

PRESS RELEASE

Press Contact:
Scott Buchanan, Executive Director
info@slsa.net



SLSA Applauds Unanimous Senate Passage of the *Stop Student Debt Relief Scams Act*

December 2, 2020 (Washington, DC) – Yesterday, the U.S. Senate unanimously passed bipartisan legislation championed by Senators Tammy Baldwin (D-WI), Mike Braun (R-IN), Jeanne Shaheen (D-NH) and Deb Fischer (R-NE) called the *Stop Student Debt Relief Scams Act*, legislation that will enhance efforts to identify and shut down student debt relief scams. The U.S. House of Representatives will need to approve the bill before it is sent to the President’s desk to be signed into law, which the Student Loan Servicing Alliance (SLSA) strongly supports.

“This bill represents a meaningful step forward to help protect student loan borrowers from predatory behavior by these so-called debt relief firms, and during these polarized times it is impressive to see these Senators and their colleagues work together across the aisle to pass such an important piece of legislation,” said Scott Buchanan, Executive Director of SLSA.

With many Americans facing challenging economic times, borrowers are looking for support and options to manage their loans. Debt relief scammers fraudulently robocall borrowers offering a quick fix or say they have the ability to get them relief that their servicer cannot provide. These schemes try to get borrowers to pay thousands of dollars in unnecessary fees for services that are available for free from their student loan servicer, while falsely claiming to reduce or forgive borrowers’ student debt. The *Stop Student Debt Relief Scams Act* will:

- Clarify that it is a federal crime to access certain federal student loan information for fraud and impose fines on scammers for violations of the law;
- Direct the U.S. Department of Education to create a new form of third-party access in order to protect legitimate organizations that offer real and valuable help to borrowers;
- Require the U.S. Department of Education to track potential or known debt relief scams; and
- Require loan exit counseling to warn federal loan borrowers about debt relief scams.

SLSA has supported the bill since it was introduced alongside other organizations like Education Finance Council, Generation Progress, National Consumer Law Center (on behalf of its low-income clients), National Council of Higher Education Resources, The Institute for College Access and Success, and Young Invincibles.

###

The Student Loan Servicing Alliance (SLSA) is the 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.

###

WWW.SLSA.NET

[@SLSAorg](https://twitter.com/SLSAorg)