



News

Vaishali Rao Authors Law360 Article on How Rising Student Loan Defaults Could Signal a Litigation Spike

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[Vaishali S. Rao](#) – a Chicago-based partner at Hinshaw & Culbertson LLP – recently authored an article in Law360 titled "Rising Student Loan Defaults Signal Litigation Ramp-Up."

In the article, Rao surveys current student loan market trends, with particular focus on the rise in student loan defaults, which, according to a recent Consumer Federation of America analysis, have increased by at least 14 percent since 2015. According to Rao, this spike in defaults will make student lending market participants susceptible to increased regulatory scrutiny, and is likely to result in a spike of follow-on private litigation.

Rao recommends that private student loan lenders evaluate their policies and practices, including:

- Checking for compliance with the Equal Credit Opportunity Act, as well as other state and federal fair lending laws;
- Auditing their underwriting systems, both electronic and those portions implemented by personnel;
- Self-monitoring trends in borrower behavior both at loan origination and throughout the loan's performance;
- Implementing systems (or enhancing existing systems) to handle consumer complaints, including ensuring systems can identify trends or patterns in complaints, as well as policies to address correction of those patterns; and
- Checking loss mitigation options to ensure compliance with appropriate origination and fair lending laws.

Read Rao's full article "[Rising Student Loan Defaults Signal Litigation Ramp-Up](#)" (*subscription required*)

Attorneys

[Vaishali S. Rao](#)

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