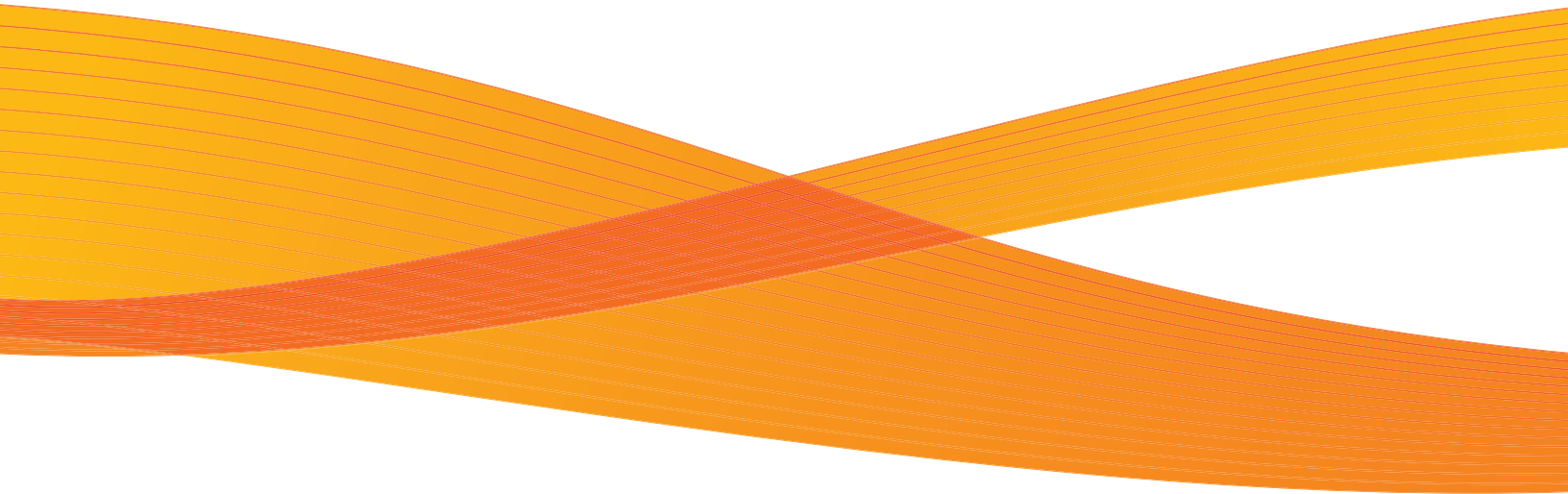


Our solution for a large lender prevented students from flunking Loan Repayment 101.

Within three months, default rates fell 20 percent, and more than 1,000 loans were kept current on the lender's books.



With a multi-pronged approach, we helped a big lender reduce its student loan default rate by 20 percent in the first three months.

The Challenge

In the midst of a nationwide credit crunch, a nationally recognized lender was experiencing a big increase in delinquencies and defaults on its student loan payments. It needed to find a quick solution to stem the number of student loans going into default.

As its current loan servicing provider, we were called in to help it effectively address this challenge.

The Solution

Leveraging the latest technology, our collection experts developed a multifaceted approach to address the lender's delinquency and default issues. Our strategies included:

- Expanding and focusing due diligence activities through:
 - Increased frequency of manual and virtual outbound calls and message blasts
 - Enhanced e-mail campaigns
 - Creative non-traditional mailers to improve opening rates
- Establishing toll-free numbers for greater availability on incoming calls

- Implementing early intervention delinquency calling
- Extracting key information to apply a targeted approach on high-balance accounts
- Expanding agent-owned collections activity and incentive plans to increase resolve rates
- Applying expertise and best practices from top collection agents
- Partnering with guarantee agencies on co-branded correspondence to improve response rates

The Results

Our strategies of multiple and diverse borrower contacts and availability, leveraging technology and targeted collection efforts, yielded significant results in a short period of time. In the first three months, the lender realized a 20 percent reduction in defaulting loans, and we helped our client keep more than 1,000 loans current on the books.

Due to the positive outcome, the lender avoided the need to work with a third-party collection agency and escaped the associated higher costs.

You can learn more about us at www.xerox.com/businessservices.



Sector: Higher Education

Solution: Guaranteed Loan Servicing – Default Reduction

Client: Nationally Recognized Lender

Challenge: Reduce the sharp increase in number of defaulting student loans

Results: 20 percent reduction in defaults within three months

The Bottom Line

As a result of a nationwide credit crunch, a nationally recognized financial institution found itself facing a dramatic increase in delinquencies and defaults on its student loans. It needed a quick solution to address the issue. Our collection experts developed a multifaceted approach to

mitigate the lender's delinquency and default issues. Within the first three months of implementation, the default rate had decreased by 20 percent, and we were pivotal in keeping more than 1,000 loans current on the lender's books.

