



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

**For Immediate Release**

September 17, 2024

**Contact:**

DFPI.media@dfpi.ca.gov

## **DFPI Announces Enforcement Actions Against Student Loan Debt Relief Companies, Secures Consumer Refunds and Penalties**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) announced today it has taken enforcement actions against three companies to prevent them from unlawfully charging fees for student loan debt relief services to California consumers before any actual work has been performed.

“The DFPI is committed to protecting student loan borrowers from predatory debt relief scams,” said DFPI Commissioner Clothilde Hewlett. “We will not tolerate student loan debt relief companies that charge fees in violation of the law or engage in deceptive practices. Borrowers facing difficulties with repayment should contact their loan servicer directly to explore their options first.”

The companies subject to today’s enforcement actions are [Financial Enhancement Services, Inc.](#), [The Firm Alternative LLC dba DocuPrep Xpress](#), and [Total Rain Inc. dba Student Aid Group](#).

Each company was ordered to desist and refrain from engaging in unlawful student loan debt relief practices and soliciting and collecting advance fees prior to providing student loan debt relief services. In addition, the companies were directed to rescind all outstanding contracts with California consumers, issue refunds, and pay total penalties of \$260,000. To date, the DFPI has also secured \$85,000 in customer refunds through its agreement with The Firm Alternative LLC dba DocuPrep Xpress.

The orders were issued under the California Consumer Financial Protection Law (CCFPL), the federal Telemarketing Sales Rule (TSR), the federal Gramm-Leach-Bliley Act, and the Federal Trade Commission’s new Impersonation Rule, which took effect on April 1, 2024.

Today’s announcement is part of DFPI’s ongoing efforts to crack down on student loan debt relief companies that violate the [CCFPL](#) by engaging in unlawful, unfair, deceptive, or abusive acts or practices.

The DFPI has taken prior enforcement actions against student loan debt relief companies, including:

- [EDU Doc Support, LLC](#)
- [Student Loan Advocates Consulting Services Inc.](#)
- [Students First, LLC](#)
- [DocuPros](#)
- [Amerifed Doc Prep LLC](#)
- [Optima Advocates, Inc.](#)

### **What Consumers Should Know**

Student loan debt relief companies often claim to help borrowers manage or reduce their student loan repayment for a fee. These companies may charge fees to enroll borrowers with federal loans in [relief programs](#) that the government provides for free or offer services like debt consolidation that borrowers can handle themselves by contacting their loan servicer directly. [Read more](#) on student debt relief companies on the DFPI website.

Consumers who suspect a company of using unlawful, unfair, deceptive, or abusive practices can [submit a complaint](#) with the DFPI online at [dfpi.ca.gov/submit-a-complaint](https://dfpi.ca.gov/submit-a-complaint) or call toll-free at (866) 275-2677.

### **About the DFPI**

The Department of Financial Protection and Innovation protects consumers, regulates financial services, and fosters responsible innovation. The DFPI enforces financial regulations to ensure transparency and accountability, empowering Californians to access a fair and equitable financial marketplace while preventing risks, fraud, and abuse. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov).

###