

Selendy Gay PLLC, Its Partners, and AFT File Student Loan Servicing Complaint Against MOHELA

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Selendy Gay PLLC, together with its partners the Student Borrower Protection Center and the National Consumer Law Center, today filed a complaint in the Superior Court of the District of Columbia against the Higher Education Loan Authority of the State of Missouri (“MOHELA”) on behalf of the American Federation of Teachers (“AFT”), its members, and the general public whose federal student loans were assigned to MOHELA.

The complaint alleges that MOHELA has failed the millions of borrowers whose student loans it services through a series of wrongdoings, including failing to respond to borrowers’ basic loan servicing needs and committing grave servicing errors, costing borrowers staggering sums, and jeopardizing their financial wellbeing. While MOHELA’s servicing portfolio tripled in size to more than 8 million student borrowers during the COVID-19 pandemic, the leviathan servicer has consistently chosen profits over people, padding its own bottom line at the expense of borrowers. Particularly egregious is MOHELA’s impact on teachers, first responders, veterans, public service workers, and those who work at non-profits as, until very recently, MOHELA was the lone servicer for borrowers pursuing Public Service Loan Forgiveness (“PSLF”), the federal program that forgives student loans for those who work in public service and at qualifying non-profits.

AFT, a union for 1.8 million Americans—of whom 75% work in roles that qualify for PSLF—has had a front row seat to MOHELA’s misconduct. Now, AFT is taking the fight to MOHELA.

“MOHELA’s misconduct is not just a question of incompetence,” said Lena Konanova at Selendy Gay. “MOHELA knew exactly the responsibilities it took on as a loan servicer and disregarded those responsibilities—all at the expense of those on whom America relies to educate our children and keep us well. So today, on behalf of AFT, we are asking the court to hold MOHELA accountable and provide relief to the borrowers impacted by MOHELA’s systemic failures.”

MOHELA has misled borrowers and failed to process applications for PSLF and income-driven repayment (IDR) plans in a timely manner or entirely. Additionally, MOHELA has failed its most basic obligations to

provide refunds, miscalculated account balances, overcharged borrowers, neglected to respond to borrower inquiries, and denied access to information that borrowers are entitled to receive.

“MOHELA continues to avoid its responsibilities and obstruct borrowers from gaining critical information about their student loans and options for repayment and forgiveness,” said Faith Gay at Selendy Gay. “The misconduct results in unimaginable distress to borrowers, their families, and communities. MOHELA’s long line of abuses, including the pattern of interminable call wait times and interactions with undertrained and uninformed representatives, must end.”

The complaint underscores AFT’s, Selendy Gay’s, and their partners’ commitment to hold MOHELA accountable and to ensure fair treatment of borrowers, particularly those in public service professions, who face barriers to transparent services and loan forgiveness.

AFT President Randi Weingarten said, “We, with the help of our team at Selendy Gay and our partners, are determined to break the cycle of abuse that student loan providers impose on Americans who are seeking a broader range of opportunities through higher education and establish a positive precedent for the future generations.”

The Selendy Gay team includes Faith Gay, Lena Konanova, David Coon, Corey Stoughton, Adam Gould, Matthew Nussbaum, and Sean Goldman-Hunt. The Student Borrower Protection Center and the National Consumer Law Center are co-counsel on this case.

For individuals seeking assistance with issues related to MOHELA, please contact the [Student Borrower Protection Center](#).

Attorneys

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- Lena Konanova
- David A. Coon
- Corey Stoughton
- Adam Gould
- Matthew Nussbaum
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Practice

- Public Interest and Pro Bono