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**IN THE MATTER OF:** \*  
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**NAVIENT SOLUTIONS, LLC** \*  
**NMLS # 212430** \*  
\*  
**(“Navient”)** \*  
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**CONSENT ORDER**

**WHEREAS**, the Banking Commissioner (“Commissioner”) is charged with the administration of Part XIV of Chapter 669, Sections 36a-846 to 36a-854, inclusive, of the Connecticut General Statutes, “Student Loan Servicers”;

**WHEREAS**, Navient is a Delaware limited liability company with a primary business address of 13865 Sunrise Valley Drive, Herndon, Virginia;

**WHEREAS**, Navient has been licensed to act as a student loan servicer in Connecticut since December 15, 2016;

**WHEREAS**, from October 22, 2018 to February 7, 2019, the Commissioner, through the Consumer Credit Division of the Department of Banking, conducted an examination into the activities of Navient pursuant to Sections 36a-17 and 36a-851 of the Connecticut General Statutes to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

**WHEREAS**, as a result of such examination, the Commissioner alleges that Navient: (1) acted as a student loan servicer in this state from two unlicensed locations, in violation of Section 36a-847(a) of the Connecticut General Statutes; (2) failed to comply with the service standards set by the Commissioner requiring that personal information of borrowers is accurate and timely updated, in violation of Section

36a-850(10); and (3) failed to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable student loan servicing laws and regulations, in violation of Section 36a-850(9) of the Connecticut General Statutes;

**WHEREAS**, the Commissioner believes that such allegations would support initiation of enforcement proceedings against Navient, including, without limitation, proceedings to issue a cease and desist order pursuant to Sections 36a-852(b) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation pursuant to Sections 36a-852(b) and 36a-50(a) of the Connecticut General Statutes;

**WHEREAS**, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

**WHEREAS**, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, both the Commissioner and Navient acknowledge the possible consequences of formal administrative proceedings, and Navient voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

**WHEREAS**, the Commissioner and Navient now desire to resolve the matters set forth herein;

**WHEREAS**, Navient acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

**AND WHEREAS**, Navient, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegations set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

## CONSENT TO ENTRY OF SANCTIONS

**WHEREAS**, Navient, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Navient shall not: (a) act as a student loan servicer in this state from any location without a license, in violation of Section 36a-847(a) of the Connecticut General Statutes; (b) fail to comply with the service standards set by the Commissioner, in violation of Section 36a-850(10) of the Connecticut General Statutes; and (c) fail to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable student loan servicing laws and regulations, in violation of Section 36a-850(9) of the Connecticut General Statutes;
2. No later than the date this Consent Order is executed by Navient, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Twenty Thousand Dollars (\$20,000) as a civil penalty;
3. No later than the date this Consent Order is executed by Navient, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Five Thousand Four Hundred Dollars (\$5,400) as payment for back licensing fees;
4. No later than ninety (90) days after the date this Consent Order is executed by Navient, it shall: (a) implement revised policies and procedures to ensure personal information pertaining to borrowers of private or commercial Federal Family Education Loan Program ("FFELP") student loans is accurate and timely updated; and (b) conduct comprehensive training of its customer service representatives on such revised policies and procedures. Navient shall provide evidence of such revised policies and procedures and training upon request by the Commissioner;
5. Navient shall undertake an audit of all verbal, discretionary forbearances entered on private or commercial FFELP student loans of Connecticut borrowers between September 1, 2016 and March 1, 2020, where the forbearance was not entered simultaneously with a repayment plan change ("Forbearances"). The audit shall be performed by Navient's Internal Audit Department ("Auditor") through statistically significant representative samples of Forbearances ("Forbearance Audit"). The Auditor shall identify the population and representative samples of Forbearances to be reviewed in a plan ("Audit Plan") not objected to by the Commissioner. The Auditor may revise the Audit Plan to the extent revisions become necessary during its testing, provided the Commissioner does not object to the revision. The Forbearance Audit shall review the forbearance enrollments for compliance with federal regulations, loan documents, creditor agreements, and Navient's policies and procedures, including but not limited to, forbearance scripts, the Negotiation Matrix and Repayment Options Hierarchy (collectively, "Forbearance Requirements"); and
6. Navient shall require that the Auditor issue, no later than three (3) months after issuance of this Consent Order, simultaneously to the Commissioner and Navient, a final report detailing any and all findings as a result of the Forbearance Audit, including, but not limited to, any

identified instances of non-compliance with Forbearance Requirements (“Errors”), the root cause of each instance of non-compliance and the effect on each borrower, including any potential monetary loss resulting from such non-compliance (“Audit Report”). The Audit Report shall clearly identify each borrower and transaction audited, as well as document the Auditor’s testing methodology and basis for its conclusions. If the Audit Report identifies Errors previously remediated by Navient, the Auditor will confirm that the corrective actions were sufficient to: (1) remediate the Error, (2) remediate any other similarly impacted Connecticut borrower if the Error resulted from a systemic cause likely to have a detrimental effect on other Connecticut borrowers, and (3) prevent the Error from recurring. Navient will provide the Commissioner with documentation of any corrective actions performed to address any previously remediated Errors. If the Auditor determines that Navient did not fully remediate the Errors and/or that Navient has not taken sufficient corrective action to prevent the Errors from recurring, or if the Audit Report identifies any non-remediated Error, within sixty (60) days of issuance of the Audit Report, Navient shall submit a corrective action plan with specific deadlines, acceptable to the Commissioner, that will remediate each Error, and remediate any systemic causes likely to have a detrimental effect on other Connecticut borrowers, including the provision of restitution to fully correct financial loss and/or to prevent the Error from recurring (“Corrective Action Plan”). Any objections to the Corrective Action Plan by the Commissioner must be provided within thirty (30) days of its submission. Navient shall implement any Corrective Action Plan not objected to by the Commissioner and shall adhere to the deadlines set forth within the Corrective Action Plan unless an extension is granted by the Commissioner. Navient shall remediate all identified Errors.

### **CONSENT ORDER**

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against Navient based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Navient based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Navient and reflected herein is subsequently discovered to be untrue;
3. Navient shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Nothing in this paragraph affects Navient’s (i) testimonial obligations; or (ii) right to take legal or factual positions in defense of litigation or other legal or administrative proceedings to which the Commissioner and/or the Department are not parties;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Navient and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Navient to apply for or obtain an initial license or renewal license under Part XIV of Chapter 669, Sections 36a-846 to 36a-854, inclusive, of the Connecticut General Statutes, provided that all applicable legal requirements for any such license are satisfied and the terms of this Consent Order are followed;

5. This Consent Order shall be binding upon Navient and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
this 13th day of September 2021.

/s/  
\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

I, James W. Brooks, Jr., state on behalf of Navient Solutions, LLC that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Navient Solutions, LLC; that Navient Solutions, LLC agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that Navient Solutions, LLC voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/ \_\_\_\_\_  
Name: James W. Brooks, Jr.  
Title: Vice President and Associate General Counsel  
Navient Solutions, LLC

State of: Delaware

County of: New Castle

On this the 9 day of September 2021, before me, Julie A. Sheldon, the undersigned officer, personally appeared James W. Brooks, Jr., who acknowledged himself/herself to be the VP & Associate General Counsel of Navient Solutions, LLC, a limited liability company, and that he/she as such VP & Associate General Counsel, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as VP & Associate General Counsel.

In witness whereof I hereunto set my hand.

/s/ \_\_\_\_\_  
Notary Public – Julie A. Sheldon  
Date Commission Expires: September 17, 2021