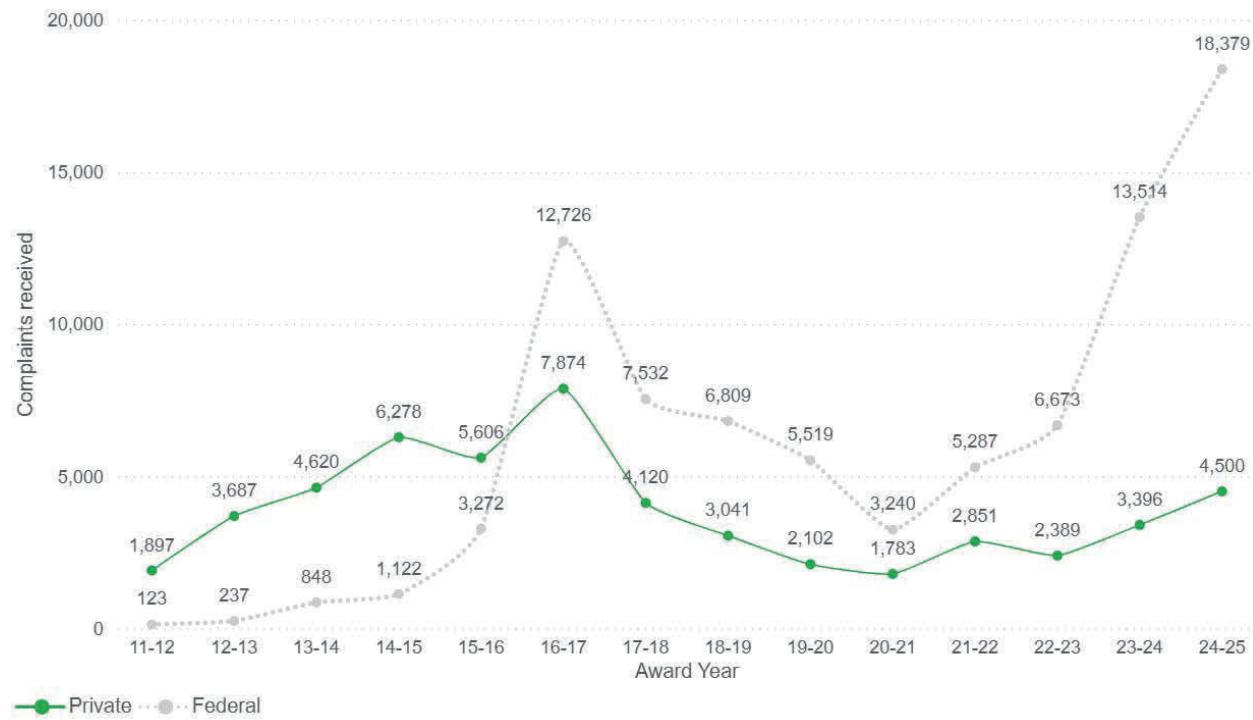
²⁰ Federal loans owned by the Department do not utilize or have access to a secondary market. Some commercially-held federal loans (such as FFEL), may be bundled into SLABS and placed into trusts.

²¹ <https://studentaid.gov/understand-aid/types/loans>.

²² <https://www.consumerfinance.gov/ask-cfpb/should-i-choose-federal-student-loans-or-private-student-loans-en-567/>.

complaint volume hitting its lowest point post-peak during AY 2020-2021 (particularly in September 2020). Since then, complaint volume has trended upward with notable consecutive increases in AY 2023-2024 and AY 2024-2025, with much of the volume attributable to federal student loans.²³

FIGURE 2. STUDENT LOAN COMPLAINTS SUBMITTED TO THE CFPB BY AWARD YEAR, 2011 – 2025



²³ For federal student loans, the volume of increases in two consecutive award years coincides 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 3. PRIVATE AND FEDERAL STUDENT LOAN COMPLAINTS RECEIVED AWARD YEAR, 2024 - 2025

During the period of July 1, 2024 through June 30, 2025 of the approximately 23,000 student loan complaints received, approximately 4,500 were related to private student loans and approximately 18,400 were related to federal student loans.

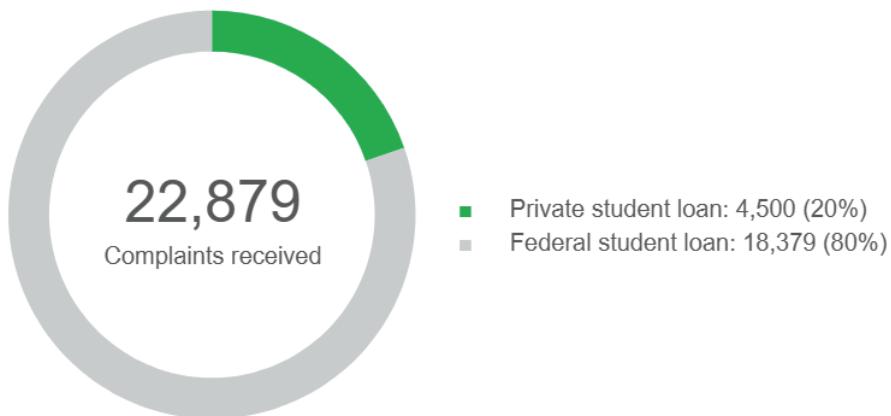
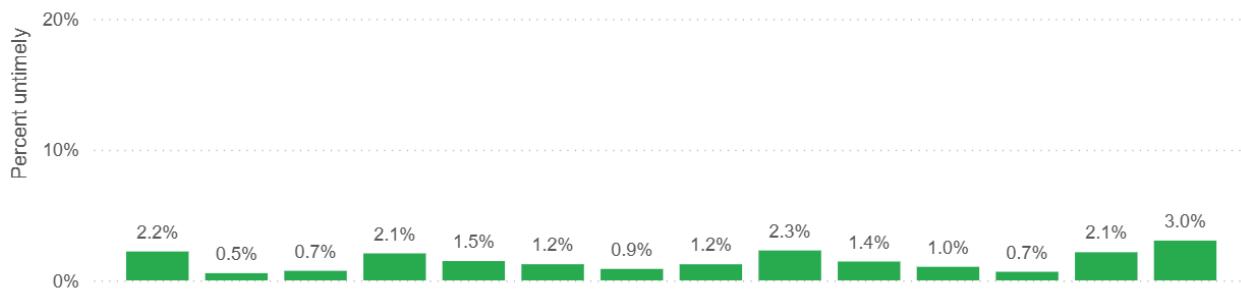
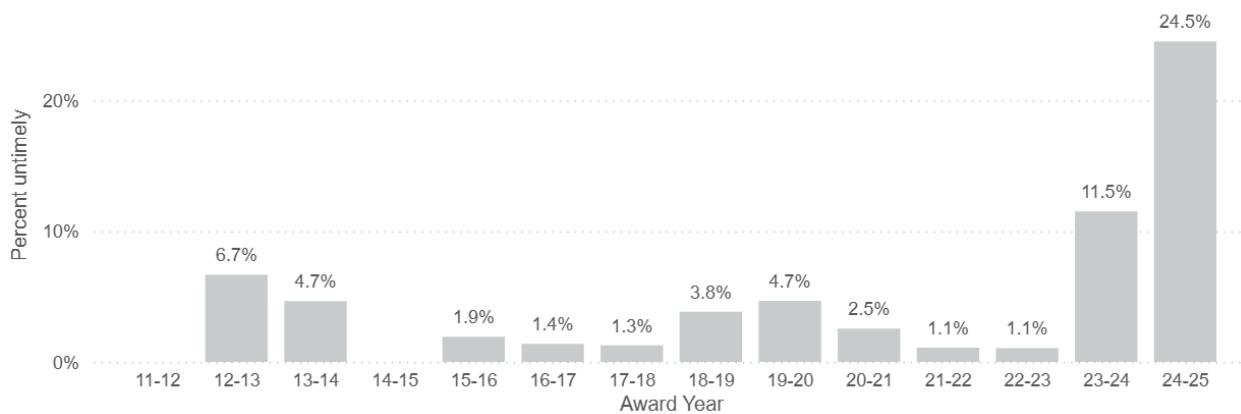


FIGURE 4. PRIVATE AND FEDERAL STUDENT LOAN COMPLAINTS WITH UNTIMELY RESPONSES

Private student loan



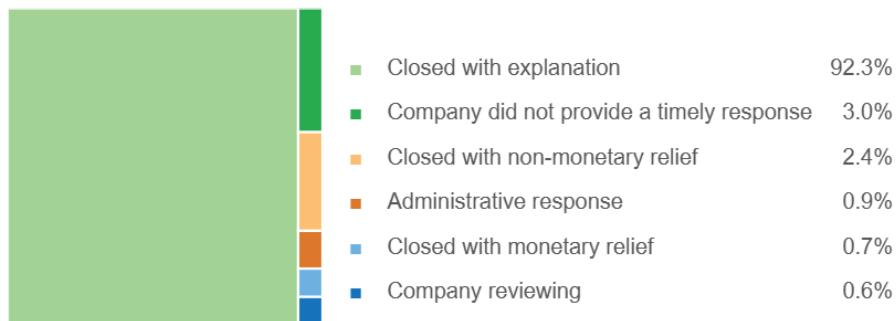
Federal student loan



During the period of July 1, 2024 through June 30, 2025 approximately 100 private student loan complaints (approximately 3 percent of 3,900 complaints sent to companies) were untimely and approximately 4,100 federal student loan complaints (approximately 25 percent of 16,500 complaints sent to companies) were untimely. The number and percent of untimely responses is the highest it has been since the Bureau began receiving complaints.

FIGURE 5. PRIVATE AND FEDERAL STUDENT LOAN COMPLAINT RESPONSE TIMELINESS AND OUTCOME

Private student loan



Federal student loan

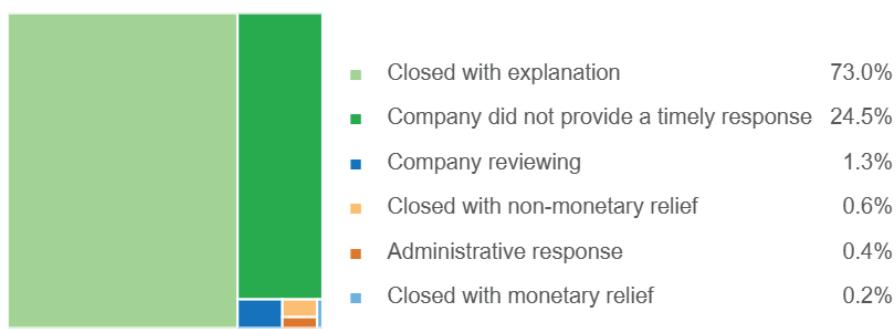


FIGURE 6. STUDENT LOAN COMPLAINTS SUBMITTED BY SERVICEMEMBERS AND NON-SERVICEMEMBERS FOR PRIVATE AND FEDERAL STUDENT LOANS RECEIVED.

	Servicemember		Non-servicemember		Total	
	#	% of total	#	% of total	#	% of total
Private student loan	403	0.3%	4,097	0.1%	4,500	0.1%
Federal student loan	1,396	1.1%	16,983	0.4%	18,379	0.4%
Total student loan	1,799	1.4%	21,080	0.4%	22,879	0.5%
All products	126,050	100.0%	4,745,904	100.0%	4,871,954	100.0%

During the period of July 1, 2024 through June 30, 2025, approximately 1.4 percent (1,799 of 126,050) of complaints submitted by servicemembers were private and federal student loan

related compared to 0.4 percent (21,080 of 4,745,904) of complaints submitted by non-servicemembers.

Though numerically relatively small, there is a disproportionate impact on servicemembers individually and in the aggregate. For perspective, 750 servicemembers with complaints regarding their financial well-being, in this case student loans, is the equivalent of an infantry battalion.

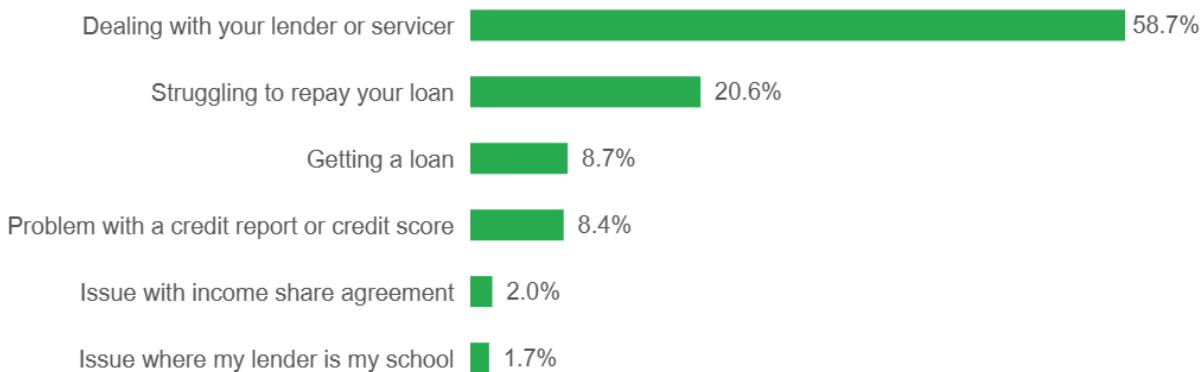
2.5 Private Student Loan Complaints

For the AY covering July 1, 2024 to June 30, 2025, the Bureau handled approximately 4,500 private student loan complaints, an increase of 33 percent over the prior award year.

2.5.1 Private Student Loan Complaints by Issues

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

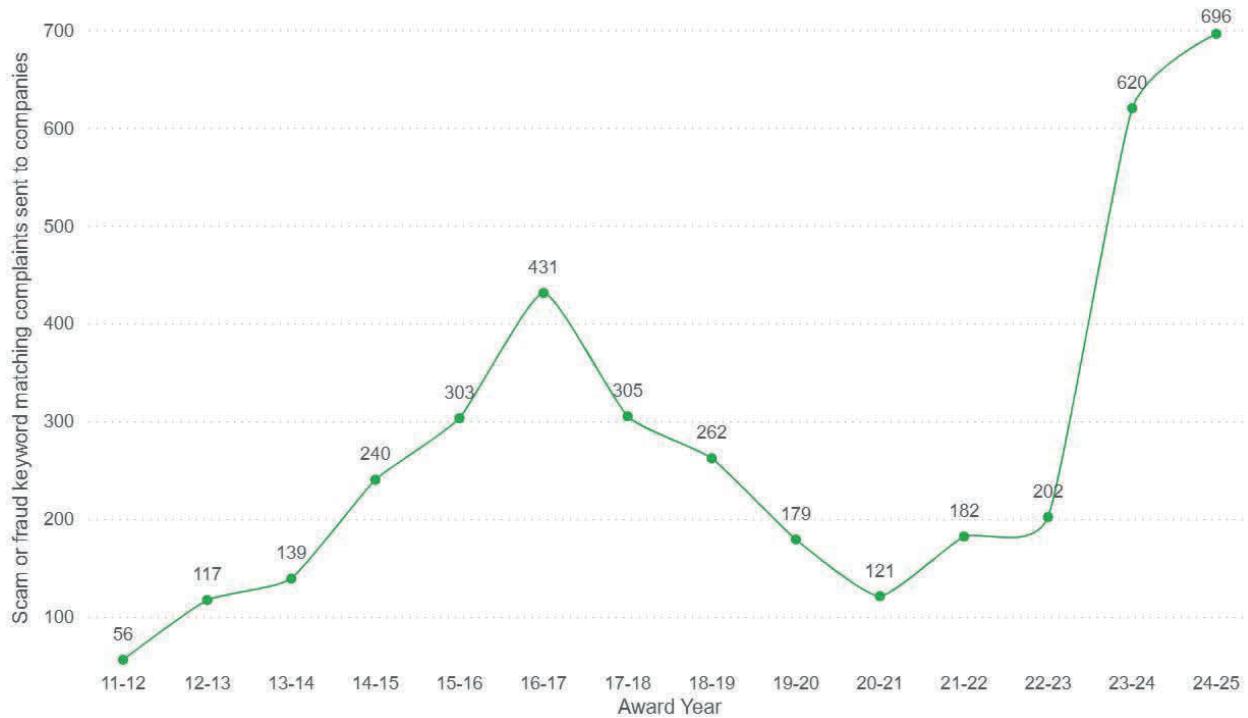
FIGURE 7. PRIVATE STUDENT LOAN COMPLAINTS BY ISSUES (SENT TO COMPANY)



2.5.2 Private Student Loan “Scam or Fraud Complaints

Figure 8 shows private student loan complaints where consumers mention problems with a “scam or fraud”.²⁴

FIGURE 8. PRIVATE STUDENT LOAN SCAM OR FRAUD COMPLAINTS (SENT TO COMPANIES)



²⁴ 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.

3 Discussion

The student loan marketplace is large and diverse with many options available to prospective borrowers, both students and parents. These options are valuable for borrowers when determining which loan products best fit their individual circumstances. This is important for access to higher education, completing it in a timely manner, and receiving a meaningful return on the resources and time invested to achieve it.

At the same time, borrowers must be able to meaningfully weigh the benefits and costs of each option. This requires assessing a myriad of sometimes confusing information, from origination through servicing and repayment. Where there may be confusion, a lack of transparency, or a lack of responsiveness, there is information asymmetry.²⁵ Information asymmetry is generally to the borrower's detriment, but certain actions may be taken to reduce both information asymmetry and borrower detriment.

Generally, such actions have a larger positive impact for more borrowers (and reduce or eliminate harm for more borrowers while also addressing a larger number of complaints) when actions are taken in a systemic manner to address systemic short comings, including issues related to transparency, origination, servicing, and repayment. In contrast, an approach where individual complaints are worked one at a time is effective for the individuals being helped, and this must not be minimized, but it is not as effective in addressing the population of similarly situated borrowers who may not otherwise be helped. Both approaches have merit, however, for the Ombudsman to be most effective, the activities of the Ombudsman must focus on the most effective approach, which is systemic, while working individual complaints when exceptional circumstances arise.²⁶

Generally, where there is systemic confusion or information asymmetry, there are opportunities for bad actors to commit fraud. Bad actors will typically target populations, such as student loan borrowers, and subsets of this population such as servicemembers and veterans, at points in the process where there may be confusion and gaps in information for these populations. Once identified, areas of information asymmetry and borrower confusion also provide opportunities for stakeholders (federal and state agencies, schools, advocates, and industry) to increase

²⁵ For example, borrowers must know how much they will need to borrow to make informed decisions regarding affordability. However, some financial aid "award letters" lack transparency and are confusing for borrowers and families. In 2022 the Government Accountability Office found that 76 percent of award letters reviewed incorrectly referred to loans as "awards" and 58 percent did not label the source of aid (e.g. whether a loan was federal, state, private, or institutional). The true cost of college was not readily apparent and meaningful comparison of award offers was difficult. U.S. Government Accountability Office, (Nov. 1, 2022), *Financial Aid Offers: Action Needed to Improve Information on College Costs and Student Aid*, <https://www.gao.gov/products/gao-23-104708>.

²⁶ *Supra*, Footnote 10.

borrower awareness and provide borrower education to limit their vulnerabilities to frauds and scams. Such efforts also limit the size of the impacted population that may get defrauded or scammed. However, where bad actors have defrauded or scammed consumers, federal and state agencies have been, and continue to be, active in bringing successful enforcement actions,²⁷ and where appropriate, criminal prosecutions.²⁸

Complaints are an important component in identifying frauds and scams. Federal agencies including the Bureau, Federal Trade Commission (FTC)²⁹ and the FBI³⁰, receive, compile, and report on complaints pertaining to a myriad of issues, including fraud and scams. The Government Accountability office (GAO) recently reported that agencies were not aware of a government-wide strategy to guide those efforts.³¹ The GAO report also noted that though various federal agencies have education resources available for consumers, they do not measure the effectiveness of those programs.³²

Further, timeliness in responding complaints, and providing complete and accurate information to borrowers, increases borrower situational awareness and limits opportunities for fraudsters and scammers. Complete and accurate information includes (1) providing clear reasons for why a course of action was taken, and (2) a process for borrowers to address those reasons so the issue may be reconsidered with additional information from the borrower, if appropriate. When a company systemically fails to do so, it results in an uneven playing field for both borrowers and companies that provide complete and accurate information, and it may contribute, in part, to an environment that favors fraudsters and scammers.³³

Finally, complaints happen after consumer dissatisfaction or harm has occurred. When harm has happened to one borrower, it is likely that more are affected, and it is also likely that the harm will continue until the issue causing the harm is stopped and remediated. The shorter the

²⁷ <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-sends-money-student-loan-borrowers-harmed-debt-relief-scam> and <https://www.ftc.gov/news-events/news/press-releases/2025/04/ftc-highlights-actions-protect-consumers-impersonation-scams>.

²⁸ <https://www.fbi.gov/contact-us/field-offices/pittsburgh/news/harrison-county-woman-indicted-on-theft-and-fraud-charges-relating-to-veterans-benefits-and-federal-student-loans>.

²⁹ <https://reportfraud.ftc.gov/>.

³⁰ <https://www.justice.gov/action-center/report-crime-or-submit-complaint> and see, <https://www.fbi.gov/how-we-can-help-you/scams-and-safety>.

³¹ *Consumer Protection: Actions Needed to Improve Complaint Reporting, Consumer Education, and Federal Coordination to Counter Scams*, GAO-25-107088 (April 8, 2025) at <https://www.gao.gov/products/gao-25-107088>.

³² *Id.*

³³ Examples of responses that may be considered non-responsive in that they lack reasons for actions taken or processes for borrowers to address those reasons include language such as, “it is not possible to identify the specific criteria that caused your application to be denied” and that the “analysis is confidential and proprietary.” Where such language occurs in responses, particularly when it is repetitive, companies and borrowers may both benefit by the companies’ consideration of whether such responses appropriately support fairness, transparency, and competitiveness (or a level playing field) in the marketplace. 12 U.S.C. 5511(a).

time period between when a complaint is received and the issue is identified and remediated, the less harm that occurs.

4 Recommendations

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

- Regarding frauds and scams:
 - Identify private student loan populations targeted by fraudsters and the areas of confusion and information asymmetry that fraudsters use to their advantage. Then initiate coordinated and collaborative inter-agency consumer education efforts, focused on these populations and areas. Finally, assess the effectiveness of those efforts with measurable metrics (these metrics should include both means of performance and measures of effectiveness), and reinforce the successes with additional resources.
 - Coordinate the enforcement actions and/or prosecution of individuals and organizations perpetrating frauds and scams and widely disseminate and publish the results.
- Regarding complaints, address the lack of timeliness, completion, and accuracy in company complaint responses when they occur, and if they occur repeatedly, consider additional appropriate actions.