

# CFPB to issue \$95M in restitution to consumers harmed by fraudulent student-loan debt-relief companies

912 Minnesota consumers to receive more than \$1 million in restitution in lawsuit Minnesota filed jointly with CFPB

Companies charged illegal up-front fees for filling out and submitting forms for repayment and consolidation programs, which eligible borrowers can apply for on their own for free

**December 13, 2022 (SAINT PAUL)** — Minnesota Attorney General Keith Ellison announced today that the Consumer Financial Protection Bureau, in a joint prosecution with the States of Minnesota and North Carolina and the Los Angeles City Attorney's Office on behalf of the People of the State of California, will be distributing over \$95 million in restitution to more than 87,000 consumers nationwide who were harmed by Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center, and related companies. This includes just over \$1 million to 912 Minnesota consumers who were defrauded by Premier. Premier operated its student-loan debt-relief enterprise through multiple corporate entities and under multiple names, including co-defendants True Count Staffing Inc., d/b/a SL Account Management, and Prime Consulting LLC, d/b/a Financial Preparation Services.

In October 2019, Minnesota sued Premier and related companies and individuals alongside the CFPB, North Carolina, and the Los Angeles City Attorney's Office. The lawsuit alleges that Premier violated the states' consumer-protection statutes, as well as the federal Consumer Financial Protection Act of 2010 and the Telemarketing Sales Rule, by making deceptive representations about Premier's student-loan debt-relief services. Premier also charged and collected improper advance fees before consumers had received any adjustment to their student loans or made payments towards an adjusted loan. Minnesota's and the plaintiffs' claims further allege Premier automatically put consumers' loans in forbearance and submitted false information to loan servicers and the federal government to qualify consumers for artificially low monthly payments.

Minnesota's lawsuit with the CFPB and other plaintiffs against Premier continues, with trial against the remaining active defendant currently set for Spring 2023.

"Protecting consumers from scams is part of the job of helping people afford their lives. It galls me when scammers take advantage of consumers, including folks who've taken out student loans to help them get ahead — and especially when debt levels for student loans are already crushingly high," Attorney General Ellison said. "I'm glad the CFPB is able to make restitution to Minnesotans who've been harmed by Premier while we continue to hold Premier accountable in court. Any company that's thinking about defrauding student-loan borrowers should think twice about it — because we will hold you accountable."

Attorney General Ellison encourages anyone who has been victimized by Premier to **file complaints with the Minnesota Attorney General's Office** by calling (651) 296-3353 (Metro area) or (800) 657-3787 (Greater Minnesota) or [submitting a complaint online](#). Consumers with questions about payments should contact RUST Consulting at [premier\\_info@rustcfpbconsumerprotection.org](mailto:premier_info@rustcfpbconsumerprotection.org) or (833) 539-2839.

The Attorney General's Office's encourages borrowers to visit its website for additional information on how to avoid student-loan scams, including a publication entitled [Student Loan Assistance Companies that Charge High Fees to Do What You Can Do for Free](#). Student-loan borrowers may access the United States Department of Education's website — [www.studentaid.gov/manage-loans/repayment/plans](http://www.studentaid.gov/manage-loans/repayment/plans) — for additional information about federal student-loan repayment programs that are available to all eligible borrowers for free.

## About the CFPB Civil Penalty Fund

In any enforcement action, obtaining redress for consumers is a top priority for the Attorney General's Office. When settling a case or asking a court to rule, the Attorney General's Office generally requires defendants to compensate victims for harm they have caused by providing restitution to consumers out of their own funds. In certain circumstances, however, defendants may not have sufficient funds to provide restitution.

In this case, because the lawsuit is being prosecuted jointly with the CFPB, the CFPB is able to use its victims relief fund — also known as the [Civil Penalty Fund](#) — to compensate victims who haven't received full compensation for their harm through redress paid by the defendants.

Consumers may learn more about the Civil Penalty Fund on the [CFPB's website](#).