

Peabody & Arnold Attorneys Successfully Defend Claims Of Student Loan Predatory Lending

Partners

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Robert McCall, Steve DiCairano, and Jack O'Connor have successfully defended a lender-liability/consumer protection act suit in federal court in New Hampshire. The lawsuit raised novel theories and allegations relating to student loan predatory lending and debt collection practices. The suit was brought by a borrower, an attorney, against multiple defendants who issued student loans to him, administered the loans, and then sought to collect after he failed to pay. The borrower asserted a variety of claims sounding in lender liability and unfair trade practices based on a theory of predatory lending in the student loan context. Building on that theory, the borrower sought to discharge his six-figure student loan debt entirely and obtain both compensatory and punitive damages against all defendants.

Robert, Steve, and Jack moved to dismiss all counts as time barred and for failure to state claims, arguing successfully that those claims did not fall within the scope of the consumer protection statute and, in essence, related to the origination of the borrower's law school loans decades before. Despite a contention that further discovery and an amendment of the complaint would disclose a viable legal claim, the Court, after a hearing, issued a detailed memorandum of decision granting the motion in full for the reasons given by the P&A team. [See *Laura v. Great Lakes Higher Education Guaranty Corporation, et al.*, 2018 WL 671174, 2018 DNH 023, C.A. No. 1:17-cv-00373-JL \(D.N.H. Feb. 1, 2018\).](#)