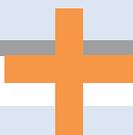


## Incentivize High Quality Servicing and Create Real Competition

*Incentives matter, but are not enough to protect consumers*

### Priorities:

- Incentivize default prevention and high quality servicing
- Use performance measures tied to actual performance (the current system is too focused on satisfaction surveys)
- Open up competition beyond the same old players
- Allow borrowers to switch servicers
- Set up pilot projects to test different models



## Provide Real Relief for Borrowers and Information about Relief Options

*Borrowers are too often stuck in a never ending nightmare where they are continually sent back to complain to the same people that started the whole problem*

### Priorities:

- Require effective complaint resolution processes and make sure borrowers know how to use them
- Ensure that borrowers have private enforcement rights
- Develop clear and enforceable borrower servicing rights (the system must work for borrowers, not just for private profit)
- Provide easily accessible information for borrowers



## Punish Bad Actors

*Senator Elizabeth Warren questioning Federal Student Aid CBO William Leith in September 2014 said: "Let me get this straight: You break the law. You don't follow the rules. You treat the borrowers badly...and you all just renegotiated the contracts to make sure that across the portfolio [loan servicers] are going to make a little more money if nothing changes?"*

### Priorities:

- Engage in rigorous public enforcement, including sanctions, contract terminations and other penalties when servicers fail to comply with the law
- Avoid conflicts of interest by creating a single point of entry to the servicing system
- Provide public information about the results of audits, investigations and enforcement actions