



## News

### Vaishali Rao Anticipates Uptick in CFPB Enforcement and Regulation of Student Loan Servicing Industry under Biden Administration

November 30, 2020

Hinshaw attorney Vaishali Rao was quoted extensively in a *MarketWatch* article titled "Under Biden, CFPB will play a role in any student-debt cancellation — and help tackle student-loan servicers." The article considers potential changes in the Consumer Financial Protection Bureau's approach to the student loan industry under a Biden administration.

Rao said she expected expects that a Biden-era CFPB will see an increase in investigations and enforcement actions. She also anticipated the CFPB could include reignite an effort that began towards the end of the Obama administration to develop a set of student-loan servicing guidelines at the federal level. During the Trump Administration, a number of states developed their own rules for regulating student-loan companies, and "now that the industry has lived with" those state laws for a period, "it might be easier to get it done on the federal front."

Rao also said she expects the freeze on payments and collections on most federal-student loans to continue under the Biden administration. However, a long term freeze will likely cause confusion for borrowers, and Rao noted she is counseling her clients to anticipate borrower questions and to communicate with borrowers about them.

Finally, Rao addressed the prospects of some kind of student-debt cancellation. Rao said that while any cancellation would ultimately be executed by the Department of Education, CFPB staff will likely be involved. "A cancellation of any kind is going to take so much interaction between industry and borrowers and the student-loan ombudsman is really the center point of that," Rao said.

[Read the full \*MarketWatch\* article](#)

"Under Biden, CFPB will play a role in any student-debt cancellation – and help tackle student-loan servicers" was published by *MarketWatch*, November 24, 2020.

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