ECMC

Summary of Responsibilities

SERVICER: The loan servicer maintains the system of record, receives payments pursuant to the terms of the loan, applies those payments to the borrower's account, and is responsible for the majority of borrower interactions.

<u>GUARANTOR</u>: The guarantor provides financial literacy and college access counseling, issues the guaranty on the loan, provides default prevention counseling to help borrowers resolve their delinquency and connects borrowers to their servicers to resolve delinquency.

Activities Performed By Servicer:

<u>School</u> Notes borrower's eligibility	 Establishes a repayment start date and repayment schedule in a statement provided to the borrower Provides a bill or statement for each installment period 			
for federal student loans and loan amounts. <u>Borrower</u> Completes loan application/promissory note, selects lender & guaranty agency, and submits application/promissory note to servicer.	 Receives and applies borrower payments to outstanding loan balance and maintains loan balance information on its system of record Receives borrower requests for temporary suspension of payment (e.g., forbearance, deferment); then, reviews the documentation, approves/denies the request and updates the borrower's account record Receives borrower requests for alternative repayment plan; then, reviews the application and approves/denies the payment plan Sends payment histories from its system of record, if requested by the borrower Sends paid-in-full letters to borrowers who successfully repay their student loans 			
Servicer Receives application/promissory note, and disburses loan funds.	 Performs required specific due diligence activities (e.g., phone calls, letters) to continue borrower repayment of the loan, if the borrower misses a payment(s) Submits a Default Aversion Assistance Request (DAAR) to the guarantor between 60-120 days delinquent Cancels the DAAR, if the borrower brings his/her loan current Sends a 30-day final demand letter, if the borrower becomes 240 days delinquent Files a claim for reinsurance with the guarantor if the borrower becomes 270 days or more delinquent and technically defaults 			
In School (length of time varies)/ Student Loan Disbursement	Grace Period (6 months)	Repayment (From 10 to 30 years)	Delinquent	🚔 Default
			Guarantor Activities:	
<u>Guarantor</u> Reviews request for guarantee, confirms borrower's eligibility and loan amount, and issues loan guaranty.			 Locates borrower, if necessary Counsels borrower on delinquency resolution options that will best meet his/her individual circumstances to help achieve a successful student loan repayment experience Advises borrower to avoid default and informs him/her of the consequences of default Connects borrower to his/her servicer to resolve delinquency. 	