



## FACT SHEET: *STUDENT LOAN SERVICING RECOMPETE*

On Friday, May 19, 2017, the U.S. Department of Education published the ninth amendment to Phase II of the Department's federal student loan servicing solicitation. The amendment ensures superior customer service and borrower protections while saving taxpayers money and increasing oversight.

### **Ensures Superior Customer Service**

The amended solicitation puts students first by making sure the loan servicing platform is easier to use and customer support is more responsive:

- Allowing the servicer to more efficiently manage call volumes to provide the highest level of customer service while minimizing costs
- Streamlining the payment process by removing confusing and unnecessary procedures
- Improving communication by simplifying notices to borrowers

### **Maintains Borrower Protections**

The amended solicitation includes all of the common-sense borrower protections recommended by federal oversight agencies:

- Creates a single platform to provide a common and consistent experience for all customers
- Integrates a unified branding across the loan servicing platform to reduce customer confusion
- Upgrades the payment application method to automatically maximize the benefit of each overpayment and underpayment for the borrower
- Requires consistent and accurate responses to emails, calls, application requests and many other servicing activities

### **Protects Taxpayers**

The amended solicitation ensures effective and efficient use of taxpayer dollars:

- Stops the likelihood of massive budget overruns, which Federal Student Aid (FSA) and the Department's Budget Services staff warned were likely, making the system unsustainable
- Saves taxpayers more than of \$130 million in the first five years of the contract, with significantly more savings accruing over the life of the contract
- Eliminates burdensome Washington mandates to allow for a more nimble approach to execute and engage other qualified partners

### **Increases Oversight**



The amended solicitation improves government oversight by simplifying the contracting structure and ensuring all vendors adhere to the same rules:

- Allows FSA to monitor one servicer instead of all nine servicers
- Allows FSA to prioritize its monitoring efforts and better ensure that borrowers are receiving the high-quality customer service they deserve