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OFFICIAL TRANSCRIPT PROCEEDING

FEDERAL TRADE COMMISSION

MATTER NO. 1723027

TITLE AMERICAN FINANCIAL BENEFITS CENTER

DATE RECORDED: DATE UNKNOWN

TRANSCRIBED: SEPTEMBER 6, 2018

PAGES 1 THROUGH 15

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For The Record, Inc.

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FEDERAL TRADE COMMISSION

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In the Matter of:)
American Financial Benefits) Matter No. 1723027
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Date Unknown

The following transcript was produced from a
digital file provided to For The Record, Inc. on
September 5, 2018.

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P R O C E E D I N G S

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JACKIE: Thank you for calling in to customer service. This is Jackie speaking. How can I help you?

[REDACTED]: Oh, hi, Jackie. My name is [REDACTED]. I am currently a member of AFBC and I wanted to cancel my membership and see how I would go about doing that.

JACKIE: Okay, [REDACTED], not a problem. I can go ahead and put you through to one of our supervisors that might be able to assist you. Give me just a moment.

(Pause.)

PAUL: Hello, Jackie.

JACKIE: Hey, Paul. How are you doing?

PAUL: Doing pretty good. How about you?

JACKIE: Good. I'm glad it's Friday because I'm exhausted.

PAUL: Me, too.

JACKIE: I think that's the general consensus for everyone. It's like, oh, God, we made it.

1 PAUL: Yes, we're almost there.

2 JACKIE: Okay. Who is it that I have here?

3 [REDACTED]. Did she come up for you?

4 PAUL: [REDACTED], yes.

5 JACKIE: So she is wanting to stick with her
6 servicer to handle her account. She just doesn't
7 really see a benefit in working with us any longer,
8 especially with everything that we have going on --

9 PAUL: Mmm.

10 JACKIE: -- (inaudible) account. She was a
11 two (inaudible) account anyway, so this really isn't,
12 I mean, too much of a loss here. We quoted here \$10
13 and then once we got her tax return back, her
14 (inaudible) is actually \$90,000 and her paystubs are
15 91. And so her lowest IDR is around \$747.

16 PAUL: Is she married?

17 JACKIE: Married, filing --

18 PAUL: Ahhh --

19 JACKIE: -- I thought it was married joint.

20 PAUL: Single.

21 JACKIE: I might be wrong. No, single.

22 PAUL: She should have direct loans. Oh, my
23 God, we never got her into an IDR.

24 JACKIE: Nope. Surprise.

25 PAUL: No wonder. No wonder.

1 JACKIE: That was my thinking, too, when I
2 first saw the file. I'm like, ohh, that's probably
3 not a big deal, and then it's like -- I'm like, oh,
4 okay, well --

5 PAUL: Oh, my God. She's about out of
6 forbearance. I mean, actually (inaudible) forbearance
7 (inaudible) almost. Wow. That's crazy. Let's check
8 out -- well, so she's never been on an income-driven
9 repayment, so -- she should be on a standard.

10 Let's see.

11 It looks like she got more debt, too. She
12 has 157,000 now.

13 Loan originated.

14 Deferred.

15 Oh, yeah, she doesn't -- yeah, the payments
16 are deferred. So -- all right (inaudible) 10 to 3
17 (inaudible) she was paying out-of-pocket over current
18 cost (inaudible).

19 And let's see.

20 Yeah, the payments are going to be 498.

21 Okay, I'm ready.

22 JACKIE: Okay. I will get [REDACTED] over to
23 you in three, two, one.

24 PAUL: Hi, [REDACTED]?

25 [REDACTED]: Yes.

1 PAUL: Hi, my name is Paul. I'm a
2 supervisor here at AFBC. How are you doing today?

3 [REDACTED]: I'm good. How are you,
4 Paul?

5 PAUL: Oh, I'm doing great. Thank you for
6 asking. So --

7 [REDACTED]: Good.

8 PAUL: -- how can I help you today?

9 [REDACTED]: I was actually just calling
10 to cancel my membership with you. I've been dealing
11 with my school and provider directly, so I don't think
12 I need to do that through you guys anymore.

13 PAUL: Okay. I mean, our services are at-
14 will. You can always opt out of them. My main
15 concern for you is that working with your servicer
16 because they -- their interests are quite opposite
17 from what your interests are. They're -- they collect
18 -- I mean, they profit off of every dollar that you
19 send them. So they are going to try to get you into
20 the highest payment where they can profit off of you.

21 Our whole goal is to keep you not only on
22 track for loan forgiveness, but on the lowest income-
23 driven repayment that you do qualify for. Now, I know
24 that we told you, I think, that your payment would be
25 747 if you -- if you remain on the income-based

1 repayment. But I actually am looking at here, you --
2 you can move to a different one, a lower one, as long
3 as you're -- I mean, as long as you're not married,
4 then the payment would only be 498 per month. And
5 that would still qualify --

6 [REDACTED]: What pro --

7 PAUL: Go ahead.

8 [REDACTED]: What program is that? Is
9 that -- that's not income-driven? What program is
10 that?

11 PAUL: No, it is, it is. They're all
12 income-driven repayments because those are -- you need
13 income-driven payments to achieve total loan
14 forgiveness, and it's not based on how much you pay.
15 It's based on you making the income-driven payments on
16 time each month and renewing them each year.

17 [REDACTED]: Mm-hmm.

18 PAUL: Now, you -- I've noticed that you
19 either went back to school or are you currently in
20 school right now?

21 [REDACTED]: No. I just graduated last
22 weekend --

23 PAUL: Oh.

24 [REDACTED]: -- from school. So I'm
25 kind of moving into that six-month period.

1 PAUL: I see.

2 [REDACTED]: But I've been -- yeah, I've
3 been talking to my loan provider. So I get what you
4 guys offer. I'm just a little skeptical for several
5 reasons now, because after talking to my loan
6 provider, they don't have any communication of talking
7 to you guys whatsoever.

8 I was told that all of the fees that I'd be
9 paying you would go towards my loan and they have
10 gotten zero money from you. Then the loan amount you
11 just -- or the monthly payment you just told me --

12 PAUL: Mm-hmm.

13 [REDACTED]: -- is not the one that
14 Nicole Silvestri told me several months ago, nor the
15 one that the person before that told me. So it seems
16 like it keeps changing.

17 So to be honest, I know that, you know,
18 you're going to give me the spiel of how you guys can
19 help me and I really appreciate that, but I think, at
20 this point, I'm just more comfortable going through
21 Nelnet because I'm real skeptical of what's going on
22 with you guys at the moment.

23 PAUL: Okay. Yeah, I mean, well, I
24 completely understand. But, I mean, you're working
25 with a company who profits off of your payments. So

1 that's really the worst thing you could do. I mean,
2 whether you go with us or whether you go with other
3 professional services or you do it yourself, working
4 with a company who profits off of your payments, I
5 mean, they're going to set you up to profit off of
6 you. That's -- they're a multi-million-dollar
7 company.

8 And I'll be honest with you that the -- a
9 lot of loan servicers like Nelnet are in a lot of
10 legal trouble because, I mean, the allegations show
11 that loan servicers, because they're so profit-driven,
12 that they, you know, mis-educate and mis-inform
13 borrowers like you to get them in the highest payments
14 that they can profit off of you. That's why --

15 [REDACTED]: And I app -- and I
16 appreciate that info, but, quite honestly, you guys
17 are in the middle of the same thing. So I'm not
18 really seeing the difference at this point in time.
19 So if you could really do me a favor, Paul --

20 PAUL: Mm-hmm.

21 [REDACTED]: -- and just cancel my
22 membership and I will -- whatever you need me to do to
23 do that. I would really appreciate it --

24 PAUL: Yeah.

25 [REDACTED]: -- if we could just do that

1 today.

2 PAUL: Yeah, I can certainly do that. But
3 keep in mind, too, you're not getting all the
4 information, [REDACTED], and the letter that you
5 received does not mention the lawsuit that we filed
6 against the FTC ten months ago, which they've refused
7 to defend. And that case remains open in the Northern
8 District of California. So you are not getting all
9 the information. And I understand you obviously have
10 trust issues at this point.

11 Had we got you into an income-driven
12 repayment, you would be earning those credits towards
13 achieving loan forgiveness, but I see that we've, you
14 know, to this point, didn't get all the necessary
15 documents. But, again, you know, you're working
16 directly with a company who profits off of your
17 payments. I mean, that's the reason why a lot of
18 people are in default right now. But these are the
19 risks --

20 [REDACTED]: Mm-hmm.

21 PAUL: -- that you are taking. They are
22 your loans and, you know, this is your decision. But
23 I hope you understand that you're making a decision
24 not getting all the information and, you know,
25 really you're canceling services for a company that

1 advocates --

2 [REDACTED]: I'm not --

3 PAUL: -- versus a company that --

4 [REDACTED]: And, Paul, I get it. I --

5 PAUL: -- profits off of you, so --

6 [REDACTED]: I get it, but I'm not

7 making my decision just solely based on the lawsuit.

8 I'm making my decision based on several

9 inconsistencies that have happened every time I talk

10 to somebody new at your organization.

11 PAUL: Okay, well --

12 [REDACTED]: When I call Nelnet, they're

13 consistent every single time.

14 PAUL: They are? Right. That's what they

15 want you to think, but, again, you are --

16 [REDACTED]: Okay, okay, enough --

17 PAUL: -- you are putting your loans in --

18 [REDACTED]: -- enough of this. Can --

19 PAUL: Yeah, yeah.

20 [REDACTED]: That's fine.

21 PAUL: I'll cancel your account.

22 [REDACTED]: You've made it perfectly

23 clear --

24 PAUL: I'll cancel your account, [REDACTED].

25 [REDACTED]: -- and --

1 PAUL: Okay.

2 [REDACTED]: -- if you could please do
3 that and whatever you need from me and I would like to
4 get an email confirmation, I would really appreciate
5 that.

6 PAUL: So our -- I will cancel your account
7 today. Our billing and processing will be notified to
8 cease all activity on your account. You should
9 receive an email confirmation of the cancellation
10 within 24 hours. Once I close your case, you will be
11 emailed the case number for your records.

12 I want to let you know that by canceling
13 your file, we will no longer submit or process
14 anything further towards your loans. If a
15 consolidation repayment plan was submitted, it is up
16 to you to handle your accounts on your own.

17 And then before I let you go, please confirm
18 I've resolved your concern to your satisfaction today.

19 [REDACTED]: Yes.

20 PAUL: Okay. I'm canceling your account as
21 we speak. You should get the email in 24 hours or
22 less. And, [REDACTED], we wish you the best moving
23 forward.

24 [REDACTED]: Thanks.

25 (Previous conversation between Jackie and

1 Paul repeats on recording.)

2 (The recording was concluded.)

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1 CERTIFICATE OF TRANSCRIPTIONIST

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I, Elizabeth M. Farrell, do hereby certify

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supervision; that I had no role in the recording of

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I further certify that I am neither counsel

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DATE: 9/6/2018

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ELIZABETH M. FARRELL, CERT

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