



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

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

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## **DFPI Continues Crackdown on Student Loan Debt Relief Companies**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) announced today that it entered into a [Consent Order](#) with an unlicensed Orange County student debt relief company, EDU Doc Support, LLC (EDU) and its owner, Hau H. Nguyen (Nguyen). The announcement is part of a [continuing crackdown](#) against student loan debt relief companies violating the California Consumer Financial Protection Law (CCFPL) and the Student Loan Servicing Act (SLSA).

“These so-called debt relief companies are preying upon the nearly 4 million California consumers with student loans,” said DFPI Commissioner Clothilde Hewlett. “While we’re in a time of unprecedented uncertainty around the Biden debt relief plan, Californians can be certain that DFPI has their backs, and we will continue to crack down on companies violating our laws.”

EDU advertised and acquired customers via unsolicited telephone calls, during which, EDU gave student borrowers the false impression that it was part of, or affiliated with, an official government agency. From 2018 to the present, at least 790 California consumers enrolled in EDU’s Debt Relief Services. EDU collected at least \$713,000 from California consumers through up-front servicing fees ranging from \$116 to \$2,449.

The DFPI ordered EDU and Nguyen to desist and refrain from unlicensed student loan debt relief servicing business, in violation of the SLSA, and desist and refrain from engaging in unlawful, deceptive, and abusive student loan debt relief practices under the CCFPL and the federal Telemarketing Sales Rule (TSR). Nguyen was further ordered to desist and refrain from owning, managing, operating, or controlling any entity that services student loans, or which offers or provides any consumer financial products or services as defined by the CCFPL, unless and until he or the entity has the applicable approvals from the DFPI and is in compliance with the SLSA, CCFPL, TSR, and the Federal Trade Commission Act.

As part of the DFPI order, EDU and Nguyen were also ordered to rescind all debt relief, debt management, or debt consulting service agreements, and provide refunds to California consumers. See the [consent order](#) for details.

This is just one in a series of settlements the DFPI has entered as part of its crackdown, which included the following:

- **DocuPros** – A debt relief company based in San Diego that engaged in unlicensed student loan debt relief servicing activities. As part of a settlement with the DFPI, the company and its owner, Gustavo Adolfo Lopez, were ordered to desist and refrain from violations of the SLSA, CCFPL and TSR. DocuPros and Lopez were further ordered to pay \$40,000 in penalties, rescind all debt relief, debt management, or debt consulting service agreements, and refund all fees collected from California consumers. See the Aug. 1 [order](#) and Nov. 1, 2022 [settlement agreement](#) for details.
- **Student Loan Advocates Consulting Services Inc.** – A debt relief company based in Santa Ana that engaged in student loan debt relief servicing activities. The company and its Chief Executive Officer, Allan Radam, agreed to desist and refrain from engaging in unlawful and deceptive practices in violation of the CCFPL and the TSR. The Respondents were also ordered to pay \$10,000 in penalties and refund all fees collected from California consumers. See the Sept. 29, 2022 [consent order](#) for details.
- **Students First, LLC** – A debt relief company based in Torrance, California, that engaged in student loan debt relief servicing activities. The company and its owner, Connor Looney, agreed to desist and refrain from unlawful, and deceptive practices in violation of the CCFPL and TSR. The Respondents were further ordered to pay \$5,000 in penalties, send notices of refund to California consumers and refund all fees collected from California consumers. See the Aug. 23, 2022 [consent order](#) for details.

### What Consumers Should Know

Student loan debt relief companies purport to help student loan borrowers manage or reduce their student loan repayment for a fee. Often these companies charge fees for services that federal loan servicers provide at no charge or that borrowers can do on their own. Borrowers can educate themselves on their options to manage or reduce monthly payments by asking their servicer for [income-driven repayment](#) or pausing loans by applying for forbearance. [Read more](#) on student debt relief companies on the DFPI website.

Borrowers can file a complaint directly with the DFPI if a company is suspected of using unlawful, unfair, deceptive, or abusive practice. Victims of a scam or fraud should let the DFPI know immediately by [filing a complaint](#) with the DFPI online ([dfpi.ca.gov/file-a-complaint](https://dfpi.ca.gov/file-a-complaint)) or calling toll-free at (866) 275-2677.

The **Department of Financial Protection and Innovation** protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov).

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