



**SUBJECT TO FRE 408 PROTECTION  
UNTIL FILED WITH PLAINTIFF'S  
VOLUNTARY DISMISSAL WITH  
PREJUDICE**

Natalia Abrams  
Executive Director, Student Debt Crisis  
15442 Ventura Blvd. #102  
Los Angeles, CA 91403

Dear Ms. Abrams:

The Consumer Financial Protection Bureau (Bureau) provides this letter pursuant to the agreement of the parties in order to resolve the pending civil action titled *Student Debt Crisis v. Consumer Financial Protection Bureau, et al.*, C.D. Cal. No. 2:19-cv-10048 JAK.

The Bureau has continuously had authority to conduct supervisory examinations of larger participants in the student loan servicing market since March 1, 2014. On that date, through the “Larger Participant Rule” promulgated pursuant to Section 1024(a)(1)(B) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 11-203, 124 Stat. 1376, 1987 (July 21, 2010) (codified at 12 U.S.C. § 5514(a)(1)(B)), the Bureau established supervisory authority over non-depository larger participants in the private and federal student loan servicing markets. *Defining Larger Participants of the Student Loan Servicing Market*, 78 Fed. Reg. 73,383 (December 6, 2013). That portion of the rule has never been amended—it has continuously remained in effect since it was promulgated. The Larger Participant Rule “defines a student loan servicing market that . . . covers the servicing of both Federal and private student loans,” 78 Fed. Reg. at 78,384, *i.e.* the markets for servicing private loans, Federal Family Education Loan Program loans (new originations which were discontinued in 2010), and Federal Direct loans under contracts with the U.S. Department of Education pursuant to Title IV of the Higher Education Act. Larger participants in the student loan servicing market, including those that service loans under contract with the Department of Education, are subject to the Bureau’s supervisory authority. *Id.* at 73,386.

The Bureau has been and will continue to conduct supervisory examinations of larger participants in the federal student loan servicing market pursuant to its authority under Dodd-Frank and the Larger Participant Rule. The Bureau is committed to using its tools for adequate oversight of student loan servicers in order to ensure compliance with federal consumer financial law and otherwise protect borrowers from unlawful practices.

Sincerely,

David Uejio  
Acting Associate Director, Division of Supervision, Enforcement, and Fair Lending