

# United States Senate

WASHINGTON, DC 20510

June 29, 2026

Henry Kravis, Co-Founder and Chief Executive Officer  
George Roberts, Co-Founder and Chief Executive Officer  
Joseph Bae, Co-Chief Executive Officer  
Scott Nuttall, Co-Chief Executive Officer  
KKR & Co. Inc.  
30 Hudson Yards  
New York, New York, 10001

Dear Mr. Kravis, Mr. Roberts, Mr. Bae, and Mr. Nuttall,

We write to request information about a recently announced “multi-year strategic partnership” between private student lender, Sallie Mae, and private equity investor, KKR. This relationship represents the concerning advancement of private equity interests in the student loan industry—a dynamic that has historically resulted in low transparency and harm to borrowers.<sup>1</sup> Private equity should not prey on people’s educational dreams for profit, but if the past is prologue, it will.

Private equity has become increasingly involved in the student loan industry. On November 12, 2025, Sallie Mae announced that it would partner with KKR, and KKR would provide “a minimum of \$2 billion in newly originated private education loans annually, for an initial three-year term.”<sup>2</sup> Their collaboration marks KKR’s second multi-billion dollar investment in student loan debt: on July 17, 2024, the firm published a joint press release with Carlyle, another global investment firm, disclosing that it “agreed to purchase an approximately \$10.1 billion portfolio of prime student loans from Discover Financial Services.”<sup>3</sup>

A February 2026 report prepared by the Offices of Senators Warren, Schumer, Sanders, Blumenthal, Hirono, Markey, Merkley, Van Hollen, and Wyden revealed a concerning pattern of partnerships between private student loan lenders and private equity. Of note, it found that “[h]alf of the private lenders surveyed either have sold student loans to private equity firms or plan to do so in the future.”<sup>4</sup> This is particularly concerning in light of the history of private equity involvement in higher education: “PE-backed chains in the for-profit education sector have pursued high-pressure recruitment and tuition financing models that

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<sup>1</sup> Protect Borrowers, “Private Student Loan State Legislation,” <https://protectborrowers.org/what-we-do/state-local-projects/state-regulatory-advocacy/private-student-loan-state-leg/>; Americans for Financial Reform and Private Equity Stakeholder Project, “Private Equity’s Failing Grade: Private Equity Investment in For-Profit Colleges,” Alexis Goldstein and Jim Baker, March 2018, <https://pestakeholder.org/wp-content/uploads/2018/03/Private-Equitys-Failing-Grade-PESP-AFR-032218-2.pdf>.

<sup>2</sup> Sallie Mae, “Sallie Mae Launches Private Credit Strategic Partnership with KKR,” November 12, 2025, press release, <https://news.salliemae.com/news-releases/news-releases-details/2025/Sallie-Mac-Launches-Private-Credit-Strategic-Partnership-with-KKR/default.aspx>.

<sup>3</sup> Carlyle, “Carlyle and KKR Strategic Partnerships Agree to Acquire Approximately \$10.1 Billion Prime Student Loan Portfolio from Discover Financial Services,” July 17, 2024, press release, <https://www.carlyle.com/media-room/news-release-archive/carlyle-and-kr-strategic-partnerships-agree-acquire-approximately>.

<sup>4</sup> Offices of Senators Elizabeth Warren, Charles E. Schumer, Bernard Sanders and Richard Blumenthal... et. al, “Costly Consequences: How the Trump Administration Unleashed Private Student Loan Lenders,” February 2, 2026, p. 1, [https://www.warren.senate.gov/imo/media/doc/final\\_-\\_private\\_student\\_loan\\_report\\_on\\_plan\\_to\\_profit\\_from\\_big\\_beautiful\\_bill.pdf](https://www.warren.senate.gov/imo/media/doc/final_-_private_student_loan_report_on_plan_to_profit_from_big_beautiful_bill.pdf).

generate cash flow but expose students to debt burdens unsupported by post-graduation earnings, [which has] prompt[ed] enforcement by the Department of Education and state attorneys general.”<sup>5</sup>

KKR is no stranger to predatory partnerships with the private education industry. For example, between 2014 and 2015, KKR became a “major lender” to Education Management Corp (EDMC).<sup>6</sup> EDMC was one of the largest for-profit education companies and was charged by the U.S. Department of Justice (DOJ) for “claims of illegal recruiting, consumer fraud, and other violations” during the period for which KKR was a major lender.<sup>7</sup> During a time when EDMC was struggling to pay its debts, and right before it ultimately settled with the DOJ for \$95.5 million, KKR led “the company’s lenders...[to convert] their loans to a 90 percent equity stake.”<sup>8</sup> This minimized lenders’ risk of not being repaid, because as now-owners they could decide how the company spent what little funds remained as the company declined and eventually declared bankruptcy.<sup>9</sup> Profits took priority and students were left in the dark, with little to show for their education except student loan debt.<sup>10</sup> KKR’s financial relationship with EDMC demonstrates a willingness to tolerate aggressive profit-seeking at students’ expense, and that should be disqualifying for bearing the responsibility for borrowers’ financial futures.

Given KKR’s history of ignoring the predatory practices of their partners, we have concerns about this expansion into private lending. Private lenders have a history of discriminatory and predatory practices, such as providing inaccurate billing statements, withdrawing excessive funds from borrowers’ accounts, misrepresenting unemployment protections, and wrongfully denying discharges for bankruptcy or for Total and Permanent Disability.<sup>11</sup> Thus far, KKR has given no assurances that it will protect borrowers from abusive and illegal practices.

In the interest of providing transparency about private student lending and your current and future involvement, we request that you provide responses to the below requests no later than July 13, 2026.

1. Provide the current total dollar amount of investments that KKR has in the private student loan industry. Please include the name of the company from which the purchase was made, date of purchase, the total percentage of loans that are currently in repayment, the percentage of loans that are currently delinquent, and the percentage of loans that are currently in default.
2. Provide the total dollar amount of future investments that KKR is currently contracted to make in the private student loan industry. Please specify the name of the company from which the purchase will be made and include the future date of purchase.
3. Is KKR currently working directly or indirectly (through third-parties) with any companies tasked with debt collection?

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<sup>5</sup> The University of Chicago Business Law Review, “The Dark Side of Private Equity,” Anonymous, 2026, <https://businesslawreview.uchicago.edu/online-archive/dark-side-private-equity>.

<sup>6</sup> Goldstein and Baker, *supra* note 1.

<sup>7</sup> *Id.*; The New York Times, “For-Profit College Operator EDMC Will Forgive Student Loans,” Patricia Cohen, November 16, 2015, <https://www.nytimes.com/2015/11/17/us/for-profit-college-operator-edmc-will-forgive-student-loans.html>.

<sup>8</sup> Goldstein and Baker, *supra* note 1.

<sup>9</sup> WilmerHale Legal Services Center of Harvard Law School, Project on Predatory Student Lending, “Information About Art Institutes Closures and Bankruptcies, Legal Services Center,” July 13, 2018, <https://legalservicescenter.org/information-about-art-institutes-closures-and-bankruptcies/>.

<sup>10</sup> *Id.*; Cohen, *supra* note 7.

<sup>11</sup> Consumer Financial Protection Bureau, “Supervisory Highlights: Special Edition Student Lending,” December 16, 2024, pp. 3, 7, 8, 17, [https://files.consumerfinance.gov/f/documents/cfpb\\_supervisory-highlights-special-ed-student-lending-issue-36-winter\\_2024-12.pdf](https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights-special-ed-student-lending-issue-36-winter_2024-12.pdf).

- a. If so, please provide the name of each debt collection company, the administrative agreement (including start and end dates), and a summary of how KKR conducts oversight of each business.
  - b. If not, does KKR plan to work directly or indirectly (through third-parties) with any companies tasked with debt collection? Please provide the name of each debt collection company.
4. Is KKR currently working directly or indirectly (through third-parties) with any companies tasked with servicing student loans held by KKR?
  - a. If so, please provide the name of each student loan servicer, the administrative agreement (including start and end dates), and a summary of how KKR conducts oversight of each business.
  - b. If not, does KKR plan to work directly or indirectly (through third-parties) with any companies tasked with servicing student loans?
5. Please describe your approach to ensuring any contracted loan servicer or debt collector complies with applicable federal and state consumer laws.
6. Please provide any details about voluntary options for loan modification, including income-driven repayment options that KKR makes available to customers experiencing financial distress.
7. In contracts involving KKR and servicers of student loans, what provisions are included to provide assurances to borrowers that KKR will not take actions that might increase rates of default or create financial harm for borrowers for the sake of profits?
8. How much profit does KKR anticipate from participation in the private student loan industry?
9. Please provide the average annual salary and standard bonus structure for KKR investment professionals. Include copies of any and all documents describing this structure.

Sincerely,



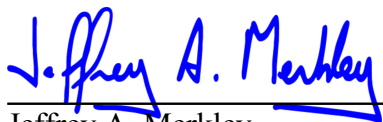
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Bernard Sanders  
United States Senator  
Ranking Member, Committee  
on Health, Education, Labor,  
and Pensions



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Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



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Jeffrey A. Merkley  
United States Senator



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Mazie K. Hirono  
United States Senator