



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, DC 20202

Appendix C

DEPARTMENT OF EDUCATION STATEMENT

The Department of Education greatly appreciates the sacrifices made by the men and women who serve our country, and is therefore authorizing greater flexibility in providing SCRA benefits to military servicemembers. Accordingly, effective on the date this letter is signed, the Department authorizes Sallie Mae Bank, Navient Solutions, Inc., and any other servicers who service under these servicers' Consent Orders with the Department of Justice or the Federal Deposit Insurance Corporation ("FDIC") (such servicers shall be identified as the "Navient Servicers") to apply the SCRA's interest rate benefit to Department-owned or Department-guaranteed loans consistent with the requirements of the Department of Justice's or FDIC's Consent Order with Sallie Mae Bank, *et al.* Any Navient Servicer that complies with the terms of the Department of Justice's or FDIC's Consent Order with Sallie Mae Bank, *et al.* will be deemed to be in full compliance with the Department of Education's regulations and guidance regarding SCRA benefits.

Specifically, Navient Servicers may satisfy the "written notice" requirement of the SCRA's interest rate benefit and the "written request" requirement of the Department of Education's regulations if the servicer has actual knowledge of the borrower's military service (*e.g.*, receipt of a request for SCRA benefits through an online portal; a borrower's oral or written communication of active duty status to a call center representative; receipt of Military Orders¹; receipt of a certificate from the Department of Defense's Defense Manpower Database Center's ("DMDC") SCRA website indicating the borrower is in active duty; etc.). A Navient Servicer may satisfy the written notice and written request requirements under this paragraph even if the borrower has not requested SCRA benefits. Navient Servicers may voluntarily elect to search the DMDC's SCRA website, and the Department will bear the cost of any SCRA interest rate reductions provided based upon such a search.

Furthermore, Navient Servicers may satisfy the SCRA's requirement and the Department's regulations that the borrower provide military orders calling the servicemember to military service if the Navient Servicer receives either (1) a copy of Military Orders; or (2) a certificate from the DMDC's SCRA website indicating the borrower is in active duty.


When providing benefits on this basis, a Navient Servicer may provide the interest rate benefit

¹ For purposes of this letter, the term "Military Orders" includes any document prepared exclusively by a branch of the military, the Department of Defense, or a borrower's commanding officer that indicates that the borrower is on active duty (*e.g.*, active duty orders, change of station orders, DD-214 forms, letters from commanding officers, etc.). The term "Military Orders" does not include a DOD Educational Loan Repayment Program (LRP) Annual Application, DD Form 2475.

for the dates of active duty service indicated by the DMDC's SCRA website, even if those dates show a longer period of military service than indicated in the documents provided by the servicemember.

We trust this will give Navient Servicers all of the flexibility they need to provide these important benefits to our nation's military personnel.

Navient Servicers shall not request or be entitled to receive any payment, whether under statute, regulation or contract, from the United States Department of Education relating to any of Navient Servicers' costs or expenses in negotiating or implementing this Consent Order or in regard to any payments made by Navient Servicers in regard to Direct ED Loans, FFELP ED Loans or FFELP COM Loans under Part II of this Consent Order, except as provided below. This prohibition includes, but is not limited to, any claim for interest and special allowance payments for the periods covered by any payment made under Part II of the agreement on any FFELP ED Loan or FFELP COM Loan where the interest rate reduction request was made before entry of this Consent Order. However, if a borrower requests benefits under the SCRA after this Consent Order is entered, and is appropriately determined eligible for benefits under the SCRA or the terms of this Consent Order, or if a borrower who received payments under Part II of this Consent Order is appropriately determined eligible for benefits under the SCRA or the terms of this Consent Order for military service dates after the entry of this Consent Order, Navient Servicers are eligible for payments in accordance with the terms of the regulations governing the FFELP program or the contract between the Department and Navient Servicers relating to the servicing of FFELP ED Loans and Direct Loans.


James W. Runcie
Chief Operating Officer
Federal Student Aid

5-12-2014
Date