

Hudson Cook Enforcement Alert: CFPB Issues Order Against Student Loan Debt Relief Telemarketer

May 20, 2024 | [Lucy E. Morris](#) and [Kristen Yarows](#)

HIGHLIGHTS:

- The Consumer Financial Protection Bureau ("CFPB") issued a consent order with a telemarketing company ("Company") that offers student loan debt relief services for alleged violations of the Telemarketing Sales Rule and the Consumer Financial Protection Act.
- The Company neither admitted nor denied the allegations, but consented to permanently cease operations, pay a \$400,000 penalty to the CFPB's victims relief fund, and rescind all existing agreements with customers.

CASE SUMMARY:

On May 20, 2024, the CFPB announced a settlement with a telemarketing company that offers student loan debt relief services to resolve allegations that it violated the Telemarketing Sales Rule ("TSR") and the Consumer Financial Protection Act ("CFPA"). The CFPB alleged that the Company violated the TSR and CFPA by engaging in deceptive acts and practices and engaging in deceptive telemarketing practices. The CFPB alleged that the Company misrepresented that it was affiliated with the U.S. Department of Education; that fees paid to the Company would go towards the customer's student loan balance; and that the Company would help customers consolidate their loans, reduce their monthly payments, or achieve loan forgiveness. The CFPB alleged that customers who enrolled in the Company's debt relief services were charged fees from \$99.95 to \$159.95, as well as monthly fees, regardless of whether the Company was able to receive results on the customer's behalf. The CFPB alleged that these were advance fees in violation of the TSR.

The consent order requires the Company to permanently cease operations, void all consumer agreements, and pay a \$400,000 penalty to the CFPB's victims relief fund. The Company did not admit or deny the allegations in the consent order.

RESOURCES:

You can review all of the relevant court filings and press releases at the [CFPB's Enforcement Page](#).

- [Consent Order](#)
- [Stipulation](#)
- [CFPB Press Release](#)

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