



National Student Loan Program

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NSLP Borrowers Less Likely to Default

Comprehensive default prevention drops default portfolio to historic low.

(January 11, 2005) – NSLP's long-term default prevention tactics have resulted in an all-time record low amount of outstanding student loan defaults. "Our business philosophy has always been to keep defaults low and make FFELP a better program," says Bill Kohl, Vice President of Operations. "Our annual default rate of 1.06% is the lowest in our history, and better than almost all other guarantors."

Kohl attributes the success to a strong partnership with schools and lenders to prevent defaults, and to NSLP's long-term practice of educating students about borrowing and continuing to help them avoid default after they leave school.

Borrower Education

- Providing money management and financial literacy training to help students improve their financial decision making.
- Offering loan education products to help current and former students better understand how to manage their educational loans.
- Giving students online loan summaries so they "know what they owe" and can borrow responsibly and plan ahead for repayment.

Resolving Delinquency

- Successfully curing 92% of delinquent student loans by contacting borrowers during the critical, early stages of late payments and focusing on borrowers who are the most overdue.
- Providing schools with easy-to-use online reports and letters for contacting and helping delinquent student loan borrowers get back on track repaying their loans.

Preventing Default

- Initiating a default rescue program that partners with lenders to help hundreds of borrowers avoid the painful consequences of default and saves ED and taxpayers millions in loans that would have otherwise defaulted.

NSLP also has a record low cohort default rate of 4.4% which is well below the national average. For more information about NSLP visit <http://www.nslp.org>.

Headquartered in Lincoln, Nebraska, the National Student Loan Program is a private, nonprofit corporation in its second decade as a student loan guaranty agency. NSLP works with lenders and post-secondary schools across the nation to help students gain access to low-cost student loans. With annual loan guarantees of over \$2.3 billion, NSLP is one of the nation's major guaranty agencies and continues to serve as the designated guaranty agency for Nebraska.