

Public Service Workers Obtain Final Approval of Significant Settlement with Loan Servicer Navient

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Ten public service workers have been granted final court approval to settle a nationwide class action lawsuit with Navient Solutions, LLC, one of the nation's largest student loan servicers.

Represented by Selendy & Gay PLLC and Phillips, Richard & Rind P.A., plaintiffs, members of the American Federation of Teachers union (AFT), commenced the suit in October 2018 before a federal court in the Southern District of New York, challenging Navient's practices with respect to advising federal student loan borrowers on Public Service Loan Forgiveness (PSLF), a federal government relief program that forgives the balance on certain public servants' federal student loans after 10 years of qualifying payments.

On October 9, 2020, Judge Denise L. Cote granted final approval of a class settlement that she praised as a creative resolution that will benefit public service workers. Under the settlement, Navient agreed, among other things, to enhance its call center practices by providing additional training to customer service representatives to listen for indications of potential eligibility for PSLF and to ask probing questions about possible employment by qualifying government or not-for-profit organizations. Borrowers who may be eligible for PSLF will be given further information on the forgiveness program or directed to the Federal Student Aid website or FedLoan Servicing, the government's designated servicer for PSLF. Navient will certify its compliance with the enhanced practices on an annual basis. Borrowers have not released their individual damages claims.

Navient will also contribute \$2.25 million to a newly formed independent organization, Public Service Promise, that will deliver education and student loan counseling to public service borrowers. Public Service Promise will provide essential information borrowers need to understand their individual loan forgiveness opportunities. Together with Navient's business practice enhancements, Public Service Promise will provide substantial relief for the class.

Judge Cote praised AFT for its admirable commitment to the lawsuit to help all public service employees get loan forgiveness to the extent that the law permits, which ultimately allowed the plaintiffs to reach this meaningful settlement for the class. Judge Cote recognized that because of AFT's generous support, the class has achieved a significant benefit that will have a profound impact on all public service employees.

In praising the settlement, Faith Gay, who co-led the representation of the plaintiffs, said, "Today's decision is a remarkable result, and will ensure that borrowers have access to the resources they need in order to realize the bipartisan promise of loan forgiveness. We are proud to have played a role in obtaining this meaningful relief for the teachers, nurses and other public servants who have dedicated their lives to their communities."

Randi Weingarten, President of the American Federation of Teachers, said, "The agreement shows how companies can work together with borrowers to combat the student debt crisis. It establishes even more supports for borrowers to access PSLF as a benefit for students who devoted their lives to serving the public. America's \$1.6 trillion student debt crisis has impacted an entire generation and put the promise of higher education further and further out of reach. We need to continue to work towards solutions to reduce the economic burden of student debt on public employees."

Lena Konanova, co-lead counsel on the Navient case, said, "This settlement provides significant relief to help student borrowers and these extraordinary public service workers obtain the loan forgiveness that the federal government has promised them. Even after the conclusion of this suit, millions of public servants still labor under the weight of student debt, and we will continue to fiercely advocate for them."

Along with Gay and Konanova, the Navient plaintiffs were represented by Maria Ginzburg, Ron Krock, Amy Nemetz, and David Coon of Selendy & Gay, and Mark Richard of Phillips, Richard & Rind.

The case is *Hyland, et al. v. Navient Corp., et al.* in the United States District Court for the Southern District of New York, No. 18-cv-9031.

Attorneys

- Faith Gay
- Lena Konanova
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Practices

- Class Actions
- Public Interest and Pro Bono