



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202

August 31, 2017

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1275 First St NE  
Washington, DC 20002

Dear Director Cordray:

We write to provide notice of our intent to terminate the Memoranda of Understanding (MOUs) between the U.S. Department of Education and the Consumer Financial Protection Bureau (CFPB) regarding the sharing of information in connection with oversight of federal student loans. These include the MOU entered into on October 19, 2011 entitled "Memorandum of Understanding Between the Bureau of Consumer Financial Protection and the U.S. Department of Education Concerning the Sharing of Information" (Sharing MOU) and the MOU entered into on January 9, 2014 entitled "Memorandum of Understanding Concerning Supervisory and Oversight Cooperation and Related Information Sharing Between the U.S. Department of Education and the Consumer Financial Protection Bureau" (Supervisory MOU). Per the terms of the MOUs, they will terminate thirty days from the date of this notice.

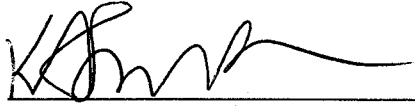
The purpose of the Sharing MOU was to allow our agencies "to collaborate to ensure coordination in providing assistance to and serving borrowers seeking to resolve complaints related to their private education or Federal student loans." The Supervisory MOU supplemented the Sharing MOU with regard to certain kinds of information sharing, again so that our agencies could "cooperate in connection with their respective student financial services oversight and supervisory activities."

The Department's mission is to serve students and borrowers, but the CFPB's actions have undermined that mission by violating the intent of the MOUs. As you know, in the Sharing MOU the CFPB agreed to direct to the Department all complaints related to Title IV federal student loans within 10 days of receipt by the CFPB. However, the CFPB has failed to direct such complaints to the Department and has instead handled such complaints itself. It is the Department's role to work with federal student borrowers to ensure that their issues are addressed within the rules applicable to its program. The CFPB's intervention in this area adds confusion to borrowers and servicers who now hear conflicting guidance related to the Title IV student loan services for which the Department is responsible.

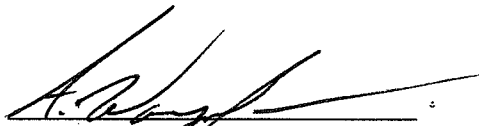
Our goals are to ease the burden for borrowers and to enhance the efficiencies of our servicers—not to complicate the federal student loan process with potentially inaccurate and inconsistent directives. The Department entered into the MOUs in reliance on the CFPB's commitment to helping each agency fulfill its respective duties. Instead, the CFPB is using the Department's data to expand its jurisdiction into areas that Congress never envisioned. This latest expansion is characteristic of an overreaching and unaccountable agency, and it has led

the Department to terminate the MOUs in order to ensure fair and consistent enforcement of Title IV requirements and the efficient resolution of borrower complaints. The Department takes exception to the CFPB unilaterally expanding its oversight role to include the Department's contracted federal loan servicers. The Department has full oversight responsibility for federal student loans.

Sincerely,



Kathleen Smith  
Acting Assistant Secretary  
Office of Postsecondary Education



Dr. A. Wayne Johnson  
Chief Operating Officer  
Federal Student Aid

cc: Seth Frotman  
Student Loan Ombudsman  
Consumer Financial Protection Bureau  
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Washington, DC 20006