

Selendy Gay Secures Win from U.S. Court of Appeals in Navient Class Action

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In a major win for public servants, Selendy Gay successfully represented 10 members of the American Federation of Teachers (AFT) in front of the U.S. Court of Appeals for the Second Circuit, which [unanimously affirmed](#) an earlier agreement to settle a class action the members brought against student loan servicer Navient.

Selendy Gay first brought the federal class action suit in October 2018, challenging Navient's practices on advising federal student loan borrowers concerning the Public Service Loan Forgiveness program, a federal government relief program that forgives the remaining balance on certain public service workers' federal student loans after 10 years of making qualifying payments.

"We are proud that this historic settlement has been reaffirmed, further acknowledging its profound impact on public service employees," said Selendy Gay partner Lena Konanova, who represented the plaintiffs along with partners Faith Gay and Caitlin Halligan and associates David Coon and Max Siegel. "Our nation's relief programs should support professionals that make caring for others the focal point of their careers. The decision today proves their work is valued."

In 2020, Navient agreed to a significant, multipronged settlement that included enhancements to the firm's internal processes, and the establishment of a nonprofit entity to help borrowers access forgiveness.

But lawyers from the Hamilton Lincoln Law Institute, a right-wing group opposed to workers and class actions, were determined to overturn the agreed terms on appeal, and took on both Navient and the plaintiffs to deny them and thousands of other borrowers the benefits of the agreement.

On September 7, a three-judge panel unanimously dismissed their objections and concluded the district court's ruling was appropriate, thereby affirming approval of the settlement. It also concurred with U.S. District Judge Denise Cote's previous finding that "the motive behind AFT acting as it has and the commitment it has shown in this litigation ... is nothing but admirable."

AFT President Randi Weingarten hailed the decision. "Those encumbered by student debt are now on the path to accessing the reforms and resources carefully crafted by Navient and the plaintiffs," said Weingarten. "Together with the PSLF reforms announced by the Department of Education, these practices will assist public service workers on their journey to realize the promise and intent of the original program."

Under the settlement, Navient agreed to train its agents to take additional steps to identify borrowers potentially eligible for relief and to provide them with relevant information. It also agreed to contribute a *cy pres* award of \$2.25 million to establish a nonprofit organization that provides counseling to borrowers at all stages of the repayment process. In addition, the ruling sets an important precedent on the permissibility of class-action claims in the future and sends a message to those opposed to the idea of collective relief that their arguments may founder in court.

Faith Gay, who co-led the representation of the plaintiffs, said, "We are proud to have played a role in securing this critical relief for the teachers, nurses, first responders, social workers, and others who have dedicated their careers to public service. This victory is prime expression of Selendy Gay's mission: serving as fierce advocates on the issues that shape our society."

Selendy Gay credits the success to its collaborative team, including partners Maria Ginzburg and Joshua Margolin; associates Ron Krock, Amy Nemetz, and Lauren Zimmerman; law clerk Dominic Budetti; and staff attorneys Hilary Jewett, Koo Lee, and Abbie Pugh.

The case is Hyland v. Navient Corp., 20-3765-cv, in the U.S. Court of Appeals for the 2nd Circuit. Plaintiffs are also represented by Mark Richard of Phillips, Richard & Rind, P.A.

Attorneys

- Faith Gay
- Lena Konanova
- David A. Coon
- Lauren Zimmerman

Practice

- Public Interest and Pro Bono