
Reboot Your Exit Counseling

April 2015



Since 2009, we have serviced federal student loans on behalf of the
U.S. Department of Education.

We manage over \$300 billion in outstanding student loan balances
and help more than 12 million Americans achieve success.

Learn more at Navient.com

Welcome to the webinar

- **To download today's presentation**

Go to Navient.com/Schools, click Support & Resources. The presentation is in the Training & Webinars section.

www.navient.com/schools/support-and-resources/training-and-webinars/

- **Today's facilitator:**



Steve Wynne

Director
Client Communications

- **If you have technical difficulties**

Audio: Press *0 to speak to an operator

WebEx access issues: Dial (800) 508-8758, select option 3

Servicing contacts and today's speakers

Your Relationship Managers

Providing **schools** with answers and guidance on delinquency management initiatives, portfolio analysis, training and any campus specific concerns.



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All Proprietary Schools

CollegeServ®

Providing expert support for **schools**, M-F, 8:00 am - 8:00 pm ET, to assist with borrower related issues/repayment counseling, enrollment updates or guidance with our online reports.

Phone: 888-272-4665 Fax: 800-828-0250

Email: collegeserv@navient.com

Electronic Services

Providing technical support M-F, 8:00 am - 5:00 pm ET, for monitoring of electronic file delivery and assistance with school servicing portal navigation.

Phone: 800-348-4606

Email: ESNAVI@navient.com

Agenda

- Exit Counseling Planning and Strategies
 - Who?
 - Why?
 - How?
- Reboot Your Exit Counseling: Connect with Students by Understanding What They Need
- Financial Literacy Tools

A comparison

If you think of an apple,
you might think of this.



Or this.



Or even this.



A comparison

Different varieties, different flavors, different textures – but all apples.

Which one tastes better? Is more nutritious? Is more memorable?



Exit Counseling

Planning and Strategies

Exit counseling

WHO?

- Schools who participate in Title IV federal student loan programs are required to provide exit counseling **for Federal Direct Subsidized, Direct Unsubsidized and Grad PLUS borrowers** - shortly before each borrower ceases to be enrolled at least half-time.

WHY?

- Student loan default rate is 13.7%
- Student loan debt now exceeds \$1 trillion
- Students frequently are unable to identify the annual cost of their education or their student loan balances
- Financial literacy is key to a successful repayment strategy
- Federal law* requires schools to provide exit counseling, mandating:
 - Timing of the counseling must be completed
 - Topics to be covered during each type of counseling

From "Loan Counseling Tools," 2014 FSA Training Conference, December 2014

* Full details are included in: Section 485 of the Higher Education Act of 1965, with amendments made by the Higher Education Opportunity Act of 2008 (PL 110-315); and 34 CFR 682.604(a) for FFEL, 34 CFR 685.304 (b) for Direct

Exit counseling | federal resources

HOW?

Federal Student Aid (FSA) and the StudentLoan.gov exit counseling site provide comprehensive, compliant, and well-organized information.

- Broad financial literacy information for borrowers with personalized, visual, and interactive content
- Enhanced borrower information for a more informed financial decision
- Centralized counseling, reducing borrower confusion and providing a consistent experience

EXIT COUNSELING GUIDE
FOR BORROWERS OF DIRECT LOANS AND FEDERAL FAMILY EDUCATION PROGRAM LOANS

Category	Amount
Gross Income	\$ 45,000
Payroll Withholdings	\$ 13,692
Net Income	\$ 31,308

Do the math!

A tax deduction reduces your income: Income - Deduction = Tax \$45,000 - \$5,000 = \$40,000
A tax credit reduces the owed: Tax - Tax Credit = Tax \$1,000 - \$250 = \$750

Federal government offers:

- **Tax deductions** for educational expenses and on interest you pay on your federal student loans.
- **Tax credits** for educational expenses while attending school.

You should contact a tax advisor or visit [IRS Tax Benefits for Education and IRS Information for Students](#) for detailed information on tax credits, deductions or other tax benefits for postsecondary students.

From "Loan Counseling Tools," 2014 FSA Training Conference, December 2014

Exit counseling | general requirements*

HOW?

- Exit counseling must include information about and a review of:
 - Use of the Master Promissory Note (MPN)
 - Loan repayment, repayment requirements, and options
 - Forbearance, deferment, and loan discharge
 - Consequences of default
 - Money management and debt management strategies
 - Loan consolidation
 - Loan servicer contact information
 - ED Student Loan Ombudsman's office information
 - Collection of borrower-specific data: name, address, Social Security number, references, drivers license number, etc.

* Full details are included in: Section 485 of the Higher Education Act of 1965, with amendments made by the Higher Education Opportunity Act of 2008 (PL 110-315); and 34 CFR 682.604(a) for FFEL, 34 CFR 685.304 (b) for Direct

- Schools continue to get detailed reports from NSLDS
- Completion results, along with those from Entrance and Financial Awareness Counseling – in COD Counseling Report
 - Upon completion of counseling, school(s) selected by the student are notified
- References used on StudentLoans.gov are saved
- Conclusion of exit counseling requires the user to select a “preferred” repayment plan, information that is passed to the federal loan servicer
- If a school is conducting exit counseling on their own without using StudentAid.gov online resources, the school is required to submit documentation to federal loan servicers within 60 days

BUT

Many students need additional guidance to build on what they have learned and to make the content more manageable and more memorable.

That's where schools and servicers come in!



Reboot Your Exit Counseling

Connect with Students by
Understanding What They Need

What Navient has learned from borrowers

Navient Borrower Feedback Study | December 2014

1. Borrowers don't understand interest rates are not set by their servicer but by the U.S. Congress.
2. Borrowers don't know what to expect through their loan life cycle. They want to better understand what potential problems they may face in their future.
3. Borrowers want useful online tools to help manage their finances.
4. Borrowers want their servicer to be a caring financial partner.
5. Borrowers want information about payment options and repayment while they are still in-school.
6. Borrowers need guidance on where to turn for information about their loans. They need to be directed to their servicer for information.

What Navient has learned from schools

- Exit counseling contains a wealth of great information, but it can be difficult for a student to take in all at once
- Don't underestimate the personal touch; additional in-person counseling is key
- In addition to federal loan information, include private loan repayment strategies

SCHOOL SUCCESS STORY

- Have mandatory in-person exit counseling sessions, with Q&A
- Design content to be memorable; this is not just about the next 6 months, this is about life choices
- Use student-relevant stories of borrowers who have successfully repaid student loans and how it was accomplished
- Even before you begin exit counseling, start with a question: What do you need?

SCHOOL SUCCESS STORY

- Timing is everything; offer evening and weekend sessions to fit student schedules

What Navient has learned from schools

- Make sure the exit counseling message is heard and understood
- Reinforce the importance of the student/servicer relationship
- Adjust how we think about exit counseling; communicate not just what a borrower needs to know, but why they need to know it

SCHOOL SUCCESS STORY

- Aligned university's online resources with StudentLoan.gov content
- Had mandatory in-person exit counseling sessions, with Q&A
- Emphasized a student's reality – translated online content into real life, illustrating the negative consequences on the credit scores of borrowers who became delinquent

SCHOOL SUCCESS STORY

- Mandatory in-person exit counseling positions federal loan servicers as student advocates: answer a servicer's email, when a servicer calls – pick up the phone
- Exit counseling content uses the words “call your servicer” eleven times in discussing payments, repayment options, and consolidation
- In the learning exercise students are asked, “How many times did we state, ‘Call your servicer?’”
- It has become the #1 thing students recall out of exit counseling: “Call your servicer.”

Recommendations

- Make all information current and relevant to the student audience
- Put content in the students' voice, and use examples relevant to students
- Use or reference information and content available from Navient and other TIVAs to **reboot** your exit counseling efforts!
- **For example . . .**

Resources for schools

HOW?

Strategies and Information as You Prepare to Repay Your Student Loans

April 2015

Subsidized vs. Unsubsidized Loans

Subsidized Loans

Have no interest cost while student is in school, in grace (if applicable), or in a period of authorized deferment.

Unsubsidized Loans

Borrower is responsible for interest that accrues from the time of disbursement.

EXAMPLES

- Direct Subsidized Loans
- Perkins Loans
- Consolidated Unsubsidized Loans
- Some ins promissory

EXAMPLES

Income-Contingent Repayment Plans



Eligible Loans	Monthly Payment and Time Frame	Details
<ul style="list-style-type: none"> • Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans 	<ul style="list-style-type: none"> • Payments are calculated each year and are based on 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 Department of Education. • Your payments change as your income changes. • Up to 25 years. 	<ul style="list-style-type: none"> • 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.

*Graduate or professional degree program.
Note: The Consolidated Unsubsidized Staff Loan is not eligible for this plan.

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The screenshot shows the Navient website interface. At the top, there are navigation links for 'About Us', 'Loan Customers', 'Schools', and 'Professional Services'. A search bar and a 'School Log In' button are also present. Below the navigation is a secondary menu with categories like 'Borrower Communications & Education', 'Preventing Delinquency', 'News & Updates', and 'Support & Resources'. The main content area features a 'Training and Webinars' section with a sub-header 'Upcoming Webinar' and a topic 'Reboot Your Exit Counseling'. There are 'REGISTER NOW' buttons. To the right, there is a 'HAVE QUESTIONS? Contact CollegeServ®' section with contact information and a 'Keep In Touch' section.

The image shows two overlapping presentation covers. The top cover is titled '7 STEPS TO BETTER DEFAULT PREVENTION' and includes the subtitle 'Get your school and students back on the path to financial success'. The bottom cover is titled 'Counseling Your Borrowers to Avoid Default' and includes the subtitle 'A guide to helping your borrowers reduce delinquency and avoid default'. Both covers feature the Navient logo and a photograph of two people working at a computer.

Presentations designed as school support for borrowers with content aligned with federal requirements

At www.navient.com/schools
For online training, support, and collateral

Resources for borrowers

HOW?

The screenshot shows the NAVIENT website interface. At the top, there are navigation tabs for 'About Us', 'Loan Customers', 'Schools', and 'Professional Services'. Below this is a search bar and a 'Customer Log In' button. A secondary menu includes 'Getting Started', 'Repayment Plans', 'How Payments Work', 'Interest & Taxes', 'Postponing Payments', 'For Military Personnel', and 'Documents & Forms'. The main content area features a 'Loan Payment Allocation' section with a 'Payment Allocation' sub-section. Below that, there's a 'Servicemembers Civil Relief Act' section with contact information for the Military Benefits Team. At the bottom, there's a section for 'The SCRA Interest-Rate Cap for Federal and Private Loans'.

This screenshot shows an article titled 'The top 10 things to do when it's time to repay your student loans'. The article provides a list of 10 steps for borrowers to follow, such as 'Know what you owe', 'Visit FAFSA.ed.gov', and 'Make your payments on time'. The article is part of a series of resources provided by NAVIENT.

This screenshot shows an article titled 'Navigating Your Monthly Budget'. It includes a table with columns for 'BUDGET' and 'ACTUAL' under 'INCOME' and 'EXPENSES'. The 'INCOME' section shows 'Monthly Net Salary' with budgeted and actual values of \$0.00. The 'EXPENSES' section lists various categories like 'Family expenses', 'Miscellaneous', and 'Savings' with corresponding budget and actual values.

This screenshot shows a 'Tracking My Loans' table. The table has columns for 'Loan Type', 'Loan Amount', 'Interest Rate', 'Repayment Strategy', and 'Key Dates that require Action'. It lists various loan types such as 'Academic Year Borrowed (loan date)', 'Direct Subsidized and Unsubsidized Loans', and 'Direct PLUS Loans made to students'. The table is used for tracking loan details and ensuring timely repayment.

This screenshot shows an article titled 'Overview of Direct Loan and FFEL Program Repayment Plans'. It includes a detailed table comparing 'Income-Based Repayment Plan', 'Pay As You Earn Repayment Plan', and 'Income Contingent Repayment Plan'. The table compares 'Eligible Loans', 'Monthly Payment and Time Frame', and 'Quick Comparison' for each plan, providing borrowers with a clear understanding of their options.

Online at www.navient.com/loan-customers
For online support, links, and collateral

* NEW * resources for borrowers

HOW?

Information regarding interest rates and avoiding fraud.

www.navient.com/loan-customers/interest-and-taxes/how-student-loan-interest-works

* NEW * resources for borrowers

HOW?

The screenshot shows the top navigation bar with links for 'About Us', 'Loan Customers', 'Schools', and 'Professional Services'. Below this is a search bar and a horizontal menu with categories: 'Getting Started', 'Repayment Plans', 'How Payments Work', 'Interest & Taxes', 'Postponing Payments', 'For Military Personnel', and 'Documents & Forms'. The main content area features a 'Loan Customer Log In' form with fields for 'User ID' and 'Password', a 'Remember My User ID' checkbox, and buttons for 'Log In', 'Register', 'Forgot User ID', and 'Forgot Password'. A 'Did You Know?' section states that the U.S. Congress sets interest rates on federal student loans, and a link is provided to 'Learn more about your interest rates'. Below this are three featured articles: 'Beware of Offers for Debt Relief', 'Are You in an Income-Driven Plan?', and 'Protect Yourself From Fraud'. Each article has a brief description and a 'Learn more' link. At the bottom, there are three more sections: 'Having Trouble Paying?', 'Navient Path to Success', and 'Members of the Military', each with a brief description and a 'Learn more' link.

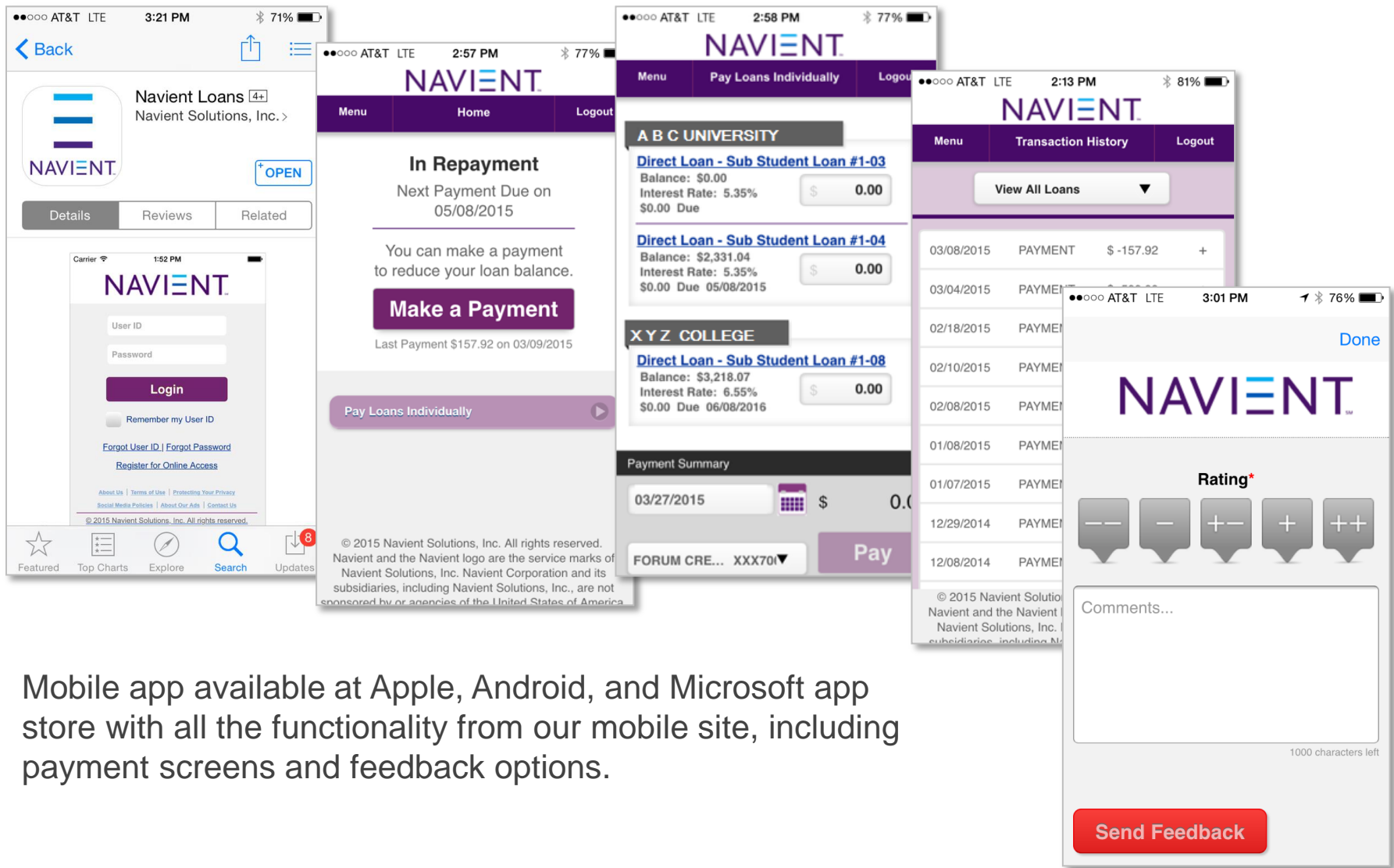
Information regarding interest rates and avoiding fraud.

The screenshot shows the 'Protect Yourself From Fraud' page. The top navigation bar is identical to the previous screenshot. Below the navigation bar is a horizontal menu with categories: 'Traditional Repayment Plans', 'Plans Based on your Income', and 'Direct Loan Consolidation'. The main content area features a 'Protect Yourself From Fraud' section with a brief description and a 'Contact Navient' button. Below this is a 'Know the Facts' section with a 'Contact Navient' button. Further down is a 'Don't Get Ripped Off' section with a brief description and a 'Contact Navient' button. At the bottom is a 'Danger Signs' section with a warning icon and a brief description. On the right side, there is a sidebar with sections: 'Repaying Your Loans', 'Federal Student Aid Videos', and 'Never Miss a Payment - Sign Up for Auto Debit', each with a brief description and a 'Contact Navient' button. At the bottom right, there is a 'NAVIENT path to success' logo and a brief description.

www.navient.com/loan-customers/payment-plans/protect-yourself-from-fraud

* NEW * resources for borrowers

HOW?



Mobile app available at Apple, Android, and Microsoft app store with all the functionality from our mobile site, including payment screens and feedback options.

Financial Literacy

Financial literacy, a critical component

- As recommended on **StudentLoans.gov**, financial literacy education is critical for students, providing tools and information to help borrowers understand financial aid and help manage finances
- Navient has created **Path to Success** to deliver on our commitment to borrowers and schools through enhanced financial literacy tools
- **Path to Success** consists of brief, interactive modules available for **free** to anyone with a web connection at **Navient.com/path**

Overview of current modules



Student loan repayment options

- Loan and interest basics
- Federal student loan repayment options
- Sample borrower personas
- Interactive total loan cost calculator



Payment types and credit cards

- Checking accounts and parts of a check
- Debit and credit card differences
- Comparing credit card offers
- Managing credit card debt



Credit scores and reports

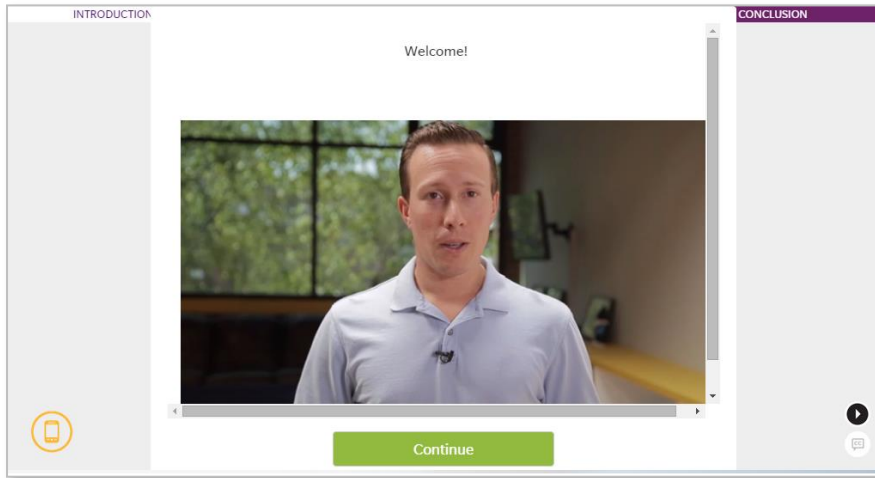
- Credit scores and how they're used
- Factors affecting credit scores
- Facts on credit reports and agencies
- Establishing/maintaining a healthy score



Savings and investments

- Examining savings vehicles: savings accounts, CDs, money markets
- Retirement savings options
- Compound interest
- Factors influencing investment risk/return

Student loan repayment module



Brief introductory and closing videos from an actual Navient customer



Key concepts explained and demonstrated graphically to enable the user to comprehend the information

Student loan repayment module (cont'd)

INTRODUCTION WHAT'S A LOAN EXAMPLES CONCLUSION

"I need to Create a Budget!"

Lives in **Atlanta**
Wants to be a **Television Journalist**
Starting salary will be around **\$20,000**
Single, living with roommates

Julio

Navigation icons: back, forward, home, pause, and help.

Sample real-life examples illustrate loan repayment options for four different borrower situations

KNOWLEDGE CHECK

When you take out a student loan, why do you end up repaying more than you originally borrowed?

- Because you were never told the original loan amount.
- Because you shortened the term of your loan plan.
- Because you are paying the principal in addition to the original loan amount.
- Because you pay interest on a student loan.

No, the principal is the same thing as the original loan amount.

Navigation icons: back and forward.

Quizzes ensure learning comprehension

Student loan repayment module (cont'd)

Interactive calculator estimates a loan's full cost over time with a Standard repayment plan

Sample Calculator for Standard Repayment Plan



x



x



=

PRINCIPAL

- 5,000
- 10,000
- 15,000
- 20,000
- 25,000
- 30,000

INTEREST RATE

- 3.0 %
- 4.0 %
- 5.0 %
- 6.0 %
- 7.0 %
- 8.0 %

LIFE OF THE LOAN

- 5 yrs
- 10 yrs
- 15 yrs
- 20 yrs
- 25 yrs
- 30 yrs

\$5000

ORIGINAL LOAN AMOUNT

\$5390

TOTAL PAID BY END OF
LOAN FOR A STANDARD
LOAN REPAYMENT PLAN

How to find Path to Success

Keeping students on the right financial path



Life moves fast. It can be hard for students to stop and think about financial decisions. When they do pause to learn, they need information that's practical, relevant, and clear. That's why we offer Path to Success. Our interactive modules cover financial basics, helping students make smart, confident choices. Below are more details about the program. Consider stepping through a module or two yourself – at Navient.com/path – to become familiar with them. Thanks for helping spread the word about this program and keeping your students on the Path to Success.

What is Path to Success?
It's an interactive learning series providing insights into key financial topics. Several modules are already available, and Navient will expand the program over time to cover more topics.

Who should use Path to Success?
It's for anyone looking to make smart, informed financial decisions. You don't need to be a Navient customer to access Path to Success. Feel free to share the web address (Navient.com/path) with friends and family.

How do I access Path to Success?
The modules are free and available through any device at Navient.com/path.

Why does Navient offer Path to Success?
Navient is committed to helping you achieve financial success. Path to Success can help you make smart, informed decisions... now and for your future.

Is Path to Success tied in any way to my student loan?
No. Path to Success is a separate system, with no connection to Navient accounts.

Why are you asking for my email address?
How will you use that and other information I share on Path to Success?
Navient won't share your email address – or any other information you share through Path to Success – with outside parties. The email address is a way for the site to identify you, when you return and want to learn more. Also, should you have access issues, Navient can use your email address to get you back up and running.

Who is EverFI?
Navient partnered with EverFI to develop Path to Success. EverFI is a leading education technology company, focused on teaching, assessing, and certifying individuals in critical skills. They deliver cutting-edge and personalized technology through partnerships with organizations – like Navient – that are committed to innovation.



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Are you on the right path?



It's hard to slow it down and think carefully about all your financial choices. But helpful information is at your fingertips with Path to Success.

These brief, free, interactive, and mobile-friendly modules can help you more confidently toward your goals, covering topics like:

- Federal student loan repayments
- Savings and Investments
- Payment types and credit cards
- Credit scores and reports
- And more

Path to Success is available to anyone, so you can share Navient.com/path with friends and family.

Path to Success Learning Modules:



Desktop computer
Laptop computer
Tablet
Smartphone

Find your Path to Success at Navient.com/path

- Accessible on any web-enabled device
- Free to use
- Confidential
- Available to anyone

Path to Success is managed by EverFI. Navient is independent development partner. Navient.com/path will be governed by that site's privacy policy and terms of use.
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Getting Started | Repayment Plans | How Payments Work | Interest & Taxes | Postponing Payments | For Military Personnel | Documents & Forms

Loan Customer Log In

User ID:

Password:

Remember My User ID

Log In

Register

Forgot User ID | Forgot Password

Difficulty logging in?

Did You Know?
The U.S. Congress sets interest rates on federal student loans. Your student loan servicer does not set your federal loan interest rate and cannot change it.

Learn more about your interest rates

Beware of Offers for Debt Relief
Some third-party debt relief companies may claim they can reduce or eliminate your student loan debt, but they charge for services that Navient and other loan servicers offer for free.

Protect yourself from fraud

Are You in an Income-Driven Plan?
You need to "certify" your income on an annual basis. When it's time for you to renew – and before your annual deadline – be sure to reapply on StudentLoans.gov >

Learn more about plans based on your income

Having Trouble Paying?
If you're facing a temporary hardship, find out ways to stay current on your loans and how Navient can help.

Options if you're having trouble

Navient Path to Success
Our interactive series helps you manage your finances.

Start learning more today

Members of the Military
You may qualify for special benefits, including the Servicemembers Civil Relief Act (SCRA) interest rate cap.

Benefits for military personnel

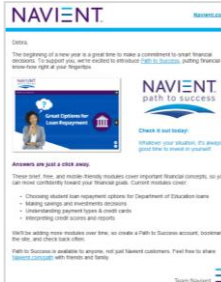
FAQs for school staff

Brochures

Links from Navient.com and promotions in print and web communications



Social media



NAVIENT path to success

Check it out today! Whether your student is a senior or a graduate, your student is a graduate.

Check it out today! Whether your student is a senior or a graduate, your student is a graduate.

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Dedicated email

Documents available at:
www.navient.com/schools/borrower-communications-and-education/financial-education

How you can use Path to Success



Meetings and presentations with students (e.g., exit counseling)

Path to Success is a free, easy, and effective way to enhance your students' financial literacy and set them up for financial success in the "real world."

We have content and materials ready to go, for use in your communication channels.



School's social media channels



School's intranet, internet, student newspapers, comment boards, etc.

Q&A

Servicing contacts

Your Relationship Managers

Providing **schools** with answers and guidance on delinquency management initiatives, portfolio analysis, training and any campus specific concerns.



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