



FAQs about Navient's proposal to transfer Department of Education servicing contract

With our servicing contract set to expire in December 2021, Navient approached the Department of Education this summer with a plan to transfer our student loan servicing contract with the Department of Education. On September 28, 2021, Navient and Maximus, announced an agreement to transfer the contract, pending the approval of the Department of Education. Prior to announcing the agreement with Maximus, Navient was offered a two-year extension of the existing Department of Education servicing contract, which was accepted in anticipation of this transaction closing. This extension will transfer to Maximus if the request for contract novation is approved.

Below are frequently asked questions.

Which loans would be affected?

Loans Navient services under this contract—those owned by the Department of Education—would be serviced by Maximus and its subcontractors, following approval by the Department of Education.

Would other loan portfolios and resulting cash flows be affected?

No. Navient would continue to own, manage and service our FFELP and private education loan portfolios. Cash flows from these loan portfolios are not affected by the transfer of our contract with the Department of Education.

Where would Navient focus going forward?

Navient remains focused on our other business lines, which represent 94% of our annualized revenues and are the material drivers of earnings. This focus includes our FFELP and private student loan portfolios, growing our loan origination business, and growing business processing solutions.

Why is Navient seeking this change now?

In 2020, Navient was offered, but ultimately declined, a call center contract under the Department of Education's Next Gen program. Since our contract was coming to an end in December 2021, we developed and presented a proposal that would ensure a smooth transition for Department of Education borrowers and provide ongoing work for our dedicated team members who support our contract with the Department of Education.

Will this move involve a technology platform transfer?

No. Loans serviced under our contract with the Department of Education will remain on the same student loan servicing technology platform, owned by Fiserv. Just as they are a subcontractor to Navient today, Fiserv will become a subcontractor to Maximus.

How many Navient employees are expected to work for Maximus?

Approximately 800 Navient employees will be offered employment with Maximus and would utilize the same servicing platform.

What is the status of the proposed transfer?

Both companies have been in collaborative and productive discussions with the Department's office of Federal Student Aid about this transition for several months. Navient and Maximus have submitted a request for review and approval by the Department's office of Federal Student Aid. Their approval is required to allow the contract novation to occur.



How would Department of Education borrowers be supported during this servicing transfer and the upcoming repayment resumption?

Working with the Department of Education and Maximus, we plan to deploy a series of personalized communications to ensure Department of Education borrowers learn about the changes in a timely manner. We are leveraging our experience with other successful large-scale student loan transfers. These communications would also support borrowers whose payments have been paused during the pandemic to successfully resume repayments.

Will loan terms change?

Department of Education borrowers will not see any changes to their loan terms, interest rate and benefits, and the customer service phone number and payment address they use will also stay the same. Once the transfer is completed, borrowers will login at a new website address.

For additional insights on this announcement, read [our CEO's blog post](#).