



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

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

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**Contact:**

DFPI.media@dfpi.ca.gov

## **DFPI Launches \$7.25 Million Grant Program to Support Californians with Student Loans**

***Program Aims to Establish Statewide Resource Network Providing Free Counseling and Legal Assistance***

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) announced today the launch of the Student Loan Empowerment (SLE) Project, a new \$7.25 million grant program that will support nonprofit organizations delivering education, counseling, and legal assistance programs for Californians with student loans.

The SLE Project will award \$7.25 million to nonprofit organizations that submit the best proposals for how they will support the development and execution of at least one of two grant streams: *Network Coordination* grants will fund organizations providing coordination and support for the SLE Project network, and *Service Partner* grants will fund community-based, individualized education and counseling or legal services to help borrowers manage their student loans.

“With the student loan repayment pause coming to an end this October, many Californians are grappling with what steps they should take to prepare,” said Lourdes Castro Ramírez, Secretary of the Business, Consumer Services and Housing Agency, which oversees the DFPI. “Research shows that the student loan debt burden falls disproportionately on women, low-income, first-generation, and Black borrowers. That is why this network of community-based counseling and support is so critical. I commend the DFPI team for leading this important effort.”

In California, nearly four million borrowers owe \$156 billion in federal and private student loans. These borrowers are faced with navigating a complex and confusing repayment system and a student loan market plagued with predatory practices. Additionally, borrowers with private loans do not have repayment protections under federal law to help them manage their loans.

The grant program was created as part of Governor Gavin Newsom’s 2022-2023 Budget, which also included \$2.75 million for a statewide marketing and communication campaign focused on student loan borrower education and outreach to further the state’s commitment to providing Californians who hold student loans with vital information about their rights and options.

“This new grant program exemplifies the mission of DFPI and its commitment to protecting consumers through education and empowerment,” said DFPI Commissioner Clothilde V. Hewlett. “We are excited

to partner with communities throughout the state to confront the student loan realities that many Californians face, providing broad access to free student loan counseling and legal aid resources.”

Through the SLE Project, the DFPI will award up to \$7.25 million in grants to promote and enhance the economic security of student loan borrowers by:

- Designing, developing, or offering, free of charge to student loan borrowers, classroom- or web-based financial education and empowerment content intended to help borrowers manage their student loans, access federal repayment and forgiveness benefits, or lower their debt balance.
- Providing individualized, free financial coaching or direct legal services to student loan borrowers.

The SLE Project will operate as a coordinated network, using a supportive hub-and-spoke model of service provision. SLE Project grants will fund participating organizations over a 2-year period for specific roles within the network.

Additional information about the program, eligibility guidelines, and resources for developing a successful application can be found on the DFPI website at [dfpi.ca.gov/SLE-Project](https://dfpi.ca.gov/SLE-Project).

All SLE Project applications must be submitted by October 18, 2023 – the application can be found at [dfpi.grantplatform.com](https://dfpi.grantplatform.com). For questions, comments, or help, please contact [grants@dfpi.ca.gov](mailto:grants@dfpi.ca.gov).

### **About the DFPI**

The California Department of Financial Protection and Innovation (DFPI) 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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