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August 22, 2019

The Honorable Kathy Kraninger  
Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Dear Director Kraninger:

I write to express my alarm regarding the announcement of Robert Cameron's appointment to be the Student Loan Ombudsman of the Consumer Financial Protection Bureau (CFPB), and to ask that you reconsider this decision. The appointment of Mr. Cameron, a former executive responsible for compliance at a student loan servicer that has been accused of cheating thousands of students and taxpayers, is an outrageous slap in the face to student loan borrowers across the country. Given Mr. Cameron's record overseeing compliance for an industry player frequently cited for failure to comply with federal rules and state consumer protection laws, he is not qualified to serve as the Student Loan Ombudsman, and I urge you to reconsider this appointment.

The CFPB's Student Loan Ombudsman is responsible for helping borrowers resolve issues with the student loan industry. Nearly forty-five million student loan borrowers deserve the strongest advocate in the CFPB's Student Loan Ombudsman. Yet, Mr. Cameron comes to this role straight through the revolving door, directly from his position overseeing "compliance activities" at the Pennsylvania Higher Education Assistance Authority (PHEAA)—one of the U.S. Department of Education's largest student loan servicers, and one of its most troubled.

As you are surely aware, PHEAA's compliance track record has been utterly abysmal under Mr. Cameron's watch. The most recent report released by the former CFPB Student Loan Ombudsman found PHEAA and its private loan-servicing unit, American Educations Services, received at least 1,500 complaints in a single year, accounting for 15% of all federal student loan complaints submitted to the agency.<sup>1</sup> A separate 2017 CFPB investigation uncovered how "flawed payment processing, botched paperwork and inaccurate information" from PHEAA prevented hundreds of public service workers from receiving their earned loan forgiveness.<sup>2</sup> More recently, a U.S. Department of Education Inspector General report identified "a pattern of

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<sup>1</sup> Consumer Financial Protection Bureau, "Annual report of the CFPB Student Loan Ombudsman," October 2017, [https://files.consumerfinance.gov/f/documents/cfpb\\_annual-report\\_student-loan-ombudsman\\_2017.pdf](https://files.consumerfinance.gov/f/documents/cfpb_annual-report_student-loan-ombudsman_2017.pdf).


<sup>2</sup> Consumer Financial Protection Bureau, "Staying on track while giving back," June 2017, [https://files.consumerfinance.gov/f/documents/201706\\_cfpb\\_PSLF-midyear-report.pdf](https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf); Washington Post, "Watchdog agency blasts government contractor for mishandling student loan forgiveness program," Danielle Douglas-Gabriel, June 22, 2017, <https://www.washingtonpost.com/news/grade-point/wp/2017/06/22/watchdog-agency-blasts-government-contractor-for-mishandling-student-loan-forgiveness-program/>.

noncompliance at PHEAA” where the servicer’s representatives were failing to provide borrowers with sufficient information about available repayment options.<sup>3</sup>

The CFPB is statutorily mandated to protect student loan borrowers from unfair, deceptive, and abusive acts committed by the student loan industry, including PHEAA and the rest of the Education Department’s student loan servicers and contractors.<sup>4</sup> PHEAA has a record of failing borrowers. It is mindboggling that the CFPB’s top official responsible for overseeing this servicer’s compliance activities is now tasked with protecting borrowers from mistreatment by PHEAA and other student loan companies and servicers.

I have introduced sweeping ethics legislation, the *Anti-Corruption and Public Integrity Act*, which would slam shut the revolving door, ban corporate executives whose companies were caught breaking federal law from working in the federal government, and require most federal officials to recuse themselves from any decisions that affect their former employer for at least four years. I intend to keep working to make that plan law. In the meantime, I implore you to replace Mr. Cameron with someone with a proven track record of consumer advocacy, not an industry insider.

Sincerely,



Elizabeth Warren  
United States Senator

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<sup>3</sup> United States Department of Education Office of Inspector General, “Reissuance of Final Audit Report, ‘Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans,’” March 5, 2019, <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2019/a05q0008.pdf>.

<sup>4</sup> 12 U.S.C. 5481(15)(A); 12 U.S.C 5514(a)(1)(B); 12 CFR Part 1090.105; 12 CFR Part 1090.106.