

GOAL STRUCTURED SOLUTIONS

ASSET MANAGEMENT BUSINESS



- Experienced – Founded in 2009
- Industrial strength – Manages \$7.5b of private student loans across 60+ clients, 6 servicers and 12 collection agencies
- Serves a diverse base – Includes hedge funds, schools (NFP, FP), fintech lenders, banks, securitization trusts, investment banks, insurance companies, debt buyers and the GS2 investment and lending businesses
- Across varying loan/receivable types – In-school undergrad and grad, refinance, Caribbean medical, international and ISAs

GOAL STRUCTURED SOLUTIONS

ASSET MANAGEMENT TENANTS



Data and Analytics

- You can't manage what you don't know

Leverage Specialization

- Utilize the optimal partners for each aspect

Customization

- Not all portfolios and clients are created equal

Constant Oversight

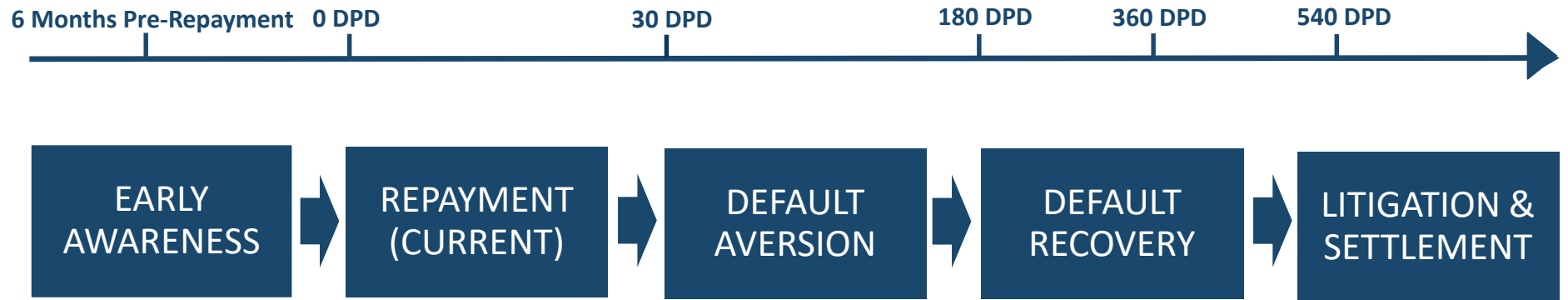
- Both performance and compliance

Test and Change

- Complacency is the enemy of portfolio optimization

ASSET MANAGEMENT MODEL

FULL LIFECYCLE SOLUTIONS



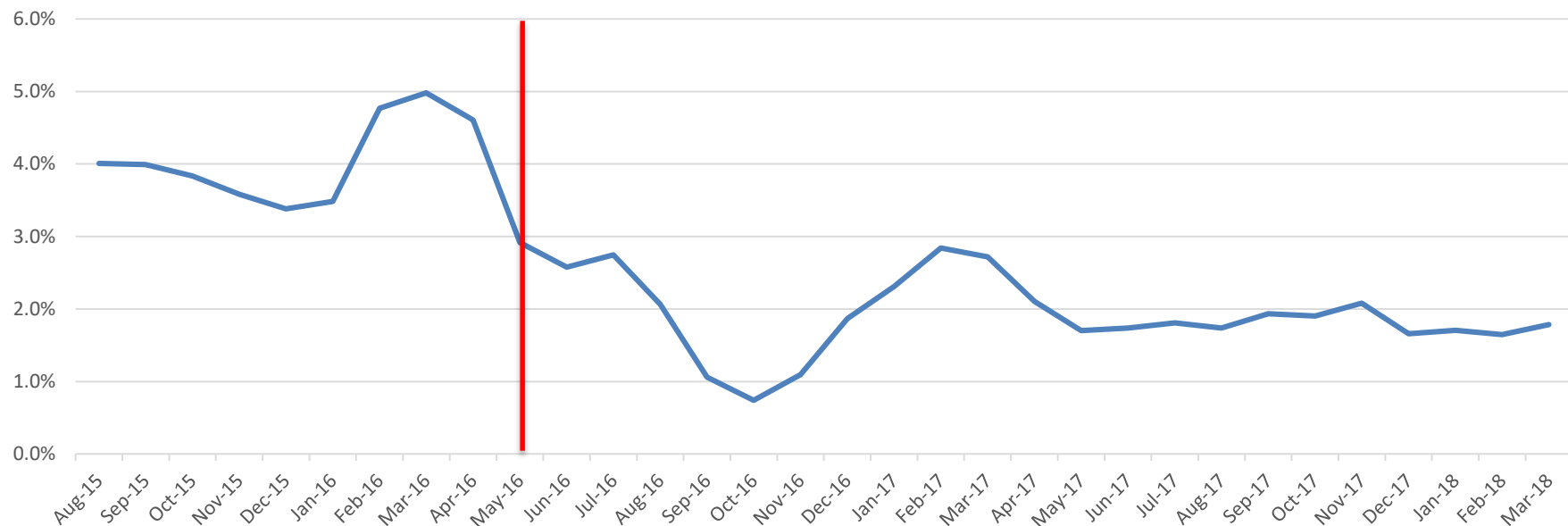
ASSET MANAGEMENT

CASE STUDY #1 | REDUCING DEFAULT RATES



- **What happened:** GS2 took over management of a portfolio of seasoned performing private student loans
- **Problem:** CDRs were running materially higher than they should have been
- **Solution:** Servicing was transferred to a GS2-selected servicer, default-aversion was outsourced to a proven expert and charge-off timing was extended, driven by analytics around cure rates and cost-to-service relative to ABI
- **End result:** CDRs improved ~50%, lowering defaults by an estimated \$7-8MM over the life of the portfolio

CDR 3-Month Trailing Average



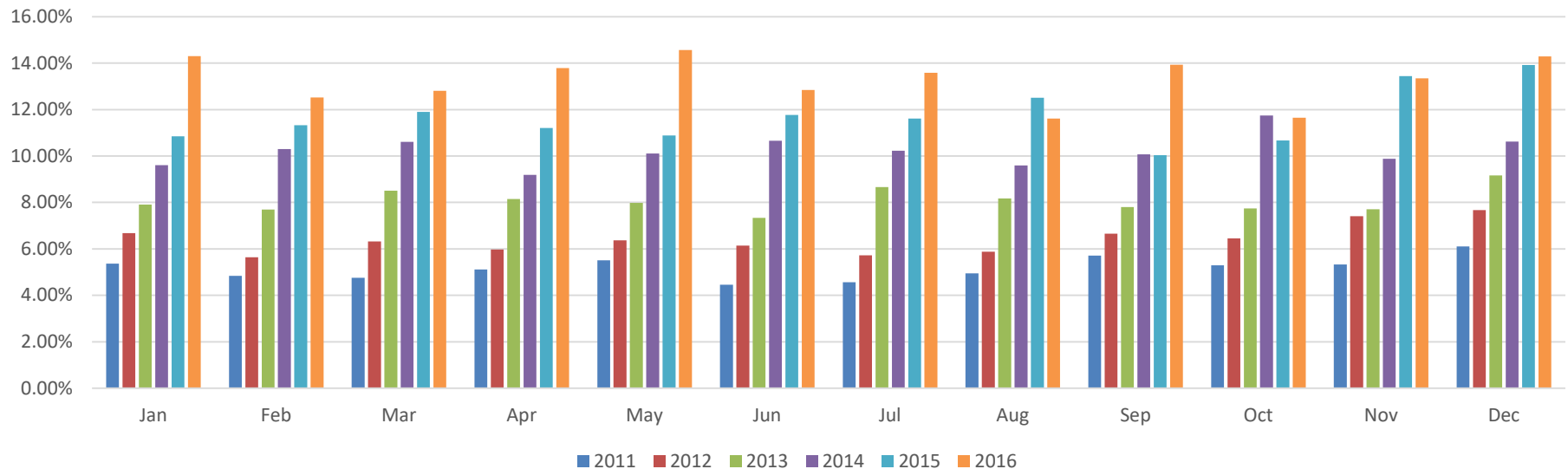
ASSET MANAGEMENT

CASE STUDY #2 | INCREASING RECOVERY RATES



- **What happened:** GS2 took over management of a portfolio of charged-off private student loans in Nov-12
- **Problem:** Recovery rates were materially lower than they should have been
- **Solution:** Underperforming collection agencies were fired, strong performing agencies were rewarded with higher shares of inventory and additional agencies were added. Settlement rate guidelines were enhanced, rotations among agencies were increased in frequency, and an additional pre-litigation segment was created
- **End result:** Recovery rates have consistently shown strong growth YOY, with the latest batches liquidating at rates 200%-300% higher 24 months from placement than pre-GS2 levels

Liquidations by Batch - 24 Months from Placement





M1 MeasureOne™

EFC Presentation

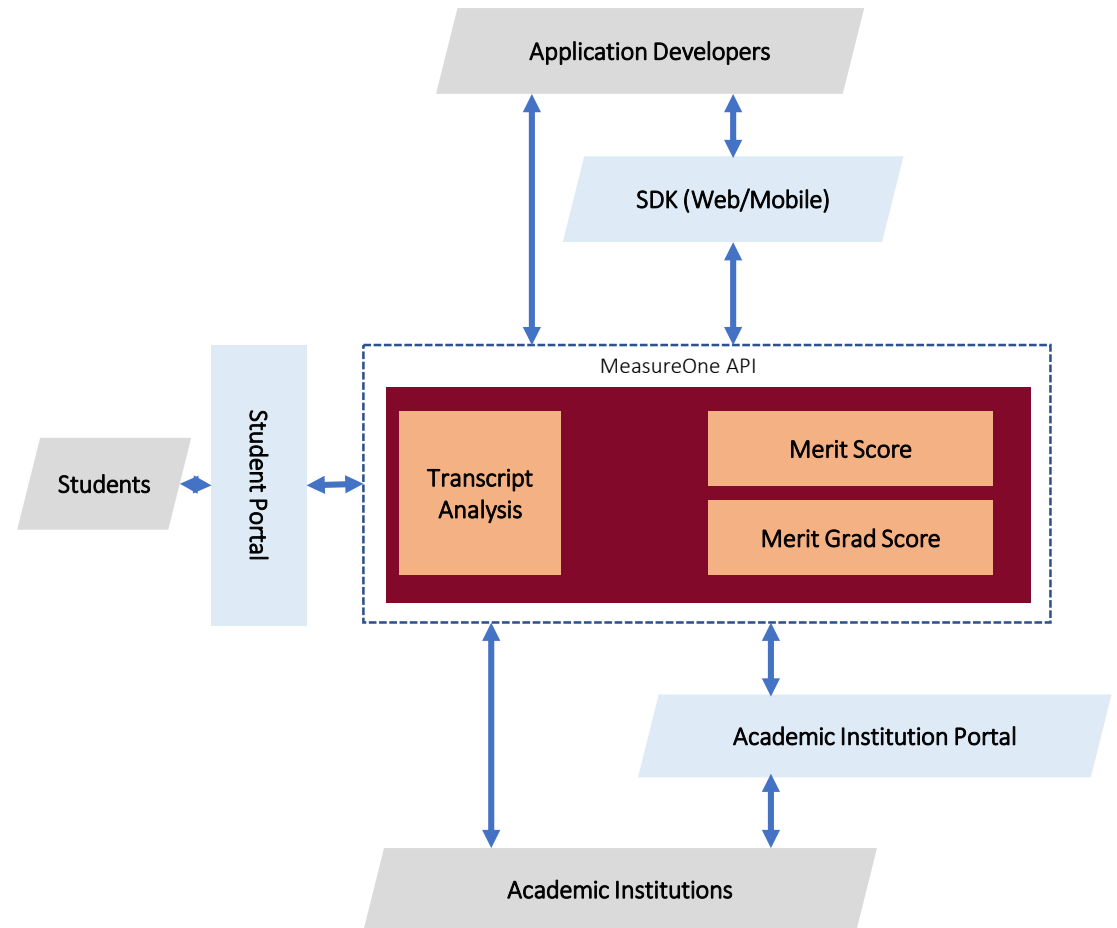
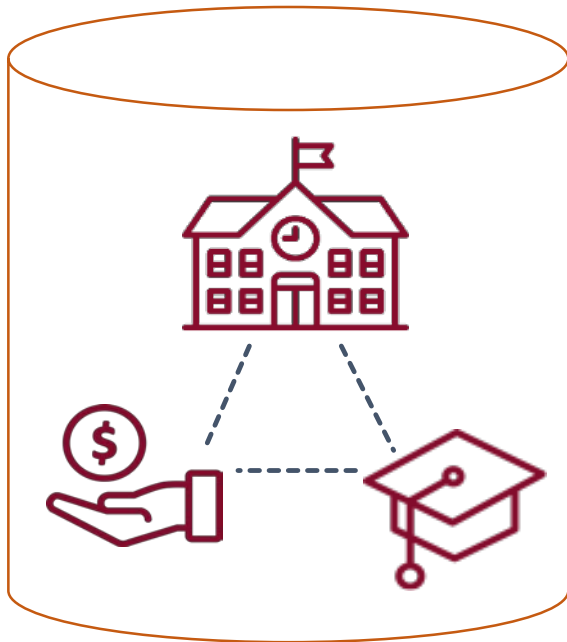
*To enable emerging consumers
to maximize benefits from their
academic achievements*

Overview

- Data-as-a-Service pioneer for predictive analytics based on academic data
- HQ in San Francisco, offices in Dallas and Ahmedabad, India
- Strong team and investor group

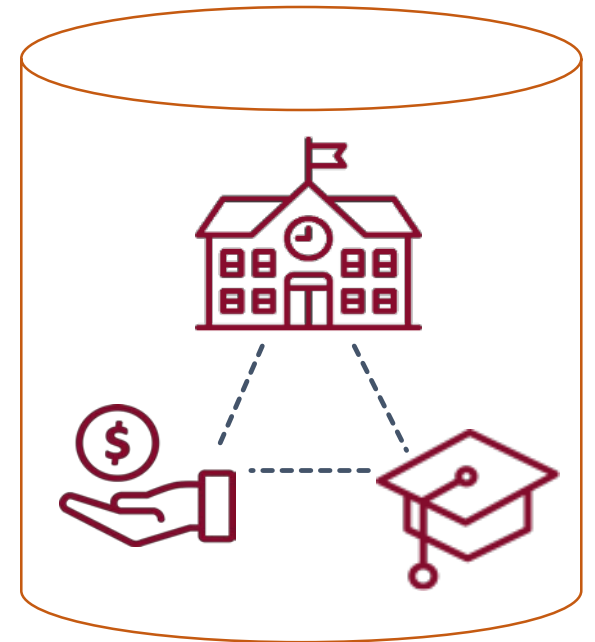


MeasureOne Verafi Platform



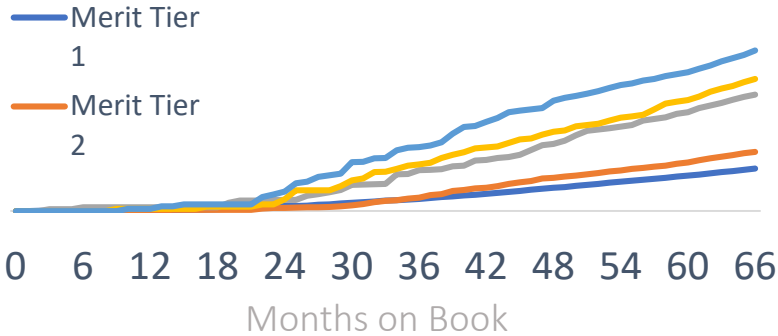
MeritScore: World's First Predictive Academic Credit Score

- Establishes predictive link between individualized academic data and credit performance
- Proprietary Data set: 1.5 million students, 5 million student loans
 - Covers student loan performance before, during and after the financial crisis
 - Sub-sample of data covers auto, credit card and personal loans
- FCRA approved
- In production with several lenders

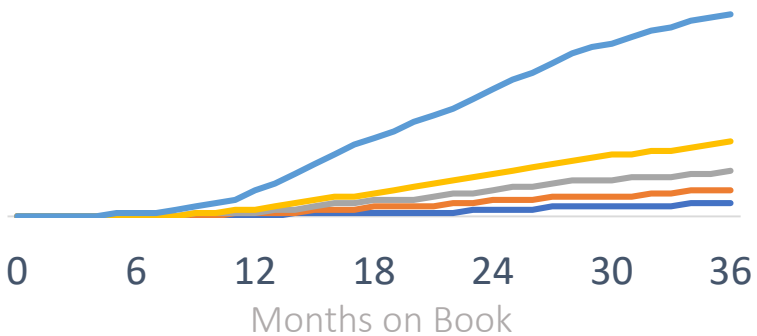


Highly Predictive

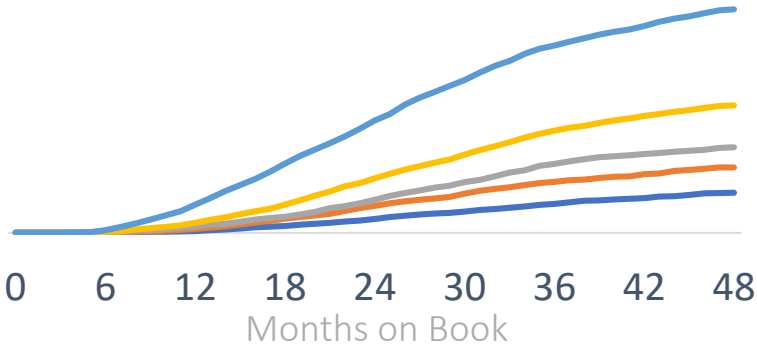
Student Loan Defaults



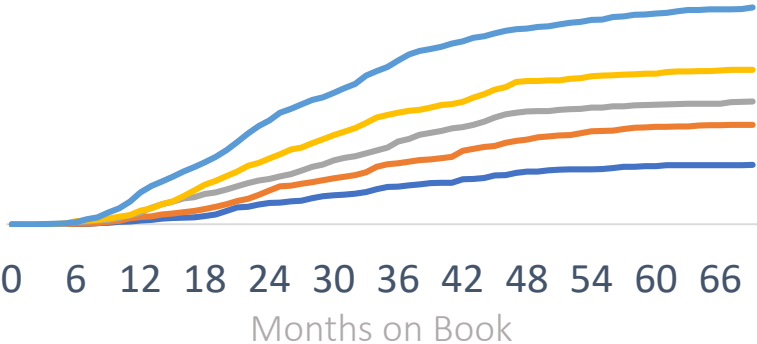
Auto Loan Defaults



Credit Card Defaults



Personal Loan Defaults



Higher Education

SERVICING CORPORATION

Phillip Wambsganss
Executive Director

Trends and Strategies for the Management of Education Loan Portfolios
March 2019

Overview

Who We Are

North Texas Higher Education Authority, Inc. (NTHEA) and Higher Education Servicing Corporation (HESC)

North Texas Higher Education Authority, Inc. (NTHEA) and Higher Education Servicing Corporation (HESC) were founded in 1978 as private, non-profit organizations to ensure access to higher education by providing low-cost education loans, borrower focused loan servicing, and student success oriented outreach programs.

Our In-House Administrator

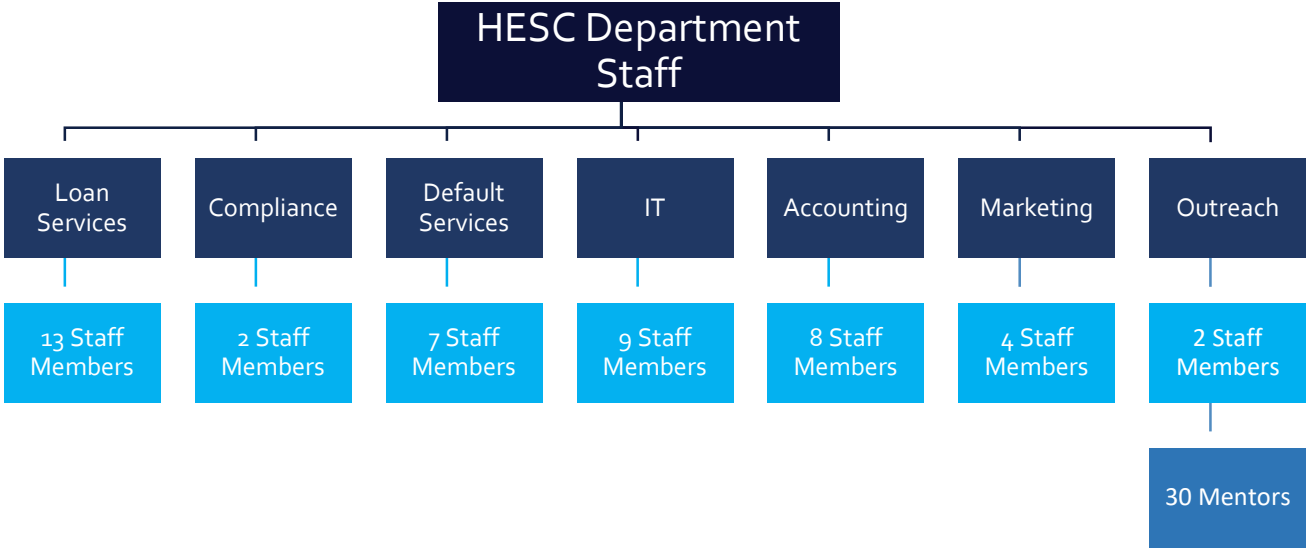
HESC acts as the in-house servicer and administrator for NTHEA's Federal Family Education Loan Program (FFELP) loan portfolios as well as various third-party federal and private education loan holders.

Our Future

Although some of our traditional activities have changed due to the elimination of the FFELP, we remain committed to our servicing clients and borrowers and to supporting students in their goal of attaining a higher education by providing superior life-of-loan servicing and exceptional educational outreach programs.

Our Team

Organization and Staff



Operations

Loan Portfolios

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Historical

- Celebrating 40 years
- NTHEA acquired billions in FFELP loans
- Serviced and administered over 1 million loans
- HESC has been originating and servicing private education loans since 2000

Today

- NTHEA holds ~\$1 billion in FFELP loans
- HESC services and administers ~\$1.2 billion in FFELP and private loans

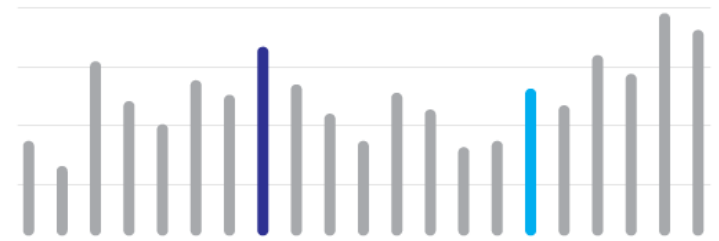
Data as of December 2018

Performance

Loan Services

Servicing Stats

- FFELP Delinquency Rate = 9.4%
- Private Loan Delinquency Rate = 1.3%
- Online Chat Satisfaction Rating = 100%
- Avg. Speed to Answer = 39 seconds
- Avg. Talk Time = 4.2 mins
- Avg. Call Abandon Rate = 4%
- Avg. Time to Abandonment = 64 seconds



Data as of December 2018

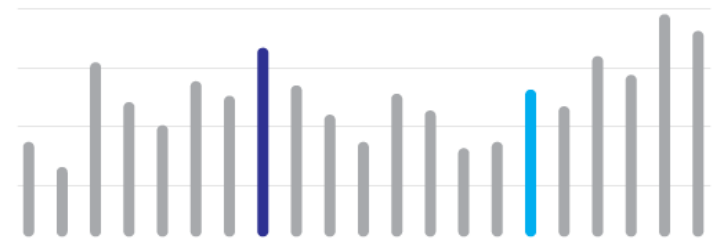
Performance

Default Services

Default Prevention

- Manual Collection Calls
- Supplemental Due Diligence
 - Additional Calls
 - Email Notifications
- FFELP Delinquency Resolution
 - Payments = 25.0%
 - Claim Paid = 7.8%
 - Deferment = 2.8%
 - Consolidation = 2.5%
 - Forbearance = 61.9%
 - ✓ 35% Bring current
 - ✓ 53% =/ $<$ 6 mos
 - ✓ 12% $>$ 6 mos

Data as of December 2018





HELIUM

Expanding the Possibilities of Loan
Servicing

Servicing

HELIUM System

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Expanding the Possibilities of Loan Servicing

- After years of in-house development, systematic testing using our own SMEs, and 12 months of parallel testing, HESC launched HELIUM on January 1, 2017.
 - ✓ Modern Technology
 - Built with AJAX enabled Microsoft .NET and SQL Server
 - Designed using Microsoft Visual Studio
 - ✓ Efficient Structure
 - Cutting edge database management
 - Multithreaded programming
 - Real time batch processing and database backups
 - ✓ Client Friendly
 - Windows style look & feel for easier CSR deployment
 - Web based interface requires no client side installation
 - Lender level due diligence settings for calls and letters
 - Loan level settings for allowed deferments, forbearances, and incentives



Servicing

HELIUM System

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The screenshot shows the HELIUM Servicing Borrower InfoView application. The browser address bar indicates the URL is localhost/Helium/Servicing/Borrower/BorrowerInfoView.aspx?bid=14. The application header includes the HELIUM logo, a date selector for 7/2/2015, and a 'Change Date' button. A navigation menu contains tabs for PAYMENTS, SERVICING, QUEUES, CAMPAIGN, REPORTS, and ADMINISTRATION.

Person Search
Search: Borrower by Ssn *8981 [Go] [Reset]

Borrower Information
MARCI T SMITH SSN: 123588981 BIN: 5001486150
 Borrower Loans Notifications Claims Cures History

Borr Info | Demographics | Current Address | Phone & Email | Addresses | Phones | Emails | Associated Loans | References | Payoff Calc | IBR Estimator | Enrollment | Repay Terms | ACH | Incentives/SCRA | Deferments/Forbearances | Time Used | Skip Trace | Due Diligence | Bill Statements

[Add QuickNote]

MARCI T SMITH
 1234 MAIN STREET
 DESOTO, TX 75115
 MARCIJACKSON7271@YAHOO.COM

Home: (555) 222-5555 Cell: Work:
 Date of Birth: 11/4/1975 Left School: 4/28/2015
 Auto Debit: No Incarcerated: No

Last Pay Dt: None Last Pay Amt: 0.00
 Due Date: 7/10/2015 Total Amt Due: \$193.27
 Past Due Dt: Days Past Due: 0
 IBR Status Dt: IBR Status:
 Disc Forb Time: Fed: 2071d available (123d ended, 0d active)

Payment Instructions
 Special Instructions: Additional Funds: Advance Due Date

Loan #	Guar Loan #	Lender	Type	State	1st Disb	Int Rate	Prin Bal	Int Bal	Monthly Payment	Repay Type	
T01-01	G01	834544	SF	Repayment Current	5/21/2007	6.800%	\$2,847.51	\$10.22	\$33.15	Standard	
T01-02	G02	834544	SU	Repayment Current	5/21/2007	6.800%	\$2,657.19	\$117.83	\$30.94	Standard	
T01-03	G04	834544	SU	Repayment Current	9/27/2007	6.800%	\$6,212.68	\$275.49	\$72.34	Standard	
T01-04	G03	834544	SF	Repayment Current	9/27/2007	6.800%	\$4,881.48	\$19.17	\$56.84	Standard	
TOTALS:								\$16,598.86	\$422.71	\$193.27	

System Alerts
 Last LaRS Date: 06/30/2015
 Conversion Date: 02/23/2016

Quick Links
[Add a New Loan](#)
[Add Borrower](#)
[Return to Skip Trace Queue](#)
[Return to Due Diligence Queue](#)
[Return to DAAR Queue](#)
[Add Monetary Adjustment](#)
[Queue Inquiry](#)

Confidential Information

Servicing

HELIUM System

Functional Improvements through HELIUM

- Payment reversal and reapplication – past payments can be removed easily with recalculation of principal and interest on all subsequent payments
- Auto application of payment across all borrower's loans
- Auto application of borrower incentives
- Auto processing of backdated enrollment updates - HELIUM will automatically adjust grace, out of school date, repayment conversion date and first payment due and apply and/or adjust in school deferments as needed
- Auto application of backdated payments, deferments, forbearances, incentives, SCRA updates, etc.
- Reports can be viewed in a variety of formats
- Unlimited number of due diligence calls and letters can be scheduled

Servicing

HELIUM System

Functional Improvements through HELIUM

- Ability to export monetary history to XLS
- Ability to sort call/work queues
- Search by partial name, endorser, reference, and demographic information
- Filters/keyword search ability in history
- Auto calculation of repayment terms when processing repayment plan changes
- Retroactive adjustments can be processed in 1 day (in most cases)
- Auto processing of CAM Enrollment
- Edits built in to assist Deferment/Forbearance processing (prevents applying def/forb that account is not eligible for or for periods longer than allowed)
- Improved layout and modern design of borrower communications
- Enhanced borrower website services
- And so much more

Servicing

Borrower Portal

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The screenshot shows a web browser window with the URL <https://www.hescloans.com/accountAccess/>. The page features a blue header with the company logo and navigation icons. A left sidebar contains a menu with categories: WELCOME (JOHN DOE), ACCOUNT NUMBER (9999999999), MAIN (Dashboard, My Profile, Logout), MY LOANS (Loan Details, Make a Payment, Statements, Tax Statements), REQUESTS (Forms, Auto Pay, Postpone Payments), STAY IN TOUCH (Contact Us, Feedback), HELP & INFO (Repayment Calc, FAQs, Glossary), Disclaimer, and Privacy Policy.

Account Summary

Payment Due: **\$360.07** Due Date: **Mar 08, 2018** [Make A Payment](#)

Last payment of \$360.07 received 02/01/18

Your Account Information

Below you will find information about each of your loan(s) serviced by Higher Education Servicing Corp. as well as the current outstanding balance of your account.

Your Loans

Loan ID	Loan Type	Status	Amount Due	Due Date
T01-01	Stafford Unsub	Payment Due	\$75.83	03/08/18
T01-02	Stafford Unsub	Payment Due	\$72.22	03/08/18
T01-03	Stafford Sub	Payment Due	\$59.50	03/08/18
T01-04	Stafford Sub	Payment Due	\$54.09	03/08/18
T01-05	Stafford Unsub	Payment Due	\$11.94	03/08/18
T01-06	Stafford Unsub	Payment Due	\$86.49	03/08/18

Estimated Payoff Amount as of 02/28/2018 : \$21,112.56

[View All Loan Details](#)

What Does Your Loan Status Mean?

- **Payment Due** - Your payment is currently due.
- **Payment Past Due** - Your payment due date has passed. Late fees may be applied to your next billing statement.
- **No Payment Due** - Your next scheduled payment is not yet due.
- **In School** - You are currently enrolled in school (some programs may require payment).
- **Claim** - Your loan is in a claim status.
- **Deferred** - Your loan is in a deferment status (some programs may require payment).
- **Forbearance** - Your loan is in a forbearance status.
- **Grace** - You are currently in a grace period before full repayment (interest & principal) begins.
- **Partially Disbursed** - Your loan has been partially disbursed. Additional disbursement(s) pending.
- **Paid in Full** - Your loan is paid in full.

[Have Questions?](#)
Check out our FAQ section

[Update Your Info](#)
Access your Profile page

Recent Statements

Access **Statements** to view all available statements:

- February 14, 2018
- January 15, 2018
- December 15, 2017
- November 14, 2017
- October 16, 2017
- September 14, 2017

Servicing

Borrower Portal

An Updated User Experience

- Responsive design for mobile devices and tablets
- Dashboard provides a collection of the most relevant account information
- Data displayed in real-time
- Notices are used to display important messages such as missing address, phone, email or even late payment notification
- Certain pages can be shown/hidden based on loan program allowing for specific information to be displayed relevant to borrower's account
- Download statements on-demand
- Upload document feature
- E-signature of forms
- Widgets are placed throughout the portal to provide quick access to additional information/pages.

Communication

Statements & Letters



HELIUM Letter Generation

- Improved layout
- Modern design
- Configurable at lender level
- Customizable per lender
- Statements and letters can be delivered by mail or the borrower can sign-up for our paperless option

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John Doe
6526 Moon River Drive
Arlington, TX 76002

Repayment Schedule & Disclosure
This document is your Repayment Schedule and is a Disclosure Statement as defined under your original promissory note(s). You must repay your loan(s) in compliance with this schedule unless we agree to other repayment terms. This document in no way relieves the liability of any cosigner who signed the promissory note(s).
Additional disclosure information, including prepayment, deferment and forbearance, late fees and collection costs, default, etc. can be found on the back of this document.

Loan(s) Covered by this Document

Loan Type	Disb. Date	Interest Rate	Unpaid Principal Balance	Principal to be Repaid
			Total	Total

4381 W Green Oaks Blvd. • Suite 200 • Arlington, TX 76016
Phone: (817) 768-0001 • Fax: (817) 792-7878 • www.hedocs.com
Student Loan servicer for
AGGELAND CREDIT UNION

Account Number:

Loan Repayment Details

Repayment Start Date
The date finance charges begin to accrue for this disclosure

Unpaid Principal Balance
+ Accrued Unpaid Int. to be Capitalized

Principal Amount to be Repaid
+ Accrued Unpaid Int. Not Capitalized
+ Int. Payable during Repayment Period

Estimated Principal and Interest to be Repaid

Interest Previously Paid by Borrower
Interest paid prior to this disclosure

Repayment Schedule Summary

Total Number of Monthly Payments	Monthly Payment Due	Payment Due Date
Final Payment		

Subsequent payments are due on the same day of each month thereafter. These repayment terms are based on timely payments received on the scheduled due dates. Early, late or missed payments may result in an adjustment to your repayment terms. If your loan is subject to annual adjustments to the variable interest rate, your repayment terms may be adjusted to reflect these changes. These repayment terms and amounts are estimates as of

Outreach

Programs & Services

Making a Difference in our Community

- HESC provides Outreach Services throughout North Texas
- Our Outreach Division is branded as **inspirED**
- **inspirED** employs 30 work-study students to serve as campus mentors at 12 high school GO Centers in 5 school districts
- **inspirED's** services include:
 - College and Career Centers (known as *GO Centers*)
 - College Prep and FAFSA Prep Presentations and Workshops
 - Annual College Fair Events (known as *Destination Success*)
 - High School Counselor Programs and Services



Questions?

Phillip Wambsganss
Executive Director

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