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Survey finds IDR plans are essential for new grads and low-income households today, while long-term use of the plans is uncertain

WILMINGTON, Del., Nov. 24, 2015 (GLOBE NEWSWIRE) -- One-third of federal student loan borrowers taking advantage of programs that tie monthly payments to their salaries aren't sure how long they will remain in the plans, while another one-third expect to stay in the plans until their loans are paid off, according to a survey of 12,500 Navient-serviced borrowers released today.

A smaller share of borrowers (19%) expect to use an income-driven repayment plan for five years or less. Overall, more than half say they expect to make higher payments later as their income increases, according to the Navient study.

"IDR plans serve as effective options for federal student loan borrowers who need increased financial flexibility as they establish a career or undergo a transition," said Jeff Whorley, group president, asset management and servicing, Navient. "Navient works to identify struggling borrowers and provide them with extra support to enable them to choose the right repayment path for their economic situation."

Other findings of the survey include:

- | 49 percent of IDR borrowers earn \$35,000 or less annually; with an even higher percentage (57%) of borrowers who are new to the plans falling into this low-income category.
- | 76 percent hold a bachelor's degree or higher, while more than 40 percent of borrowers obtained a master's or other advanced degree.
- | More than one-third expects to receive some form of forgiveness.
- | Nearly nine out of 10 are employed.
- | The Department of Education and loan servicers are the most frequently cited source of plan information.
- | The majority of surveyed borrowers believe they can access and understand information about the programs easily. However, more than half of borrowers suggested that numerous repayment plan types can be confusing.

Nine out of 10 survey respondents said that it was "very important" to have an income-driven repayment plan available. Well over one-third of borrowers enrolled qualify for a zero payment. Of those who are required to make a payment, 90 percent are current, which, among other factors, has helped drive down student loan delinquency.

Navient promotes awareness of these plans through a series of communications starting while in school, throughout the grace period after graduation, and then during active repayment. The schedule includes custom outreach to borrowers who've missed payments and those approaching their annual recertification date. In 2014, Navient launched a dedicated call center team to handle calls from borrowers approaching their renewal date.

Approximately one in five Department of Education borrowers serviced by Navient and one-third of dollar balances are enrolled in IDR plans, according to the [Federal Student Aid Data Center](#).

The study is available at navient.com/facts.

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 more than \$300 billion in student loans, the company supports the educational and economic achievements of more than 12 million Americans. A growing number of public and private sector government clients rely on Navient for proven solutions to meet their financial goals. Learn more at navient.com.

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