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## Newly released results show Navient helps more federal student loan borrowers avoid default

### Customers experience 25 percent lower default rates

NEWARK, Del., May 22, 2014 (GLOBE NEWSWIRE) -- Today, the U.S. Department of Education released its Direct Loan servicing results for the quarter ending March 31, 2014. Again this quarter, Navient, formerly Sallie Mae, helped more Americans stay on track with their student loan payments than other federal Direct Loan servicers. For the two key metrics of *number of borrowers* and *dollar amount* that avoided default, Navient placed first by a significant margin.

These results reflect performance by Sallie Mae Department of Education Loan Services, prior to the company restructuring as Navient. According to the report, the default rate of federal Direct Loan customers whose loans are serviced by Navient was 25 percent lower (.73% compared to 0.97%) and the dollar amount defaulted was 35 percent lower (.40% compared to .62%) than the next best performer. A lower rate means that fewer customers defaulted and more are successfully managing their payments.

"We take seriously our job to help borrowers stay current and avoid the devastating and long-lasting repercussions of default," said Navient President and Chief Executive Officer Jack Remondi. "For our team to be the best in the industry on a metric of such importance to students, schools and the broader economy means a lot, and we are proud of our consistent record of assisting our customers. On behalf of the U.S. Department of Education, we will continue to make every effort to help Americans successfully repay their loans."

According to the Federal Student Aid (FSA) Office, [the consequences of default can be severe](#). A default could limit a borrower's ability to buy a home or car and damage his or her credit for years. In the event of a federal loan default, the government can withhold tax returns and even ask an employer to withhold a portion of an employee's paycheck.

Since 2009, when the company's contract to service Direct Loans began, Navient customers have experienced a default rate 26 percent better than those whose loans are serviced by the lowest performer.

Navient has found that nine out of 10 past-due federal borrowers who stay in contact with Navient are able to avoid default. Further, 90 percent of those who did default had not responded to outreach from the company.

In addition, Navient-serviced customers have a higher use of income-based repayment plans. As of year-end 2013, the Department of Education reported that 7.7 percent of all Direct Loan borrowers who were in repayment, forbearance or deferment had signed up for Income-Based Repayment or Pay As You Earn, compared to 9.3 percent of Navient customers who used income-based repayment plans, 21 percent more than the overall.

Federal loan customers will continue to have their loans serviced under the Sallie Mae name until fall and can expect a seamless servicing experience.

### About Navient

As the nation's leading loan management, servicing and asset recovery company, Navient (Nasdaq:NAVI) helps customers navigate the path to financial success. Servicing nearly \$300 billion in student loans, the company supports the educational and economic achievements of more than 12 million Americans. A growing number of government and higher education clients rely on Navient for proven solutions to meet their financial goals. Learn more at [navient.com](#). Created from the strategic separation of Sallie Mae, Navient began trading on Nasdaq as an independent company on May 1, 2014.

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