

MIKE CRAPO, IDAHO, CHAIRMAN

RICHARD C. SHELBY, ALABAMA  
PATRICK J. TOOMEY, PENNSYLVANIA  
TIM SCOTT, SOUTH CAROLINA  
BEN SASSE, NEBRASKA  
TOM COTTON, ARKANSAS  
MIKE ROUNDS, SOUTH DAKOTA  
DAVID PERDUE, GEORGIA  
THOM TILLIS, NORTH CAROLINA  
JOHN KENNEDY, LOUISIANA  
MARTHA McSALLY, ARIZONA  
JERRY MORAN, KANSAS  
KEVIN CRAMER, NORTH DAKOTA

SHERROD BROWN, OHIO  
JACK REED, RHODE ISLAND  
ROBERT MENENDEZ, NEW JERSEY  
JON TESTER, MONTANA  
MARK WARNER, VIRGINIA  
ELIZABETH WARREN, MASSACHUSETTS  
BRIAN SCHATZ, HAWAII  
CHRIS VAN HOLLEN, MARYLAND  
CATHERINE CORTEZ MASTO, NEVADA  
DOLUG JONES, ALABAMA  
TINA SMITH, MINNESOTA  
KYRSTEN SINEMA, ARIZONA

# United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

GREGG RICHARD, STAFF DIRECTOR  
LAURA SWANSON, DEMOCRATIC STAFF DIRECTOR

August 29, 2019

Mr. Robert Cameron  
Student Loan Ombudsman  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Dear Mr. Cameron,

We write regarding your recent appointment to serve as the Consumer Financial Protection Bureau's (CFPB) Student Loan Ombudsman. We have concerns about the potential conflicts of interest associated with your appointment based on your prior work on behalf of the industry you will now monitor and oversee, including your work for a student loan servicer with a troubling legal and regulatory history.

As Deputy Chief Counsel for the Pennsylvania Higher Education Assistance Authority (PHEAA), you were responsible for the company's compliance with federal and state law.<sup>1</sup> During your tenure, however, PHEAA had a poor compliance record, as reflected in the number of borrower complaints and allegations of violations of federal and state consumer protection law. In 2017, the previous CFPB Student Loan Ombudsman issued a report finding that PHEAA had the second highest number of complaints submitted by student loan borrowers of any federal loan servicer.<sup>2</sup> In a 2018 report, the Government Accountability Office (GAO) found that PHEAA improperly denied student loan borrowers for Public Service Loan Forgiveness (PSLF) because of the company's inability to properly account for qualifying payments and reliance on inaccurate guidance documentation.<sup>3</sup>

Earlier this year, the U.S. Department of Education's Inspector General found that PHEAA had a "pattern of noncompliance" and was among the worst performing of the federal student loan servicers.<sup>4</sup> PHEAA has also faced allegations of improperly steering borrowers into more costly forbearance and deferment options instead of income-driven repayment plans, and mismanaging

---

<sup>1</sup> See <https://www.consumerfinance.gov/about-us/newsroom/cfpb-appoints-private-education-loan-ombudsman/>.

<sup>2</sup> See Consumer Financial Protection Bureau, "Staying on track while giving back," June 2017, available at [https://files.consumerfinance.gov/f/documents/201706\\_cfpb\\_PSLF-midyear-report.pdf](https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf).

<sup>3</sup> See U.S. Gov't Accountability Office, GAO 18-547, Public Service Loan Forgiveness, Education Needs to Provide Better Information for the Loan Servicer and Borrowers 17, 22 (2018), available at <https://www.gao.gov/assets/700/694304.pdf>.

<sup>4</sup> See <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2019/a05q0008.pdf>.

PSLF, potentially preventing thousands of teachers, nurses, police officers, military servicemembers, and other public servants from receiving the loan forgiveness they had earned.<sup>5</sup> It is not clear what role, if any, you may have played in helping PHEAA to avoid legal or regulatory scrutiny associated with these allegations and findings of misconduct and poor performance, or what your involvement has been in ongoing litigation against PHEAA by states and student loan borrowers.

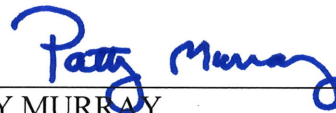
We want to provide you with an opportunity to address our concerns about your record, as well as your views on your role, your priorities, and how you plan to carry out your statutory duties as Student Loan Ombudsman. We therefore request that you provide a briefing to staff from the Senate Committee on Banking, Housing, and Urban Affairs and the Senate Committee on Health, Education, Labor, and Pensions regarding these issues no later than September 18, 2019. We look forward to hearing from you.

Sincerely,



---

SHERROD BROWN  
Ranking Member  
Senate Committee on Banking, Housing,  
and Urban Affairs



---

PATTY MURRAY  
Ranking Member  
Senate Committee on Health, Education,  
Labor, and Pensions

---

<sup>5</sup> See, e.g., *Fedloan Student Loan Servicing Litigation*, MDL Case No. 2833 (E.D. Pa. 2018); *Commonwealth of Massachusetts v. PHEAA*, Case No. 1784CV02682 (Mass. Dist. Ct. Aug. 23, 2017).