



VETERANS EDUCATION SUCCESS

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CONTACT:

Tanya Ang, Vice President, (949) 244-7690

Yesterday, the Student Loan Ombudsman at the Consumer Financial Protection Bureau, (CFPB) announced his resignation in a letter to the Acting CFPB Director. His letter is a heart-felt and factual accounting of how the Bureau has turned its back on students and military families who were defrauded by both predatory schools and student loan servicers.

“Seth Frotman’s resignation letter,” said Tanya Ang, VES Vice President, **“provides a rare perspective on what has been obvious for some time—a dereliction of duty on the part of an organization created to protect consumers. Frotman’s letter documents how the CFPB has (1) undercut the enforcement of law, (2) undermined the Bureau’s independence, and (3) shielded bad actors from scrutiny. VES couldn’t agree more with Frotman’s assessment. The Bureau seems intent on ignoring the incentive of businesses such as for-profit schools and student loan servicers to make money at the expense of the military-connected students they purport to serve.”**

An important issue to military-connected families that Frotman’s letter did not address is the Bureau’s recent proposal to stop proactive enforcement of the Military Lending Act, as explained in a recent New York Times article ([here](#)).

According to a letter that 38 Military and Veteran Service Organizations sent to Secretary of Defense Mattis and Acting Director of the Consumer Financial Protection Bureau Mulvaney: **“Servicemembers and their families suffer harm when predatory lenders target them with financial fraud and extremely high interest rates. As you know, maps of the location of payday lenders have shown they surround military bases and target the troops.... We... [oppose] any attempt to weaken the Military Lending Act, including the Bureau’s supervisory and enforcement authority and the Department’s rules against predatory lending by all businesses, including by car dealerships.”**

The Consumer Financial Protection Bureau was set up in the wake of the greatest financial catastrophe since the Great Depression to protect ordinary consumers from abusive commercial practices and to fill in the huge gaps in already existing federal law. Veterans Education Success is extremely concerned to see such backsliding barely a decade after a monumental, life-altering event for hundreds of millions Americans.

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Veterans Education Success is a nonprofit organization dedicated to protecting and defending the integrity and promise of the GI Bill and other federal education programs for veterans and servicemembers.