



NEW YORK STATE SENATOR

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Consumer Alert: NY Attorney General Announces \$1.85 Billion Settlement with Student Loan Servicer Navient

SENATOR KEVIN THOMAS January 13, 2022

| ISSUE: **CONSUMER PROTECTION, FEDERAL STUDENT LOANS, STUDENT LOANS, STUDENT DEBT, NAVIENT**



CONSUMER ALERT

NEW YORK – New York Attorney General Letitia James today announced a **\$1.85 billion agreement with one of the nation's largest student loan servicers, Navient**, after it deceived thousands of student loan borrowers into costly, long-term, forbearance plans, causing students to pay more than they should have. A bipartisan coalition of 39 attorneys general negotiated the multistate agreement that cancels \$1.7 billion in private student loan debt and

recovers \$95 million in restitution for thousands of students nationwide.

New York will specifically receive a total of about \$6.8 million in restitution payments for more than 25,000 federal loan borrowers. Additionally, about 4,300 New York borrowers will receive over \$110 million in private loan debt cancellation. New York state will also receive almost \$1.2 million in cash.

Federal loan borrowers who qualify for relief under this agreement do not need to take any action other than updating or creating their studentaid.gov account to ensure the U.S. Department of Education has their current address. Borrowers can [learn more about today's agreement online](#). Consumers who are confused about or would like to learn more about their student loans can do so at [the National Consumer Law Center's Student Loan Borrowers Assistance Project](#).