



Navient CEO on the California Attorney General lawsuit: Instead of filing lawsuits, here is what states should be doing to address the real issues in higher education and student debt

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WILMINGTON, Del., June 28, 2018 (GLOBE NEWSWIRE) -- Jack Remondi, president and CEO of Navient (Nasdaq:NAVI), today issued the following statement on the lawsuit announced by the California Attorney General:

The allegations are unfounded, and the lawsuit is another attempt to blame a single servicer for the failures of the higher education system and the federal student loan program to deliver desired outcomes.

Servicers for the U.S. Department of Education do not:

- License schools to operate
- Admit students or set tuition prices
- Determine loan eligibility, loan amounts or loan terms
- Make, own or have a financial interest in the loans
- Design the complex and confusing repayment options and enrollment requirements for borrowers
- Provide financial advice to students and families about the total cost of earning a degree, how much to borrow and whether the amount borrowed is reasonable as all of these decisions are made prior to the servicer entering the picture.

The need to blame someone has driven these lawsuits. Ironically, to date, this focus has been on the one servicer, Navient, that leads the industry with the lowest default rates and the highest enrollment in alternative repayment programs.

If the parties were truly interested in addressing the real issues in higher education and student debt, they would direct their focus to:

- Improve financial literacy of students and families and provide better information about the full cost of earning their degree and the cost of any debt incurred to finance that degree—before they enroll in college
- Work to increase graduation rates—dropping out of school is the single largest factor in student loan defaults, and
- Simplify the repayment programs and ease the enrollment process for these programs.

These steps are not easy and require hard work. It is, unfortunately, much easier to file a lawsuit, creating the perception that something is being done.

Navient will continue to vigorously defend our company with the facts and our strong performance and support our customers' success. More information is available at Navient.com/legalfacts.

About Navient

Navient (Nasdaq:NAVI) is a leading provider of asset management and business processing solutions for education, health care and government clients at the federal, state and local levels. The company helps its clients and millions of Americans achieve financial success through services and support. Headquartered in Wilmington, Delaware, Navient also employs team members in western New York, northeastern Pennsylvania, Indiana, Tennessee, Texas, Virginia, Wisconsin, California and other locations. Learn more at navient.com.

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