

# Attorney General Raoul Leads Coalition Pushing Back Against Abusive Student Loan Debt Collection Practices

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CHICAGO - Attorney General Kwame Raoul led a bipartisan coalition of 23 attorneys general filing [an amicus brief](#) in support of the Consumer Financial Protection Bureau's (CFPB) efforts to combat alleged illegal debt collection practices in the student loan industry.

The CFPB filed a lawsuit alleging that 15 trusts purchased student loan debt and then engaged in illegal debt collection practices in an attempt to collect on that debt. The CFPB's complaint describes how collections agencies hired by the trusts submitted false and misleading affidavits and testimony in support of nearly 100,000 debt collection

actions brought by the trusts. Additionally, the trusts are alleged to have filed hundreds of lawsuits against consumers for debt that was time-barred or missing critical supporting documentation. Raoul and the coalition argue that the trusts should be held liable for these misdeeds under the Consumer Financial Protection Act of 2010.

“Unlawful conduct that is taking place in the debt collection industry inflicts untold harm on student borrowers in Illinois and across the country,” Raoul said. “Entities that profit by buying student loan debt should not be allowed to circumvent important consumer protection laws. The CFPB and state attorneys general must be able to hold them accountable.”

Raoul and the attorney generals argue that CFPB oversight is crucial because the model used by the trusts incentivizes them to condone misconduct by the debt collectors they hire.

The Illinois Attorney General’s office has long been a national leader in investigating and enforcing consumer protection violations in the higher education field. In January, Raoul announced a \$1.85 billion settlement with Navient, formerly the nation’s second largest student loan servicer, to resolve allegations of widespread abuses in their student loan origination and servicing business.

Raoul’s office has discharged more than \$14 million in fraudulent private student loans since 2019. Attorney General Raoul’s office also worked to pass a “Know Before You Owe” law, which aims to alert borrowers of their remaining federal student loan eligibility to help them steer clear of predatory private loans like those provided by Navient.

Student borrowers who have questions or are in need of assistance can call the Attorney General's Student Loan Helpline at 1-800-455-2456.

Raoul was joined in filing the brief by the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Virginia, Washington and Wisconsin