

Federal Loan Servicing

GASFAA Spring Conference May 18, 2011

Michael C. Roberts – FSA

Kristi Jones – Nelnet

Amy Gerber/Bill Horn – Great Lakes

David Haygood – Sallie Mae



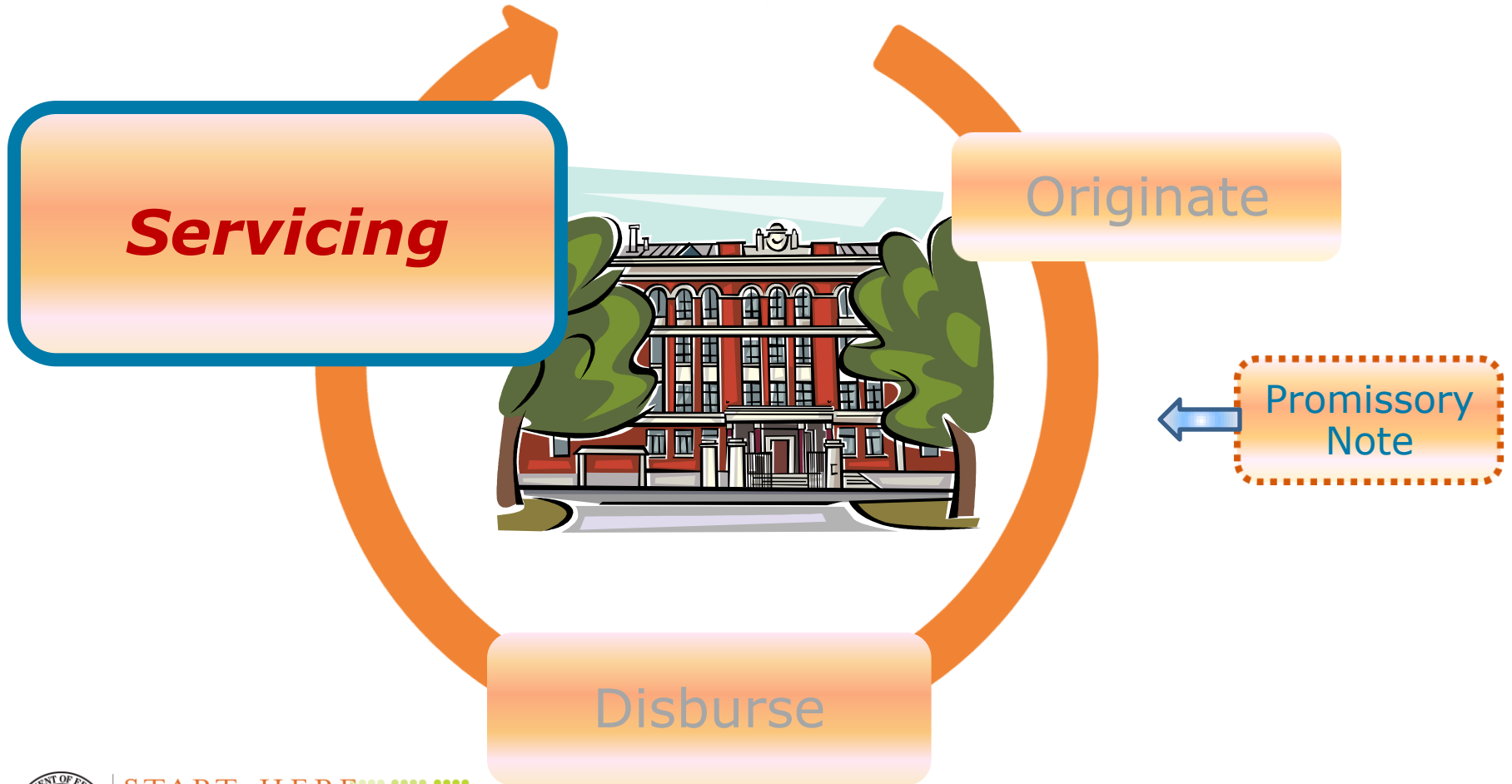
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FEDERAL STUDENT AID®

Agenda

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



Direct Loan Processing Cycle



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**



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.



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

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



Servicer Reports

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



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



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

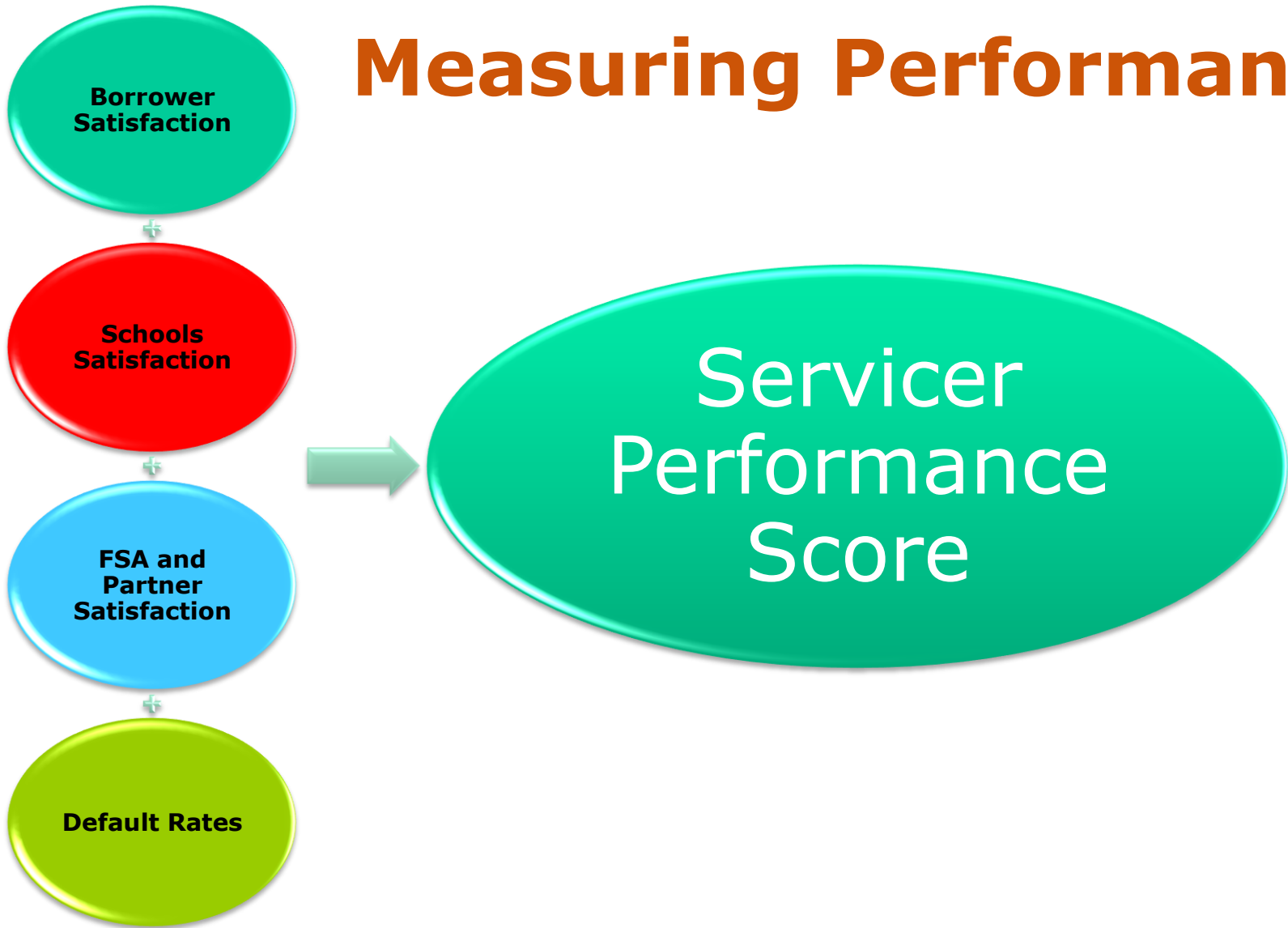
<http://ifap.ed.gov/nsldsmaterials/attachments/NSLDSNewsletter27.pdf>

Split Servicing

- All of a borrower's 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.



Measuring Performance



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



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



Agenda

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



Federal Loan Servicers

**Direct
Loans**

William D. Ford Federal Direct Loan Program

Phone: 800-848-0979

Web site: www.dl.ed.gov

fedloan[™]
SERVICING

Phone: 800-699-2908

Web site: www.myfedloan.org


GREAT LAKES

Phone: 800-236-4300

Web site: www.mygreatlakes.org

nelnet.
EDUCATION PLANNING
& FINANCING

Phone: 888-486-4722

Web site: www.nelnet.com

SallieMae | Department of Education Loan Services

Phone: 800-722-1300

Web site: www.salliemae.com



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Unique Services offered by

Direct Loans

William D. Ford 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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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



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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