



## National Student Loan Program's Critical Role in Student Lending

*Our vision...empowering students and families for a lifetime of success.*

NSLP is a private, non-profit, national student loan guaranty agency in the Federal Family Education Loan Program. Our company has over 20 years of experience assisting students and families with higher education access and choice. We are one of the nation's top 10 guaranty agencies, providing nearly \$2 billion in new student loans annually across the country and managing a portfolio of \$12 billion student loan guarantees. We are the designated student loan guarantor for Nebraska, guaranteeing over \$400 million in student loans for Nebraska borrowers every year.

Our role as a guarantor includes a broad range of critical services for our student loan borrowers, postsecondary institutions and student loan lenders.

### Borrower Advocacy for Accessing and Paying for College

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#### *Free college planning*

We help fund *EducationQuest Foundation's* free college planning offices (CPO) in Nebraska's three largest communities. In 2008, the CPOs assisted over 80,000 students and families. In addition, **online college planning and student loan financing information** helps students and families easily access information about planning and paying for college, how much they can afford to borrow, and how to manage student loan repayment.

#### *Student loan repayment counseling*

We provide **on-campus and online student loan repayment counseling** for students as they leave school. In 2008, an estimated 18,000 students learned the importance of repaying their loans. At two colleges, we implemented a special program to contact students who graduated and students who left school before they completed their programs to counsel them about student loan repayment. In 2008, over 3,000 students were contacted. Students can easily access our **online loan inquiry and loan summary** to stay informed about their loan obligations.

#### *Borrower advocacy*

Our **student loan ombudsman** serves as a **borrower advocate** to help with repayment options and lender servicing issues. We also provide hands-on assistance for borrowers who are entitled to loan forgiveness, student loan refunds, military deferments, school refunds or affected by false loan certifications or school closures. In 2008, we received nearly 2,000 inquiries for assistance, including 415 requests from teachers seeking student loan forgiveness.

If a student loan borrower is unable to repay, we review the lender's request for repayment and serve as an **advocate for the borrower** to be sure they received ample opportunities to take advantage of repayment options, deferments and loan forgiveness options that could keep them out of default.



### *Default Rescue for Borrowers*

Our specialized *Default Rescue Unit* counsels and assists borrowers — who are only days away from defaulting — avoid bad credit ratings, collection costs, wage garnishment, and tax refund offsets that come with default. Over the last two years, we helped nearly 1,400 borrowers avoid the debilitating effects of student loan default and avert \$12 million in defaulted loans.

### *Counseling to help borrowers recover from default*

We are a leader in counseling and rehabilitating defaulted borrowers to help them restore their credit ratings and their eligibility to borrow student loans. In 2008, we were the 8th best nationally at helping borrowers get back in good standing on over \$55 million in previously defaulted loans. These rehabilitated loans are removed from the federal defaulted loan portfolio when they are purchased by private lenders, which reduces costs to taxpayers.

## Financial Literacy that Helps Borrowers Repay Loans

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### *Financial management education seminars*

We offer free, on-campus financial management education seminars for college students on a wide range of topics so they can better manage their personal finances and repay their student loans. In 2008, we delivered over 130 seminars to nearly 4,000 college students and financial aid professionals across the country.

### *Free online financial literacy*

Our free *Financial Literacy Online* courses make it easy for students to access and learn basic money management skills 24/7. Since 2007, an estimated 2,000 users on nearly 50 campuses have accessed this helpful program.

### *Financial literacy week events*

During our annual *Financial Literacy Week* event we host free, on-campus financial management seminars for college students. In 2008, nearly 1,000 Nebraska students on 21 campuses learned valuable money management skills. The event will be hosted in Georgia in 2009.

### *Online financial literacy symposium*

In 2008, we hosted a free, five-part national *Online Financial Literacy Symposium* to provide practical information, tools and resources that colleges can use to develop or enhance their campus financial literacy program. The symposium featured experts from across the country who shared best practices, the latest research, and practical ways to identify and address the needs of students. Nearly 200 campus administrators attended the symposium.



## Default Aversion Activities That Help Borrowers

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### *Repayment counseling when borrowers leave school*

Keeping student loan borrowers aware of their repayment responsibility helps prevent default. Our free **Extended Exit Counseling** enables colleges to keep students informed about their lender, when repayment begins and where to send payments. In 2008, over 100 colleges used this free service to stay in touch with 20,000 borrowers.

Our default aversion counseling helped approximately 113,000 delinquent student loan borrowers get their loans back on track, preventing \$1.1 billion in student loan defaults in 2008.

### *Default aversion services for colleges*

Our free **Default Aversion Assistance Report** lets colleges take a hands-on approach to helping delinquent student loan borrowers prevent default. The report enables colleges to easily identify and contact their borrowers.

We offer a free **Cohort Analysis Reporting System** that enables colleges to easily use their student loan default data to discover characteristics and trends for defaulted students and develop effective default prevention plans.

## Claim Adjudication and Compliance Reviews to Ensure Program Integrity

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### *Quality control and program compliance*

We reviewed nearly 54,000 claim requests for student loan repayment from over 30 lenders in 2008. Our claim review is a **quality-control process** to be sure lenders are complying with Department of Education student loan servicing rules. In addition, during 2008-09 we will participate in conducting 10 lender program reviews to ensure compliance with student loan origination, servicing, collection, and claim processing requirements.

## Post-Default Collection to Recapture Losses

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### *Collection performance*

We collected more than \$103 million in defaulted student loans for the federal government in 2008, one of the highest collection rates among all 35 guarantors.



## Training and Resources to Guarantee Success

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### *Online loan program resources*

Our free, online *Learning Links* webcasts provide convenient training for financial aid professionals on topics such as cost of attendance budgets, entrance and exit counseling requirements, need analysis, verification, and overawards. In 2008, nearly 1,900 financial aid professionals participated in these helpful sessions. Our new *Lessons for Life* webcast series offers training for financial aid professionals on money management issues to help them better counsel college students. *Newsbriefs*, our bi-weekly e-newsletter, and *Ask Policy*, a convenient source for compliance questions, provide additional resources for financial aid professionals. In 2008, we responded to nearly 300 inquiries.

## Loan Origination Tools to Streamline Borrower Access

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### *Free student loan processing options*

NSLP is a leader among guaranty agencies in providing outstanding, free student loan processing options to help borrowers obtain loans quickly and easily. We pioneered an innovative "blanket guarantee" and offer ELITE and EASI-App, two unique web-based loan application systems, to help streamline student loans.

## Guaranty Agencies Successfully Provide Services

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For more than 40 years, guaranty agencies like NSLP have opened the doors to higher education for millions of Americans. The *Federal Family Education Loan Program* is a public-private partnership between the federal government, private lenders and non-profit organizations that is the preferred program of three-fourths of the nation's post-secondary institutions. The reason is simple. It's because of the successful, long-term track record of superior service and continuous innovation that respond directly to the needs of students and families.