

Federal Loan Servicing

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MASFAA Spring Conference

June 15-17, 2011



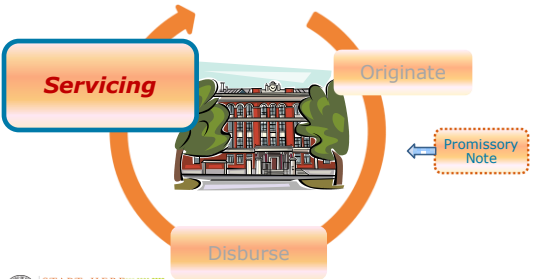
Agenda

- Servicing Landscape
- Split Servicing
- Servicer Performance
 - Surveys
- Unique Services offered by Servicers
- Questions and Answers



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Direct Loan Processing Cycle



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Federal Loan Servicing

Federal Loan Servicers

As of July 2010, the Department has five federal loan servicers to which we assign new Direct Loans. Our federal loan servicers are:


- **Direct Loan Servicing Center (ACS)**
- **Great Lakes Educational Loan Services, Inc.**
- **Nelnet**
- **FedLoan Servicing (PHEAA)**
- **Sallie Mae**



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Successful Repayment


To help ensure a successful repayment experience for the borrower, we have servicers that provide interactive tools, loan calculators and counseling aids for use during all points in the loan life cycle. These tools enable students and parents to access data, information, calculators and customer service representatives.



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Our Servicers:

- Servicers comply with legislative regulatory requirements and provide unique services.
- Educate and inform borrowers as to the tools and options available to assist them in the management of their student loans
- Offer multiple repayment options tailored to borrower preferences (i.e. Online payments, ACH, check, etc.)
- Provide self-service tools for borrowers and options for receiving bills and/or correspondence electronically
- Offer dedicated services to schools to help manage cohort default rates



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Federal Loan Servicing


What does this mean for schools?

Do schools need to work with multiple servicers? → Yes

Can a school choose a servicer? → No

Where do schools find servicer assignment? → NSLDS


Can schools provide feedback on servicer performance? → Yes – Quarterly customer satisfaction surveys



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Servicer Reports

- ❖ Provides greater level of detail
- ❖ Offers customization options
- ❖ Includes only loans serviced by that organization




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Source of Centralized Loan Information

- NSLDS
 - Includes Commercial, PUT, DL loans and servicer assignments
 - Updates information if federally-owned loans reassigned to make borrower "whole" or if commercial loans change ownership/servicing

New: Centralized delinquency report available




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NSLDS Delinquency Report

- ❖ Provides delinquency information by school for the four additional servicers
- ❖ Includes PUT and Direct Loans held by the four additional servicers
- ❖ Provides various data filters
- ❖ Available on NSLDS Professional Access Web site


<http://ifap.ed.gov/nsldsmaterials/attachments/NSLDSNewsletter27.pdf>



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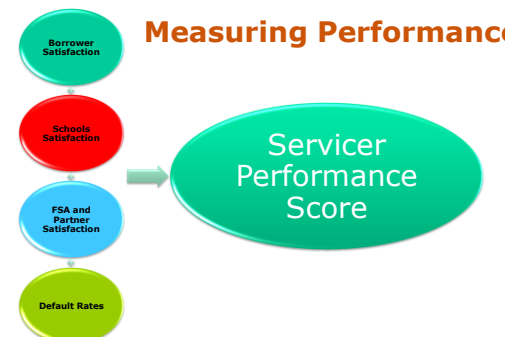
Split Servicing

- All of a borrowers federally-owned loans will be maintained by a single servicer.
- Federally-owned and commercial loans may still be split among servicers.
- Consolidation sometimes viable option, but not in all circumstances.




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Measuring Performance



The diagram illustrates the components of a Servicer Performance Score. On the left, four colored circles are stacked vertically: a teal circle for 'Borrower Satisfaction', a red circle for 'Schools Satisfaction', a blue circle for 'FSA and Partner Satisfaction', and a green circle for 'Default Rates'. A grey arrow points from this stack to a larger teal oval on the right labeled 'Servicer Performance Score'.




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Federal Loan Servicing

Surveys


- Conducted quarterly by phone
- Schools, borrowers and FSA staff interviewed.
Each quarter, survey reaches:
 - ❖ 250 borrowers per servicer
 - ❖ 75 schools per servicer
- Results, along with servicer default rate, determine future allocations



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If survey provider calls

- ❖ Please respond
- ❖ Survey takes 10 minutes or less
- ❖ School only asked about one servicer
- ❖ Base responses only on servicing of PUT and Direct Loan
- ❖ Forward call to colleague at school if your work does not involve federal loans



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Agenda

- Servicing Landscape
- Split Servicing
- Servicer Performance
 - Surveys
- **Unique Services offered by Servicers**
- Questions and Answers



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Federal Loan Servicing

Federal Loan Servicers



Direct Loans
Within U.S. Federal Direct Loan Program
 Phone: 800-848-0979
 Web site: www.dl.ed.gov



fedloan
SERVISING
 Phone: 800-699-2908
 Web site: www.myfedloan.org



GREAT LAKES
 Phone: 800-226-4300
 Web site: www.greatlakes.org



nelnet
EDUCATION PLANNING & FINANCING
 Phone: 888-486-4722
 Web site: www.nelnet.com



Salientia / Department of Education Loan Services
 Phone: 800-722-1300
 Web site: www.salientia.com



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Unique Services offered by



Direct Loans
Within U.S. Federal Direct Loan Program

Direct Loan Servicing Center (ACS)
 NSLDS Servicer Code: 00100

Borrower Phone: 800-848-0979
Web: www.dl.ed.gov

School Phone: 888-877-7658
Web: www.dl.ed.gov/schools



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Unique Services offered by



fedloan
SERVISING

FedLoan Servicing (PHEAA)
 NSLDS Servicer Code: 700579

Borrower Phone: 800-699-2908
Web: www.myfedloan.org

School Phone: 800-655-3813
Web: www.myfedloan.org



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Unique Services offered by



Great Lakes Educational Loan Services, Inc
NSLDS Servicer Code: 700581

Borrower Phone: 800-236-4300
Web: www.mygreatlakes.org

School Phone: 888-686-6919
Web: www.mygreatlakes.org



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Unique Services offered by



Nelnet
NSLDS Servicer Code: 700580

Borrower Phone: 888-486-4722
Web: www.nelnet.com

School Phone: 866-463-5638
Web: www.nelnetloanservicing.com



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Unique Services offered by

SallieMae | Department of Education Loan Services

Sallie Mae
NSLDS Servicer Code: 700578


Borrower Phone: 800-722-1300
Web: www.salliemae.com

School Phone: 888-272-4665
Web: www.opennet.salliemae.com



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Questions & Answers

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