



## Rob Lavet

*Principal, Education Practice  
Powers, Pyles, Sutter and Verville*

*As seen in The Greentree Gazette, August 2008. Published with permission.*

*Rob Lavet worked for sixteen years at Sallie Mae, becoming Senior Vice President and General Counsel there in 2005. Prior to Sallie Mae he was a trial attorney for the United States Department of Justice. He joined this Washington-based law firm in 2008.*

### **How did your experience as a trial attorney at the U.S. Department of Justice help you during your work at Sallie Mae?**

At Justice I worked in high profile civil litigation where a government agency and sometimes a government official were usually the defendants. The cases involved disputes over the validity of federal programs or actions taken by officials. That involved a wide range of government agencies. A thorough grounding on the legal limits of federal authority served me well at Sallie Mae, where on at least two occasions we sued the U.S. Department of Education. One victory actually later paved the way for student loan securitization. We also won the only court case ever litigated on prohibited inducements.

### **What is your area of responsibility at this law firm, and who are its clients?**

We have an extensive education practice, of which I am now a principal. The range of schools we represent is wide. We also represent investors, lenders, servicers and accrediting agencies. We also represent hospitals, physicians groups and trade associations. My objective is to strengthen the firm's education practice by applying my knowledge of the financing side of higher education. I also want us to be seen as a strong advocate for people and organizations who may find themselves subjects of government investigations or defendants in civil litigation involving consumer credit law.

### **Will the latest HEA reauthorization create much work for attorneys?**

Yes. Some of the areas are new rules involving private loans, new code of conduct requirements, new preferred lender list requirements, and changes in the 90/10 rule that will stimulate institutional lending.

### **How did you view Andrew Cuomo during the peak days of his student loan investigation?**

During his investigation, I regretted that the few instances of wrongdoing were not dealt with by the U.S. Department of Education. ED could have asserted its authority over its own federal program, and did not. Meanwhile, his comments about private loans being 'the wild west' and

'lenders running amok' were way out of line. Those loans have always been subject to truth in lending rules, and they're made by regulated banks.

**And what are the most significant results?**

I think his actions de-stabilized the entire student loan business and led to the destructive cuts in the College Cost Reduction Act of 2007, which made FFEL lending unprofitable for most lenders. Lenders and schools have been demonized. And now we have new regulations that will require disclosures at three separate points of the private loan process - solicitation, approval and consummation.

**What are the top legal issues that a campus general counsel should be concerned about?**

Campus security is a major topic and quite broad. The high price of outside lawyers is another. The ever-increasing regulatory and reporting requirements creates a burden of incredible size.

**What danger lurks in over-regulating private student loans?**

Where else would a borrower with no income get a loan of any size? Lenders are making private student loans, and waiting years for repayment, because they are in effect valuing very highly the education being purchased—and the future prospects of the purchaser. It's inevitable that lenders will appraise the value of where and from whom the borrower is making that purchase. Looming in the present are plaintiff lawyers who are eager to file class action suits against lenders under claims of discrimination. Looming in the future could be more misguided federal legislation.

**How has a national tennis ranking helped you during your career?**

I came to Sallie Mae through a tennis partner who was then treasurer there. Tennis taught me tactics and strategy. And I apply tactics and strategy to solve legal problems.