

# PRESS STATEMENT



## SLSA Statement Regarding GAO Report on Information Verification for IDR plans

July 25, 2019 (Washington, DC) – Today’s GAO report (GAO-19-347) highlights a critical issue that servicers have been actively working on and speaking about for quite some time with the Department of Education (ED) and Congress. While policy makers and ED have been focused on helping us expand IDR enrollment to benefit borrowers, we’ve also been working with them on recommendations to improve processes that both protect against errors or fraud - while also making enrollment easier for all borrowers.

Every servicer is working to protect the loan program, but we all know that much of the likely fraud is being committed by so-called “debt relief” or “doc prep” companies who charge borrowers for services they already get for free from their real servicers, and then commit fraud by misrepresenting income and family size on a borrower’s behalf while trying to circumvent our efforts to validate with the borrowers themselves. SLSA has worked over the last couple of years to advance changes in the law and process to stop these bad actors, who are not providing legitimate debt counseling services. We endorsed and strongly support the bipartisan Stop Student Debt Relief Scams Act of 2019 championed by Senators Baldwin, Braun, Shaheen, and Fischer, which would directly address the kind of fraud potential detailed in the GAO report.

In recent Congressional testimony, SLSA also re-emphasized our continued support alongside many in the industry for proposals to improve data sharing between the IRS and ED just like provisions in the bipartisan Faster Access to Federal Student Aid Act of 2018 proposed by Senators Alexander, Murray, Gardner, and Whitehouse. This proposal would not only help address some of the fraud or error concerns in the GAO report but would also simplify the IDR process for borrowers.

We welcome attention to the need to address these issues on which we and others have advocated, and this report highlights that taking these steps now is important for taxpayers and borrowers.

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***The Student Loan Servicing Alliance (SLSA) is a nonprofit, trade association that focuses exclusively on student loan servicing issues. Our servicer members are responsible for servicing over 95% of all federal student loans and the vast majority of private loans, and our membership is a mix of companies, state agencies, non-profits and their service partners.***

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