

The Sallie Mae Saga: A Government-Created, Student Debt Fueled Profit Machine

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The findings and conclusions presented in this report are those of the authors alone.



NCLC's Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable.

www.studentloanborrowerassistance.org



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I. INTRODUCTION

Student loan debt levels keep growing. There are nearly 39 million borrowers carrying over \$1 trillion in federal student loan debt.¹ About \$120 billion of federal student loan debt was delinquent in 2012--a 30.5% increase from fiscal year 2011.²

Most borrowers fall behind on student loan payments because they are unable to complete their educations, suffer from serious disabilities, or earn so little money that they cannot afford to repay their loans. **The stakes are high for borrowers due to draconian government collection powers, including seizure of earned income tax credits and Social Security payments.** Even those who can make some payments face serious damage to their credit reports or ability to get credit for critical purchases such as cars and homes.

The burdens on borrowers also create once in a lifetime business opportunities for servicers, collectors, and other private companies:

"The student loan market is a \$1 trillion opportunity for the ARM [debt collection] industry that is not going to decline anytime soon."

-- Mark Russell, "Student Loans: The ARM Industry's New Oil Well?" *Inside ARM* (Oct. 20, 2011).

Sallie Mae is the biggest player of all, with connections to every aspect of the student loan industry. President Nixon created the Student Loan Marketing Association, or "Sallie Mae" — a government-sponsored enterprise (GSE) empowered by the government to use U.S. Treasury money to buy government-backed student loans from banks. The motivation was to free up funds for the banks to make more loans.

Sallie Mae benefited for many years from its close government connections. In a September 2013 letter (see Appendix A) to the U.S. Departments of Treasury and Education, Senator Elizabeth Warren summarizes these benefits, including:

- Government contracts worth hundreds of millions of dollars,
- Indirect and direct benefits, including Sallie Mae's borrowing of billions of dollars at "astonishingly" low interest rates through the federally-backed Federal Home Loan Bank of Des Moines,
- Reaping profits of \$284 million in 2009 and \$321 million in 2010 by selling government-guaranteed loans to the federal government, and
- Benefiting from an asset-backed commercial paper conduit facility through which the company borrowed billions at the very low rate of 0.82%.³

Sallie Mae ultimately became a fully private company in 2004, growing into the dominant force in the student loan world. The time line below shows how the company, once it was fully privatized, started buying competitors and others in the student lending, servicing, and collection industries.

The business has been extraordinarily profitable. For example, Sallie Mae's return on equity was over 30% in 2006, one of the highest among American companies.⁴ Their executives reaped the rewards. From 1999 through 2004, former CEO Albert Lord took home over \$200 million.⁵

The federal government has chosen to rely on private companies such as Sallie Mae to administer its loan programs. Given a for-profit company's imperative to do what is best for its investors, it is especially critical that the government conduct rigorous oversight of its private contractors. Unfortunately, the growing number of government investigations and consumer complaints show that government supervision has been lax at best.

This report starts by spotlighting the mammoth company known as Sallie Mae. This analysis provides insight into the dangers of relying on a for-profit publicly traded company to protect borrowers and taxpayers. We conclude with recommendations for reform.

Sallie Mae through the Years (1972-2013)

1972

Congress creates Sallie Mae to provide a “secondary market” for student loans. As a government sponsored enterprise (GSE), the company is able to borrow at very low rates.

1979 - 1988

Sallie Mae’s assets grow from \$1.6 billion to \$28.6 billion.

1980

Congress strengthens Sallie Mae, authorizing the company to offer loan consolidation and to make loans directly to certain students.

1993

Creation of new government Direct Loan program threatens Sallie Mae’s market status. Sallie Mae wins approval to abandon GSE status and become a fully private company (which it ultimately did in 2004).

1996

Allowed to pursue business opportunities outside the limits of the GSE charter. SLM Holding Corporation becomes the parent company of both a GSE entity known as the Student Loan Marketing Association and a non-GSE corporation, Sallie Mae.

1999

Purchases loan originator Nellie Mae.

2000

- Acquires USA Group, the largest guaranty agency in the country for \$770 million. (The purchase did not include USA Funds, the guarantee agency arm of USA Group, but Sallie Mae required USA Funds to contract all of its guarantee services to Sallie Mae as part of the deal⁶).

2000 (continued)

- Also purchases Student Loan Funding Resources, the eighth largest holder of federal student loans at the time.

Since the USA Group acquisition, Sallie Mae has purchased numerous other debt management and collection companies, including General Revenue Corporation, Pioneer Credit Recovery, Arrow Financial Services and GRP Financial Services Corporation.

2003

Acquires the Massachusetts-based Academic Management Services Corporation, adding about \$1.4 billion in student loans.

2004

- The GSE entity ends operations.
- Acquires Southwest Student Services Corporation and the nonprofit lender, Student Loan Finance Association.

2005

Establishes the Sallie Mae Bank as an industrial bank chartered under the laws of the state of Utah.

2006

Acquires Upromise Inc. and its subsidiaries, Upromise Investments and Upromise Investment Advisors

2007

Agrees to stop offering perks to college employees and others as part of a settlement with the New York Attorney General. As part of the settlement, Sallie Mae pays \$2 million into a fund to educate students and parents.

Sallie Mae Timeline (continued)

2008

FDIC and Utah Dept. of Financial Institutions issue cease and desist order against Sallie Mae Bank.

2009

- Named as a servicer of newly disbursed Department of Education federal loans.
- **Department of Education Inspector General Audit Report finds that Sallie Mae improperly obtained \$22.3 million in excess student loan subsidies from the government between 2003 and 2006.**

2009 - 2010

Booked profits of \$284 million in 2009 and \$321 million in 2010 by selling government-guaranteed loans to the federal government.⁷

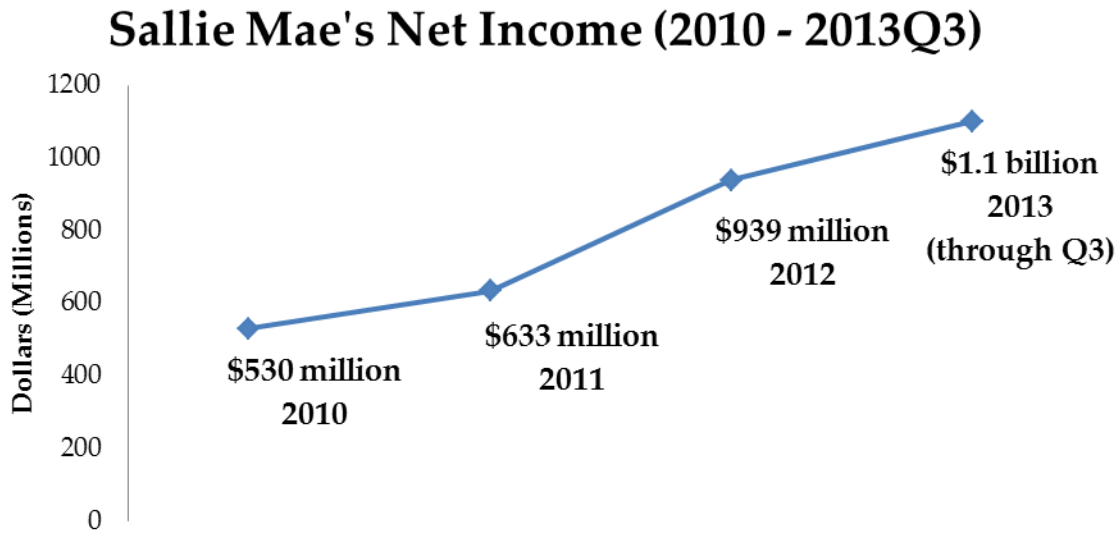
2012

- **Settles class action filed by investors alleging that Sallie Mae lowered lending standards to bolster its portfolio of subprime private student loans and then tried to hide damage by approving repeated forbearances for borrowers. (Sallie Mae did not admit wrongdoing).**
- **U.S. Senate Committee Report highlights problems with default management activities of Sallie Mae subsidiary General Revenue Corp.**

2013

- **Announces proposed split into two publicly traded companies- NewCo and Sallie Mae Bank. NewCo will serve as the education loan-management business and will contain about 95% of Sallie Mae's assets including \$118.1 billion in federal loans and \$31.6 billion of private loans.⁸**
- **FDIC announces plans to replace an existing cease and desist order with a new formal enforcement action based on alleged violations of the Federal Trade Commission Act, the Servicemembers Civil Relief Act, and the Equal Credit Opportunity Act.**
- **Department of Education Inspector General cites problems with Sallie Mae subsidiary Pioneer Collection, focusing on failures to report verbal complaints received from borrowers.**
- **Reveals that the company is also under investigation by the CFPB and U.S. Department of Justice.**
- **Department of Education announces that Sallie Mae will be allotted the fewest new federal loans for 2014 due to low performance ratings.**

Sallie Mae was a major subprime student lender. The company terminated its most irresponsible lending products only after the credit crash. The company's irresponsible lending practices caused great harm to student borrowers and affected Sallie Mae's profits. Without providing redress to borrowers, as discussed in section II, the company has bounced back, reaping profits from its student loan empire and from new government contracts.



Source: SLM Corporation 2010-2013Q3 Earnings Releases, available at www.salliemae.com

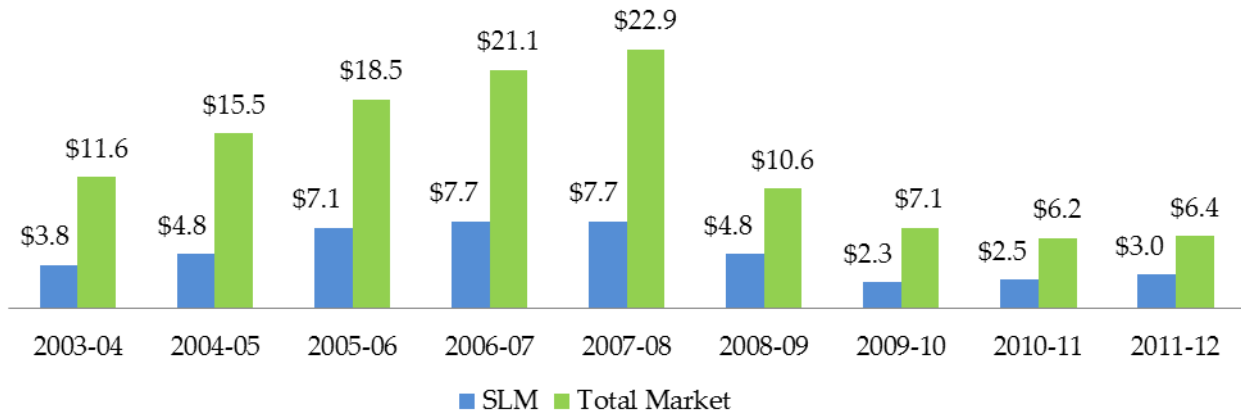
II. SALLIE MAE'S PRIVATE STUDENT LENDING AND THE HARM TO BORROWERS

Sallie Mae is the largest player in the private student lending industry. Private student loans are made by lenders to students and families outside of the federal student loan program. Private student loans are almost always more expensive over the long term than federal loans. This is especially true for borrowers with lower credit scores or limited credit histories.

At the peak of private student lending in 2007-08, Sallie Mae loans accounted for about one-third of all private student loan originations.

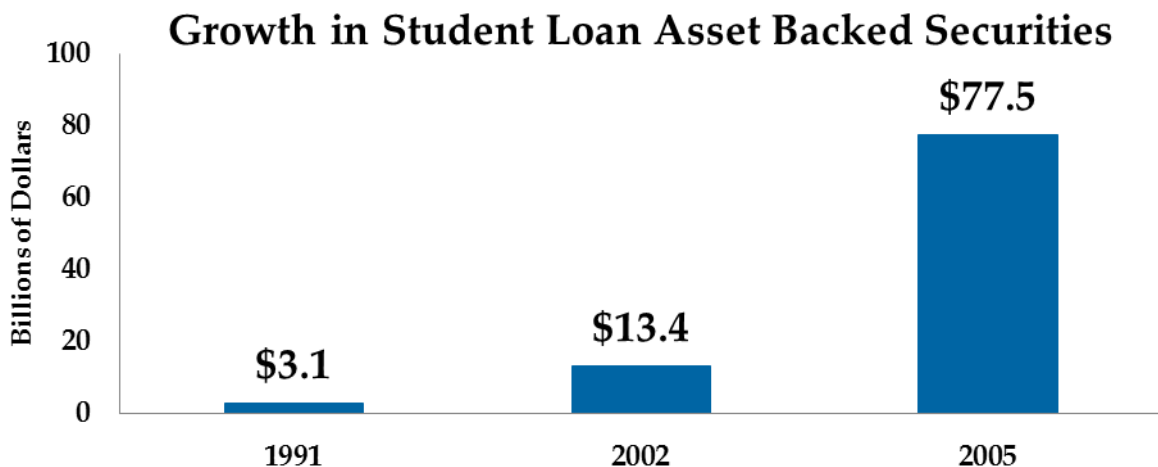
Private Education Loan Industry Originations

SLM (Sallie Mae) vs. Industry Originations
(billions)



Source: SLM Corporation, Form 8-K (August 6, 2013)

Securitization fueled the explosive growth of the private student loan industry, including subprime lending. During the boom years, the focus was on quick profits. Over time, however, the defects in these expensive, unsustainable products became clear and the loans began to fail. The industry hit a wall, exposing the risks of making unsecured, expensive loans to borrowers with little or no ability to repay.



Source: Fitch Ratings, "An Education in Student Lending" (Feb. 5, 2007).

A large portion of the most expensive subprime loans went to “non-traditional” students or those attending “non-traditional” schools. “Non-traditional” students are usually older, delay college enrollment after high school, and are often working outside of school. “Nontraditional” schools include many for-profit schools, which often have low program completion and graduation rates. Even where the borrower is expected to graduate, non-traditional loans tend to go to borrowers with low expected incomes relative to the cost of attendance.⁹

This chart shows the consistently high delinquency rates for Sallie Mae’s “non-traditional” loans.

Sallie Mae’s Private Loan Defaults and Delinquencies

Delinquencies greater than 90 days as a percentage of private education loans in repayment

	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2011	Dec. 2012	2013Q1	2013Q2	2013Q3
Total Loans	4.0	6.1	5.3	4.9	4.6	3.9	3.6	3.8
Traditional Loans	2.6	4.6	4.2	4.0	3.9	3.3	3.1	3.2
Non-Traditional Loans	12.7	17.5	15.0	13.6	12.6	11.2	10.2	11.1

Sources: SLM Corporation, Earnings Releases and Disclosures 2008-2013, available at www.salliemae.com.

Non-traditional loans at both for-profit and nonprofit schools represented about 14% of Sallie Mae’s private education loan portfolio, but accounted for 54% of charge-offs in the company’s portfolio in 2008.¹⁰ Even Sallie Mae’s current CEO (then-CFO) Jack Remondi admitted that this is “... [o]bviously, a business model that does not make sense.”¹¹

In discussing the company’s lending to “non-traditional” students, Sallie Mae former CEO Albert Lord said in a June 5, 2008 interview that “[i]t was obviously a mistake and I’m not going to step away from responsibility because I was either chairman or CEO when those loans were made. We got a little too confident in our own view that credit scores are of limited meaning for undergraduates. Maybe as early as 2004, we started lending with less selectivity. The culture of the company has been a FFELP [federal guaranteed loan program] culture for 35 years. That

Lenders that had no problem saying “yes” to risky loans are having no problem saying “no” when these borrowers need help.

meant you made every loan to every student. I guess with 35 years of experience of saying yes, we were just not very good at saying no.”¹²

In reality, the only common thread between subprime private loans and federal family education loans (FFEL)

was the lack of underwriting. The subprime private loans looked nothing like FFEL. The National Consumer Law Center’s (NCLC) 2008 report on private student lending examined a

sample of private loans, including Sallie Mae loans, finding many with variable APRs over 15% and higher.¹³ These were only initial rates that often increased. Despite the recent focus on interest rates for federal student loans, there are no FFEL or other government loans with interest rates anywhere near these levels.

Many of the private loans also had very large origination and other fees. There are no such fees for federal loans. Unlike FFEL and other government loans, the private loans have no flexible repayment options, no right to cancellations in cases of death or disability, no public service forgiveness, and not even guaranteed deferment rights. And borrowers can be declared in default after missing just one payment. There have also been allegations over the years that Sallie Mae sought to make its non-traditional loan performance look better by delaying charge-offs and granting repeated forbearances to struggling borrowers.¹⁴

Sallie Mae has stopped making these “non-traditional” loans, at least for now, and has struggled for years to get them off its books. In a January 2013 investor call, former CEO Albert Lord said that the company has \$3 billion left in the nontraditional portfolio. In describing these loans, he said: “We knew they were bad.... but the current accounting rules do not permit you to reserve them until you are within 2 years of when it charges off....we’ve got a couple of years left with them....”¹⁵

Although the company may only have a couple of years left to worry about the impact on its profits, most borrowers will continue to face collection long after the loans are charged off. Each charge-off represents an individual who cannot repay a debt and who may be facing aggressive collection tactics. These student borrowers generally face numerous collection calls, lawsuits, and negative entries on their credit reports that can last for extended periods of time. Top Obama Administration officials called a meeting in January 2014 with more than a dozen financial institutions and loan servicing entities to discuss ways to improve the private student loan market, including ways to encourage modifications and refinancing.¹⁶

We see and hear the human toll from the low-income borrowers we represent. Some are so traumatized by collection calls and skyrocketing debt loads that they vow never to go back to school. These choices not only impact these individuals and their families, but also harm our society.

“I want to live the “American Dream.” I want a small house with a picket fence; a golden retriever; a decent job. I do not see the “American Dream” in my future at all.”

— Private Student
Loan Borrower

Too Small to Help: The Struggles of Financially Distressed Private Student Loan Borrowers

Although it is hard to measure in dollar amounts, the human cost of unaffordable private loan debt is alarming. We hear from these borrowers every day. Those that attended inferior schools are particularly incensed because they received nothing in return for their crushing debt loads. Following are just a few examples.

Borrower in Ohio: “I have a private loan with Sallie Mae that allowed me to defer due to economic hardship. All of a sudden it would not allow me to do so and my loan went into default... They have told me to stop paying other bills and to do what I have to do to get the money... They have also told me to take other loans or sell my belongings to get the money. I have nothing except too much debt to income at this time to be able to do so. They tell me to make an offer, but what I can do at this time never works for them...it’s their way or no way and it doesn’t matter if I’m put out on the street or left to starve.”

Borrower in Massachusetts:

“I graduated with a Bachelors degree in 2008. After graduation I could not find a job because of the poor economy. I searched for jobs daily; I had sent out hundreds of resumes to no avail. I ended up having to pay Sallie Mae \$150.00 (that I didn’t have) every 3 months for them to grant me a forbearance! That money did NOT go to the principal balance of the loan, it was theirs to keep as well as interest that was accruing due to my involuntary hardship.

“After 2 years of being unemployed I finally obtained a part-time job as a Network Technician, making \$13.00 an hour. I struggled to pay bills and old debt (not including student loans). At this time I was forced to continue the forbearance on my education loans; both Federal and Private. I did not make enough money to keep Sallie Mae satisfied. I tried to work out payment plans, but they wanted too much money that I couldn’t afford. The payment went up as the interest piled up.

“As of today, I have accrued more than \$30,000 in interest with Sallie Mae. My loan went from roughly \$90,000 to \$120,000 during the years I was unemployed. I continued the \$150.00 forbearance “bribes” until late June 2011 when Sallie Mae told me that I had exhausted my forbearance period. I still cannot pay \$1000 a month to them.

“I’ve tried numerous times to work things out with Sallie Mae; they will not work with me on this issue. Needless to say, the phone calls from Sallie Mae are endless and harassing. I have been yelled at, degraded, and verbally abused by their debt collectors, but I see no end to this downward spiral of college debt. (I’m not even working in my field of study).

Private Student Loan Borrower Stories (continued)

"I want to live the "American Dream." I want a small house with a picket fence; a golden retriever; a decent job. I do not see the "American Dream" in my future at all."

Borrower in New Jersey: "My daughter's monthly payment to Sallie Mae had been \$150 per month, and she knew that would increase six months after graduation. What neither of us expected, however, was for Sallie Mae to increase the payment by \$600 per month, making her Sallie Mae loan payments \$750 per month. ... We all know that a college education is necessary for anyone to rise above the poverty level these days. Neither my husband nor I have a college education, but we both work and we have tried to instill the value of education and making good choices to our daughters. I don't expect anyone to educate them for free, but I did think that Sallie Mae would offer reasonable repayment options. Clearly, that is not the case."

Given their role in creating the crash, it is reasonable to expect lenders to do everything possible to help borrowers with unaffordable loans. Distressingly, this has not occurred. In our experience representing borrowers through the Student Loan Borrower Assistance Project, we have found private lenders, including Sallie Mae, to be inflexible in granting long-term repayment relief for borrowers.¹⁷ Lenders that had no problem saying "yes" to risky loans are having no problem saying "no" when these borrowers need help.¹⁸

Belated admissions about past mistakes can be useful in policy debates because they expose the inexcusable wishful thinking that masked as business planning over the years. However, these *mea culpas* do not do much for troubled borrowers and the company's current transition to more responsible lending practices should not absolve it of responsibility for past harms.

III. SALLIE MAE AS GOVERNMENT SERVICER

Sallie Mae fought aggressively to preserve the FFEL program, also known as the guaranteed loan program. Created in 1965, the FFEL program had become very costly over time due to the costs of compensating the FFEL private lenders and guaranty agencies. Yet it took many years for Congress to finally terminate the program in 2010 and transition to the government originating nearly all federal loans through the Direct Loan Program.

According to the *Washington Post* in 2009, "For the past two decades, every attempt to overhaul the \$85-billion-a-year student loan industry by eliminating subsidies to lenders has faced insurmountable opposition from one of the most powerful institutions in the business: Sallie Mae, the world's largest student loan company."¹⁹

Representative George Miller, chairman of the House Education and Labor Committee stated at the time the legislation was pending that he believed it would ultimately pass, explaining: "If

people want to lose \$80 billion on the taxpayer's dime for the very narrow interests of Sallie Mae, I guess they can decide that, but it makes no economic sense to me...They had a great ride for years." ²⁰

Sallie Mae lobbied hard to make sure that the lucrative ride would keep going even after the guaranteed loan program died in 2010. Among other tactics, Sallie Mae raised alarms about job losses at the company if Congress ended the program. Many neutral observers concluded that the job loss claims were overblown, but these claims were successful in pushing the government to ensure that Sallie Mae and other private companies would play key roles in the new government loan program, particularly through servicing and collection. ²¹

Lobbying Expenditures by SLM Corp. (Sallie Mae) (2007 – 2013)

2007	= 4.18 million
2008	= \$3.2 million
2009	= \$3.48 million
2010	= \$3.73 million
2011	= \$3.09 million
2012	= \$2.7 million
2013	= 2.35 million

\$22.73
million
spent on federal
lobbying
2007 - 2013

Source: Opensecrets.org

Sallie Mae became one of four companies that won contracts with the U.S. Department of Education to service about \$550 billion in federal loans. Since then, the company's federal loan servicing business has continued to grow. The number of federal student loans Sallie Mae services increased about 39% since 2012 to 5.7 million loans as of September 2013. ²²

Federal Loan Servicer Payments as of September 30, 2011

Servicer	Servicing	Contract Changes	Total
Nelnet	\$66,989,379	\$1,655,242	\$68,644,621
PHEAA	\$81,837,282	\$366,333	\$82,203,615
Great Lakes	\$86,444,706	\$418,324	\$86,863,030
Sallie Mae	\$99,123,962	\$528,244	\$99,652,206

Source: U.S. Department of Education, "Federal Student Aid's Award and Administration of the Title IV Additional Servicers Contracts Final Audit Report" (August 2013).

The company is actively seeking to expand its share of servicing business. As current Sallie Mae CEO Remondi stated to investors in May 2013, "We expect to continue to expand and diversify our fee revenue through expansion and growth in our federal and other service contracts for one of the largest providers of services to the Department of Education under its direct lending program. And we look to expand that in both the servicing, collections and other new areas of that contract going forward."²³

Despite its rosy projections to investors, the company faces or should be facing some major hurdles as it attempts to expand its government servicing business. In an analysis of Department of Education servicer performance data, the CFPB noted that Sallie Mae came out last among the four servicers in the borrower survey, school survey and federal personnel survey categories.²⁴ As a result, the Department's August 2013 allocation plans show that Sallie Mae will be allotted the fewest new federal loans for 2014.²⁵

U.S. Department of Education Servicer Rank by Metric 2012-2013

Servicer	Loan Defaults (by Number of Loans)	Loan Defaults (by Dollar Value)	Borrower Survey	School Survey	Federal Personnel Survey
Nelnet	1	1	2	3	3
FedLoan Servicing (PHEAA)	3	3	3	2	1
Great Lakes	4	4	1	1	2
Sallie Mae	2	2	4	4	4

Source: CFPB Blog, Rohit Chopra "Explainer: scoring student loan servicers," (Sept. 23, 2013)

U.S. Department of Education Fifth Year Allocations for Servicers

Servicer	Total Score (higher is better)	% of New Volume Servicer Will Receive	Total Number of New Borrowers
Nelnet	15	30%	930,000
FedLoan Servicing	13	26%	806,000
Great Lakes	13	26%	806,000
Sallie Mae	9	18%	558,000

Source: U.S. Department of Education, "Final Calculation for Fifth Year's Allocation" (Aug. 27, 2013)

The Department's December 2013 response to Senator Elizabeth Warren (see Appendix A) includes a long list of "issues" identified by the Department in audits and reviews of Sallie Mae. These issues with Sallie Mae's servicing of federal loans include defects in conversion to repayment, incomplete adjustments to borrower accounts when transferred from a previous servicer, and incorrect calculation of income for the income-based repayment program (IBR). The Department also listed problems with the company's servicing of FFEL loans uncovered in audits and review, including incorrect billings, due diligence errors, and incorrect repayment terms. These are very serious concerns for borrowers. IBR in particular is a lifeline for many borrowers and the only way many can afford to stay out of default. However, the Department said that compliance issues have not risen to the level where "penalties were considered appropriate."

In addition, the company is currently under investigation by a number of federal regulators as summarized in the time line on pages 3-4. The Consumer Financial Protection Bureau (CFPB) has also highlighted general problems in the student loan servicing industry, including issues with billing, payment application, and servicer transfers. Among other concerns, Sallie Mae executives revealed in an October 2013 investor call that a transition to a new servicing platform caused increases in private student loan delinquencies. Apparently the servicing breakdown erroneously put borrowers making payments into early stage delinquencies. NCLC sent a letter (see Appendix B) to the CFPB urging it to investigate this processing breakdown for potential legal, contractual or other violations and to ensure that the company is proactively taking steps to fix the problem and make sure that borrowers are made whole.

To turn attention away from these mounting problems, Sallie Mae executives tout their second place status among the four federal loan servicers in terms of preventing defaults. Yet these numbers are not exactly what they seem to be. The Department's "default prevention" category simply measures the number of borrowers in repayment who went into default during the particular quarter.²⁶ It does not probe further to determine how a borrower avoided default. This is troubling given the widespread practice of steering borrowers into options, such as forbearance that are easier for servicers and collectors but not best for borrowers. The recent

U.S. Senate Committee Report has highlighted problems with the default management activities of Sallie Mae subsidiary General Revenue Corp.²⁷

In our experience representing low-income borrowers, we consistently see examples of Sallie Mae and other servicers pushing borrowers into the quickest options, such as forbearance, rather than explaining and assisting borrowers to obtain more favorable long-term solutions, such as income-based repayment. Forbearances can be costly for borrowers because interest accrues during forbearance periods and because they must be renewed more frequently than most other options.

In a July earnings call, Sallie Mae CEO John Remondi described servicing federal student loans as very expensive work. He cited the example of enrolling a borrower into income-based repayment, noting that the company does not get paid for outperformance in “that side of the equation.”²⁸ Mr. Remondi claims that his company still does this work properly, but his statement highlights the problems with the current system.

The servicers often complain that they are “stuck” and must push easier solutions because of flaws in the government servicing contract commission system. Essentially, servicers say that they are not paid enough to take the time to administer the more complex programs. The president of an industry trade association summarized this argument, “You get what you pay for,” according to Shelly Repp, president of the National Council of Higher Education Resources.²⁹ This is unacceptable. When servicers enter into contracts with the government, they know what the commission system will be. Even if there are problems with compensation, they are not an excuse to deny borrower rights or provide inferior service. The company is not stuck. It can choose not to bid for a contract it deems unreasonable. In contrast, borrowers are truly stuck if they face servicing problems. They cannot shop around and find better choices. The Department is unequivocal about this trap on the federal loan side. In on-line FAQs, in response to the question, “Do I select my loan servicer?” the Department’s answer is No.³⁰

Despite all of these problems, Sallie Mae continues to enjoy huge government contracts. Unlike borrowers who are given no second chances if they make mistakes, as Senator Warren concludes, “...the government has rewarded Sallie Mae enormously despite its repeated failings.”³¹ Senator Warren wrote in a September 2013 letter to the Departments of Treasury and Education that the agencies appear to have given Sallie Mae “... little more than a slap on the wrist—additional training and reporting requirements but no monetary penalties or contractual remedies.”³²

In 2012, the company received about \$84 million in revenue from Department of Education contracts, according to media reports.³³ The Department announced that it expects to renew Sallie Mae’s servicing

Sallie Mae’s share prices were up more than 56% over the past year. In November 2013, shares closed at the highest level since December 2007.¹

contract. A Department spokesman said he saw no reason why the company's contract should not be renewed.³⁴

Investors also seem happy as the stock continues to rise in value. Sallie Mae's share prices were up more than 56% over the past year. In November 2013, shares closed at the highest level since December 2007.³⁵

IV. RECOMMENDATIONS

The problems with Sallie Mae discussed in this report illustrate the need for significant changes in the treatment of student loan borrowers—both those who owe private student loans and those who owe federal student loans. We present a number of recommendations for reform below.

A. Federal and State Government Agencies Must Coordinate and Engage in Rigorous Oversight and Enforcement

The CFPB's announcement in December 2013 that it will begin supervising large student loan servicers is a promising sign for borrowers.³⁶ The CFPB can help fill the gaps caused by a long history of lax federal oversight. The CFPB and Department of Education must work together to ensure that servicers are doing their jobs properly. State Attorney General offices also have an important role in protecting consumers in their states.

B. Improve Evaluation of Servicers and Collectors

Collection contractor performance must be about more than just dollars collected. On the servicing side, we recommend at a minimum measuring "default prevention" not just on the numbers of borrowers avoiding default, but also on the ways in which they avoided default. A servicer should not be rewarded for pushing borrowers into options that are easy for the servicers, but not best for borrowers.

Among other reforms, we recommend sending a sampling of anonymous servicer files to neutral analysts to evaluate on a range of criteria, including whether the borrower achieved an effective long-term solution, if available.

C. Hold Servicers and Collectors Accountable for Poor Performance and Legal Violations

The government should not reward servicers and collectors with poor track records by continually renewing contracts. Given budget constraints, the government must also act immediately to recover overpayments and penalties already assessed. For example, the

Department has not yet recovered over \$20 million in allegedly improper payments to Sallie Mae despite a 2009 recommendation to do so from the Inspector General.³⁷

D. Recommended Actions for Private Student Loans

The CFPB summarized a number of policy options in a May 2013 report about relief for existing private student loan borrowers.³⁸ Policymakers should pay close attention to the CFPB report with its focus on the potential impact of student loan burdens and ways to spur affordable loan repayment options.

The guiding principles to move forward with relief for private loan borrowers should be:

1. Affordability for borrowers.
2. Preservation of borrower protections.
3. Enforceability.
4. Efficiency and Scale. The program must be designed to reach as many as possible of the borrowers in or at risk of default, and
5. Fairness. The program must not be a bailout or giveaway to lenders.³⁹

Financially distressed borrowers need a safety net, including bankruptcy discharge rights and cancellation rights for fraud victims, to give them some hope of starting again. Without relief, these borrowers will be unable to help fulfill our social and economic need for a productive, educated work force.

Other borrowers may be able to make some payments, but not at the levels currently required by the private student lenders, including Sallie Mae. Payment reduction programs must be designed to give real relief, with substantial permanent reductions in interest or principal. Reducing the amount of the payment but requiring the student to make payments over a longer period of time merely extends the pain. The lenders that created this mess can and should be part of the solution. So far, they have not done much on a voluntary basis to provide assistance.

While it may be impossible to get all of these individuals back on track, it is clearly possible to help some. The fact that lenders are hardly trying is a national disgrace. We cannot truly begin to reshape the future and improve access to education without redress for those left behind.

APPENDIX A

ELIZABETH WARREN
MASSACHUSETTS

COMMITTEE
BANKING, HOUSING, AND URBAN AFFAIRS
HEALTH, EDUCATION, LABOR AND PENSIONS
SPECIAL COMMITTEE ON AGING

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September 19, 2013

The Honorable Jacob Lew
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Lew and Secretary Duncan:

I am writing to request information on the Department of Education and the Department of the Treasury's ongoing relationship with Sallie Mae despite Sallie Mae's pattern of breaking the rules and ignoring its contractual obligations.

According to Sallie Mae's most recent quarterly filing with the Securities and Exchange Commission, the Federal Deposit Insurance Corporation plans to replace its existing cease-and-desist order against Sallie Mae with a formal enforcement action.¹ According to reports, the enforcement action is likely to allege that Sallie Mae violated the Servicemembers Civil Relief Act and the Equal Credit Opportunity Act by charging military personnel excessive interest on their student loans.²

Those allegations – while troubling on their own – are only one of many documented problems with Sallie Mae. In 2007, Sallie Mae agreed to a multi-million dollar settlement with the New York Attorney General's office to resolve claims relating to the improper marketing of federal student loans.³ In 2008, the Treasury Department's Inspector General reviewed 36 separate cases and found that Sallie Mae's debt collection arm, Pioneer Credit Recovery, Inc., had violated its contractual obligations in each case through transgressions such as failure to adequately document its debt collection process and failure to inform consumers of their rights and obligations under debt compromises.⁴ And just a few months ago, the Department of Education's Inspector General found that Sallie Mae had violated contractual terms by failing to report the verbal complaints it received from federal student loan borrowers.⁵

¹ SLM Corporation, Form 10-Q (June 30, 2013), available at <http://www.sec.gov/Archives/edgar/data/1032033/000119312513319383/d539937d10q.htm>.

² Richard Perez-Pena, *Sallie Mae to be Accused of Overcharging Military Personnel on Loans*, New York Times (Aug. 9, 2013), at http://www.nytimes.com/2013/08/10/us/sallie-mae-to-be-accused-of-overcharging-military-personnel-on-loans.html?_r=0.

³ Amit R. Paley & Tomoeh Murakami Tse, *Student Loan Giant Sallie Mae Settles in N.Y. Conflict-of-Interest Probe*, Wash. Post (Apr. 12, 2007), available at <http://www.washingtonpost.com/wp-dyn/content/article/2007/04/11/AR2007041101326.html>.

⁴ Office of Inspector General, Department of the Treasury, *Private Collections Agencies: Pioneer Credit Recovery, Inc. Need to Improve Compliance with FMS's Debt Compromise Requirements* (Sept. 26, 2008), available at <http://www.treasury.gov/about/organizational-structure/ig/Documents/oig08043.pdf>.

⁵ Office of Inspector General, Department of Education, Final Alert Memorandum re: Verbal Complaints Against Private Collection Agencies (May 8, 2013), at <http://www2.ed.gov/about/offices/list/oig/auditreports/fy2013/106m0012.pdf>.

Despite Sallie Mae's track record, your agencies appear to have given little more than a slap on the wrist – additional training and reporting requirements but no monetary penalties or contractual remedies. I am particularly concerned about this approach because of the enormous benefits the government has provided Sallie Mae. Since 2009, the government has given Sallie Mae contracts worth hundreds of millions of dollars.⁶ These contracts are in addition to a number of indirect and direct benefits the government has already provided to Sallie Mae. Sallie Mae has borrowed billions at astonishingly low interest rates through the federally-backed Federal Home Loan Bank of Des Moines. Through the Ensuring Continued Access to Student Loans program, Sallie Mae booked profits of \$284 million in 2009 and \$321 million in 2010 by selling government-guaranteed loans to the federal government. Also under the ECASLA program, the government created an asset-backed commercial paper conduit facility through which Sallie Mae borrowed billions at the very low rate of 0.82%.⁷

In short, the government has rewarded Sallie Mae enormously despite its repeated failings. Although Sallie Mae is a major player in the federal student loan programs, it is a for-profit company. As such, its profits – profits that have been boosted by special deals and breaks from the federal government – go to its shareholders. While the government has been quite tolerant of Sallie Mae's failings and helped Sallie Mae maintain its profitability, it is not nearly as generous when it comes to student borrowers. For students who default on their federal loans, the accountability is relentless. The government bars these borrowers from participating in federal student aid programs. The entire loan balance becomes due immediately, and fees and penalties get stacked on top. The government may withhold tax refunds, wages, and federal benefits. Defaulted borrowers face onerous collection practices, without even the hope of discharging their student loan obligations through bankruptcy. Where is that kind of accountability for Sallie Mae?

As regulators consider disciplinary action against Sallie Mae, I would appreciate it if you could respond to the following questions:

Department of Education:

1. If Sallie Mae is found to have violated the Servicemembers Civil Relief Act, the Equal Credit Opportunity Act, or other laws or contractual provisions, will the Department terminate its contracts with Sallie Mae or otherwise seek monetary relief? What policies and practices will guide the Department's actions in this respect?
2. What steps has the Department taken in response to the Inspector General's recent finding that Sallie Mae failed to report verbal complaints it received from borrowers?
3. The Department has the authority to assess civil penalties against a lender or guaranty agency of up to \$35,000 per violation, failure, or misrepresentation. Has the Department exercised this authority against Sallie Mae or any other lender or guaranty agency? Under what circumstances would the Department exercise this authority?

⁶ Search conducted at <http://www.usaspending.gov>.

⁷ Review of SLM Corporation, Inc. Form 10-Ks

4. Please detail any and all investigations into Sallie Mae and its affiliated companies over the past 10 years. Please indicate any instances in which Sallie Mae has been found to be in violation of its contractual obligations, and the number of students affected by these violations.
5. Please describe all penalties the Department has assessed on Sallie Mae and its affiliated companies over the past 10 years.
6. If, in the Department's estimation, Sallie Mae's past actions have not been sufficient to justify ending its contract, please describe the Department's policies and standards for the type of unlawful action that would justify the termination of a contract with a loan servicer.

Department of the Treasury:

1. What action did the Department take in response to the Inspector General's 2008 finding that Sallie Mae consistently failed to comply with its contractual obligations relating to debt collection?
2. How, if at all, does the Department account for Sallie Mae's poor track record on student loan servicing when it decides whether to award Sallie Mae contract extensions?

I ask for your prompt attention to this matter and would very much appreciate a response by the end of September. If you have any questions, please don't hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth Warren", with a long horizontal flourish extending to the right.

Senator Elizabeth Warren

DEC 9 2013

Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, DC 20510

Dear Senator Warren:

Thank you for your letter concerning the U.S. Department of Education's (Department's) relationship with Sallie Mae. I am pleased to respond.

I share your desire to ensure that college remains affordable and student loan debt remains manageable for the millions of Americans pursuing a postsecondary education. The Department is continuously working with its student loan servicers to provide exceptional service to borrowers and to serve as good stewards of taxpayer dollars. To that end, the Department investigates all legitimate complaints of wrongdoing against its contractors, and enforces its contractual authority to resolve any issues when appropriate.

Below you will find responses to your specific questions regarding our loan servicer activities.

1. If Sallie Mae is found to have violated the Service members Civil Relief Act, the Equal Credit Opportunity Act, or other laws or contractual provisions, will the Department terminate its contracts with Sallie Mae or otherwise seek monetary relief? What policies and practices will guide the Department's actions in this respect?

Response: If any of the Department's Title IV loan servicer contractors has been determined to have violated any laws, regulations, policies, or other contractual terms and conditions, then the Department will assess the findings and determine the most appropriate course of action, in accordance with the contract terms and conditions, statutes, case law, and the Federal Acquisition Regulation. Remedies could include monetary relief, termination of the contract in whole or in part, or other appropriate corrective action. At this time, the Department is not aware of any final determinations or issues that would warrant termination, in whole or in part, or monetary relief regarding the Title IV loan servicers, including Sallie Mae. Compliance issues identified in the past through Department monitoring and oversight activities have not risen to the level where these penalties were considered appropriate, and they were resolved through the implementation of corrective action plans. This approach is consistent with that used for all Department loan servicers.

2. What steps has the Department taken in response to the Inspector General's recent finding that Sallie Mae failed to report verbal complaints it received from borrowers?

Response: In May 2013, the Inspector General's office issued a memorandum to the Department's Federal Student Aid office regarding the reporting of verbal complaints from borrowers by the Department's Private Collection Agency (PCA) contractors. The Department believes that the issues highlighted in the Inspector General's memorandum resulted from a lack of clarity among the PCAs on the definition of what constituted a reportable complaint. Accordingly, in June 2013, the Department provided all PCAs under contract, including Pioneer Credit Recovery, Inc., a Sallie Mae affiliate, with a refined definition and updated procedures on when and how complaints should be reported. As expected, this has led to a general increase in the number of complaints reported.

3. The Department has the authority to assess civil penalties against a lender or guaranty agency of up to \$35,000 per violation, failure, or misrepresentation. Has the Department exercised this authority against Sallie Mae or any other lender or guaranty agency? Under what circumstances would the Department exercise this authority?

Response: Since 2008 the Department has exercised its fine authority against 11 lenders that participate in the Federal Family Education Loan (FFEL) Program and, as a result, has collected \$747,500 in fines. Sallie Mae was not one of the 11 lenders. Under Section 432(g) of the Higher Education Act of 1965 (HEA), the Department may fine a lender or Guaranty Agency if the lender's or agency's violation, failure, or substantial misrepresentation is material and the lender or Guaranty Agency knew or should have known that its actions violated or failed to carry out the provisions of the HEA or the Department's regulations. This fine authority does not apply to the Department's Title IV loan servicers.

4. Please detail any and all investigations into Sallie Mae and its affiliated companies over the past 10 years. Please indicate any instances in which Sallie Mae has been found to be in violation of its contractual obligations, and the number of students affected by these violations.

Response: The Department has conducted three program reviews of the servicing of student loans under the Sallie Mae Title IV Additional Servicers (TIVAS) contract since its award in 2009 and has identified the following issues: defects in conversion to repayment, incomplete adjustments to borrower accounts when transferred from a previous servicer, incorrect calculation of adjusted gross income for Income Based Repayment payment, and failure to include spousal income when calculating Income Contingent Repayment eligibility.

In the past 10 years, the Department has also conducted 20 reviews of the FFEL Program portfolio held by Sallie Mae, which is serviced by Sallie Mae and four other servicers Sallie Mae contracts with, and has identified the following issues:

incorrect billings submitted to the Department, failure to report origination fees, unpaid consolidation loan rebate fees, and general management and reporting deficiencies.

The Department also resolves annual compliance audits and audits issued by the Office of Inspector General (OIG), relative to Sallie Mae's role as a FFEL lender/servicer, that have disclosed the following issues: incorrect billings submitted to the Department, untimely claims filed with the Guaranty Agencies, due diligence errors, incorrect repayment terms, and incorrect reconciliation of consolidation loan rebate fees reported to the Department.

On September 25, 2013, the Department issued a Final Audit Determination letter sustaining an OIG audit finding that Sallie Mae claimed and was paid special allowance at the 9.5 percent minimum return rate on loans that were not eligible for that rate. The Department considered the overpayment amount of \$22.3M, as calculated by the OIG, to be a reasonable estimate of the amount of special allowance overpaid as a result of the finding. Sallie Mae has the right to appeal the Department's determination.

Prior to the closure of program reviews and annual compliance audits, the Department ensures that appropriate corrective action has been taken by Sallie Mae, including any necessary restitution of funds to the Department. In the case of both program reviews and audits, the Department generally recoups the liabilities identified in the findings by directing the party to make an offsetting adjustment to the lenders' current billing with regard to FFEL loan subsidies.

The Department does not have data on the number of borrowers affected by issues identified in program reviews, annual compliance audits, and other program monitoring and oversight activities. In general, these issues have affected a very small percentage of individuals relative to the overall borrower population. The incidence of and responsiveness to issues of this kind by Sallie Mae has been consistent with our experience with other Federal loan servicers.

This response does not include any investigations that may have been done by the Office of Inspector General.

5. Please describe all penalties the Department has assessed on Sallie Mae and its affiliated companies over the past 10 years.

Response: The Department has not assessed any contractual or civil penalties on Sallie Mae or its affiliates other than those mentioned earlier.

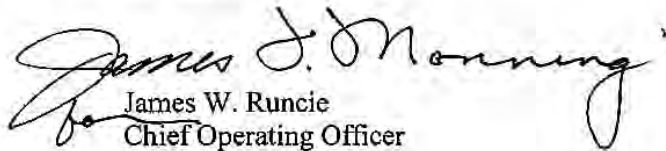
6. If, in the Department's estimation, Sallie Mae's past actions have not been sufficient to justify ending its contract, please describe the Department's policies and standards for the type of unlawful action that would justify the termination of a contract with a loan servicer.

Response: In any situation involving an unlawful action by any of the Department's contractors, the Contracting Officer would make a determination regarding any contractual remedies, including termination, in accordance with the contract terms and conditions, statutes, case law, and the Federal Acquisition Regulations (FAR). For example, pursuant to FAR 52.212-4(m), "[t]he Government may terminate [a] contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance." In making this determination, the Contracting Officer, in consultation with the appropriate program office and the Office of the General Counsel, would consider several factors: the terms of the contract and applicable law/regulations; the specific failure of the contractor and the explanations for the failure; the availability of the supplies and services from other sources; and the urgency of the need for the supplies or services.

The Department is continuously working with and monitoring all its student loan servicers to provide exceptional service to borrowers, serve as good stewards of taxpayer dollars, and ensure the integrity of its financial aid programs.

Again, thank you for the opportunity to address your questions.

Sincerely,


James W. Runcie
Chief Operating Officer

APPENDIX B

October 31, 2013

Rohit Chopra
CFPB Student Loan Ombudsman
Consumer Financial Protection Bureau
1700 G St., NW
Washington, D.C. 20552

(via e-mail)

Dear Mr. Chopra:

I am writing to express concerns about recent revelations of servicing breakdowns at Sallie Mae. Company executives recently told investors that a transition to a new servicing platform caused increases in private student loan delinquencies. Apparently the servicing breakdown erroneously put borrowers making payments into early stage delinquencies. As a result, many Sallie Mae borrowers are entering early delinquency through no fault of their own.

An early stage delinquency, particularly if unnoticed by a borrower making timely payments, can quickly spiral into late stage delinquency and default. Many borrowers will face potential fees as well as credit reporting errors that are difficult to fix and will haunt them as they apply for jobs and housing.

We urge the Bureau to investigate this processing breakdown for potential legal, contractual or other violations and to ensure that the company is proactively taking steps to fix the problem and make sure that borrowers are made whole.

Unfortunately, this is not an isolated incident. Your recent annual report highlights repeated problems with student loan servicers. Sallie Mae is not the only company engaging in the troubling practices described in your report, but it is the largest private student lender and servicer and nearly half of all CFPB complaints are from Sallie Mae clients.

The Department of Education has taken notice of problems at Sallie Mae as well, cutting the company's share of new loans serviced under the Department's servicing contract. We believe that the federal student loan servicing issues stem largely from a flawed compensation system and lack of sufficient supervision.

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Bad servicing practices plague the private and federal student loan industries. In the private student loan industry, there are few legally required relief options for borrowers and bankruptcy discharges are extremely difficult to obtain. While Sallie Mae and others have improved underwriting for newer private loans, there are still many borrowers with predatory loans that the company routinely issued prior to the credit crash. These “non-traditional” loans have much higher delinquency and write-off rates than the company’s other private loans. The CFPB’s complaint system has been effective in providing relief for some borrowers, but it cannot compensate for the lack of mandatory relief options, protections and servicing standards for private student loan borrowers.

On the federal loan side, we deal with poor servicing practices on a regular basis with our low-income clients. We are currently in the process of surveying our clients about their level of knowledge of repayment options such as IBR. We have found that few servicers take the time to accurately explain the range of flexible and affordable repayment options to our clients. These routine breakdowns not only damage individuals trying to find solutions to repayment problems, but harm our economy as well due to borrowers stuck in federal student loan default quicksand.

Better information about the federal student loan programs is important, but not enough. The servicers must do their job. We urge the CFPB to oversee the servicing industry to prevent problems, provide relief for borrowers and to help the public understand why there are so many problems.

There are many ways to address this problem, not all requiring new legislation. We urge the CFPB to use its authority to enforce existing law and engage in rigorous oversight and to convene other regulators as necessary to address this flawed system that is so damaging to borrowers and their families.

Thank you for your consideration.

Sincerely,

Deanne Loonin
Director, National Consumer Law Center’s
Student Loan Borrower Assistance Project

ENDNOTES

- ¹ Rohit Chopra, Consumer Financial Protection Bureau, "[A Closer Look at the Trillion](#)" (Aug. 5, 2013); "[Explainer: Changes to Federal Student Loan Interest Rates](#)" (June 21, 2013).
- ² U.S. Department of the Treasury, "U.S. Government Receivables and Debt Collection Activities of Federal Agencies", Fiscal Year 2012 Report to the Congress (March 2013).
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- ⁴ Bethany McLean, "The Surprising Profits of Student Loans", *CNNMoney.com* (April 16, 2007).
- ⁵ *Id.*
- ⁶ See generally Erin Dillon, "Leading Lady: Sallie Mae and the Origins of Today's Student Loan Controversy" (May 2007).
- ⁷ Office of Senator Elizabeth Warren, "[Senator Warren Questions Treasury and ED on Accountability for Sallie Mae Rulebreaking and Violations](#)" (Sept. 19, 2013).
- ⁸ Catherine Rampell and Jessica Silver-Greenberg, "Sallie Mae Will Split Old Loans from New", *The New York Times* (May 29, 2013).
- ⁹ Fitch Ratings, "Private Education Loans: Time for a Re-Education" at 7 (Jan. 28, 2009).
- ¹⁰ Alejandro Lazo, "Sallie Mae Forecasts Surge in Defaults", *Washington Post* (Jan. 23, 2009).
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- ¹² Robert Tomsho, "SLM's Headmaster on Lessons Learned", *The Wall Street Journal* (June 5, 2008).
- ¹³ National Consumer Law Center, "[Paying the Price: The High Cost of Private Student Loans and the Dangers for Student Borrowers](#)" (March 2008).
- ¹⁴ See generally Andrew Leonard, "Selling Out Students", *Salon.com* (June 8, 2012).
- ¹⁵ "SLM Management Discusses Q4 2012 Results-Earnings Call Transcript" (Jan. 17, 2013).
- ¹⁶ Michael Stratford, "U.S. Urges Private Lenders and Servicers to Help Borrowers" *InsideHigherEd* (Jan. 10, 2014).
- ¹⁷ For more information about NCLC's Student Loan Borrower Assistance Project, see <http://www.studentloanborrowerassistance.org>.
- ¹⁸ See generally National Consumer Law Center, "[Too Small to Help: The Plight of Financially Distressed Private Student Loan Borrowers](#)" (April 2009).
- ¹⁹ Amit R. Paley, "Sallie Mae's About-Face on Loan Subsidies", *The Washington Post* (May 11, 2009).
- ²⁰ Eric Lichtblau, "Lobbying Imperils Overhaul of Student Loans", *The New York Times* (Feb. 5, 2010).
- ²¹ For an analysis of the job claims, see Factcheck.org, A Project of Annenberg Public Policy Center, "[Student Lenders' Slippery Jobs Numbers](#)" (March 25, 2010).
- ²² Shahien Nasiripour, "Education Department To Renew Sallie Mae Contract, Despite Allegations of Wrongdoing", *The Huffington Post* (Nov. 29, 2013).
- ²³ "SLM's Management Hosts Investor Update Conference (Transcript)" (May 29, 2013).
- ²⁴ Rohit Chopra, Consumer Financial Protection Bureau, "[Explainer: Scoring Student Loan Servicers](#)" (Sept. 23, 2013).
- ²⁵ U.S. Department of Education, "Loan Servicing Information-Customer Service Performance Results and Allocation Information" (Aug. 27, 2013).
- ²⁶ U.S. Department of Education, "Loan Servicing Information-Customer Service Performance Results and Allocation Information" (Aug. 27, 2013).
- ²⁷ See U.S. Senate Health, Education, Labor and Pensions Committee, *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*, Majority Committee Staff Report and Accompanying Minority Committee Staff Views (July 30, 2012).

²⁸ “SLM Corp CEO Discusses Q2 2013 Results-Earnings Call Transcript” (July 18, 2013).

²⁹ Libby A. Nelson, “Education in the budget deal-NDAA-A 44-year lobbyist’s parting thoughts”, *Politico* (Dec. 11, 2013).

³⁰ <http://studentaid.ed.gov/repay-loans/understand/servicers>

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³⁴ Id.

³⁵ Shahien Nasiripour, “Education Department To Renew Sallie Mae Contract, Despite Allegations of Wrongdoing”, *The Huffington Post* (Nov. 29, 2013).

³⁶ Consumer Financial Protection Bureau, “CFPB to Oversee Nonbank Student Loan Servicers” (Dec. 3, 2013).

³⁷ Shahien Nasiripour, “Education Department Slow to Recover Millions from Sallie Mae”, *The Huffington Post* (12/5/13).

³⁸ Consumer Financial Protection Bureau, “[Student Loan Affordability: Analysis of Public Input on Impact and Solutions](#)” (May 8, 2013).

³⁹ A copy of NCLC’s comments in response to the CFPB’s request can be found on-line at: <http://www.studentloanborrowerassistance.org/wp-content/uploads/2007/03/cfpb-comments-april2013.pdf>.

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