



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

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# 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](https://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](#).