

FIVE TIPS FOR FIGHTING A STUDENT LOAN SOLUTIONS LAWSUIT

Student Loan Solutions or SLS has failed to offer any student I know of any solutions that are good for the person.

Who they are: SLS buys old Bank of American Student Loan Debt and then sues the student sometimes ten years after the debt was charged off.

Generally, the loan can't be sued upon in some states after the Statute of Limitations has expired. However, in some states SLS will sue under an account stated/breach of contract lawsuit and claim that because the statute of limitations does not start until the owner of the debt or Lender calls in the whole balance, they send students letters from a collection law firm, usually Williams and Fudge for the full balance right before suing on the debt and then tell the court the Statute of Limitations (long since passed) has started only for the first time when the collection letters were sent out.

So, in Michigan, the Statute of Limitations is 6 years from the last payment due.

In Florida, it is generally five years.

In California, the Student Loan SOL is generally four years.

How to Beat them:

Tip # 1: Some states are receptive to the "Whole Balance" resurrection of the Statute of Limitations.

But I have found one big quirk or failure of their approach. Prior to Bank of America Selling the Student Loans to SLS usually around 2014-2018, Bank of America tried one last approach in getting the student to pay the debt to them. They hired a Collection Company Sunrise Collections

to send a letter to their debtors and seek the Full Balance owed but with a settlement offer.

Here are two examples of what those letters look like.

They both ask for the Full Balance paid to the collection company for Bank of America.

The student has stopped paying and the statute of limitations passes and now the student is immune from being sued on the debt. SLS sends its Williams & Fudge letter claiming the SOL has started again by asking for the Full Amount. See the Williams & Fudge Example.

Technically in some states that works. The Contract calls for the right of the Lender to seek the full balance. SLS claims it bought the debt and therefore the right to seek the full balance. However, if you can show that you received the full balance letter from Sunrise Collections or Bank of America, then the Statute of Limitations already started under the Contract so SLS can't start it again.

So, if you have that letter, you have a great way out of the lawsuit in a state that follows the Full Balance Rule.

Tip #2: I mention California because a lot of these SLS lawsuits are based on Choice of Law provisions citing BOA's contract language saying that the Student that took out the loan agrees to follow California law-BOA's home pursuant to the Contract.

So, no matter what state you are in, this is a defense and a problem for SLS so cite this Choice of Law provision in your Answer. Here is an Example from an SLS case. Further, if the court keeps the case but agrees to operate under California law, the SOL is only four years in California so that too is a defense.

Counter Affidavit as always and detail you received the BOA/Sunrise Demand years ago even if you lost the letter. Swear under oath that you did if that is the truth. You or your attorney should subpoena the Sunrise Collection or Bank of America records.

Tip #3: Chain of Title/Proof of Assignment of your specific debt:

Make SLS show a Chain of Title from BOA to SLS directly showing a SIGNED ASSIGNMENT WITH YOUR NAME AND ACCOUNT NUMBER AS A LOT OF STATES REQUIRE TO PROVE AND ASSIGNMENT. They will not have it and will just provide a Bill of Sale and some hearsay account paperwork. Here is an Example of their "proof."

I will put an SLS complaint on my website and an Answer in Word citing the SOL Letter, Chain of Title and Choice of Law provision as a defense.

Tip #4: Subpoena the BANK OF AMERICA records.

Don't just rely upon SLS. Get the records showing your specific debt was assigned to SLS.

Tip #5: Securitization. Google the debt and see if the BOA debt was securitized. There would have to be proof the debt was returned from the Trust and back to BOA before it can be sold to SLS. Unlikely. That's a defense.

The facts may help you further but don't give up no matter what you have. The Burden of Proof is on SLS and your defense is strong even with your Chain of Title Defense. Good luck.