



JOSH STEIN
ATTORNEY GENERAL

STATE OF NORTH CAROLINA
DEPARTMENT OF JUSTICE
9001 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-9001
WWW.NCDOJ.GOV

CONSUMER PROTECTION
TOLL-FREE IN NC:
877.566.7226
OUTSIDE OF NC: 919.716.6000
FAX: 919.716.6050

RCVD '22 MAR 1 PM12:48
NC DEPT OF JUSTICE

MEMORANDUM

TO: Financial Services
FROM: Kevin L. Anderson, Senior Deputy Attorney General
RE: Settlement Deposit Distribution
Navient Corporation
DATE: March 1, 2022



Kevin L. Anderson

Pursuant to a Settlement Agreement in NC vs. Navient Corporation, Navient Solutions, LLC, Pioneer Credit Recovery, Inc., and General Revenue Corporation, a check in the amount of \$831,918.18 (eight hundred thirty-one thousand, nine hundred eighteen dollars and eighteen cents) was deposited with Financial Services on February 4, 2022 into cost center 2140-2170.

This consent judgment settles a multistate investigation into Navient and resolves allegations of widespread unfair and deceptive student loan servicing and predatory lending practices. According to the attorneys general, Navient steered borrowers toward forbearance instead of providing them with the help they promised, such as more affordable income-driven repayment plans that could have reduced payments or getting forgiveness for remaining balances after qualifying payments. As a result, borrowers accrued more interest on their loan balances because they opted for forbearance. Navient's harmful conduct impacted everyone from students who enrolled in colleges and universities immediately after high school to mid-career students who dropped out after enrolling in a for-profit school in the early to mid-2000s. Navient also allegedly offered predatory subprime private loans to students attending for-profit schools and colleges with low graduation rates, even though it knew that a very high percentage of such borrowers would be unable to repay the loans. Navient allegedly made these risky subprime loans to get schools to use Navient as a preferred lender for highly profitable federal and "prime" private loans. In doing so, the company disregarded the best interests of borrowers and their families, many of whom were unknowingly ensnared in debts they could never repay.

Under this consent judgment, Navient agreed to:

- Cancel nearly \$1.7 billion in subprime private student loans for nearly 66,000 borrowers nationwide, of which 1,267 North Carolinian private student loan borrowers will receive \$33,352,530 in debt cancellation.
- Pay nearly \$95 million to nearly 360,000 federal student loan borrowers in restitution, of which more than 12,000 North Carolinian borrowers will receive \$3,259,086 through a third-party administrator.
- Pay an additional \$142.5 million to the states, of which North Carolina received \$831,918.18 to be used for costs and attorneys' fees, at the sole discretion of the Attorney General.

Additionally, Navient agreed to explain the benefits of income-driven repayment and offer estimated payments before placing borrowers in to optional forbearances moving forward; train specialists who will advise distressed borrowers concerning alternative repayment options and counsel public service workers concerning Public Service Loan Forgiveness and related programs; prohibit compensating

customer service agents in a way that incentivizes them to minimize their time spent counseling borrowers; and that they will notify borrowers of the PSLF limited waiver opportunity.

A copy of the check, deposit memo, and settlement agreement are attached. If you have any questions, please contact Wendy Stevens at 716-6877.

cc: Kim D'Arruda
Melvinna Adams
Melissa Lovell
Wendy Stevens/Navient Settlement File



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RCVD '22 FEB 4 AM 10:15
NC DEPT OF JUSTICE FSS

MEMORANDUM

TO: Financial Services
FROM: Wendy Stevens, Consumer Protection Finance Administrator
RE: **Wire Deposit Navient Corporation et al.**
DATE: February 4, 2022

Attached is a copy of the wire transfer from Navient Credit Fin. in relation to the relief in the action against Navient Corporation, Navient Solutions, LLC, Pioneer Credit Recovery, Inc., and General Revenue Corporation in the amount of \$831,918.18 (eight hundred thirty-one thousand, nine hundred eighteen dollars and eighteen cents).

Please deposit funds in cost center 2140-2170. If you have any questions, please contact me at 716-6877.

cc: Kim D'Arruda
Kevin Anderson
Melvinna Adams
Wendy Stevens/ Navient Settlement File



Previous Day Composite Report

Standard Previous Day Composite Report
As of 02/03/2022

Company: NC DEPARTMENT OF STATE TREASURER
User: Janice Boyce
Commercial Electronic Office®

02/04/2022 08:22 AM ET

Treasury Information Reporting

Currency: USD
Bank: 121000248
Account: 4128455847(NC)

WELLS FARGO BANK, N.A.
NORTH CAROLINA DEPARTMENT OF STATE TREA

Balances

Closing Ledger Balance	.00
Closing Collected Balance	.00
Opening Available Balance	.00
One Day Float	.00
Two+ Day Float	.00
MTD Average Closing Ledger Balance	.00
MTD Average Closing Collected Balance	.00
Total Credits	831,918.18
Total Debits	831,918.18
Total Number Credits	1
Total Number Debits	1

Summaries

Type of Credit	Number of Items	Amount
Total Wire Transfer Credits	1	831,918.18

Credit Totals

Type of Debit	Number of Items	Amount
Total ZBA Debits	1	831,918.18

Debit Totals

Credit Transactions

2/3/2022	195 / INCOMING MONEY TRANSFER Cust Ref: 000000000000 Unique ID: RG220203112022 WT FED#05440 NAVIENT CREDIT FIN /ORG=NAVIENT SOLUTIONS, LLC SRF# FTE2202039787500 TRN#220203112022 RFB#	Credit Amount: Bank Ref: IA009987903207	831,918.18
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Debit Transactions

2/3/2022	575 / INDIVIDUAL ZBA DEBIT Cust Ref: 000000000000 ZERO BALANCE ACCOUNT TRANSFER TO 2062670003460	Debit Amount: Bank Ref: IA020300000007	831,918.18
Account Net Amount			0.00

Currency: USD
Bank: 121000248
Account: 2000021316302(NC)

WELLS FARGO BANK, N.A.
DEPT OF JUSTICE

You do not have access to balances for this account.

Summaries

Type of Credit	Number of Items	Amount
Total ACH Credits	4	928.85

Credit Totals

Type of Debit	Number of Items	Amount
Total ZBA Debits	1	928.85

Debit Totals

Credit Transactions

2/3/2022	169 / MISCELLANEOUS ACH CREDIT	Credit Amount:	399.68
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FILED

STATE OF NORTH CAROLINA

WAKE COUNTY

7022 JAN 19 IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
WAKE CO., C.S. 22 CVS 534

STATE OF NORTH CAROLINA ex rel.
JOSHUA H. STEIN, ATTORNEY GENERAL,

Plaintiff,

v.

NAVIENT CORPORATION, NAVIENT
SOLUTIONS, LLC, PIONEER CREDIT
RECOVERY, INC., and GENERAL
REVENUE CORPORATION,

Defendants.

CONSENT JUDGMENT

1.1 Plaintiff, State of North Carolina, appearing by and through Attorney General Joshua H. Stein, ("North Carolina Attorney General"), and Defendants NAVIENT CORPORATION, NAVIENT SOLUTIONS, LLC, and PIONEER CREDIT RECOVERY, INC., (collectively "Navient Parties"), and GENERAL REVENUE CORPORATION, subsidiary of SinglePoint Group International USA, Inc. ("SinglePoint") and a former subsidiary of Navient Corporation ("GRC"), have resolved the matters in controversy between them and have consented to the terms of this judgment without trial or adjudication of fact or law, and without any admission or finding of liability or wrongdoing or admission or finding of any violation of law as alleged by Plaintiff and denied by the Navient Parties and GRC. The Signatory Attorneys General, as that term is defined herein below, and the Navient Parties each agree more can be done to improve student loan customer outcomes. The Signatory Attorneys General recognize that the Navient Parties have already developed and implemented many of the servicing practices in this Consent Judgment.

federal student loan borrowers who made some or all of their requisite monthly PSLF payments under a repayment plan that does not qualify for PSLF.

- H. "PSLF LWO" shall mean the Public Service Loan Forgiveness Limited Waiver Opportunity announced by the U.S. Department of Education on October 6, 2021, including any rules, regulations, change orders, or dear colleague letters related thereto.
- I. "TLF" shall mean the Teacher Loan Forgiveness Program, a U.S. Department of Education program intended to encourage individuals to enter and continue in the teaching profession by forgiving a specified amount of their qualifying federal student loans after they satisfy certain teaching requirements and meet any other qualifications.
- J. "Oversight Committee" shall mean the following Signatory Attorneys General: California, Illinois, Massachusetts, Pennsylvania, and Washington.
- K. "Signatory Attorneys General" shall mean the Attorney General representing any state, commonwealth, or district that is a party to this Consent Judgment and/or any other substantially similar judgment or decree, including without limitation the North Carolina Attorney General.

III. GENERAL PROVISIONS

- A. This Court has jurisdiction of this subject matter hereof and the parties hereto.
- B. Venue is proper in this Court.
- C. This Consent Judgment is intended to be for the benefit of the Navient Parties and other parties hereto and does not create any other third-party beneficiary rights or give rise to or support any right of action by any consumer or group of consumers or confer upon any person other than the parties hereto any rights or remedies. This document and its contents are not intended for use by any third party for any purpose, including submission to any court for any purpose, unless otherwise ordered by a court of competent jurisdiction.
- D. This Consent Judgment does not constitute approval by the Signatory Attorneys General of any of the Navient Parties' or GRC's business practices, and none of the Navient Parties or GRC shall make a representation or claim to the contrary. Further, neither the Navient Parties, GRC, nor anyone acting on their behalf shall state or imply, or cause to be stated or implied, that the Signatory Attorneys General or any other governmental unit of the Signatory Attorneys General have approved, sanctioned, or authorized any practice, act, or conduct of the Navient Parties or GRC.
- E. Nothing in this Consent Judgment shall be construed as relieving the Navient Parties or GRC of their obligations to comply with all state and federal laws, regulations, or rules, or granting the Navient Parties or GRC permission to engage in any acts or practices prohibited by such laws, regulations, or rules.
- F. This Consent Judgment shall be binding upon and inure to the benefit of each of the Navient Parties and GRC and their successors and assigns.

communications contemplated by Subsection IV.A.2., below, shall be in writing and delivered to the following persons or any person subsequently designated by the parties:

North Carolina Attorney General:

North Carolina Department of Justice
Kimberley D'Arruda, Special Deputy Attorney
General
P.O. Box 629
Raleigh, NC 27602-0629
(919) 716-6000

Oversight Committee:

California Department of Justice
Attn: Amy Chmielewski, Deputy Attorney General
300 South Spring St., Suite 1702
Los Angeles, CA 90013
(213) 269-6000

The Navient Parties:

John Kane
President
Navient Solutions, LLC
123 Justison Street, Suite 300
Wilmington, DE 19801

With a copy to:

Mark L. Heleen
Chief Legal Officer & Secretary
Navient Corporation
123 Justison Street, Suite 300
Wilmington, DE 19801

GRC:

Jonathan Finley
General Revenue Corporation
4660 Duke Drive, Suite 200
Mason, Ohio 45040

With a copy to:

Ross J. Bextermueller
Keating Muething & Klekamp PLL
1 East 4th Street, Suite 1400
Cincinnati, Ohio 45202

IV. SERVICING TERMS

provide a proposed alternative delivery date. The Navient Party and Signatory Attorneys General shall negotiate in good faith to set a revised delivery date applicable to that request. The Signatory Attorneys General will comply with any applicable confidentiality agreement or protective order.

- d. For a period of five (5) years from the Effective Date, in relation to the terms and conditions of this Consent Judgment or the compliance herewith, the Navient Parties will cooperate fully with the Signatory Attorneys General to help the Signatory Attorneys General determine the identity and location of any consumer(s) identified by the Signatory Attorneys General from the information within the Navient Parties' possession or control and/or such loan servicer's system of record, including promptly responding to requests for personally-identifiable information for any consumer(s). In carrying out the foregoing, the Navient Parties agree to provide such information from the Navient Parties' servicing systems within fifteen (15) calendar days of the Oversight Committee's request or, to the extent that such information is in the possession, custody, or control of Maximus Federal Services, Inc. ("Maximus") or any other third party entity ("Transferee") following the novation of the contract to service federal loans owned by the U.S. Department of Education, the Navient Parties shall communicate such request to Maximus or any other Transferee not later than five (5) calendar days after the Oversight Committee makes its request consistent with this paragraph, and to make all reasonable efforts to promptly obtain any required permissions to provide such information from the U.S. Department of Education. The Navient Parties hereby represent and warrant that Maximus and any other Transferee shall be required to reasonably cooperate with the Navient Parties' requests made in connection with this Consent Judgment.
- e. If a Signatory Attorney General determines that any Navient Party is potentially in violation of a provision of this Consent Judgment, before initiating any petition for injunctive or monetary relief under this Consent Judgment, the Signatory Attorney General ("Notifying Party") shall notify the Navient Party in writing as soon as reasonably practicable. The Navient Parties shall thereafter have forty-five (45) calendar days from receipt of such written notice, or such additional time as the Navient Parties and the Notifying Party agree to in writing, to provide a written response to the Notifying Party. To the extent that a cure may require additional time, the Navient Parties, and the Oversight Committee, acting on behalf of the Notifying Party and each other Signatory Attorney General, shall work together in good faith to agree on a reasonable time period for such cure. The Navient Parties will be considered to have cured a

3. **Contacts for Government Agencies Relating to PSLF/TEPSLF Related Issues.** The Navient Parties will designate Public Service Specialists, as that term is defined in Subsection IV.E.5. below, with specified contact and mailing information to be the primary contact(s) for any state Attorney General or other state officials charged with assisting student loan borrowers. These designated Public Service Specialists will work with any state Attorney General or state officials to resolve both complaints and inquiries relating to PSLF/TEPSLF, including following the complaint investigation and response procedures described in Subsection IV.E.10.

4. **Reporting Requirements.**

- a. The Navient Parties shall notify the Oversight Committee of any development or event that may affect obligations arising under these terms including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to these terms; the filing of any bankruptcy or insolvency proceeding by or against any Navient Party; or a change in any Navient Party's name or principal place of business. The Navient Parties must provide this notice no later than fourteen (14) calendar days after such development or event, except for a change in name or principal place of business, which the Navient Parties shall provide at least thirty (30) calendar days beforehand if practicable.
- b. Within twelve (12) months after the Effective Date, and every six (6) months thereafter until thirty-six (36) months after the Effective Date, the Navient Parties shall submit to the Oversight Committee a written progress report demonstrating compliance with the terms of this Consent Judgment; which report shall be true and correct in all material respects. Should the report demonstrate that the Navient Parties are not in compliance with the obligations under this Consent Judgment, the Navient Parties, as applicable, shall submit a remediation plan to the Oversight Committee demonstrating the Navient Parties' plan to comply with the Consent Judgment. The Oversight Committee will provide its objection or non-objection to any remediation plan within sixty (60) calendar days of receipt of the remediation plan. The right of the Oversight Committee, on behalf of any Signatory Attorney General, to object or not object to a remediation plan is in addition to any other lawful means of enforcement under this Consent Judgment, and any non-objection under this paragraph shall not waive the right of the Signatory Attorneys General to obtain relief for violations of this Consent Judgment in court.
- c. Annually, for any Signatory Attorney General which so requests, for

- b. Unless otherwise instructed by the borrower, for any payment that does not satisfy the total monthly amount due across all loans in the billing group (an “underpayment”), allocate first to the most delinquent loan, then once all loans are brought to the same level of delinquency, to the loan with the lowest regular monthly payment, then according to the payment allocation methodology in Subsection IV.B.2.a., above.
 - c. Clearly and conspicuously provide their default application and allocation of prepayments and underpayments methodologies on the applicable Navient Parties’ website(s) and in their billing statements. These notices shall be accompanied by a statement informing the borrower and cosigner that they may instruct the servicer of their loan to use a different payment allocation methodology, and a description of the method(s) by which the borrower or cosigner can make such an instruction.
- 3. **One-Time and Standing Instructions from Borrowers or Cosigners Regarding Processing Payments.** Allow borrowers and cosigners to provide one-time or standing instructions regarding payment allocation on any loan or billing group.
- 4. **Requirements Related to Payments by Third Parties.** Permit borrowers and cosigners to request that a third-party payment made on behalf of, or for the benefit of, that borrower or cosigner be reallocated based on the borrower or cosigner’s requested allocation within sixty (60) calendar days of the payment date to the extent permitted by the third-party payor and terms of the applicable promissory note or federal requirements.
- 5. **Requirements Related to Advancement of Due Date.** When a borrower or cosigner submits a payment via the Navient Parties’ online platform that is sufficient to trigger advancement of the current due date and at least one subsequent due date, permit borrowers the choice of either (i) opting out of advancement of the due date, or (ii) electing advancement of the due date.
- 6. **Conformity to the Terms of Loans owned by the U.S. Department Of Education.** In the event that no Navient Party is servicing federal loans owned by the U.S. Department of Education and the Department issues rules, regulations, change orders, or Dear Colleague letters addressing payment processing, application, or methodologies, at the option of the Navient Parties, the Navient Parties may apply such payment processing, application, or methodologies to FFELP Loans serviced by the Navient Parties, and servicing of FFELP Loans in conformity with such rules, regulations, change order, or Dear Colleague Letter shall be deemed compliance with the provisions of Section IV.B.
- 7. **Terms of Promissory Note.** Notwithstanding any specific requirement set

2. Payment Histories.

- a. Provide a written payment history to a borrower or cosigner upon request or provide the borrower with instructions as to how to access such history on the applicable Navient Parties' website(s), at no cost to the borrower or cosigner, within thirty (30) calendar days of receiving the request to the extent practicable. The written payment history may be provided to the borrower or cosigner in either electronic or paper format. The payment history shall contain:
 - i) The current interest rate for the loan(s) at issue;
 - ii) The original loan amount for the loan(s) at issue;
 - iii) The outstanding principal loan balance for the loan(s) at issue as of the date of the request;
 - iv) The total amount of accrued interest since disbursement;
 - v) The date the Navient Parties posted each payment;
 - vi) The amount of each payment applied to fees, interest, and principal;
 - vii) The date any interest was capitalized for the loan(s) at issue, the amount of interest capitalized, and the reason for the capitalization event; and
 - viii) The current repayment plan for each such loan.
- b. Where possible, the full payment history for all loans shall be available online. Where the full payment history of one or more loans cannot be made available online, the Navient Parties shall ensure that no less than one (1) year of payment history for such loans is available online.

E. BORROWER COMMUNICATIONS FOR FEDERAL LOANS

The provisions of this Section IV.E. apply only to federal loans made, guaranteed, or insured under Title IV of the Higher Education Act, 20 U.S.C. § 1078, *et seq.* For a period of five (5) years from the Effective Date, the Navient Parties shall implement or continue their practice, as applicable to:

- 1. **Policies Regarding Oral Communications & Prioritization of Alternative Repayment Plans.** Maintain policies and procedures designed to ensure that, before any borrower is placed into deferment or discretionary forbearance, such borrower is informed regarding:

- ii) eligibility for, and features, primary benefits, and primary costs associated with, different Alternative Repayment Plans, as well as forbearance and deferment; and
- iii) actions that the borrower must take to be evaluated for these options, including actions the borrower must take to submit an IDR Plan application or to qualify for Alternative Repayment Plans.

The Navient Parties shall implement and administer testing at least annually to determine the satisfactory completion of the enhanced training with regard to each Alternative Repayment Specialist.

- c. **Access to Alternative Repayment Specialists.** The following types of borrowers shall be routed to Alternative Repayment Specialists:

- i) Any borrower who is at least sixty (60) calendar days delinquent; or
- ii) Any borrower who is presently enrolled in a discretionary forbearance and has been enrolled in discretionary forbearance for more than six (6) months of the previous twelve (12) months.

- d. **Monitoring of Alternative Repayment Specialists.** Monitor Alternative Repayment Specialists, including periodic call listening and reviews to monitor the Alternative Repayment Specialists' compliance with these terms.

- e. **Compensation & Incentives for Agents.** Not utilize any compensation plan, including any incentive compensation plan, or any penalty, that is intended to minimize the time agents engage in oral communications with borrowers in a manner inconsistent with this Subsection IV.E.2., or where such a plan or penalty is reasonably foreseeable to have that effect.

- f. **Role of Navient Agents Who Are Not Designated Alternative Repayment Specialists.** The Navient Parties will continue to require all of their call agents, including those who are not designated Alternative Repayment Specialists, to advise all borrowers of the availability of Alternative Repayment Plans whenever the borrower, or their payment history, indicates that the borrower is experiencing financial hardship and that the nature of the hardship may not be temporary.

- 3. **Limitations.** The requirements that are enumerated in Subsection IV.E.1. shall not prevent any Alternative Repayment Specialist from: (a) providing any information specifically requested by the borrower or responding to any

available, PSLF LWO. Such notice shall also link to a U.S. Department of Education website where borrowers can obtain more information on PSLF, TEPSLF, and, if available, PSLF LWO.

5. **Public Service Specialists.** Designate personnel who have received enhanced training, consistent with Enhanced Training for Public Service Specialists described in Subsection IV.E.5.b., below. These special designated personnel are hereinafter referred to as "Public Service Specialists."
- a. **Role of Public Service Specialists.** Public Service Specialists shall be available to assist borrowers as set forth below regarding PSLF, TEPSLF, TLF, and PSLF LWO, and respond to complaints concerning these programs as described in Subsection IV.E.10.
- b. **Enhanced Training for Public Service Specialists.** Regularly train Public Service Specialists to provide borrowers with accurate, complete, and timely information regarding PSLF, TEPSLF, PSLF LWO, and TLF. The enhanced training for Public Service Specialists shall include training on:
 - i) PSLF, TEPSLF, PSLF LWO, if available, and TLF, including eligible loan types, steps borrowers can take to obtain an eligible loan type and associated consequences, qualifying employment requirements, qualifying repayment plan requirements and the features of those plans, qualifying payment requirements, features of PSLF, TEPSLF, PSLF LWO, and TLF, forms associated with the programs, the sequence in which forms must be submitted or in which actions must be taken, actions that borrowers must take to succeed in pursuing forgiveness, and actions that will hinder borrowers' eligibility or progress toward forgiveness, common problems that borrowers encounter with the programs, and borrowers' options for contesting denials and, if relevant to the inquiry, payment count errors;
 - ii) TLF's relationship to PSLF, TEPSLF, and PSLF LWO;
 - iii) U.S. Department of Education policy changes that relate to PSLF, TEPSLF, PSLF LWO, and TLF;
 - iv) when and where to make appropriate referrals relating to PSLF, TEPSLF, PSLF LWO, and TLF including to any servicer designated by the U.S. Department of Education to administer PSLF, TEPSLF, PSLF LWO, or TLF;
 - v) informational resources and tools available from the U.S. Department of Education or other servicers designated by

Parties' system of record. Monitoring of Public Service Specialists shall also include a review of the time borrowers spend on "hold" or in a queue awaiting contact with a Public Service Specialist. Wait times for Public Service Specialists shall be held to the same requirements or standards that Navient Parties apply to other specialized customer service agents such as military specialists.

- e. **Compensation & Incentives for Agents.** Not utilize any compensation plan, including any incentive compensation plan, or any penalty, that is intended to minimize the time agents engage in oral communications with borrowers in a manner inconsistent with Subsection IV.E.2., above, or where such a plan or penalty is reasonably foreseeable to have that effect.
6. **Outreach to Borrowers Related to PSLF LWO.** The Navient Parties shall develop a notice related to PSLF LWO for all borrowers who have one or more non-Parent PLUS FFELP loans.
- a. That notice shall, clearly and conspicuously provide the following information or other information consistent with the rules and requirements articulated by the U.S. Department of Education at the time of the notice, and shall be subject to approval by the Oversight Committee:
 - (i) indicate that borrowers who have worked in public service may wish to learn more about PSLF LWO;
 - (ii) explain that on Oct. 6, 2021, the U.S. Department of Education announced a change to PSLF program rules for a limited time, and that, under the new rules, prior payments or periods of repayment that previously did not qualify towards PSLF may now qualify regardless of loan type, repayment plan, or whether the payment was made in full or on time;
 - (iii) disclose that this change will apply to student loan borrowers with Direct Loans, those who have already consolidated into the Direct Loan Program, and those who consolidate into the Direct Loan Program by October 31, 2022 (or any other date the U.S. Department of Education may designate), but that the change is not directly applicable to Parent PLUS loans;
 - (iv) notify the borrower in offset and bolded type that one or more of the borrower's federal loans serviced by the Navient Parties are non-Parent PLUS FFELP loans and that before October 31, 2022 (or any other date the U.S. Department of Education may designate), the borrower should (1) verify

loans into a Direct Loan that does qualify or are otherwise not permanently ineligible), are currently enrolled in repayment plans that do not qualify for PSLF, or received a public service code in the Navient Parties' system of record pursuant to Subsection IV.E.5.c. The notice shall clearly and conspicuously identify each of the borrower's federal loans in a single notice and indicate whether each loan is a qualifying loan type and whether each is in a qualifying repayment plan. If one or more of the borrower's loans are not a qualifying loan type, the notice shall identify how the borrower can obtain a qualifying loan type for the one or more loans that are not a qualifying loan type. If one or more of the borrower's loans are not in qualifying repayment plans, the notice shall: identify qualifying repayments plans and the steps the borrower can take to change to a qualifying repayment plan, and indicate that TEPSLF may cover payments made on the wrong repayment plan. The notice shall clearly and conspicuously indicate that PSLF has other requirements in addition to having a qualifying loan type and repayment plan. The notice shall clearly and conspicuously:

- a. include a web address for a U.S. Department of Education website where borrowers can obtain more information on PSLF and TEPSLF and a link to where they can obtain the PSLF and TEPSLF certification and application;
- b. provide contact information for Public Service Specialists; and
- c. provide contact information for the Federal Student Aid Ombudsman Group.

8. **Changing to Non-Qualifying PSLF Repayment Plans.** If a borrower has one or more Direct Loans and a public service code and indicates that they may want to change repayment plans for such Direct Loan(s), the Navient Parties shall offer to transfer the borrower to a Public Service Specialist. Before a borrower changes to a repayment plan that does not qualify towards PSLF via telephone, the Navient Parties will inform the borrower that the chosen plan does not qualify towards PSLF. If a borrower changes or is changed to a repayment plan that does not qualify towards PSLF via means other than telephone, within thirty (30) calendar days of the repayment plan change, the Navient Parties will notify the borrower in writing that the chosen plan does not qualify towards PSLF. This notice shall clearly and conspicuously include a web address for a U.S. Department of Education website where borrowers can obtain more information on PSLF, TEPSLF, and PSLF LWO and provide contact information for Public Service Specialists.

9. **Consolidating PSLF Eligible Loans.** At any time after the expiration of the PSLF LWO, the Navient Parties will not assist or advise that a borrower consolidate PSLF eligible loans without informing the borrower that

forgiveness or a correction to the borrower's qualifying payment count if the reason payments were non-qualifying may have related to an error, misrepresentation, or omission.

- d. If the borrower's complaint relates to having the right loan type but making payments under the wrong repayment plan, then the findings that the Navient Parties provide to the borrower shall include information about the potential relief available under TEPSLF.
 - e. If the borrower's complaint relates to being in the wrong loan program, then the Navient Parties' findings, if provided to the borrower prior to the expiration of the PSLF LWO, shall include information about the potential relief available under the PSLF LWO and how to access it.
- 11. **Oral Communications Regarding Amounts Owed.** Implement or maintain policies and procedures to disclose to borrowers and cosigners, concurrent with any payment demand, the payment amount required to cure a borrower's delinquency or avoid negative credit reporting, and to permit borrowers to pay that amount without requiring borrowers to make any monthly payment prior to its scheduled due date.
 - 12. **Cover Emails Accompanying Electronic Billing Statements.** Cover emails from the Navient Parties notifying a borrower with a delinquent federal education loan that an electronic billing statement is available on the applicable Navient Parties' website(s) shall disclose the steps the borrower can take to learn about Alternative Repayment Plans.
 - 13. **Website Notices of Alternative Repayment Plans.** Maintain on the applicable Navient Parties' website(s) a description of Alternative Repayment Plans and a link to the U.S. Department of Education website where borrowers can obtain more information and apply.
 - 14. **Requirements Related to Recertification of Income and Family Size Under an IDR Plan.** For any borrower enrolled in an IDR Plan: At a reasonable time period prior to the then current IDR Plan recertification deadline ("annual deadline"), send written or electronic notices to the borrower regarding the requirement and the deadline to recertify the borrower's income and family size. Between ninety (90) calendar days and twenty (20) calendar days prior to the borrower's annual deadline, the Navient Parties shall make no fewer than four attempts to contact borrowers who are enrolled in an IDR Plan but have not submitted an application to recertify income and family size, and shall make at least one additional attempt if the borrower has not submitted an application after the annual deadline date has passed.

link thereto; statements that (i) the Navient Parties will evaluate the borrower's credit history and ability to repay before granting cosigner release and describe the process for applying for cosigner release; (ii) borrowers should check their payment history to determine whether they have met the consecutive on-time payment requirement; (iii) overpayments of more than the monthly payment amount may not count towards cosigner release; (iv) payments made by a borrower's employer may not count towards cosigner release; and (v) a phone number borrowers can call if they have questions about cosigner release.

b. **Website Publication of Information Related to Cosigner Release.** Post the information contained in the Notice of Cosigner Release, described in Subsection IV.G.1.a., on the applicable Navient Parties' website(s).

c. **Qualifying Payments for Consecutive, On-Time Payments Requirement.** In calculating consecutive, on-time payments for purposes of qualifying for cosigner release, include each consecutive, scheduled principal and interest payment immediately preceding the cosigner release application submission.

i) Except as defined by the terms of the loan or its promissory note, the following payments qualify for cosigner release: Any on-time payments made within the billing cycle, including payments within the grace period, which would constitute a full principal and interest payment for that billing cycle and shall not include any payments made pursuant to an interest rate reduction program or other program permitting partial or no payment.

ii) Not restart a borrower's progress toward meeting the consecutive, on-time payment requirement for cosigner release if, due to a prepayment which resulted in the advancement of a due date, the borrower makes no payment in response to a \$0 bill.

d. **Notice Concerning Impact on Certain Payment Arrangements.** If a borrower or cosigner requests a change in terms that would restart the borrower's progress towards meeting the consecutive, on-time payment requirement for cosigner release, notify the borrower in writing of the impact of such an arrangement and provide such borrower the right to withdraw or reverse the request to avoid such impact. If the request for the change in terms is made over the phone or online, the Navient Parties shall inform the borrower or cosigner of the impact of such an arrangement and provide the borrower or cosigner the right to withdraw or reverse the request to avoid such

statement date.

5. **Refund of Overpayments Following Payoff.** Remain in compliance with U.S. Department of Education regulations for refunding overpayments following payoff. The Navient Parties shall disclose their policy for refund of overpayments following payoff on the applicable Navient Parties' website(s).

I. REQUIREMENTS RELATED TO THE TRANSFER OF SERVICING

The Navient Parties shall implement or continue their practice, as applicable to:

1. **Notice by Transferor Servicer at the Time of Transfer of Servicing.** When acting as the Transferor Servicer, as defined in Regulation X, 12 C.F.R. § 1024.31, provide to each borrower and cosigner subject to the transfer a written notice ("Notice by Transferor Servicer") not less than fifteen (15) calendar days before the effective date of the transfer.
2. **Notice by Transferee Servicer.** When acting as the Transferee Servicer, as defined in Regulation X, 12 C.F.R. § 1024.31, provide to each borrower and cosigner subject to the transfer a written notice ("Notice by Transferee Servicer") not more than fifteen (15) calendar days after the effective date of the transfer.
3. **Prohibition on Late Fees during Servicing Transfers.** During a period covering at least the sixty (60) calendar day period beginning on the effective date of transfer of the servicing of a loan, a payment timely made to the Transferor Servicer may not be treated as late for any purpose by the Navient Parties when acting as the Transferee Servicer.
4. **Transferor Forwarding of Payment Received.** To the extent practicable, for at least one hundred twenty (120) calendar days beginning on the effective date of transfer of servicing of a loan, the Navient Parties, when acting as the Transferor Servicer, use reasonable efforts to forward payments received to the Transferee Servicer.
5. **Electronic Fund Transfer Authority.** Unless a borrower's authorizations for recurring electronic fund transfers are automatically transferred to the Transferee Servicer, when acting as Transferee Servicer, the Navient Parties shall make available to a borrower or cosigner whose loan servicing is transferred an online, telephone, and written process through which borrowers may make a new authorization for recurring electronic fund transfers.
6. **Certain Transfers Excluded.** The following transfers are not assignments, sales, or transfers of loan servicing for purposes of this Section IV.I. if there is:

1. When discussing the terms and conditions of federal education loan rehabilitation, clearly, conspicuously, and accurately describe the characteristics, requirements, and consequences of each post-default resolution option available to borrowers, including the impact on a borrower's credit, the application of collection fees, and the requirements for disability discharge.

V. PRIVATE LOAN RELIEF

- A. The Navient Parties shall discharge and forgive a minimum of \$1,710,000,000.00 (One Billion Seven Hundred Ten Million U.S. Dollars) of private educational loans meeting the criteria set forth in Appendix A, by following the procedures listed below. The parties hereto acknowledge that only these loans meet the conditions for this relief.

1. Within thirty (30) calendar days after the execution of this Consent Judgment by the Parties, the Navient Parties shall identify private education loans that have the attributes identified in Appendix A, along with the borrower and cosigner's identifying information, including last address and phone number shown on the Navient Parties' servicing system, as well as the loan number and outstanding balance as of June 30, 2021, and send the information to the Oversight Committee. Until the actions required by this Section V are completed, Navient Corporation shall cause the holder of such private education loans to not sell or otherwise transfer any loans that have the attributes described in Appendix A other than as a result of sales or transfers between Navient Corporation and its subsidiaries or affiliates.
2. Within ninety (90) calendar days after the execution of this Consent Judgment by the Parties, Navient Corporation shall cause the holders of such private education loans to proceed to discharge and forgive the current outstanding balances of the loans identified in Subsection V.A.1., above.
3. Within one-hundred twenty (120) calendar days after execution of this Consent Judgment by the Parties, Navient Solutions LLC shall contact, or if Navient Solutions LLC is not the servicer of such private education loans, the Navient Parties shall use their best efforts to cause such servicer to contact, each Consumer Reporting Agency to whom they have reported any loans discharged pursuant to Subsection V.A.2., above, and seek to remove the associated tradeline(s) from the borrower and cosigner's credit report(s) of the loans identified in Subsection V.A.1., above.
4. The Navient Parties shall provide borrowers with written notice of the debt relief, which shall be materially similar to the form attached as Appendix B. The notice may be provided electronically if the borrower has consented to receive electronic communications.

The Consumer Fund shall be used: (1) to distribute funds to borrowers as the Oversight Committee directs, as set forth above, (2) to pay for costs and expenses of the Settlement Administrator, and/or (3) any other lawful purpose. Payments to borrowers are being made to provide remediation for alleged losses the Signatory Attorneys General claim such borrowers experienced as a result of the Navient Parties' conduct.

The Navient Parties agree to promptly provide the Oversight Committee with all information the Oversight Committee deems necessary to permit the Settlement Administrator to distribute funds to borrowers as directed by the Oversight Committee including, but not limited to, providing relevant borrowers' full names and any known maiden names, other names, or aliases; last known mailing addresses; last known email addresses and telephone numbers; other prior mailing or email addresses and telephone numbers as requested; social security numbers; and customer identification numbers or loan identification numbers. In carrying out the foregoing, the Navient Parties agree to provide such information from the Navient Parties' servicing systems within fifteen (15) calendar days of the Oversight Committee's request or, to the extent that such information is in the possession, custody, or control of Maximus or any other Transferee following the novation of the contract to service federal loans owned by the U.S. Department of Education, the Navient Parties shall make the request for information to Maximus or any other Transferee not later than five (5) calendar days after the Oversight Committee makes its request consistent with this paragraph, and to make all reasonable efforts to promptly obtain any required permissions to provide such information from the U.S. Department of Education. The Navient Parties hereby represent and warrant that Maximus and any other Transferee shall be required to reasonably cooperate with the Navient Parties' requests made in connection with this Consent Judgment.

After the Settlement Administrator has completed the administration of the Consumer Fund, including making reasonable attempts to contact payees of uncashed checks and waiting a reasonable period of time not less than ninety (90) calendar days, and/or transferring uncashed checks to state unclaimed property funds (as directed by the Signatory Attorneys General), all uncashed checks may be voided. Once such uncashed checks have been voided, these funds shall be distributed to the Signatory Attorneys General based on the state the payee was a resident of according to the data provided by the Oversight Committee. The Settlement Administrator will distribute uncashed funds pursuant to instructions provided by the Signatory Attorneys General. After the Settlement Administrator has distributed the remaining funds from uncashed checks as described in this Section VI, any remaining funds in the Consumer Fund account (including any accrued interest) will be distributed to the Signatory Attorneys General in proportion to the number of borrowers to whom the Settlement Administrator attempted to send a payment, based on borrowers' state of residence according to the data provided by the Oversight Committee.

VII. RELEASE

The Signatory Attorneys General release the Navient Parties and GRC, with their respective past and present subsidiaries, predecessors, successors, agents, owners, employees, officers, trustees, and members (collectively, the "Released Parties") from all civil claims any Signatory Attorney

student loans to borrowers who did not qualify for such loans under standard underwriting criteria; and (19) conduct related to the effects of repayment options on FFELP loan securitizations including but not limited to disclosures related to the offering of the underlying securities in such securitizations.

Notwithstanding the foregoing, "Covered Conduct" as used in the Release, Section VII of this Consent Judgment, specifically does not include the following: (1) servicing or collection activity related to automatic forbearances or other relief prompted by the COVID-19 pandemic, including without limitation communications related to the impact of any COVID-19 forbearances on PSLF eligibility; (2) automatic forbearances implemented as a result of governmental action, including without limitation in the case of natural disasters; or (3) conduct by GRC occurring on or after July 31, 2019.

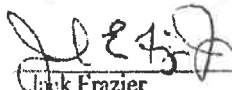
SO ORDERED, ADJUDGED AND DECREED.

Date

11/18/2022

A handwritten signature in blue ink, appearing to read "D. A. S. J.", written over a horizontal line.


Presiding Judge

By: 
Jack Frazier

Date: January 12, 2022

Director
Pioneer Credit Recovery, Inc.
26 Edward St.
Arcade, NY 14009
jack.frazier@navient.com
(585) 492-3414

Officer for Pioneer Credit Recovery Inc.

By: 

Date: January 12, 2022

Jonathon R. Finley
Chief Executive Officer
General Revenue Corporation
4660 Duke Dr. #200
Mason, OH 45040

Officer for General Revenue Corporation

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC



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Telephone: 919.294.0803

- Center for Excellence in Higher Education
- Corinthian Colleges
- DeVry University
- Education Corporation of America (Willis Stein & Partners III, L.P.)
- Education Management Corporation
- Globe/MN School of Business
- Graham Holdings
- Infilaw Holding
- ITT Technical Institute
- Lincoln Tech
- Marinello School of Beauty
- Premier Education Group

Category 3 Criteria: Non-traditional

- Any non-traditional private education loan with an outstanding balance and in Past Due Status as of the Debt Relief Forgiveness Date disbursed by SLM Corporation lenders, subsidiaries, predecessors, successors, and/or affiliates after 2002.

“Non-traditional” as used herein means a private education loan disbursed (1) to a borrower with a FICO score below 670 at origination to attend a private for-profit educational institution; or (2) to a borrower with a FICO score below 640 at origination to attend a public or a private not-for-profit educational institution.

We're here to help

If you have questions about this notice or loan forgiveness, call or visit us online. If you are experiencing financial difficulty or have other questions or concerns about your student loan obligations, contact your servicer.

Additional state and federal resources are listed on the following page.

Your loan servicer

Below is a list of federal and state resources for student loan borrowers.

[illegible]