NAVIENT

Jack Remondi
President and Chief Executive Officer
123 S Justison Street
Wilmington, DE 19801

June 12, 2016

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
By electronic delivery to: www.regulations.gov

RE: Consumer Financial Protection Bureau
Request for Information Regarding Student Loan Borrower Communications
Docket No. CFPB-2016-0018

Dear Ms. Jackson:

This letter is submitted on behalf of Navient in response to the May 3, 2016 Consumer Financial Protection Bureau ("CFPB") request for information on student loan borrower communications and its proposed "Payback Playbook." Navient appreciates the opportunity to provide our insights and perspectives from more than 40 years of helping student loan borrowers invest in their future and navigate the path to financial success.

At Navient, we make educating borrowers about income-driven repayment ("IDR") options a top priority with more than 170 million communications annually about repayment options. As a result, we are a leader in enrolling borrowers in these programs – programs that are working. According to Federal Student Aid data, the number of Direct Loan recipients enrolled in income-based repayment plans has increased 235 percent since 2013 and Direct Loan delinquency rates overall have fallen continuously over the past two years, down nearly 18 percent since December of 2013.

The only borrower we can't help is the borrower we can't talk to. Contact is key. When we can engage with a federal loan borrower who has missed payments – even multiple months of payments – nine times out of 10, we can help the borrower avoid default.

Of those who do default, 90 percent have not responded to our extensive outreach efforts.

We believe engaging with at-risk borrowers should be a top priority and focus for any new investments in servicing, including new communications. Experimenting with new and innovative approaches, like a simplified Payback Playbook, to increase borrower contact will not only yield better outcomes for borrowers, but also reduce the costs of defaults to the taxpayer.

Equally important is program and process simplification. Alternative repayment arrangements and other options to assist borrowers have increased exponentially in recent years. In 1990, borrowers of federal student loans had a single forbearance option and only two types of repayment plans available to them—standard or graduated. By 2014, there were 13 different forbearance options and *16* different repayment options. We believe efforts to streamline the IDR programs and simplify enrollment processes will reduce barriers to enrollment and recertification, and increase borrower engagement, particularly for at-risk borrowers.

In a review of borrowers who entered repayment in the fourth quarter of 2014, and were 271+ days delinquent as of April 30, 2016, 65 percent had no direct telephone contact since they entered repayment – inbound or outbound telephone contact – despite our extensive outreach. Of those we did have direct telephone contact with – and during that telephone call qualified the borrower for an income-driven repayment plan – only 30 percent took the necessary steps to enroll in the program.

Today, to enroll in an IDR plan or renew enrollment a borrower must complete a twelve page application and provide income documentation, or leave their loan account, servicer environment and apply at www.studentloans.gov. Our representatives cannot enroll a borrower in real-time while the borrower is on the phone. Its takes more work for a borrower to reduce their payment by $50 or $100 a month than it does to secure a new loan. Simplifying enrollment and reenrollment is essential to drive further borrower success and meaningful increases in IDR plan enrollment.

Highlights of our recommendations to simplify IDR plan enrollment and improve borrower success include:

- Establish a real-time enrollment process that can be carried out over the phone, with income validation.
- Enable borrowers to apply online directly from their loan accounts with instant approvals.
- Develop a multi-year IDR enrollment process to allow borrowers to enroll for multiple years with a single, simplified automated process.
- Permit verbal IDR enrollment for borrowers with zero income. Approximately twenty-five percent of IDR borrowers have no income. Today these borrowers are required to provide a written self-certification – a verbal self-certification should be permitted.
- Develop an expedited IDR enrollment process for delinquent or at-risk borrowers, such as a "Reply Yes" mechanism, where a borrower can quickly enroll via text, email, or phone.
- Create a single loan rehabilitation and income-driven repayment plan application to help borrowers who rehabilitate their loans transition more easily to an affordable repayment plan.

Navient supports the CFPB's proposal to provide borrowers with simplified information on their loan repayment options, such as the information provided in the proposed Payback Playbook. We are pleased to learn that the Department of Education is exploring how IRS and other data can be used to customize this proposed tool to individual borrowers. Until such time as the required information can be systematically provided to servicers, we propose a Playbook that is customized to the extent feasible.

In our response, we provide two sample model Playbooks that could be implemented in the near-term: one that is customized based on the borrower's loan balance and the other allows borrowers to estimate payment amounts based on income and debt level ranges. We propose the Playbook be issued annually and that, concurrent with the launch, a "Build Your Own Playbook" online tool be launched to allow borrowers to further customize the information and generate a Playbook as their circumstances change. Finally, we recommend the Playbook include an "accelerated repayment" plan where borrowers can see the value of paying extra every month, thereby reducing the total borrower costs.

Enclosed are our detailed comments to the request for information. We would be pleased to answer any questions you may have on our comments, and welcome the opportunity to work with the Bureau, the Department of Education, and Department of Treasury to move the Payback Playbook, program and process simplification, and other program reforms forward.

Sincerely,

Jack Remondi
President and CEO

Attachment:
Navient Response to the Consumer Financial Protection Bureau Request for Information Regarding the "Payback Playbook"

Appendix:
Navient Proposed Payback Playbook Alternative Version 1
Navient Proposed Payback Playbook Alternative Version 2
Sample Navient IDR Customer Communications

Navient Response to the

Consumer Financial Protection Bureau

Request for Information

Regarding Student Loan Borrower Communications and the "Payback Playbook"

June 12, 2016

Comments to May 3, 2016 CFPB RFI
Submitted by Navient

Introduction

The federal student loan program has grown substantially as more Americans pursue the benefits of higher education, particularly in the wake of the Great Recession. To encourage economic mobility, taxpayers have long supported extending credit to individuals pursuing education regardless of academic ability, credit, or current or future income.

On average, college graduates have lower unemployment and higher earning power than those without a college degree, making post-secondary education an attractive option. The vast majority of individuals who need to finance a portion of their higher education expenses borrow an amount commensurate with these better job prospects and higher wages offered by a college degree.[1] Of recent graduating seniors, 30 percent did not borrow, and 51 percent borrowed less than $30,000.[2] Starting salaries for recent graduates are $43,000.[3] In our experience, however, those who do not complete their degree, who take longer to earn their degree or pursue an advanced educational program, or who discover a mismatch between their expenses and the value of their degree often find that they need alternative repayment options. Income-driven repayment ("IDR") programs were created to address these needs.

Income-driven repayment offers borrowers multiple options to scale their monthly payment to their salaries. Borrowers with either lower salaries or higher debt levels—or both—have the option to significantly reduce their monthly payments, in many cases as low as zero. Based on the current federal formula, a borrower with income under $18,000[4] would qualify for a zero payment.

Along with lower monthly payments, the programs also extend the repayment term from the standard 10 years to 20 or 25 years. After 20 or 25 years of qualifying payments, any remaining balance may be forgiven.[5] The longer repayment term also increases the interest borrowers will pay on their loans.

Enrollment in income-driven repayment plans has been growing rapidly in recent years. As a result, the number of Direct Loan recipients enrolled in Income-Based Repayment (IBR) has increased 235 percent since 2013 (Figure 1).

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[1] According to the U.S. Department of Labor Bureau of Labor Statistics, the May national employment level for age 25 and up was 4.7%, with rate for college graduates at 2.4%, http://www.bls.gov/news.release/empsit.t04.htm. Also according to BLS, for ages 20-24, the May unemployment rate for those with a high school diploma or less was 12% and for college graduates it was 3.6%. According to College Board, during a 40-year full-time working life, the median earnings of bachelor's degree recipients without an advanced degree are 65% higher than the median earnings of high school graduates, http://trends.collegeboard.org/sites/default/files/education-pays-2013-full-report-022714.pdf.

[2] College Board, Trends in Student Aid 2015, http://trends.collegeboard.org/sites/default/files/trends-student-aid-web-final-508-2.pdf.

[3] January 2016 data from U.S. Department of Labor Bureau of Labor Statistics, as reported by the Federal Reserve Bank of New York, shows median salary for 2015 graduates is $43,000 https://www.newyorkfed.org/research/college-labor-market/college-labor-market_wages.html

[4] An income-driven payment is based on discretionary income after excluding an allowance for living expenses. The allowance is defined as Adjusted Gross Income equal to 150% of the poverty guideline updated periodically by the U.S. Department of Health and Human Services. In 2016, a family of one with income of $17,820 would be eligible for a payment of zero under income-driven repayment plan. A family of two could have AGI of $24,030 and a family of three could have AGI of $30,240 and still qualify for zero payment. https://www.gpo.gov/fdsys/pkg/FR-2016-01-25/pdf/2016-01450.pdf

[5] Employees of government or 501(c)(3) charitable organizations may be eligible for loan forgiveness after 10 years of qualifying payments under the Public Service Loan Forgiveness program. First introduced in 2007 for Direct Loans, the first loan forgiveness under this program is expected in 2017.

The Administration, servicers and others have undertaken extensive awareness-building efforts. In addition, eligibility has been expanded, thereby increasing the availability of the programs to a higher number of borrowers.[6] The economic impact of the Great Recession further created demand for these programs. As a result, the share of Direct Loan recipients enrolled in IDR plans has increased more than 115 percent since 2013, a larger percentage increase than the share of dollars outstanding in IDR programs over the same time period (Figure 2).

Fig 1: Number of Direct Loan Recipients in Repayment Enrolled in IDR Programs (in Millions)

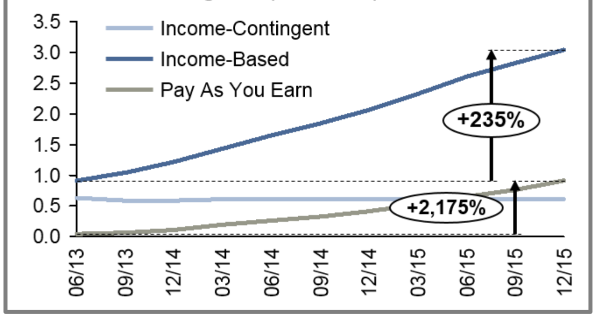
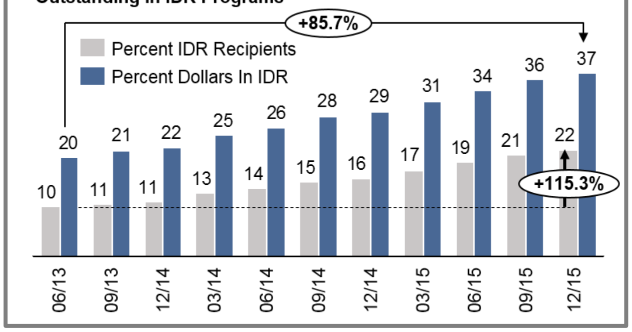


Fig 2: Percentage of Direct Loan Borrowers Enrolled and Dollars Outstanding in IDR Programs



Navient has been a leader in efforts to educate federal borrowers about income-driven options. We promote repayment options through more than 170 million communications over multiple delivery channels annually. Income-driven plans are a critical tool in helping borrowers avoid default.

As a result, according to the FSA Data Center, Navient has the highest non-Public Service Loan Forgiveness ("PSLF") IDR enrollment rate of all servicers.[7] Enrollment rates are driven by many factors including contact rates, borrower engagement, and share of loans entering the early stages of repayment.

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[6]

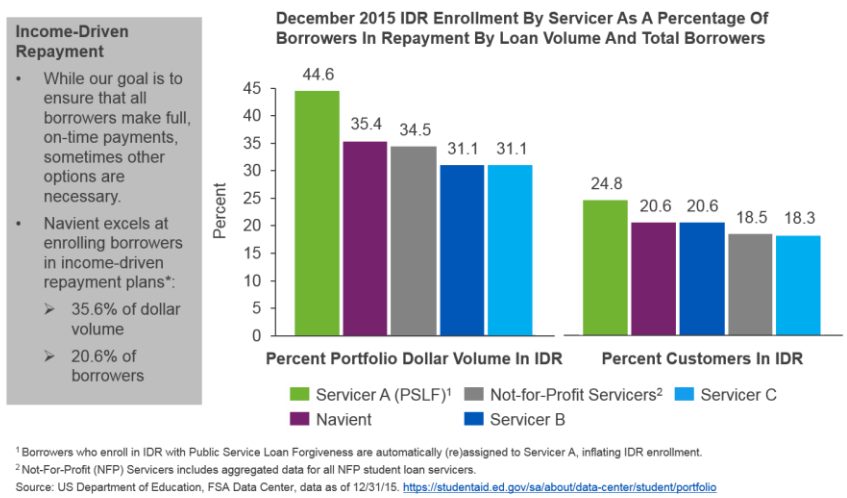
Program (Year first available)	Eligibility	Payment Formula
Income-Contingent (1994)	Direct Loans	Pay the lesser of 20% of discretionary income or an alternative formula for 25 years, after which any remaining balance is canceled*
Income-Sensitive (1994)	FFELP	Pay based on annual income for up to 10 years, according to a formula. Does not provide for loan cancellation
Public Service Loan Forgiveness (2007)	Direct Loans	Loan forgiveness after 120 qualifying payments while working at a public service organization
Income-Based (July 2009)	FFELP or Direct Loans	Pay 15% of discretionary income for 25 years, payments can never be higher than the original standard payment; after 25 years of qualifying payments any remaining balance is canceled*
Pay As You Earn (December 2012)	Direct Loans (new loans on or after Oct. 1, 2011, with no loans prior to 2007)	Pay 10% of discretionary income for 20 years, payments can never been higher than the original standard payment; after 20 years of qualifying payments any remaining balance is canceled*
Income-Based 2014 (July 2014)	Direct Loans	Pay 10% of discretionary income for 20 years, payments can never been higher than the original standard payment; after 20 years of qualifying payments any remaining balance is canceled*
Revised Pay As You Earn (December 2015)	Direct Loans	Pay 10% of discretionary income for 20 years for undergraduate students and 25 years for graduate students after which any remaining balance is canceled*

** The amount forgiven may be considered taxable income*

[7] Borrowers who indicate they plan to pursue Public Service Loan Forgiveness are automatically transferred to PHEAA/FedLoan Servicing.

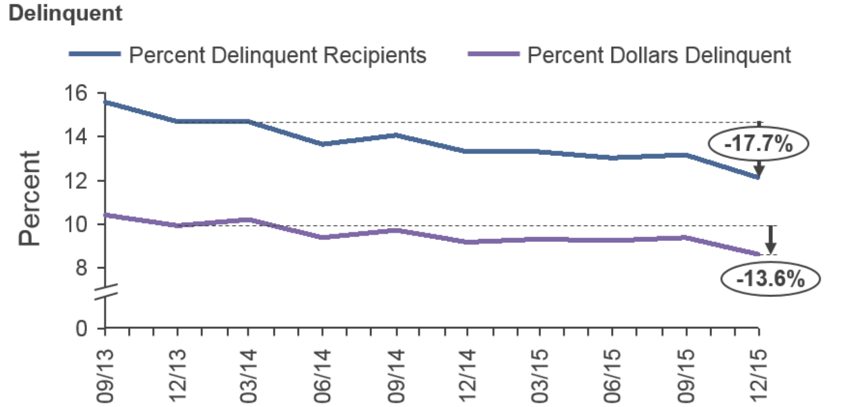
In fact, according to the FSA Data Center, 35 percent of all Direct Loan dollars and one of every five Direct Loan borrowers serviced by Navient are enrolled in IDR. Not all borrowers or loans types are eligible for an IDR plan. The rate for enrollment based on borrowers with eligible loan types is more than one in every four (Figure 3).

Fig 3: Navient Helps Borrowers Effectively Utilize Income-Driven Programs



In addition to the improved job market, income-driven programs provide effective tools for servicers to assist borrowers facing difficulty. According to Federal Student Aid ("FSA") data[8], Direct Loan delinquency rates overall have fallen continuously over the past two years, down nearly 18 percent since December 2013 (Figure 4).

Fig 4: 2-Year Change Percent of Direct Loan Recipients in Repayment 90+ Days Delinquent



Overcoming delinquency and enrolling in income-driven plans

Income-driven repayment is an effective tool to help struggling borrowers. When we can talk to a past-due federal student borrower, nine times out of 10 we can help them avoid default.

[8] https://studentaid.ed.gov/sa/about/data-center/student/portfolio

Forbearance and Income-Driven Plans

Forbearance options are complimentary and often necessary programs to successfully enroll in IDR. Most customers who cannot afford their standard monthly payment, or have fallen behind on their accounts cannot afford to make a multi-month lump sum payment to catch up. Yet, a borrower's account must be current in order to enroll in IDR. To solve this program requirement, a borrower often requires a retroactive forbearance applied to his or her account to bring the past-due account current.

Furthermore, the IDR application requires the borrower to use a separate government website or to complete a 12-page paper application form. With either option, enrollment is not immediate and oftentimes requires time to gather required income documentation. Since the borrower cannot afford their standard monthly payment, the servicer often provides a special type of forbearance (a FORM forbearance) to give the borrower time to complete the application process. Based on our study of first-time IDR applicants in the first quarter of 2016, nearly 70 percent of the time, a forbearance of some type was required to support borrower enrollment in IDR – either while a borrower completed the application requirements or to cure a delinquency that existed prior to entering the IDR plan. Far from the conventional wisdom of a "payment holiday," forbearance is often used to help a borrower enroll in an IDR plan.

Continuous Engagement

Our experience has shown that a borrower's intent to enroll in an IDR is not always enough. Because the IDR process must be completed away from the servicer's website and where our customer service agents are not allowed to co-browse (where the representative can see the borrower's application entries) with the customer, we have found that borrowers require reminders and encouragement to complete the required forms. Navient has developed strategically designed and targeted campaigns specifically to "close the loop" by helping borrowers take action to complete their IDR application.

Top sources of information about IDR repayment options

In a recent survey, we found that nine out of 10 of borrowers on IBR or Pay As You Earn ("PAYE") said that it was very important to have these plans available to them. Essentially no one disagreed.[9]

In this same survey, when asked where they received their information about IDR prior to enrollment, most customers cited several sources, reinforcing the benefit of multiple channels of communication. The top two sources of information about IDR are the Department of Education ("ED") and servicers:

- 39 percent of IDR borrowers accessed information through the Department of Education's website or their email (30% from the website and 12% from an email, with some overlap).
- 34 percent of IDR borrowers cited information sources from their servicers (24% website, 10% email, and 7% phone call, with some overlap).

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[9] "Income-Driven Repayment and Student Loan Affordability" a survey of more than 12,000 Navient-serviced borrowers enrolled in Income-Based Repayment and Pay As You Earn, November 2015. Online at http://www.navient.com/assets/about/who-we-are/Income-Driven-Repayment-and-Student-Loan-Affordability-Study.pdf.

Most of the survey respondents felt that the information provided to them about the various repayment plans was easy to find and to understand. They felt the enrollment process went smoothly and quickly.

Overall, the trends are positive with new IDR borrowers rating their enrollment experience positively. However, more than half agreed with the statement that repayment plan options for student loans are very confusing. As one student loan borrower noted: "Please consider simplifying the forms, too many terms are used on the form for the average person to understand." Although the federal IDR form accomplishes the objective to present all IDR plans for borrowers in one document, this kind of borrower feedback emphasizes the need for repayment plan simplification and reform.

This survey also showed that 74 percent of all respondents who are new to IDR are aware of the need to recertify their income each year. For those who have gone through the process at least once, that awareness increases to 91 percent.

Recommendations for enhancing Income-Driven Repayment enrollment and renewal process

Borrowers have told us how important IDR plans are. They have also told us they find the forms overly complicated. We have consistently and publicly advocated for simplification in both the number of plans available and the enrollment process.

For example, the online application at www.studentloans.gov, introduced first for ED-held FFELP and Direct Loan borrowers and subsequently for commercial FFELP borrowers,[10] has improved the process. But there is still room to further improve, especially in the application and recertification processes to make them easier to navigate.

Currently, borrowers who wish to enroll in an IDR plan cannot do so from their servicer-provided online accounts, nor can they apply and instantly enroll. They must either request and submit a completed paper application or go through the Department's centralized application portal. Borrowers must repeat a similar process annually to recertify their income and family size. Enrollment is a three step process:

- Step 1 – Model repayment options online and/or with the support of a repayment plan specialist at their loan servicer.
- Step 2 – Apply for program online or via a paper application. Using www.studentloans.gov, a borrower can elect to have tax return data submitted directly to the servicer or provide alternative documentation. Alternatively, the paper application requires borrowers to document income such as through a tax return or pay stubs.
- Step 3 – IDR application processing, including completion of any missing information or required forms, and payment calculation.

This process appears to pose unwarranted challenges for many borrowers and delays timely enrollment/payment relief, or worse, results in the borrower giving up. We reviewed the time it took for a cohort of borrowers to enroll in the program after they had been qualified for an IDR plan by a Navient call specialist. On average it took *three months* for borrowers to gather forms, complete applications, provide any missing documents, and be enrolled in the program. Based on data from Navient's servicing records, we found that more than half of borrowers enrolling in IDR for the first time could not navigate the options on their own and one in five customers

[10] Studentloans.gov online IDR application was introduced for IBR in September 2012 for Direct Loan borrowers and later expanded for ICR and PAYE in December 2012. It was then made available to servicers for FFELP borrowers.

renewing required support. Our experience also shows that about 25 percent certify zero income and another 25-30 percent provide alternative documentation. Being able to instantaneously enroll would likely drive higher enrollment and selection of an IDR plan over other potentially less beneficial options.

From a servicer's perspective, we have taken several steps to improve the process, including having our call center representatives "pre-qualify" borrowers to determine which IDR plan a borrower is eligible for before directing them to the application process; improving the content, delivery and number of reenrollment communications to ensure borrowers are aware of the upcoming deadlines; and establishing a dedicated team to assist borrowers in the reenrollment process. See appendix for sample communications.

However, the process remains unnecessarily complex from both a borrower and servicer perspective and there are immediate improvements that could be made. Navient offers the following recommendations to make it easier for borrowers to navigate the initial application process as well as to spur timely renewal (Figure 5):

Figure 5: IDR Recommendations:
Steps to Enhance the Current IDR Enrollment Process and Simplify the IDR Renewal Process

Real-time enrollment	• Establish a real-time enrollment processes that can be done over the phone or via online loan accounts, with income validation. Consumers are used to processes that provide nearly instant credit decisions. Getting payment relief should be no more complex than getting the initial loan – we believe it should be simpler.
Improved renewal process	• Develop a multi-year IDR enrollment process to allow borrowers to enroll for multiple years with a simple automated annual income verification. • Replace the current paper-driven and time consuming renewal process with an automated data retrieval that occurs in advance of the plan renewal date. • Establish a 15-day grace period to create an easier process for anyone who misses the deadline by a short window.
Qualifying income	• Determine the borrower's discretionary income using the IRS-reported exemptions instead of collecting family size information from the borrower. Family size could be provided on an exception basis (e.g. there is a change after-tax filing).
Studentloans.gov recommended enhancements	Incremental Changes • Perform automated quality control on application data including whether the borrower is eligible for the program which they are seeking to enroll and ensuring application is complete. • Transmit only the final application to the servicer. The borrower can currently submit several applications in a single day. • Provide servicers with "test accounts" for servicing experts to walk through and identify enhancements based on frontline experience with customers. Substantial Reform of Process • Conduct an end-to-end process study and build a roadmap to improve process.
Loan rehabilitation	• Develop a single loan rehabilitation and IDR plan application to help borrowers who rehabilitate their loans more easily transition to an affordable repayment plan.

Broader recommendations to simplify repayment and improve borrowing

1. Simplify Repayment

More broadly, we advocate for repayment plan simplification. In 1990, the federal loan program offered two repayment plans (Figure 6). Today, there are 16 repayment options including nine based on income (Figure 7). In many cases, the differences are relatively small and technical. The plethora of programs, many with similar sounding names, creates confusion and disengagement. As evidenced by the seemingly ever-increasing number of student loan debt relief scams, complexity also has created an environment ripe for scams.[11] The number of programs can be and should be simplified to the fewest, most borrower friendly options. In remarks made at a recent industry conference, an expert suggested that the right number of payment plans is three to four.

Fig. 6: In 1990 Student Loan Repayment Complexity Centered Around Eligibility Criteria for Qualifying Deferments

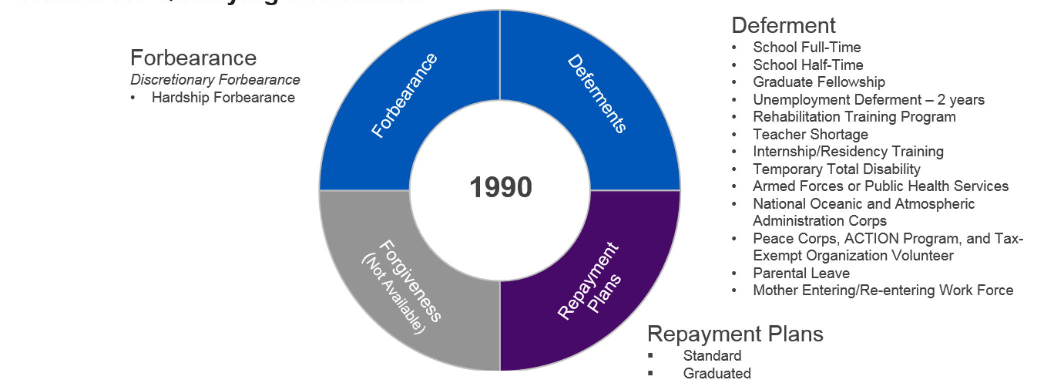
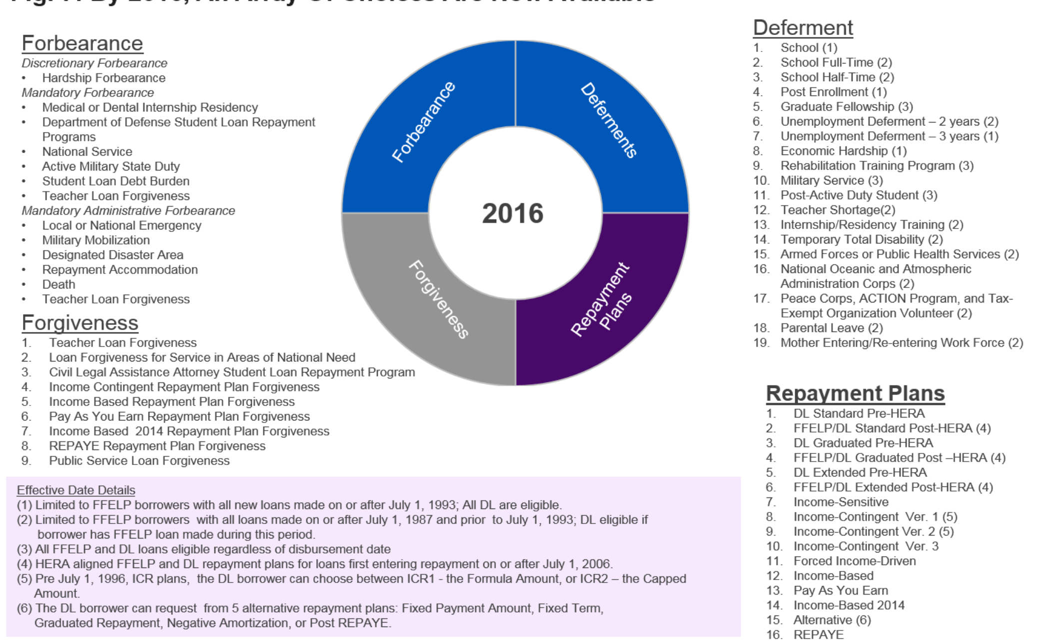


Fig. 7: By 2016, An Array Of Choices Are Now Available



2. Better Upfront Information and Disclosures

In addition to program simplification and process improvements, moving further upstream in the paying for college process is critical to reducing delinquencies and defaults. The sticker price of a college education has risen at more than twice the rate of inflation. With family incomes flat or rising much slower, it's no wonder that Americans are very concerned about their ability to send their sons and daughters to college. Repayment comes at the end of several other steps and decisions that determine the amount a student borrows. Servicers don't set interest rates,

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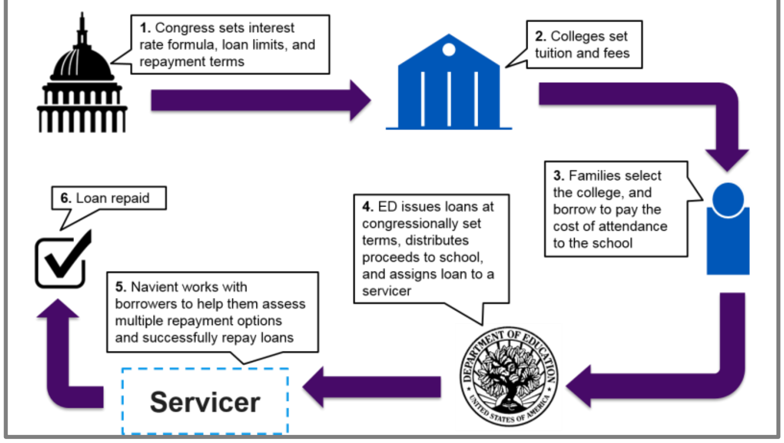
[11] Navient has assisted law enforcement bodies to help stop these bad actors. For example, the Federal Trade Commission and the State of Florida recent took action against two operations: https://www.ftc.gov/news-events/press-releases/2016/05/ftc-cracks-down-debt-relief-schemes-targeting-student-loan

determine the price of college, or issue loans. We work with students only once they have arrived on campus and have already borrowed (Figure 8).

Fig. 8: Servicers Work With Students After They Have Already Borrowed



Federal student loans are likely the only form of credit granted without underwriting or customized disclosures. The borrower is often a young person with little budgeting experience and imprecise career plans. There is no collateral required. The graduation and employment outcomes of various schools and programs of study vary widely. The borrower may repeat the process to take out more loans and may not begin to make payments for several years. Each of these factors creates an opportunity for a mismatch or a difficulty to arise. Students and families need tools to understand how much they will *need* to borrow to earn their degree – not simply the current semester – and to assess the likely economic benefits of their chosen field. The federal government should develop a robust financial counseling program providing customized information, at greater intensity for at-risk students.

In addition, federal loan borrowers should receive clear loan disclosures similar to Truth in Lending standards used by mortgage, private student loan, and credit card lenders.

3. Help Borrowers Pay Off Early

Borrowers should understand the benefits of accelerating their repayment schedule and be encouraged to pay off faster whenever possible. In the rush to help student loan borrowers, too many voices have trumpeted lower payments over longer repayment periods, as the universal solution, despite the higher interest costs many borrowers will pay. We need programs that help struggling borrowers through short-term *and* long-term challenges, but anyone enrolling should understand the trade-offs to be able to make the right choice for their financial circumstances. The total cost of credit information made mandatory for credit card statements by the Credit Card Accountability Responsibility and Disclosure Act of 2009 (the "CARD Act") has been part of the Bureau's effort in this area, one that has led to a decrease in the total cost of credit to consumers on credit card accounts since the passage of the Card Act.[12]

4. Encourage Borrowers to Engage with Their Servicers

As stated earlier, default is avoidable but contact is key. Contact works. We should encourage it.

[12] Consumer Financial Protection Bureau CARD Act Report discusses the Total Cost of Credit, http://files.consumerfinance.gov/f/201309_cfpb_card-act-report.pdf.

Understanding delinquency and defaults

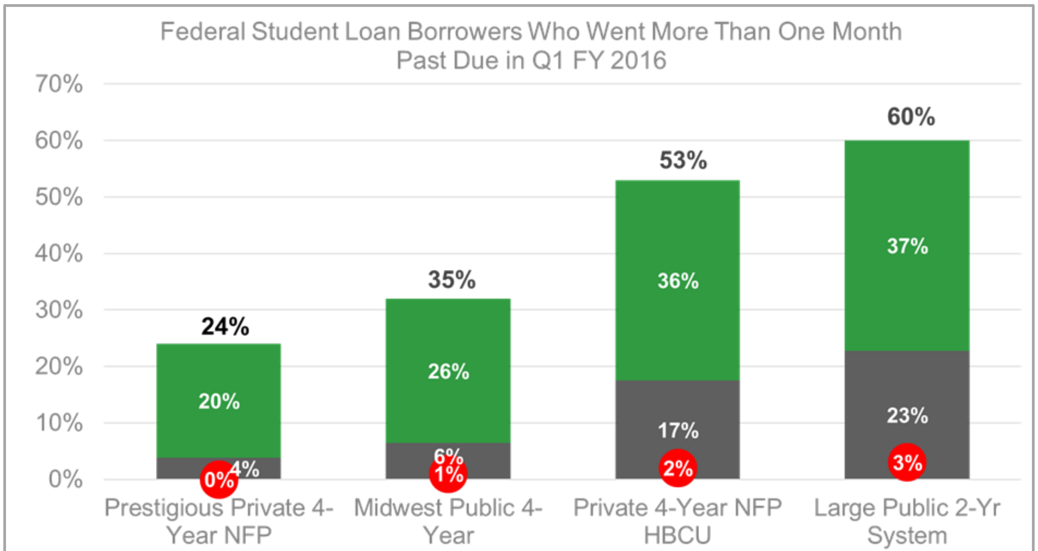
Understanding delinquency and defaults is key to assuring that borrowers get the right information at the right time to find the right repayment plan for them. While standard, broad-based information is important and useful, it may not reach the borrowers most at risk of default.

The objective of outreach is to drive contact. As we have stated before, as a federal loan servicer, we do not set the interest rate or the terms of the loan; we do not set the price of the school; and we do not determine where a student should go to school and how much they should borrow. But, regardless of these decisions, there are two cure-alls to delinquency: (1) signing into their student loan account; and (2) responding to our outreach. A borrower that takes one of these two steps is far less likely to default.

The key is developing outreach strategies that result in the borrower taking these steps. Not all delinquencies are the same. Servicing data shows that student loan borrowers tend to go into early delinquencies frequently but most resolve before there is any detrimental effect (there are no late fees in the direct student loan program and borrowers are not reported to the credit bureaus until 90 days or more delinquent).

Below, we show the delinquency and default rates of four sample colleges below—from an elite private university to a large, two-year community college system. Their cohort default rates—that is the rate at which borrowers from their school defaulted within three years of repayment—range from 0.6 percent to 22.5 percent. Even at the schools where few borrowers default, a significant portion manage to miss a payment within a three-month period.

- Nearly one in four borrowers—24 percent—at the sample elite private not-for profit university went 31 days or more delinquent in the last quarter of calendar 2015 but 84 percent of them became current during the same time frame. And only 14 out of over 8,000 borrowers we service at that school (less than 0.2%) were behind by more than 271 days, the Higher Education Act’s definition of default. We see this as a common pattern across highly selective colleges.
- Over one in three borrowers at a large Midwestern university went delinquent in the same quarter. While most resolved in the quarter, a somewhat larger share went 90 or more days delinquent, but very few borrowers at this school follow the pathway all the way to default. Only one percent were more than 271 days delinquent in the quarter.



2012 CDR	**<1%**	**4%**	**18%**	**23%**
Navient CDR	**0.2%**	**2%**	**13%**	**13%**

% Navient-serviced borrowers who went 30+ days late and became in quarter

% Navient-serviced borrowers who went 30+ days delinquent and did not resolve in quarter

271 day+ delinquency rate for Navient-serviced borrowers

Source: all Navient-serviced federal student loan borrowwers, Q1, Fiscal 2016

The greatest challenges are at schools that serve lower income students who tend to go delinquent at a greater rate and tend to not resolve. Yet, even at these schools, a large portion become current before moving to serious delinquencies.

The challenge is identifying those borrowers most at risk of going into the “gray zone” in the chart—that is finding the borrowers in early delinquency who are most at risk of moving into more serious delinquency and default. Few of these borrowers are at the elite schools. Recent research published by the Brookings Institute confirm what we see in servicing every day—that borrowers at more open enrollment schools—that generally serve a lower income and non-traditional students—are most likely to default[13] and, as a result, are most of need of more targeted, specialized outreach.

The key factor contributing to borrower success is graduation. Not finishing the program is a consistent sign of trouble ahead. While delinquency default rates differ greatly by school and degree type, their differences narrow when a borrow did not complete. Student loan borrowers who don’t finish their degree are four to five times as likely to default as those who do.[14] Navient’s recent report on millennials, *Money Under 35*, found that millennials who went to college, borrowed, but did not finish fell behind their peers on nearly all financial aspects of their lives. Those who borrowed without earning a credential:

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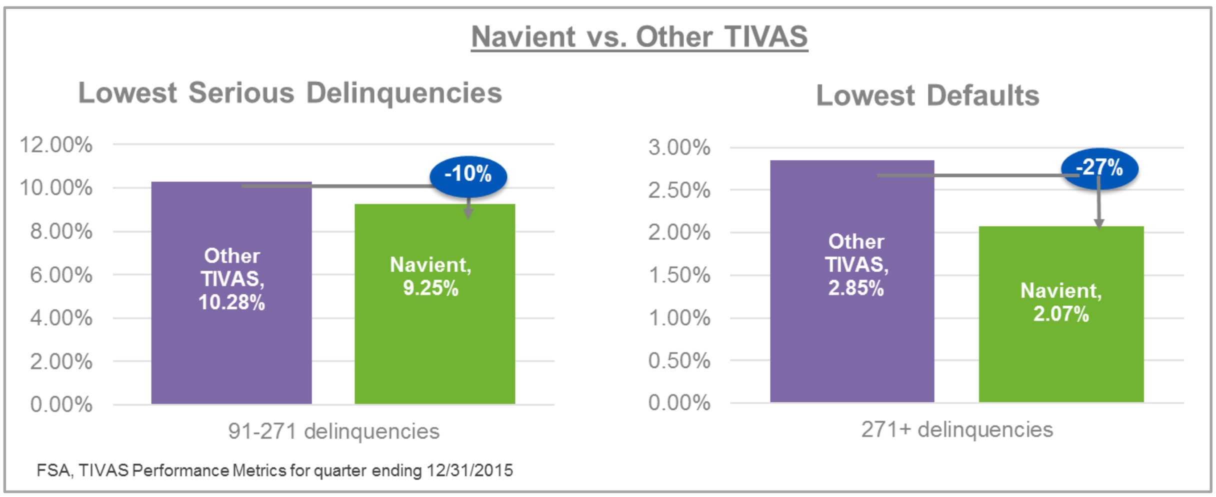
[13] http://www.brookings.edu/~/media/projects/bpea/fall-2015_embargoed/conferencedraft_looneyyannelis_studentloandefaults.pdf

[14] Education Sector, "Degreeless in Debt: What Happens to Borrowers Who Drop Out" found 3.7% of graduates defaulted compared to 16.8% of drop-outs.

- Report the lowest level of financial health
- Report the lowest level of financial stability, only one in three report being financially stable
- Most likely to report having trouble meeting their bills (57%)
- Most likely to live with their parents or other relatives (21%)
- Least likely to have a mortgage and, at 30 to 35 years old, are well behind those who never went to college

While graduation is a key, there are other important metrics that can predict stress and help servicers direct limited resources. Navient uses its 40 years of data and experience to build predictive models on which borrowers are most at risk of serious delinquency and default. Using these models, Navient designs different outreach strategies based on this risk. This modeling forms the basis for higher contact rates and declining delinquency and default rates. Navient has consistently delivered lower serious delinquency rates. For example, in the last published quarter, the most serious delinquency rate for loans serviced by Navient, more than 270 days delinquent and in technical default, was lower than the other major federal servicers combined by 27 percent. If all of the major servicers had similar rates to Navient, ***300,000 fewer borrowers would have defaulted in 2015.***



A case for program simplification and contact

A review of borrowers who both entered repayment in the fourth quarter of 2014 and who were delinquent at the end of April 2016 demonstrates the importance of contact. We know that 90 percent of those who become delinquent and ultimately default never responded to our default prevention outreach. Reviewing whether we *ever* had an inbound or outbound direct telephone contact since the borrower entered repayment yields similar trends.

Delinquency Category	Percentage with No Inbound Calls and No Outbound Direct Phone Contact* Since Repayment Begin	Percentage Navient Attempted to Contact
31-90 days delinquent	26%	100%
91-270 days delinquent	35%	100%
271+ or Default	65%	100%

**Measured since the borrower entered repayment. Measurement during delinquency period prior to default is 90%.*

A review of this same population also shows that borrowers who talked to a Navient representative did not always follow up to enroll. Many of those who ultimately fell delinquent or even defaulted had discussed enrolling and also received information indicating they were eligible for the plans but did not take the necessary follow-up action to enroll. The majority of these borrower's simply never followed though towards IDR enrollment despite our reminders including follow-up calls and written correspondence. As the table below shows, about 30% of those qualified for a plan by a call specialist took action and completed enrollment. These statistics further reinforce the need to allow for verbal IDR enrollment.

Delinquency Category	Percentage Who Were Determined Qualified for an IDR Plan and Completed the Required Steps to Enroll in the Program as of April 30, 2016
31-90 days delinquent	28%
91-270 days delinquent	34%
271+ or Default	30%

Borrowers who are struggling to repay their student loans are also likely to be struggling on other financial obligations.

- 65 percent of the borrowers in the repayment cohort who were 91 days or more delinquent also had a retail credit card, car loan, mortgage, or auto loan.
- Of these, 69 percent had a 31 day or greater delinquency on a non-student loan trade in the most recent two-year period.

For those borrowers in this repayment cohort who are enrolled in an IDR plan, enrollment generally took place in the early stages of repayment – on average within the first five months of repayment. In addition, it required on average 28 borrower contacts (calls, letters, website visits, and emails) prior to enrollment. Seventy-one percent of the borrowers in this cohort who are enrolled in an IDR plan were scheduled to renew their plan; however, 32 percent did not recertify despite an average of 40 letters, emails, and call attempts since the initial IDR enrollment. Enrollment for another seven percent is still pending documentation. Processing enhancements such as real-time enrollment from the borrower's loan account, verbal IDR enrollment, or multi-year renewal would increase enrollment and reenrollment rates.

As the Bureau noted in the Request for Information, delinquency rates for borrowers in level plans are higher than the delinquency rates for borrowers in an IDR plan. Using this same cohort of borrowers who entered repayment in Q4 2014, delinquency rates are shown below. As is clear from the data, delinquency and contact rates are closely aligned. In addition, 34.9 percent of those in this cohort who are delinquent and in a level plan were qualified for an IDR plan during a conversation with a Navient representative and did not take action to enroll in the plan, again, emphasizing the need for process changes to support "instant" enrollment in the plan.

	IDR Partial Financial Hardship With Payment Greater than Zero	Level Payment
% 31-270* days delinquent	3.90%	19.10%
Difference in Contact** Rate	30.0% higher contact rate than level repayment	--
% of Those in a Level Payment Who Are 31-270 Days Delinquent and Qualified for Income-Driven Plan by a Call Representative Yet Did Not Complete the Necessary Forms		34.90%

**As a percentage of borrowers in repayment; excludes deferment, forbearance, defaults and paid in full borrowers.*
*** Borrowers who called the Navient call center or had direct contact through an outbound call with a call representative between repayment begin and April 30, 2016.*

Feedback on the Playbook

As previously stated, Navient is a strong advocate for simplification, particularly for consolidating and streamlining repayment options. We believe simplification will increase customer engagement and support improved decision-making by consumers. We appreciate the Bureau's leadership in developing the proposed Playbooks and endorse the overall approach to provide consumers with simplified information and comparisons of their repayment options. Identifying strategies to contact and assist borrowers who do not typically respond to servicer outreach is a critical priority and one we believe should be the focus of our collective expertise. We are proud of our industry-leading delinquency and default prevention results and remain committed to driving even higher levels of success for student loan borrowers. As it's worth repeating, the approaches and tools we employ when we contact a borrower are effective. Our high level of IDR enrollment and industry-leading results demonstrate this. However, we fully endorse testing alternatives that can drive consumer engagement.

Before moving forward with a new series of communications, we recommend testing be undertaken to identify the strategies that will drive the greatest level of contact and thus most favorable outcome for consumers. For example, we should test process changes (e.g., direct enrollment from the customer's loan account, real-time verbal IDR enrollment, or multi-year IDR enrollment), program simplification (e.g. simplify and consolidate repayment program options), or communication changes (Playbook or other tools). The use of pilots and other efforts such as focus groups and customer surveys to gather feedback early in the design process will support a quicker, more successful launch of effective tools. Further, data-driven pilots will help ensure that program resources are used to drive optimal outcomes for consumers and taxpayers.

Navient also undertakes and is supportive of testing various types of communications and other outreach strategies (See *Attachment 3* in Appendix). We see first-hand every day the value of being able to engage with borrowers, particularly struggling or at-risk individuals. We are very interested in working with the Consumer Financial Protection Bureau ("CFPB" or "the Bureau"), the Department of Education, and the Department of Treasury to build and test alternatives for Playbooks and other communications to drive increases in borrower engagement and success.

Navient offers the following high-level recommendations on the Playbook proposal. Each of our general comments are further developed in the subsequent sections of our response.

- **Making At-Risk Borrowers a Priority for Reforms**— We do not agree with statements that servicers are not doing enough to enroll borrowers in IDR plans. Quite the contrary, Direct Loan borrower income-based repayment enrollment has increased by 235 percent since 2013. As discussed previously, Navient has been very successful in enrolling borrowers in income- driven repayment plans – **when we make contact**. We also have been more successful than others in making contact with delinquent borrowers and working with them to avoid default. Despite the extraordinary growth in IDR plan usage, there are still opportunities to drive additional enrollment by streamlining and simplifying the enrollment process. These reforms would be particularly beneficial for at-risk borrowers.

  We believe engaging at-risk borrowers should be a priority and focus for any new investments in servicing including new communications. To reach higher-risk borrowers, we recommend testing alternative communications and outreach approaches, including a simplified Playbook focused on IDR. We refer to this communication series as the "At-Risk Borrower Communications." We recommend various pilots with enhancements made based on the test results prior to moving forward with a rulemaking process. We should be mindful to not overwhelm the borrower, which we believe leads to decreased levels of engagement. (*See Section A - At Risk Communication*)

- **Annual Playbook**—We support providing consumers with a Payback Playbook. We are pleased that ED is exploring how IRS and other data can be used to customize this proposed tool. There are a number of data variables as well as business rules that need to be provided or determined prior to moving forward with a fully customized Playbook (*See Section C – Data Requirements*). Until such time as the required information can be systematically provided to servicers, we propose a Playbook customized to the extent currently feasible (See *Attachments 1 & 2* in Appendix). Where the required data is not currently available, borrowers can be provided with tools to easily estimate their payment. The advantage of this approach is that it can be implemented right away without having to wait for the complete set of data variables. In addition, our experience has shown that about 50 percent of borrowers do not rely on tax return data for their IDR application, but instead self-certify zero income or provide alternative income documentation as permitted where their situation has changed since filing their return.

  We propose that this Playbook include the following payment options – level or standard, IDR, graduated, and an accelerated or "pay extra" plan. In addition to the annual Playbook, we propose the concurrent launch of a "Build Your Own Playbook" online tool that allows borrowers to further customize the information and generate a Playbook on demand. (*See Section B - Annual Playbook*)

- **Data Requirements**—To accurately determine a borrower's monthly payment under an income driven plan, there are between five and 11 variables that need to be considered. These variables then drive a number of possibilities. In addition, in many cases borrower engagement is required to understand the borrower's particular circumstances and data to calculate an accurate payment amount. Today, servicers do not have access to most of these variables. Variables that servicers would need access to in order to generate accurate and customized Playbooks as proposed in the RFI include current income, spousal income (if applicable), family size, as well as systematic access to total indebtedness. Providing customized information will require access to this information as well as agreement on the business rules. (*See Section C - Data Requirements*)

- **Comments on Proposed Playbooks**—We have also provided detailed comments to the draft Playbooks proposed by the CFPB should a decision be made to move forward with the current approach. Our detailed comments are included in *Section D - Detailed Comments on Draft Playbooks*.

Section A – At-Risk Borrower Communications

Our experience demonstrates that the largest challenge to increasing enrollment in IDR is connecting with those who don't respond to our outreach. These borrowers often move straight from repayment to default without making contact or a payment. ***We believe encouraging these borrowers to engage with their servicers should be the primary focus of the Playbook.*** For this population, we recommend testing alternative communications and delivery approaches prior to moving forward with a final rulemaking process.

"I forced myself to look at the loans. I spent quite a while pretending like they weren't there. I would get so nervous anytime the phone rang because it was always something about my loans. I finally had a wakeup call. I knew the loans weren't going anywhere, and I knew if I continued to ignore them, my stress level would go up and my financial stability would go down. I decided that if I got my finances in control, I would be able to control all aspects of my life."

--Ashley, Michigan

The profile of defaulted borrowers is quite consistent:

- they did not graduate or complete the program of study,
- the loan balances are ~$10,000 or less,
- the borrower did not respond to our outreach, and
- the borrower did not have any inbound communications, such as a call, payment, or review of their loan accounts online.

In short, when they did not complete school, they also dropped out of communication. Their struggles often extend beyond their student loan. These borrowers are twice as likely to have recent late payments or collection accounts on other non-student loan credit.

"I looked in the mirror and told myself that it was time to grow up. I borrowed the money and had to pay back what I had borrowed. I stopped trying to blame everyone else, and figured out the best way to repay my debt."

--Matt, Virginia

Our recommendations for supporting this group of customers are:

- *Communications and Approaches to be Piloted* —We recommend testing one or more of the following communications and communication approaches to determine which, if any, of these lead to increases in borrower engagement with their servicer.
  - A Simple Playbook on Income-Driven Plan Program and Benefits. The sole focus of this document would be to communicate that:
    - There are options if you have no or very low income
    - A repayment plan based on your income is available. A much simplified version of the IDR section from the Playbook would be provided
    - If your income is less than $18,000, you could be eligible for a zero payment
    - Contact your servicer – they can help
    - You don't need to wait until your circumstances improve or you get a job – options are available now
    - Surveys or other approaches to capture customer feedback could further inform the communication content
  - Same as above but sent by ED—this is designed to test whether communication from another entity would drive engagement.

  - Series of Simple Text Messages with a link to the site where the borrower can create their customized Playbook and/or enroll in an income-driven plan.
- *Testing of New IDR Application Processes*
  - For some borrowers, the IDR application process can be daunting. For others, it is simply a series of start and stop actions that are not user-friendly and are time-intensive. The current process is a three step process: modeling of options with their servicer or online, apply at www.studentloans.gov or file a paper application, and application processing. Quite often (nearly 70 percent of the time for first time applicants we serviced during Q1 2016), it also requires granting forbearance while the borrower completes the application requirements or to cure a delinquency that existed prior to the IDR plan.
  - We support process changes to benefit all borrowers, but in particular recommend piloting process changes for use with at-risk customers. Such pilots could include:
    - IDR Plan Pre-Qualification Notice—This communication would pre-qualify a borrower for an IDR plan and include payment information. The borrower would not be required to provide any additional information and would simply be asked to contact the servicer or a special number to enroll in the plan. Any prior delinquency would be resolved on that call and the borrower would have a fresh start at loan repayment.
    - "Reply Yes" Campaign—With this proposal, high-risk borrowers would be permitted to email, text, call or send a communication that states, "Yes, enroll me in a plan that sets my payment based on my income. I currently have no income so my payment will be zero." Or "Yes, enroll me in an income-driven plan that sets my payment based on my income. My payment under this plan will be less than my current payment. My current income is $________."
    - Verbal Real Time Enrollment—Where contact is made, permit loan servicers to qualify and enroll high risk borrowers in an income-driven plan, based on information certified by the borrower during the call.

Section B - Recommended Annual Playbook

There are a number of data variables as well as business rules that need to be provided or determined prior to moving forward with a fully customized Playbook. Until such time as the required information can be systematically provided to servicers, we propose a Playbook that is customized to the extent currently feasible, and where data is not currently available, borrowers be able to easily estimate their payment. The advantage of this approach is that it can be implemented prior to solving for the complete set of data variables. In addition, our experience has shown that about 50 percent of borrowers do not rely on tax return data for their IDR applications, but instead self-certify zero income or provide alternative as their situation has changed since filing their return.

We have provided two mockups of the potential Annual Playbook as attachments to this response. Attachment 1 (see Appendix) includes custom IDR information based on the borrower's loan balance with their servicer, while Attachment 2 (see Appendix) supports borrowers who may have loans with multiple servicers or are looking to evaluate the impact of any future borrowing. We fully acknowledge that these mockups will benefit from the expertise of communication simplification experts and consumer testing. We welcome the opportunity to work collaboratively with the CFPB and ED, along with consumers and other stakeholders to create a more customer-friendly version of these documents.

Other factors to be considered when developing this communication include:

- *Plans to be Presented* – Navient recommends that the following plans be included in the Standard Annual Playbook.
  - Level or Standard 10-Year Plan
  - Income Driven – In our mockup we have included REPAYE, which is more inclusive of all Direct Loan borrowers; however, guidance will be needed as to which plan should be presented given the array of programs available. As a pilot for Direct Loan borrowers, the IDR plan to be featured is likely REPAYE or PAYE. While one plan may be better for borrowers with graduate versus undergraduate loans, other factors such as the payment potentially being higher than the standard plan and options for government interest subsidy are important factors to consider. Further, presentation for borrowers with both subsidized and unsubsidized loans needs to be considered given the unique program benefits applicable to each. As a result, servicers will need guidance from the Bureau and ED on the hierarchy for plan presentation.
  - Graduated – This plan is standardized under the Direct Loan program. Careful consideration is required if a standardized form is prescribed for FFELP borrowers as there are differences in graduated repayment plan designs.
  - Accelerated or "Pay Extra" Repayment Plan – We recommend that borrowers be given information to assist them in assessing the benefits of paying extra including the impact on the length of the repayment period and total cost of the loan. Disclosures similar to this were mandated by the CARD Act. The cost to the consumer of making only the minimum payment due were not previously standard credit card disclosures on monthly billing statements.
- *Information Provided* – For each of the plans presented, we recommend including information on the loan term, current estimate of future payments, total cost of the loan, or the total cost of credit, and for those plans with loan forgiveness, the estimated amount of forgiveness. As estimates are based on known data, servicers also need a safe harbor: actual loan performance and other factors, such as future income or payment behavior, other payment plan options, and many other factors will determine the actual payment, total cost and any potential loan forgiveness. To ensure consistency and uniformity, federal laws should preempt any state-specific disclosure requirements. We feel strongly that, consistent with the theme to increase disclosures, we need to provide consumer-friendly ways to present the information showing total cost. Adding this type of disclosure before loan origination will also increase a borrower's engagement in the process.
- *Timing*—We recommend launch as a pilot, and for this communication to be issued on an annual basis. See *Section A* comments on special focus on at-risk borrowers.
- *Real Time On Demand Playbooks*—In addition to the proposed Annual Playbook, we recommend the concurrent launch of a real time, online "Build Your Own Playbook" that allows borrowers to further customize the information and generate it on demand. Billing statement and other messages could remind consumers of the availability of this tool. Links to this site could also be included on the CFPB, ED, and every servicers' websites. Other consumer advocacy groups could also hyperlink directly to the website.

- *Special Circumstances*—There are special circumstances that should be addressed through simple and plain language information such as options for borrowers engaged in public service, borrowers in court-ordered plans or plans contingent on borrower actions prior to being able to switch plans (e.g., forced IDR plan for borrowers that have consolidated out of default).

Section C – Data Requirements to Support Customized Playbooks

There are five to 11 variables required to accurately determine a borrower's monthly payment amounts under an income driven plan. These variables then drive a number of possibilities and payment calculations. Some of these variables require no further information from borrowers, while others often require borrower engagement to determine if and how the information is to be considered in calculating the monthly payment. To provide borrowers with accurate customized Playbooks, servicers must be provided with easy, reliable and systemic access to the required data. In addition, it will also be necessary to develop agreement on the profile of a "typical consumer" in order to create the uniform Playbook, with important disclosures provided if the borrower's particular situation is not aligned with the typical consumer. Examples of data required and considerations that need to be made include:

- *Income information*—Servicers would need to have access to IRS income information, or another entity would need to have access (e.g. ED). Servicers would then capture the data from that entity, or that entity would be responsible for generating the estimate. In addition, about 25-30 percent of the applications we process include alternative income documentation as the IRS data is often not reflective of their current circumstances. About 25 percent of those in IDR certify zero income. The Playbook would either need to highlight that the borrower could submit alternative documentation if their income changed since their last tax return, or servicers would need some mechanism to capture current income.

  While other sources may exist for such data, such as the credit reporting agencies which may capture income data from payroll service providers, there are limitations to these services. These limitations include: not all consumer income information is captured, self-employed or no income borrowers would require a different solution, the income may be incomplete for IDR plan purposes (e.g. spousal income is not captured) or the income would be higher than what would be used from the adjusted gross income figure on a tax return or the taxable income figure on a pay stub.

- *Spousal Income*—IDR plan calculations require consideration of household income and spousal loans. Servicers do not have access to spousal information or the social security or other identification number of the spouse to retrieve this information. In addition, spousal income is an area where borrower engagement may be required. First, the spouse will need to authorize access to the data. Secondly, if the borrower is married, special rules apply if the borrower is separated and the spouse is unwilling to provide the data, or if both spouses have education loans and the payment is to be prorated. Rules will need to be developed for situations such as these, along with appropriate consumer disclosures.

- *Family Size*—IDR payment calculations are based on family size, which may not be the same as the number of dependents reported on the tax return. For example, family size may include an unborn or a new dependent added since the tax filing or individuals which are not considered as dependents for purposes of the IRS. Simply defaulting to a family size of 1 will not be sufficient. In Q1 2016, on the IDR applications we processed, the average family size was 2.6, yet some borrowers had more family members and others less.

- *Total Indebtedness*—Today upon receipt of an IDR application, servicers access the National Student Loan Data System ("NSLDS") to capture total indebtedness for the borrower. This process can be manual or a file generated with the name and identifier of IDR applicants and information retrieved systematically. Servicers would need to have a mechanism to capture this information for their entire customer database based on a process that is both timely and efficient. For example, access to the Department of Defense Manpower Database for purposes of identifying service members is limited to files of no more than 250,000 records, and no more than 50 files per day. Under a similar limitation, a match for Navient's entire borrower population could take at least three to five days to process assuming the files can be returned consistently in a 24-hour period.
- *Loan Eligibility*—Plan eligibility differs based on loan type and date of origination. Displaying the plan that offers the lowest payment option requires modeling all plans for which a borrower is eligible to enroll.
- *Employment*—Special consideration needs to made for borrowers enrolled in PSLF given the shorter repayment term required for forgiveness and such amounts are not subject to federal income taxation. As with some of the above examples, rules need to be developed to either proactively identify potential public service employees (e.g. access to employer information), plan selection hierarchy, or for disclosing the additional factors public service employees need to consider when reviewing a Playbook that is not reflective of their unique circumstances. Those borrowers who have submitted an employee certification can be identified and have their PSLF taken into consideration when the Playbooks are being created. However, this form is not required and thus a significant share of public service borrowers may not be identified for the purposes of a customized Payback Playbook.

As previously discussed, these data variables need to be provided and business rules developed to ensure consistency and accuracy of information provided to consumers. If servicers do not have access to accurate information about family size and income, they cannot provide fully accurate payment projections, thereby increasing likelihood of borrower disengagement.

Section D – Detailed Comments on Draft Playbooks

We have also provided detailed comments to the draft Playbooks proposed by the CFPB should a decision be made to move forward with the current approach. Additionally, to increase clarity and support wise borrower decision-making, we have expanded the scope and depth of the Playbooks to provide more detailed data regarding what their payments, forgiveness, interest, and other factors would look like under several plan options.

B.I.General, AB: Feedback on providing "customized-precise" vs. "customized-rounded" estimates of monthly payments. B.III.General.2.b: Advantages and disadvantages of such communications. Any Information related to implementation, operations, and maintenance associated with dissemination of these communications. B.III.General.2.d: Feedback about information systems and other technical considerations when populating and disseminating customized information about student loans, including any feedback about existing information systems that provide accurate, customized information.

For the reasons previously discussed, we recommend exploring the use of a Playbook that is strategically customized, and that allows borrowers to easily estimate their IDR payment. Consideration should be given to this concept until complete customized information is made available to enable customized and accurate estimates of IDR plan payment amounts.

In addition, rules will need to be considered for situations such as when a Playbook is provided to a borrower who may be paid-ahead, delinquent, or eligible for a combination of IDR plans. In each of these cases, a "re-amortization" or recalculation of the loan will result in a new monthly payment amount. There also needs to be consideration about how the Playbook will address multiple loans that qualify for different plans, as the presentation of just one IDR plan in the Playbook will be misleading.

B.I.AB.1: Feedback on AB related to how they could affect borrower decision-making regarding student loan repayment options and mitigate defaults.

B.I.C.1: Feedback related to the extent that the communication could affect decision-making regarding repayment options and mitigate delinquencies or defaults.

In our experience, the most effective communication to mitigate default is to encourage borrowers to connect with their servicer. As stated above, nine times out of 10 when we reach a struggling federal borrower, we can help them get on a payment plan to successfully manage their loans. Further, 90 percent of federal borrowers who default never talk to us at all in the year it takes to reach default. That means that despite prudent, repeated attempts to contact these borrowers through multiple channels, we were unable to reach them. Borrowers who respond to servicer outreach have a greater opportunity to optimize their student loan repayment plan and maintain a positive credit record. We believe that the Payback Playbook concept can help supplement the many communications that borrowers receive about available repayment plan options throughout the life of an education loan.

B.I.AB.2.a: Feedback on AB related to the language used to introduce the communication.

B.I.C.2.a: Feedback related to the language used to introduce the communication.

The language "You have the right to choose a different repayment plan" is related to the general regulatory provision for federal loans that states that a borrower "may change plans during the repayment period at least annually." However, there are instances under the regulations where a borrower may not change to a different repayment plan, including: 1) a plan that has a maximum remaining repayment period of less than the number of years that a loan has already been in repayment. For example, if a borrower has spent 10 years under an IDR plan, the borrower is ineligible to change to a 10-year standard repayment plan. 2) Certain borrowers who obtained loans before 2007 are not permitted to change to a PAYE plan. 3) Parent PLUS borrowers are ineligible for IDR plans.

Given these examples where borrowers may not choose certain plans, it may be more accurate to revise the language to say: "*Reminder: you may choose a different repayment plan.*" Furthermore, we strongly recommend including a notice advising the borrower that based on their unique situation they may be eligible for additional repayment plans not covered in the Playbook *and* to contact their servicer for additional help in understanding their available repayment options.

B.I.AB.2.b: Feedback on AB related to the number and selection of repayment plans presented.

Since 1990, the number of repayment plan options available to borrowers has increased from two to 16. This complexity can be overwhelming to many borrowers. Consolidating the plans likely requires Congressional action. In the meantime, we support the Bureau's approach to assist borrowers by making their choices easier to understand and enabling them to more confidently select the plan that meets their repayment needs.

> B.I.AB.2.c: Feedback on AB related to the emphasis on specific repayment plans.
>
> B.I.AB.2.f: Feedback on AB related to the advantages and disadvantages with IDR plans (e.g., IBR, PAYE, REPAYE).
>
> B.I.C.2.e: Feedback related to the presentation of the advantages and disadvantages associated with IDR plans (IBR, PAYE, REPAYE).

The Playbooks proposed by the Bureau communicates the PAYE plan, however, the hierarchy of plan assignments for borrowers that request the plan with the lowest payment amount on the Income-Driven Repayment (IDR) Plan Request form places the REPAYE plan before the PAYE plan, unless a borrower receives graduate loans. It could be confusing to borrowers if one IDR plan is provided on the Playbook, but another IDR plan is granted to a borrower under the IDR application process. It can also be confusing to a borrower who may receive an IDR plan applicable to FFELP loans (i.e., IBR) and a different IDR plan applicable to Direct Loans (e.g., PAYE, REPAYE). We therefore believe that additional language or disclosure should be added to the proposed Playbooks. This disclosure should be aimed at stating the assumptions used in construction of the Playbook in a clear and conspicuous manner.

> B.I.AB.2.d: Feedback on AB related to lowering the monthly payment amount.
> B.I.AB.2.j: Feedback on AB related to the description of the costs associated with each repayment plan, including the depiction of future monthly payment levels and description of the impact of plan selection total loan costs.
> B.I.AB.2.i: Feedback on AB related to the presentation of current and future monthly payment amounts for each plan.
> B.I.C.2.d: Feedback related to the emphasis on lowering the payment amount.
> B.I.C.2.g: Feedback related to the presentation of current & future payment amount for the plan.
> B.I.C.2.h: Feedback related to the description of the cost with the plan, including future payments and total loan costs.

With respect to the emphasis on lowering the borrower's monthly payment amount, Navient believes that the statement on the Playbooks that states "switching plans for one with a lower monthly payment often means paying more over the life of your loan" is very important information for borrowers to understand and we encourage the Bureau to consider making it a more prominent topic. For a typical undergraduate borrower with $30,000 in loans and $30,000 in income, they will pay about *30 percent more* over the life of the loan in an IDR plan versus the standard 10-year repayment plan. In our attached Playbooks (see Appendix), we proposed adding the estimated life of loan cost. We have heard from borrowers who express frustration that despite paying under an IDR plan their balance is growing, which speaks to the strong need to help borrowers understand that under some plans their loans can negatively amortize and they will pay more. In fact, the majority of IDR borrowers are negative amortizing.

With the high focus that is being placed on IDR plans, which are very helpful to borrowers who need payment relief, we believe it is very important to stress the impact that lower payments can have on total loan cost of credit for student loan borrowers. With respect to the presentation of current and future payments, our proposed model (see appendix) form adopts a similar approach for communications that borrowers receive under the Master Promissory Note form (OMB No. 1845-0007), Income-Driven Repayment (IDR) Plan Request form (OMB No. 1845-0102) and the Repayment Estimator on www.studentaid.gov. These communications provide the initial/minimum and final/maximum payments for the various repayment plan options. We agree with the approach which strives for consistency between various borrower communications.

B.I.AB.2.e: Feedback on AB related to the presentation of advantages and disadvantages with alternative plans (e.g., graduated, extended, or extended-graduated).

As previously discussed in Section B, we propose the presentation of a level or standard plan, IDR plan, graduated, and an accelerated or "pay extra" plan.

In February 2016, Navient launched a new calculator at www.navient.com/repaymentcalculator designed to help borrowers understand the total loan cost and savings that can occur from paying more than the required minimum payment amount. The calculator is an interactive tool that enables customers to model a standard repayment plan to illustrate the savings that can occur from faster loan repayment by paying extra each month. Borrowers are able to estimate monthly payment amounts, daily interest, total interest and principal over the term of a loan, and calculate their debt to income ratio. We made the calculator available outside of the customer login screen to maximize its use for all interested borrowers, regardless of servicer.

B.I.AB.2.g: Feedback on AB related to the presentation of terms and conditions of specific repayment plans.

B.I.AB.2.h: Feedback on AB related to the presentation of how borrowers can obtain more information about repayment options.

B.I.AB.2.k: Feedback on AB related to the visual representation of information in communications.

B.I.C.2.f: Feedback related to the presentation of information on how to obtain more information about repayment options.

B.I.C.2.i: Feedback related to the visual representation of information.

B.III.General.6: How could the visual presentation of information, including the presentation of additional or supplemental information in electronic communications, affect consumer decision-making when repaying student loans?

We agree with the approach to connect borrowers to www.studentaid.gov to obtain more detail about the communicated plans, information about other plans, total loan cost for each plan, and the effect that potential loan forgiveness may have on income taxes. The Income-Driven Repayment (IDR) Plan Request form (OMB No. 1845-0102) contains a helpful summary of the various terms and conditions of the IDR plans. However, the current high-level summary of IDR plans takes several pages of information which may be too much detail for the proposed Playbook which seeks to present a clear and concise level of content. We believe industry expertise and a firm experienced in consumer communication and testing should be used to modify the summary to make it compact and meaningful to a consumer.

> B.I.AB.2.l: Feedback on AB related to the means by which the information is provided (e.g., periodic statement, routine email, standalone written, online payment portal, etc.).
>
> B.I.C.2.j: Feedback related to the means by which the information is provided (e.g., periodic statement, routine email, stand-alone written communication, online payment portal).
>
> B.III.General.3: How could the communication channel (e.g., U.S. Mail, email, SMS, online portal) used to deliver borrower communications affect borrower engagement (e.g., email open rates, click-through rates, inbound telephone calls)?

Borrowers who have elected to communicate electronically with their servicer should receive the proposed communication electronically such as through their online loan account with or through an email to alert borrowers of the communication. Other borrowers would receive the communication through U.S. mail.

While including the Playbook with the periodic billing statement may work in certain instances, it may be overwhelming in other cases particularly if the borrower has many loans included in the monthly statement. As noted earlier, we recommend that the Playbook be issued annually and as such, we suggest servicers be permitted to provide it as a separate mailing or in combination with the periodic billing statement. An annual communication could further reinforce the annual IDR recertification requirement.

The Higher Education Act of 1965 ("HEA") requires servicers to provide a monthly bill statement to FFELP and Direct Loan borrowers for loans with a first payment due date on or after July 1, 2009. The content of the bill statement is mandated by the HEA and implementing regulations which must include, for each of a borrower's loans, the following information: the original principal amount, the current balance, the interest rate, interest paid for the preceding installment payment, the aggregate amount paid (and separately identifying the amount paid in interest, fees and principal), a description of each fee charged for the most recent preceding payment, the date by which a payment must be made to avoid additional fees and the amount of that payment and the fees, the address and toll-free telephone number to obtain information, a reminder that the borrower may change repayment plans, a list of all of the repayment plans that are available to the borrower, a link to the ED website for repayment plan information, and directions on how the borrower may request a change in repayment plans.

Including the Playbook with a monthly bill for a borrower with a single or small number of loans may not be viewed as added complexity. If the borrower has a number of loans – such as eight or 10 – they already receive a great deal of information on the bill and additional information may be considered overwhelming which could result in the billing statement being six to 10 pages, or even more. In addition, it should be clear that the disclosure requirements provided for the HEA preempt any other requirements. Nothing in the Payback Playbook should conflict with the HEA.

> B.I.AB.3.a: Feedback related to the efficacy and applicability of AB to specific populations who are current.
>
> B.I.C.3.a: Feedback related to the efficacy and applicability of C to specific populations who are current.

The cost of providing the Playbook monthly to borrowers who are current and do not exhibit difficulty making their regular payment or being at-risk is unlikely to be justified. As noted earlier, we recommend an annual generation of the Playbook for most borrowers. We also recommend the Bureau pilot a modified Playbook to focus on at-risk borrowers. If this becomes a regular communication it would likely be ignored by struggling borrowers. Therefore, we recommend testing of various approaches and timing, as well as other program reforms.

B.I.AB.3.b: Feedback related to the efficacy and applicability of AB to specific populations who are at risk of delinquency.

B.I.AB.3.c: Feedback related to the efficacy and applicability of AB to specific populations who are delinquent.

B.I.AB.3.d: Feedback related to the efficacy and applicability of AB to specific populations who have missed multiple payments.

B.I.AB.3.e: Feedback related to the efficacy and applicability of AB to specific populations who are at risk of default.

B.I.C.2.b: Feedback related to the number and selection of plan(s) presented.

B.I.C.2.c: Feedback related to the emphasis on a specific plan.

B.I.C.3.b: Feedback related to the efficacy and applicability of C to specific populations who are at risk of delinquency.

B.I.C.3.c: Feedback related to the efficacy and applicability of C to specific populations who are delinquent.

B.I.C.3.d: Feedback related to the efficacy and applicability of C to specific populations who have missed multiple payments.

B.I.C.3.e: Feedback related to the efficacy and applicability of C to specific populations who are at risk of default.

B.I.C.3.j: Feedback related to the efficacy and applicability of C to specific populations who are enrolled in an IDR plan.

We support an approach to present the Playbook to severely delinquent borrowers (i.e., Playbook C) to help resolve delinquency. This approach is consistent with the federal loan collection letter content which includes information for borrowers about IDR and other options to avoid default such as consolidation, deferment and forbearance. We recommend using a simplified version of the Playbook or other communication to non-IDR plan borrowers who over the course of the past year may have been severely delinquent, or otherwise deemed to be at risk of making payment.

B.I.AB.3.f: Feedback related to the efficacy and applicability of AB to specific populations who have previously defaulted (e.g., rehabilitated).

B.I.C.3.f: Feedback related to the efficacy and applicability of C to specific populations who have been in default (rehabilitated).

In our view, Playbook C (as modified based on our previous comments), rather than Playbook A or B, is a more appropriate communication for borrowers who have resolved a default under the loan rehabilitation process. These borrowers have experienced payment difficulty in the past and are eager for a fresh start by resuming a regular payment schedule, yet for a variety of reasons including potentially higher payments following completion of the rehabilitation program, they often continue to struggle as demonstrated through higher delinquency rates compared to other loan customers. Our experience has been that income levels of high risk customers do not fluctuate materially from year to year. To address this difference and support greater success for rehabilitated loan borrowers, we propose the adoption of a simplified rehabilitation loan form that integrates an IDR repayment plan upon successful rehabilitation so that the borrower can immediately transition to an IDR repayment plan with a payment based on the borrower's income reported prior to commencing the rehabilitation program without any further documentation or forms. Navient is very interested in working with the Bureau, ED and the Department of Treasury to explore the opportunity to simplify and streamline the experience for student loan borrowers as they transition into full repayment following completion of a loan rehabilitation program.

B.I.AB.3.g: Feedback related to the efficacy and applicability of AB to specific populations who have high levels of debt.

B.I.C.3.g: Feedback related to the efficacy and applicability of C to specific populations who have high levels of debt.

Findings from a survey of Navient customers published in November 2015 show that customers who use IDR have the following loan balance:

Loan Balance	IDR Usage
under $10,000	5%
between $10,000 and $24,999	14%
between $25,000 and $49,999	28%
between $50,000 and $74,999	22%
between $75,000 and $99,999	10%
over $100,000	20%

IDR usage applies to all debt level ranges. In our view, the proposed Playbook C can be a helpful communication to any borrower that shows signs of having difficulty making payment and can help supplement existing communications in place to raise awareness about IDR to help avoid default.

B.I.AB.3.h: Feedback related to the efficacy and applicability of AB to specific populations who have not completed a program of study.

B.I.AB.3.i: Feedback related to the efficacy and applicability of AB to specific populations who attended certain school categories (e.g., four-year, community, for-profit, vocational).

B.I.C.3.h: Feedback related to the efficacy and applicability of C to specific populations who have not completed a program of study.

B.I.C.3.i: Feedback related to the efficacy and applicability of C to specific populations who attend certain schools (e.g., four-year, community, for-profit, vocational).

Findings from a survey of Navient customers in November 2015 show that customers who use IDR have the following educational attainment:

Educational Attainment	IDR Usage
Some college, no degree	9%
Professional certification, trade school	4%
Two-year associates degree	11%
Four-year degree	34%
Graduate degree	42%

IDR usage applies to various levels of educational attainment. Similar to the comment regarding debt level, the proposed Playbook C can be a helpful communication to any borrower that shows signs of having difficulty making payment and can help supplement existing communications in place to raise awareness about IDR to help avoid default. Further as discussed in our introductory section to our response as well as in our discussion relating to communications for at-risk borrowers, we believe process changes such as verbal real-time IDR enrollment, real-time instant enrollment from loan accounts, and multi-year enrollment have the greatest potential to increase IDR enrollment and re-enrollment and lower delinquencies and defaults.

B.I.AB.3.j: Feedback related to the efficacy and applicability of AB to specific populations who are currently in an IDR plan.

The proposed Playbook for borrowers would serve to help them more fully understand that paying less over a longer period of time may cause their total costs to be higher even with the possibility of some loan forgiveness. If it were to be sent to existing borrowers in an IDR plan, consideration should be given to how such borrowers may benefit from receiving information about the need to re-enroll, if applicable, as well as the total loan cost of credit and reminding borrowers of the savings that can be achieved by making more than the minimum required monthly payment amount. For example, as already noted we propose the addition of a sample illustration to the Playbook that helps raise awareness of the value in making higher payments.

B.I.AB.3.k: Feedback related to the efficacy and applicability of AB to specific populations who are in school or grace.
B.I.C.3.k: Feedback related to the efficacy and applicability of C to specific populations who are in school or grace.

Navient communicates loan repayment information to borrowers in school and grace. When a loan on-boards to our servicing system, borrowers are contacted electronically to inform them of the fact that although many borrowers select a standard repayment plan, those who need payment relief and meet the eligibility criteria, can qualify for lower monthly payment under an IDR plan. This message is subsequently reinforced several times while borrowers are in the beginning, midway, and toward the end of their school period. Repayment plan options are also reviewed as a standard part of school exit counseling. Schools provide servicers with information on the plans selected by borrowers during this process. Electronic communications are again provided during grace period to help borrowers prepare for entering loan repayment by understanding the repayment plan options, where to go to model monthly payment amounts, and how to apply for an IDR plan. Just prior to the start of repayment, borrowers are once more contacted about repayment plan resources including helpful tips, frequently asked questions, repayment plan estimates, and how to apply for a repayment plan. Although the proposed

Payback Playbook communication can be helpful to supplement existing communications, we believe that using Navient's outreach plans sufficient communications are in place to assist borrowers as they enter repayment.

B.I.AB.3.l: Feedback related to the efficacy and applicability of AB to specific populations who have Direct Loans. B.I.AB.3.m: Feedback related to the efficacy and applicability of AB to specific populations who have FFELP loans. B.I.AB.3.p: Feedback related to the efficacy and applicability of AB to specific populations who have FFELP Consolidation or Direct Consolidation loans. B.I.C.3.l: Feedback related to the efficacy and applicability of C to specific populations who have Direct Loans. B.I.C.3.m: Feedback related to the efficacy and applicability of C to specific populations who have FFELP loans. B.I.C.3.p: Feedback related to the efficacy and applicability of C to specific populations who have FFELP and Direct Consolidation loans. B.III.General.5: Provide information about the applicability of customized communications to different segments of the student loan market (i.e., private loans, FFELP, Direct Loans).

We would anticipate any communication to borrowers who have only FFELP loans display the IBR plan along with level, graduated, and accelerated repayment. In addition, the Playbook would advise the borrower they may be eligible for other plans. With respect to borrowers with just Direct Loans, the proposed Playbooks communicate the PAYE plan, however, the hierarchy of plan assignments for borrowers that request the plan with the lowest payment amount on the Income-Driven Repayment (IDR) Plan Request form places the REPAYE plan before the PAYE plan, unless a borrower receives graduate loans. We reiterate that it could be confusing to borrowers if one IDR plan is provided on the Playbook, but another IDR plan is granted to a borrower under the IDR application process. It can also be confusing for borrowers that have loans in both programs to receive an IDR plan applicable to FFELP loans (i.e., IBR) and a different IDR plan applicable to Direct Loans (e.g., PAYE, REPAYE). Consideration needs to be given to how the Playbook will address multiple loans that qualify for different plans. These facts also highlight the need for repayment plan simplification and reform.

With respect to private loans, repayment plan options differ by lender and by loan product, unlike federal loans. Generally, private loan repayment occurs under a standard plan with payments for between 10 and 25 years according to loan balance, and may include periods of "interest-only" payments for between one and five years followed by payments of principal and interest. For private loan borrowers who are experiencing difficulty but have some ability to make reduced payments, Navient created a customized loan modification program in 2009.[15] The program is customized to the individual circumstances based on a one-on-one budget review with the borrower (and, if applicable, the cosigner). Because the program is dependent on individual circumstances, the utility of the proposed Payback Playbook for private loans is reduced, and we recommend that private loans be excluded from the initial scope of the communication strategy.

[15] As of March 2016, more than $2 billion in private education loans were enrolled in the loan modification program.

B.I.AB.3.n: Feedback related to the efficacy and applicability of AB to specific populations who have Perkins loans.
B.I.C.3.n: Feedback related to the efficacy and applicability of C to specific populations who have Perkins loans.
B.I.AB.3.o: Feedback related to the efficacy and applicability of AB to specific populations who have parent PLUS loans.
B.I.C.3.o: Feedback related to the efficacy and applicability of C to specific populations who have parent PLUS loans.

Since Perkins loans and Parent PLUS loans do not qualify for IDR repayment plans, we would expect that these borrowers would be excluded from the scope of the Playbook communication strategy. If these borrowers were ever to consolidate their Perkins loan or their Parent PLUS loan, they would then be included in subsequent communications about IDR plan availability.

B.III.General: Feedback about the effects of increased disclosure of information regarding repayment options in written communications from servicers.

In our experience, the biggest challenge, beyond better upfront information, we see in repayment is encouraging inactive borrowers to take an active role in managing their loans. The Playbook is an opportunity to call attention to the value of contact, and we look forward to testing the results along with other recommendations to make the process simpler.

B.III.General.1; Feedback on how customized information (income, family size) related to IDR affects decision-making.

Navient supports the Bureau's goal to provide borrowers access to customized and actionable information about education loan repayment options. Today, this goal is achieved for borrowers through two key touch points including telephone and internet which provide access to repayment plan alternatives, modeling and applications. Telephone and internet methods are the only two communication channels that allow for borrowers to provide the required information, including an individual borrower's income, family size, and spousal income, when applicable, which are necessary to determine IDR plan payment amounts. As discussed previously, without access to this information, it would seem that the only alternative to a fully customized written communication would be to develop interim communications that are customized where feasible and that rely on look-up table examples for a borrower to estimate IDR repayment plan alternatives. This look-up table approach is used on the Master Promissory Note form (OMB No. 1845-0007) which contains sample payment amounts for traditional and IDR plans. Payment information is provided for typical loan debt and borrower income combinations with assumptions made for interest rates, family size, current poverty guideline factors and projected rise in income. The form also provides information about the total amount expected to be paid under each repayment plan. A similar approach is provided on the Income-Driven Repayment (IDR) Plan Request form (OMB No. 1845-0102) which also helps borrowers to estimate sample payment amounts.

We encourage the Bureau to work with ED and the Department of Treasury to take the steps necessary to make income, family size, and marital status information available to education loan servicers. We point out that the October 30, 2015 final regulations on the expansion of the PAYE plan contain a discussion about the overwhelming support that industry participants have given to the ED urging implementation of an automatic system to alleviate borrowers from the income documentation requirements. The Department of Education has advised that regulatory language that requires documentation ''acceptable to the Secretary'' of the borrower's AGI is sufficiently broad enough to allow for income information to be obtained from the IRS. With respect to information about a borrower's family size, it is our understanding that when a process becomes available, IRS-reported exemptions could also be used to satisfy the family size definition and help streamline the IDR process. Until an automated IRS solution is available, Navient recommends a pilot be conducted to assess the efficacy of a communication with customized and non-customized information.

B.III.General.2.a: Examples of existing written communications provided to borrowers.

Navient utilizes multiple channels to bring awareness about the repayment plans with a particular focus on IDR plans. Our Solution Navigators are trained to understand customer objectives, offer plans based on a borrower's particular eligibility, and to promote the availability of an IDR plan by applying for it on www.studentloans.gov. Our online servicing platform helps borrowers understand the options to lower a monthly payment amount, model repayment plans, and apply for a plan from the "results" page. On www.navient.com, descriptions of the available repayment plans and general eligibility requirements are provided with directions on where to apply. We also leverage social media, including Facebook, Twitter and LinkedIn, to create borrower awareness of repayment programs and new launches.

Navient undertakes a comprehensive communication strategy around loan repayment while borrowers are in school, or in grace, during loan repayment and when payment difficulty occurs all targeted to enhance borrower understanding of available repayment plan options. When a loan on-boards to our servicing system, borrowers are contacted electronically to inform them of that fact that although many borrowers select a standard repayment plan, those who need payment relief and meet the eligibility criteria, can qualify for lower monthly payment under an IDR plan. This message is subsequently reinforced several times while borrowers are in the beginning of their school period, midway through their school period, and toward the end of their school period. After their school period, electronic communications are again provided to help borrowers prepare for loan repayment by understanding the repayment plan options, where to go to model monthly payment amounts, and how to apply for an IDR plan. Just prior to the start of repayment borrowers are once more contacted about repayment plan resources including helpful tips, frequently asked questions, repayment plan estimates, and how to apply for a repayment plan.

During the repayment period, formal notifications and disclosures are provided to communicate the availability of repayment plan options upon entering the repayment period, before the beginning of the first required monthly payment, at any point when a borrower communicates having difficulty making payment, when a borrower reaches 60 days of delinquency, and as part of the content of delinquency collection letters. Additionally, repayment plan information is provided on a monthly basis as part of a borrower's billing statement. For borrowers that elect to temporarily postpone making payment with deferment and forbearance, electronic communications are provided before monthly payments are scheduled to resume to ensure borrowers are aware of the option to make lower payments under an IDR plan. Given the significant communications that occur about the choice to make payment under a different repayment plan, Navient believes that the proposed Playbook communications can be a helpful supplement to create awareness about repayment plan options. A sample of our existing communications is attached to our response.

B.III.General.2.c: Feedback related to privacy and data security considerations when populating and disseminating information about borrowers' loans, income information, or other sensitive financial or personal information, including protecting the privacy of borrowers in electronic communications like email or text message.

B.III.General.2.f: Information about the use of consumer data, in order to populate the customized communications.

The proposed Playbook communicates monthly payment information which is in line with servicing practices used to provide customer notifications. It is our understanding that industry participants are communicating these types of data items with borrowers in servicing communications and should not pose new risk from a privacy perspective if this type of loan information is included in borrower Playbooks.

B.III.General.2.e: Information about the availability, cost, and accuracy of potential data sources that include the income and family size of student loan borrowers.

The preferred solution is for servicers to obtain income and family size information directly from the IRS under an automated system feed to alleviate the documentation burden to borrowers. Absent this capability, other method to obtain income and family size include IRS Income Verification Express Service which requires use of IRS Form 4506-T which when faxed to the IRS results in obtaining borrower tax information within 48-hour period for a charge of $2.00 for each request. Although this process is something that has been evaluated for isolated borrower instances, and for certain segments to assist borrowers with the annual IDR renewal requirements, it would not be an efficient source of required data for large scale communications such as the Payback Playbook proposal. In addition, more than 50 percent of borrowers do not use IRS data as their income sources for IDR (about 25 percent report no income and 25 percent provide alternative documentation such as paystubs).

B.III.General.4: Feedback on how customize information obtained to populate written communications be adapted to enhance oral communications with consumers?

Unlike other repayment options, borrowers may not orally request to be placed on an IDR plan, rather, borrowers must either a complete a paper IDR application or apply online using the www.studentloans.gov website Navient is eager to obtain customized borrower information directly from the IRS to make the process more efficient for borrowers. Once obtained, servicers could leverage oral communications with borrowers to address their repayment plan needs by telephone. Under this approach, a borrower's oral authorization can be electronically retained after which the borrower would be provided a confirmation communication of the IDR plan selection and summary of the terms and conditions of the IDR plan selected. In the absence of an approved process with the IRS, we believe there is opportunity to use oral communications to allow delinquent borrowers to orally certify if they have no income which would be an oral equivalent of their self-certification of no income on the federal Income-Driven Repayment (IDR) Plan Request form (OMB No. 1845-0102). This process could reduce the time it takes for many borrowers to obtain an IDR plan and lower the likelihood of borrowers remaining delinquent and reaching default.

Conclusion

We welcome the opportunity to engage with the Bureau, the Department of Education, and the Department of Treasury, as well as other groups to continue the dialogue on best practices that better serve student loan borrowers.

APPENDIX

- Attachment 1: Navient Proposed Payback Playbook Alternative Version 1
- Attachment 2: Navient Proposed Payback Playbook Alternative Version 2
- Attachment 3: Sample Navient IDR Customer Communications

Attachment 1:
Navient proposed alternative Playbook customized based on borrower loan balance with the servicer.

As a reminder, you may choose a different repayment plan.

Based on your loan balance of $25,000 at 6% weighted average interest rate.

Your current plan

Standard plan

10 years of monthly payments that stay the same each year.

YOUR MONTHLY PAYMENT:
$278

PAYMENTS REMAINING:
120 months (10 years)

TOTAL ESTIMATED COST:
$33,306

WHY PICK THIS PLAN:
Pay off in the standard 10 years

Option 1: Income-driven

Revised Pay As You Earn (REPAYE)

Up to 20 years of monthly payments based on your family size and income, then any remainder is forgiven.

SEE TABLE 1 (ON REVERSE SIDE) FOR:

- Estimated monthly payment
- Payments remaining
- Total estimated cost
- Total potential loan forgiveness

WHY PICK THIS PLAN:
Pay less now and don't mind paying for longer

NOTE:
If you recently lost your job or your income is below $18,000, payment may be as low as $0.

Option 2: Less now, more later

Graduated plan (10 year)

Lower monthly payments initially based on your loan balance, followed by higher payments.

YOUR ESTIMATED INITIAL MONTHLY PAYMENT:
$159

YOUR ESTIMATED FINAL MONTHLY PAYMENT:
$476

PAYMENTS REMAINING:
120 months (10 years)

TOTAL ESTIMATED COST:
$35,530

WHY PICK THIS PLAN:
Pay less initially but still pay off in 10 years

Option 3: Accelerated

Pay extra

Voluntarily pay $50 more each month than the standard plan to finish up faster.

YOUR ESTIMATED INITIAL MONTHLY PAYMENT:
$328

YOUR ESTIMATED FINAL MONTHLY PAYMENT:
$328

PAYMENTS REMAINING:
97 months (8 years, 1 month)

TOTAL ESTIMATED COST:
$31,567

WHY PICK THIS PLAN:
Pay off faster than standard and save money.

These figures are estimates only.

You will not be charged a fee to change your repayment plan

To explore and compare repayment plan options based on your income and family size, visit studentaid.ed.gov/repay-loans.

Enroll in a new plan

To sign up for a different repayment plan for free, visit studentaid.ed.gov/repay-loans or call [your servicer] at [XXX-XX-XXXX].

Table 1. Explore an income-driven repayment option

You can pay as a percentage of your income. Use the table below to estimate what your payment might be under the Revised Pay As You Earn Plan using these salary examples. To explore and compare repayment plan options based on your income and family size, visit studentaid.ed.gov/repay-loans or call [your servicer] at [XXX-XX-XXXX].

Under **Revised Pay As You Earn**, your payment is estimated to be:

Based on your loan amount of $25,000 at 6% average interest rate	Your estimated initial monthly payment	Your estimated final monthly payment	Your estimated total cost	Remaining monthly payments until you're finished	Expected loan forgiveness (if any)
If your salary today is **$18,000…**	$0/month	$149/month	$14,964	240 months (20 years), after which the remaining balance would be forgiven.*	$32,308*
If your salary today is **$25,000…**	$60/month	$296/month	$38,136	240 months (20 years), after which the remaining balance would be forgiven.*	$13,138*
If your salary today is **$40,000…**	$185/month	$380/month	$35,800	135 months (11 years, 3 months)	$0
If your salary today is **$60,000…**	$352/month	$501/month	$30,253	74 months (6 years, 2 months)	$0

*The loan amount forgiven may be considered taxable income.

Assumptions and notes for examples shown above:

- Assumes enrollment in Revised Pay As You Earn Plan
- Payments under income-driven plans are based on Adjusted Gross Income, family size, and loan eligibility, among other factors
- Payment amounts shown are based on salary levels and loan balances shown, a 6% interest rate, a family size of one, and an annual income increase of 5%.
- Actual payment amount may differ from estimates shown if (among other factors): borrower has additional federal student loans with another servicer; family size increases (e.g., through marriage and/or children); borrower's spouse has student loans; borrowing is for graduate school; and/or income decreases or increases.
- Other income-driven repayment options may be available depending on loan type and year loan was taken
- Deferment or forbearance may also be options
- If you work for a government or charitable organization, you may qualify for Public Service Loan Forgiveness.

These figures are estimates for comparison purposes only and contain estimates on future scenarios that may change. To explore payment plans based on your individual circumstances, visit studentaid.ed.gov/repay-loans or contact your servicer.

Attachment 2:
Navient proposed alternative Playbook. This model includes IDR plan information provided for a range of loan balances and supports borrowers with loans at multiple servicers or who are considering additional borrowing.

As a reminder, you may choose a different repayment plan.

Based on your loan balance of $25,000 at 6% weighted average interest rate.

Your current plan

Standard plan

10 years of monthly payments that stay the same each year.

YOUR MONTHLY PAYMENT:
$278

PAYMENTS REMAINING:
120 months (10 years)

TOTAL ESTIMATED COST:
$33,306

WHY PICK THIS PLAN:
Pay off in the standard 10 years

Option 1: Income-driven

Revised Pay As You Earn (REPAYE)

Up to 20 years of monthly payments based on your family size and income, then any remainder is forgiven.

SEE TABLE 1 (ON REVERSE SIDE) FOR:

- Estimated monthly payment
- Payments remaining
- Total estimated cost
- Total potential loan forgiveness

WHY PICK THIS PLAN:
Pay less now and don't mind paying for longer

NOTE:
If you recently lost your job or your income is below $18,000, payment may be as low as $0.

Option 2: Less now, more later

Graduated plan (10 year)

Lower monthly payments initially based on your loan balance, followed by higher payments.

YOUR ESTIMATED INITIAL MONTHLY PAYMENT:
$159

YOUR ESTIMATED FINAL MONTHLY PAYMENT:
$476

PAYMENTS REMAINING:
120 months (10 years)

TOTAL ESTIMATED COST:
$35,530

WHY PICK THIS PLAN:
Pay less initially but still pay off in 10 years

Option 3: Accelerated

Pay extra

Voluntarily pay $50 more each month than the standard plan to finish up faster.

YOUR ESTIMATED INITIAL MONTHLY PAYMENT:
$328

YOUR ESTIMATED FINAL MONTHLY PAYMENT:
$328

PAYMENTS REMAINING:
97 months (8 years, 1 month)

TOTAL ESTIMATED COST:
$31,567

WHY PICK THIS PLAN:
Pay off faster than standard and save money.

These figures are estimates only.

You will not be charged a fee to change your repayment plan

To explore and compare repayment plan options based on your income and family size, visit studentaid.ed.gov/repay-loans.

Enroll in a new plan

To sign up for a different repayment plan for free, visit studentaid.ed.gov/repay-loans or call [your servicer] at [XXX-XX-XXXX].

Table 1. Explore an income-driven repayment option

You can pay as a percentage of your income. Use the table below to estimate what your payment might be under the Revised Pay As You Earn Plan using these salary examples. To explore and compare repayment plan options based on your income and family size, visit studentaid.ed.gov/repay-loans or call [your servicer] at [XXX-XX-XXXX].

Under **Revised Pay As You Earn**, your payment is estimated to be:

Starting income of $18,000					
Loan Balance *assuming a 6% interest rate*	Estimated initial monthly payment	Estimated final monthly payment	Estimated total cost	Remaining monthly payments until finished	Expected loan forgiveness (if any)
$20,000	$0	$149	$14,964	240 (20 years)	$23,774
$40,000	$0	$149	$14,964	240 (20 years)	$56,518
$60,000	$0	$149	$14,964	240 (20 years)	$88,518
$80,000	$0	$149	$14,964	240 (20 years)	$120,518
$100,000	$0	$149	$14,964	240 (20 years)	$152,518

Starting income of $25,000					
Loan Balance *assuming a 6% interest rate*	Estimated initial monthly payment	Estimated final monthly payment	Estimated total cost	Remaining monthly payments until finished	Expected loan forgiveness (if any)
$20,000	$60	$296	$38,136	240 (20 years)	$700
$40,000	$60	$296	$38,136	240 (20 years)	$43,114
$60,000	$60	$296	$38,136	240 (20 years)	$76,932
$80,000	$60	$296	$38,136	240 (20 years)	$108,932
$100,000	$60	$296	$38,136	240 (20 years)	$140,932

Starting income of $40,000					
Loan Balance *assuming a 6% interest rate*	Estimated initial monthly payment	Estimated final monthly payment	Estimated total cost	Remaining monthly payments until finished	Expected loan forgiveness (if any)
$20,000	$185	$315	$26,624	108 (9 years)	$0
$40,000	$185	$544	$71,443	212 (17 years, 8 months)	$0
$60,000	$185	$612	$87,732	240 (20 years)	$37,269
$80,000	$185	$612	$87,732	240 (20 years)	$79,146
$100,000	$185	$612	$87,732	240 (20 years)	$114,658

Starting income of $60,000					
Loan Balance *assuming a 6% interest rate*	Estimated initial monthly payment	Estimated final monthly payment	Estimated total cost	Remaining monthly payments until finished	Expected loan forgiveness (if any)
$20,000	$352	$447	$23,286	59 (4 years, 11 months)	$0
$40,000	$352	$594	$54,521	118 (9 years, 10 months)	$0
$60,000	$352	$786	$96,592	180 (15 years)	$0
$80,000	$352	$1,033	$151,881	239 (19 years, 11 months)	$0
$100,000	$352	$1,033	$153,840	240 (20 years)	$53,245

*The loan amount forgiven may be considered taxable income.

Assumptions and notes for examples shown above:

- Assumes enrollment in Revised Pay As You Earn Plan
- Payments under income-driven plans are based on Adjusted Gross Income, family size, and loan eligibility, among other factors
- Payment amounts shown are based on salary levels and loan balances shown, a 6% interest rate, a family size of one, and an annual income increase of 5%.
- Actual payment amount may differ from estimates shown if (among other factors): borrower has additional federal student loans with another servicer; family size increases (e.g., through marriage and/or children); borrower's spouse has student loans; borrowing is for graduate school; and/or income decreases or increases.
- Other income-driven repayment options may be available depending on loan type and year loan was taken
- Deferment or forbearance may also be options
- If you work for a government or charitable organization, you may qualify for Public Service Loan Forgiveness.

These figures are estimates for comparison purposes only and contain estimates on future scenarios that may change. To explore payment plans based on your individual circumstances, visit studentaid.ed.gov/repay-loans or contact your servicer.

Helping Customers Enroll and Re-enroll in Income-Driven Repayment Plans

Attachment 3: Sample Communications

June 2016

Introduction

- Navient actively promotes Income-Driven Repayment solutions to its 10 million federal loan customers, including through 170 million communications about repayment options a year. A variety of channels are used, including email, mail, phone calls, text messages, and online tools.

- The following pages provide a sampling of communications that borrowers receive.

Note: The following presentation shows examples of many common communications received by customers in various stages of loan repayment. Specific communications received by individual borrowers will vary based on specific loan type, repayment status, and other factors.

Emails provided to ED borrowers while in school

Early In-School

We're here to help you if you have any questions or concerns!

NAVIENT Department of Education Loan Servicing

IMPORTANT MESSAGE

Where you are in your student loan cycle

YOU'RE IN SCHOOL | IN GRACE | IN REPAYMENT

Jamie,

We're reaching out to let you know that **as your federal student loan servicer we're here to help you** if you have any questions or need assistance.

No action is required from you at this time.

If you'd like to review information about your student loan(s), your account information is just a click or phone call away.

- Create or log in to your account at Navient.com
- Or call us toll free at 800-722-1300.

We're here to help you Monday – Thursday 8 a.m. to 9 p.m., and Friday 8 a.m. to 8 p.m., ET.

We appreciate the opportunity to help you navigate the path to financial success.

Sincerely,

Navient – Department of Education Loan Servicing

Tools and Resources

- FAQs
- My Monthly Budget
- Money-Saving Strategies
- My Financial Goals

U.S. Department of Education

Midway In-School

A few things to keep in mind while you're in school

NAVIENT Department of Education Loan Servicing

IMPORTANT MESSAGE

Where you are in your student loan cycle

YOU'RE IN SCHOOL | IN GRACE | IN REPAYMENT

Jamie,

Here are some good things to keep in mind while you're in school:

No payment is due at this time, but paying a little now could save you a lot later!

- Making payments now, even if it's just a little each month, can significantly decrease the amount you'll pay over the life of your loan. Get ahead!

How do I make a payment?

- Create or log in to your account at Navient.com
- Access the ***Make Payment*** menu at the top of the page.
- Select ***Make a Payment*** under *Department of Education Loans*, and follow the steps to submit your payment.

Looking for information on all of your federal student loans?

- Visit NSLDS.ED.gov and sign in using your FSA ID.

We appreciate the opportunity to help you navigate the path to financial success.

Sincerely,

Navient – Department of Education Loan Servicing

Tools and Resources

- **FAQs**
  Here are the answers to some of the most common student loan borrower questions.
- **My Monthly Budget**
  This interactive tool helps you create and stick to a monthly budget.
- **Money-Saving Strategies**
  On a tight budget? Here are some helpful tips on saving money on housing, banking services, and more.

U.S. Department of Education

Late In-School

A few things to keep in mind while you're in school

NAVIENT Department of Education Loan Servicing

IMPORTANT MESSAGE

Where you are in your student loan cycle

YOU'RE IN SCHOOL | IN GRACE | IN REPAYMENT

Jamie,

Now that you're in the home stretch of school, here are some helpful things to keep in mind.

Looking ahead…

- We'll send you informative emails to keep you posted on the status of your student loan as you graduate, enter your grace period, and when you start repayment. We'll also keep you informed of any actions you need to take along the way.
- Keep an eye out for our quarterly newsletter – with financial literacy tips and guidance for your federal student loans and much more.

Did you know…

- Most borrowers don't choose the standard repayment option. Over 50% of those who need payment relief and meet the eligibility criteria, **qualify for a $0 monthly payment** under the Income-Based Repayment plan.
- Student loans are one of the best ways to build your credit. Making consistent, on-time payments can help you when you apply for a job, get housing, or buy a car.

Make your life easier – sign up to manage your account online.

- At Navient.com you can easily view your Navient – serviced loans, view your payment history, change repayment plans, make a payment, update your contact information, and more.

Follow these helpful tips along your path to repayment and you could be well on your way to a bright financial future.

We appreciate the opportunity to help you navigate the path to financial success.

Sincerely,

Navient – Department of Education Loan Servicing

Tools and Resources

- **10 Things To Do When It's Time To Repay Your Loan**
  This checklist is designed to help you get off to a good start in repaying your student loans.
- **Student Loan Repayment Estimator**
  Estimate your monthly loan payment with this handy tool.
- **My Monthly Budget**
  This interactive tool helps you create and stick to a monthly budget.
- **Money-Saving Strategies**
  On a tight budget? Here are some helpful tips on saving money on housing, banking services, and more.

To access additional content, visit Navient.com.

U.S. Department of Education

Prior to loan entering grace period, provide tips including explore IBR

Emails sent to ED borrowers at the end of in-school deferment and upon graduation providing IDR information

Exiting In-School Deferment

NAVIENT | Department of Education Loan Servicing

Your in-school deferment is ending soon - learn about your options today.

Jamie,

Your in-school deferment is ending soon. Now that your deferment is coming to an end (within the next 10-40 days), we want to help prepare you for the next steps in repaying your loan(s). Below are some possible options.

Ready to start repayment? Your payment due date is **07/29/2015** and the amount due is **$55.00**.

Need help making your payments? Have you looked into the government's income-driven repayment plans for your federal loan(s)? These repayment options allow you to make monthly payments based on your current income. **You could even qualify for a payment of $0!** That's right, zero! It's worth checking out. Learn more and apply right online for an income-driven repayment plan at StudentLoans.gov.

Have you re-enrolled in school at least half time? If you're returning to school next semester, your school may have already submitted your enrollment information. Check here to see if your school will automatically report your in-school status. After your school submits this to us, we'll automatically extend your deferment and let you know once it's complete.

Note: You might receive a statement before your next deferment is processed. As long as you have re-enrolled and your school will automatically report to us, you can disregard this statement.

If your school doesn't automatically report, simply log in to your account at Navient.com and:

1. Under the *Change Payment* menu, click *Apply for Deferment* under the "Department of Education Loans" section.
2. Click on *Show Eligible Deferments* in the "FFELP and Federal Direct loan deferments" category. This will allow you to download the in-school deferment form and have your school certify the form.

Once we receive certification from your school, we'll process your form and let you know when your reenrollment is complete.

Never miss a payment (and lower your interest rate!) with automatic debit. Having your payments automatically debited from your bank account can help ensure your payments are made on time. You may even qualify for a 0.25 percentage point interest rate reduction* on your eligible loans. If you're already enrolled, your auto debit payments will resume when your in-school deferment ends.

You're welcome to visit us online at Navient.com, or call us toll free at 800-722-1300. We're here to help you Monday - Thursday 8 a.m. to 9 p.m., and Friday 8 a.m. to 8 p.m., ET.

Sincerely,

Navient – Department of Education Loan Servicing

U.S. Department of Education
Information about your federal student loan

Prior to loan entering Repayment, provide tips including explore IBR

Graduation Congratulations

We wish you success in all your future endeavors.

NAVIENT | Department of Education Loan Servicing

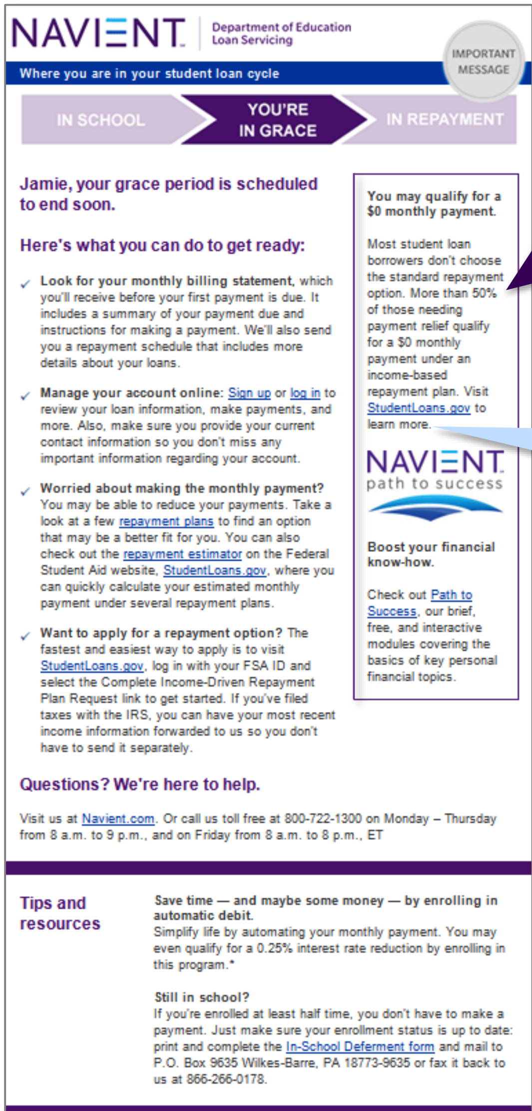
U.S. Department of Education
Information about your federal student loan

Make sure Navient makes it to your inbox by adding CustomerService@Navient.com as a contact. Instructions on how to add us can be found here.

Privacy | Terms of Use

CC-15-10859 | X703ED

Emails sent to ED borrowers upon entering, exiting grace, and entering repayment on IDR information



NAVIENT Department of Education Loan Servicing

IMPORTANT MESSAGE

Where you are in your student loan cycle

IN SCHOOL | YOU'RE IN GRACE | IN REPAYMENT

Jamie, your grace period is scheduled to end soon.

Here's what you can do to get ready:

- **Look for your monthly billing statement**, which you'll receive before your first payment is due. It includes a summary of your payment due and instructions for making a payment. We'll also send you a repayment schedule that includes more details about your loans.
- **Manage your account online:** Sign up or log in to review your loan information, make payments, and more. Also, make sure you provide your current contact information so you don't miss any important information regarding your account.
- **Worried about making the monthly payment?** You may be able to reduce your payments. Take a look at a few repayment plans to find an option that may be a better fit for you. You can also check out the repayment estimator on the Federal Student Aid website, StudentLoans.gov, where you can quickly calculate your estimated monthly payment under several repayment plans.
- **Want to apply for a repayment option?** The fastest and easiest way to apply is to visit StudentLoans.gov, log in with your FSA ID and select the Complete Income-Driven Repayment Plan Request link to get started. If you've filed taxes with the IRS, you can have your most recent income information forwarded to us so you don't have to send it separately.

You may qualify for a $0 monthly payment.

Most student loan borrowers don't choose the standard repayment option. More than 50% of those needing payment relief qualify for a $0 monthly payment under an income-based repayment plan. Visit StudentLoans.gov to learn more.

NAVIENT path to success

Boost your financial know-how.

Check out Path to Success, our brief, free, and interactive modules covering the basics of key personal financial topics.

Questions? We're here to help.

Visit us at Navient.com. Or call us toll free at 800-722-1300 on Monday – Thursday from 8 a.m. to 9 p.m., and on Friday from 8 a.m. to 8 p.m., ET

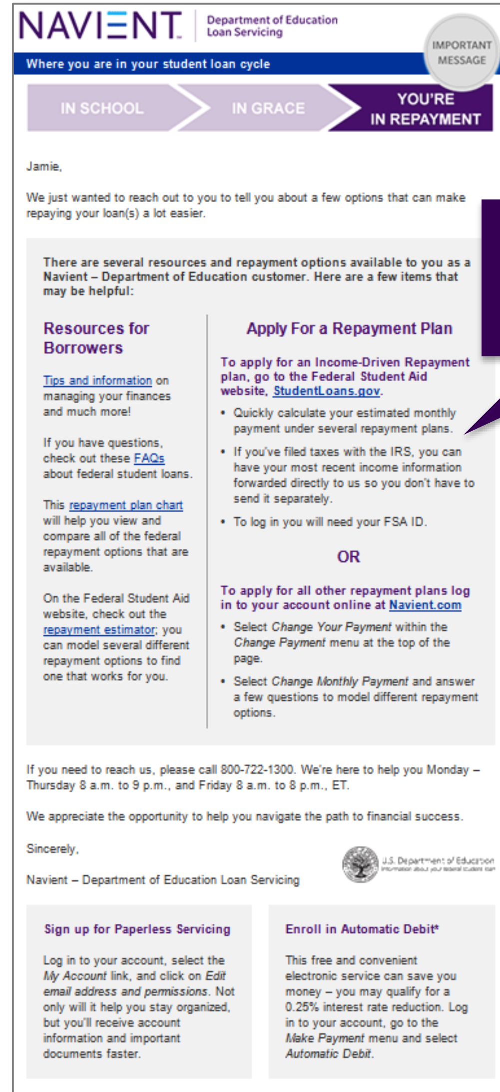
Tips and resources

Save time — and maybe some money — by enrolling in automatic debit.
Simplify life by automating your monthly payment. You may even qualify for a 0.25% interest rate reduction by enrolling in this program.*

Still in school?
If you're enrolled at least half time, you don't have to make a payment. Just make sure your enrollment status is up to date: print and complete the In-School Deferment form and mail to P.O. Box 9635 Wilkes-Barre, PA 18773-9635 or fax it back to us at 866-266-0178.

Prior to loan entering Repayment, provide tips including explore IBR

Instructions for how to apply electronically at studentloans.gov



NAVIENT Department of Education Loan Servicing

IMPORTANT MESSAGE

Where you are in your student loan cycle

IN SCHOOL | IN GRACE | YOU'RE IN REPAYMENT

Jamie,

We just wanted to reach out to you to tell you about a few options that can make repaying your loan(s) a lot easier.

There are several resources and repayment options available to you as a Navient – Department of Education customer. Here are a few items that may be helpful:

Resources for Borrowers

Tips and information on managing your finances and much more!

If you have questions, check out these FAQs about federal student loans.

This repayment plan chart will help you view and compare all of the federal repayment options that are available.

On the Federal Student Aid website, check out the repayment estimator; you can model several different repayment options to find one that works for you.

Apply For a Repayment Plan

To apply for an Income-Driven Repayment plan, go to the Federal Student Aid website, StudentLoans.gov.

- Quickly calculate your estimated monthly payment under several repayment plans.
- If you've filed taxes with the IRS, you can have your most recent income information forwarded directly to us so you don't have to send it separately.
- To log in you will need your FSA ID.

OR

To apply for all other repayment plans log in to your account online at Navient.com

- Select *Change Your Payment* within the *Change Payment* menu at the top of the page.
- Select *Change Monthly Payment* and answer a few questions to model different repayment options.

If you need to reach us, please call 800-722-1300. We're here to help you Monday – Thursday 8 a.m. to 9 p.m., and Friday 8 a.m. to 8 p.m., ET.

We appreciate the opportunity to help you navigate the path to financial success.

Sincerely,

Navient – Department of Education Loan Servicing

Sign up for Paperless Servicing

Log in to your account, select the *My Account* link, and click on *Edit email address and permissions*. Not only will it help you stay organized, but you'll receive account information and important documents faster.

Enroll in Automatic Debit*

This free and convenient electronic service can save you money – you may qualify for a 0.25% interest rate reduction. Log in to your account, go to the *Make Payment* menu and select *Automatic Debit*.

At the time the loan enters Repayment, provide tips including explore IDR

New Letters for REPAYE

Cover letter (Instructions how to apply)

Tips for completing the form that address common errors

#1 Online

Continue making payments

NAVIENT Department of Education Loan Servicing

P.O. Box 9760
Wilkes-Barre, PA 18773-9760

<Borrower Name>
<Borrower Address>
<Borrower Address>

<First Name>, here's how you can apply for a Revised Pay As You Earn Repayment plan.

We're glad you're taking steps to find a repayment plan that's right for you. Since you're interested in a Revised Pay As You Earn (REPAYE) plan for your eligible federal loan, here's a quick overview of ways you can apply for it.

To apply online (recommended)
Visit StudentLoans.gov to get started—it's the easiest and fastest way to apply. As part of this process, you'll be asked to submit some required income information, but as long as your tax returns are up to date, you can choose to have the IRS fill in this information for you.

To apply by fax or mail
Fill out the enclosed form. Before you complete it, take a look at the reverse side of this letter for tips on filling it out.

Fax: 855-281-1771

Mail: Navient, P.O. Box 9760, Wilkes-Barre, PA 18773-9760

What to expect after you apply
You'll need to continue making your payments until we let you know whether your application has been approved. We'll update you after we review your application and income documentation.

We're here to help
We want to make your application process as easy as possible. If you have any questions about applying or about other repayment options, visit us online or give us a call.

Enclosure: Income-Driven Repayment Plan Request

Account number
9999999999999
Date
<July XX, 2015>

Manage your account online
Navient.com

Contact us
800-722-1300

Monday–Thursday, 8 a.m.–9 p.m.
Friday, 8 a.m.–8 p.m. Eastern

Fax 855-281-1771

Remember, we can only process your application for loans you have with us. If you have loans with other servicers, make sure to apply for REPAYE separately with them.

NAVIENT Department of Education Loan Servicing

Applying for a Revised Pay As You Earn Repayment plan

Whether you're filling out a printed form or applying online, keep these tips in mind.
Remember: any incomplete or incorrect information will delay the application review process.

Section 2, Item 1 **Type of request**	Make sure to indicate if this is your first request for a REPAYE plan, your annual recertification, or if you want us to recalculate your payment.
Section 2, Item 2 **Repayment Plan Type Requested**	Check the REPAYE box.
Section 2, Item 3 **Loan Holder**	Please indicate if you have loans with more than one servicer
Section 2, Item 4 **Are you in a deferment or forbearance**	Indicate whether your loan payments are currently postponed
Section 3, Item 5, 6, 7 **Family size**	Don't forget to complete these items that ask you to list your family size. Otherwise, a default family size will be determined based on your answers to the questions on the form.
Section 4A or 4B **Income Information for Single or Married Borrowers**	*Single* – Complete Section 4A. OR *Married* – Complete Section 4B. We'll need your spouse's permission to access his/her information from the National Student Loan Data System (NSLDS) website. Your spouse can grant us access by logging into NSLDS.ed.gov and entering the Lender ID of 700578. The lender or lender servicer may view your spouse's information on the NSLDS website during the 60-day period following the granting of permission.
Section 5 **Income documentation**	**If you filed your tax return,** include a copy of your most recent return. **If you did not file a tax return,** or if either your income or your spouse's income is significantly different from the adjusted gross income reported to the IRS on your most recent return, complete this section and submit your alternative proof of income: - Pay Stubs - A letter from your employer listing income - Interest, bank, or dividend statements You'll need to provide one document for each source of income, and no document can be older than 90 days from the date you sign your application form. Unless the frequency is clearly indicated on the documentation that you provide, write how often you receive the income (e.g., twice per month, every other week) on the documentation. Copies of original documentation are acceptable. **If you don't have this documentation,** you or your spouse can provide a signed statement explaining the income sources, with the name and address of these sources.
Section 6 **Sign the Form**	Remember to sign the form in Section 6. If you are married and included spousal information and/or you have a Spousal Consolidation Loan, you and your spouse must both sign the form.*

Customer expresses difficulty making payments

Letter and email versions

PO BOX 9635
WILKES-BARRE, PA 18773-9635

NAVIENT | Department of Education Loan Servicing

, we have repayment options that may help you.

Thank you for talking with us about staying on track with your student loans. As a follow–up, we want to make sure you know about other repayment options — changing your repayment plan can make a big difference.

What you can do

Take a look at this quick summary of ways to reduce or postpone your monthly payments. For more details about these options, log in to your account at Navient.com and visit the Change Payment menu or call us. If your loans qualify, you can apply for a new repayment plan online or by phone.

If you'd like to change your monthly payment amount

Repayment options	*Keep in mind*
Standard: You pay the same amount every month (up to 10 years).	This is the most efficient way to pay down your principal and interest.
Graduated: You pay less at first, then more over time (up to 10 years).	This is a good option if you need lower payments now but can pay more in the future. However, you'll pay more in interest over time.
Extended: You pay less every month, but you pay over a longer period of time (up to 25 years).	Because the payment period is longer, you'll pay more interest over time with this option. This plan is only available if your loan balance is more than $30,000.
Income – driven: We reduce your monthly payments for twelve months based on your income and other factors. (Examples include Income-Based Repayment and Pay as You earn plans.)	Since your income can change, you need to reapply to income-driven plans every year. These plans usually extend your repayment period, so you'll pay more interest over time.

Continued on reverse

Account Number

Date

12/25/14

Call Us

800-722-1300

Monday – Thursday,
8 a.m. – 9 p.m.
Friday, 8 a.m. – 8 p.m. Eastern

Manage your account online

Navient.com

Remember, the more you can pay each month, the less you'll pay in interest over the life of your loan(s).

Para comunicarse en Español con 'Atención al Cliente',
llame gratis al (800) 722-1300, y marque el numero correspondiente.

K008 SYSTEM ED 0001

Payment Options Available

Options to change/lower payments

NAVIENT

, we have payment options that may help you.

Thank you for talking with us about your student loans. As a follow-up, we want to be sure you know about additional repayment options. Changing your repayment plan can make a difference in the amount you pay and the length of time to repay your loans.

What you can do

Take a look at this quick summary of ways to reduce or postpone your monthly payments. For more details about these options, log in to your account at Navient.com and visit the Change Payment menu. If your loans qualify, you can apply for a new repayment plan online.

To view all information regarding this notification, log in to your Navient inbox.

Manage your account online at Navient.com.

Remember, the more you can pay each month, the less you'll pay in interest over the life of your loan(s).

If you'd like to change your monthly payment amount

Repayment options	*Keep in mind*
Standard: You pay the same amount every month (up to 10 years).	This is the most efficient way to pay down your principal and interest.
Graduated: You pay less at first, then more over time (up to 10 years).	This is a good option if you need lower payments now, but can pay more in the future.
Extended: You pay less every month, but you pay over a longer period of time (up to 25 years).	Because the payment period is longer, you'll pay more interest over time with this option. This plan is only available if your eligible loan balance is more than $30,000.
Income-driven: We reduce your monthly payments for twelve months based on your income and other factors. (Examples include Income-Based Repayment and Pay as You Earn Plans.)	Since your income can change, you need to reapply to income-driven plans every year. These plans usually extend your repayment period, so you'll pay more interest over time.

If you need to postpone monthly payments

Options	*Keep in mind*
Temporary deferment: We can postpone your payments if you're in school, in the military, unemployed, or experiencing economic hardship.	During deferment, interest won't accrue on subsidized loans, but it will still accrue on unsubsidized loans.
Forbearance: If you don't qualify for deferment, we may still be able to temporarily postpone or reduce your payments.	During forbearance, interest on all loans will continue to accrue, so you'll pay more interest overall.

Stay in touch – we're here to help

We're glad you contacted us, and we want to help you find the option that fits your situation best. Making payments on time is always the best way to stay on track with your goals and build your credit, but when that's not possible, changing your repayment plan is much better than missing a payment.

Navient.com repayment plans

NAVIENT

Log In

Repayment Plans

Plans Based on Your Income

A repayment plan based on your income can help you manage your federal student loan payments.

There are four plans commonly referred to as Income-Driven Repayment (IDR) Plans and an additional Income-Sensitive Repayment (ISR) Plan. These plans offer flexible options to repay your student loan and many of them are based on financial hardship, family size, or income.

Eligibility and Program Features

Eligibility and program features are based on a number of criteria, s
disbursement date. The monthly payment amount calculated uses a
government. For some of the plans, married borrowers may also be
eligible federal loans in the formula depending on tax filing status.

As with any change to a repayment plan, lowering your monthly pay
length of your loan because less money is applied to principal whic
loan and cause the total life of the loan to increase.

Drive borrowers to StudentLoans.gov for personalized information about IDR options

Visit StudentLoans.gov to see which plan is best for you

IMPORTANT: Once approved, each year you will need to update your income information and we encourage you to re-certify your marital status and family size. Your monthly payment amount may increase or decrease if your income or family size changes from year to year. As your loan servicer, we will work with you and remind you when to start the renewal process and you can always check the status online.

Benefits of Income-Driven Repayment (IDR) Plans

An income-driven repayment plan can be a valuable option for those with high debt relative to their current income. The good news is that you can make extra payments to pay off earlier or change to another repayment plan.

Once enrolled, you may also stretch out making payments for as long as 20 to 25 years, and in certain cases may be eligible for loan forgiveness of any remaining balance. For example, some public service professions may qualify after 10 years of repayment. Keep in mind, loan forgiveness may be considered taxable income.

Education on possible higher costs for extended repayment and option to pay more over time

Learn more about Public Service Loan Forgiveness on the Federal Student Aid site

Consider your repayment options carefully and compare your total anticipated costs to make an informed decision about the repayment plan that's best for you.

Drive awareness of Public Service Loan Forgiveness

Go to the Federal Student Aid site to:

- Estimate payments and evaluate options
- Learn more about income-driven repayment plans
- You can also apply online at StudentLoans.gov

Additional Resources:

- Log in to your account to check your eligibility and select or change a repayment plan
- Log in to the National Student Loan Data System (NSLDS) to see all of your federal student loans
- Download an Overview of Direct Loan and FFELP Loan Repayment Plans

Income-Driven Repayment (IDR) Plans

Revised Pay As You Earn Repayment Plan (REPAYE)

For Direct Loans Only (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Pay As You Earn Repayment Plan (PAYE)

For Direct Loans Only (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Income-Based Repayment Plan (IBR)

For Direct Loans and FFELP Loans (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Income-Contingent Repayment Plan (ICR)

For Direct Loans Only (excluding Parent PLUS)

Links to plan details

Additional Plan Based on Your Income

Income-Sensitive Repayment Plan (ISR)

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Overview of repayment plans on Navient.com

Overview of Direct Loan and FFEL Program Repayment Plans

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Navient helps borrowers navigate the path to successful repayment and we are committed to keeping students informed. The Repayment Options below detail important information and will help you understand the repayment process for your federal student loans. If you need further details, or clarification on any terms, visit www.studentaid.gov

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
Revised Pay As You Earn Repayment Plan (REPAYE)	• Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans that do not include Direct or FFEL PLUS Loans made to parents	• Your payments will be 10% of your monthly discretionary income, the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence (other conditions apply) divided by 12. • Your payments change as your income changes. • Up to 25 years. • Will provide a new interest subsidy benefit.	• You must be a Direct Loan borrower with eligible loans. • No disbursement date requirements for when you first obtained your eligible student loans. • No income requirement to enter plan. • Discretionary income for the REPAYE plan is the amount by which your adjusted gross income (AGI) exceeds 150% of the poverty guideline amount for your state of residence and family size. • If you are married, your AGI generally includes your spouse's income regardless of how you file your federal income tax return. • If you have not repaid your loan in full after you made the equivalent of 20 years of qualifying monthly payments for those who borrowed only for undergraduate study and 25 years of qualifying payments for those who borrowed for graduate study, any outstanding balance on your loan will be forgiven. • You may have to pay income tax on any amount that is forgiven. • No pay
Pay As You Earn Repayment Plan (PAYE)	• Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans that do not include Direct or FFEL PLUS Loans made to parents	• Your payments will be 10% of your monthly discretionary income, the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence (other conditions apply) divided by 12. • Your payments change as your income changes. • Up to 20 years.	• You mu disburs • You mu • Your m standar • You'll p 10-year • If you h qualifyi • You ma
Income-Based Repayment Plan (IBR)	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • All PLUS Loans made to students • Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents	• Your payments will be 15% (10% if you are a new borrower*) of your monthly discretionary income, the difference between your adjusted gross income and 150% of the poverty guideline for your family size and state of residence (other conditions apply) divided by 12. • Your payments change as your income changes. • Up to 25 years.	• You mu • Your m the 10- • You'll p 10-year • If you h (20 year outstan • You ma *A new bo of July 1, 2 obtains a

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
Income-Contingent Repayment Plan (ICR)	• Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans	• Payments will be the lesser of: - 20% of your discretionary income, the difference between your adjusted gross income and 100% of the poverty guideline for your family size and state of residence (other conditions apply) divided by 12, or - 12-year standard payment multiplied by income percentage factor that is published annually by the Dept. of Education. • Your payments change as your income changes. • Up to 25 years.	• You'll pay more for your loan over time than under the 10-year standard plan. • If you do not repay your loan after making the equivalent of 25 years of qualifying monthly payments, the unpaid portion will be forgiven. • You may have to pay income tax on the amount that is forgiven.
Standard Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • All PLUS Loans • Consolidation Loans (Direct and FFEL)	• Payments are a fixed amount of at least $50 per month. • Generally up to 10 years (between 10 and 30 years for Consolidation Loans).	• You'll pay less interest for your loan over time under this plan than you would under other plans.
Graduated Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • All PLUS Loans • Consolidation Loans (Direct and FFEL)	• Payments are lower at first and then increase, usually every two years. • Generally up to 10 years (between 10 and 30 years for Consolidation Loans).	• You'll pay more for your loan over time than under the 10-year standard plan.
Extended Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • All PLUS Loans • Consolidation Loans (Direct and FFEL)	• Payments may be fixed or graduated. • Up to 25 years.	• Your monthly payments would be lower than the 10-year standard plan. • If you are a Direct Loan borrower, you must have more than $30,000 in outstanding Direct Loans. • If you are FFEL borrower, you must have more than $30,000 in outstanding FFEL Program loans. • For example, if you have $35,000 in outstanding FFEL Program loans, and $10,000 in Direct Loans, you can use the extended repayment plan for your FFEL Program loans, but not for your Direct Loans. • For both programs, you must also be a new borrower as of Oct. 7, 1998. • You'll pay more for your loan over time than under the 10-year standard plan.
Income-Sensitive Repayment Plan	• Subsidized and Unsubsidized Federal Stafford Loans • FFEL PLUS Loans • FFEL Consolidation Loans	• Your monthly payment is based on your monthly gross income. • Your payments change as your income changes. • Generally up to 10 years (between 10 and 30 years for Consolidation Loans).	• You'll pay more for your loan over time than you would under the 10-year standard plan. • Each lender's formula for determining the monthly payment amount under this plan can vary.

View information from Federal Student Aid

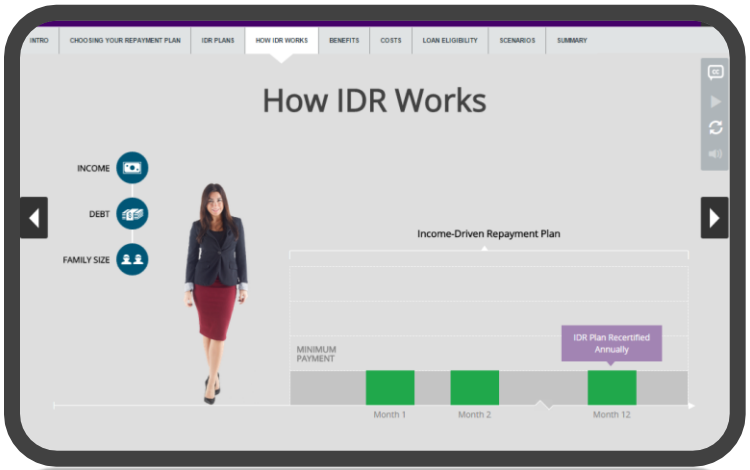
View information on Income-Driven repayment plans

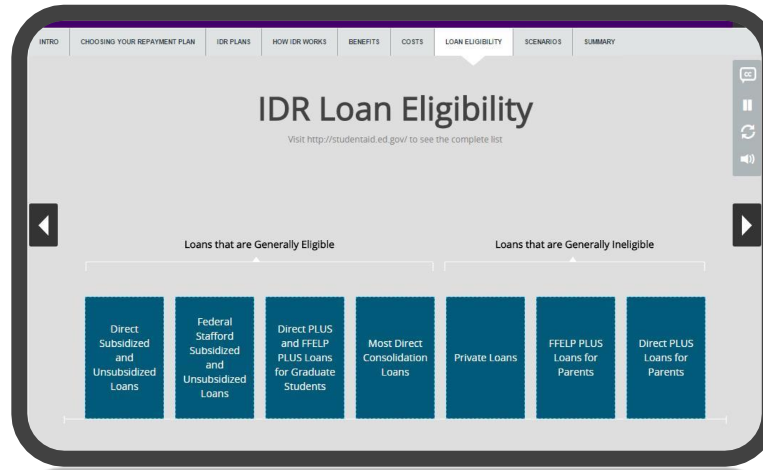
Download a fact sheet for Income-Driven repayment plans

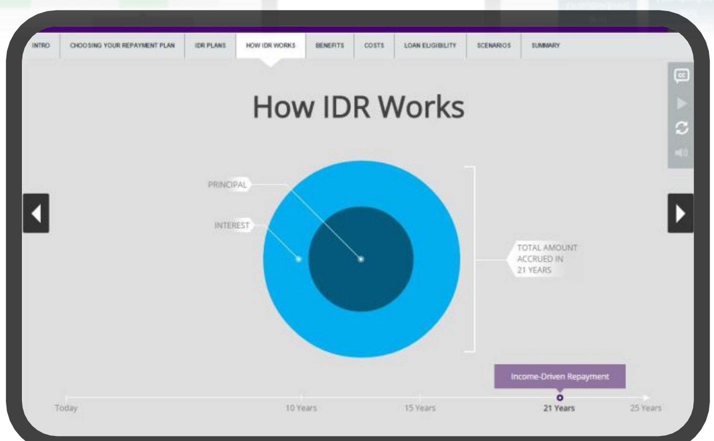
Description of each plan and qualifications

Navient Path to Financial Success

Free online financial literacy modules explain income-driven repayment, including eligibility, costs and benefits, and potential scenarios.







Navient.com/Path

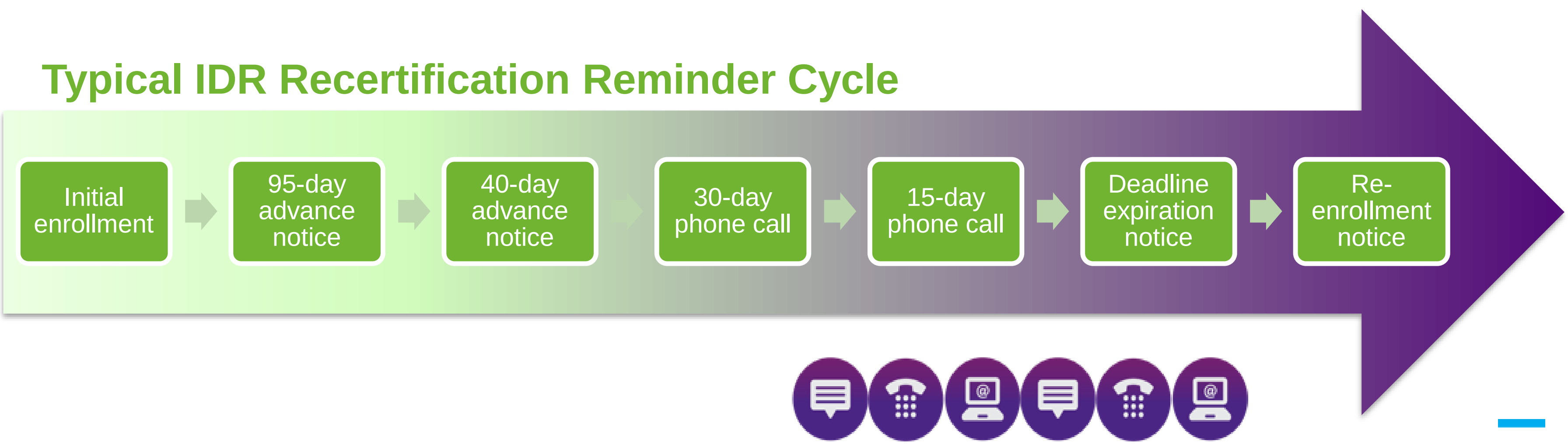
Navient Actively Promotes IDR During In-School, Grace, and Repayment; Outreach Also Encourages Annual Renewal

- **Navient works to promote IDR to borrowers through multiple channels and at different points in the life of the loan.**

- **Our IDR communications are:**

  - **Offered early.** Communications begin while in school and increase in frequency as repayment begins.
  - **Tested.** Partnered with market leading firm to enhance and simplify communications.
  - **Prioritized.** Representatives trained to emphasize payment plans, and use forbearance as a last resort.
  - **Reinforced**. Through multiple articles, content, notices, and interactive videos.

Typical IDR Recertification Reminder Cycle



IBR renewal email

Attention drawing

Subject Line: **Your payment will increase soon!**

Clearly advises what happens if customer does not renew

Hot link to studentloans.gov

NAVIENT | Department of Education Loan Servicing | U.S. Department of Education Information about your federal student loa

, in order to keep your lower payment amount, it's important that you apply soon to renew your repayment plan.

If you choose not to renew your plan:

Your new payment amount will be , beginning on

To continue with the plan, you must reapply by using one of the methods below.

The fastest and most convenient way to reapply is online at StudentLoans.gov.

1. Simply log in with your FAFSA PIN. (If you forgot your PIN, go to PIN.ed.gov.)
2. Select the Income-Based (IBR)/Pay As You Earn/Income-Contingent (ICR) Repayment Plan Request link to get started. If you've filed taxes with the IRS, you can have your most recent income information forwarded to us so you don't have to send it separately.
3. When you apply online, we do not require a signed paper copy. So if you downloaded a copy of your application, you can keep this for your records. There is no need to mail or fax us your completed form.

To view all information regarding this notification, log in to your Navient inbox.

Manage your account online at Navient.com.

Remember, the fastest way to re-apply is at StudentLoans.gov.

We also sent the application to your Navient inbox so if you'd like you can print, complete, and mail or fax it back to us, as well. *Keep in mind you don't need to send it to us if you complete it online.*

40-day reminder – IBR renewal

NAVIENT | Department of Education Loan Servicing

U.S. Department of Education
Information about your federal student loan.

PO BOX 9635
WILKES-BARRE, PA 18773-9635

(800) 722-1300

Account Number:

It's time to renew your repayment plan!

We contacted you over a month ago to let you know that your annual Income-Based Repayment plan is ending soon and requires you to reapply. Unfortunately, we have not received your renewal application yet.

If you choose not to renew your plan, your new payment amount will be $(XX), beginning on **00/00/00**.

In order to keep your lower payment amount, it's important that you reapply by **00/00/00**.

How to Reapply:
The fastest and most convenient way to reapply is online at StudentLoans.gov.

1. Simply log in with your FSA ID.
2. Select the Complete Income-Driven Repayment Plan Request link to get started. If you've filed taxes with the IRS, you can have your most recent income information electronically sent to us so you don't have to send it separately.
3. When you apply online, we do not require a signed paper copy. So if you downloaded a copy of your application, you can keep it for your records. There is no need to mail or fax us your completed form.
4. We will notify you when your electronic application has been received.

What to Expect:
Upon the expiration of your current plan, if all required documents are on file and you qualify, expect to receive an approval of your renewal including a disclosure listing your monthly payment amount. If information is missing or you don't qualify, we'll send you notification at that time.

Questions? Visit us online at Navient.com or call us toll free at 800-722-1300. We're here to help you Monday - Thursday 8 a.m. to 9 p.m., and Friday 8 a.m. to 8 p.m., ET.

FAQs:

What happens if I have eligible loans in a deferment/forbearance? It's important to know that if you're in Hardship Forbearance and your new payment amount is $0, your forbearance period will be shortened. Otherwise, if you're in any other type of forbearance or deferment, you will not need to make your newly calculated payment until the deferment or forbearance expires. To end your deferment or forbearance period before the expiration date, please contact us.

What if I have student loans serviced elsewhere? If you complete the application at StudentLoans.gov, there is nothing else you need to do. Otherwise, you will need to complete an Income Based Repayment application for each servicer.

What if I don't plan on renewing? If you choose not to renew your plan within 10 days of **00/00/00**, unpaid interest will be capitalized (added to your principal balance) and your new payment amount will be **$0.00** (based on a 10-year standard repayment plan using the loan balance at the time you entered repayment under IBR). This new payment amount will be effective **00/00/00**.

PHONE (800) 722-1300 | FAX (866) 266-0178 | TDD/TTY (877) 713-3833 | Navient.com

Para comunicarse en Español con 'Atención al Cliente', llame gratis al (800) 722-1300, y marque el numero correspondiente.

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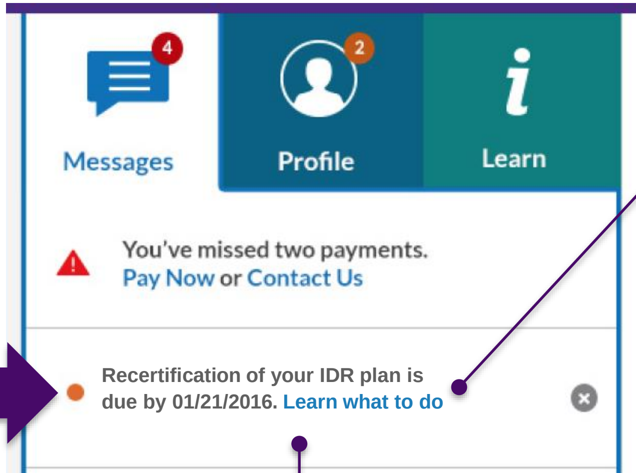
Timing: Sent if 40 days prior to the current plan expiring there is no application on file.

Objective: Interim notice to spur renewal application. The goal is to direct the customers to apply online, the fastest and most convenient way.

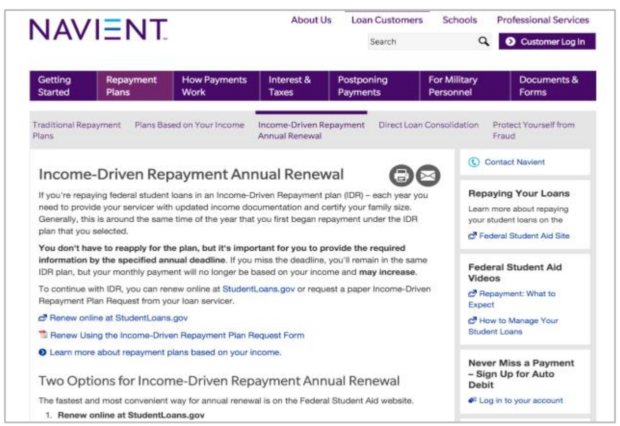
Other Outreach: Message customers alternately via phone and email at day 40, 30 and 20.

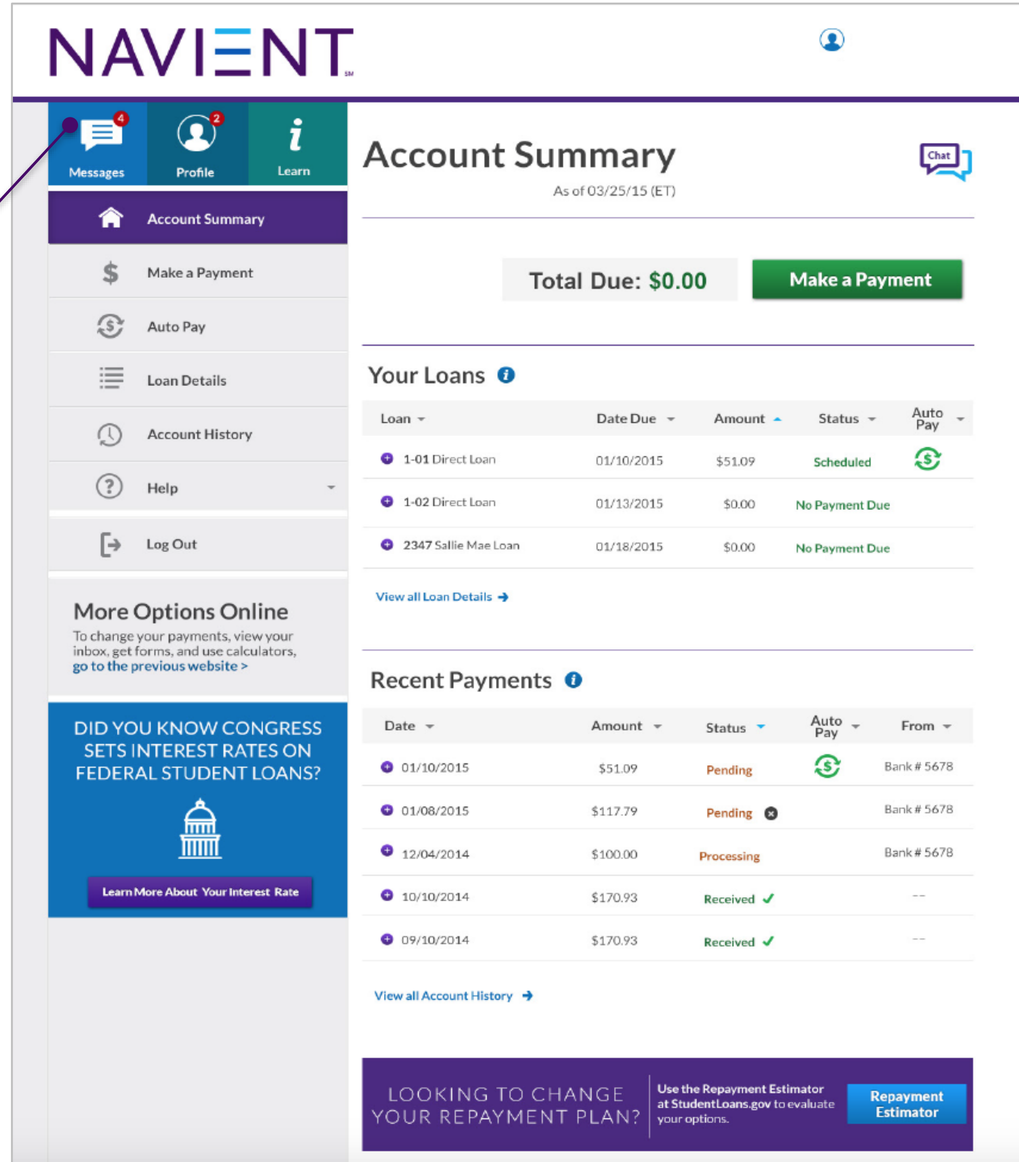
Dedicated IDR Renewal Team.

IDR renewal notification on Navient.com



Links to https://www.navient.com/loan-customers/payment-plans/income-driven-repayment-annual-renewal





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