

Congress of the United States

Washington, D.C. 20515

April 14, 2022

The Honorable Richard Cordray
Chief Operating Officer
Office of Federal Student Aid
830 First Street NE
Washington, D.C. 20002

Dear Mr. Cordray:

We write to you today to request details about the opaque and improper relationship between the Office of Federal Student Aid (FSA) and the Consumer Financial Protection Bureau (CFPB). You and your agency have evaded questions pursuant to congressional inquiries, instead colluding in the dark to advance policies that will result in a gross expansion of federal control over student loan programs.

This is particularly frustrating given the CFPB has zero authority to address this issue. FSA is responsible for the administration of the Department of Education's (Department) federal student aid programs, which amount to over \$100 billion annually in grants and loans designed to increase low-income students' access to postsecondary education. In addition to facilitating the disbursement of federal student aid, FSA is responsible for overseeing federal contractors and institutions of higher education who serve as partners in the administration of the student loan program. However, under your leadership FSA has increasingly outsourced its responsibilities to other federal and state agencies.¹

Congress bestowed the power to oversee federal student loans and federal student loan servicing solely to the Department of Education.² While the CFPB and the Department previously shared two Memoranda of Understanding (MOUs) regarding information-sharing in connection to the oversight of federal student loans, the CFPB used these agreements to vastly expand its jurisdiction "into areas that Congress never envisioned."³ As CFPB Director at the time, you know the Department terminated those MOUs in September 2017.⁴ Despite the termination of the MOUs, recent actions by the CFPB signal the agency is once again expanding its unchecked

¹ See, e.g., <https://www.ed.gov/news/press-releases/new-interpretation-encourage-state-collaboration-student-loan-servicing>

² *Higher Education Act of 1965*.

³ Letter from Kathleen Smith, Acting Asst. Sec'y, Office of Postsecondary Education, and Dr. A. Wayne Johnson, Chief Operating Officer, Federal Student Aid, to Hon. Richard Cordray, Director, Consumer Fin. Protection Bureau (Aug. 31, 2017), https://consumerist.com/consumermediallc.files.wordpress.com/2017/09/2017-09-01_signed_letter_to_cfpb.pdf.

⁴ *Id.*

authority over federal student loan servicers. This expanded role complicates the legislative oversight of federal student loan servicing and negatively impacts borrowers.

At the same time, the CFPB has also restarted unfairly targeting career-focused institutions which often provide a lifeline to students who have been ignored or ill-served by other, more traditional institutions. The CFPB's witch hunt, which appears to be coordinated with the Department and other federal agencies, against one sector of postsecondary education will ultimately result in harming the very students the Department was established to help.

We have asked for information, documentation, and clarification regarding the relationship between FSA, the Department, and the CFPB on multiple occasions to which we have received conflicting information, vague responses, and unanswered questions.⁵ To assist the Committees, provide the following unredacted documents and information as soon as possible, but no later than two weeks after date of letter:

1. All documents and communications between you and any current or former CFPB employee or consultant, including but not limited to letters, emails, text messages, transcripts, and call logs since January 1, 2021;
2. All documents and communications referring or relating to any agreement between the CFPB and FSA or the Department of Education to share information, including but not limited to any memoranda of understanding;
3. Any information related to federal student loans or loan servicers provided by FSA or the Department of Education to CFPB since August 31, 2017; and
4. Documents sufficient to show all meetings between you and any current or former CFPB employee or consultant since January 1, 2021.

Thank you for your attention to this important matter. Please contact our staff with any questions about this request. We look forward to your reply.

Sincerely,



Virginia Foxx
Ranking Member
Committee on Education and Labor



Patrick McHenry
Ranking Member
Committee on Financial Services

⁵ Higher Education and Workforce Investment Subcommittee Hearing on “Examining the Policies and Priorities of the Office of Federal Student Aid” (Oct. 27, 2021); CFPB staff briefing for Financial Services and Education and Labor Committee staff (Feb. 24, 2022).