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7	COMMONWEALTH OF KENTUCKY FRANKLIN CIRCUIT COURT		
8	COMMONWEALTH OF NO.		
9	KENTUCKY, COMPLAINT		
10	Plaintiff,		
11	v.		
12	NAVIENT CORPORATION;		
13	NAVIENT SOLUTIONS, LLC; PIONEER CREDIT RECOVERY, INC.; and GENERAL REVENUE		
14	CORPORATION,		
15	Defendants.		
16	I. PLAINTIFF		
17	1.1 The Plaintiff is the Commonwealth of Kentucky.		
18	1.2 The Attorney General is authorized to commence this action pursuant to KRS		
19	367.190 of the Kentucky Consumer Protection Act, KRS 367.110 et seq.		
20	II. DEFENDANTS		
21	2.1 Navient Corporation ("Navient Corp.") is a Delaware corporation with its		
22	principal executive offices in Wilmington, Delaware.		
23	2.2 Navient Solutions, LLC ("Navient"), a wholly-owned subsidiary of Navient		
24	Corporation, is a corporation headquartered in Wilmington, Delaware. Navient was formerly		
25	known as Sallie Mae, Inc. or Sallie Mae, and was a subsidiary of SLM Corporation ("Former		
26	SLM Corporation") until April 2014. In April 2014, the Former SLM Corporation separated into		
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two publicly traded entities: Navient Corp. and a new SLM Corporation. After the 2014
 separation, Sallie Mae, Inc. changed its name to Navient Solutions, Inc. In 2017, Navient
 Solutions, Inc. changed its name to Navient Solutions, LLC.

2.3 Pioneer Credit Recovery, Inc. ("Pioneer"), a wholly-owned subsidiary of Navient
5 Corporation, is a corporation based in Arcade, New York.

6 2.4 General Revenue Corporation ("GRC") is formerly a wholly-owned subsidiary
7 of Navient Corporation and an Ohio corporation with its principal executive offices in Mason,
8 Ohio.

III. JURISDICTION

3.1 The Commonwealth files this complaint and institutes these proceedings under
the provisions of the Kentucky Consumer Protection Act, KRS 367.110 *et seq*.

3.2 Defendants have engaged in the conduct described below in Franklin County and
elsewhere in the Commonwealth of Kentucky. This Court has jurisdiction over this matter
pursuant to KRS 367.190.

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IV. VENUE

4.1 Venue is proper in Franklin County pursuant to KRS 367.190 because Defendants
transact business in Franklin County by servicing and collecting on student loans owed by
borrowers in Franklin County.

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V. FACTS

5.1 Many students in the Commonwealth of Kentucky finance their educations in partthrough federal and/or private student loans.

5.2 The Commonwealth alleges that before the Former SLM Corporation split, Sallie
Mae and its lending affiliates originated subprime student loans that Sallie Mae expected would
default at high rates, and which did default at high rates.

5.3 Borrowers and cosigners have complained that Navient's billing and payment
 systems made it difficult for borrowers and cosigners to control the application and allocation of
 their payments.

5.4 The Commonwealth alleges that Navient encouraged federal student loan borrowers to contact it if they experienced difficulty repaying, and represented to borrowers that it would help them make the right decision for their situation.

5.5 The Commonwealth alleges that in the course of servicing federal student loans,
Navient placed some borrowers who were experiencing long-term financial distress or hardship
into forbearances or offered forbearances to such borrowers without adequately exploring
whether an alternative repayment plan, such as an income-driven repayment ("IDR") plan,
would be more appropriate for their circumstances.

5.6 The Commonwealth alleges that Navient's IDR renewal notifications to federal
student loan borrowers did not adequately advise borrowers of the subject matter and urgency of
the notifications. The companies improved these notifications in December 2012 and March
2015, respectively, after which they achieved higher levels of IDR recertification.

5.7 The Commonwealth alleges that Navient misinformed some borrowers and
cosigners concerning the qualifications and criteria for cosigner release on some private student
loans. Between 2013 and 2016, Navient changed some of its cosigner release procedures and
disclosures.

5.8 The Commonwealth alleges that Pioneer and GRC misinformed some defaulted
federal student loan borrowers about certain requirements and consequences of options for
getting their loans out of default, rehabilitation and consolidation.

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VI. FIRST CAUSE OF ACTION

6.1 The Commonwealth incorporates Paragraphs 1.1 through 5.8 herein as if set forth
in their entirety.

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1	6.2 The Commonwealth of Kentucky alleges that Defendants' conduct, described
2	above, occurred in trade or commerce, affected the public interest, and that Defendants (or their
3	predecessors) violated the Kentucky Consumer Protection Act, KRS 367.110 et seq., by:
4	a. Originating private student loans that defaulted at high rates in order to gain access
5	to federally guaranteed or otherwise more profitable loan volume between 2001 and
6	2009;
7	b. Representing that Navient would help federal student loan borrowers find payment
8	options that fit their circumstances and budget and minimized costs, and then
9	offering or placing borrowers into forbearances without first exploring IDR plans;
10	c. Maintaining billing and payment systems that made it difficult for borrowers and
11	cosigners to control the application and allocation of their payments and furnishing
12	incorrect information related to cosigner release; and
13	d. Collecting student loans in an unfair or deceptive manner.
14	VII. PRAYER FOR RELIEF
15	Wherefore, the Commonwealth prays for the following relief:
16	7.1 A declaration that Defendants' acts described above are unfair or deceptive acts
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	or practices in trade or commerce, affecting the public interest, and in violation of the Kentucky
18	Consumer Protection Act, KRS 367.110 <i>et seq.</i> ;
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	Consumer Protection Act, KRS 367.110 et seq.;
19	 Consumer Protection Act, KRS 367.110 <i>et seq.</i>; 7.2 An injunction pursuant to KRS 367.190 enjoining Defendants from engaging in
19 20	Consumer Protection Act, KRS 367.110 <i>et seq.</i> ; 7.2 An injunction pursuant to KRS 367.190 enjoining Defendants from engaging in any acts that violate the Kentucky Consumer Protection Act, including, but not limited to, the
19 20 21	Consumer Protection Act, KRS 367.110 <i>et seq.</i> ; 7.2 An injunction pursuant to KRS 367.190 enjoining Defendants from engaging in any acts that violate the Kentucky Consumer Protection Act, including, but not limited to, the unfair and deceptive acts and practices alleged herein;
19 20 21 22	 Consumer Protection Act, KRS 367.110 <i>et seq.</i>; 7.2 An injunction pursuant to KRS 367.190 enjoining Defendants from engaging in any acts that violate the Kentucky Consumer Protection Act, including, but not limited to, the unfair and deceptive acts and practices alleged herein; 7.3 An order necessary to restore to any person an interest in any moneys or property,
 19 20 21 22 23 	 Consumer Protection Act, KRS 367.110 <i>et seq.</i>; 7.2 An injunction pursuant to KRS 367.190 enjoining Defendants from engaging in any acts that violate the Kentucky Consumer Protection Act, including, but not limited to, the unfair and deceptive acts and practices alleged herein; 7.3 An order necessary to restore to any person an interest in any moneys or property, real or personal, which may have been acquired by means of an act prohibited by the Kentucky

1	7.5	An award of the Commonwealth's reasonable costs and attorney's fees incurred	
2	in this action, pursuant to KRS 48.005; and		
3	7.6	Any other award the Court determines is just and equitable.	
4	DAT	ED this 13 th day of January, 2022.	
5		Respectfully Submitted,	
6		DANIEL CAMERON	
7		Attorney General	
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9		/s/ Don W. Rodgers Don W. Rodgers	
10		Assistant Attorney General Consumer Protection Division	
11		310 Whittington Parkway, Suite 101 Louisville, Kentucky 40222	
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