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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ESSEX COUNTY
DOCKET NO. ESX-C-172-2020

GURBIR S. GREWAL, Attorney General of the State of New Jersey, and PAUL R. RODRÍGUEZ, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

NAVIENT CORPORATION, NAVIENT SOLUTIONS, LLC., JANE AND JOHN DOES 1-20 individually and as owners, officers, directors, founders, members, managers, employees, servants, agents, representatives and/or independent contractors of NAVIENT CORPORATION, AND NAVIENT SOLUTIONS, INC., and XYZ CORPORATIONS 1-20,

Defendants.

Civil Action

COMPLAINT

Plaintiffs Gurbir S. Grewal, Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Paul R. Rodríguez, Acting Director of the New Jersey Division of Consumer Affairs ("Director"), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

PRELIMINARY STATEMENT

1. The Attorney General and the Director commence this action under the New Jersey Consumer Fraud Act ("CFA"), N.J.S.A. 56:8-1 to -226, against Navient Corporation and Navient Solutions, LLC (collectively, "Defendants" or "Navient") to address Defendants' unconscionable commercial practices, deceptive conduct, and misrepresentations in servicing New Jersey consumers' student loans.

2. From 1989 to 2016, the average cost of obtaining a degree from a four-year college or university in the United States rose about eight times as fast as the average wage. Faced with the soaring cost of higher education, over 44 million people in the United States have taken out student loans. Total student loan debt is now around $1.7 trillion nationwide and the average New Jersey borrower carries $36,500 in student debt, among the highest amounts in the country.

3. The increasing cost of higher education—and students' increasing reliance on loans to finance their education—have been accompanied by alarming levels of default and delinquency, as students struggle to repay mountains of debt. More than nine million federal student loan borrowers are currently in default, and delinquency rates on student loans before the Coronavirus disease 2019 ("COVID-19") pandemic were 21% higher than delinquency rates on mortgages at the height of the Great Recession.

4. Student loan borrowers rely on their student loan servicers to guide them through the loan repayment process. The repayment process is complex and sometimes daunting for borrowers, who therefore seek assistance in identifying the options that best fit their individual circumstances and offer the surest path to success.

5. Navient, formerly known as Sallie Mae, Inc., is one of the largest student loan servicers in the United States, servicing the loans of more than 12 million borrowers, and more than $300 billion in federal and private student loans. As a student loan servicer, Navient is obligated to act as the primary contact to assist student borrowers in repaying their loans, including by providing information on loan repayment and forgiveness options for students struggling to repay their loans. [redacted] In addition, Navient also has originated and serviced private student loans, including for New Jersey student loan borrowers.

6. Over the last decade, Navient has failed to meet its obligations to the nation's and New Jersey's student borrowers and to provide services in a fair, honest, and conscionable manner.

7. The Division of Consumer Affairs ("Division") has received, directly and indirectly, approximately 1,000 consumer complaints from New Jersey borrowers regarding Navient's business practices related to the servicing of student loans. These consumer complaints, and New Jersey's investigation, have revealed, among other things, that Navient: (1) steered borrowers into forbearance rather than more favorable, cost-effective options such as income-driven repayment ("IDR") plans; (2) misrepresented to consumers that it would provide a date certain by which they would have to complete IDR recertification; (3) misrepresented the requirements for borrowers to release cosigners from private student loans and engaged in

unconscionable practices to undermine cosigners' eligibility for cosigner release; and (4) misrepresented to borrowers the payment amount required to bring an account current.

8. Forbearance Steering – One of Navient's most important responsibilities as a student loan servicer is to inform borrowers experiencing financial difficulty about available repayment options and loan forgiveness programs, and to help them select the program that will best fit their needs and minimize their financial burden. Instead of assisting borrowers experiencing long-term financial hardship explore suitable IDR plans, Navient steered them into a costlier option known as forbearance, which generally is suitable only for individuals with shorter-term difficulties making payments. Navient entered [redacted] of New Jersey student borrowers into the expensive and financially punitive forbearance option not because it was in the best interests of the borrowers, but because the forbearance option is less time consuming for Navient's call center representatives [redacted]

9. IDR Recertification – Borrowers typically must recertify their eligibility for IDR plans on an annual basis or lose their eligibility. Borrowers enrolled in IDR plans were harmed by Navient's deceptive communications, which failed to clearly communicate to borrowers the deadline to recertify their eligibility and the consequences of non-renewal. As a result, affordable repayment plans expired for hundreds of thousands of borrowers nationwide, including New Jersey borrowers, resulting in immediate increases in their monthly payments and other financial harm.

10. Cosigner Release – For loans originated by Navient, Navient encouraged borrowers to have family members or others guarantee their loans as cosigners, which increased Navient's chances of being repaid if the student defaulted. Navient enticed cosigners to enter this program by representing that they would be released from their obligations if the student made a certain number of consecutive, on-time payments. To frustrate the cosigner's eligibility for release—

while protecting its own interest in having a secondary source of payment—Navient misrepresented to borrowers the circumstances that would qualify as consecutive, on-time payments and those that would break the chain of consecutive, on-time payments needed to qualify for cosigner release.

11. Present Amount Due – In cases where the student borrower was delinquent, Navient sought to collect the "Present Amount Due"—the delinquent payment plus the next month's payment. [redacted] Through these unconscionable practices, Navient caused student borrowers to overpay what they actually owed and to forgo paying amounts that would have made their loans current.

12. As a result of Navient's unlawful practices, a generation of New Jersey's most vulnerable borrowers have been harmed and continue to be burdened by overwhelming student loan debt.

13. The Attorney General and the Director therefore bring this action to hold Navient accountable for its violations of the CFA and to obtain relief including but not limited to: (a) equitable relief to prevent future unlawful practices by Defendants, to reform Defendants' practices, and to ensure future compliance with the CFA; (b) restitution for affected consumers; (c) disgorgement of fees and profits that Defendants have wrongly charged consumers and otherwise generated through their unlawful conduct; (d) maximum statutory penalties for Navient's violations of the CFA; and (e) an award of costs and fees, including attorneys' fees.

PARTIES AND JURISDICTION

14. By this action, the Attorney General and Director (collectively, "Plaintiffs") seek injunctive and monetary relief against Navient for its violations of the CFA. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13, and 56:8-19.

15. The Attorney General is charged with the responsibility of enforcing the CFA.

16. The Director is charged with the responsibility of administering the CFA on behalf of the Attorney General.

17. Defendant Navient Corporation ("Navient Corp.") is a Delaware corporation with its principal executive offices located at 124 Justison Street Wilmington, Delaware 19801.

18. Defendants Navient Solutions, LLC ("Navient Solutions"), formerly known as Navient Solutions, Inc., is a Delaware limited liability company with its principal executive offices located at 123 Justison Street, Wilmington, Delaware 19801. Navient Solutions is a wholly-owned subsidiary of Navient Corp.

19. Prior to 2014, Navient Solutions was known as the Student Loan Marketing Association ("Sallie Mae, Inc."). Congress created Sallie Mae, Inc., a government-sponsored enterprise in 1972, to support and service the student-loan program created by the Higher Education Act of 1965.

20. In 1984, Sallie Mae, Inc. became a publicly traded company. By December 29, 2004, Sallie Mae was fully privatized as a subsidiary of SLM Corporation.

21. On April 30, 2014, as part of its spin-off from SLM Corporation, Navient Corp. assumed all responsibility for and liabilities arising out of Sallie Mae, Inc.'s previous education

loan management, servicing and asset recovery business, and "agreed to indemnify and hold harmless Sallie Mae and its subsidiaries, including Sallie Mae Bank, therefrom."

22. As part of this split, Sallie Mae, Inc. changed its name to Navient Solutions, Inc. Later in 2014, Navient Solutions, Inc. converted to a limited liability company and became known as Navient Solutions, LLC, which remains a wholly owned subsidiary of Navient Corp.

23. In this Complaint, the former Sallie Mae, Inc., Navient Solutions, and Navient Corp. are referred to collectively as "Navient."[1] Any reference to the acts and practices of Navient shall mean acts and practices by and through the acts of Defendants' members, owners, directors, employees, salespersons, representatives and/or agents.

24. At all relevant times, each Defendant knew or realized, or should have known or realized, that the other Defendants were engaging in or planned to engage in the violations of law alleged in this Complaint. Knowing or realizing that the other Defendants were engaging in such unlawful conduct, each Defendant nevertheless facilitated the commission of those unlawful acts. In this manner, each Defendant acted individually and jointly with the other named Defendants in committing all acts alleged in this Complaint.

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[1] Since Navient Solutions' and Navient Corp.'s founding, Defendants have acted and continue to act as a single enterprise with significant overlap between the corporate governance and management of Defendants. Navient Corp. has materially participated in, consents to, has knowledge of, and/or directs and controls the business policies and activities of Navient Solutions. Navient Corp. issues consolidated annual reports and United States Securities and Exchange Commission ("SEC") filings, and issues consolidated financial statements and balance sheets for itself and Navient Solutions. Navient Corp. and Navient Solutions utilize the same website, www.navient.com; the company has one publicly-available Code of Business Conduct that is addressed generically to "Navient Employee(s)"; and Navient Corp.'s SEC filings repeatedly hold out "Navient" rather than Navient Solutions, as the "leading loan management, servicing and asset recovery company."

25. Venue is proper in Essex County pursuant to R. 4:3-2 because it is a county in which Defendants have conducted business.

26. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives and/or independent contractors of Navient who have been involved in the conduct that gives rise to this Complaint, but are presently unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

27. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities that have been involved in the conduct that gives rise to this Complaint, but are presently unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend this Complaint to include them.

FACTUAL ALLEGATIONS

A. BACKGROUND ON THE STUDENT LOAN INDUSTRY

1. Federal Student Loans

28. Federal student loans are funded or guaranteed by the federal government.

29. The federal government has, over decades, implemented various student loan programs with the consistent goals of ensuring the economic stability and success of the United States by (1) fostering a highly-skilled workforce that will keep the United States competitive in the global economy; and (2) ensuring that low-income, middle-income, and minority borrows have access to quality higher education.

30. Until approximately 1994, federal student loans were almost exclusively originated and funded by private lenders, and guaranty agencies insured repayment of those funds if the borrower defaulted. These guaranty agencies were in turn reinsured by the federal government. This public-private partnership was established under the Guaranteed Student Loan Program and

named the Federal Family Education Loan Program ("FFELP"). Federal student loans given to borrowers through that program are called "FFELP Loans."

31. In 1994, through the creation of the William D. Ford Direct Student Loan Program ("Direct Loan Program"), the federal government began originating loans directly to borrowers and phasing out private lenders as originators of federal student loans. Loans made under the Direct Loan Program are called "Direct Loans."

32. The increasing use of the Direct Loan Program corresponded with the winding down of the FFELP until 2010, when origination of FFELP Loans ended altogether.

33. Federal student loans carry certain unique characteristics not present in most other loan products. Among other things: (1) the interest rate is capped by the federal government; and (2) borrowers enjoy a variety of available repayment options, including options keyed to the borrower's income.

34. For instance, repayment options for federal student loan borrowers generally include both forbearance, which is a short-term temporary postponement of payment, and IDR plans, which typically are more suitable for borrowers experiencing longer-term financial hardship or distress.

35. As Navient's website explains, forbearance is appropriate for borrowers who "are experiencing temporary hardship related to financial difficulties, change in employment, medical expenses, and other situations." But borrowers in forbearance face significant costs that generally increase the longer they are in forbearance. These costs include the accumulation of unpaid interest and the addition of unpaid interest to the principal balance of the loan. As a result of the costs associated with long-term enrollment in forbearance, a borrower's monthly payment can dramatically increase after the forbearance period ends and over the entire repayment term. In

some cases, a loan may also be re-amortized after a forbearance, which can lead to an increase in the borrower's monthly payment amount during the life of the loan. In addition, borrowers who enroll in forbearance do not make progress towards loan forgiveness, including the Public Service Loan Forgiveness ("PSLF") program.

36. IDR plans enable borrowers to avoid or reduce costs associated with forbearance, so enrolling in these plans is usually a better option for borrowers facing long-term financial hardship.

37. In 2009, the United States Department of Education ("Department of Education" or "ED") introduced the first widely-available IDR plans designed to help borrowers manage their federal student loan debt by making monthly payments more affordable. IDR plans available to borrowers include: (1) Income-Based Repayment ("IBR"); (2) Pay As You Earn ("PAYE"); and (3) Revised Pay As You Earn ("REPAYE"); along with a legacy IDR plan known as (4) Income-Contingent Repayment ("ICR"), which had been available to a limited number of borrowers for more than a decade. Most federal student loans are eligible for at least one income-driven repayment plan.

38. IDR plans cap borrowers' required monthly payments on federal student loans based on income and family size. Monthly payments in an IDR plan are capped at between 10% and 20% of the borrower's discretionary income, and payments may be as low as $0 per month.

39. IDR plans also offer several other benefits for federal student loan borrowers, especially borrowers experiencing long-term financial hardship. These benefits include: (a) interest subsidies for certain borrowers enrolled in REPAYE; (b) repayment by the federal government of accrued interest for certain borrowers with subsidized loans; (c) forgiveness of the

remaining loan balance if the borrower makes 20 or 25 years of qualifying payments for most loans, or after ten years for qualified public service employment under the PSLF program.

2. Private Student Loans

40. Private student loans are different from federal student loans in that they are not originated or guaranteed by the federal government.

41. Unlike federal student loans, which are need-based, private student loans generally are based on creditworthiness and likelihood of repaying the loan. Thus, many private student loan borrowers are required to obtain a cosigner who is equally as responsible as the borrower for the repayment of the loan.

42. Private student loans often are more expensive and lack many protections that accompany federal student loans. Their interest rates generally are not capped by the federal government, and repayment options do not include IDR plans.

43. Thus, the borrower's inability to timely repay a private student loan may have very different consequences for a borrower's budget, credit score and financial life, than the same borrower's inability to timely repay a federal student loan. In addition, borrowers typically obtain private student loans to supplement the available federal student loans.

3. <u>The Burden of Student Loan Debt</u>

44. Over the last decade, the amount of outstanding federal student loan debt in the United States has more than doubled, from approximately $811 billion in June 2010 to over $1.68 trillion in June 2020. Student loan debt is currently the second largest source of consumer debt in the United States behind mortgages, surpassing credit card debt, auto loan debt, and home equity lines of credit.

45. Nearly 20 million Americans attend college each year. Of that number, more than two-thirds—over 13 million—graduate college with student loan debt. Nationwide, the average student loan debt at graduation is approximately $35,530.

46. The average New Jersey borrower owes $36,500 in student loan debt, among the highest averages nationwide.

47. Borrower distress has become an increasingly common issue with student loans nationwide. More than nine million federal student loan borrowers are currently in default, and delinquency rates on student loans before the COVID-19 pandemic were 21% higher than delinquency rates on mortgages at the height of the Great Recession. These rates have recently slowed due to student loan-related protections introduced in response to the COVID-19 pandemic, but these protections are only temporary.

48. As of 2019, student loans comprised 35% of all delinquent loans that were also paired with a repossession, foreclosure, or "charge off."

49. Certain groups of borrowers are particularly at risk. In 2019, the New York Federal Reserve found that: (a) borrowers in Black-majority zip codes are more likely to borrow to fund their education, have higher average loan balances that are growing at a higher rate, and default at almost double the rate of white-majority zip code borrowers; (b) borrowers who received Pell Grants, most of which have family incomes below $40,000, were five times as likely to default within 12 years; (c) borrowers whose parents did not attend college were more than twice as likely to default than borrowers whose parents did attend college; and (d) borrowers who began their education at for-profit colleges defaulted at seven times the rate of those who attended public colleges and at six times the rate of those who attended nonprofit colleges. The New York Federal Reserve added in 2020 that borrowers in majority-Black areas who attended two-year schools

default 1.9 times as frequently as those in majority-white areas, that those in majority-Hispanic regions default 1.7 times as often as those in majority-white areas, and that variation in default rates among borrowers at four-year schools is "very similar."

B. NAVIENT'S VIOLATIONS OF THE CONSUMER FRAUD ACT

50. Navient has failed student loan borrowers, including New Jersey borrowers, and violated the CFA, in its serving of student loans, by among other things: (1) steering borrowers into forbearance rather than more favorable, cost-effective options such as IDR plans; (2) misrepresenting to borrowers that Navient would provide a date certain by which the borrower would have to complete IDR recertification; (3) misrepresenting the requirements for releasing cosigners from private student loans and engaging in unconscionable practices to undermine cosigners' eligibility for cosigner release; and (4) misrepresenting to borrowers the payment amount required to bring an account current through misleading use of the term "present amount due."

1. Steering Borrowers into Costly Forbearances Rather than More Appropriate IDR Plans

51. Despite Navient's obligations and promises to help borrowers identify and enroll in an appropriate repayment plan, Navient has routinely steered student loan borrowers experiencing longer-term financial hardship, including New Jersey borrowers, into forbearance rather than into more affordable repayment options.

52. Navient steers borrowers into forbearance not because it is the best option for them—[redacted]. Reviewing the spectrum of repayment plans with borrowers can be a time-consuming and costly process for Navient.

Borrowers can be placed into forbearance with a cursory phone call that takes a fraction of the time that a full review of the borrowers' payment options would have involved.

53. [redacted] at the expense of New Jersey student loan borrowers, Navient made forbearance its "battle cry" in order to "drive down unit cost while maximizing fee revenue."

a. Navient and the Department of Education Encouraged Borrowers to Rely on Navient to Help Them Navigate Their Repayment Options

54. Navient, as a servicer of federal loans, is responsible for assisting borrowers in managing their loans.

55. From at least 2010 to the present, Navient has represented that borrowers should contact the company when borrowers may be experiencing financial hardship or having trouble making their loan payments. Navient promises to help borrowers evaluate repayment options and make the right decision for their situation.

56. For example, Navient's website has included the following statements inviting borrowers to contact Navient for guidance in finding long-term repayment solutions:

a. "Navient is committed to helping our student loan customers achieve successful loan repayment, and we are here to help you. If you are having trouble managing your student loans, contact us";

b. "If you're experiencing problems making your loan payments, please contact us. Our representatives can help you by identifying options and solutions, so you can make the right decision for your situation";

c. "We can help you find an option that fits your budget, simplifies payment, and minimizes your total interest cost"; and

d. "Contact us to discuss your student loan obligations. We can answer any questions you have about paying back your loans and the types of repayment plans available to you."

57. For many years, Navient's website has included other, similar statements and promises. For example, its website previously stated that it was "committed to giving you the information and tools you need to understand and evaluate your student loan payment options. We

can help you find an option that fits your budget, simplifies payment, and minimizes your total interest cost."

58. Navient's press releases and statements from its CEO, Jack Remondi, have echoed these statements. For example:

a. "We stand ready to educate customers on these options and enroll them in the programs that best fits with their financial circumstances and provide a path to success."

b. "For some borrowers, student loan debt can be especially daunting. The good news is that borrowers can turn to their student loan servicers for help to navigate the complex repayment options. The key is contact."

c. "We have a number of plans to help borrowers manage their payments and avoid the negative consequences of delinquency and default. It's important for customers who are experiencing difficulty to contact us so we can help."

d. "It's so important that when customers struggle financially, they contact us to discuss one on one the available options to help them avoid the severe credit consequences of delinquency and default."

e. "Struggling federal borrowers who engage with their servicers will learn about the options to repay student loans in a way that best fits their individual circumstances. **IDR programs such as Pay As You Earn and Income-Based Repayment** establish a monthly payment based on a percentage of discretionary income that **can make short- or long-term financial challenges much more manageable**. The Administration's new **Revised Pay As You Earn (REPAYE) can make monthly payments even more affordable for many borrowers.**" (Emphasis added.)

59. The Department of Education similarly has urged borrowers to consult their federal student loan servicer to determine the best repayment option or alternative for them. In several places on its website, the Department of Education has advised:

a. "A loan servicer is a company that handles the billing and other services on your federal student loan. The loan servicer will work with you on repayment plans and loan consolidation and will assist you with other tasks related to your federal student loan. It is important to maintain contact with your loan servicer. If your circumstances change at any time during your repayment period, your loan servicer will be able to help."

b. "Work with your loan servicer to choose a federal student loan repayment plan that's best for you";

c. "Before you apply for an income-driven repayment plan, contact your loan servicer if you have any questions. Your loan servicer will help you decide whether one of these plans is right for you"; and

d. "Always contact your loan servicer immediately if you are having trouble making your student loan payment."

b. Navient Knew Forbearance Should Only Be [redacted], but Still Steered Borrowers into Forbearance

60. Navient's written training materials [redacted]

61. For example, Navient's training materials [redacted]

62. [redacted]

[redacted]

63. Nevertheless, while Navient understood that it should counsel borrowers about IDR before presenting forbearance, it [redacted] incentivized its call center representatives to do the opposite.

64. As stated in a June 2010 internal Navient memorandum discussing strategies to "drive down unit cost while maximizing fee revenue":

> Our battle cry remains "*forbear them, forbear them, make them relinquish the ball.*" Said another way, we are very liberal with the use of forbearance once it is determined that a borrower cannot pay cash or utilize other entitlement programs. Generally speaking, out of every 10 resolved ED borrowers, 7 will forbear, 1 will pay cash, and 2 will use deferment or some other entitlement.
>
> [(Emphasis in original.)]

65. The memorandum noted that, for borrowers whose accounts Navient brought out of delinquency, 70% were being placed in forbearance—a costly policy for borrowers.

66. Navient utilized measures on a customer service level to ensure that IDR enrollment remained low.

67. For example, Navient created a job aid for its call center representatives for situations where a borrower expresses payment difficulties. The job aid contains a decision tree to guide the representative through the call flow depending on which answers the consumer provides to proscribed questions. The decision tree guides the representative to ask, "Can the borrower pay some portion?" If the answer is "no," the decision tree states that the only options available to borrowers are forbearances and deferments. The decision tree only leads customer service representatives to offer borrowers an IDR plan if they can afford to make some payment.

68. In fact, Navient even failed to ensure that the head of all four of Navient's call centers from 2011 to 2012 was aware that a $0 IDR payment was an option for borrowers who could not afford to make payments.

69. Moreover, Navient's compensation policies for their customer service representatives incentivized steering borrowers into forbearance.

70. Because of the number and complexity of income-driven repayment options available for federal loans, a conversation about alternative repayment plans and the borrower's financial situation is usually time-consuming. In addition, a borrower is required to submit a paper or online application with tax documentation to enroll in IDR plans and the process can require multiple, lengthy conversations. In contrast, borrowers can obtain forbearance over the phone, usually in a matter of minutes, and without submitting any paperwork.

71. [redacted]

72. [redacted]

[redacted]

73. [redacted]

74. [redacted]

75. [redacted]

76. [redacted]

77. [redacted]

78. [redacted]

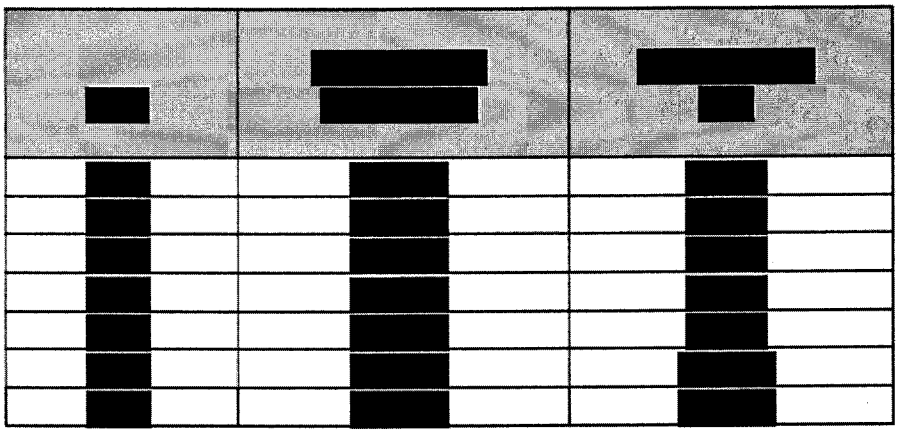
79. [redacted]

80. In addition to the initial call time and paperwork required to enroll borrowers in IDR plans, borrowers in IDR plans must complete recertification forms each year to document their income and family size, which are used to adjust the borrowers' payment amounts. Processing these forms further increases the employee time Defendants must devote to borrowers in IDR plans.

81. Defendants' practice of steering borrowers into lengthy forbearances rather than assisting borrowers with IDR payment plan options resulted in a large number of borrowers being

placed into forbearance. Between January 2010 and March 2015, the number of borrowers Navient enrolled in forbearance exceeded the number of borrowers that Navient enrolled in IDR repayment plans. For example, in December 2010, around 9% of borrowers with FFELP loans held and serviced by Navient were enrolled in forbearance, while less than 1% of borrowers with the same loan type were enrolled in IDR plans. Similarly, in December 2012, approximately 7% of Navient's borrowers with this type of FFELP loan were enrolled in forbearance, while just 2% were enrolled in IDR plans.

82. [redacted]



83. [redacted]

84. Navient's forbearance steering occurred even though many of those borrowers likely would have qualified for a $0 payment IDR plan. For example, between January 1, 2010 and March 31, 2015, nearly 25% of Navient federal student loan borrowers who were enrolled in

IDR with $0 monthly payments had been placed in forbearance within the twelve-month period immediately preceding their enrollment in IDR, and during that same time period, nearly 16% of borrowers who ultimately enrolled in the Pay As You Earn ("PAYE") program with a $0 payment were enrolled in forbearance within the twelve-month period immediately preceding their enrollment in PAYE. Navient enrolled the majority of IDR borrowers in forbearances more than three months prior to enrolling them in IDR plans, which suggests that Navient did not merely offer forbearances to these borrowers while their applications for IDR plans were pending.

85. [redacted]

86. [redacted]

87. Because Navient placed certain IDR borrowers into forbearance before ultimately enrolling them in IDR plans with $0 payments, those borrowers had delayed access to the benefits

of IDR and were negatively impacted by the consequences of forbearance, including unnecessary accrual of interest, the addition of interest to the principal, and lost months that would have otherwise counted toward forgiveness. This could have been avoided had Navient enrolled borrowers in IDR initially, as Navient should have done.

88. Navient also enrolled many borrowers in multiple consecutive forbearances, even though the borrowers had amply demonstrated a long-term inability to repay their loans that may have qualified them for more affordable IDR plans.

89. Between January 1, 2010 and March 31, 2015, Navient enrolled over 1.5 million borrowers in two or more consecutive forbearances totaling twelve months or longer. Nearly 1 million of those borrowers were enrolled in three or more consecutive forbearances, where each forbearance period lasted, on average, six months. More than 470,000 of these borrowers were enrolled in three consecutive forbearances. And more than 520,000 of them were enrolled in four or more consecutive forbearances.

90. New Jersey borrowers were also affected. [redacted]

91. Enrollment in multiple consecutive forbearances imposed staggering financial costs on these 1.5 million borrowers. At the conclusion of those forbearances, Defendants had added nearly 4 billion dollars of unpaid interest to the principal balance of their loans. Many of these borrowers could have avoided much or all of the additional charges through enrollment in

an IDR plan because the federal government would have paid the accrued interest on their subsidized loans during the first three years of enrollment in an IDR plan. Even for borrowers with unsubsidized loans, many would have saved on interest charges if enrolled in an IDR plan because interest would not have been capitalized while the borrower maintained continuous enrollment in an IDR plan.

92. In addition, enrolling these borrowers in forbearances instead of IDR plans delayed them from making monthly payments that would count towards loan forgiveness under PSLF or other loan forgiveness programs.

c. Navient Knew Forbearance Was Being Offered Without Exploring IDR

93. Navient, all the way up to senior management, was well aware that its customer service representatives were misrepresenting the payment options available to borrowers by not adequately advising borrowers about IDR.

94. [redacted]

[redacted] In another example, in February 2014, Navient personnel flagged for CEO Jack Remondi's attention a borrower call where the borrower was placed into forbearance even though she "may have qualified for IBR." [redacted]

[redacted]

95. Third parties also told Navient that its customer service representatives were engaged in deceptive and misleading communications with borrowers about IDR. For example, employees of a third-party student debt counseling service engaged by certain educational institutions observed in 2013: "We have been experiencing reps from [Navient] who are refusing to send out the IBR, hanging up as soon as the forbearance is read, and then also refusing to put a supervisor on the line when requested." The counseling service brought the issue to Navient's attention, explaining how representatives were "not wanting to offer IBR" or were making up restrictions about IBR eligibility to avoid offering IBR.

96. Loan counselors from the University of Phoenix contacted Navient in 2013 following an incident in which Navient representatives "refused to go over IBR with a borrower with no income. The representatives received confirmation from Navient that it was Navient's policy that "if a student says they cannot make any payments that [Navient] go over ***only*** Deferment and Forbearance options." (Emphasis in original.)

97. Navient's continued misrepresentations and deceptive communications denied New Jersey borrowers access to IDR and prevented borrowers from effectuating their rights under the law. Had Navient fulfilled its obligations, as well as it promises, assurances, and representations, [redacted], and appropriately advised borrowers about enrolling in IDR plans and/or refrained from making misrepresentations about struggling borrowers' repayment options, borrowers would not have incurred the costs associated with unnecessary – and sometimes repeated – forbearances.

2. **Engaging in Deception and Making Misrepresentations Relating to IDR Recertification**

98. To qualify for an IDR plan, federal student loan borrowers must certify their income and family size, which is used to determine the IDR payment amount. Every 12 months after the original certification, a borrower must recertify and submit updated income and family size, which is used to determine continued eligibility for and/or adjustment to the IDR payment amount.

99. On information and belief, as noted with respect to Navient's steering of borrowers into forbearance, [redacted]

100. From 2010 until at least 2015, Navient made misrepresentations concerning the recertification process, which resulted in borrowers, including New Jersey borrowers, failing to recertify on time.

101. As a result of borrowers' failure to timely recertify, New Jersey borrowers experienced some or all of the following negative consequences:

a. An immediate increase in the borrower's monthly payment to the amount due under the 10-year Standard Repayment Plan, which can be thousands of dollars higher than the IDR payments;

b. The capitalization of unpaid interest into the principal balance of the loan;

c. The loss of an interest subsidy from the federal government for subsidized loans in the first three years of enrollment in an IDR plan, until the borrower renews his or her enrollment; and

d. Delayed progress towards certain loan forgiveness programs.

102. When a borrower first enrolled in an IDR plan, Navient sent the borrower an "initial disclosure notice," which identified the beginning and end dates of enrollment, and promised: "You'll be notified in advance when your loan(s) is up for renewal for [the IDR] plan. At that time, you'll be provided with a date to submit a new application." This initial notice did not provide a specific renewal deadline.

103. In addition to the initial disclosure notice, since at least January 1, 2010, Navient has been required by the Department of Education to send at least one written notice concerning the annual renewal requirements to borrowers in advance of their renewal deadline.

104. Despite Navient's assurances that it would provide a renewal deadline, and the Department of Education's mandate, between at least January 2010 and December 2012, Navient's annual renewal notices did not inform borrowers of the actual date by which they had to submit the renewal application and documentation. Instead, Navient's renewal notices stated vaguely that the borrower's IDR period would "expire in approximately 90 days" and that the "renewal process may take at least 30 days."

105. Navient's renewal notices also provided no date from which the borrower could count backwards to calculate the deadline.

106. Navient's vague statement that the "renewal process may take at least 30 days" and that the plan will expire in "approximately 90 days" left borrowers unable to reasonably determine the deadline by which they must submit the required package to avoid potential negative and irreversible consequences described above.

107. The 2010-2012 initial disclosure notices outlined potential negative consequences if the borrower "chooses not to renew" or "requests to leave the plan," leading borrowers to reasonably believe that the negative consequences will only take place if the borrower either "chooses not to renew" or "requests to leave the plan." A reasonable borrower would not have understood that submission of a late, incorrect, or incomplete renewal application would result in the same negative consequences.

108. The notices sent by Navient to borrowers from 2010 to 2012 also misrepresented the consequences of failing to timely submit the recertification application. The notices simply stated that failure to timely submit by providing incorrect or incomplete information, will result in a "delay." This falsely suggested that the only consequence of failing to timely submit is a "delay" in the renewal "process." On the contrary, a borrower who failed to recertify in time would face many serious consequences beyond a simple delay, such as an increased principal balance and monthly payment.

109. By 2015, more than 75% of Navient's federal student loan borrowers had consented to receiving electronic communications. These borrowers were to receive electronic renewal notices instead of notice by mail.

110. Between at least mid-2010 and March 2015, however, Navient did not actually send electronic renewal notices by email. Instead, Navient sent an email directing borrowers to access the notice separately through its website by clicking a hyperlink contained in the email. These borrowers then had to log into Navient's secure website with their user ID and password to view the contents of the electronic renewal notice.

111. Notably, the subject line of the email and its contents were misleading because neither the subject line of the email nor its contents provided any indication of the purpose or

importance of the document. Borrowers would not know that the document uploaded to Navient's website was the renewal notice unless they logged in and viewed the document.

112. From at least January 1, 2010 through November 15, 2012, the subject line of the email simply read: "Your Sallie Mae Account Information." Likewise, from at least November 16, 2012, through March 18, 2015, the subject line of the email stated, "New Document Ready to View."

113. The body of the email was equally unhelpful and misleading, stating only that "[a] new education loan document is available online. Please log in to your account to view it."

114. In stark contrast, during the same period, Navient's email notices seeking payment explicitly described the content and purpose of the communication and document available to view on Navient's website. For example, the subject line of one such email was "Your Sallie Mae – Department of Education Statement is Available," and the body of the email stated, "Your monthly statement is now available. Please log in to your account at Sallie Mae.com to view and pay your bill."

115. Another email regarding loan terms had a subject line that read "Change in Loan Terms," and the body of the email stated, "The payment term for your loan(s) has changed. Please log in to your account to view the documents with your updated payment schedule."

116. Navient tracked borrowers' clicks on email hyperlinks and therefore knew or should have known that borrowers often did not click on the recertification hyperlink embedded in the vaguely worded email linking to the renewal notice.

117. A large percentage of Navient's federal student loan borrowers did not timely recertify their plan and maintain enrollment in IDR during the period of Navient's misleading email notices. The percentage of borrowers nationwide who did not timely renew their enrollment

in IDR plans between at least [redacted] regularly exceeded [redacted]. Similarly, over [redacted] of borrowers enrolled in IDR plans who resided in New Jersey between [redacted] did not timely renew their enrollment in IDR plans.

118. Borrowers who did not timely renew experienced significant consequences, such as the addition of accrued, unpaid interest to the principal balance of the loan, and a significant increase in monthly amounts due—usually hundreds or thousands of dollars more than the affordable IDR plan payments.

119. Still, knowing the grave consequences and potentially irreversible financial harm that failing to recertify would cause a borrower, Navient did not make significant changes to its emails regarding electronic renewal notices until in or around March 2015.

120. At that time, Navient made several enhancements to its emails. It changed the subject line to read, "Your Payment Will Increase Soon!" and the text of the email then stated: "[i]n order to keep your lower payment amount, it's important that you apply soon to renew your repayment plan."

121. [redacted]

3. Deceiving and Confusing Borrowers About Cosigner Release, Then Failing to Provide a Meaningful Opportunity for Release

122. From at least approximately 2009 to 2014 and from approximately late 2017 to the present, Navient prominently promoted the use of cosigners on private loans, which they originated and serviced. Cosigners assumed joint and several responsibility to repay the loan. The presence of a cosigner generally made it easier for the student to obtain approval of the loan.

123. To induce cosigners to assume responsibility for the underlying loan, Navient represented that cosigners could obtain an easy release following a certain number of consecutive, on-time loan payments. Contrary to those misrepresentations, Navient instead calculated those consecutive, on-time payments in such a manner as to preclude any meaningful access to cosigner release.

124. Sallie Mae, Inc., and later Navient, encouraged borrowers to get a cosigner on their loan to receive credit approval, lower interest rates, and lower fees. As a result, in 2011, more than 90% of Navient's new private student loans were cosigned.

125. Until at least August 2013, Sallie Mae, Inc.'s website coached borrowers on how to convince a friend or family member to cosign their student loans:

> **How should you ask someone to be a cosigner?** Be confident. Tell your potential cosigner what you plan to do with the education you receive and let him or her know that cosigning will help you achieve one of your life's goals. Remind your cosigner that he or she could also help you qualify for a better interest rate on your loan.
>
> [(Emphasis in original.)]

126. As part of the benefits of adding a cosigner, Sallie Mae, Inc., touted the potential for and availability of a cosigner release by including a statement that a "cosigner can really pay off: Easier cosigner release. You can apply to release your cosigner after you graduate and make 12 consecutive, on-time principal and interest payments."

127. The website included cosigner release as an important part of the recommendation to ask someone to be a cosigner:

> **Be sure to remind your cosigner about Sallie Mae's cosigner release.** After you graduate and demonstrate that you can handle principal and interest payments, you can apply to release your cosigner from your loan. If approved, your cosigner has helped you when you needed it the most and is now released from the responsibility of the remainder of the loan.
>
> [(Emphasis in original.)]

128. The website also stated:

> To qualify for cosigner release, the borrower must have successfully completed school, made **12 consecutive on-time principal and interest payments for Sallie Mae's Smart Option Student Loan® (24 consecutive on-time principal and interest payments are required for all other Sallie Mae private student loan programs)**, meet age of majority requirements, and meet the underwriting requirements when the request for cosigner release is processed. The borrower's account must remain current until the request for the cosigner release is processed. The borrower must be a U.S. citizen or permanent resident at the time the cosigner release is processed.
>
> [(Emphasis added.)]

129. Despite repeated representations regarding the availability of cosigner release, Sallie Mae, Inc., and later Navient, set up various hurdles such that a cosigner release was exceedingly difficult to obtain.

130. For loans Navient had originated and was the lender, it was in Navient's interest that cosigners not be released, but remain obligated to repay the loan because the cosigner would provide an additional source of payment if the borrower failed to pay.

131. Navient misrepresented the meaning of consecutive, on-time, full principal-and-interest payments in two main ways: (1) if a borrower overpaid an extra month's payment so that the borrower received a $0 bill the following month, and in response, the borrower did not make a payment, Navient would treat the borrower as having missed the following month's $0 payment,

thus breaking the chain of consecutive payments, and (2) failing to treat payments made during the grace period as being on time.

132. When a borrower makes a full month's overpayment, Navient advances the borrower's due date for the next payment, absent contrary instructions from the borrower.

133. Advancing the due date means that instead of applying the payment to the outstanding principal, Navient pays the upcoming month's bill. As a result, when Navient has advanced a borrower's due date, a borrower is "paid ahead."

134. For each month that the borrower is in a "paid ahead" status, Navient sends a bill indicating that the payment due for that month is $0 because the borrower is not required to make any payment to remain current on her loan.

135. But, until at least mid-2015, for purposes of cosigner release, Navient treated the lack of payment by a borrower in response to a $0 bill as a failure to make a "consecutive, on-time" payment that month for purposes of qualifying for cosigner release. Instead, Navient "reset" the borrower's progress toward the "consecutive, on-time principal and interest payments" requirement to zero, meaning that the borrower received no credit for the previous consecutive, on-time payments and had to begin the process of qualifying for cosigner release all over again.

136. For example, if a borrower with a $100 payment had made a $100 payment each month from January through September, Navient would have considered her to have made nine consecutive, on-time payments. If she then submitted a $200 payment in October, she would have received a $0 bill for November and thus, if she complied with the bill and made no full payment that month, progress towards cosigner release stopped and Navient reset the "consecutive, on-time" payments to zero. If she then made her regular $100 payment in December, Navient would

consider her to have made only one "consecutive, on-time" payment as of December — even though she never missed or was late on a required payment.

137. This policy was contrary to Navient's statement to borrowers that they can apply for cosigner release if they make a certain number of "consecutive, on-time . . . principal and interest payments." The requirement is only that the "on-time . . . payments" must be consecutive—not that the "months" or "billing cycles" in which on-time payments are made must be consecutive. The requirement does not even refer to months or billing cycles. On the contrary, reasonable borrowers and cosigners would understand that a payment made months early, or in advance of the payment's due date, would be "on time," and that a billing statement declaring $0 due meant exactly that.

138. Further, between at least June 13, 2012 and June 5, 2013, Navient's website stated: "You can apply to release your cosigner after you graduate and demonstrate that you can handle principal and interest payments." Many borrowers can, in fact, demonstrate an ability to handle principal and interest payments by paying ahead, but Navient's policies and procedures did not sufficiently recognize those borrowers for purposes of cosigner release.

139. In addition, Navient's form letter for denial of cosigner release concerning consecutive, on-time payments fails to explain why payments ahead that a reasonable borrower would consider to be "on time" actually disqualify the loan from cosigner release, or how a borrower can change his or her payment practices to fall within Navient's requirements. [redacted]

140. By misleading borrowers as to the consequences of paying ahead, Navient led responsible borrowers into a trap requiring them to make more payments to qualify for cosigner release.

141. In addition to deceiving borrowers regarding the consequences of paying ahead, until May 2015 Navient did not consider payments made during the loan's monthly "grace period" to be timely for the purposes of cosigner release.

142. When student loan borrowers submit a late payment that is nevertheless within the allowable grace period, Navient does not consider the borrower delinquent for purposes of assessing late fees and credit reporting. On the other hand, this same type of payment within the grace period was nevertheless considered delinquent for the purposes of defining on-time payments required for cosigner release.

143. A reasonable borrower would have been under the belief that Navient considered a payment made during the grace period as being timely for purposes of determining cosigner release.

144. Navient's communications to borrowers created and reinforced this belief that a payment within the grace period would not interrupt their eligibility for cosigner release. Navient's form letter to a borrower inquiring about cosigner release states, [redacted] That statement is deceptive, however, because a borrower would either lose eligibility for cosigner release, or lose credit for that month's payment, if a payment was made within the grace period albeit past the exact due date.

145. In summary, Navient's deceptive communications regarding the "on-time consecutive payments" requirement, up to May 2015, gave borrowers who paid ahead or during

the grace period the mistaken impression that they were on their way to satisfying this cosigner release requirement, when in fact they were not.

146. [redacted]

147. In spite of borrowers' confusion about the consecutive payment requirements to qualify for release, [redacted], the denial letter Navient sent borrowers only contained a general statement that the borrower had not made the required consecutive, on-time principal and interest payments, providing no detail regarding the meaning of that generic statement or ways in which a borrower could cure the defect.

4. Deceiving Borrowers About the Amount Needed to Make an Account Current, Using the Misleading Term "Present Amount Due"

148. When borrowers with private or federal student loans are past due on their accounts, but have yet to default, Navient begins collections calls to borrowers and cosigners, and during those calls misrepresents that borrowers owe the next month's payment as well as the delinquent amount, the sum of which Navient misleadingly calls the "Present Amount Due," rather than only the delinquent amount. Borrowers that are misled into making those payments are financially harmed.

149. By misrepresenting what the borrower owes and leading the borrower to believe that Navient is seeking to collect only the amount necessary to bring the borrower current, Navient in fact collects more than the amount necessary to bring the borrower current.

150. [redacted]

[redacted]

151. [redacted]

152. Misrepresenting that borrowers owe the Present Amount Due rather than the delinquent amount makes a material difference to the average borrower, [redacted], Defendants' practice of demanding the Present Amount Due can result in

a borrower paying hundreds of dollars before that money is actually due, and weeks before the borrower may have budgeted for it.

153. [redacted]

154. [redacted]

155. Navient's incentive compensation structure reinforces its objective of maximizing the amount it can collect immediately. [redacted]

156. [redacted]

157. [redacted]

[redacted]

158. Borrowers who pay the Present Amount Due are unaware that it is possible for them to pay a lesser amount to clear the delinquency and bring their account current. Borrowers who pay the Present Amount Due by using a credit card—one of the options suggested by Navient—may end up paying more in interest on the credit card balance taken out to make the next month's payment than they would have paid on the loan had they waited to pay the next month's payment on its scheduled due date. These unnecessarily higher credit card balances also harm borrowers' credit scores.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS

(UNCONSCIONABLE COMMERCIAL PRACTICES and DECEPTION)

159. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 158 above as if more fully set forth herein.

160. The CFA, N.J.S.A. 56:8-2, prohibits:

> The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby…

161. The CFA defines "merchandise" as including "any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale." N.J.S.A. 56:8-1(c).

162. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), including, but not limited to the services they provide to student borrowers and the availability of, and requirements for, such programs as forbearance, income driven repayment plans, recertification of borrowers' eligibility for various repayment plans, cosigner release, and related subjects.

163. In the operation of their businesses, Defendants have engaged in the use of unconscionable commercial practices, deception, false promises and/or misrepresentations.

164. Defendants have engaged in unconscionable commercial practices including, but not limited to, the following:

a. Deceptively representing that Navient counsels borrowers about their repayment options, when in fact, little to no counseling actually occurs;

b. Misrepresenting to borrowers the repayment options available to them;

c. Steering borrowers into forbearance when it was not in the borrowers' best interests and when other income driven repayment plans were more suitable for borrowers who otherwise qualified for them;

d. Deceptively and inappropriately offering forbearances to federal student loan borrowers who express a long-term inability to repay by misrepresenting available repayment options, or the appropriateness of forbearance when IDR plans were better suited for those borrowers;

e. Setting compensation plans that incentivize customer service representatives to keep their call [redacted] low, thereby fostering an environment where borrowers are steered into forbearance and IDR is not properly discussed;

f. Deceptively representing that Navient will provide a date certain by which a borrower must submit materials to timely recertify an IDR plan, when in fact, no such date is provided;

g. Misrepresenting to borrowers the consequences of their failure to timely recertify an IDR plan;

h. Deceptively and unfairly misrepresenting the substance of electronic communications relating to borrowers' need to recertify eligibility for an IDR plan;

i. Deceptively promoting cosigner release broadly, when, in fact, very few cosigners actually qualify for the release rendering it an illusory benefit;

j. Deceptively representing the meaning of consecutive, on-time, full principal and interest payments as the qualifications for cosigner release, specifically as it relates to: (1) paid ahead status; and (2) grace period payments;

k. Creating a likelihood of confusion or misunderstanding for borrowers as to the necessary requirements for obtaining a cosigner release;

l. Utilizing deceptive communications with borrowers concerning their denial for cosigner release, such that borrowers cannot cure those defects to successfully reapply for release; and

m. Deceptively representing to delinquent borrowers that the "present amount due" is the amount required to bring the borrower's account current, when in fact, the "present amount due" as Navient used the term, is actually the past due amount plus the next monthly payment;

165. Each unconscionable commercial practice by Defendants constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS

(MISREPRESENTATIONS)

166. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 158 above as if more fully set forth herein.

167. Defendants' conduct in violation of the CFA includes, but is not limited to, the following acts of false promises and/or misrepresentations:

a. Misrepresenting that Navient counsels borrowers about their repayment options, when in fact, little to no counseling, actually occurs;

b. Misrepresenting to borrowers the repayment options available to them;

c. Misrepresenting to borrowers that Navient will provide a date certain by which a borrower must submit materials to timely recertify an income-driven repayment plan when, in fact, no such date is provided;

d. Misrepresenting to borrowers the consequences of their failure to timely recertify an income-driven repayment plan;

e. Misrepresenting to borrowers the substance of electronic communications relating to borrowers' need to recertify eligibility for an IDR plan;

f. Misrepresenting the meaning of consecutive, on time, full principal and interest payments as the qualifications for cosigner release; specifically, as it relates to: (1) paid ahead status; and (2) grace period payments; and

g. Misrepresenting to borrowers that the present amount due is the amount required to bring their account current, when in fact, it is actually the past amount due, plus the next monthly payment.

168. Each false promise and/or misrepresentation by Defendants constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

(a) Finding that the acts and practices of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 to -226;

(b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control from engaging in, continuing to engage in or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 to -226, including, but not limited to, the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;

(c) Directing Defendants to pay restitution to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by N.J.S.A. 56:8-8;

(d) Directing Defendants to disgorge to the New Jersey Division of Consumer Affairs, all profits they have derived as a result of the conduct alleged herein, as authorized by N.J.S.A. 56:8-8;

(e) Directing Defendants to pay the maximum statutory civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;

(f) Directing Defendants to pay costs and fees, including attorneys' fees, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and

(g) Granting such other relief as the interests of justice may require.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Cathleen O'Donnell
Cathleen O'Donnell
Deputy Attorney General

Ana Atta-Alla
Deputy Attorney General

Christopher Kozik
Deputy Attorney General

Dated: October 19, 2020
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 to -226, is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Cathleen O'Donnell
Cathleen O'Donnell
Deputy Attorney General

Dated: October 19, 2020
Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Cathleen O'Donnell
Cathleen O'Donnell
Deputy Attorney General

Dated: October 19, 2020
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Cathleen O'Donnell, Ana Atta-Alla and Christopher Kozik are hereby designated as trial counsel for the Plaintiffs in this action.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: /s/ Cathleen O'Donnell
Cathleen O'Donnell
Deputy Attorney General

Ana Atta-Alla
Deputy Attorney General

Christopher Kozik
Deputy Attorney General

Dated: October 19, 2020
Newark, New Jersey