

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

CONSUMER FINANCIAL PROTECTION
BUREAU,

Plaintiff,

v.

PENNSYLVANIA HIGHER EDUCATION
ASSISTANCE AGENCY, THE NATIONAL
COLLEGIATE MASTER STUDENT LOAN
TRUST I, THE NATIONAL COLLEGIATE
STUDENT LOAN TRUST 2003-1, THE
NATIONAL COLLEGIATE STUDENT LOAN
TRUST 2004-1, THE NATIONAL COLLEGIATE
STUDENT LOAN TRUST 2004-2, THE
NATIONAL COLLEGIATE STUDENT LOAN
TRUST 2005-1, THE NATIONAL COLLEGIATE
STUDENT LOAN TRUST 2005-2, THE
NATIONAL COLLEGIATE STUDENT LOAN
TRUST 2005-3, THE NATIONAL
COLLEGIATE STUDENT LOAN TRUST 2006-
1, THE NATIONAL COLLEGIATE STUDENT
LOAN TRUST 2006-2, THE NATIONAL
COLLEGIATE STUDENT LOAN TRUST 2006-
3, THE NATIONAL COLLEGIATE STUDENT
LOAN TRUST 2006-4, THE NATIONAL
COLLEGIATE STUDENT LOAN TRUST 2007-
1, THE NATIONAL COLLEGIATE STUDENT
LOAN TRUST 2007-2, THE NATIONAL
COLLEGIATE STUDENT LOAN TRUST 2007-
3, and THE NATIONAL COLLEGIATE
STUDENT LOAN TRUST 2007-4,

Defendants.

Case No.
1:24-cv-00756-JPW

**STIPULATED FINAL
JUDGMENT AND
ORDER
AS TO DEFENDANT
PENNSYLVANIA
HIGHER
EDUCATION
ASSISTANCE
AGENCY**

The Consumer Financial Protection Bureau (“Bureau”) commenced this civil action on May 6, 2024 to obtain injunctive and monetary relief and civil penalties from The National Collegiate Master Student Loan Trust I, The National Collegiate Student Loan Trust 2003-1, The National Collegiate Student Loan Trust 2004-1, The National Collegiate Student Loan Trust 2004-2, The National Collegiate Student Loan Trust 2005-1, The National Collegiate Student Loan Trust 2005-2, The National Collegiate Student Loan Trust 2005-3, The National Collegiate Student Loan Trust 2006-1, The National Collegiate Student Loan Trust 2006-2, The National Collegiate Student Loan Trust 2006-3, The National Collegiate Student Loan Trust 2006-4, The National Collegiate Student Loan Trust 2007-1, The National Collegiate Student Loan Trust 2007-2, The National Collegiate Student Loan Trust 2007-3, The National Collegiate Student Loan Trust 2007-4 (collectively “NCSLTs” or “the Trusts”), and Pennsylvania Higher Education Assistance Agency (“PHEAA”), also doing business as American Education Services (“AES”). The Complaint alleges violations of sections 1031(a) and 1036(a) of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), in connection with the servicing of student loans owned by the Trusts.

The Bureau and Defendant PHEAA agree to entry of this Stipulated Final Judgment and Order (“Order”), without adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the conduct alleged in the Complaint.

The Bureau and NCSLT Defendants have agreed to simultaneous entry of a separate Stipulated Final Judgment and Order (“NCSLT Defendants Order”). The requirements of Section V (Order to Pay Redress) of this Order and the requirements of Section IV (Order to Pay Redress) of the NCSLT Defendants Order together represent the complete terms for liability for consumer redress and should not be interpreted as duplicative requirements.

FINDINGS

1. This Court has personal jurisdiction over the parties and jurisdiction over the subject matter of this action pursuant to **28 U.S.C. § 1331** and **28 U.S.C. § 1345**.
2. Defendant PHEAA neither admits nor denies the allegations in the Complaint, except as specified in this Order. For purposes of this Order, Defendant PHEAA admits the facts necessary to establish the Court’s jurisdiction over it and the subject matter of this action.

3. Defendant PHEAA waives all rights to seek judicial review or otherwise challenge or contest the validity of this Order and any claim it may have under the Equal Access to Justice Act, **28 U.S.C. § 2412**, concerning the prosecution of this action to the date of this Order. Each Party agrees to bear its own costs and expenses, including, without limitation, attorneys' fees.

4. Entry of this Order is in the public interest.

DEFINITIONS

5. The following definitions apply to this Order:

a. "Affected Consumer" means any Student Borrower or Co-signer for an NCSLT Loan that submitted an Affected Request and any Delayed Response Affected Consumer.

i. "Delayed Response Affected Consumer" means any Student Borrower for an NCSLT Loan that had an Exception Request made on or after January 1, 2015, that: (1) remains pending, or (2) was not decided within 30 days of the date of the request.

b. "Affected Request" means:

i. Requests for Co-Signer Release;

- ii. Requests for COVID-related Natural Disaster Forbearance;
 - iii. Requests for Extension of COVID-related Payment Relief;
 - iv. Requests for SCRA Benefits; and
 - v. Exception Requests for miscellaneous relief that do not fall into the above categories (“Requests for Miscellaneous Exceptions”).
- c. “Borrower Request” means any request by a Student Borrower or Co-signer made on or after the Effective Date concerning an NCSLT Loan.
 - d. “Board” means Defendant PHEAA’s duly-appointed and acting Board of Directors.
 - e. “Board Executive Committee” means the duly-elected executive committee of Defendant PHEAA’s Board of Directors.
 - f. “Consumer Reporting Agency” or “CRA” means the definition set forth in **15 U.S.C. § 1681a(f)**.
 - g. “Co-signer” means an obligor on an NCSLT Loan other than a Student Borrower.

- h. “Co-signer Release” means release of a Co-signer from all obligations of an NCSLT Loan.
- i. “COVID-19 Emergency” means the national emergency concerning the novel coronavirus disease (COVID-19) outbreak, declared by the President as beginning on March 1, 2020, under the National Emergencies Act, **50 U.S.C. § 1601** *et seq.*, and any extensions of that emergency.
- j. “Date of First Delinquency” means the date of the first 30-day delinquency that led to a status or rating indicating the NCSLT Loan is not current and has not again become current, or in the case of bankruptcies or personal receivership, the date of the bankruptcy or personal receivership petition or notification.
- k. “Date Transaction Effective” means the data point in Defendant PHEAA’s system of record reflecting the historical date on which a retroactive transaction or other loan account adjustment should have taken effect.
- l. “Defendants” means the NCSLT Defendants and Defendant PHEAA, and their respective successors and assigns.

- m. “Defendant PHEAA” means Pennsylvania Higher Education Assistance Agency, d/b/a American Education Services, and its successors and assigns.
- n. “Distribution Date” means: (i) for the Monthly Pay NCSLT Defendants, the 25th calendar day or if such day is not a business day, the next business day thereafter of each month; (ii) for The National Collegiate Student Loan Trust 2003-1, the 25th calendar day or if such day is not a business day, the next business day thereafter in the months of February, May, August, and November; and (iii) for The National Collegiate Student Loan Trust 2004-1 the 25th calendar day or if such day is not a business day, the next business day thereafter in the months of March, June, September, and December.
- o. “Effective Date” means the date on which this Order is entered by the Court.
- p. “Elevated Borrower Request” means a sufficiently documented Borrower Request that Defendant PHEAA elevates for decision by an NCSLT-related Entity or, with respect to Borrower Requests for Co-signer Release only, by

the Special Subservicer, under the amendments to the Servicing Guidelines described in paragraph 7 of this Order, or as they may be modified consistent with paragraph 9 of this Order.

- q. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or their delegate.
- r. “Exception Request” means any request by a Student Borrower or Co-signer made before the Effective Date that:
 - i. at the time of the request, Defendant PHEAA lacked the authority to decide under the Servicing Guidelines, asserted it lacked the authority to decide under the Servicing Guidelines, or sent to another entity for decision, as provisionally identified during the Bureau’s investigation, and subject to validation and non-objection by the Bureau as described in paragraph 23; or
 - ii. was for any form of payment relief due to the COVID-19 Emergency that was eligible for a Natural Disaster Forbearance, as provisionally identified during the

Bureau's investigation, and subject to validation and non-objection by the Bureau as described in paragraph 23.

- s. "Exception Type" means Defendant PHEAA's categorization of the relief sought through an Exception Request.
- t. "Monthly Pay NCSLT Defendants" means NCSLT Defendants other than Quarterly Pay NCSLT Defendants. The Monthly Pay NCSLT Defendants are monthly-pay trusts that make Distribution Date payments each month on the 25th calendar day or if such day is not a business day, the next business day thereafter.
- u. "Natural Disaster Forbearance" means the 3-month forbearance for borrowers whose home or place of employment has been affected by a natural disaster made available to borrowers under the Servicing Guidelines.
- v. "NCSLT Defendants" means (1) The National Collegiate Master Student Loan Trust I, (2) The National Collegiate Student Loan Trust 2003-1, (3) The National Collegiate Student Loan Trust 2004-1, (4) The National Collegiate Student Loan Trust 2004-2, (5) The National Collegiate

Student Loan Trust 2005-1, (6) The National Collegiate Student Loan Trust 2005-2, (7) The National Collegiate Student Loan Trust 2005-3, (8) The National Collegiate Student Loan Trust 2006-1, (9) The National Collegiate Student Loan Trust 2006-2, (10) The National Collegiate Student Loan Trust 2006-3, (11) The National Collegiate Student Loan Trust 2006-4, (12) The National Collegiate Student Loan Trust 2007-1, (13) The National Collegiate Student Loan Trust 2007-2, (14) The National Collegiate Student Loan Trust 2007-3, (15) The National Collegiate Student Loan Trust 2007-4, collectively or individually, and their respective successors and assigns.

- w. “NCSLT Loan” means any private student loan that is or was owned, held by, or securitized by the NCSLT Defendants.
- x. “NCSLT-related Entity” means any of the following entities in relation to any of the NCSLT Defendants: the Indenture Trustee; the Owner Trustee; and the Administrator, not in their individual capacities, but solely in each such entity’s capacity as such under the NCSLT securitization documents.

- y. “Negative Information” means any period of 30-day delinquency, or greater, at any point in an NCSLT Loan’s history.
- z. “Note Insurer” means the note insurer for The National Collegiate Master Student Loan Trust I, The National Collegiate Student Loan Trust 2007-3, and The National Collegiate Student Loan Trust 2007-4.
- aa. “Period of Military Service” means the definition in the Servicemembers Civil Relief Act, **50 U.S.C. § 3911(2)-(3)**.
- bb. “Quarterly Pay NCSLT Defendants” means The National Collegiate Student Loan Trust 2003-1 and The National Collegiate Student Loan Trust 2004-1, which are quarterly-pay trusts that make Distribution Date payments each quarter. The National Collegiate Student Loan Trust 2003-1 makes Distribution Date payments on the 25th calendar day or if such day is not a business day, the next business day thereafter in the months of February, May, August, and November. The National Collegiate Student Loan Trust 2004-1 makes Distribution Date payments on the 25th calendar day or if such day is not a business day, the next

business day thereafter in the months of March, June, September, and December.

cc. “Related Consumer Action” means an affirmative private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Defendant PHEAA based on substantially the same facts as described in the Complaint.

dd. “Request for Co-signer Release” means any Exception Request for Co-Signer Release, made on or after January 1, 2015, that:

- i. remains pending;
- ii. was not decided within 30 days of the date of the request; or
- iii. was denied before November 1, 2021.

ee. “Request for COVID-related Natural Disaster Forbearance” means any Exception Request for any form of payment relief because of the COVID-19 Emergency that was eligible for a Natural Disaster Forbearance, made on or after March 1, 2020, that:

- i. remains pending;

- ii. was denied, and was not subsequently approved
(without requiring resubmission of a new request)
within 15 days of the date of the request; or
 - iii. was approved, but not decided within 15 days of the
date of the request.
- ff. “Request for Extension of COVID-related Payment Relief”
means any Exception Request for any form of payment relief
because of the COVID-19 Emergency—*except for* a Request
for COVID-related Natural Disaster Forbearance—made on
or after March 1, 2020, that:
- i. remains pending;
 - ii. was approved, but not decided within 30 days of the
date of the request; or
 - iii. was denied, but not decided within 30 days of the date
of the request; and
 - 1. the NCSLT Loan was eligible for another form of
payment relief on the date of the request; and
 - 2. the NCSLT Loan did not enter into another form
of payment relief within 30 days of the date of
the request.

gg. “Request for Miscellaneous Exception” means any Exception Request—*except for* a Request for Co-Signer Release, Request for COVID-related Natural Disaster Forbearance, Request for Extension of COVID-related Payment Relief, and Request for SCRA Benefits—made on or after January 1, 2015, that:

- i. remains pending, or
- ii. was not decided within 30 days of the date of the request.

hh. “Request for SCRA Benefits” means any Exception Request for SCRA Benefits, or a request for SCRA Benefits generated by Defendant PHEAA’s identification of a servicemember’s Period of Military Service through the Defense Manpower Data Center (DMDC), made on or after January 1, 2015, that:

- i. remains pending;
- ii. was not decided within 30 days of the date of the request; or
- iii. was denied before May 4, 2021.

- ii. “Servicemembers Civil Relief Act Benefits” or “SCRA Benefits” means the 6% interest rate cap benefit available to servicemembers during the Period of Military Service pursuant to the Servicemembers Civil Relief Act, 50 U.S.C. § 3937(a)(1)(B), or under the Servicing Guidelines, the April 19, 2021 letter to Defendant PHEAA from the Administrator, or Defendant PHEAA’s NCSLT Loan servicing policies, procedures, staff guidance, or alerts.

- jj. “Servicing Guidelines” means the Servicing Guidelines for TERI Loan Programs Serviced at Pennsylvania Higher Education Assistance Agency (d/b/a American Education Services), attached as Exhibit B to the September 28, 2006 Amended and Restated Private Student Loan Servicing Agreement Between Pennsylvania Higher Education Assistance Agency and The First Marblehead Corporation, and all subsequent amendments thereto, including but not limited to, letter-amendments which the Defendants commonly refer to as “Read and Agreed” letters.

- kk. “Special Subservicer” means the entity that manages and oversees debt collection activities for charged-off NCSLT Loans, on behalf of each respective Trust.
- ll. “Student Borrower” means the obligor on an NCSLT Loan for whose educational expenses the loan was made.
- mm. “Supervision Director” means the Assistant Director of the Office of Supervision Policy for the Consumer Financial Protection Bureau, or their delegate.

CONDUCT PROVISIONS

I.

Prohibited Conduct

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

6. Defendant PHEAA and its officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Order, whether acting directly or indirectly, may not violate sections 1031 and 1036 of the CFPA, **12 U.S.C. §§ 5531** and **5536**, and are prohibited from:

- a. misrepresenting that borrowers will receive a review and decision on a Borrower Request or Elevated Borrower Request within a specific time frame if they will not;

- b. failing to offer payment relief that borrowers request and for which they are eligible;
- c. failing to advise borrowers on all payment relief options available to them when borrowers seek relief;
- d. misrepresenting any other fact material to borrowers concerning available loan benefits or payment relief options under the Servicing Guidelines; and
- e. referring or directing borrowers to contact any other entity involved in the operation of the NCSLT Defendants' business activities unless that entity has explicitly agreed to communicate with borrowers regarding their loans.

II.

Affirmative Requirements

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

Timely Review and Decision of Exception Requests

7. NCSLT Defendants and Defendant PHEAA have amended the Servicing Guidelines, as of May 1, 2024 and effective June 30, 2024 to ensure that the servicing of NCSLT Loans complies with the terms of this Order. The Servicing Guidelines, as amended, provide:

- a. instructions related to the review and decision of certain Borrower Requests;
- b. a process through which Defendant PHEAA may escalate certain Elevated Borrower Requests for decision, which decision may then be communicated by an NCSLT-related Entity (including following consultation with other NCSLT-related Entities and/or the Note Insurer, as applicable) or, with respect to Elevated Borrower Requests for Co-signer Release only, the Special Subservicer; and
- c. specific timeframes and deadlines for implementation of the steps described above and in compliance with paragraph 11 of this Order.

8. Defendants must implement and adhere to the steps, deadlines, and timeframes outlined in the Servicing Guidelines with respect to Elevated Borrower Requests.

9. Defendants may not implement modifications to the Servicing Guidelines with respect to Elevated Borrower Requests without 30 days prior notification to the Enforcement Director if such modifications result in reduced protection to borrowers. The Enforcement Director will have the discretion to make a determination of non-objection to the proposed

modifications to the Servicing Guidelines with respect to Elevated Borrower Requests or direct Defendants to revise it. If the Enforcement Director directs Defendants to revise the proposed modifications to the Servicing Guidelines, Defendants must revise and resubmit the proposed modifications to the Servicing Guidelines within 30 days.

10. Within 10 business days of Defendant PHEAA's receipt of any Borrower Request, and in connection with any Borrower Request made after the effective date of the amendment to the Servicing Guidelines described in paragraph 7, Defendant PHEAA must review the Borrower Request and either:

- a. decide the Borrower Request in accordance with the Servicing Guidelines and communicate that decision to the borrower;
- b. determine that the Borrower Request requires submission to an NCSLT-related Entity or the Special Subservicer in accordance with the Servicing Guidelines, and determine whether Defendant PHEAA reasonably believes it is in receipt of all necessary documents or information to submit the request as an Elevated Borrower Request; or
- c. contact the borrower to request additional documents or information Defendant PHEAA reasonably determines is

necessary to submit an Elevated Borrower Request to an NCSLT-related Entity or the Special Subservicer in accordance with the Servicing Guidelines.

11. Defendant PHEAA must, in connection with any Borrower Request made after the effective date of the amendment to the Servicing Guidelines described in paragraph 7:
 - a. submit Elevated Borrower Requests for Co-signer Release to the Special Subservicer, or any NCSLT-related Entity designated in any subsequent amendment to the Servicing Guidelines, for decision within five (5) business days of its determination that it received all necessary documents or information;
 - b. submit Elevated Borrower Requests, except those for Co-signer Release, to the NCSLT-related Entity designated in the Servicing Guidelines for decision within ten (10) business days of its determination that it received all necessary documents or information;
 - c. communicate the decision on an Elevated Borrower Request for Co-signer Release to a borrower within five (5) business days of the earlier of: (i) receipt of such a decision from the

Special Subservicer, or any NCSLT-related Entity designated in any subsequent amendment to the Servicing Guidelines; or (ii) at the end of the 25 business-day period in which the Special Subservicer, or any NCSLT-related Entity designated in any subsequent amendment to the Servicing Guidelines, has to communicate the authorization (or non-authorization) to Defendant PHEAA. If Defendant PHEAA receives no response from the Special Subservicer, or any NCSLT-related Entity designated in any subsequent amendment to the Servicing Guidelines, at the end of the 25 business-day period, the Elevated Borrower Request will be deemed authorized; and

- d. communicate the decision on an Elevated Borrower Request, except those for Co-signer Release, to a borrower within the earlier of: (i) five (5) business days of receipt of such a decision from the NCSLT-related Entity designated in the Servicing Guidelines; or (ii) at the end of the 30 calendar-day period in which the NCSLT-related Entity designated in the Servicing Guidelines has to communicate the authorization (or non-authorization) to Defendant PHEAA (unless

reasonably extended for good cause pursuant to the Servicing Guidelines as amended, which Defendant PHEAA must specifically communicate to the borrower). If Defendant PHEAA receives no response from the NCSLT-related Entity designated in the Servicing Guidelines, at the end of the 30 calendar-day period, or the end of any time period reasonably extended for good cause pursuant to the Servicing Guidelines as amended, Defendant PHEAA will be deemed authorized to implement its recommended action submitted with the Elevated Borrower Request.

12. If there is any inconsistency between the amendment to the Servicing Guidelines described in paragraph 7, and paragraph 11 of this Order, the amendment to the Servicing Guidelines described in paragraph 7 shall control the processes for Elevated Borrower Requests.

Accurate and Complete Information to Borrowers

13. Defendant PHEAA must ensure that borrowers are provided with complete and accurate information about available loan benefits and payment relief options under the Servicing Guidelines, including the availability of an Elevated Borrower Request process in certain circumstances, and must affirmatively provide this information when a

borrower inquires about repayment options, misses a payment, or makes a Borrower Request.

Policies, Procedures, and Training

14. Within 60 days of the Effective Date, Defendant PHEAA must implement new or modified policies and procedures in compliance with paragraphs 6-13, including training for employees or agents on the new or modified policies and procedures.

III.

Compliance Plan for Defendant PHEAA

IT IS FURTHER ORDERED that:

15. Within 30 days of the Effective Date, Defendant PHEAA must create and implement a comprehensive compliance plan designed to ensure that Defendant PHEAA's student loan servicing activities for NCSLT Loans comply with the CFPA and the terms of this Order (PHEAA Compliance Plan). The PHEAA Compliance Plan must include, at a minimum:

- a. detailed steps for addressing each action required of Defendant PHEAA by this Order;
- b. a mechanism to ensure that Defendant PHEAA's Board is kept apprised of the status of compliance actions; and

c. specific timeframes and deadlines for implementation of the steps described above.

16. Defendant PHEAA will provide the PHEAA Compliance Plan to the Bureau upon request.

IV.

Role of Defendant PHEAA's Board and Executives

IT IS FURTHER ORDERED that:

17. Defendant PHEAA's Chief Executive Officer and Senior Vice Presidents (collectively "Defendant PHEAA's Executives"), Board, and Board Executive Committee have the ultimate responsibility for ensuring that Defendant PHEAA complies with this Order.

18. Defendant PHEAA's Executives and Board Executive Committee must review all plans and reports required by this Order, and any submissions to the Bureau prior to such submission.

19. One year after the Effective Date, Defendant PHEAA must submit to the Supervision Director an accurate written compliance progress report (Compliance Report) that has been approved by Defendant PHEAA's Executives and the Board Executive Committee, the accuracy of which is sworn to under penalty of perjury, and which, at a minimum:

- a. describes the steps that the Defendant PHEAA's Executives, Board, and Board Executive Committee have taken to reasonably assess whether Defendant PHEAA is complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of this Order;
- b. describes in detail whether and how Defendant PHEAA has complied with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of this Order, including the manner of verification of such compliance and any corrective actions taken to remedy potential non-compliance with the applicable requirement, paragraph, or subparagraph; and
- c. attaches a copy of each Order Acknowledgment obtained under Section IX, unless previously submitted to the Bureau.

20. Defendant PHEAA's Executives and Board Executive

Committee must:

- a. authorize whatever actions are necessary for Defendant PHEAA to assess whether it is complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of this Order;

- b. authorize whatever actions, including corrective actions, are necessary for Defendant PHEAA to fully comply with the Redress Plan, PHEAA Compliance Plan, and each applicable paragraph and subparagraph of this Order; and
- c. require timely reporting by management to Defendant PHEAA's Executives, Board, and Board Executive Committee on the status of compliance obligations.

MONETARY PROVISIONS

V.

Order to Pay Redress

IT IS FURTHER ORDERED that:

21. For each of the Monthly Pay NCSLT Defendants, no later than the second Distribution Date after the month in which the Effective Date occurs for such NCSLT Defendant, and for each of the Quarterly Pay NCSLT Defendants, no later than the first Distribution Date after the month in which the Effective Date occurs for such NCSLT Defendant, and for Defendant PHEAA, within 30 days of the Effective Date, Defendants must reserve, in the aggregate, an earmarked amount not less than \$2,886,817 for the purpose of providing redress to Affected Consumers as required by this Section. Defendant PHEAA shall be deemed to have

complied with this paragraph by reserving an amount equal to Defendant PHEAA's estimated portion of responsibility for the redress payments described in Section V of this Order, according to a cost allocation agreement between the NCSLT Defendants and Defendant PHEAA. Any time limits for performance under this paragraph may be extended by mutual written agreement of the parties with notice to the Court of any such agreement. Other modifications may be made only upon approval of the Court, by motion of any party. In the event that additional consumer redress is required to be paid under the terms of this Order, such additional consumer redress amounts shall be paid exclusively by Defendant PHEAA and not any of the NCSLT Defendants. NCSLT Defendants shall be required to transmit to Defendant PHEAA their portion of the redress payments, according to the cost allocation agreement between the NCSLT Defendants and Defendant PHEAA, on or before the 45th day following the Enforcement Director's non-objection to the Final Redress Plan.

22. Defendants must, in accordance with the provisions of the Redress Plans described in paragraphs 23-26:

- a. pay \$200 in redress to all Delayed Response Affected Consumers; and

- b. pay and provide redress to all Affected Consumers consistent with the terms identified in the Review of Affected Requests, paragraphs 33-48.

23. Within 30 days of the Effective Date, Defendants jointly must submit to the Enforcement Director for review and non-objection a comprehensive written plan for assessing the scope of redress consistent with this Order (Initial Redress Plan). The Enforcement Director will have the discretion to make a determination of non-objection to the Initial Redress Plan or direct Defendants to revise it. If the Enforcement Director directs Defendants to revise the Initial Redress Plan, Defendants must revise and resubmit the Initial Redress Plan to the Enforcement Director within 15 days. After receiving notification that the Enforcement Director has made a determination of non-objection to the Initial Redress Plan, Defendants must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Initial Redress Plan.

24. The Initial Redress Plan must:
- a. establish a Redress Committee for coordination and oversight of the implementation of the redress required by Section V of this Order. The Redress Committee shall:

- i. include representatives of the NCSLT Defendants, one or more of the NCSLT-related Entities, the Special Subservicer, Defendant PHEAA, and such other entities as have significant roles in executing the Redress Plans;
- ii. facilitate actions necessary for NCSLT Defendants, NCSLT-related Entities, the Special Subservicer, Defendant PHEAA, or other service providers to carry out the Redress Plans in a timely and satisfactory manner;
- iii. facilitate timely reporting by entities involved in evaluating, implementing, and effectuating borrower redress under the Redress Plans on the status of redress obligations; and
- iv. provide for review of plans and reports related to evaluating, implementing, and effectuating borrower redress, and submissions to the Bureau, including the NCSLT Redress Report described in paragraph 32;

- b. identify, and describe the methodology for identifying, the proposed population of Exception Requests, Affected Consumers, and Affected Requests;
- c. describe Defendants' methodology to be used to complete the Review of Affected Requests and determine the amount of redress that Defendants will provide to each Affected Consumer to comply with paragraph 22; and
- d. present a timeline for completion.

25. Within 30 days of the completion of the Review of Affected Requests described in paragraphs 33-48, Defendants jointly must submit to the Enforcement Director for review and non-objection a comprehensive written plan for providing redress consistent with this Order ("Final Redress Plan," and, together with the Initial Redress Plan, the "Redress Plans"). The Enforcement Director will have the discretion to make a determination of non-objection to the Final Redress Plan or direct Defendants to revise it. If the Enforcement Director directs Defendants to revise the Final Redress Plan, Defendants must revise and resubmit the Final Redress Plan to the Enforcement Director within 15 days. After receiving notification that the Enforcement Director has made a determination of non-objection to the Final Redress Plan, Defendants must

implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Final Redress Plan.

26. The Final Redress Plan must:
 - a. include a final list of all Affected Consumers and the amount of redress that Defendants will provide to each Affected Consumer to comply with paragraph 22;
 - b. specify how Defendants will comply with each provision of paragraphs 33-48;
 - c. include the form of the letter and envelope or electronic communication (Redress Notice), as applicable, to be sent notifying Affected Consumers who are entitled to redress of their right to redress; the Redress Notice must include a statement that the payment is made in accordance with the terms of this Order, including that there is not an issuance of a 1099, as referenced in paragraph 33, and the factual basis for that non-issuance; Defendants must not include in any envelope containing a Redress Notice any materials other than the approved Redress Notice and redress checks, unless Defendants have written confirmation from the Enforcement

Director that the Bureau does not object to the inclusion of such additional materials;

- d. describe the process for providing redress to Affected Consumers, and must include the following requirements:
 - i. for any Affected Consumer that does not have an NCSLT Loan serviced by PHEAA at the time of the redress payment, Defendants must send each Affected Consumer, or their authorized representative, a redress check (Redress Check) in the amount of the refund required by paragraph 22;
 - ii. Defendants must send Redress Checks by United States Postal Service first-class mail, address correction service requested;
 - iii. prior to sending Redress Notices and Redress Checks, Defendants must make reasonable attempts to obtain a current address for each Affected Consumer that does not have an NCSLT Loan serviced by PHEAA at the time of the redress payment, by using, at a minimum, the National Change of Address System (NCAS), any NCSLT-specific databases maintained by the Special

Subservicer or any NCSLT-related Entity, or their agents or affiliates, and skip-tracing. If no updated address is obtained through such methods, Defendants may mail the Redress Notice and the Redress Check to the consumer's last known mailing address;

- iv. if a Redress Check or Redress Notice is returned to Defendants as undeliverable, Defendants must make additional reasonable attempts to contact the Affected Consumer and obtain a current address using a commercially available database other than the NCAS or by obtaining from any NCSLT-specific database of the Special Subservicer or any NCSLT-related Entity, or their agents or affiliates, the Affected Consumer's last known email address or phone number and contacting the last known email address or phone number. Defendants must promptly re-mail each returned Redress Check and Redress Notice to each Affected Consumer's current address, if any, obtained through such reasonable attempts; and

- v. if a Redress Check that Defendants have attempted to send to an Affected Consumer is returned to Defendants, Defendants must retain the redress amount of such Affected Consumer for a period of one hundred and eighty (180) days from the date the check was mailed or re-mailed, whichever is later, during which period such amount may be claimed by such Affected Consumer;
- e. set forth all procedures, deadlines, and timeframes for completing each step of the Final Redress Plan, consistent with the terms of this Order;
- f. identify the entities with respect to the NCSLT Defendants and identify the officers, agents, servants, employees, and attorneys with respect to Defendant PHEAA responsible for executing administration of the Final Redress Plan;
- g. provide that nothing in the Final Redress Plan creates any new collection, credit reporting, or litigation rights on behalf of Defendants;
- h. provide that Defendants will pay all costs of administering redress as required by this Section; and

- i. identify an independent third-party auditor (Auditor) to produce a Redress Report at the completion of the Final Redress Plan. The Auditor's expenses shall be paid for by Defendants.

27. Defendants must mail all Redress Checks and Redress Notices within 60 days after the Enforcement Director has made a determination of non-objection to the Final Redress Plan.

28. Within 30 days of completing the Final Redress Plan, Defendants must ensure that the Auditor submits its Redress Report to the Enforcement Director detailing:

- a. the consumers and consumer accounts who received redress;
- b. the total amount of redress paid to those consumers;
- c. the form of redress received by each consumer;
- d. any remainder of funds to be wired to the Bureau pursuant to paragraph 29; and
- e. the work conducted by the Auditor to validate the accuracy of the Redress Report.

29. Within 30 days of completing the Final Redress Plan, if the amount of redress provided to Affected Consumers is less than \$2,886,817, Defendants must pay to the Bureau, by wire transfer to the Bureau or to the

Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Affected Consumers and \$2,886,817. Unclaimed payments to Affected Consumers shall be considered escheated property and handled pursuant to applicable state unclaimed property laws.

30. The Bureau may use any remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury. Defendants will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

31. Defendants may not condition the payment of any redress to any Affected Consumer under this Order on any consumer waiving any right.

32. One year after the Effective Date, the NCSLT Defendants must submit to the Enforcement Director an accurate written redress progress report (NCSLT Redress Report), which, at a minimum:

- a. Describes the steps that the NCSLT Defendants and the Redress Committee have taken to reasonably assess whether

the NCSLT Defendants are complying with the Final Redress Plan;

- b. describes in detail whether and how the NCSLT Defendants have complied with the Final Redress Plan, which may be based on reliance on the Auditor's Redress Report, and any corrective actions taken to remedy potential non-compliance with the applicable requirement, paragraph, or subparagraph; and
- c. attaches a copy of each Order Acknowledgment obtained under Section VIII of the NCSLT Defendants' Order, unless previously submitted to the Bureau.

Review of Affected Requests

33. Defendants, or their duly authorized agents or representatives, must conduct a review of all Affected Requests and provide redress in accordance with the provisions described in paragraphs 33-48. Defendants must ensure that none of the relief is structured in a manner that necessitates issuing a Form 1099 to an Affected Consumer. Accordingly, NCSLT Defendants shall ensure that neither NCSLT Defendants, nor any NCSLT-related Entity, nor the Special Subservicer will issue a Form 1099-C or otherwise report cancellation of debt income with respect to Affected

Consumers, and Defendant PHEAA will not issue a Form 1099-C or otherwise report cancellation of debt income with respect to Affected Consumers.

Requests for Co-Signer Release

34. For Requests for Co-signer Release on NCSLT Loans that are either performing or that have been charged-off as of the Effective Date, and were eligible for Co-signer Release as of the date of the request, pursuant to the Servicing Guidelines and any other applicable lender criteria as of January 2015, Defendants must:

- a. grant the requested Co-signer Release, effective as of the date of the request;
- b. for the Co-signer, request addition of the “T” code in the ECOA field associated with the NCSLT Loans, and update credit reporting to identify and correct any fields where Negative Information was reported after the date of the request, including but not limited to payment history profile, payment rating, and Date of First Delinquency, to all Consumer Reporting Agencies (CRAs) to which the information was furnished;

- c. satisfy, release, or move to vacate any judgments obtained against a Co-signer after the date of the request, with no charges or cost to the Affected Consumers, cease any post-judgment enforcement activities as to the Co-signer, and remove, withdraw, or terminate any active wage garnishments, bank levies, or other means of enforcing a judgment as to the Co-signer;
- d. provide documentation of satisfaction, release, or vacatur to all CRAs to which the information was furnished, and to the Affected Consumers;
- e. cease any debt collection efforts against the Co-signer and dismiss with prejudice any pending collections lawsuits against the Co-signer;
- f. reimburse to the Co-signer any payments that can be identified as from the Co-signer made after the date of the request with no impact to the Student Borrower's remaining balance;
- g. for charged-off loans, reimburse to the Co-signer any late fees, attorney's fees, court fees, or other fees that can be identified as paid by the Co-signer after the date of the

request with no impact to the Student Borrower's remaining balance, and for performing loans, waive any late fees or other fees assessed after the date of the request, and ensure any reimbursements of fees paid are applied with the Date Transaction Effective as the date that the fee was originally assessed; and

- h. ensure the above provisions do not result in a change to the last payment date or Date of First Delinquency for the Student Borrower recorded in Defendant PHEAA's, any NCSLT-related Entity's, any NCSLT Defendants' service providers', or the Special Subservicer's systems, and ensure any post-judgment collections that are credited to the account do not result in a change to the last payment date or Date of First Delinquency.

35. For Requests for Co-signer Release on NCSLT Loans that have been paid in full as of the Effective Date, and were eligible for Co-signer Release as of the date of the request, pursuant to the Servicing Guidelines and any other applicable lender criteria as of January 2015, Defendants must:

- a. for the Co-signer, request addition of the “T” code in the ECOA field associated with the NCSLT Loans, and update credit reporting to identify and correct any fields where Negative Information was reported after the date of the request, including but not limited to payment history profile, payment rating, and Date of First Delinquency;
- b. reimburse to the Co-signer any late fees, attorney’s fees, court fees, or other fees assessed against the Co-signer after the date of the request with no impact to the Student Borrower’s remaining balance; and
- c. reimburse to the Co-signer any payments that can be identified as from the Co-signer made after the date of the request with no impact to the Student Borrower’s remaining balance.

36. For Requests for Co-signer Release on NCSLT Loans that would have been denied for failure to supply all necessary documents, Defendants must treat the request as eligible for Co-signer Release as of the date of the request, and remediation shall be consistent with the provisions of paragraphs 34-35, as applicable.

37. For Requests for Co-signer Release on NCSLT Loans that were not eligible for Co-signer Release as of the date of the request, pursuant to the Servicing Guidelines and any other applicable lender criteria as of January 2015, Defendants must provide a denial notice, and include a description of the reason why the request was denied, and any required criteria for approval.

Requests for Servicemembers Civil Relief Act (SCRA) Benefits

38. For Requests for SCRA Benefits on NCSLT Loans that are performing as of the Effective Date, and were eligible for SCRA Benefits as of the date of the request, Defendants must:

- a. to the extent not already completed, retroactively apply a 6% interest rate cap during the Student Borrower or Co-signer's Period of Military Service and reimburse any overpayments to the Student Borrower;
- b. submit corrections to all CRAs to whom Defendants furnished to correct all fields that were furnished incorrectly as a result of incorrectly determining the payment amount or any delinquency based on an application to the account of an interest rate greater than a 6% interest rate;

- c. if the Date of First Delinquency is more than seven years before the Effective Date, cease furnishing on the tradeline;
- d. waive any late fees or other fees assessed after the date of the request, and ensure any reimbursement of fees paid are applied with the Date Transaction Effective as the date that the fee was originally assessed; and
- e. ensure the above provisions do not result in a change to the last payment date or Date of First Delinquency recorded in Defendant PHEAA's, any NCSLT-related Entity's, any NCSLT Defendants' service providers', or the Special Subservicer's systems.

39. For Requests for SCRA Benefits on NCSLT Loans that have been charged-off as of the Effective Date, were eligible for SCRA Benefits as of the date of the request and had an interest rate above 6% at any time during the Student Borrower or Co-signer's Period of Military Service, Defendants must:

- a. to the extent not already completed, retroactively apply a 6% interest rate cap during the Student Borrower or Co-signer's Period of Military Service and reimburse any overpayments to the Student Borrower;

- b. submit corrections to all CRAs to whom Defendants furnished to correct all fields that were furnished incorrectly as a result of incorrectly determining the payment amount or any delinquency based on an application to the account of an interest rate greater than a 6% interest rate;
- c. if the Date of First Delinquency is more than seven years before the Effective Date, cease furnishing on the tradeline;
- d. if the Date of First Delinquency is before the date on which the 6% interest rate cap was retroactively applied, satisfy, release, or move to vacate any judgments obtained since the date of request, with no charges or cost to the Affected Consumers, and cease any post-judgment enforcement activities, and remove, withdraw, or terminate any active wage garnishments, bank levies, or other means of enforcing a judgment;
- e. provide documentation of satisfaction, release, or vacatur to all CRAs to which the information was furnished and to the Affected Consumers;
- f. if the Date of First Delinquency is before the date on which the 6% interest rate cap was retroactively applied, cease any

- debt collection efforts and dismiss any pending collections lawsuits with prejudice;
- g. reimburse to the Student Borrower any late fees, attorney's fees, court fees, and other fees paid since the date of the request;
 - h. if the Date of First Delinquency is before the date on which the 6% interest rate cap was retroactively applied, must not file a lawsuit to collect the NCSLT Loan or file proofs of claims in bankruptcy courts, and must prohibit any service provider from filing a lawsuit to collect the NCSLT Loan or filing proofs of claims in bankruptcy courts; and
 - i. if the Date of First Delinquency is before the date on which the 6% interest rate cap was retroactively applied, must condition any future sale of the NCSLT Loan on the purchaser agreeing to a prohibition against filing a lawsuit to collect the debt or filing proofs of claims in bankruptcy courts.

40. For Requests for SCRA Benefits on NCSLT Loans that have been paid in full as of the Effective Date, and were eligible for SCRA Benefits as of the date of the request, Defendants must:

- a. to the extent not already completed, retroactively apply a 6% interest rate cap during the Student Borrower or Co-signer's Period of Military Service, and reimburse any overpayments to the Student Borrower;
- b. submit corrections to all CRAs to whom Defendants furnished to correct all fields that were furnished incorrectly as a result of incorrectly determining the payment amount or any delinquency based on an application to the account of an interest rate greater than a 6% interest rate; and
- c. reimburse any late fees, attorney's fees, court fees, and other fees paid since the date of the request.

41. For Requests for SCRA Benefits on NCSLT Loans that were not eligible for SCRA Benefits as of the date of the request, Defendants must provide a denial notice, and include a description of the reason why the request was denied, and any required criteria for approval.

Requests for COVID-related Natural Disaster Forbearance

42. For any Request for COVID-related Natural Disaster Forbearance on NCSLT Loans, Defendants must:
- a. for loans that are performing or paid in full as of the Effective Date, and have any Negative Information reported

within three months after the date of the request, update credit reporting to all CRAs to which the information was furnished to identify and correct any fields where Negative Information was reported, including but not limited to payment history profile, payment rating, and Date of First Delinquency, and furnish the tradeline as though a forbearance had been applied, including any administrative forbearance that could have been used to bring the loan current before the date of the request;

- b. pay an additional \$150 in redress to any Affected Consumers that made a payment between the date of the request and any COVID-related Natural Disaster Forbearance approval within three months after the date of the request, with no impact to the Affected Consumers' remaining balance;
- c. for loans that have been paid in full or charged-off as of the Effective Date, reimburse to the Student Borrower any late fees, attorney's fees, court fees, or other fees paid within three months after the date of the request;
- d. for performing loans as of the Effective Date, waive any late fees, attorney's fees, court fees, and other fees assessed

within three months after the date of the request, and ensure any reimbursement of fees paid are applied with the Date Transaction Effective as the date that the fee was originally assessed; and

- e. ensure the above provisions do not result in a change to the last payment date or, for charged-off loans only, the Date of First Delinquency, recorded in Defendant PHEAA's, any NCSLT-related Entity's, any NCSLT Defendants' service providers', or the Special Subservicer's systems.

Requests for Extension of COVID-related Payment Relief

43. For Requests for Extension of COVID-related Payment Relief on NCSLT Loans that are performing as of the Effective Date, Defendants must:

- a. for loans that have any Negative Information reported within 12 months after the date of the request, update credit reporting to all CRAs to which the information was furnished to identify and correct any fields where Negative Information was reported, including but not limited to payment history profile, payment rating, and Date of First Delinquency, and furnish the tradeline as though a forbearance had been

applied, including any administrative forbearance that could have been used to bring the loan current before the date of the request;

- b. waive any late fees or other fees assessed within 12 months after the date of the request, and ensure any reimbursement of fees paid are applied with the Date Transaction Effective as the date that the fee was originally assessed;
- c. ensure the above provisions do not result in a change to the last payment date recorded in Defendant PHEAA's, any NCSLT-related Entity's, any NCSLT Defendants' service providers', or the Special Subservicer's systems; and
- d. ensure the above provisions do not result in a change to the remaining payment relief options available to the Affected Consumers.

44. For Requests for Extension of COVID-related Payment Relief on NCSLT Loans that have been charged-off as of the Effective Date, Defendants must:

- a. if the Date of First Delinquency is more than seven years before the Effective Date, cease furnishing on the tradeline;

- b. reimburse to the Student Borrower any late fees, attorney's fees, court fees, and other fees paid within 12 months after the date of the request; and
- c. ensure the above provisions do not result in a change to the last payment date recorded or Date of First Delinquency in Defendant PHEAA's, any NCSLT-related Entity's, any NCSLT Defendants' service providers', or the Special Subservicer's systems.

45. For Requests for Extension of COVID-related Payment Relief on NCSLT Loans that have been paid in full as of the Effective Date, Defendants must:

- a. for loans that have any Negative Information reported within 12 months after the date of the request, update credit reporting to all CRAs to which the information was furnished to identify and correct any fields where Negative Information was reported, including but not limited to payment history profile, payment rating, and Date of First Delinquency, and furnish the tradeline as though a forbearance had been applied, including any administrative forbearance that could

have been used to bring the loan current before the date of the request; and

- b. reimburse to the Student Borrower any late fees, attorney's fees, and any other fees paid within 12 months after the date of the request.

Requests for Miscellaneous Exception

46. For Requests for Miscellaneous Exception with an Exception Type that references deferment, forbearance, reduced payment, repayment, lower payment, lower repayment, or additional options, Defendants must provide redress as if the request was a Request for Extension of COVID-related Payment Relief, and remediation shall be consistent with the provisions of paragraphs 43-45, as applicable.

47. For Requests for Miscellaneous Exception with an Exception Type that references Natural Disaster Forbearance, Defendants must provide redress as if the request was a Request for COVID-related Natural Disaster Forbearance, and remediation shall be consistent with the provisions of paragraph 42.

48. For Requests for Miscellaneous Exception with an Exception Type not described in paragraphs 46-47, Defendants must assess what the response to the Exception Request would have been on the date of the

request, pursuant to the applicable Servicing Guidelines and any other applicable lender criteria as of January 2015, and, if the Exception Request would have been granted, propose in the Final Redress Plan for each such Exception Type specific remediation based on the nature of the request and the payment status of the NCSLT Loan. The categorization and treatment of each Request for Miscellaneous Exception with an Exception Type not described above shall be detailed in the Redress Plans, subject to non-objection by the Enforcement Director pursuant to paragraphs 23-26.

VI.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

49. Under § 1055(c) of the CFPA, **12 U.S.C. § 5565(c)**, by reason of the violations of law alleged in the Complaint, Defendant PHEAA must pay a civil money penalty of \$1,750,000 to the Bureau.

50. Within 30 days of the Effective Date, Defendant PHEAA must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

51. The civil money penalty paid under this Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, **12 U.S.C. § 5497(d)**.

52. Defendant PHEAA must treat the civil money penalty paid under this Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Defendant PHEAA may not:

- a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Order; or
- b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Order.

53. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Defendant PHEAA may not argue that it is entitled to, nor may Defendant PHEAA benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Defendant PHEAA based on the civil money penalty paid in this action or based on any

payment that the Bureau makes from the Civil Penalty Fund, Defendant PHEAA must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

VII.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

54. In the event of any default on Defendant PHEAA's obligations to make payment under this Order, interest, computed under **28 U.S.C. § 1961**, as amended, will accrue on any outstanding amounts not paid from the Effective Date to the date of payment, and will immediately become due and payable.

55. Defendant PHEAA relinquishes all dominion, control, and title to the funds paid under this Order to the fullest extent permitted by law and no part of the funds may be returned to Defendant PHEAA.

56. Defendant PHEAA acknowledges that its Taxpayer Identification Number (Social Security Number or Employer Identification Number), which Defendant PHEAA previously submitted to the Bureau,

may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with **31 U.S.C. § 7701**.

57. Within 30 days of the entry of a final judgment, order, or settlement in a Related Consumer Action, Defendant PHEAA must notify the Supervision Director of the final judgment, order, or settlement in writing. That notification must indicate the amount of redress, if any, that Defendant PHEAA paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

COMPLIANCE PROVISIONS

VIII.

Reporting Requirements

IT IS FURTHER ORDERED that:

58. Defendant PHEAA must notify the Bureau of any development that may affect compliance obligations arising under this Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of any bankruptcy or insolvency proceeding by or against Defendant PHEAA; or a change in Defendant

PHEAA's name or address. Defendant PHEAA must provide this notice at least 30 days before the development or as soon as practicable after learning about the development, whichever is sooner.

59. Within 7 days of the Effective Date, Defendant PHEAA must:
 - a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Defendant PHEAA; and
 - b. designate at least one telephone number and email, physical, and postal addresses as points of contact for consumers with inquiries related to consumer relief under the Order.

60. Defendant PHEAA must report any change in the information required to be submitted under paragraph 59 at least 30 days before the change or as soon as practicable after learning about the change, whichever is sooner.

IX.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

61. Within 7 days of the Effective Date, Defendant PHEAA must submit to the Supervision Director an acknowledgment of receipt of this Order, sworn under penalty of perjury.

62. Within 30 days of the Effective Date, Defendant PHEAA must deliver a copy of this Order to its Board, each of its Board Executive Committee members, Senior Vice Presidents, and Chief Executive Officer, as well as to any managers, employees, service providers, or other agents and representatives who have responsibilities related to the subject matter of this Order.

63. For 5 years from the Effective Date, Defendant PHEAA must deliver a copy of this Order to any business entity resulting from any change in structure referred to in Section VIII, any future board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have responsibilities related to the subject matter of this Order before they assume their responsibilities.

64. Defendant PHEAA must secure a signed and dated statement acknowledging receipt of a copy of this Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Order under this Section.

65. Ninety (90) days from the Effective Date, Defendant PHEAA must submit to the Bureau a list of all persons and their titles to whom this

Order was delivered through that date under this Section and a copy of all signed and dated statements acknowledging receipt of this Order under paragraph 64.

X.

Recordkeeping

IT IS FURTHER ORDERED that:

66. For a period of 5 years following the Effective Date, Defendant PHEAA must create the following business records:

- a. all documents and records necessary to demonstrate full compliance with the Compliance Plan, Redress Plan, Redress Report, and each provision of this Order, including all submissions to the Bureau;
- b. all documents and records pertaining to the Redress Plan, described in Section V above;
- c. copies of all customer service scripts; training materials; websites; communication templates; and other materials related to or presented to consumers with NCSLT Loans, including any such materials used by a third party on Defendant PHEAA's behalf;
- d. all consumer complaints and refund requests related to

consumers with NCSLT Loans (whether received directly or indirectly, such as through a third party), including all Exception Requests, and any responses to those complaints or requests; and

- e. records showing, for each service provider providing services related to NCSLT Loans, the name of a point of contact, and that person's telephone number, email, physical, and postal address, job title or position, dates of service, and, if applicable, the reason for termination.

67. Defendant PHEAA must retain these documents and records for 5 years after creation. All documents and records must be maintained in their original electronic format. Data should be centralized and maintained in such a way that access, retrieval, auditing and production are not hindered.

68. Defendant PHEAA must make the documents identified in paragraph 66 available to the Bureau upon the Bureau's request.

XI.

Notices

IT IS FURTHER ORDERED that:

69. Unless otherwise directed in writing by the Bureau, Defendant PHEAA must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line, “*CFPB v. The National Collegiate Master Student Loan Trust I, et al.*,” Case No. [Docket #],” and send them by email to Enforcement_Compliance@cfpb.gov:

ATTN: Supervision Director
Consumer Financial Protection Bureau
Office of Supervision Policy

and

ATTN: Enforcement Director
Consumer Financial Protection Bureau
Office of Enforcement.

XII.

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

70. Defendant PHEAA must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Defendant PHEAA must provide such

information in its or its agents' possession or control within 14 days of receiving a written request from the Bureau.

71. Defendant PHEAA must remain registered for the Bureau's Company Portal and in connection with responding to consumer complaints and inquiries, whether acting directly or indirectly, must comply with the requirements that §§ 1034(b) and (c) of the CFPA, 12 U.S.C. §§ 5534(b) and (c), imposes on covered persons subject to supervision and primary enforcement by the Bureau pursuant to section 1025 of the CFPA, 12 U.S.C. § 5515.

72. Unless otherwise prohibited by law or regulation, Defendant PHEAA must identify in its Redress Notice to Affected Consumers, described in paragraph 26(c), that they can file a complaint with the Bureau and provide the applicable telephone, website, and mailing information to do so.

XIII.

Compliance Monitoring

IT IS FURTHER ORDERED that:

73. Within 14 days of receipt of a written request from the Bureau, Defendant PHEAA must submit additional compliance reports or other requested information related to the NCSLT Loans subject to this Order,

which must be sworn under penalty of perjury; provide sworn testimony; or produce documents.

74. For purposes of this Section, the Bureau may communicate directly with Defendant PHEAA, unless Defendant PHEAA retains counsel related to these communications.

75. Defendant PHEAA must permit Bureau representatives to interview any employee or other person affiliated with Defendant PHEAA who has agreed to such an interview regarding: (a) the NCSLT Loans related to this Order, (b) anything related to or associated with the conduct described in the Complaint, or (c) compliance with this Order. The person interviewed may have counsel present.

76. Nothing in this Order will limit the Bureau's lawful use of compulsory process under **12 C.F.R. § 1080.6**.

XIV.

Transfer or Assignment of Operations

77. For a period of 5 years following the Effective Date, should Defendant PHEAA seek to transfer or assign all or part of its student loan servicing operations regarding the NCSLT Loans that are subject to this Order, Defendant PHEAA must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable

provisions of this Order.

XV.

Release

78. The Bureau releases and discharges Defendant PHEAA from all potential liability for law violations that the Bureau has or might have asserted based on the allegations of the Complaint, to the extent such conduct occurred before the Effective Date and the Bureau knows about such conduct as of the Effective Date. The Bureau may use the practices described in the Complaint in future enforcement actions against Defendant PHEAA and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with this Order, or to seek penalties for any violations of this Order.

XVI.

Retention of Jurisdiction

IT IS FURTHER ORDERED that:

79. The Court will retain jurisdiction of this matter for the purpose of enforcing this Order.

XVII.

Service

80. This Order may be served upon Defendant PHEAA by electronic mail, certified mail, or United Parcel Service, either by the United States Marshal, the Clerk of the Court, or any representative or agent of the Bureau.

IT IS SO ORDERED.

DATED this 1st day of October, 2024.

s/ Jennifer P. Wilson

United States District Court Judge