



State of Rhode Island and Providence Plantations  
Office of the General Treasurer  
State House – Room 102  
Providence, Rhode Island 02903

**Seth Magaziner**  
General Treasurer

December 12, 2016

Mr. Mark Heleen  
Office of the Corporate Secretary  
Navient Corporation  
123 Justison St  
Wilmington, Delaware 19801

Dear Mr. Heleen,

As holders of 9,568 shares of Navient Corporation stock, I am writing to inform you that Employees' Retirement System of Rhode Island is submitting the enclosed resolution for inclusion in the company's proxy statement in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934. A representative from Employees' Retirement System of Rhode Island will attend the annual meeting to move the resolution as required by SEC rules.

Employees' Retirement System of Rhode Island believes that a company's financial prosperity is rooted in business practices that recognize the long-term needs of its customer base.

Student loan debt and delinquencies are escalating. According to the Federal Reserve Bank of New York, the amount of student loan debt has increased from \$0.26 trillion in the first quarter of 2004 to \$1.28 trillion in the first quarter of 2016—a larger increase than all other types of non-housing debt. Simultaneously, the 90 day delinquency rate on student loans has grown from 6.3 percent in 2004 to 10.9 percent in 2016, and has remained the highest delinquency rate of all debt categories tracked by the Federal Reserve Bank since 2012.

As debt and delinquency levels rise, and as our national economy faces an inevitable rise in interest rates, it is our duty as shareholders to ensure that the companies we invest in are adequately preparing for these trends. As documented in recent reports by both the Government Accountability Office (GAO) and the Consumer Financial Protection Bureau (CFPB), hundreds of federal student loan borrowers have filed concerns related to loan servicers' customer service practices. Between September 1, 2015 and August 31, 2016, Navient was the top complaint

recipient of federal student loan complaints filed with the Consumer Financial Protection Bureau.

In addition to feedback from customers on service gaps, recent federal policy guidance indicates that future procurement opportunities will be tied to improved customer service practices. We also anticipate a more stringent regulatory environment. Our resolution encourages Navient to prepare a review of its practices related to defaulted borrowers, including the challenges defaulted borrowers face in transitioning to Income-Driven Repayment (IDR) plans. This review should also include identification of areas for improvement and proposed solutions.

This information will help shareholders assess whether Navient Corporation is adequately meeting the challenges faced by growing student loan delinquency trends and whether the company is appropriately positioning itself for future procurement opportunities.

We look forward to continuing the conversation with you on this very important issue.

Please contact our Deputy Treasurer for Policy, Kelly Rogers, by phone (401-222-5126) or email [Kelly.Rogers@treasury.ri.gov](mailto:Kelly.Rogers@treasury.ri.gov), if you would like to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Seth M. Magaziner", with a long horizontal flourish extending to the right.

Seth M. Magaziner