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By MICHAEL STRATFORD 06/13/2017

INDUSTRY PUSHBACK ON DEVOS' LOAN SERVICING

PLAN: Student loan industry groups are pushing back against a plan by Education Secretary Betsy DeVos to hire a single company to manage the payments of all federal direct student loan borrowers. The Education Finance Council, which represents state-based and nonprofit student loan agencies, on Monday released a [letter](#) it sent to DeVos that urges the Education Department to “reevaluate its decision to select one servicer to manage the entire federal loan portfolio.” Debra Chromy, the group’s president, wrote that moving to a single federal loan servicer “would create a monopolistic environment with little to no incentive to ensure the single servicer provides the highest quality of customer service to student loan borrowers.”

— **The National Council for Higher Education Resources**, which represents various student loan industry players, is also concerned about a lack of competition among loan servicers under the DeVos plan. The group believes the Trump administration should reconsider it, NCHER spokeswoman Pam Shepherd told Morning Education.

— **Earlier on Monday, more than 150 Democratic House and Senate lawmakers sent a [letter](#) to DeVos opposing the new loan servicing plans.** The Democrats said they’re concerned the Trump administration’s changes would reduce borrower protections for students and also lead to a too-big-to-fail federal contractor that doesn’t have competition.

— **Last week, Sen. [Roy Blunt](#) (R-Mo.), who chairs the Senate appropriations subcommittee overseeing education, also [said](#) he was concerned about a lack of competition among loan servicers under the Trump administration’s new system.** DeVos’ plan for a single contract to loan servicers defied non-binding instructions from Congressional appropriators

who called for multiple loan servicers in the statement they attached to the omnibus government funding bill that passed earlier this year.