



STUDENT LOAN COMPLAINTS HAVE ALWAYS BEEN LOW

and **Declined Further** During the COVID-19 Pandemic



Student loans are the second largest debt market in the United States, behind only mortgages. **Interestingly, consumer complaints pertaining to student loans have always been low – a very small fraction of the total complaints filed by consumers each year.**

For example, in 2019, the Consumer Financial Protection Bureau (CFPB) received 352,400 complaints from consumers on a wide variety of financial topics. Of those complaints, **only 3 percent pertained to student loans.**

STUDENT LOAN COMPLAINTS DURING THE PANDEMIC

In 2020, the COVID-19 pandemic had a significant financial impact on the United States. The CARES Act provided student loan borrowers with a pause on student loan payments and interest and an executive order extended that forbearance further. At the same time, private lenders and student loan servicers stepped forward to offer broad flexibility to suspend payments.

A new report from the CFPB shares that in 2020, consumers filed 542,300 complaints about financial products, nearly two hundred thousand more complaints than the previous year. However, **complaints about student loans declined further in 2020, to just 1 percent of all consumer financial complaints filed during this time.** Out of more than 45 million active student loan borrowers, in 2020 only 355 complaints pertaining to student loan servicing were filed.

MISPERCEPTIONS ABOUT STUDENT LOANS PERSIST

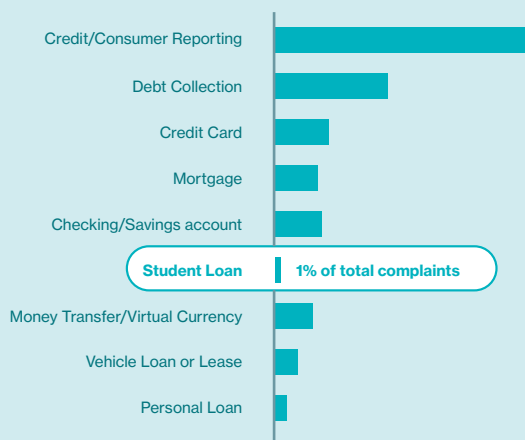
Media coverage and uninformed critics continue to paint a very misleading picture of student loans – often suggesting that borrowers are increasingly unhappy with their loan servicers. But the independent, federal regulatory data collected annually by the CFPB tells a very different story – student loan complaints have declined by more than 60% over the last 4 years.

Despite these facts, detractors continue to unfairly attack loan servicers and push policymakers to ignore the vital role they play in improving the borrower experience in the federal student loan program – the same is true for servicing private education loans.

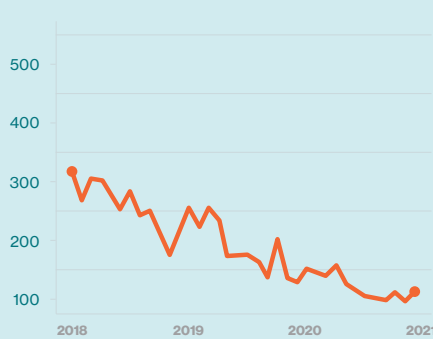
The fact is: consumer complaints about student loans have always been low and continue to decline because servicers and lenders continually work to support borrowers and improve the borrower experience.

CFPB COMPLAINT BREAKDOWN:

Complaint **Volume** by Financial Product or Service



Monthly **Private** Student Loan Complaint Volume:



Monthly **Federal** Student Loan Complaint Volume:

