



PRESS RELEASE

Attorney General Frosh to Student Loan Debt Relief Company: Pay Refunds to Consumers and Cease Illegal Conduct

Consumer Protection Division Issues Cease and Desist Order against Student Loan Counsel for Falsely Promising to Enroll Consumers in Loan Forgiveness Programs; Announcement Comes as Part of National Crackdown

Baltimore, MD (October 13, 2017) – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has issued a cease and desist order finding that H&S Marketing, LLC; Client Processing Services, LLC; Henrique Silva; Melissa Haddad; Cimar Scaff; and Gail Ghada Haddad, collectively doing business as Student Loan Counsel, violated the Consumer Protection Act, the Maryland Credit Services Businesses Act, and the Maryland Debt Settlement Services Act. The order requires Student Loan Counsel to return all of the money collected from Maryland consumers, and to pay any damages suffered by Marylanders who were affected by their illegal conduct.

Student Loan Counsel promised to help consumers obtain student loan debt forgiveness or lower their monthly student loan payments. Student Loan Counsel also falsely represented that they had particular expertise that would help consumers, although consumers can submit applications to their own student loan servicers for these programs, at no charge and without any expertise. Despite charging an advance fee of \$599 and then \$39 per month throughout the entire remaining loan term, Student Loan Counsel failed to perform the promised services and refused to provide refunds to consumers. Student Loan Counsel's business was also subject to the Maryland Credit Services Businesses Act and the Maryland Debt Settlement Services Act. Both of these laws were violated by Student Loan Counsel when they operated without being licensed as a credit services business, without being registered as a debt settlement services provider, and by collecting money prior to performing all promised services.

Today's announcement comes as part of a national crackdown in partnership with the Federal Trade Commission and 12 state attorneys general. The FTC's "Operation Game of Loans" is the first coordinated federal-state law enforcement initiative targeting deceptive student loan debt relief scams. This nationwide crackdown encompasses 36 actions by the FTC and state attorneys general against scammers alleged to have used deception and false promises of relief to take more than \$95 million in illegal upfront fees from American consumers.

Student loan debt affects more than 44 million Americans and, with outstanding balances of more than \$1.4 trillion, student loans are the second largest segment of U.S. debt, after mortgages.

“These companies took advantage of a vulnerable student population trying to pay off debt,” said Attorney General Frosh. “We will insist that they make their victims whole.”

The order immediately requires the cessation of all conduct in violation of Maryland law and bars Student Loan Counsel from conducting any further business in Maryland without posting a \$100,000 bond to protect consumers.

Consumers with complaints against Student Loan Counsel or any of its affiliated companies or owners may call the Maryland Consumer Protection Division at 410-576-6569 or write to the Maryland Consumer Protection Division at 200 St. Paul Place, 16th Floor, Baltimore, MD 21202.

How to Avoid Student Loan Debt Relief Scams

For information about how to avoid falling victim to these schemes, visit [ftc.gov/StudentLoans](https://www.ftc.gov/StudentLoans).

For [information about existing repayment and forgiveness programs](#) available to borrowers at no cost, visit StudentAid.gov.

Consumers should remember that only scammers promise fast loan forgiveness, and that scammers often pretend to be affiliated with the government or loan servicers. Consumers should never pay an upfront fee for help or share their Federal Student Aid ID with anyone.

Consumers can apply for loan deferments, forbearance, repayment, and forgiveness or discharge programs directly through the U.S. Department of Education or their loan servicer at no cost; these programs do not require the assistance of a third-party company or payment of application fees. For federal student loan repayment options, visit StudentAid.gov. For private student loans, contact the loan servicer directly.

In making today’s announcement, Attorney General Frosh thanked Assistant Attorneys General W. Thomas Lawrie and Christopher Madaio and Investigator Diana McGee for their work on the case.

A copy of the Cease and Desist Order [can be found here](#).