

Transparency in Policy Engagement and Political Participation

2016 Full-Year Report



Navient
123 Justison Street
Wilmington, Delaware

NAVIENT®

Governance

The company's Government Relations Department, under the direction of the senior vice president for government relations and public policy, is responsible for government relations policies and activities and manages all political activities conducted by or on behalf of Navient. The department reports annually to the Board of Directors' Nominations and Governance Committee on political contribution matters and major lobbying priorities. Additionally, as required by its charter, the Nominations and Governance Committee is composed entirely of independent directors and receives periodic reports on political expenditures, payments made to trade associations, and contributions made to other tax-exempt political organizations, as well as contributions by the company's Political Action Committee. The company maintains compliance processes intended to ensure that Navient and its employees conduct all its activities in accordance with our Code of Business Conduct and with all relevant laws governing political contributions and lobbying activities.

Navient actively engages in the democratic process and plays an active role in forming policy to support the success of our customers, employees, and shareholders. We are committed to fulfilling our role as an active corporate citizen with integrity and transparency.

This year-end report covers activities from January 1, 2016, through December 31, 2016.

State and Federal Engagement

Policy proposals, legislation, and regulation can have an impact on our customers, employees, and shareholders. Federal, state, and local policy changes can significantly affect our operations, revenues, and costs. Because of this impact, we have a responsibility to engage with policymakers to educate, provide fact-based information, and to advance the success of our company and our stakeholders.

We regularly share our expertise, express our views, and provide public officials with factual briefings to inform their decisions. We monitor legislative activities, analyze trends, and advance ideas to benefit our constituencies. Because of our 40-plus-year history in helping student loan borrowers navigate their way to financial success, we are frequently consulted by members of Congress, congressional and legislative staff, and other policymakers about the impact of federal and state proposals.

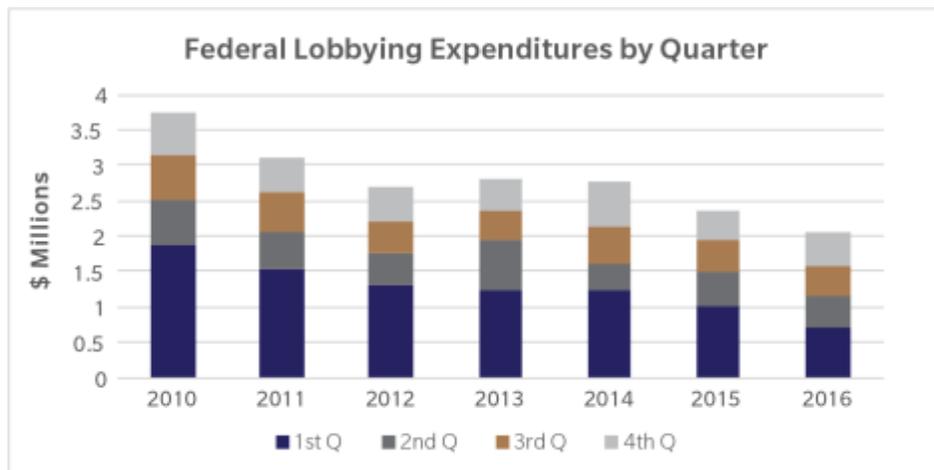
Federal Lobbying

Meaningful engagement requires Navient to participate in the legislative process. The staff of Navient's Government Relations Department is registered to lobby and actively lobbies on issues that affect our business. Only members of the Government Relations Department are authorized to direct lobbying activities on behalf of Navient.

Navient policy requires these professionals to work with counsel to assure that they conduct their activities in compliance with applicable laws, rules, and regulations as well as maintain the highest standards of professional integrity.

We disclose publicly all federal lobbying topics and expenditures on a quarterly basis, in accordance with the Lobbying Disclosure Act. Navient's quarterly filings are available at <http://soprweb.senate.gov/index.cfm?event=selectfields>.

Navient's disclosures provide all federal lobbying expenditures, including fees paid to outside consultants. In 2016, Navient engaged the services of Empire Consulting Group, The Kutler Group, Mercury Public Affairs, Nixon Peabody LLP, and Van Scoyoc Associates, who also file disclosures on their fees and activities on behalf of Navient. For the second half of calendar year 2016, Navient spent \$920,000 on federal lobbying expenditures, including fees paid to outside consultants. Total expenditures for all of 2016 were \$2.1 million, a decline of 24 percent over two years and 45 percent since 2010. The chart below compares this year's lobbying expenditures to previous years.



Among the topics we have advocated are:

- Better tools and information to help students and their families make informed borrowing decisions and help them successfully realize a return on their higher education investment
- Risk-based federal loan servicing and portfolio management approaches that help more borrowers avoid delinquency and default
- Ensuring that servicers have the necessary tools to contact borrowers and help them avoid default
- Streamlined repayment options to reduce complexity for borrowers and servicers and increase engagement
- Easier methods to enroll in and recertify federal income-driven repayment programs
- Programs that encourage borrowers to contact their student loan servicers
- More assistance to borrowers participating in the federal rehabilitation program to help them recover from default
- Improve federal budgeting to assure adequate funding for student loan delinquency and default prevention
- The establishment of a private loan rehabilitation program that creates a pathway for borrowers in default to get back on track and improve their credit
- A one-time credit bureau retraction for student loan borrowers who miss a payment while transitioning into repayment
- Bankruptcy reform that allows federal and private student loans to be discharged after a good faith effort to repay
- Employer repayment assistance programs that allow pre-tax dollar benefits to be used for student loan repayment
- Issues relating to the collections industry and ensuring government debt collection programs employ industry best practices

Political Contributions

The company's policies ensure that, consistent with federal law, Navient may not contribute corporate funds or make in-kind contributions to candidates for federal office or to national party committees. Navient does not use corporate funds to make independent political expenditures. We have not spent any corporate funds on communications to the general public that expressly advocate the election or defeat of a federal candidate and we have no present plans to spend direct corporate funds on such communications.

State Contributions

Navient made no contributions to state or local elected officials or candidates during 2016.

Trade Associations

Navient participates in several trade associations that provide its members a variety of services including technical assistance, best practices, and that may also advocate on major public policy issues of importance to its members and the communities they serve. For most of these organizations, the primary purpose of Navient's membership is for professional development, technical assistance, and best industry practices. Our contributions to these groups are membership dues and come with the recognition that we may not always agree with all the positions of an organization or its individual members. Additionally, we do not coordinate or earmark corporate funds toward election-related activity at the federal, state or local level, including contributions and expenditures in support of, or in opposition to, any candidate for any office, ballot initiative campaign, political party committee, or PAC.

Below is a list of the principal organizations¹ in which Navient renewed a membership or became a new member at any point in 2016 and which conduct some lobbying activity:

Trade Association	2016 Membership and other Fees
ACA International	\$22,800
Coalition of Higher Education Assistance Organizations	\$3,640
National Association of College and University Business Officers	\$2,293
National Foundation for Credit Counseling	\$5,000
Structured Finance Industry Group	\$35,000
Student Loan Servicing Alliance	\$6,200
Association of Corporate Counsel	\$3,000

527 Political Organizations

Navient does not provide funding to groups organized under Section 527 of the Internal Revenue Code except for those listed below. We maintain our memberships in these groups to support our operations in the states in which our employees work and live. Our contributions to these groups are membership dues and are not earmarked to support the election of any specific candidate nor for funding specific expenditures or communications. In addition, we do not consult with these groups regarding the expenditure of their funds.

¹ We define principal organizations to include those trade associations that participated in lobbying activity and in which the company maintained a corporate membership and where our annual expenditures exceeded \$1,000. We do not consider a trade association to be a principal organization if our employees are members to satisfy professional licensing requirements. In addition to the national organizations listed in the table, Navient is a member of state and local chambers of commerce where we have a significant employee presence.

Below is the list of four 527 groups that Navient contributed in 2016.

Organization	2016 Contribution
Republican Governors Association	\$22,500
Democratic Governors Association	\$22,500
Republican Legislative Campaign Committee	\$12,000
Democratic Legislative Campaign Committee	\$12,000

Political Action Committee

The Navient Political Action Committee is funded solely through voluntary contributions from eligible employees. The PAC supports candidates, parties, and committees – on a bipartisan basis – whose views on specific issues are consistent with the company’s priorities. The PAC does not contribute in connection with U.S. presidential elections.

Contributions from Navient’s PAC do not necessarily reflect the personal political views or interests of the company’s senior management. The Navient PAC is governed by a board comprised of senior leaders from several corporate functional and geographic areas as well as business units. The PAC Board annually reviews and approves a giving framework. The board is chaired by the senior vice president of government relations and public policy. In deciding who to support, PAC leadership considers candidates who represent the communities we serve, underserved communities, those who serve on relevant committees or in leadership, and those who have shown support for policies and initiatives of importance to the company, its customers, and shareholders.

Contributions from Navient’s PAC, as required by law, are reported in filings with the Federal Election Commission and are made publicly available.

Navient 2016 Political Contribution Snapshot January 1 – December 31, 2016

Navient PAC Contributions to U.S. House of Representatives

U.S. House Candidate	State	District	2016 Contribution
Rep. Albio Sires (D)	NJ	Congressional District 08	\$1,000
Rep. Alcee Lamar Hastings (D)	FL	Congressional District 20	\$2,500
Rep. Allan Lucas Messer (R)	IN	Congressional District 06	\$2,000
Rep. Ben Ray Lujan (D)	NM	Congressional District 03	\$1,000
Rep. Bradley Roberts Byrne (R)	AL	Congressional District 01	\$1,000
Rep. Bruce Lee Poliquin (R)	ME	Congressional District 02	\$1,000
Rep. Carlos Luis Curbelo (R)	FL	Congressional District 26	\$1,000
Rep. Cathy McMorris Rodgers (R)	WA	Congressional District 05	\$1,000
Rep. Cedric Levon Richmond (D)	LA	Congressional District 02	\$2,000
Rep. Elijah E. Cummings (D)	MD	Congressional District 07	\$500
Rep. Elise M. Stefanik (R)	NY	Congressional District 21	\$4,500
Rep. Erik Paulsen (R)	MN	Congressional District 03	\$1,000
Rep. Garland Hale Barr, IV (R)	KY	Congressional District 06	\$1,000
Rep. George Kenneth Butterfield, Jr. (D)	NC	Congressional District 01	\$1,000

Rep. Gregory Paul Walden (R)	OR	Congressional District 02	\$1,000
Rep. Gwendolynne Sophia Moore (D)	WI	Congressional District 04	\$500
Rep. James E. Clyburn (D)	SC	Congressional District 06	\$1,500
Rep. Kevin Owen McCarthy (R)	CA	Congressional District 23	\$2,500
Rep. Lisa Blunt Rochester (D)	DE	Congressional District 01	\$1,000
Rep. Louis J. Barletta (R)	PA	Congressional District 11	\$2,000
Rep. Marcia Louise Fudge (D)	OH	Congressional District 11	\$1,500
Rep. Paul Davis Ryan, Jr. (R)	WI	Congressional District 01	\$2,500
Rep. Robert Cortez Scott (D)	VA	Congressional District 03	\$1,000
Rep. Robert James Dold, Jr. (R)	IL	Congressional District 10	\$1,000
Rep. Robin Lynne Kelly (D)	IL	Congressional District 02	\$1,000
Rep. Rodney Lee Davis (R)	IL	Congressional District 13	\$1,000
Rep. Sanford D. Bishop, Jr. (D)	GA	Congressional District 02	\$1,000
Rep. Sean Patrick Duffy (R)	WI	Congressional District 07	\$1,000
Rep. Stephen Joseph Scalise (R)	LA	Congressional District 01	\$4,000
Rep. Steve Stivers (R)	OH	Congressional District 15	\$1,500
Rep. Susan W. Brooks (R)	IN	Congressional District 05	\$2,000
Rep. Theodore Edward Rokita (R)	IN	Congressional District 04	\$1,000
Rep. Thomas E. Price, M.D. (R)	GA	Congressional District 06	\$1,000
Rep. Thomas Earl Emmer, Jr. (R)	MN	Congressional District 06	\$2,000
Rep. Thomas MacArthur (R)	NJ	Congressional District 03	\$2,000
Rep. Thomas W. Reed, II. (R)	NY	Congressional District 23	\$3,500
Rep. Virginia Ann Foxx (R)	NC	Congressional District 05	\$3,500
Rep. William B. Hurd (R)	TX	Congressional District 23	\$2,000

Navient PAC Contributions to U.S. Senate

U.S. Senate Candidate	State	District	2016 Contribution
Sen. Bob P. Corker, Jr. (R)	TN	United States Senate	\$1,000
Sen. Cory Anthony Booker (D)	NJ	United States Senate	\$1,000
Sen. Debra Fischer (R)	NE	United States Senate	\$1,500
Sen. John Sidney McCain, III (R)	AZ	United States Senate	\$1,000
Sen. Joseph Simon Donnelly, Sr. (D)	IN	United States Senate	\$1,000
Sen. Kelly Ayotte (R)	NH	United States Senate	\$1,000
Sen. Martin Heinrich (D)	NM	United States Senate	\$1,000
Sen. Mitch McConnell (R)	KY	United States Senate	\$2,500
Sen. Orrin Grant Hatch (R)	UT	United States Senate	\$2,000
Sen. Patricia Lynn Murray (D)	WA	United States Senate	\$6,000
Sen. Patrick Joseph Toomey (R)	PA	United States Senate	\$2,500
Sen. Richard M. Burr (R)	NC	United States Senate	\$2,000
Sen. Robert P. Casey, Jr (D)	PA	United States Senate	\$1,000
Sen. Roy Dean Blunt (R)	MO	United States Senate	\$2,500
Sen. Timothy Eugene Scott (R)	SC	United States Senate	\$4,000
Sen. Todd Christopher Young (R)	IN	United States Senate	\$2,500

Navient PAC Contributions to Leadership Committees

Leadership PAC	Sponsor	2016 Contribution
America Works PAC	Sen. Sherrod Campbell Brown (D)	\$2,500
Blue Hen PAC	Sen. Christopher Andrew Coons (D)	\$2,500
Common Ground PAC	Sen. Timothy Michael Kaine (D)	\$4,000
Country Roads PAC	Sen. Joseph Manchin, III (D)	\$2,500
IMPACT	Sen. Charles E. Schumer (D)	\$5,000
Jobs, Economy and Budget Fund (JEB FUND)	Rep. Thomas Jeb Hensarling (R)	\$2,500
Make It Work	Sen. Angus Stanley King, Jr. (I)	\$2,500
Making Business Excel Political Action Committee	Sen. Michael Bradley Enzi (R)	\$1,000
Midwest Values PAC	Sen. Al Stuart Franken (D)	\$2,700
Motor City PAC	Sen. Gary Charles Peters (D)	\$1,000
M-PAC	Sen. Patricia Lynn Murray (D)	\$5,000
New Millennium PAC	Sen. Robert Menendez (D)	\$1,500
People's Voice PAC	Sen. Tammy S. Baldwin (D)	\$2,500
Prosperity Action Inc.	Rep. Paul Davis Ryan, Jr. (R)	\$5,000
Tenn Political Action Committee Inc (TENN PAC)	Sen. Lamar Alexander (R)	\$4,000
Voice for Freedom	Rep. Thomas E. Price, M.D. (R)	\$2,000

Navient PAC Contributions to Congressional Caucus and Party

Party/Caucus	2016 Contribution
Blue Dog Political Action Committee	\$2,500
Congressional Black Caucus PAC (D)	\$5,000
DSCC (D)	\$15,000
NRCC (R)	\$5,000
NRSC (R)	\$15,000

Navient PAC Contributions to Joint Fundraising Committees

Committee	2016 Contribution
Kaine for Common Ground	\$2,500
Rand Paul Victory Kentucky	\$2,500

Other Political Activity

Navient does not engage in, and expends no resources in support of, groups organized under Section 501(c)(4) of the Internal Revenue Code.

Navient does not engage in, and expends no resources for grassroots lobbying communications, defined as any communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on legislation or regulation, and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation.

Other than as disclosed above, Navient does not belong to any other tax-exempt organizations whose purpose it is to influence federal or state policy, including organizations that write and endorse model legislation.

Employee Engagement

Navient encourages employees to participate in political and civic activities of their choosing. Our employees have the right to participate in the political process by making personal contributions from personal funds, subject to applicable legal limits. In accordance with our Code of Business Conduct, employees may not be reimbursed or otherwise compensated by Navient for any such contributions, and political activity must take place on personal rather than company time. The Code of Business conduct requires employee interactions with government officials maintain the highest standards of ethical behavior.

To learn more, visit [Navient.com](https://www.navient.com).

Facts sheets and FAQs

[Navient.com/facts](https://www.navient.com/facts)

Corporate governance

[Navient.com/investors](https://www.navient.com/investors)