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August 22, 2019

Robert G. Cameron
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Mr. Cameron:

On August 16, 2019, you were appointed as the Consumer Financial Protection Bureau's (CFPB) Student Loan Ombudsman.¹ This is an extraordinarily important position. As the Ombudsman, you would be responsible for handling complaints from student loan borrowers dealing with lenders, servicers, and other participants in the student loan industry. For several years prior to accepting this position, however, you oversaw "compliance activities" at Pennsylvania Higher Education Assistance Authority (PHEAA), a student loan servicer that has an atrocious compliance record. Your employment history presents an irresolvable conflict of interest that will prevent you from being able to serve as an effective Student Loan Ombudsman. I therefore urge you to reconsider your decision to accept this position. And if you do not do so, I minimally ask that you recuse yourself from all matters that directly or indirectly affect PHEAA for the duration of your tenure at CFPB.

PHEAA is one of the Education Department's largest student loan servicers, overseeing more than \$350 billion in loans held by eight million borrowers and administering the federal Public Service Loan Forgiveness program (PSLF).² While you served as deputy chief counsel and vice president of enterprise compliance for PHEAA,³ the servicer failed student loan borrowers in every possible way.

The most recent report released by the former CFPB Student Loan Ombudsman found PHEAA and its private loan-servicing unit, American Educations Services, received at least 1,500 complaints in a single year, accounting for 15% of all federal student loan complaints

¹ Consumer Financial Protection Bureau, "CFPB Appoints Private Education Loan Ombudsman," press release, August 16, 2019, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-appoints-private-education-loan-ombudsman/>.

² Office of Federal Student Aid, "Servicer Portfolio by Loan Status – March 2019," accessed on August 21, 2019, <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.

³ Pennsylvania Higher Education Assistance Agency, Staff Directory, Updated May 2019, <https://www.dgs.pa.gov/About/Documents/Commonwealth%20Directory%20Files/Pennsylvania%20Higher%20Education%20Assistance%20Agency.doc>; Pennsylvania Higher Education Assistance Agency, Staff Directory, Updated November 2015, <https://web.archive.org/web/20160401024735/https://www.dgs.pa.gov/About/Documents/Commonwealth%20Directory%20Files/Pennsylvania%20Higher%20Education%20Assistance%20Agency.doc>.

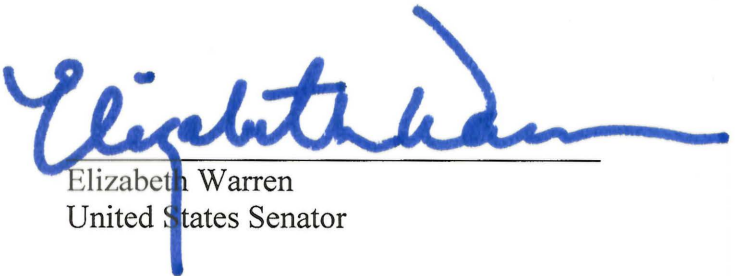
submitted to the Bureau.⁴ A 2017 CFPB investigation uncovered how PHEAA's "flawed payment processing, botched paperwork and inaccurate information" prevented hundreds of public service workers from receiving their earned loan forgiveness.⁵ More recently, a Department of Education Inspector General report released earlier this year identified "a pattern of noncompliance at PHEAA" where the servicer's representatives failed to provide borrowers with sufficient information about available repayment options.⁶

PHEAA has a proven record of failing borrowers. It is mindboggling that, you, the official responsible for overseeing this servicer's failed "compliance activities" are now tasked with protecting borrowers from mistreatment by PHEAA and other participants in the student loan industry.

I have introduced sweeping ethics legislation, the *Anti-Corruption and Public Integrity Act*, which would slam shut the revolving door, ban corporate executives whose companies are caught breaking federal law from working in the federal government, and require most federal officials to recuse from any decisions that affect their former employer for at least four years.

I intend to keep working to make that plan law. In the meantime, given your previous work ensuring PHEAA's "compliance with numerous federal and state laws, including the Dodd-Frank Act,"⁷ you simply cannot be viewed as an impartial Ombudsman with regard to matters involving PHEAA, or any other student loan servicer. You should reconsider your decision to accept this position – and if you still decide to accept the position despite your conflicts of interest, you should, at minimum, recuse yourself from any and all matters that directly or indirectly affect PHEAA for the duration of your tenure at the CFPB.

Sincerely,



Elizabeth Warren
United States Senator

⁴ Consumer Financial Protection Bureau, "Annual report of the CFPB Student Loan Ombudsman," October 2017, https://files.consumerfinance.gov/f/documents/cfpb_annual-report_student-loan-ombudsman_2017.pdf.

⁵ Consumer Financial Protection Bureau, "Staying on track while giving back," June 2017, https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf; Washington Post, "Watchdog agency blasts government contractor for mishandling student loan forgiveness program," Danielle Douglas-Gabriel, June 22, 2017, <https://www.washingtonpost.com/news/grade-point/wp/2017/06/22/watchdog-agency-blasts-government-contractor-for-mishandling-student-loan-forgiveness-program/>.

⁶ United States Department of Education Office of Inspector General, "Reissuance of Final Audit Report, 'Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans,'" March 5, 2019, <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2019/a05q0008.pdf>.

⁷ Consumer Financial Protection Bureau, "CFPB Appoints Private Education Loan Ombudsman," press release, August 16, 2019, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-appoints-private-education-loan-ombudsman/>.