

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Navient Corporation
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

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- No fee required.
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 - (2) Aggregate number of securities to which transaction applies:

 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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AN IMPORTANT REMINDER TO SUBMIT YOUR PROXY TO VOTE AT OUR ANNUAL MEETING OF SHAREHOLDERS ON MAY 24, 2018

Navient's Independent Directors Urge You to Vote AGAINST Shareholder Proposal No. 4

May 16, 2018

Dear Fellow Shareholders:

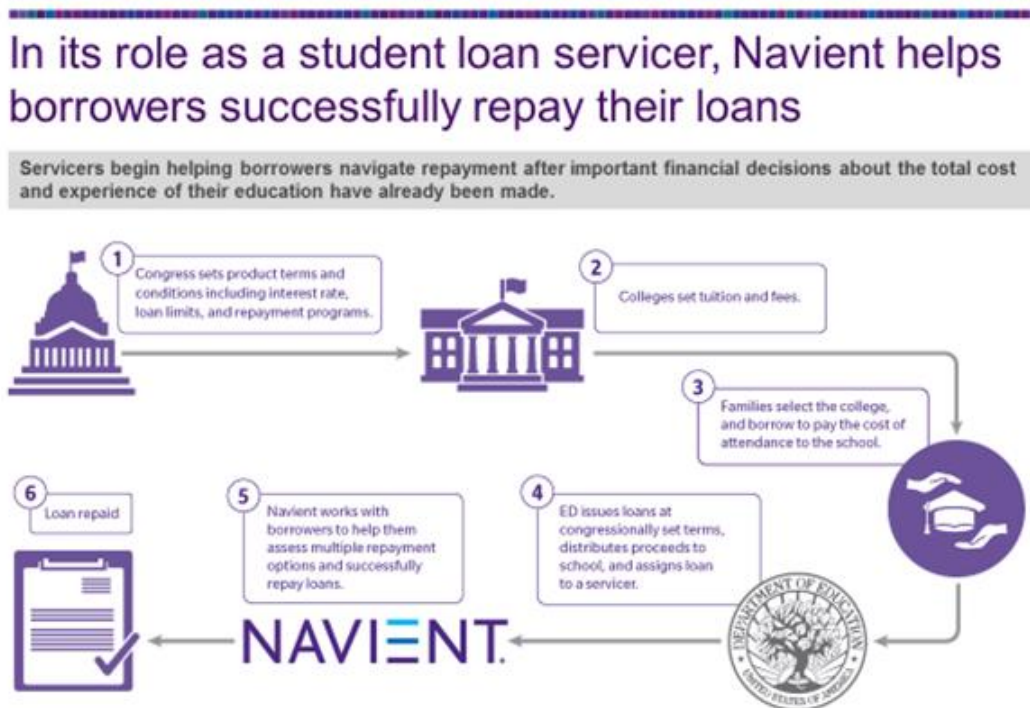
The Board of Directors of Navient Corporation urges you to vote **AGAINST** Proposal No. 4, a proposal sponsored by the AFL-CIO Reserve Fund and the Employees' Retirement System of Rhode Island requesting that Navient prepare a report on the governance measures it has implemented "to more effectively monitor and manage financial and reputational risks related to the student loan crisis in the United States." One proponent has filed an open letter urging Navient shareholders to vote for Proposal No. 4 ("Proponent Letter").

Our statement in opposition to the proposal, which summarizes why we believe the proposal is not helpful to shareholders or other stakeholders, can be found in Navient's proxy statement. We believe that the proposal in general, and the Proponent Letter, in particular, reflect a fundamental misunderstanding of the real drivers of student loan concerns and the role of student loan servicers in addressing these drivers.

BOTH THE PROPOSAL AND THE PROPONENT LETTER MAKE FREQUENT REFERENCE TO A STUDENT LOAN CRISIS AND GROWING LEVELS OF STUDENT LOAN DEBT. YET NAVIENT, LIKE MOST STUDENT LOAN SERVICERS, DOES NOT SET TUITION LEVELS, MAKE THE LOANS TO BORROWERS TO PAY THAT TUITION OR SET THE TERMS OF THOSE LOANS.

Student Loan Servicers Do Not Interact with Borrowers Until After College Selection and Borrowing Decisions Have Already Occurred.

- As illustrated in the following chart,¹ Navient's role as a servicer begins after borrowers have made decisions about the cost of their education. The role of the servicer is confined to following its contractual requirements with the Federal government, and applicable law.



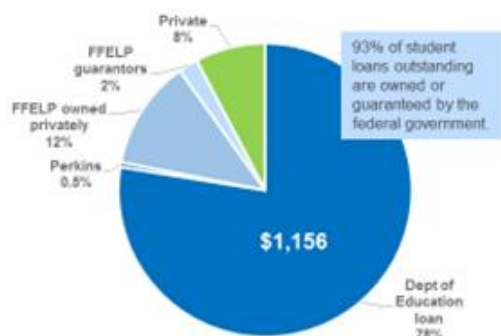
The Federal Government, Not Navient, Sets Eligibility, Interest Rates, and Other Terms of Virtually All Student Loans.

- Both the proposal and the Proponent Letter suggest that student loan servicers like Navient are a contributing factor to the level of student loan debt in the United States and a source of a student loan crisis. ***In fact, 93% of all student loans are owned or guaranteed by the Federal government, which sets borrowing eligibility, loan amounts, interest rates and repayment options.***
- Servicers of federally-owned loans (78% of all loans) do not keep the interest on the loans, are not paid based on how much debt students borrow, and make substantially less for borrowers who delay their payments through forbearance. The fees and performance measures for federal student loan servicers create incentives to keep borrowers current; the fees are based on number of borrowers—and not debt—so servicers have no incentives to see students borrow more or see them fall behind on their debts.

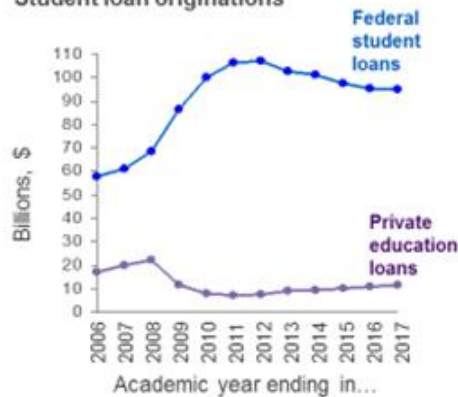
Federal government is the largest consumer lender, owning/guaranteeing \$1.4 trillion in student loans

- Federal loan interest rates, limits and terms are set by Congress.
- All federal loans are issued directly by the U.S. Department of Education since 2010 when federally guaranteed loans ended.
- Federal loans have no traditional underwriting, and no truth in lending disclosures.
- In AY 16-17, ED disbursed \$95B in student loans, a decline from peak of \$117B in AY 10-11.

Outstanding student loans, \$1.5 trillion



Student loan originations



Source: Outstanding data as of 12/31/17, from FSA Data Center Federal Reserve G-19 report, originations from College Board, "Trends in Student Aid 2017"

THE PROPOSAL REFERENCES "INCREASED DEFAULTS" AND THE PROPONENT LETTER REFERENCES "GROWING STUDENT LOAN DELINQUENCY TRENDS."

In Fact, Delinquency and Default Rates Have Been Declining.

- In the past three years, nationally, the percent of federal borrowers who are seriously past due on their payments has decreased 24%, while the percent of federal dollars delinquent by 90 days or more has decreased by 19%.
- Each graduating class serviced by Navient since 2010 has experienced better delinquency rates as the economy has improved.
- Since December 2015, the rate of federal borrowers entering default has decreased by 20%, according to Department of Education data.

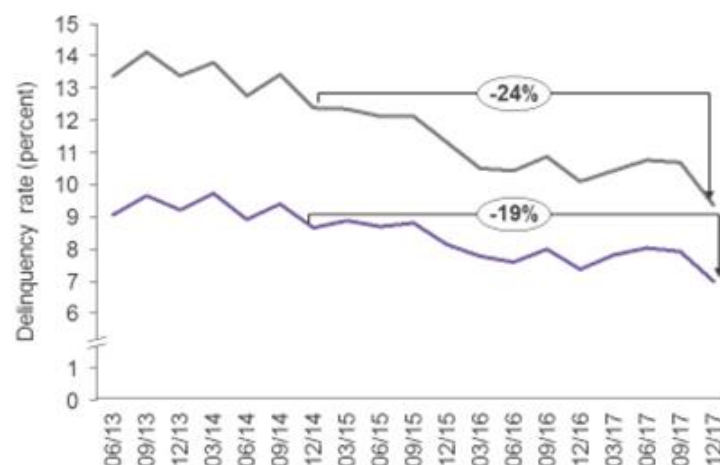
FSA data shows an ongoing decline in the percent of federal borrowers and dollars delinquent

Federal loan delinquency rates have declined over the last three years.

In the past three years, the percent of federal borrowers who are seriously past due on their payments has decreased 24%, while the percent of federal dollars delinquent by 90 days or more has decreased by 19%.

Percent of Direct Loan borrowers and dollars 90+ days delinquent

— Percent of borrowers delinquent — Percent of dollars delinquent



Notes: Percent calculated from all seriously delinquent (90+ days) borrowers in repayment, because of seasonality when loans enter repayment, comparisons should be made on a year-over-year basis, not sequential quarters.

SOURCE: FSA Data Center, "Direct Loan Portfolio By Delinquency Status" & "Direct Loan Portfolio By Loan Status"

Delinquency rates for the Class of 2016 are one-third that of the Class of 2010

Federal loan delinquency rates six months after end of grace period and unemployment for bachelor's degree holders



Source: Navient data and US Bureau of Labor Statistics, Unemployment Rate - College Graduates - Bachelor's Degree, 25 to 34 years [QGB02534], retrieved from FRED, Federal Reserve Bank of St. Louis. Excludes consolidation loans which have lower delinquency rates. Class of 2016 data includes borrowers who entered repayment between November 2016 and January 2017.

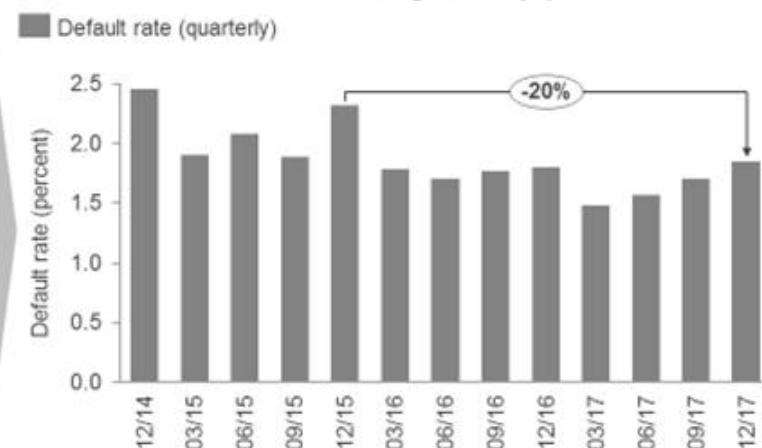
The rate of federal borrowers entering default in Q4 2017 was 20 percent lower than in Q4 2015

The rate of borrowers entering default is declining.

Since December 2015, the rate of federal borrowers entering default has decreased by 20%.

The actual number of borrowers entering default decreased by 7% when comparing Dec. 2015 to Dec. 2017 (from 336,200 to 312,200) while the number of borrowers in repayment climbed 17% over that period.

Rate of Direct Loan borrowers entering default by quarter



Notes: Because of seasonality when loans enter repayment, comparisons should be made on a year-over-year basis, not sequential quarters; default rate is non-annualized, and represents unique borrowers entering default in the quarter as a percent of borrowers in repayment. According to FSA, "Because defaulted federal student loans are rarely written off, Federal Student Aid's open stock of defaults continues to grow even as delinquencies and new defaults have declined. For the fifth consecutive quarter, new Direct Loan defaults have decreased as a percentage of recipients in repayment the previous quarter."

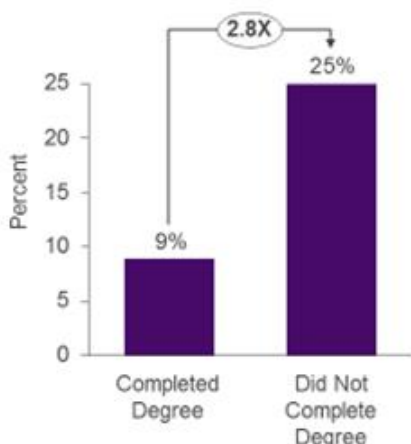
SOURCE: FSA Data Center, "Direct Loans Entering Default"

- While delinquency and default rates are declining, it is important to recognize that the most significant challenges are among individuals who borrowed relatively small amounts—generally a signal that they did not complete college. A White House report published in 2016 by the Obama administration showed that two-thirds of defaults came from borrowers with less than \$10,000 in balances. At these levels, it is clear these are borrowers who went to college, borrowed, but did not complete their degree. Those who did not complete are nearly three times as likely to default as those who achieved their degree.²

The borrowers who struggle most are often non-completers with less than \$10,000 in debt

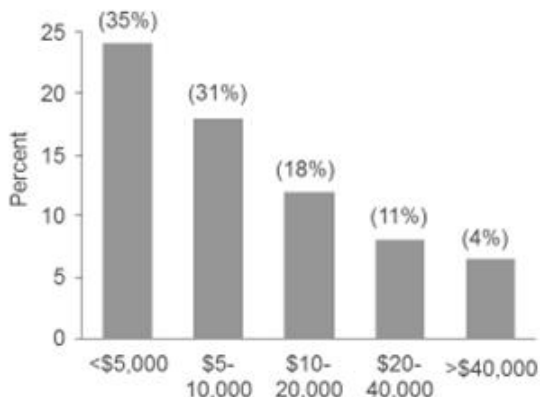
Borrowers who do not complete a degree default at a rate almost three times higher than borrowers who earned a degree ...

Borrowers in default by attainment



... As a result, borrowers who run into trouble repaying usually have below-average amounts of debt.

3-Year Default Rate by loan size, 2011 Repayment Cohort (parentheses contain share of all defaults)



Source: President's Council of Economic Advisors, "Investing in Higher Education: Benefits, Challenges, and The State Of Student Debt," July 2015
Note: Years are fiscal years. Loan size is based on balance of loan when entering repayment.

CONTRARY TO THE ASSERTIONS IN THE PROponent LETTER AND THE PROPOSAL, NAVIENT IS NOT A SOURCE OF A "STUDENT LOAN CRISIS". RATHER NAVIENT CONSISTENTLY OUTPERFORMS OTHER STUDENT LOAN SERVICERS AND IS THE SOURCE OF THOUGHTFUL, ACTIONABLE PROPOSALS THAT WOULD HELP ADDRESS SOME OF THE ROOT CAUSES OF STUDENT LOAN BORROWER DISTRESS.

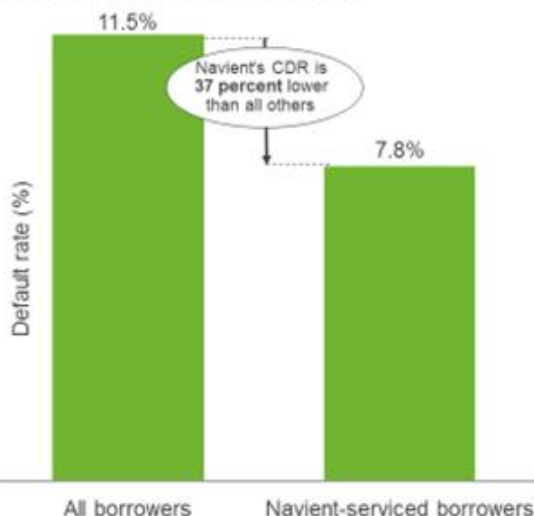
Navient Has a Long Track Record of Supporting Borrower Success and Producing Leading Outcomes.

- In carrying out its role as a loan servicer, Navient has earned an excellent track record, as demonstrated by metrics such as delinquency rates and default rates that are substantially better than those of loans serviced by its competitors. In fact, according to the latest Cohort Default Rate, borrowers serviced by Navient were 37% less likely to default than others. [3](#)

Navient's default prevention expertise has been a key factor in the decline of the national default rate

- The cohort default rate (CDR) measures the percent of borrowers who defaulted on a student loan within three years of entering repayment.
- In 2017, the Department of Education announced the 2014 CDR was 11.5 percent, a small increase from 2016 (11.3%) and a significant decrease since 2013 (14.7%).
- The CDR for Navient-serviced customers was 7.8 percent, 37 percent lower than the national rate excluding Navient-serviced borrowers.
- Our outreach to borrowers is key. Nine times out of 10, if we can reach a struggling borrower, we can help him or her avoid default.

2014 three-year cohort default rate



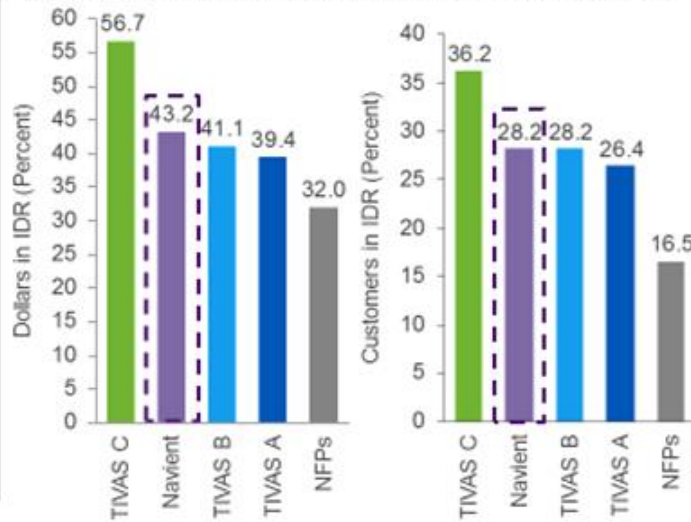
Source: "Official Cohort Default Rates for Schools," [Federal Student Aid](#) 9/27/17, Navient data
The 2014 Cohort Default Rate analyzes data from the group of borrowers who entered repayment between Oct. 1, 2013, and Sept. 30, 2014, and who defaulted in a three-year window by fall of 2016. To isolate the difference in defaults between Navient borrowers and others, the difference is calculated by removing Navient's marketshare from the overall national cohort default rate; the resulting CDR for non-Navient serviced borrowers is 12.4%.

- Navient educates borrowers about repayment options and facilitates enrollment in alternative payment plans such as income-driven repayment. In fact, Navient leads comparable servicers in volume of loans enrolled in plans based on income.

Navient is a significant facilitator of IDR enrollment for student borrowers

- Navient-serviced loans represent the second-highest concentration of IDR enrollment in dollars with over 43% of dollar volume in IDR—representing 28% of borrowers.
- Navient promotes IDR through more than 154 million communications annually.
- Excluding Public Service Loan Forgiveness (PSLF), which are handled by PHEAA, Navient leads major servicers in IDR enrollment.

December 2017 IDR enrollment by servicer as a percentage of all borrowers in repayment by loan volume and total borrowers

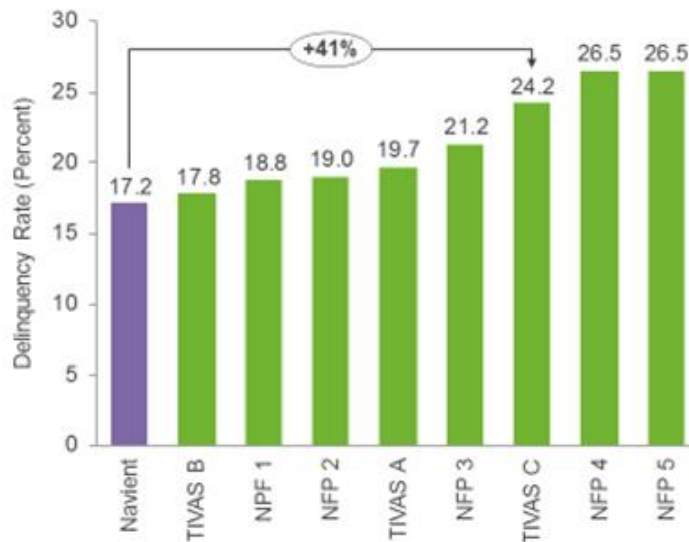


Source: Federal Student Aid, "Federal Student Loan Portfolio - FSA Data Center," U.S. Department of Education, as of December 2017, accessed 4/6/2018. Chart represents ED-owned federal loans. Excluding Parent PLUS loans which are not eligible for these payment plans, 53% of ED-owned balances serviced by Navient are enrolled in IDR.

Navient helps the highest risk borrowers lower their risk of default

- Navient is the best performing servicer in preventing defaults among borrowers identified as highest risk – those who did not graduate and who are new to repayment.
- The Navient difference ranges from 4 to 54 percent and is 41 percent better than the worst performing TIVAS.
- As December 31, 2017, 85% of the federal student loan portfolio was serviced by the four TIVAS. The other 15% were serviced by not-for-profit servicers.

Serious delinquencies (90+ days) for borrowers who did not complete their degree and who are new to repayment (<3 years)



Source: Federal Student Aid, "Federal Servicer (TIVAS and NFP) Results," Information for Financial Aid Professionals, 12/31/17, released May 2018.

1 For more information please see navient.com/facts.

2 See https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160718_cea_student_debt.pdf.

3 See <https://news.navient.com/news-releases/news-release-details/federal-student-loan-borrowers-serviced-navient-are-37-less>.

- Navient’s proactive, multi-channel communications approach leads other servicers in helping at-risk borrowers avoid default. According to data released in May 2018, borrowers who did not graduate and who are new to repayment were most successful if their loans were serviced by Navient.

Navient Continually Improves Its Programs and Has Proposed a Series of Student Loan Reforms to Address the Real Drivers of Student Loan Concerns.

- Navient regularly updates its servicing program to address the needs we see through our customer feedback analysis and customer research. For example, we have overhauled our customer website to make it easier to navigate, created more visible reminders for payment plan deadlines, established a specialized team to serve military customers, sped up payment processing times, and added functionality to more easily direct payments. Navient also developed, piloted, and implemented a new process to help enroll struggling FFELP borrowers in IDR plans, significantly reducing the number of steps to complete IDR applications.
- Navient has developed a series of practical recommendations for reforms that would make a meaningful difference to struggling student loan borrowers, including simplifying repayment plans, streamlining income-driven repayment enrollment processes, enabling courtesy credit bureau retractions, bankruptcy reform, and financial education. For example, see “[Truth in student lending: What borrower complaints say about improving student loans.](#)” and “[The student loan crisis we should work together to solve](https://news.navient.com/views-speeches)” at <https://news.navient.com/views-speeches>.

CITED ALLEGATIONS ARE UNPROVEN AND UNFOUNDED AND DO NOT SUPPORT THE PROPOSAL

Lastly, the Proponent Letter as support for the Proposal cites certain pending actions by the Consumer Financial Protection Bureau (CFPB) and by the Attorneys General of the States of Illinois, Washington, and Pennsylvania, suggesting Navient’s business practices—as characterized by the unproven allegations contained in these lawsuits—are a source of a student loan crisis. ***In fact, Navient has denied these allegations, and no court has determined that it engaged in any of the practices being alleged. Navient is vigorously defending itself against these actions and has published its response at navient.com/facts.***

For all the reasons set forth in our proxy statement and this letter, we urge our shareholders to vote **AGAINST** Proposal No. 4.

Sincerely,



John F. Remondi
President and Chief Executive Officer



William M. Diefenderfer, III
Chairman of the Board of Directors
