

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 19, 2024

Navient Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-36228

(Commission File Number)

46-4054283

(IRS Employer Identification No.)

13865 Sunrise Valley Drive, Herndon, Virginia

(Address of principal executive offices)

20171

(Zip Code)

Registrant's telephone number, including area code (703) 810-3000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$.01 per share	NAVI	The Nasdaq Global Select Market
6% Senior Notes due December 15, 2043	JSM	The Nasdaq Global Select Market
Preferred Stock Purchase Rights	None	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On September 19, 2024, Navient Corporation (the “Company”) completed the sale of its equity interests in Xtend Healthcare, LLC, which comprised the Company's healthcare services business in its Business Processing segment to Coding Solutions Acquisition, Inc. (CorroHealth) for \$369 million (\$365 million of total consideration, plus an estimated \$4 million of working capital and other adjustments to the contractual price).

The unaudited pro forma financial information giving effect to the sale transaction is filed herewith as Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits.****(b) Pro Forma Financial Information.**

The following unaudited pro forma financial information of the Company is attached hereto as Exhibit 99.1 and is incorporated herein by reference:

- Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2024.
- Unaudited Pro Forma Condensed Consolidated Statements of Income for the year ended December 31, 2023 and for the six months ended June 30, 2024.
- Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements.

**(d) Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">99.1</a>	Unaudited Pro Forma Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NAVIENT CORPORATION

By: /s/ Joe Fisher

Name: Joe Fisher

Title: Chief Financial Officer

Date: September 20, 2024

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## NAVIENT CORPORATION

## UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On September 19, 2024, Navient Corporation (“Navient”) completed the sale of its equity interests in Xtend Healthcare, LLC, which comprised Navient’s Healthcare Services business in Navient’s Business Processing segment, to Coding Solutions Acquisition, Inc. (“CorroHealth”) for \$369 million (\$365 million of total consideration, plus an estimated \$4 million of working capital and other adjustments to the contractual price) (the “Healthcare Services sale transaction”).

The following unaudited pro forma condensed consolidated balance sheet as of June 30, 2024, is presented as if the Healthcare Services sale transaction had occurred on June 30, 2024.

The unaudited pro forma condensed consolidated statements of income for the year ended December 31, 2023, and the six months ended June 30, 2024, are presented as if the Healthcare Services sale transaction had occurred on January 1, 2023. The estimated gain on sale in connection with the Healthcare Services sale transaction is reflected in the unaudited pro forma condensed consolidated balance sheet within equity. The estimated gain on sale of \$216 million is not reflected in the unaudited pro forma condensed consolidated statements of income as it does not have a continuing impact on Navient’s results.

The unaudited pro forma condensed consolidated financial information has been prepared from Navient’s historical accounting records and, in accordance with Article 11 of SEC Regulation S-X, is subject to the assumptions and adjustments described in the accompanying notes. These assumptions and adjustments are based on information presently available. Actual adjustments may differ materially from the information presented. The unaudited pro forma condensed consolidated financial statements are based on the historical financial statements of Navient for each period presented and in the opinion of Navient management, all adjustments, and disclosures necessary for a fair presentation of the pro forma data have been made.

The unaudited pro forma condensed consolidated financial information includes pro forma adjustments which reflect transactions and events that (a) are directly attributable to the Healthcare Services sale transaction, (b) are factually supportable and (c) with respect to the statements of income, have a continuing impact on consolidated results. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed consolidated financial statements. The unaudited pro forma condensed consolidated financial information does not reflect future events that may occur after the Healthcare Services sale transaction, including any potential future cost savings that may be achieved.

These unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the results of operations or financial condition that would have been achieved had events reflected been completed as of the dates indicated or of the results that may be obtained in the future. These unaudited pro forma condensed consolidated financial statements and the notes thereto should be read together with Navient’s audited consolidated financial statements and the notes thereto as of and for the year ended December 31, 2023, and Management’s Discussion and Analysis included in Navient’s Annual Report on Form 10-K for the year ended December 31, 2023, as well as Navient’s unaudited consolidated financial statements and the notes thereto as of and for the six months ended June 30, 2024, and Management’s Discussion and Analysis included in Navient’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

*As of June 30, 2024 (in millions)*

	<b>As Reported</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma</b>
<b>Assets</b>			
FFELP Loans	\$ 32,940	\$ -	\$ 32,940
Private Education Loans	16,238	-	16,238
Investments	132	-	132
Cash and cash equivalents	1,088	362 (A)	1,450
Restricted cash and cash equivalents	2,918	-	2,918
Goodwill and acquired intangible assets, net	690	(113) (B)	577
Other assets	2,616	(41) (B)	2,575
Total assets	<u>\$ 56,622</u>	<u>\$ 208</u>	<u>\$ 56,830</u>
<b>Liabilities</b>			
Short-term borrowings	\$ 5,326	\$ -	\$ 5,326
Long-term borrowings	47,545	-	47,545
Other liabilities	1,003	42 (B) (C)	1,045
Total liabilities	<u>53,874</u>	<u>42</u>	<u>53,916</u>
<b>Equity</b>			
Total equity	<u>2,748</u>	<u>166 (D)</u>	<u>2,914</u>
Total liabilities and equity	<u>\$ 56,622</u>	<u>\$ 208</u>	<u>\$ 56,830</u>

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**

*For the year ended December 31, 2023 (in millions, except per share amounts)*

	<b>As Reported</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma</b>
Total interest income	\$ 4,419	\$ -	\$ 4,419
Total interest expense	3,557	-	3,557
Net interest income	862	-	862
Less: provisions for loan losses	123	-	123
Net interest income after provisions for loan losses	739	-	739
<b>Other income (loss):</b>			
Servicing revenue	64	-	64
Asset recovery and business processing revenue	321	(121) (E)	200
Other income	21	-	21
Losses on debt repurchases	(8)	-	(8)
Gains (losses) on derivative and hedging activities, net	11	-	11
Total other income	409	(121)	288
<b>Expenses:</b>			
Salaries and benefits	401	(80) (E)	321
Other operating expenses	399	(21) (E)	378
Total operating expenses	800	(101)	699
Goodwill and acquired intangible asset impairment and amortization expense	10	(4) (E)	6
Restructuring/other reorganization expenses	25	(2) (E)	23
Total expenses	835	(107)	728
Income before income tax expense	313	(14)	299
Income tax expense	85	(3) (F)	82
Net income	\$ 228	\$ (11)	\$ 217
<b>Per Share Amounts:</b>			
Basic earnings per common share	\$ 1.87		\$ 1.78
Average common shares outstanding	122		122
Diluted earnings per common share	\$ 1.85		\$ 1.76
Average common and common equivalent shares outstanding	123		123

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**

*For the six months ended June 30, 2024 (in millions, except per share amounts)*

	<b>As Reported</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma</b>
Total interest income	\$ 2,000	\$ -	\$ 2,000
Total interest expense	1,718	-	1,718
Net interest income	282	-	282
Less: provisions for loan losses	26	-	26
Net interest income after provisions for loan losses	256	-	256
<b>Other income (loss):</b>			
Servicing revenue	35	-	35
Asset recovery and business processing revenue	158	(60) (E)	98
Other income	13	-	13
Gains (losses) on derivative and hedging activities, net	46	-	46
Total other income	252	(60)	192
<b>Expenses:</b>			
Salaries and benefits	188	(38) (E)	150
Other operating expenses	162	(9) (E)	153
Total operating expenses	350	(47)	303
Goodwill and acquired intangible asset impairment and amortization expense	5	(2) (E)	3
Restructuring/other reorganization expenses	17	-	17
Total expenses	372	(49)	323
Income before income tax expense	136	(11)	125
Income tax expense	27	(3) (F)	24
Net income	\$ 109	\$ (8)	\$ 101
<b>Per Share Amounts:</b>			
Basic earnings per share	\$ 0.98		\$ 0.90
Average common shares outstanding	112		112
Diluted earnings per share	\$ 0.97		\$ 0.89
Average common and common equivalent shares outstanding	113		113

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(A) Adjustment represents the net cash received from the sale of our Healthcare Services business (\$369 million of cash consideration less \$7 million of estimated cash costs directly associated with the transaction).

(B) Adjustments represent the elimination of the assets and liabilities of our Healthcare Services business that was sold.

(C) Adjustment represents an increase in current tax liabilities of \$50 million as a result of the gain recognized on the sale of our Healthcare Services business offset by the elimination of \$8 million of liabilities attributable to our Healthcare Services business.

(D) Adjustments reflect the pretax gain on the sale of our HealthCare Services business of \$216 million (\$166 million net of tax) calculated as follows:

<i>(in millions)</i>	
Cash received (net of selling and other expenses)	\$ 362
Less: Carrying value in Healthcare Services business	146
Pro forma gain before income tax expense	<u>216</u>
Less: Income tax expense	50
Pro forma net gain on sale of our Healthcare Services business	<u>\$ 166</u>

The pro forma net gain of \$166 million is reflected as an adjustment to retained earnings. This amount is based on historical information as of June 30, 2024 for Navient Corporation's carrying value of its Healthcare Services business. The actual net gain will be based on Navient Corporation's carrying value in the Healthcare Services business as of September 19, 2024.

(E) Adjustments reflect the elimination of revenues, costs and expenses directly attributable to our Healthcare Services business. Adjustments do not include: (1) certain general corporate and segment overhead costs previously allocated to the Healthcare Services business that will have a continuing effect on Navient post-closing or (2) any potential future cost savings that may be achieved.

(F) Adjustment reflects the estimated income tax effect of the pro forma adjustments at the statutory rate directly related to the Healthcare Services business.