



August 1, 2023

The Honorable Elizabeth Warren
United States Senator
309 Hart Senate Office Building
Washington, DC 20510

The Honorable Richard Blumenthal
United States Senator
706 Hart Senate Office Building
Washington, DC 20510

The Honorable Chris Van Hollen
United States Senator
730 Hart Senate Office Building
Washington DC 20510

The Honorable Edward J. Markey
United States Senator
255 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
United States Senator
503 Hart Senate Office Building
Washington, DC 20510

The Honorable Robert Menendez
United States Senator
528 Hart Senate Office Building
Washington, DC 20510

RE: Response to letter dated July 18, 2023 requesting information about Edfinancial's plans for return to repayment

Dear Senators Warren, Blumenthal, Van Hollen, Markey, Brown and Menendez:

I am writing in response to your letter dated July 18, 2023 to Edfinancial Services, LLC ("Edfinancial") in which you requested information about Edfinancial's plans to support the federal student loan borrowers serviced by Edfinancial. As mentioned in your letter, the suspension on loan payments, interest and collections related to the COVID-19 pandemic will terminate on August 31, 2023.

At Edfinancial our mission has always been to do the right thing for our customers. Please be assured that Edfinancial shares your concern about the challenges facing student loan borrowers, many of whom who would have otherwise entered repayment for the first time between March 2020 and August 2023 had it not been for the COVID-19 pandemic. These borrowers in particular did not receive the opportunity to establish healthy student loan repayment habits during the payment suspension period.

The return to repayment for millions of student loan borrowers at the same time indeed marks an unprecedented event. Edfinancial has been working very closely with the Office of Federal Student Aid, U.S. Department of Education ("FSA") in preparation for the repayment resumption. Collectively we have done our best to project the inbound call volumes, staffing needs, back-office processing volumes and other components that will allow our borrowers to

receive assistance and customer service they deserve despite of the unprecedented nature of the lengthy repayment pause.

I would further add that at the same time as servicers are preparing generally for the return to repayment, we are also implementing other important system, procedural and training changes in connection with the rollout of the Saving on a Valuable Education (SAVE) Plan, the Fresh Start Plan, and the one-time IDR Adjustment. Again, we are partnering closely with FSA in order to make this time as successful as reasonably possible for borrowers entering repayment.

Before addressing your questions below, I would note that Edfinancial has a strong performance record in helping borrowers navigate their options with respect to their federal student loans. Furthermore, to the best of our knowledge, Edfinancial is unique in the student loan servicing industry because we are the only pure federal student loan servicer in the country. We do not have conflicts of interest that may otherwise compete with our number one goal of serving our customers well.

1. How many student loan borrowers does your company currently service?

Edfinancial services 5,322,453 unique student loan borrowers as of August 1, 2023. Of that number, 1,437,528 borrowers are in an *in-school status*.

a. How many student borrowers did your company service in February 1, 2020?

Edfinancial serviced 1,703,257 unique student loan borrowers on February 1, 2020.

b. How many student borrowers do you service now that you did not service in February 1, 2020 (either because the accounts were transferred to you or because the accounts are new)?

Edfinancial currently services loans for 3,320,820 unique student loan borrowers for whom we did not service loans in February 2020.

c. How many borrowers do you anticipate you will be servicing by October 1, 2023?

Edfinancial anticipates it will be servicing approximately 5,500,000 unique student loan borrowers by October 1, 2023.

2. How many borrowers have contacted you since June 1, 2023?

Since June 1, 2023, Edfinancial has had 89,619 borrower contacts by phone, another 9,167 borrower contacts via live-agent chat, and another 15,661 by email exchange. In total, 114,447 borrowers have contacted Edfinancial directly since June 1, 2023.

3. What percentage of your customer service representatives are new hires without prior experience working with federal student loan borrowers or the federal student loan system?

We recognize the concern underlying this question since the new and less experienced CSRs (customer service representatives) will have their learning curve at the very start of the repayment period, which could affect the quality of service we strive to provide to our customers. 100% of our CSRs will be fully trained on all aspects of the Direct Loan program prior to the restart of the repayment in September 2023. As mentioned in our response to question 11 below, we plan to quadruple our contact center staff (from our current 112 agents to a peak of 494) to accommodate the projected call volume.

It is important to consider the following three components, which equally and extraordinarily affected the current makeup of our workforce and the higher percentage of newer, less experienced representatives. These components also explain why all CSRs, regardless of their tenure and experience, require ongoing training.

- i. The sweeping, protracted, and historic student loan debt payment pause resulted in significantly lower borrower contact rates. During this three-year span, even our tenured CSRs have not had much repayment services experience.
- ii. Edfinancial's servicing volume grew from 1.5 million borrowers to 5.3 million borrowers due to loan transfers from other servicers in less than two years.
- iii. FSA has taken many steps to minimize the impact to borrowers as they return to repayment, including a "safety net" grace period, loan rehabilitation through the Fresh Start program, a new income-driven repayment plan and a 12-month on-ramp transition period. Most of these new developments require recalibration training of all CSRs to ensure their readiness.

Edfinancial's "ramp up" efforts for the end of the student loan repayment pause on August 31, 2023, include hiring, onboarding and training of CSRs, as well as recalibration training of the tenured customer service representatives.

In preparation for the end of repayment pause, Edfinancial also made a strategic decision to deconvert (transfer away servicing rights and responsibilities) all its commercially owned FFELP and private loans in order to become a "pure" federal student loan servicer for the Department of Education. This effort, which completed on June 30, 2023, eliminates the need for our agents to learn additional aspects of private loan servicing and allows us to focus on the details of the federal student loan program.

The Department clearly recognizes all three components we identified above. On July 3, 2023, FSA issued a Return to Repayment, Student Debt Relief, and Income Driven Repayment New Communication Playbook (referred to in this letter as the "FSA Playbook") that is continually being improved and is currently on version 10. A copy of this version of the FSA Playbook is attached to this letter as "Attachment A". The FSA Playbook outlines the combined effort of the Department and its federal servicers to educate all borrowers returning to repayment status in a timely and organized manner, which should ultimately minimize the need to make a phone call to their respective servicers.

As with any unprecedented event, we cannot fully rely on our prior experience. Like all other federal servicers under the Department's leadership and guidance, Edfinancial has greatly invested in its readiness for the end of the repayment pause.

4. What percentage of your new hires have completed the required background checks and obtained the necessary security clearances to start servicing borrowers accounts by October 1, 2023?

100% of newly hired staff are required to obtain Federal clearance prior to accessing live borrower data and performing servicing activity. Edfinancial's hiring plan supports the addition of several new hire training classes between now and the end of 2023. Based on the current turnaround time of security clearances by the government, we expect the vast majority of fully trained staff to be cleared in time to assist borrowers during the expected surge in borrower contacts. Onboarding will continue beyond October 1, and there will typically be a class of new hires in the process of being trained and released to servicing activity on any given day. Accordingly, we would expect approximately 96% of new hires to have completed the required background checks and to have obtained the necessary security clearances to start servicing as of October 1, 2023.

5. Please describe the training you are providing to customer service staff to ensure borrowers receive accurate and timely information about their loans.

In recent months, Edfinancial has been increasing customer service staffing significantly in preparation for the return to repayment. Newly hired agents receive the full spectrum of skills training, practice, and resources necessary to properly – i.e., fully, timely, and accurately – advise borrowers regarding the successful management of their student loans. Newly hired customer service representatives are trained with a combination of virtual classroom instruction, online resources, quizzes, peer discussions, and role playing. At the end of their classroom training period, CSRs receive live mentoring with one of our veteran customer service representatives. After representatives start taking calls on their own, any applicable updates and refreshers regarding procedure, policy/regulation changes or business decisions are communicated through an online training update alert or virtual training sessions, depending on the complexity of the change. Additionally, online resources, such as our internal "wiki" pages (informational knowledge repositories), are always available to these CSRs and are updated as needed.

All tenured CSRs are undergoing refresher training to ensure they are fully ready to support borrowers' needs and repayment goals and to be able to handle the expected increase in call, chat, and email volumes. Experienced agents will work through several e-learning modules during scheduled sessions. The modules include test questions to ensure agents have a clear understanding of the information being presented. CSRs will also have an open chat with experienced trainers available so that they can ask questions or request assistance in real time.

Refresher training topics include an introduction to self-paced training with special emphasis on one-call resolution; best practices related to term-based repayment and IDR; methods of

accessing deferments and forbearances; assisting borrowers with access and navigating their online accounts; payments, lower payment options, and loan forgiveness options; credit reporting and default; customer service and communication skills; and loan servicing systems review.

6. How many complaints have you received from borrowers in the last year?

Edfinancial tracks complaints as escalations from borrowers received from the contact center and processing departments. These represent occasions where agents are unable to resolve the borrower's concerns on the front line or which have been received through an escalated entry point, such as Control Mail.

In the last year (July 2022 - July 2023), Edfinancial received 3,063 complaints through these channels. This represents 0.058% of our total borrower population. As discussed in more detail below, 2,177 of these complaints were related solely to aspects of the federal program that are outside of a servicer's control and did not relate to the actions of Edfinancial.

a. How many of those complaints were resolved to the borrower's satisfaction?

We want to note at the outset of this response that Edfinancial received the highest customer satisfaction score among all federal loan servicers for the two most recent FSA borrower surveys.

We recognize that not all complaints can be resolved with the borrower's desired outcome. For example, of the 3,063 complaints received in the last year, 2,177 were related solely to federal policy or program requirements and not to any actions of Edfinancial. We do implement changes and new policies in response to complaints. However, only 886, or .0017% of our borrower population, submitted a complaint that was within Edfinancial's control to resolve.

We consider a complaint to be resolved when a response (and resolution, if applicable) has been issued to the borrower and the complaint is closed within the portal in which it was received or within our internal complaint track database.

Of the 3,063 complaints received in the last year, 2,779 have been closed as resolved. Please note that some of the unresolved complaints may not yet have reached the due date for response and that others require additional research or assistance from outside entities that are ongoing.

7. What is the current average call wait time for borrowers trying to get in touch with your company?

For the period ranging from June 1, 2023 to July 21, 2023 (the date this data was gathered, the average call wait time to speak with an agent is 6 minutes, 35 seconds.

8. What is the current average written communication wait time for borrowers trying to get in touch with your company?

For the period ranging from June 1, 2023 to July 21, 2023 (the date this data was gathered), the average chat wait time to speak with an agent is 2 minutes, 57 seconds.

For the period ranging from June 1, 2023 to July 21, 2023 (the date this data was gathered), the average written communication wait time to speak with an agent is 3.3 calendar days.

9. For each of the following months, what is your projected average and maximum call and written communication wait times?
- a. August
 - b. September
 - c. October

Edfinancial bases staffing needs on our projected overall workload, with consideration given to borrower behavior and portfolio characteristics. It is unlikely that historical trends will apply in this unprecedented restart of repayment. There are no baselines for borrowers pausing or postponing commencement of payment activity for three plus years. Based on our best assumptions, we expect to remain within FSA's desired service levels, with call wait times of approximately 90 seconds and written responses back to borrowers in 3 to 5 business days.

10. How many staff did your company have in February 1, 2020?

In February of 2020, there were 375 full-time employees at Edfinancial Services, LLC.

11. Do you have adequate staff for the expected volume of communication? If not, how many additional staff do you need to hire and train before October 1, 2023?

During the extended period of the payment pause, Edfinancial's operational staffing was understandably lower since most borrowers were not actively engaged in the repayment process. Based upon the overall workload projected by October 1, 2023 and targeted service levels, we have determined the level of staffing that should be required, with consideration given to past and current workforce management, attrition, agent skill levels, and the nature of communications we are most likely to experience. Again, historical trends will not wholly apply in this unprecedented restart of repayment. Based on good faith estimates, we plan to quadruple our contact center staff (from our current 112 agents to a peak of 494) and nearly double our trained back-office staff (from our current 101 processors to a peak of 186).

We have been actively recruiting, hiring, applying for security clearances, and training additional staff for several months, and we remain on track to meet our hiring and training goals as we approach October 1 and beyond.

Edfinancial also hired a number of experienced staff from the other two student loan servicers that exited the business of student loan servicing for FSA.

12. Which methods of borrower communication have had the best response rates?

In responding to this question, we had to make certain assumptions for meaning of “response rates”. Borrowers’ response rates could encompass a borrower’s phone call to our contact center or an action taken by a borrower following one of our communications, including establishing an online account, signing up for the income-driven repayment program, updating demographic information and many others, or both.

We follow the Department’s guidance in proactively promoting and encouraging our customers to use the many available self-service tools both on studentaid.gov and edfinancial.com websites. The FSA Playbook outlines the combined effort of the Department and its federal servicers to educate all borrowers returning to repayment status in a timely and organized manner, which should ultimately minimize the need to make a phone call to their respective servicers.

The response rate also depends on the audience we are trying to reach and the content we offer in a specific communication. Any communication that includes loan forgiveness information, for example, would always result in an increase of call volume in our contact center.

We have found that a multi-media approach is typically best to maximize borrowers’ response. This approach would normally include an update to the website to post the most important and up to date information, an email blast to the targeted audience and social media updates. The FSA Playbook is a very good example of such multi-media, target audience approach in preparation for the end of the repayment pause.

13. What services do you currently use to identify a borrower’s correct current contact information?

Edfinancial uses a variety of commercial vendors to identify a borrower’s contact information. Vendors include the major consumer credit reporting agencies, with additional support provided by industry leaders such as Transunion/TLO, Lexis Nexis, and Electronic White Pages. Throughout the payment pause, Edfinancial placed a priority on maintaining accurate demographic information and borrower engagement. We continued skip tracing efforts when we identified that a borrower’s contact information may have become invalid. Outbound dialing jobs ran weekly to obtain updated mailing addresses.

Edfinancial sent letters to schools and references to obtain more up-to-date information as well. Additionally, during the payment pause, Edfinancial accepted numerous servicer-to-servicer transfers and performed a full system migration. While potentially seen as a change, this activity triggered engagement and the potential to validate or update demographic information. If borrowers do not have current contact information on file, they are alerted when they log in to their online account and prompted to update their contact information.

14. For how many borrowers do you have confirmed contact information – either by phone, email, or U.S. Postal Service?

Edfinancial has confirmed contact information for borrowers as follows:

Confirmed mailing addresses:	5,128,650*
Invalid mailing addresses:	32,798
Valid address percentage (as of 7/26):	99.3605%
Confirmed phone numbers:	5,121,754*
Invalid/missing phone numbers:	14,597
Valid phones percentage (as of 7/27):	99.7155%

* Please note, for purposes of this response and throughout this letter, borrower totals may appear different because the volumes were pulled on different dates. Borrower populations fluctuate daily for reasons such as discharge, consolidation, deconversion, borrower payment, and origination of new loans.

a. How many of these borrowers have you successfully contacted using these methods? How do you confirm contacts?

Edfinancial has transmitted 52,784,380 account-specific letters by postal mail and e-correspondence since March of 2020. We define “contact” as a communication where the caller, chat or email correspondent has successfully authenticated their identity matching information already present on the account.

With respect to “contact information,” we ask borrowers on every call to validate their address, phone, and email demographics. Inbound callers are offered the opportunity to authenticate and to update their demographics in our Interactive Voice Response (IVR) telephone system. When we receive updated information from third parties, such as the vendors listed in the response to Question 13 above, and do not already have a valid demographic on file, we will accept the new information and attempt routine communications through those means unless and until updated by the borrower or the Department of Education. Updated demographic information that we receive from the Department is applied regardless of whether we already have valid or invalid address.

b. How many borrowers have not responded to any of your outreach to date?

Apart from account-specific responses to individual borrower inquiries and skiptracing activity, all outreach conducted by Edfinancial is intended to be informative rather than to generate responses. Our outreach is tailored to proactively resolve a borrower’s need to contact us.

With respect to ‘call to action’ communications, such as skiptracing outreach, we track open rates and click-through rates for certain items of e-correspondence. There

are too many variables, however – such as an expected response time relative to the subject matter of the outreach and the channel of communication – to have developed a statistically meaningful tracking mechanism. Because the majority of our outreach during the payment pause has been informational in nature, we cannot provide a specific number of borrowers as requested.

15. How many borrowers have been transferred to your company, and how many of them have affirmatively set up an account with your company since February 1, 2020?

Since February 1, 2020, a total of 2,328,425 borrowers have been transferred to Edfinancial from other servicers. Of these 1,046,515 have affirmatively set up an account online.

16. What steps have you taken to audit borrower accounts to detect missing or inaccurate information? Has your approach differed for borrower accounts that were transferred to you after February 1, 2020?

Federal servicers utilize the industry standard EA27 and EA80 data file formats, as well as specific supplemental data files, when transferring loans from one federal servicer to another. This is a standard established process that involves review and reconciliation of data elements both pre and post conversion. Edfinancial utilizes this process when receiving or transferring federal student loans to facilitate the transfer of all borrower data so that it is accurately loaded on our system.

With respect to accurate demographic information, throughout the payment pause, we have maintained our efforts to locate borrowers for whom we have invalid contact (skip) information at the same rate as during traditional repayment. We actively cross-reference all borrowers' demographic data and, where there are discrepancies or gaps relative to data shared with FSA or the consumer reporting agencies, we conduct written or verbal outreach. This has allowed us to keep our skip volume down and borrower contact rates high.

We also have plans to conduct enhanced skip campaigns in August and, depending upon their success, repeat them through the end of the year. By focusing on skip tracing efforts during the loan payment suspension, we can further ensure that we will have the most up-to-date contact information once borrowers enter repayment.

We have sent at least two written communications to every borrower that transferred to us since February 1, 2020. We send an FSA-required 'welcome letter' to every such borrower to ensure that they have all of the information needed to successfully manage their federal student loans. In addition, we have sent a separate email to each of these borrowers inviting them to manage their accounts online via our new, secure portal.

17. Describe the outreach you are conducting to alert borrowers about return to repayment and how you plan to advise borrowers about guidance regarding the President’s student loan system reforms.

Please see the FSA Playbook that is attached as “Attachment A” as well as Edfinancial’s Return to Repayment Communication Timeline (version H), which is attached to this letter as “Attachment B”. These outlines are dynamic documents that are being updated frequently, based upon FSA guidance and our own operational observations. They provide a high-level depiction of the outreach we are conducting at the direction of and in collaboration with the Department’s office of FSA.

FSA has specifically required that servicers receive express approval to proceed from FSA for all communications related to Return to Repayment. The approval process includes FSA providing feedback on all communications, confirming edits were made as directed, and then providing final approval to proceed to deployment. All Edfinancial communications and agent resources related to recent developments in the federal student loan program are aligned to FSA’s official messaging.

18. How are you determining borrowers’ payment amounts and schedules under various payment plans in advance of October 1, 2023?

Edfinancial determines borrowers’ payment amounts and schedules as required under the Higher Education Act (HEA) of 1965 (as amended). Borrowers may select or be assigned a repayment plan when they first begin repaying their student loan. Borrowers may change repayment plans at any time without charge.

For Standard repayment plans, payments are calculated as a fixed amount that ensures the loan is paid off within 10 years (within 10 to 30 years for Consolidation Loans). Graduated repayment plans are calculated in stepped tiers that are lower at first and then increase, usually every two years, as an amount that ensures the loans are paid off within ten years (with 10 to 30 years for Consolidation Loans). Extended repayment plans, whether Standard or Graduated, are similarly calculated to ensure the loans are paid off within 25 years.

Income Driven Repayment (IDR) plans are calculated as a percentage of a borrower’s discretionary income (also defined by the HEA), based upon information certified and provided by the borrower. The percentage of discretionary income is different depending on the IDR plan. For additional information regarding how borrowers’ payment amounts and schedules are calculated, please visit studentaid.gov/manage-loans/repayment/plans.

In closing, Edfinancial looks forward to assisting borrowers as they navigate the return to repayment, and we are working diligently to prepare for this historic event.

Sincerely,

A handwritten signature in black ink, appearing to read "Wm. Anthony Hollin". The signature is written in a cursive style with a prominent initial "W" and a trailing flourish.

Wm. Anthony Hollin

ATTACHMENT "A"



Return to Repayment, Student Debt Relief, and Income Driven Repayment New Communications Playbook

Federal Student Aid's Outreach Plan to Borrowers

July 28, 2023

Version 10

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Overview

On March 13, 2020, the president signed the *CARES Act*, which implemented several student loan flexibilities for borrowers of Department of Education (ED)-held student loans. These flexibilities ranged from (but were not limited to) interest rates being set to 0% to not requiring borrowers to make their monthly student loan payments. These COVID-19 emergency relief flexibilities were extended multiple times, and as they end, interest will begin accruing for borrowers on Sept. 1, and payments will resume in October. The latest information on these emergency relief flexibilities can be found on StudentAid.gov/coronavirus.

FSA has devised an approach that plans for several communications to be sent out via numerous communication channels beginning now until March 2024. FSA will author most of the communications and will leverage its available communication channels and capabilities, or the capabilities of its servicers, to ensure these communications reach every borrower before, during, and after payments resume later this year.

This document is intended to provide a roadmap for each servicer and supporting vendors on the following topics:

- When FSA intends to send out communications to borrowers and via what channel
- The different audiences FSA intends to reach
- How planned vendor communication beyond this plan should be handled and sent to FSA for review and approval

New for this version of the playbook is also information on our communications related to Student Debt Relief (SDR), the new proposed income-driven repayment (IDR) plan Saving on a Valuable Education (SAVE) (formerly known as REPAYE), and the new functionality on StudentAid.gov/idr.¹ Information on these communication items is now also included throughout this playbook. Additionally, we will be providing language at certain points in time for servicers to use in their IVR and websites to help with coordinated call deflection actions to promote borrower self-service.

FSA intends to update this document on a regular basis as new information becomes available or its communication plan changes. All correspondence and/or questions related to this communications playbook should be sent to FSACaresActComms@ed.gov and FSAVendorManagementTeam@ed.gov. Servicers must designate at least two email addresses to receive correspondence regarding these communications efforts and notify the FSACaresActComms@ed.gov email box of these email addresses.

Main Return to Repayment Communication Segments

In the context of return to repayment FSA will target communications to several specific borrower segments. While numerous segments will be listed below, it is likely that borrowers will fall into multiple categories. Additionally, the messaging to many of these segments will be the same, and as a result, the number of unique messages that will be sent in any given time will likely be less than the total number

¹ The Department plans to finalize a new IDR plan in the coming weeks. This playbook contains details about the plan and timing of communications that may change based on the final rule. For more information on SAVE visit StudentAid.gov/SAVE.

of identified borrower segments. Additionally, if a borrower falls into multiple segments, they will be prioritized to get a message in one segment only. Finally, depending on the Supreme Court decision on debt relief additional segments may be added in the future.

At-Risk Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “At Risk” within a communication send or outreach effort. Note the audiences that are marked (TEDI) are part of the Targeted Early Delinquency Intervention program described later in this document.

Segment
Borrowers who will enter another deferment or forbearance not otherwise defined when payments resume (would have to recertify a deferment or conditions to get back in)
Borrowers who have recently transferred in the past three months to a new federal student loan servicer
Perkins borrowers that are currently serviced by ECSI
Borrowers currently on an IDR plan but have not recertified or recalculated their monthly payments during the payment pause
Borrowers who attended a private for-profit institution and graduated
GA FFEL borrowers who entered default after March 13, 2020, and are being reassigned to Nelnet under the Special Mandatory Assignment process (TEDI)
Borrowers who were 30+ days delinquent immediately prior to March 13, 2020, and had their delinquency resolved due to the payment pause (TEDI)
Borrowers who successfully rehabilitated their defaulted loans during the payment pause (TEDI)
Borrowers who opted into Fresh Start and had their loans transferred to a non-default servicer (TEDI)
Borrowers who did not complete their program of study at a private for-profit institution before or during the payment pause and currently have a loan balance (TEDI)
Borrowers who did not complete their program of study at a non-profit school before or during the payment pause and currently have a loan balance (TEDI)
Borrowers who previously missed their first payments after exiting grace before the payment pause and still have a balance remaining (TEDI)
Borrowers who entered into a non-administrative forbearance on two or more occasions before the payment pause at any point in time and have a balance remaining (TEDI)
Borrowers who paused, missed, or made partial payments while enrolled on an IDR plan before the payment pause (TEDI)
Borrowers who missed two or more consecutive payments on three or more occasions (TEDI)
Borrowers who entered a non-administrative forbearance for a period longer than a year before the payment pause (TEDI)

Soon to Make Payments Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “Soon to Make Payment” within a communication send or outreach effort.

Segment
Will exit the grace period after the payment pause

Borrowers who never made a payment and will make first payment after payment pause ends

In Previous Good Standing Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “In Previous Good Standing” within a communication send or outreach effort.

Segment
In good standing and on an IDR Plan, including those that have recertified or recalculated their monthly payments during the payment pause
In good standing and on any (non-IDR) repayment plan

Currently Making Payments Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “Currently Making Payments” within a communication send or outreach effort.

Segment
Opted out of COVID Administrative Forbearance (currently in a repayment status)

No Payment Due Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “No Payment Due” within a communication send or outreach effort.

Segment
In School when payment pause ends (In school deferment)
Awaiting discharge or adjudication of discharge application, such as forbearances related to Borrower Defense, account adjustment, or other forgiveness programs
In a deferment or forbearance, for example military borrowers

Fresh Start Segment

The segments listed below are those that FSA intends to reach when you see the main communication segment label of “Fresh Start” within a communication send or outreach effort.

Segment
GA FFEL defaulted borrowers pre-March 13, 2020
All DMCS borrowers

Specific communications only related to IDR and/or SAVE will be colored in light green in the communications schedule.

Main Student Debt Relief Communication Segments

As part of the return to repayment communication efforts, FSA will also prepare certain communications as it relates to a Supreme Court (SCOTUS) decision on Student Debt Relief (SDR). Once a decision is made, FSA will communicate with all borrowers about the impact of the decision. Specific comms only related to SDR will be colored in light orange in the communications schedule.

Possible Segments
Eligible for SDR, have not applied
Applied for SDR, in processing
Applied for SDR, approved but not yet in processing
All who applied for SDR
All who have not applied for SDR
All DL, all-ED-held FFEL, ED-held Perkins, and defaulted commercial borrowers

Main Income-Driven Repayment Communication Segments

Additionally, during the return to repayment and SDR communication timeframe FSA will also be communicating with borrowers about the changes being implemented for IDR on July 30, 2023. This will also be when unique communications to borrowers specifically about the SAVE IDR plan will also begin to be sent and last till the end of 2023 into 2024. There will be strong overlap between FSA return to repayment and IDR communications as many of the calls to action FSA intends will focus borrowers to consider and sign up for IDR to prepare to resume payments. While there are no specific segments FSA will target all eligible borrowers. Specific communications only related to IDR and/or SAVE will be colored in light yellow in the communications schedule.

Communication Schedule

Outreach related to ACH/Auto-Debit

Servicers – R2R Focus	
Title 1	Outreach to all borrowers based upon their ACH status (CR5881)
Audience 1	All borrowers who are on ACH, but by sign up status (CR5881)
Description 1	Outreach to encourage borrowers to reconfirm their auto-debit and, at the direction of FSA,
Expected Date for Content to be Available for Review	Previously Provided
Start Date	All communications should be completed except the unenrollment notification – FSA will notify when unenrollment should occur
End Date	All communications should be completed except the unenrollment notification – FSA will notify when unenrollment should occur
Method	As defined in CR5881

June 2023

Servicer – SDR Focus	
Title 1	SCOTUS Decision Update
Description 1	<p>Immediately after the release of the SDR decision servicers should place on their website and IVR the following statements:</p> <p>Website: The Supreme Court has issued a ruling on whether the U.S. Department of Education can move forward with the Biden-Harris Administration’s student debt relief program. As soon as information is available, it will be posted to StudentAid.gov/debtrelief. Please visit that page for more information.</p> <p>IVR: The Supreme Court has issued a ruling on whether the U.S. Department of Education can move forward with the Biden-Harris Administration’s student debt relief program.</p> <p>Our agents do not have additional information at this time about the debt relief program or an application you submitted previously. As soon as information is available, it will be posted to studentaid.gov forward slash debtrelief.</p> <p>Thank you for your patience.</p>
Audience 1	All borrowers
Expected Date for Finalized Content	Already provided
Start Date	June 30, 2023
End Date	July 21, 2023
Method	Website Banner and IVR Updates

Servicer – R2R Focus	
Title 1	Return to Repayment Date Confirmation
Description 1	<p>Servicers should put the following banner on their website and IVR.</p> <p>Website/IVR: Congress recently passed a law preventing further extensions of the payment pause. Student loan interest will resume starting on September 1, 2023, and payments will be due starting in October.</p> <p>Borrowers will receive a billing statement from their loan servicer at least three weeks before their payment is due.</p>
Audience 1	All borrowers
Expected Date for Finalized Content	Already provided
Start Date	June 13, 2023
End Date	To be determined by FSA
Method	Website Banner and IVR Updates

July 2023

Federal Student Aid – SDR Focus	
Title 1	Update on SDR Decision
Description 1	Broad update on the SDR decision to all borrowers with mentioning of SAVE and the On-Ramp
Audience 1	All non-default and default borrowers
Expected Date for Finalized Content	July 11, 2023
Start Date	July 12, 2023
End Date	July 17, 2023
Method	E-mail

Federal Student Aid – R2R Focus	
Title 1	Return to Repayment Resources are available
Description 1	Focused return to repayment message that the payment pause will be ending, when they should get billing statements, steps they can take now, and who is their loan servicer.
Audience 1	At Risk, Soon to Make Payments, In Previous Good Standing
Expected Date for Finalized Content	July 11, 2023
Start Date	July 21, 2023
End Date	July 24, 2023
Method	E-mail
Title 2	
Title 2	ACH Enrollment Reminder
Description 2	FSA email to borrowers who have not yet confirmed their ACH enrollment with their servicer
Audience 2	All non-default borrowers who have not confirmed as provided by servicers
Expected Date for Finalized Content	July 12, 2023
Start Date	July 18, 2023
End Date	July 18, 2023
Method	E-mail

Federal Student Aid – IDR Focus	
Title 1	Announcing SAVE
Description 1	Public announcement of new SAVE IDR plan and the new regulation changes
Audience 1	All borrowers
Expected Date for Finalized Content	July 7, 2023
Start Date	July 7, 2023
End Date	July 7, 2023

Method	Studentaid.gov/SAVE Instagram Twitter Facebook LinkedIn
Title 2	Comparing the new SAVE IDR Plan to Existing IDR Plans
Description 2	Public announcement showing the differences between the new and existing IDR plans showing calculations and expected savings
Audience 2	All borrowers
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Social Media Posts
Title 3	IDR Forgiveness Opt Out Email
Description 3	Email from FSA notifying borrowers of their IDR forgiveness and the 30-day window to opt out
Audience 3	Borrowers who are going to be forgiven under IDR
Expected Date for Finalized Content	July 12, 2023
Start Date	July 14, 2023
End Date	July 14, 2023
Method	E-mail

COMMUNICATION PAUSE FOR NEW IDR FLOW LAUNCH

FSA will be instituting a communication pause related to IDR beginning at the end of the email send on July 24, 2023. As part of this pause FSA will pause/stop communications directing borrowers to the IDR flow on studentaid.gov. This communications pause is expected to last until August 7, 2023. As part of this pause loan servicers should also pause/stop communications directing borrowers to the IDR flow on studentaid.gov. FSA will alert loan servicers if it is ending or extending this pause and will resume communications with the R2R focused email described in the August 2023 section.

August 2023

Federal Student Aid – R2R Focus	
Title 1	Payments are resuming soon
Description 1	Focus on preparing borrowers for disclosures, billing statements, and to start making payments soon. Also encourage to sign up for auto-debit and for IDR (SAVE). Personalization made to borrowers based upon population segment.
Audience 1	At Risk
Expected Date for Finalized Content	July 28, 2023
Start Date	August 29, 2023
End Date	August 31, 2023

Method	E-mail
Title 2	
Title 2	Payments are resuming soon
Description 2	Focus on preparing borrowers for disclosures, billing statements, and to start making payments soon. Also encourage to sign up for auto-debit and for IDR (SAVE). Personalization made to borrowers based upon population segment.
Audience 2	Soon to make Payments
Expected Date for Finalized Content	July 28, 2023
Start Date	August 23, 2023 (no weekend send)
End Date	August 28, 2023
Method	E-mail
Title 3	
Title 3	Payments are resuming soon
Description 3	Focus on preparing borrowers for disclosures, billing statements, and to start making payments soon. Also encourage to sign up for auto-debit and for IDR (SAVE). Personalization made to borrowers based upon population segment.
Audience 3	In Previous Good Standing
Expected Date for Finalized Content	July 28, 2023
Start Date	August 23, 2023 (no weekend send)
End Date	August 28, 2023
Method	E-mail
Title 4	
Title 4	Keep making your payments
Description 4	Informs borrowers who had opted out and were already making payments that they need to continue to make their payments. Inform them of the 0% interest rate ending.
Audience 4	Currently Making Payments
Expected Date for Finalized Content	July 28, 2023
Start Date	August 23, 2023 (no weekend send)
End Date	August 28, 2023
Method	E-mail
Title 5	
Title 5	No payment due after the pause ends
Description 5	Inform borrowers who are expecting a full discharge of their loans or who will be entering into another forbearance or deferment that no payment will be required.
Audience 5	No Payment Due
Expected Date for Finalized Content	July 28, 2023
Start Date	August 23, 2023 (no weekend send)
End Date	August 28, 2023

Method	E-mail
Title 6	
Title 6	0% interest is ending, and interest resumes 9/1
Description 6	Informs borrowers that 0% interest rate is ending, and interest will resume 9/1. Incorporates previous Fresh Start email content.
Audience 6	Borrowers in Default
Expected Date for Finalized Content	July 28, 2023
Start Date	August 7, 2023
End Date	August 11, 2023
Method	E-mail
Title 7	
Title 7	Reminder: Payments are resuming soon
Description 7	Additional reminder reinforcing the need for preparing borrowers for disclosures, billing statements, and to start making payments soon. Also encourage to sign up for auto-debit and for IDR (SAVE). Personalization made to borrowers based upon population segment.
Audience 7	At-Risk populations to include: <ul style="list-style-type: none"> • Did not complete program of study no matter school (for profit or not for profit) • 30+ days delinquent immediately prior to the payment pause • Borrowers who rehabilitated from default or opted into Fresh Start plus and transferred to a non-default servicer • All remaining at-risk borrowers not in these three categories
Expected Date for Finalized Content	July 28, 2023
Start Date	August 29, 2023
End Date	August 31, 2023
Method	E-mail

Servicer – R2R Focus	
Title 1	Call Center Deflection Messaging Phase 2
Description 1	FSA will be providing messaging to servicers to help with coordinated call deflection efforts to promote self-service. These messages should be used in the servicer IVR and can be used for banner language on websites, and social media promotion in concert with FSA email campaigns
Audience 1	All Non-Default Borrowers
Expected Date for Finalized Content	July 10, 2023
Deflection Messages	See Deflection Messaging Outlines
Start Date	August 23, 2023
End Date	August 31, 2023
Method	IVR, Website, Social Media, etc.

Federal Student Aid – IDR Focus	
Title 1	SAVE is available – What does this mean?
Description 1	Get borrowers to the IDR application to determine which plan works for them. Ensure borrowers in REPAYE understand the changes in their payment amounts.
Audience 1	All borrowers
Expected Date for Finalized Content	July 28, 2023
Start Date	August TBD, 2023
End Date	August TBD, 2023
Method	SMS – content provided Social Media Updates to StudentAid.gov Video
Section Separator	
Title 2	What does the SAVE plan mean for me?
Description 2	Let them know they don't need to do anything and will be automatically enrolled in the new SAVE plan, and they will potentially see a lower payment amount.
Audience 2	Borrowers currently on REPAYE
Expected Date for Finalized Content	July 28, 2023
Start Date	August 14, 2023 (no weekend sends)
End Date	August 22, 2023
Method	Email
Section Separator	
Title 3	What does the SAVE plan mean for me?
Description 3	Let them know about the new SAVE plan and that it might be a better option for their situation than their existing IDR plan. Potentially see a lower payment amount.
Audience 3	Borrowers currently on IDR, but not REPAYE
Expected Date for Finalized Content	July 28, 2023
Start Date	August 14, 2023 (no weekend sends)
End Date	August 22, 2023
Method	Email
Section Separator	
Title 4	What does the SAVE plan mean for me?
Description 4	Let them know about the new SAVE plan if they want to lower their monthly payment amount. Learn about benefits of SAVE.
Audience 4	Borrowers currently on the standard repayment plan
Expected Date for Finalized Content	July 28, 2023
Start Date	August 14, 2023 (no weekend sends)
End Date	August 22, 2023
Method	Email

Title 5	Comparing the new SAVE IDR Plan to Existing IDR Plans
Description 5	Public announcement showing the differences between the new and existing IDR plans showing calculations and expected savings
Audience 5	All borrowers
Expected Date for Finalized Content	To be determined
Start Date	August TBD, 2023
End Date	August TBD, 2023
Method	Social Media Posts

September 2023

Federal Student Aid – R2R Focus	
Title 1	Look out for your billing statement – Make sure you are prepared
Description 1	Remind borrowers that they have or will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 1	At Risk
Expected Date for Finalized Content	To Be Determined
Start Date	Early-Mid September
End Date	Mid-September
Method	E-mail
Title 2	Look out for your billing statement – Make sure you are prepared
Description 2	Remind borrowers that they have or will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 2	Soon to make Payments, but only focusing on those who have never made a payment (e.g., exited grace during the pause
Expected Date for Finalized Content	To Be Determined
Start Date	Early-Mid September
End Date	Mid-September
Method	E-mail
Title 3	Look out for your billing statement – Make sure you are prepared
Description 3	Remind borrowers that they have or will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 3	In Previous Good Standing
Expected Date for Finalized Content	To Be Determined

Start Date	Early-Mid September
End Date	Mid-September
Method	E-mail
Title 4	
Title 4	Look out for your billing statement – Make sure you are prepared
Description 4	Remind borrowers that they will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 4	Soon to make Payments, but only focusing on those that will exit grace after the payment pause
Expected Date for Finalized Content	To Be Determined
Start Date	Early-Mid September
End Date	Mid-September
Method	E-mail
Title 5	
Title 5	Reminder Look out for your billing statement – Make sure you are prepared
Description 5	Additional reminder borrowers that they have or will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 5	At-Risk populations to include: <ul style="list-style-type: none"> • Did not complete program of study no matter school (for profit or not for profit) • 30+ days delinquent immediately prior to the payment pause • Borrowers who rehabilitated from default or opted into Fresh Start plus and transferred to a non-default servicer All remaining at-risk borrowers not in these three categories
Expected Date for Finalized Content	To Be Determined
Start Date	Mid-September
End Date	Late September
Method	E-mail
Title 6	
Title 6	Reminder Look out for your billing statement – Make sure you are prepared
Description 6	Additional reminder to borrowers that they have or will soon receive their first billing statement. Encourage them to seek help if they are unable to afford their first payment. Also encourage to sign up for auto-debit and for IDR (SAVE).
Audience 6	Soon to Make Payments (entire population)
Expected Date for Finalized Content	To Be Determined
Start Date	Mid-September
End Date	Late September
Method	E-mail

Servicer – R2R Focus	
Title 1	Call Center Deflection Messaging Phase 3
Description 1	FSA will be providing messaging to servicers to help with coordinated call deflection efforts to promote self-service. These messages should be used in the servicer IVR and can be used for banner language on websites, and social media promotion in concert with FSA email campaigns
Audience 1	All Non-Default Borrowers
Expected Date for Finalized Content	July 10, 2023
Deflection Messages	See Deflection Messaging Outlines
Start Date	Aligned with Early-Mid September Emails
End Date	To be determined by FSA
Method	IVR, Website, Social Media, etc.

Federal Student Aid – IDR Focus	
Title 1	SAVE is available – What does this mean?
Description 1	Get borrowers to the IDR application to determine which plan works for them. Ensure borrowers in REPAYE understand the changes in their payment amounts.
Audience 1	All borrowers
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	SMS Social Media Updates to StudentAid.gov Video

October 2023

Federal Student Aid – R2R Focus	
Title 1	Payments have resumed
Description 1	Remind borrowers that they need to start making payments. Encourage them to seek help if they are unable to afford their first payment. Continue to encourage auto-debit and signing up for IDR (SAVE).
Audience 1	At Risk
Expected Date for Finalized Content	To Be Determined
Start Date	Mid-Late October
End Date	Late October
Method	E-mail

Title 2	Payments have resumed
Description 2	Remind borrowers that they need to start making payments. Encourage them to seek help if they are unable to afford their first payment. Continue to encourage auto-debit and signing up for IDR (SAVE).
Audience 2	Soon to make Payments
Expected Date for Finalized Content	To Be Determined
Start Date	Mid-Late October
End Date	Late October
Method	E-mail
Title 3	Payments have resumed
Description 3	Remind borrowers that they need to start making payments. Encourage them to seek help if they are unable to afford their first payment. Continue to encourage auto-debit and signing up for IDR (SAVE).
Audience 3	In Previous Good Standing
Expected Date for Finalized Content	To Be Determined
Start Date	Mid-Late October
End Date	Late October
Method	E-mail

Servicer – R2R Focus	
Title 1	Call Center Deflection Messaging Phase 4
Description 1	FSA will be providing messaging to servicers to help with coordinated call deflection efforts to promote self-service. These messages should be used in the servicer IVR and can be used for banner language on websites, and social media promotion in concert with FSA email campaigns
Audience 1	All Non-Default Borrowers
Expected Date for Finalized Content	July 10, 2023
Deflection Messages	See Deflection Messaging Outlines
Start Date	Aligned with Mid-Late October Emails
End Date	To be determined by FSA
Method	IVR, Website, Social Media, etc.

Federal Student Aid – IDR Focus	
Title 1	SAVE is available – What does this mean?
Description 1	Get borrowers to the IDR application to determine which plan works for them. Ensure borrowers in REPAYE understand the changes in their payment amounts.
Audience 1	All borrowers

Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Social Media Updates to StudentAid.gov Video

November 2023

Federal Student Aid – IDR Focus	
Title 1	What if you are having trouble making payments
Description 1	Get borrowers to the IDR application to determine which plan works for them. Provide supporting information on how to enroll and to navigate the new IDR flow. Provide information on the IDR account adjustment.
Audience 1	To be determined
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Email Social Media Posts (3-5 per month) Videos

December 2023

Federal Student Aid – IDR Focus	
Title 1	Choose a repayment plan for your federal student loans
Description 1	Get borrowers to the IDR application to determine which plan works for them. Provide supporting information on how to enroll and to navigate the new IDR flow. Provide information on the IDR account adjustment.
Audience 1	To be determined
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Email Social Media Posts (3-5 per month)

January 2024

Federal Student Aid – IDR Focus	
Title 1	An IDR plan may be beneficial if you have a higher balance
Description 1	Get borrowers to the IDR application to determine which plan works for them. Provide supporting information on how to enroll and to navigate the new IDR flow. Provide information on the IDR account adjustment.
Audience 1	To be determined
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Email Social Media Posts (3-5 per month) SMS

February 2024

Federal Student Aid – IDR Focus	
Title 1	Consider an IDR Plan
Description 1	Get borrowers to the IDR application to determine which plan works for them. Provide supporting information on how to enroll and to navigate the new IDR flow. Provide information on the IDR account adjustment.
Audience 1	To be determined
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Email Social Media Posts (3-5 per month)

March 2024

Federal Student Aid – IDR Focus	
Title 1	SAVE Plan can offer you lower payments, apply today
Description 1	Get borrowers to the IDR application to determine which plan works for them. Provide supporting information on how to enroll and to navigate the new IDR flow. Provide information on the IDR account adjustment.
Audience 1	To be determined
Expected Date for Finalized Content	To be determined
Start Date	To be determined
End Date	To be determined
Method	Email Social Media Posts (3-5 per month)

On Ramp Program In-Depth

Program Summary

Under CR6703, servicers, to help borrowers back into repayment, will implement the Department of Education's temporary "on ramp." Although payments are due and interest will continue to accrue, the on-ramp will help borrowers avoid the harshest consequences of missed, partial, or late payments in the months following the end of the pause so that they do not result in negative credit reporting or default.

As part of this implementation, servicers will notify borrowers when the on-ramp forbearance is applied to their account to prevent these consequences of missed, partial, or late payments. FSA will be providing to servicers a copy of the message to use as outlined in CR6703 and some Frequently Asked Questions to help customer service representatives answer questions about the program and what it means for their student loans.

Communications around this on-ramp will continue until the program is ended as described in CR6703.

Targeted Early Delinquency Intervention (TEDI) Program In-Depth

Program Summary

As announced, FSA has put together an always-on communication approach to conduct outreach to borrowers in At Risk categories. Also known as TEDI, the goal of this program is for FSA to communicate with these borrowers based upon their behavior once payments resume in 2023. The messages to be sent to these borrowers are as follows:

1. For borrowers in the TEDI audience who successfully make their student loan payment on time, FSA will send an email message of support before their next payment is due (1 email randomly assigned or no email at all).
2. For borrowers in the TEDI audience who miss their student loan payment, FSA will send a message providing information on how to get support and the risks of remaining delinquent before their next payment is due (10 different messages randomly assigned).

Beyond this originally identified segment of borrowers, FSA will add in borrowers over time whom we did not consider "At Risk" but miss a payment after payments resume. FSA will send these borrowers a message providing information on how to get support and the risks of remaining delinquent before their next payment is due.

Finally, borrowers who are in the At-Risk audience who successfully make 3 consecutive months of payments will then be removed from the TEDI email send population. If, subsequently, they miss a payment after being removed, they would return into TEDI to receive outreach from FSA.

FSA intends to send emails at a regular cadence throughout the month with an initial goal of emails being sent to borrowers no later than 15 days after they make or miss a payment. For example, if a borrower had a payment due on October 10, 2023, they should expect to receive a tailored email from FSA no later than October 25, 2023. This will allow enough time for the borrower to react to the message before their next payment is due in November 2023.

Role of Servicers in Relationship to TEDI

Beyond TEDI, servicers should conduct outreach efforts based upon the understanding of their borrower population and outreach capabilities. FSA will not prescribe the content, type, and frequency of outreach done by servicers, but may request samples or information on the status of outreach being conducted by servicers to help modify future FSA messaging to this population as the TEDI program matures.

Planned Vendor Communications Beyond This Plan

Servicers are also encouraged to send additional communication or correspondence to borrowers related to the ending of the extension period. If a servicer intends to do additional communication or correspondence, FSA is asking to see the following:

1. Documentation of their communications plan/approach to ending of the payment pause.
 - a. This should include planned communications such as inserts, additional emails, SMS, website updates, etc.
 - b. This should not include mandatory communications (e.g., disclosure notices and billing statements)
2. Planned communications, which FSA may review and provide feedback.

Upon review of the plan and provided communications, FSA will provide feedback. After this feedback is provided, servicers can use this feedback to craft additional communications and messages if so desired.

Servicers should ensure the following when drafting and releasing additional communication as it relates to their plan:

1. Follows all applicable laws and regulations to include borrower's agreement to receive such communication via the format intended (e.g., SMS).
2. Reflects guidance and/or content that can be found on StudentAid.gov OR within CR5505 and all subsequent extension CR Questions & Answers.
3. Uses previously issued communication as an example of accepted language.
4. If servicers are unsure regarding the accuracy of the authored content, or would like FSA to review content at any point in time, they should connect with their liaison and cc the FSACaresActComms@ed.gov email box to discuss and review before releasing to borrowers.

Servicers are asked to provide their plan and communications to FSACaresActComms@ed.gov for review.

Provided communications plans and/or content should follow this email template below:

- Vendor Name.
- Primary Vendor Point of Contact Name, Email, and Phone Number.
- Secondary Vendor Point of Contact Name, Email, and Phone Number.
- Summarized Description of Content (Including the Two Example Messages for the Initial Review).
- Intended Borrower Audiences the Entire Plan or Communication Intends to Reach (see the examples FSA is using above).

- Date the Plan/Communication will be Implemented by the Servicer.

Website Content

Servicers will be notified as soon as possible when FSA updates StudentAid.gov content related to the ending of benefits, SDR, and IDR. Servicers should ensure that their website content accurately reflects the content on StudentAid.gov for all associated topics. If they have questions on such topics, they should confirm content with FSA via the FSACaresActComms@ed.gov mailbox.

Reporting Requirements

It is expected that servicers may be asked from time to time to provide data on the success of their communication outreach. Possible data could be, but is not limited to:

- Confirmation the communications have been sent.
- Evidence and tracking of all undeliverable email and postal mail for each communication sent per borrower to demonstrate each attempt made to reach the borrower.
- Social media engagement metrics.
- Open rates as it relates to email communication.
- Calls to action success (update contact information, IDR sign up, etc.)

FSA will reach out to servicers requesting updates on campaign or communication success based upon the provided communication plan.

Deflection Messaging Outlines

To sync up certain messaging during the return to repayment period, FSA is providing for non-default servicers, a series of messages to use in coordination with our monthly email campaigns. The Servicer Key message is the message FSA would like played immediately at the top of a servicer's IVR before a borrower is given different options or choices. The Servicer Hold messages are additional statements that FSA would like to be played if a borrower is on hold waiting to talk with a CSR.

Servicers may recommend edits to these messages if they are provided for review and approval to FSA via the FSACaresActComms@ed.gov mailbox.

For Perkins borrowers, the Perkins servicer may alter/change the messages as needed to reflect that Perkins borrowers are unable to sign up for IDR. For defaulted borrowers, focus should remain on Fresh Start and other agreed upon talking points in consultation with FSA.

Phase 1

Phase 1 deflection messaging has already been provided with the resulting debt limit increase legislation passing and the Supreme Court decision on debt relief. Details on these messages can be referenced earlier in this document.

Phase 2

Message Type	Messaging
Servicer Key	Student loan interest will resume starting on September 1, 2023, and payments will be due starting in October. To prepare for your first bill, consider signing up

	<p>for the new income-driven repayment plan, SAVE, before September. An income-driven repayment plan could make your payments more affordable. Visit StudentAid.gov/SAVE for more information or StudentAid.gov/IDR to sign up.</p> <p>If you have more questions about payments restarting, visit StudentAid.gov/restart</p>
Servicer Hold	To prepare for your first bill, consider signing up for the new income-driven repayment plan, SAVE, before September. An income-driven repayment plan could make your payments more affordable. When you sign up, you can pick the plan with the lowest monthly payment amount for you. Visit StudentAid.gov/IDR to enroll.
Servicer Hold	Student loan interest will resume starting on September 1, 2023, and payments will be due starting in October. Sign up for [SERVICER NAME FOR AUTO DEBIT] to make sure you don't miss your first payment. [SERVICER NAME FOR AUTO DEBIT] gives you a .25% reduction in your interest rate, which will lower your payment. To sign up, visit [INSERT WEBSITE] and log in to your account.
Servicer Hold	Student loan interest will resume starting on September 1, 2023, and payments will be due starting in October. [SERVICER NAME] will send you your billing statement [NUMBER OF DAYS] before your payment is due in October. To make sure you don't miss your billing statement, log in to [INSERT WEBSITE] to make sure your contact information is up to date.
Servicer Hold	Were you recently transferred to [SERVICER NAME] or are you new to [SERVICER NAME]? Create an account on [INSERT WEBSITE]. If you already have an account but have forgotten your password, you can easily reset it on [INSERT WEBSITE].

Phase 3

Message Type	Messaging
Servicer Key	<p>The payment pause has ended, and you'll get your billing statements soon. Can't afford your monthly payment? Consider signing up for the new income-driven repayment plan, SAVE, now. Visit StudentAid.gov/SAVE for more information or StudentAid.gov/IDR to sign up.</p> <p>If you're ready to make a payment, visit [SERVICER WEBSITE] and log in to your account.</p> <p>If you have more questions about payments restarting, visit StudentAid.gov/restart.</p>
Servicer Hold	You should have gotten your billing statement, or you'll get it soon. Can't afford your monthly payment? Consider signing up for the new income-driven repayment plan, SAVE. When you sign up, you can pick the plan with the lowest monthly payment amount for you. Visit StudentAid.gov/IDR to sign up.
Servicer Hold	Sign up for [SERVICER NAME FOR AUTO DEBIT] to make sure you don't miss your first payment. [SERVICER NAME FOR AUTO DEBIT] gives you a .25% reduction in your interest rate, which will lower your payment. To sign up, visit [INSERT WEBSITE] and log in to your account.

Servicer Hold	Have questions about the payment pause ending? Visit the official webpage for preparing for student loan payments to restart at StudentAid.gov/restart.
Servicer Hold	If you're ready to make a payment, visit [SERVICER WEBSITE] and log in to your account.
Servicer Hold	Were you recently transferred to [SERVICER NAME] or are you are new to [SERVICER NAME]? Create an account on [INSERT WEBSITE]. If you already have an account but forgot your password, you can easily reset it on [INSERT WEBSITE].

Phase 4

Message Type	Messaging
Servicer Key	<p>Your first student loan payment is due in October. Can't afford your monthly payment? Consider signing up for the new income-driven repayment plan, SAVE, which could lower your payment. Visit StudentAid.gov/SAVE for more information or StudentAid.gov/IDR to sign up.</p> <p>If you're ready to make a payment, visit [SERVICER WEBSITE] and log in to your account.</p> <p>If you have more questions about payments restarting, visit StudentAid.gov/restart.</p>
Servicer Hold	If you're ready to make a payment, visit [SERVICER WEBSITE] and log in to your account or [SERVICER INSTRUCTIONS] to pay over the phone.
Servicer Hold	Your first student loan payment is due in October. Can't afford your monthly payment? Consider signing up for the new income-driven repayment plan, SAVE. When you sign up, you can pick the plan with the lowest monthly payment amount for you. Visit StudentAid.gov/IDR to sign up.
Servicer Hold	Sign up for [SERVICER NAME FOR AUTO DEBIT] to make sure you don't miss your first payment. [SERVICER NAME FOR AUTO DEBIT] gives you a .25% reduction in your interest rate, which will lower your payment. To sign up, visit [INSERT WEBSITE] and login to your account.
Servicer Hold	Have questions about the payment pause ending? Visit the official webpage for preparing for student loan payments to restart at StudentAid.gov/restart
Servicer Hold	Were you recently transferred to [SERVICER NAME] or are you new to [SERVICER NAME]? Create an account on [INSERT WEBSITE]. If you already have an account but forgot your password, you can easily reset it on [INSERT WEBSITE].

Version Control

Version	Description	Date
1	Original Version	7/3/2023
2	Updated July email send to reflect additional email Updated dates for ACH Email	7/3/2023
3	Updating send dates for July SDR email, deleting out June SDR email, which was a duplicate of the July SDR email, and updating that deflection will focus on non-default borrowers	7/6/2023
4	Updated email send dates for July	7/7/2023
5	Updated email send dates for July & added in deflection messaging for the remainder of the R2R period	7/11/2023
6	Added details on IDR Forgiveness Opt Out Email	7/12/2023
7	Added details on the IDR Communications Pause	7/14/2023
8	Updated send dates for August and shifted IDR communication from July to August. Reflected early July social media postings related to SAVE	7/18/2023
9	Clarified deflection messaging and updated send dates for August communications to TBD.	7/27/2023
10	Updated August send dates for email communications and added Phase 2 deflection dates to align	7/28/2023

Attachment "B"

EFS/FSA	Start	End	Outreach Type	Audience/Status
EFS	6/1/2023	Ongoing	Online Account	All Borrowers (transferred to system, transferred from another servicer, new to Edfinancial)
FSA	7/18/2023	7/18/2023	ACH Enrollment Reminder	Completed
FSA	7/21/2023	7/24/2023	Return to Repayment Resources are Available	Completed
August				
EFS	8/1/2023	8/15/2023	RTR Demo Review (Skip Trace)	All borrowers with no contact with us since 03/13/2020
EFS	8/7/2023	8/7/2023	Website- Important Updates	All Borrowers
FSA	8/7/2023	8/8/2023	0% int is ending, and interest resumes 09/01/2023	Fresh Start
FSA	8/8/2023	8/11/2023	Payments are Resuming Soon	At Risk/Soon to make payments/In previous Good standing
FSA	8/8/2023	8/11/2023	Keep making your payments	Currently Making Payments
FSA	8/8/2023	8/11/2023	No payment due after the pause ends	No Payment Due
EFS	8/18/2023	9/1/2023	RTR New to Repayment (eblast)	New to Repayment (entered repayment after 03/13/2020)
FSA	8/15/2023	8/17/2023	Reminder: Payments are Resuming Soon	At Risk Populations
FSA	Early August	TBD	Call Center Deflection Messaging Phase 2	All non-defaulted borrowers
EFS	Early August	TBD	Call Deflection Messaging (IVR)	All Borrowers
EFS	Mid-Late August	End August	Call Deflection- IVR Option- BD	Borrower Defense Messaging
FSA	Mid-Late August	Last August	SAVE is available-what does this mean?	All Borrowers
FSA	8/8/2023	TBD	What does the SAVE plan mean for me?	Borrowers currently on REPAYE, on IDR but not REPAYE, on Standard
FSA	TBD	TBD	Comparing the new SAVE IDR Plan to Existing IDR Plans	All Borrowers
September				
EFS	9/1/2023	9/15/2023	RTR Encourage Auto Pay (e-blast)	All borrowers not on AutoPay, weekly on Fridays
EFS	9/16/2023	9/26/2023	RTR Self-Cert IDR -promotion (eblast)	Non-IDR borrowers
EFS	9/27/2023	9/30/2023	Repayment Options for Parent Plus (eblast)	Repayment options for Parent Plus borrowers
FSA	Early-Mid Sept	Mid-Sept	Look out for your Billing Statement-make sure you are prepared	At Risk Populations/Soon to make payment but only focusing on never made payment
FSA	Early-Mid Sept	TBD	Call Center Deflection Messaging Phase 3	All non-defaulted borrowers
EFS	Early- Mid Sept	TBD	Call Deflection Messaging (IVR)	All Borrowers
EFS	Mid-Late Sept	TBD	RTR Borrower Defense Forbearance (eblast)	Pending Borrower Defense
FSA	TBD	TBD	SAVE is available-what does this mean?	All Borrowers
October				
EFS	10/1/2023	10/28/2023	Payments have resumed notification (texts)	All Borrowers entering repayment or in later part of their grace period.
FSA	Mid-Late October	Late October	Payments have resumed	At Risk/Soon to make payments/ previously in good standing
FSA	Mid-Late October	Late October	Call Center Deflection Messaging 4	All non-defaulted borrowers
EFS	Mid-Late October	Late October	Call Center Deflection Messaging (IVR)	All Borrowers
FSA	TBD	TBD	SAVE is Available- what does this mean?	All Borrowers
November				
EFS	Early Nov	Mid-Nov	Self-cert promotion for IDR/SAVE (2)	Non-IDR borrowers
EFS	Mid-Nov	End-Nov	Repayment options for Parent Plus (2)	Repayment options for Parent Plus borrowers
FSA	TBD	TBD	What if you are having trouble making payments?	Audience TBD- Purpose: lead borrowers to IDR
December				
FSA	TBD	TBD	Choose a repayment plan for your federal student loans	TBD
EFS	TBD	TBD	Enroll in Autopay (texts)	Borrowers not on Autopay
FSA	TBD	TBD	An IDR Plan may be beneficial if you have a higher balance	TBD
February				
EFS	TBD	TBD	Self-Certify IDR (texts)	Non-IDR borrowers
FSA	TBD	TBD	Consider an IDR Plan	TBD
March				
FSA	TBD	TBD	SAVE Plan can offer you lower payments, apply today	TBD
EFS	TBD	TBD	SAVE Plan promotion (texts)	All borrowers in repayment or later of grace excluding repaye or parent plus

*additional call deflection messaging may be added as needed with FSA's approval

maximus

August 1, 2023

The Honorable Elizabeth Warren
309 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Chris Van Hollen
730 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
503 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Richard Blumenthal
706 Hart Senate Office Building
Washington, DC 20510

The Honorable Edward Markey
255 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Robert Menendez
528 Hart Senate Office Building
Washington, D.C. 20510

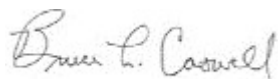
Dear Senator Warren, Senator Blumenthal, Senator Van Hollen, Senator Markey, Senator Brown, and Senator Menendez:

Thank you for your letter dated July 18, 2023. I appreciate the opportunity to answer your questions for Maximus Education, LLC, doing business as Aidvantage for the Department of Education (DoED) Office of Federal Student Aid (FSA), as we prepare to support borrowers when return to repayment resumes on September 1, 2023.

Aidvantage works directly for FSA to communicate information to borrowers to prepare them to return to repayment, as these plans are developed by FSA, including what and how to communicate with borrowers as new implementation plans and borrower requirements are rolled out by FSA.

As instructed by FSA, Aidvantage directs borrowers to StudentAid.gov for up-to-date, consistent information. All web page information, scripting, and interactive voice response communications are reviewed and approved by FSA and informs the information presented on StudentAid.gov. Borrowers receive consistent and accurate information through FSA-approved messaging.

Sincerely,



Bruce Caswell
President and Chief Executive Officer, Maximus, Inc.



Teresa Weipert
General Manager and President, Maximus Federal Services, Inc.



Questions/Responses

1) How many student loan borrowers does your company currently service?

Aidvantage is currently servicing 9,035,055 student loan borrowers under its FSA loan servicing contract.

a) How many student borrowers did your company service in February 1, 2020?

None, Aidvantage was not servicing student borrowers on February 1, 2020.

b) How many student borrowers do you service now that you did not service in February 1, 2020 (either because the accounts were transferred to you or because the accounts are new)?

Aidvantage has had an increase in student borrowers serviced to 9,035,055 since October 2021 from contract novation, transfers from other servicers, and transfers from the Common Origination and Disbursement (COD) system.

c) How many borrowers do you anticipate you will be servicing by October 1, 2023?

Aidvantage is forecasting to service 9,024,410 borrowers as of October 1, 2023. This reduced forecast number includes customary borrower payoffs and transfers to other servicers.

2) How many borrowers have contacted you since June 1, 2023?

Since June of 1, 2023, Aidvantage has been contacted by 134,821 borrowers.

3) What percentage of your customer service representatives are new hires without prior experience working with federal student loan borrowers or the federal student loan system?

It is estimated that 15% of customer service representatives will be new hires without prior experience working with the Federal student loan borrowers or the Federal student loan system when payments resume.

4) What percentage of your new hires have completed the required background checks and obtained the necessary security clearances to start servicing borrowers accounts by October 1, 2023?

100%, in accordance with the FSA loan servicing contract.

5) Please describe the training you are providing to customer service staff to ensure borrowers receive accurate and timely information about their loans.

Aidvantage training programs support building our customer service staff knowledge and understanding of federal student borrower loan servicing requirements. Customer service staff also become versed in the tools available to them to provide consistent program communications. Aidvantage training reinforces knowledge base procedures, including reviewing updates as they are released. The Aidvantage trainers continually review all training material for completeness and incorporate updates as appropriate to ensure customer service representatives have the latest information available.



The Aidvantage new hire training is a 20-day instructor-led course which incorporates classroom instruction, practical application, self-paced instruction, and mock call scenarios. Aidvantage also conducts refresher training. For example, in preparation for the expiration of the payment pause and return to repayment, Aidvantage created a training curriculum to ensure that all current customer service staff are well-equipped to service the borrowers. Classroom sessions were held with all existing customer service staff, covering topics such as the Payment Relief Hierarchy, Income-Driven Repayment Options, Non-Income Driven Repayment Options, Processing Payments, and Recurring Payments, as well as various other anticipated questions and concerns that borrowers may have in returning to repayment. This training totaled eight hours of classroom time and was completed in early July.

6) How many complaints have you received from borrowers in the last year?

a) How many of those complaints were resolved to the borrower's satisfaction?

The Aidvantage Office of the Customer Advocate tracks all inquiries from our ~9 million borrowers. And in the past year we have received, from 2,713 unique borrowers, 3,469 issues/complaints and 3,411 of those have been reviewed, responded to and resolved. The remaining items are in progress and are approaching resolution.

7) What is the current average call wait time for borrowers trying to get in touch with your company?

For Aidvantage, the current average call wait time for borrowers is two seconds.

8) What is the current average written communication wait time for borrowers trying to get in touch with your company?

For Aidvantage, written communication wait times are between five (email) and 10 (USPS letter) business days.

9) For each of the following months, what is your projected average and maximum call and written communication wait times?

a) August- Average:

b) September

c) October

For August, September, and October 2023, the forecasted average call wait time is 60 seconds.

Aidvantage does not calculate nor forecast a maximum call wait time.

Written communication wait times are between five (email) and 10 (USPS letter) business days.

Aidvantage does not calculate nor forecast a maximum wait time for written communications.

10) How many staff did your company have in February 1, 2020?

None, Aidvantage was not servicing student borrowers on February 1, 2020.



11) Do you have adequate staff for the expected volume of communication? If not, how many additional staff do you need to hire and train before October 1, 2023?

Yes. We have presented our plan to FSA and reviewed with FSA the specific details on forecasting contact volumes and handle times.

12) Which methods of borrower communication have had the best response rates?

Email is the most effective communication method.

13) What services do you currently use to identify a borrower's correct current contact information?

Aidvantage uses Trans Union, LexisNexis, and Innovis to identify a borrower's correct current contact information.

14) For how many borrowers do you have confirmed contact information – either by phone, email, or U.S. Postal Service?

The number of borrowers with at least one valid email, address, or phone number is 9,020,825.

a) How many of these borrowers have you successfully contacted using these methods? How do you confirm contacts?

For calendar year 2023 to date, Aidvantage has successfully contacted 6,795,229 borrowers. We confirm contacts by the following methods. We confirm contact for: 1) USPS by monitoring for return mail; 2) email by measuring opened emails in our email activity data; and 3) for phones by measuring connected calls in our outbound dialing data.

b) How many borrowers have not responded to any of your outreach to date?

For calendar year 2023 to date, Aidvantage does not have a response for approximately 25% of borrower contact attempts.

15) How many borrowers have been transferred to your company, and how many of them have affirmatively set up an account with your company since February 1, 2020?

Aidvantage did not service borrowers on February 1, 2020.

Aidvantage has 9,035,055 current borrowers that were all transferred in since October 2021 from the contract novation, transfers from other servicers, and transfers from the COD system.

Of the entire active portfolio, 5,872,786 (65%) borrowers have set up an online account.

16) What steps have you taken to audit borrower accounts to detect missing or inaccurate information? Has your approach differed for borrower accounts that were transferred to you after February 1, 2020?

Aidvantage has a validation and verification process. We have data validation checkpoints for each of our account onboarding processes. When files are received from other servicers, our system has controls in place to check for deficiencies and possible incorrect data. The data is reviewed, and corrections are made as needed. In addition, FSA's own Vender Oversight Group (VOG) conducts



reviews of data that transfer between servicers. For newly awarded loans loaded to our system from Common Origination and Disbursement, we do a daily reconciliation to validate that all awards were loaded and the amounts balance. Consolidation and originations also have controls in place that run against the borrower data, to identify possible errors as well as the underlying/prior loan information. All controls are reviewed and appropriately updated prior to the origination of the new loan. Aidvantage does not audit beyond our validation and verification process.

17) Describe the outreach you are conducting to alert borrowers about return to repayment and how you plan to advise borrowers about guidance regarding the President's student loan system reforms.

Aidvantage has developed a multi-channel return to repayment communication strategy to complement the Playbook provided to all servicers by FSA. Aidvantage is planning to supplement FSA's communications by sending targeted emails and portfolio-wide emails through the months of July and August, including specialized emails to borrowers who have not yet created an account. Throughout the months of August and September, FSA is planning to send multiple broad and targeted outreaches to borrowers, as detailed in the FSA Playbook. We plan to supplement those communications with both FSA-provided content and our own FSA-approved email, IVR, and web content preparing borrowers for return to repayment, including important dates, announcements, resources, and available income-driven repayment plans.

18) How are you determining borrowers' payment amounts and schedules under various payment plans in advance of October 1, 2023?

Per FSA direction, borrowers' payment amounts at the time of return to repayment will be the same as their payment amounts before the payment pause, unless otherwise directed by FSA. Payment amounts for borrowers who have no previously disclosed payment amounts will be determined by following the regulations for their individual payment plans. Aidvantage will follow FSA's direction on all current and future changes to borrower payment amounts and plans.





August 8, 2023

The Honorable Elizabeth Warren
United States Senate
SH-309 Hart Office Building
Washington, DC 20510

The Honorable Richard Blumenthal
United States Senate
SH-706 Hart Office Building
Washington, DC 20510

The Honorable Chris Van Hollen
United States Senate
SH-730 Hart Office Building
Washington, DC 20510

The Honorable Edward J. Markey
United States Senate
SD-255 Dirksen Office Building
Washington, DC 20510

The Honorable Sherrod Brown
United States Senate
SH-503 Hart Office Building
Washington, DC 20510

The Honorable Robert Menendez
United States Senate
SH-528 Hart Office Building
Washington, DC 20510

Dear Senators Elizabeth Warren, Richard Blumenthal, Chris Van Hollen, Edward J. Markey, Sherrod Brown, and Robert Menendez:

The Higher Education Loan Authority of the State of Missouri (MOHELA), writes in response to the correspondence of the United States Senators dated July 18, 2023. The letter requests MOHELA's plans to support the federal student loan borrowers who are scheduled to resume repayment of their loans on August 30, 2023. We understand you are concerned by reports indicating that servicers are laying off employees and may be understaffed for the deluge of borrower communication, and now request updated information regarding MOHELA's transition plans and staffing projections.

First, we understand the importance of your request and your interest in MOHELA's operations as a contract servicer to the Department of Education. The transition of millions of student loan borrowers entering into repayment simultaneously is something unique in history, and as a nonprofit state instrumentality, MOHELA is keenly aware of our mission to assist student loan borrowers, particularly during this difficult time. MOHELA staff has been preparing for the opportunity to assist borrowers



during this transition, including preparing and implementing new key contract terms and associated change requests issued by Federal Student Aid (“FSA”).

While funding and staffing are challenging in any situation where there is a sudden surge in demand, MOHELA as a servicer has not reduced its support or staff. In fact, our staffing has increased substantially over the last year, as we have added new work-from-home and in-office positions, most of which have been filled by experienced industry personnel from other servicers who have ended their work with FSA. We are making significant efforts to have capable members of staff available to ensure customers receive the right answers to their questions.

While we also agree that sufficient means in order to satisfy this need are required, MOHELA is a federal contractor, paid a static fee for servicing via steady-state agreement. New directives for the evolving loan administration plans continue to arrive, and MOHELA must adhere to this guidance in its administration of this FSA programming, but additional funds are limited to what we are allocated for this unprecedented turn of events, including the 12-month on-ramp period. While we continue to provide various self-service options and work to ensure as many as possible customer service representatives are ready and able to answer borrowers’ inquiries, we are limited in the funding available. Unfortunately, we are anticipating extended wait times and servicing delays as a result.

As requested, below please find MOHELA’s responses to your questions:

1) How many student loan borrowers does your company currently service?

As of 8/3/23, 7,773,939.

a) How many student borrowers did your company service in February 1, 2020?

2,464,028.

b) How many student borrowers do you service now that you did not service in February 1, 2020 (either because the accounts were transferred to you or because the accounts are new)?

As of 8/3/23, 5,309,911.

c) How many borrowers do you anticipate you will be servicing by October 1, 2023?

7,762,516.

2) How many borrowers have contacted you since June 1, 2023?

MOHELA’s reporting reflects the last 90 days; via phone and web going back the last 90 days from 7/26/2023, we were contacted by a total of 362,441 borrowers.

3) What percentage of your customer service representatives are new hires without prior experience working with federal student loan borrowers or the federal student loan system?

During the period 7/1/2022-6/30/2023, under 30% of new hires are without previous experience working with federal student loan borrowers or within the student loan industry. All new hires, regardless of past employment experience, are required to undergo detailed training prior to being released into the role of customer service representative.

4) What percentage of your new hires have completed the required background checks and obtained the necessary security clearances to start servicing borrowers accounts by October 1, 2023?



In order to provide service to borrowers, all new hires are required to have security clearance prior to working directly with customers or having access to the federal account information. Over 90% of the current MOHELA customer service representative new hires have received the necessary Public Trust security clearances to start servicing borrowers by October 2023. The new hires without clearance are in early stages of training and do not service MOHELA borrower accounts until security clearance is granted.

5) Please describe the training you are providing to customer service staff to ensure borrowers receive accurate and timely information about their loans.

MOHELA’s training program for customer service staff is multi-phased. When someone is hired for the role of CSR, they participate in training by the study, engagement, and testing of information presented in module form, prior to being released to actively take calls. The modules contain education, scripting and other guidance, reference information, program details, and more. MOHELA’s Reference Librarian updates the various resources, in accordance with the most recent change requests from FSA (e.g., return-to-repayment deadlines, REPAYE to SAVE changes, IDR program availability). This ensures that the most up-to-date information is being communicated to CSRs and is always available for review and study. Communications related to updates on specific topics are disseminated via e-mail to all staff, then reviewed in team meetings and training sessions, and are incorporated into the MOHELA knowledgebase via OneNote.

After release from training to the Contact Center, education continues via training sessions, each referred to internally as a “Training Track” for training certified Customer Service Representatives. Training Tracks are discussed in a team setting led by supervisors and are designed to provide CSRs with the knowledge and skills to aid in their interactions with callers in preparation for return-to-repayment. Each Training Track is presented in the form of a PowerPoint presentation and shared on screen with the CSRs, as supervisors ask questions to check for understanding, as well as discussion. The Training Tracks are regularly evaluated to position hot-button items, such as those related to recent program changes or specific borrower concerns. After each training session, the PowerPoint slides and any additional materials are distributed to each CSR to access in case further study is needed.

Training at MOHELA is constantly evolving as CSRs assist borrowers at all various stages of repayment, especially on return-to-repayment scenarios. Some borrowers have steadily paid their loans over the last few years, while others have never logged into their MOHELA online accounts. MOHELA’s CSRs are trained and prepared to discuss all available options with borrowers, to aid them in finding a solution to meet their needs.

6) How many complaints have you received from borrowers in the last year?

From 7/1/2022 through 6/30/2023, the number of complaints totaled 36,309 for the Direct Loan and Public Service Loan Forgiveness programs.

Of note, MOHELA became the PSLF servicer beginning 7/1/2022 during the last 4 months of the PSLF limited waiver period. During the PSLF waiver period, MOHELA received an unprecedented volume of forms. MOHELA and FSA collaborated to determine the number of business days to communicate to customers for processing times. It was determined that at least 90 business days was acceptable due to the PSLF volume, meaning that although there is no set SLA or written expectation from FSA for processing times, it was agreed that the communication to customers was to please allow at least 90-business days for their form to be processed before calling in to request an escalation.



This timeframe does not include forms placed in a Hold status due to pending consolidations from other servicers or awaiting employer review, which MOHELA does not adjudicate. Once MOHELA worked through the unprecedented volume, the estimated processing time was changed from at least 90 business days down to at least 30 business days, effective 4/02/23.

a) How many of those complaints were resolved to the borrower's satisfaction?

While we cannot provide data reflecting "resolved to the borrower's satisfaction," the number of complaints resolved were 32,489 as of June 30, 2023. The unresolved cases represent primarily the FDMS backlog, followed by FSA Referrals, which are generally complicated and require a significant amount of time to resolve.

7) What is the current average call wait time for borrowers trying to get in touch with your company?

In the most recent month, July 2023, 1 minute and 43 seconds.

8) What is the current average written communication wait time for borrowers trying to get in touch with your company?

Our average written communications wait time is approximately 3-4 business days for email response and 3-5 business days for letter response.

9) For each of the following months, what is your projected average and maximum call and written communication wait times? a) August b) September c) October

Per our contract with FSA, we do not have a Service Level Agreement (SLA) of speed of answer. Our contracted SLA is related to Abandon rate. We forecast based on that percentage rate. As a result, we cannot currently provide projected average and maximum call wait times.

10) How many staff did your company have in February 1, 2020?

483.

11) Do you have adequate staff for the expected volume of communication? If not, how many additional staff do you need to hire and train before October 1, 2023?

As a federal contractor for the US Department of Education, Office of Federal Student Aid (FSA), MOHELA is commissioned to help customers successfully manage their federal student loans in a steady-state environment. The US Department of Education owns the federal student loans MOHELA services under its contract with FSA, and FSA administers the loan programs. As such, FSA plays an outsized role in dictating how the loans are serviced. We currently have 474 released customer service representatives (CSRs), with another 606 in various stages of training. MOHELA had projected a need for a total of 1,177, so we are 97 away as of now. However, we also know there will be attrition, which is why MOHELA is also scheduled to hire another 313 minimum CSRs.

That said, in servicing these loans for FSA, MOHELA is paid a static fee per account status as of the end of each month. Due to budgetary constraints, FSA has reduced certain fees paid to MOHELA and has not indicated an investment in resources beyond what is currently delineated in the contract. As noted, MOHELA has been monitoring incoming volumes of communication and forecasting staffing needs, providing this to FSA monthly with the expectation of staffing for a steady-state environment, and have been providing opportunities for overtime within our means, as necessary. Circumstances and FSA's demands have been rapidly changing, largely on the basis of litigation results and subsequent departmental reactions to these. The resulting compliance concerns and operational adaptation to these



varied and free-flowing changes, not to mention meeting increased report and documentation production requests, have required first highly qualified staff assessments of appropriate compliance processes and operational changes, and second, meant an increasingly lengthy and higher level of training for CSRs. Both of these have utilized substantial additional financial resources.

We are now facing a return-to-repayment set to bring an unprecedented surge in activity in the near future, one which is expected to last well into 2024. Due to its temporary and extreme nature, implementation of the return-to-repayment process cannot be considered a steady-state environment. While MOHELA is regularly assessing the situation, were MOHELA to move forward with further expanded staffing at its own expense, especially given the wildly fluctuating demands on our staff, the added personnel would threaten MOHELA's financial stability. Unfortunately, the immediacy of return-to-repayment amid ever-increasing changes to the contract administration requirements and expanded training needs, combined with the lack of sufficient funding from FSA, mean extensive servicing delays are a likely outcome.

Nonetheless, MOHELA plans to increase self-service opportunities to promote borrowers moving forward in the repayment and forgiveness processes. For example, our Interactive Voice Response (IVR) system recommends borrowers visit our website for a self-certification option for Income Driven Plans. As common call reasons are learned, we will place further messaging in the IVR to mitigate and divert callers waiting for CSR that could self-serve instead. If there are several commonly asked questions, we will consider implementing these as FAQs in the IVR, and also add these to the website. Additional messaging in outbound correspondence, the IVR, and web also promote the use of self-service/ease of access.

As a standard, during call center hours of operation, when a caller enters into a queue to speak with a CSR, the IVR provides the estimated wait time is if there is a queue over one minute. After certain queue time, rather than waiting on hold (in queue), callers will have the option to request a "call back," if a call back can be performed before close of business. Choosing to receive a call back virtually holds the caller's place in line, and the next available agent will contact them at that point in time. During peak volume times the contact center anticipates it will offer overtime for hourly staff in addition to evaluate CSR schedules for optimal coverage.

Additionally, MOHELA will offer the following website features to assist borrowers with return to repayment topics and promote self-service:

- Chat, currently available to borrowers behind the login when inbound call service levels meet expectations
- Current banner in front of login advising borrowers of the Income-Driven Repayment plan adjustment and to visit StudentAid.gov for more information
- Current banner in front of login advising the end of the payment pause and 0% interest including information regarding payments beginning in October
- Account alerts, both via web and mobile app
- Promotion of IDR and to married filing jointly borrowers regarding self-certification and self-service on mohela.com
- For all borrowers, including those not serviced by MOHELA, links to sites allowing them to check their PSLF status

12) Which methods of borrower communication have had the best response rates?



Unfortunately, we do not have this information. With external communications from the White House, Department of Education, FSA, Social Media, Webinars, news, etc. also driving responses, we cannot isolate which method has the best response rate. In addition, MOHELA's communication is expected to complement the communication performed by FSA, and additional/non-required communication is outside of our contract requirements. However, MOHELA reposts FSA social media, applies prescribed FSA website banner messages, provides to its customer service representative the Q&A provided as provided by FSA to respond to customer inquiries, and has developed a communication playbook as approved by FSA which anticipates performing outbound communication within its means.

13) What services do you currently use to identify a borrower's correct current contact information?

MOHELA adheres to regulatory requirements to compile valid contact information for borrower addresses and phone numbers. FSA Change Request 2279 clarified that federal servicers at a minimum shall follow the guidance provided in FFEL regulations, specifically 34 CRR 682.411, for due diligence efforts where Direct Lending is silent. This includes, but is not limited to, delinquency, final demand, skip-tracing, and collection activities. MOHELA follows the multi-tiered approach detailed within 34 CFR 682.411, which is initiated if the primary address is determined to be invalid for the borrower or co-borrower. Skip-tracing may also commence if the primary phone number on file is determined to be invalid and the borrower's account is delinquent. Our system of record is programmed to automatically initiate outreach or actions to take depending upon how long the borrower remains in the skip process. A small portion of skip-tracing is handled manually by utilizing the Lexis/Nexis Accurint search tool. Throughout this process, MOHELA utilizes postal software to obtain address changes submitted to the United States Postal Service (USPS). Addresses are updated automatically via Address Change Service (ACS) and quarterly database scrubs are completed against National Change of Address (NCOA). Furthermore, MOHELA processes all physical return mail not captured via ACS or NCOA scrub.

14) For how many borrowers do you have confirmed contact information – either by phone, email, or U.S. Postal Service?

MOHELA has 7,754,173 borrowers with a valid USPS address. Of these, only 69,924 do not currently have a valid phone number, with only 336,653 without a valid email. However, we are not making outbound contacts until the end of COVID emergency restrictions, and so these numbers are likely to change as these numbers and emails are utilized.

a) How many of these borrowers have you successfully contacted using these methods?

We emailed approximately 4 million customers in May and approximately 804 thousand borrowers from the end of July-beginning of August.

How do you confirm contacts?

Either speaking with the borrower on the phone, the borrower successfully logging into mohela.com, or emailing them and not receiving a bounce back. Voicemail/answering machine is not considered a contact for purposes of this count.

b) How many borrowers have not responded to any of your outreach to date?

With so many different outreach attempts from a variety of groups, it makes it difficult to establish which outreach produced a borrower contact. Borrowers may call in after getting communication from MOHELA, Federal Student Aid, the Department of Education, the White House, or seeing information in the news or on social media. However, we do track and report the number of borrowers that contact us by phone or web within the last 90 days. That would be a total of 362,441 borrowers. In addition to external



outreach sources, MOHELA will begin sending required communications as we get closer to repayment. For instance, we will send disclosure notifications to borrowers regarding the automatic recalculation of the existing REPAYE plan to the new SAVE plan, monthly billing statements beginning in September and October, and notification as IDR Forgiveness is completed. As borrowers anxiously await approval for additional forgiveness approvals from FSA for IDR, PSLF or other program, borrowers will likely attempt contact through one or multiple communication methods.

15) How many borrowers have been transferred to your company, and how many of them have affirmatively set up an account with your company since February 1, 2020?

4,241,490 transferred in. 2,623,655 have set up an account.

16) What steps have you taken to audit borrower accounts to detect missing or inaccurate information?

MOHELA uses a secure process to ensure borrowers' data remains private, and do not wish to provide the specific details of this in a public letter, but would be happy to work directly with the Senate to provide any required information in a manner that does not disclose or potentially diminish those borrower protections.

Broadly, MOHELA adheres to the transfer file process required by FSA to exchange servicer data. We proactively house internal controls with checks and balances to support the transfer and import process. These internal controls are designed to track the transfer data, utilizing an index file to keep track of all the incoming documents and used to identify missing documents. If any borrower is missing servicing history, MOHELA will obtain the servicing history from the sender to request these documents. The system also performs validation checks to identify any errors in the data. When errors are identified, updates are made on a borrowers account at a loan level. If missing data is identified, MOHELA reaches out to the sending servicer to obtain the needed information and correct the loan prior to release.

Has your approach differed for borrower accounts that were transferred to you after February 1, 2020?

No, however, additional information was received solely related to loans transferred that included PSLF information, and FSA also established a Vendor Oversight Group file exchange for FSA to validate data moving from one servicer to another.

17) Describe the outreach you are conducting to alert borrowers about return to repayment and how you plan to advise borrowers about guidance regarding the President's student loan system reforms.

See the attached MOHELA-FSA return to repayment communications plan.

18) How are you determining borrowers' payment amounts and schedules under various payment plans in advance of October 1, 2023?

All of these are driven by the required payment plan calculations under regulatory requirements. The system of record calculates the appropriate payment amount and the calculations are embedded in the system of record to comply for the particular plan for any Income Driven plans or Standard Repayment (Standard, Graduated, etc.) plans. Borrowers have the opportunity to submit a request for various plan options. For Income Driven plans, values and figures such as AGI, Family Size, external student loan debt, and tax filing are taken into consideration. For Standard Repayment plans, loan debt and the remaining term are examples of values that are reviewed.



The newest plan, SAVE (Saving on a Valuable Education), will automatically recalculate the borrower's active REPAYE schedule, with a payment amount greater than \$0, into the new SAVE plan. The borrower's anniversary date for recertification of their IDR plan will be maintained. Borrowers will receive a greater benefit from the SAVE plan requirements which, in turn, are expected to equal a lower monthly payment amount.

We appreciate the opportunity to provide your offices with the facts necessary to make informed decisions regarding student loan servicing and our work, and thank you for your questions. If you or your office staff have any additional needs regarding our company, its role as a servicer, or about the student loan process, please do not hesitate to contact MOHELA. We are happy to assist while you are carrying out the critical role you perform in the government process.

Sincerely,

MOHELA
The Higher Education Loan Authority of the State of Missouri



August 4, 2023

Senator Elizabeth Warren
United States Senate
Washington, DC 20510

Dear Senator Warren:

Nelnet received your inquiry regarding our plans to support federal student loan borrowers returning to repayment. Like you, we are committed to ensuring borrowers receive reliable and effective service as they manage their student loans. We also understand the impact that the COVID-19 pandemic had on many families and their financial circumstances.

The Fiscal Responsibility Act of 2023, signed into law on June 3, 2023, terminates the suspension of federal student loan payments and interest accrual on August 31, 2023. With the impending return to repayment, student loan borrowers and servicers alike are in a unique situation. Never before have student loan payments paused for this length of time. Since March 2020, borrowers have experienced new life events, families have experienced new hardships, and new borrowers have taken out Federal student loans without having experienced interest accrual or needing repayment assistance. Many borrowers now find themselves uncertain about how to resume (or begin) repayment, or even how much they owe. Meanwhile, loan servicers are uncertain about the volume of interactions they may receive from borrowers upon returning to repayment. This letter addresses our transition efforts.

Operating in Accordance with our Federal Contract

As we prepare to support borrowers upon the return to repayment, we do so in accordance with the rules of our federal contract. As a contractor, we operate according to our contract with the U.S. Department of Education Office of Federal Student Aid (FSA). As such, FSA determines what information we communicate to borrowers, and when we do it.

Borrower Communications

At the direction of FSA, we have not conducted any proactive borrower outreach concerning payment obligations or account status leading up to the return to repayment. We recently received FSA's communications playbook, which outlines the information we will share with borrowers and when to share it. You may contact FSA directly to obtain this information or discuss its details and approach. Nelnet stands ready to initiate these communication campaigns in accordance with the plan FSA has outlined.

Approach to Hiring

Nelnet has over 40 years of loan servicing experience, including over a decade of experience servicing federal loans for FSA. Our sophisticated modeling and data analysis, validated over decades of loan servicing, enables us to accurately forecast the number of daily transactions to service borrowers, how many types of transactions are generated from borrowers in various statuses, and how long it takes to train associates to proficiency for different roles or tasks in a normal servicing environment. Our comprehensive staffing model accurately predicts operational and technical demands, based on staff forecasting and supported by recruiting and hiring skilled associates. We align demands with the appropriate number of associates to positively impact borrower experiences.





The unprecedented situation we currently find ourselves in, however, renders our modeling moot as borrowers return to repayment in 2023. These statistical models cannot function accurately without data, and data surrounding the habits of student loan borrowers (many of whom have never made a payment on a student loan) after forty-one months of not repaying their loans, does not exist.

Additionally, the current environment presents challenges in being aware of the number of borrowers we will be servicing. In the wake of the U.S. Supreme Court's ruling on the Biden-Harris Student Loan Forgiveness plan, the administration announced that additional programs surrounding loan forgiveness will be proposed. We do not yet have insight into potential relief programs that the government may enact and, therefore, are unsure how they may affect the number of borrowers we service.

Finally, the timing of our hiring and onboarding ahead of return to repayment has been affected by FSA's budget. In April of 2023, FSA significantly cut the amount loan servicers earn per borrower. As a result, Nelnet has reduced over 1,000 customer service agents. At that time, we clearly communicated to FSA that this cut would significantly impact our ability to rapidly ramp back up for Return to Repayment, as the hiring and training process takes months to perform and will require normal repayment rate compensation. Due to ongoing funding constraints at FSA and the uncertainty surrounding the fiscal year 2024 appropriations process, we remain concerned about the potential for future contract modifications and significant pricing cuts that would further imperil our ability to best serve borrowers. Though we are attempting to rehire many of the customer service agents whose employment we previously terminated, we will not be able to hire the staff needed for the repayment surge until after repayment begins and servicing fees return to repayment levels.

These are key factors in determining how many associates we hire to support the return to repayment. Nelnet, using a proven approach to onboarding new associates, stands ready to onboard new team members to provide superior borrower experiences once these key factors are better understood.

Approach to Training

As with hiring, our training approach also depends on information from FSA. The associates we hire to support return to repayment, along with our existing associates, will benefit from our 75-plus trainers who regularly perform training, including soft skills, and assessments to verify associates deliver consistent, quality information to borrowers in every interaction. Nelnet's process improvement and performance management approach establishes a regular feedback cadence. Our training team also actively participates in feedback sessions to support contact script, training material, and training curriculum creation, maintenance, and enhancement.

Our comprehensive training program is a multilevel effort, including global training at the corporate enterprise level, federal training at the business segment level, and operational and technical training at the role-based activity level.

Our highly skilled trainers use proven instructional methods and a variety of training delivery methods, with a focus on participatory learning. Trainers facilitate engaging, performance-based training programs, which cover training on systems and processes in a way that closely replicates the real-world experience, enabling associates to quickly ramp up to desired proficiency and productivity. Quality controls ensure associates:

- Have the skills required to successfully perform their work.





- Understand the impact of their work and requirements to comply with laws and regulations.
- Demonstrate an understanding of the contract compliance requirements and consumer protection regulations critical to servicing Direct Loans.

Nelnet has invested in providing training and professional development to our associates, offering numerous learning opportunities from the moment they are hired throughout their careers with Nelnet. A fully functional training environment is critical to equip our associates with the skills and knowledge necessary to provide FSA with the highest-quality service and to continuously improve performance.

In closing, I thank you again for your letter and interest in a smooth resumption of repayment that best serves borrowers. While our current situation is unprecedented, during our 40-plus years of supporting borrowers, we have encountered and successfully navigated other unclear circumstances. Based on the information that we receive from FSA, we are confident in our ability to assist borrowers in understanding the myriad of complex repayment options as they return to repayment.

Sincerely,

A handwritten signature in black ink that reads 'Joe Popevis'.

Joe Popevis
President, Nelnet Diversified Solutions
Nelnet

CC: Senator Richard Blumenthal
Senator Chris Van Hollen
Senator Edward J. Markey
Senator Sherrod Brown
Senator Robert Menendez

