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## **Private Student Loan Borrowers Finally Have a Place to Turn for Help *Consumer Financial Protection Bureau Starts Taking Their Complaints***

“Until today, private student loan borrowers had virtually nowhere to turn for help. Consumers had to navigate a sea of acronyms—including OCC, FDIC, FRB, FTC and FSA—just to know which federal agency had authority over their lender, and even then they were frequently left at the mercy of their lender. With today’s launch of the Consumer Financial Protection Bureau’s [consumer response function](#), students and private loan borrowers finally have a place to turn, whether they are just considering taking out a private loan, they are having problems repaying their private loan, or they are managing a loan that has gone into default and may have been referred to a debt collector.

“No more a form of financial aid than a credit card used to pay tuition, private loans typically cause borrowers much more difficulty than federal loans, which offer fixed interest rates, unemployment deferments and flexible repayment options. Students and parents often assume that private loans will be lower cost than fixed-rate federal loans based solely on the quoted starting interest rate. They may not realize that their private loan payments could rise dramatically when interest rates go up or that private loans lack the consumer protections and flexible repayment options that come with federal student loans. In fact, a *majority* of private student loan borrowers could have borrowed more in safer federal loans.

“With interest rates on new federal student loans scheduled to double this July to 6.8%, it is particularly important for consumers to have a place to turn for impartial advice and assistance. The questions and concerns the Bureau receives will be used to develop policy recommendations to Congress and other federal agencies.”

NOTE: To find out more about the Bureau or to file a complaint on any kind of student loan, borrowers can:

- Call the toll-free phone number at 1-855-411-CFPB (2372)
- Visit online at [www.consumerfinance.gov](http://www.consumerfinance.gov)
- Fax the CFPB at 1-855-237-2392
- Mail a letter to P.O. Box 4503, Iowa City, Iowa 52244

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*An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. TICAS’ Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see [www.projectonstudentdebt.org](http://www.projectonstudentdebt.org) and [www.ticas.org](http://www.ticas.org).*