UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 001-36228

Navient Corporation

(Exact name of registrant as specified in its charter)

Delaware	**46-4054283**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
13865 Sunrise Valley Drive, Herndon, Virginia 20171	**(302) 283-8000**
(Address of principal executive offices)	*(Telephone Number)*

(302) 283-8000
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

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

As of September 30, 2025, there were 97,506,705 shares of common stock outstanding.

NAVIENT

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Organization of Our Form 10-Q

The order and presentation of content in our Quarterly Report on Form 10-Q (Form 10-Q) differs from the traditional Securities and Exchange Commission (SEC) Form 10-Q format. Our format is designed to improve readability and to better present how we organize and manage our business. See Appendix A, "Form 10-Q Cross-Reference Index" for a cross-reference index to the traditional SEC Form 10-Q format.

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This Form 10-Q contains “forward-looking” statements and other information that is based on management’s current expectations as of the date of this report. Statements that are not historical facts, including statements about our beliefs, opinions, or expectations and statements that assume or are dependent upon future events, are forward-looking statements and often contain words such as “expect,” “assume,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “may,” “could,” “should,” “goals,” or “target.” Such statements are based on management's expectations as of the date of this filing and involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties are discussed more fully under the section titled “Risk Factors” and include, but are not limited to the following:

- general economic conditions, including the potential impact of inflation and interest rates on Navient and its clients and customers and on the creditworthiness of third parties;
- increased defaults on education loans held by us;
- unanticipated repayment trends on education loans including prepayments or deferrals resulting from new interpretations or the timing of the execution and implementation of current laws, rules or regulations or future laws, executive orders or other policy initiatives that operate to encourage or require consolidation, abolish existing or create additional income-based repayment or debt forgiveness programs or establish other policies and programs which may increase or decrease the prepayment rates on education loans and accelerate or slow down the repayment of the bonds in our securitization trusts;
- a reduction in our credit ratings;
- changes to applicable laws, rules, regulations and government policies, as well as changing regulatory and governmental oversight;
- changes in the general interest rate environment, including the availability of any relevant money-market index rate or the relationship between the relevant money-market index rate and the rate at which our assets are priced;
- the interest rate characteristics of our assets do not always match those of our funding arrangements;
- adverse market conditions or an inability to effectively manage our liquidity risk or access liquidity could negatively impact us;
- the cost and availability of funding in the capital markets;
- our ability to earn Floor Income and our ability to enter into hedges relative to that Floor Income are dependent on the future interest rate environment and therefore is variable;
- our use of derivatives exposes us to credit and market risk;
- our ability to continually and effectively align our cost structure with our business operations;
- a failure or breach of our operating systems, infrastructure or information technology systems;
- failure by any third party providing us material services or products or a breach or violation of law by one of these third parties;
- our current or previous work with government clients exposes us to additional risks inherent in the government contracting environment;
- acquisitions, strategic initiatives and investments or divestitures that we pursue;
- shareholder activism; and
- reputational risk and social factors.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Readers are urged to carefully review and consider the various disclosures made in this Form 10-Q and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business.

The preparation of our consolidated financial statements also requires management to make certain estimates and assumptions including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect and actual results could differ materially. All forward-looking statements contained in this report are qualified by these cautionary statements and are made only as of the date of this report. We do not undertake any obligation to update or revise these forward-looking statements except as required by law.

Through this discussion and analysis, we intend to provide the reader with some narrative context for how our management views our consolidated financial statements, additional context within which to assess our operating results, and information on the quality and variability of our earnings, liquidity and cash flows.

USE OF NON-GAAP FINANCIAL MEASURES

We prepare financial statements and present financial results in accordance with GAAP. However, we also evaluate our business segments and present our financial results on a basis that differs from GAAP. We refer to this different basis of presentation as Core Earnings, which is a non-GAAP financial measure. We provide this Core Earnings basis of presentation on a consolidated basis and for each business segment because this is what we review internally when making management decisions regarding our performance and how we allocate resources. We also include this information in our presentations with credit rating agencies, lenders and investors. Because our Core Earnings basis of presentation is our measure of profit or loss for our segments, we are required by GAAP to provide Core Earnings disclosures in the notes to our consolidated financial statements for our business segments.

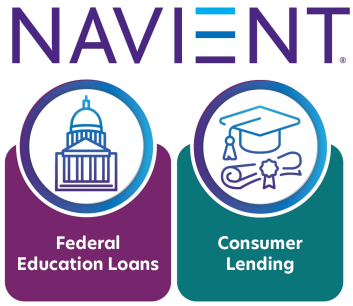
In addition to Core Earnings, we present the following other non-GAAP financial measures: Tangible Equity, Adjusted Tangible Equity Ratio, Earnings before Interest, Taxes, Depreciation and Amortization Expense (EBITDA) (for the Business Processing segment), and Allowance for Loan Losses Excluding Expected Future Recoveries on Previously Fully Charged-off Loans. Definitions for the non-GAAP financial measures and reconciliations are provided below, except that reconciliations of forward-looking non-GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of certain items, including, but not limited to, the impact of any mark-to-market gains/losses resulting from our use of derivative instruments to hedge our economic risks. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures” for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

Business

Overview and Fundamentals of Our Business

Navient (Nasdaq: NAVI) helps students and families confidently manage the cost of higher education. We create long-term value for customers and investors through responsible lending, flexible refinancing, trusted servicing oversight, and decades of portfolio management expertise. Our employees thrive in a culture of belonging, where they are supported and proud to deliver meaningful outcomes. Learn more on Navient.com.

With a focus on data-driven insights, service, compliance and innovative support, Navient's business consists of:



•Federal Education Loans

We own and manage a portfolio of $28.9 billion of federally guaranteed Federal Family Education Loan Program (FFELP) Loans. We support the success of our customers and ensure a compliant, efficient customer experience.

•Consumer Lending

We own and manage a portfolio of $15.5 billion of Private Education Loans. Through our Earnest brand we also refinance and originate Private Education Loans. We help students and families succeed through the college journey with innovative planning tools, student loans and refinancing products through our Earnest brand. In the first nine months of 2025, we originated $1.8 billion of Private Education Loans, a 73% increase from $1.0 billion a year ago.

Navient previously provided both healthcare and government business processing services. Our healthcare services business was sold in September 2024 and our government services business was sold in February 2025, marking the end of Navient providing business processing solutions. See "Recent Business Developments" for more detail.

Maximizing Cash Flows from Loan Portfolios and Maintaining a Strong Balance Sheet

The cash flows from our education loan portfolios continue to demonstrate the strength of our balance sheet, our efficient financings, credit risk management and underwriting of high-quality private education loans with attractive economics.

By optimizing capital adequacy and allocating capital to highly accretive opportunities, including organic growth and acquisitions, we remain well positioned to pay dividends and repurchase stock, while maintaining appropriate leverage that supports our credit ratings and ensures ongoing access to capital markets.

In December 2021, our Board of Directors approved a share repurchase program authorizing the purchase of up to $1 billion of the Company's outstanding common stock and in October 2025 the Board authorized a new $100 million share repurchase program. The new share repurchase authorization, which is effective immediately, is in addition to the approximately $26 million of unused authorization as of September 30, 2025.

To inform our capital allocation decisions, we use the Adjusted Tangible Equity Ratio[1] in addition to other metrics. Our GAAP equity-to-asset ratio was 4.9% and our Adjusted Tangible Equity Ratio[1] was 9.3% as of September 30, 2025.

(Dollars and shares in millions)	Q3-25	Q3-24
Shares repurchased	2.0	2.1
Reduction in shares outstanding	2%	2%
Total repurchases in dollars	$ 26	$ 33
Dividends paid	$ 16	$ 17
Total Capital Returned[2]	$ 42	$ 50
GAAP equity-to-asset ratio	4.9%	5.0%
Adjusted Tangible Equity Ratio[1]	9.3%	9.8%

Commitment to Corporate Social Responsibility and Compliance

We maintain a robust, multi-layered compliance management system and thoroughly understand and comply with applicable federal, state, and local laws. We follow the industry-leading “Three Lines Model” compliance framework. This framework and other compliance protocols ensure we adhere to key industry laws and regulations including but not limited to: Fair and Accurate Credit Transactions Act (FACTA); Fair Credit Reporting Act (FCRA); Fair Debt Collection Practices Act (FDCPA); Electronic Funds Transfer Act (EFTA); Equal Credit Opportunity Act (ECOA); Gramm-Leach-Bliley Act (GLBA); Health Insurance Portability and Accountability Act (HIPAA); IRS Publication 1075; Servicemembers Civil Relief Act (SCRA); Military Lending Act (MLA); Telephone Consumer Protection Act (TCPA); Truth in Lending Act (TILA); Unfair, Deceptive, or Abusive Acts and Practices (UDAAP); state laws; and state and city licensing.

We are committed to contributing to the social and economic wellbeing of our communities; fostering the success of our customers; supporting a culture of integrity and inclusion in our workforce; and embracing sustainable business practices. Navient has earned recognition from a variety of leading organizations for our continued commitment to social responsibility. Our employees are engaged in our communities through company-sponsored volunteering and philanthropic programs.

Navient is committed to a sustainable future. We leverage technologies that minimize energy use in our office buildings and promote widespread adoption of “paperless” digital customer communications. Navient prioritizes the usage of power-saving features to our buildings to reduce energy usage. Energy efficiency and reducing carbon dioxide (CO2) and CO2 equivalents are among the many factors considered in our real estate decisions.

[1] Item is a non-GAAP financial measure. For a description and reconciliation, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures.”

[2] Capital Returned is defined as share repurchases and dividends paid.

Recent Business Developments

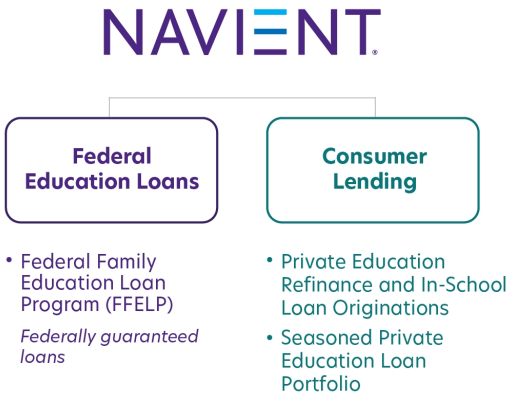
On January 30, 2024, as a result of an in-depth review of our business, Navient announced strategic actions to simplify our company, reduce our expense base, and enhance our flexibility. We have made substantial progress on these actions. We adopted a variable, outsourced servicing model when MOHELA began servicing our loan portfolio in July 2024. We completed the divestiture of our Business Processing segment business with our healthcare services business sold in September 2024 and our government services business sold in February 2025. In conjunction with the decision to outsource student loan servicing, divesting the Business Processing segment increased the opportunities for shared cost reduction. Along with the above actions, we are also reshaping our shared services functions and corporate footprint to align with the needs of a more focused, flexible and streamlined company. The $46 million of restructuring and other reorganization charges recognized in 2024 and the first nine months of 2025 (the vast majority of which relates to severance in connection with job abolishments) reflects the progress made to date in connection with this effort. As of September 30, 2025, we have reduced our headcount by over 80% since the beginning of 2024.

In 2025, as it relates to the above strategic actions:

- We provided transition services related to the outsourcing of loan servicing and divestiture of the Business Processing segment. The transition services related to the outsourcing of loan servicing and the sale of our healthcare services business ended in May 2025 and as of October 2025 we have no further obligations to provide transition services for our government services business.
- We have had and expect to have additional cost saving initiatives implemented which will further reduce our operating costs mostly in connection with our shared service functions and corporate footprint.
- We are executing on enhancing the value of our growth business related to in-school and refinance Private Education Loan originations, investing in capabilities to grow high-quality originations that generate targeted returns. In the first nine months of 2025, total originations nearly doubled to $1.8 billion compared to $1.0 billion a year ago.

How We Organize Our Business

Today we operate our business in two primary segments: Federal Education Loans and Consumer Lending. As of February 2025, we had divested our Business Processing segment.



Federal Education Loans Segment

Navient owns and manages FFELP Loans and is the master servicer on this portfolio. We generate revenue primarily through net interest income on our FFELP Loans.

Consumer Lending Segment

Navient owns and manages Private Education Loans and is the master servicer for these portfolios. Through our Earnest brand, we also refinance and originate in-school Private Education Loans. "Refinance" Private Education Loans are loans where a borrower has refinanced their education loans, and "In-school" Private Education Loans are loans originally made to borrowers while they are attending school. We generate revenue primarily through net interest income on our Private Education Loan portfolio.

Through our Earnest brand, we help students and families in the planning and paying for college journey. Our digital tools empower people to find scholarships and compare financial aid offers. We believe our 50 years of experience, product design, digital marketing strategies, and origination and servicing expertise provide a unique competitive advantage. We see meaningful growth opportunities in originating Private Education Loans, generating attractive long-term, risk-adjusted returns.

The passage of new legislation on July 3, 2025 (the "Big Beautiful Bill") marks a significant shift in federal student lending programs, notably eliminating the GradPLUS loan program effective July 1, 2026. This development is anticipated to drive increased demand for private in-school graduate loans, presenting a unique loan origination growth opportunity for Navient. With our disciplined approach to growing in-school volume with a focus on graduate borrowers, we are well-positioned to capture our share of this expanded market.

Business Processing Segment

In September 2024, Navient completed the sale of Xtend, which comprised the Company's healthcare services business in its Business Processing segment. In February 2025, Navient completed the sale of its government services businesses, which constitutes the remainder of the Business Processing segment.

Prior to the sale of its healthcare and government services businesses, Navient provided business processing solutions such as omnichannel contact center services, workflow processing, and revenue cycle optimization. We leveraged the same expertise and intelligent tools we use to deliver successful results for portfolios we own. Our support enabled our clients to ensure better constituent outcomes, meet rapidly changing needs, improve technology, reduce operating expenses, manage risk and optimize revenue opportunities. Our clients included:

- **Government**: We offered our solutions to federal agencies, state governments, tolling and parking authorities, and other public sector clients.
- **Healthcare**: Our clients included hospitals, hospital systems, medical centers, large physician groups, other healthcare providers and public health departments.

Other Segment

This segment consists of our corporate liquidity portfolio, gains and losses incurred on the repurchase of debt, unallocated expenses of shared services (which includes regulatory expenses), and restructuring/other reorganization expenses. Additionally, the segment contains the revenue and expenses in connection with the transition services we have performed related to the outsourcing of loan servicing and divestiture of our Business Processing segment discussed under "Recent Business Developments."

Selected Historical Financial Information and Ratios

(In millions, except per share data)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
GAAP Basis				
Net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Diluted earnings (loss) per common share	$ (.87)	$ (.02)	$ (.75)	$ .95
Weighted average shares used to compute diluted earnings per share	98	108	100	112
Return on assets	(.72)%	(.02)%	(0.21)%	.26%
Core Earnings Basis[1]				
Net income (loss)[1]	$ (83)	$ 160	$ (36)	$ 246
Diluted earnings (loss) per common share[1]	$ (.84)	$ 1.45	$ (.36)	$ 2.20
Weighted average shares used to compute diluted earnings per share	98	110	100	112
Net interest margin, Federal Education Loans segment	.84%	.46%	.72%	.46%
Net interest margin, Consumer Lending segment	2.39%	2.84%	2.48%	2.91%
Return on assets	(.69)%	1.21%	(.10)%	.59%
Education Loan Portfolios				
Ending FFELP Loans, net	$ 28,952	$ 31,522	$ 28,952	$ 31,522
Ending Private Education Loans, net	15,456	16,005	15,456	16,005
Ending total education loans, net	$ 44,408	$ 47,527	$ 44,408	$ 47,527
Average FFELP Loans	$ 29,641	$ 32,373	$ 30,289	$ 34,749
Average Private Education Loans	15,894	16,587	16,014	16,968
Average total education loans	$ 45,535	$ 48,960	$ 46,303	$ 51,717

[1] Item is a non-GAAP financial measure. For a description and reconciliation, see "Non-GAAP Financial Measures – Core Earnings."

The Quarter in Review

We prepare financial statements and present financial results in accordance with GAAP. However, we also evaluate our business segments and present financial results on a basis that differs from GAAP. We refer to this different basis of presentation as Core Earnings. We provide this Core Earnings basis of presentation on a consolidated basis and for each business segment because this is what we review internally when making management decisions regarding our performance and how we allocate resources. We also include this information in our presentations with credit rating agencies, lenders and investors. Because our Core Earnings basis of presentation corresponds to our segment financial presentations, we are required by GAAP to provide certain Core Earnings disclosures in the notes to our consolidated financial statements for our business segments. See "Non-GAAP Financial Measures — Core Earnings" for a further discussion and a complete reconciliation between GAAP net income and Core Earnings.

Third-quarter 2025 net loss was $86 million ($0.87 diluted loss per share), compared with net loss of $2 million ($0.02 diluted loss per share) for the year-ago quarter. See "Results of Operations — GAAP Comparison of Third-Quarter 2025 Results with Third-Quarter 2024" for a discussion of the primary contributors to the change in GAAP earnings between periods.

Third-quarter 2025 Core Earnings net loss was $83 million ($0.84 diluted Core Earnings loss per share), compared with $160 million ($1.45 diluted Core Earnings per share) for the year-ago quarter. See "Segment Results" for a discussion of the primary contributors to the change in Core Earnings between periods.

GAAP and Core Earnings results included:

- $168 million provision for loan losses ($13 million for FFELP and $155 million for Consumer Lending). Of the $168 million, $17 million relates to originations with the remaining $151 million ($1.17 diluted loss per share) a result of elevated delinquency balances, our forecasted macroeconomic outlook as well as the extension of the FFELP portfolio.
- $11 million ($0.08 diluted earnings per share) net benefit to net interest income from a decrease in prepayment rate assumptions ($18 million of additional net interest income from the FFELP Loan portfolio partially offset by a $7 million reduction in the Private Education Loan portfolio).
- $5 million ($0.04 diluted loss per share) of regulatory and restructuring expenses.

Financial highlights of third-quarter 2025 include:

Federal Education Loans segment:

- Net income of $35 million.
- Net interest margin of 0.84%.
- FFELP Loan prepayments of $268 million compared to $1.0 billion in third-quarter 2024.

Consumer Lending segment:

- Net loss of $76 million due to the elevated provision discussed above.
- Net interest margin of 2.39%.
- Originated $788 million of Private Education Loans, a 58% increase.

Business Processing segment:

- Navient no longer provides business processing segment services after the sale in February 2025 of the government services business.

Capital, funding and liquidity:

- GAAP equity-to-asset ratio of 4.9% and adjusted tangible equity ratio[(1)] of 9.3%.
- Repurchased $26 million of common shares. Authorized new $100 million share repurchase program. The share repurchase authorization, which is effective immediately, is in addition to the approximately $26 million of unused authorization as of September 30, 2025.
- Paid $16 million in common stock dividends.
- Issued $543 million of asset-backed securities.

[(1)] Item is a non-GAAP financial measure. For a description and reconciliation, see "Non-GAAP Financial Measures."

Operating Expenses:

•Operating expenses of $105 million, of which $6 million is in connection with transition services we have provided related to our various strategic initiatives. There is $7 million of revenue recognized in Other revenue related to these services.

The transition services related to the outsourcing of loan servicing and the sale of our healthcare services business ended in May 2025 and as of October 2025 we have no further obligations to provide transition services for our government services business.

Results of Operations

GAAP Income Statements (Unaudited)

	Three Months Ended September 30,		Increase (Decrease)		Nine Months Ended September 30,		Increase (Decrease)	
(In millions, except per share data)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Interest income								
FFELP Loans	$ 484	$ 591	$ (107)	(18)%	$ 1,459	$ 1,861	$ (402)	(22)%
Private Education Loans	276	314	(38)	(12)	838	958	(120)	(13)
Cash and investments	21	43	(22)	(51)	64	129	(65)	(50)
Total interest income	781	948	(167)	(18)	2,361	2,948	(587)	(20)
Total interest expense	639	828	(189)	(23)	1,961	2,547	(586)	(23)
Net interest income	142	120	22	18	400	401	(1)	—
Less: provisions for loan losses	168	42	126	300	236	68	168	247
Net interest income (loss) after provisions for loan losses	(26)	78	(104)	(133)	164	333	(169)	(51)
Other income (loss):								
Servicing revenue	13	13	—	-	40	48	(8)	(17)
Asset recovery and business processing revenue	—	70	(70)	(100)	23	228	(205)	(90)
Other income	10	10	—	-	44	22	22	100
Gain on sale of subsidiary	—	219	(219)	(100)	—	219	(219)	(100)
Gains (losses) on derivative and hedging activities, net	(4)	(36)	32	(89)	(34)	11	(45)	(409)
Total other income	19	276	(257)	(93)	73	528	(455)	(86)
Expenses:								
Operating expenses	105	184	(79)	(43)	333	533	(200)	(38)
Goodwill and acquired intangible assets impairment and amortization expense	1	140	(139)	(99)	2	145	(143)	(99)
Restructuring/other reorganization expenses	4	18	(14)	(78)	6	35	(29)	(83)
Total expenses	110	342	(232)	(68)	341	713	(372)	(52)
Income (loss) before income tax expense (benefit)	(117)	12	(129)	(1,075)	(104)	148	(252)	(170)
Income tax expense (benefit)	(31)	14	(45)	(321)	(29)	41	(70)	(171)
Net income (loss)	$ (86)	$ (2)	$ (84)	4,200%	$ (75)	$ 107	$ (182)	(170)%
Basic earnings (loss) per common share	$ (.87)	$ (.02)	$ (.85)	4,250%	$ (.75)	$ .97	$ (1.72)	(177)%
Diluted earnings (loss) per common share	$ (.87)	$ (.02)	$ (.85)	4,250%	$ (.75)	$ .95	$ (1.70)	(179)%
Dividends per common share	$ .16	$ .16	$ —	—	$ .48	$ .48	$ —	—

GAAP Comparison of Third-Quarter 2025 Results with Third-Quarter 2024

For the three months ended September 30, 2025, net loss was $86 million, or $0.87 diluted loss per common share, compared with net loss of $2 million, or $0.02 diluted loss per common share, for the year-ago period.

The primary contributors to the change in net income (loss) are as follows:

- Net interest income increased by $22 million primarily due to a decrease in premium amortization due to both a decrease in prepayment rate assumptions ($11 million net benefit in the current period), mostly in response to the significant decline in FFELP Loan actual prepayments since the beginning of 2025, as well as the significant decline in actual FFELP Loan prepayments from $1.0 billion in the year-ago quarter to $268 million in the current quarter. Additionally, there was a $12 million increase in mark-to-market gains on fair value hedges recorded in interest expense. These increases were partially offset by the paydown of the FFELP and Private Education Loan portfolios.
- Provisions for loan losses increased $126 million from $42 million to $168 million:
    - The provision for FFELP Loan losses increased $18 million from $(5) million to $13 million.
    - The provision for Private Education Loan losses increased $108 million from $47 million to $155 million.

  The provision for FFELP Loan losses of $13 million in the current period was primarily the result of elevated delinquency balances, our forecasted macroeconomic outlook, as well as the continued extension of the portfolio. The provision of $(5) million in the year-ago quarter was the result of relatively stable credit trends.

  The provision for Private Education Loan losses of $155 million in the current period included $17 million associated with loan originations and $138 million primarily the result of elevated delinquency balances as well as our forecasted macroeconomic outlook. The provision of $47 million in the year-ago quarter included $21 million related to lowering the expected recovery rate on defaulted loans, $15 million associated with loan originations and $11 million related to a general reserve build.
- Asset recovery and business processing revenue decreased $70 million as a result of the sale of our healthcare services business in the third quarter of 2024 ($28 million of the decrease), and our government services business in February 2025 ($42 million of the decrease). With the sale of our government services business, Navient no longer provides business processing segment services.
- A gain of $219 million was recognized in the third quarter of 2024 from the sale of 100% of our equity interests in Xtend Healthcare, our former healthcare services business, for $369 million cash on September 19, 2024.
- Net losses on derivative and hedging activities decreased $32 million. The primary factor affecting the change was interest rate fluctuations. Valuations of derivative instruments fluctuate based upon many factors including changes in interest rates and other market factors. As a result, net gains and losses on derivative and hedging activities may vary significantly in future periods.
- Operating expenses decreased $79 million, $66 million of which was due to a decline in business processing expenses as a result of the sale of our government services business in February 2025 and our healthcare services business in the third quarter of 2024 ($57 million of the reduction is in the Business Processing segment and $9 million of the reduction is in the Other segment). In addition, regulatory-related expenses decreased $13 million primarily due to $18 million of regulatory-related expenses recorded in the year-ago quarter in connection with the September 2024 CFPB settlement agreement. Current period expense includes $6 million incurred in connection with providing transition services related to our various strategic initiatives. There is $7 million of revenue recognized in the Other segment related to these services.
- Goodwill and acquired intangible asset impairment and amortization expense decreased $139 million due to a $138 million impairment recognized in the third quarter of 2024 related to the government services business which was sold in February 2025.
- Restructuring and other reorganization expenses decreased $14 million primarily due to a decrease in severance-related costs incurred in connection with the various strategic initiatives that have been and continue to be implemented to simplify the company, reduce our expense base and enhance our flexibility.
- The effective income tax rates for the current and year-ago quarters were 27% and 120%, respectively. The movement in the effective income tax rate was primarily driven by the settlement with the CFPB in the year-ago quarter of which a portion was not deductible for tax and the impact of a portion of the goodwill impairment recorded in the year-ago quarter not being deductible.

We repurchased 2.0 million and 2.1 million shares of our common stock during the third quarters of 2025 and 2024, respectively. As a result of repurchases, our average outstanding diluted shares decreased by 10 million common shares (or 9%) from the year-ago period.

GAAP Comparison of Nine Months Ended September 30, 2025 Results with Nine Months Ended September 30, 2024

For the nine months ended September 30, 2025, net loss was $75 million, or $0.75 diluted loss per common share, compared with net income of $107 million, or $0.95 diluted earnings per common share, for the year-ago period.

The primary contributors to the change in net income (loss) are as follows:

- Net interest income decreased by $1 million primarily as a result of the paydown of the FFELP and Private Education Loan portfolios and the impact of decreasing interest rates on the different index resets for the FFELP Loan and Private Education Loan assets and debt. These decreases were offset by a $54 million decline in net premium amortization on the loan portfolios due to both a decrease in prepayment rate assumptions, mostly in response to the significant decline in actual FFELP Loan prepayments since the beginning of 2025, as well as the significant decline in actual FFELP Loan prepayments from $5.0 billion in the year-ago period to $753 million in the current period.
- Provisions for loan losses increased $168 million, from $68 million to $236 million:
    - The provision for FFELP Loan losses increased $35 million from $(6) million to $29 million.
    - The provision for Private Education Loan losses increased $133 million from $74 million to $207 million.

  The provision for FFELP Loan losses of $29 million in the current period was primarily the result of elevated delinquency balances, our forecasted macroeconomic outlook, as well as the continued extension of the portfolio. The provision of $(6) million in the year-ago period was the result of relatively stable credit trends.

  The provision for Private Education Loan losses of $207 million in the current period included $32 million associated with loan originations and $175 million primarily the result of elevated delinquency balances as well as our forecasted macroeconomic outlook. The provision of $74 million in the year-ago period included $21 million related to lowering the expected recovery rate on defaulted loans, $26 million associated with loan originations and $27 million related to a general reserve build.
- Asset recovery and business processing revenue decreased $205 million as a result of the sale of our healthcare services business in the third quarter of 2024 ($88 million of the decrease), and our government services business in February 2025 ($117 million of the decrease). With the sale of our government services business, Navient no longer provides business processing segment services.
- Other income increased $22 million primarily related to the transition services we provide related to our various strategic initiatives. The transition services related to the outsourcing of loan servicing and the sale of our healthcare services business ended in May 2025. The transition services related to the sale of our government services business ended in October 2025.
- A gain of $219 million was recognized in the third quarter of 2024 from the sale of 100% of our equity interests in Xtend Healthcare, our former healthcare services business, for $369 million cash on September 19, 2024.
- Net gains on derivative and hedging activities decreased $45 million. The primary factor affecting the change was interest rate fluctuations. Valuations of derivative instruments fluctuate based upon many factors including changes in interest rates and other market factors. As a result, net gains and losses on derivative and hedging activities may vary significantly in future periods.
- Operating expenses decreased $200 million, $198 million of which was due to a decline in business processing expenses as a result of the sale of our government services business in February 2025 and our healthcare services business in the third quarter of 2024 ($168 million of the reduction is in the Business Processing segment and $30 million of the reduction is in the Other segment). In addition, regulatory-related expenses decreased $34 million primarily due to $39 million of regulatory-related expenses recorded in the year-ago period in connection with the September 2024 CFPB settlement agreement. Current period expense includes $29 million incurred in connection with providing transition services related to our various strategic initiatives. There is $32 million of revenue recognized in the Other segment related to these services.
- Goodwill and acquired intangible asset impairment and amortization expense decreased $143 million primarily due to a $138 million impairment recognized in September 2024 related to the government services business which was sold in February 2025.
- Restructuring and other reorganization expenses decreased $29 million primarily due to a decrease in severance-related costs incurred in connection with the various strategic initiatives that have been and continue to be implemented to simplify the company, reduce our expense base and enhance our flexibility.

We repurchased 6.4 million and 7.2 million shares of our common stock during the nine months ended September 30, 2025 and 2024, respectively. As a result of repurchases, our average outstanding diluted shares decreased by 12 million common shares (or 11%) from the year-ago period.

Segment Results

Federal Education Loans Segment

The following table presents Core Earnings results for our Federal Education Loans segment.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024	Nine Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024
Interest income:						
FFELP Loans	$ 484	$ 591	(18)%	$ 1,459	$ 1,861	(22)%
Cash and investments	10	25	(60)	30	75	(60)
Total interest income	494	616	(20)	1,489	1,936	(23)
Total interest expense	429	576	(26)	1,321	1,810	(27)
Net interest income	65	40	63	168	126	33
Less: provision for loan losses	13	(5)	360	29	(6)	583
Net interest income after provision for loan losses	52	45	16	139	132	5
Total other income	10	11	(9)	31	44	(30)
Direct operating expenses	16	20	(20)	54	53	2
Income before income tax expense	46	36	28	116	123	(6)
Income tax expense	11	9	22	27	28	(4)
Net income	$ 35	$ 27	30%	$ 89	$ 95	(6)%

Comparison of Third-Quarter 2025 Results with Third-Quarter 2024

•Net income was $35 million compared to $27 million.

•Net interest income increased $25 million primarily due to a decrease in premium amortization as a result of both a decrease in prepayment rate assumptions ($18 million benefit in current quarter), in response to the significant decline in actual prepayments since the beginning of 2025, as well as the significant decline in actual prepayments from $1.0 billion in the year-ago quarter to $268 million in the current quarter. This was partially offset by the paydown of the loan portfolio.

•Provision for loan losses increased $18 million. The $13 million of provision for loan losses in the current period was primarily the result of elevated delinquency balances, our forecasted macroeconomic outlook as well as the continued extension of the portfolio. The $(5) million of provision for loan losses in third-quarter 2024 was the result of relatively stable credit trends.

- Net charge-offs were unchanged at $9 million.
- Delinquencies greater than 90 days were $2.5 billion compared to $1.9 billion.
- Forbearances were $3.7 billion compared to $5.0 billion.

•Expenses were $4 million lower primarily as a result of the outsourcing of the loan servicing of our portfolio to a third party on July 1, 2024. This created a variable cost structure resulting in the significant reduction in expenses (20%) as the portfolio paid down.

Key performance metrics are as follows:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Segment net interest margin	.84%	.46%	.72%	.46%
FFELP Loans:				
FFELP Loan spread	.90%	.60%	.77%	.59%
Provision for loan losses	$ 13	$ (5)	$ 29	$ (6)
Net charge-offs	$ 9	$ 9	$ 23	$ 29
Net charge-off rate	.15%	.14%	.13%	.14%
Greater than 30-days delinquency rate	18.1%	13.4%	18.1%	13.4%
Greater than 90-days delinquency rate	10.5%	7.3%	10.5%	7.3%
Forbearance rate	13.4%	16.4%	13.4%	16.4%
Average FFELP Loans	$ 29,641	$ 32,373	$ 30,289	$ 34,749
Ending FFELP Loans, net	$ 28,952	$ 31,522	$ 28,952	$ 31,522

Net Interest Margin

The following table details the net interest margin.

	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
FFELP Loan yield	6.31%	7.04%	6.22%	6.92%
Floor Income	.17	.23	.22	.23
FFELP Loan net yield	6.48	7.27	6.44	7.15
FFELP Loan cost of funds	(5.58)	(6.67)	(5.67)	(6.56)
FFELP Loan spread	.90	.60	.77	.59
Other interest-earning asset spread impact	(.06)	(.14)	(.05)	(.13)
Net interest margin[(1)]	.84%	.46%	.72%	.46%

[(1)] The average balances of the interest-earning assets for the respective periods are:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
FFELP Loans	$ 29,641	$ 32,373	$ 30,289	$ 34,749
Other interest-earning assets	872	1,956	874	2,002
Total FFELP Loan interest-earning assets	$ 30,513	$ 34,329	$ 31,163	$ 36,751

The 38 basis point increase in the net interest margin in third-quarter 2025 is primarily the result of loan premium amortization being $29 million lower in the current period (38 basis points) due to both a decrease in prepayment rate assumptions used to amortize loan premium, in response to the significant decline in actual prepayments since the beginning of 2025, as well as the significant decline in actual prepayments from $1.0 billion in the year-ago quarter to $268 million in the current quarter. The significant decline in actual prepayments in 2025 is primarily the result of changes in public policy under the current Administration.

As of September 30, 2025, our FFELP Loan portfolio totaled $28.9 billion. The weighted-average life of this portfolio as of September 30, 2025 was 8 years assuming a Constant Prepayment Rate (CPR) of 3% through 2028 and 5% thereafter. Prior to third-quarter 2025, the CPR assumption was 5%.

Floor Income

The following table analyzes, on a Core Earnings basis, the ability of the FFELP Loans in our portfolio to earn Floor Income after September 30, 2025 and 2024, based on interest rates as of those dates.

(Dollars in billions)	September 30, 2025	September 30, 2024
Education loans eligible to earn Floor Income	$ 28.8	$ 31.3
Less: post-March 31, 2006 disbursed loans required to rebate Floor Income	(13.9)	(15.0)
Less: economically hedged Floor Income	(.7)	(1.8)
Education loans eligible to earn Floor Income after rebates and economically hedged	$ 14.2	$ 14.5
Education loans earning Floor Income	$ 2.3	$ 1.4

The following table presents a projection of the average balance of FFELP Consolidation Loans for which Fixed Rate Floor Income has been economically hedged with derivatives for the period October 1, 2025 to December 31, 2028.

(Dollars in billions)	October 1, 2025 to December 31, 2025	2026	2027	2028
Average balance of FFELP Consolidation Loans whose Floor Income is economically hedged	$ .7	$ .6	$ .3	$ .2

Provision for Loan Losses

Provision for loan losses increased $18 million. The $13 million of provision for loan losses in the current quarter was primarily the result of elevated delinquency balances, our forecasted macroeconomic outlook as well as the continued extension of the portfolio. The $(5) million of provision for loan losses in the year-ago quarter was the result of relatively stable credit trends.

Operating Expenses

Operating expenses for the Federal Education Loans segment primarily include costs incurred to perform servicing on our FFELP Loan portfolio and federal education loans held by other institutions. Expenses were $4 million lower primarily as a result of the outsourcing of the loan servicing of our portfolio to a third party on July 1, 2024. This created a variable cost structure resulting in the significant reduction in expenses (20%) as the portfolio paid down.

Consumer Lending Segment

The following table presents Core Earnings results for our Consumer Lending segment.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024	Nine Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024
Interest income:						
Private Education Loans	$ 276	$ 314	(12)%	$ 838	$ 958	(13)%
Cash and investments	5	6	(17)	15	20	(25)
Interest income	281	320	(12)	853	978	(13)
Interest expense	183	198	(8)	547	597	(8)
Net interest income	98	122	(20)	306	381	(20)
Less: provision for loan losses	155	47	230	207	74	180
Net interest income (loss) after provision for loan losses	(57)	75	(176)	99	307	(68)
Total other income	3	2	50	9	10	(10)
Direct operating expenses	45	44	2	115	110	5
Income (loss) before income tax expense (benefit)	(99)	33	(400)	(7)	207	(103)
Income tax expense (benefit)	(23)	6	(483)	(3)	47	(106)
Net income (loss)	$ (76)	$ 27	(381)%	$ (4)	$ 160	(103)%

Comparison of Third-Quarter 2025 Results with Third-Quarter 2024

•Originated $788 million of Private Education Loans, a 58% increase compared to $500 million.

- Refinance Loan originations were $528 million compared to $262 million.
- In-school loan originations were $260 million compared to $238 million.

•Net loss was $76 million compared to net income of $27 million.

•Net interest income decreased $24 million, primarily due to the paydown of the loan portfolio as well as a decrease in loan discount amortization due to a decrease in prepayment rate assumptions ($7 million reduction in the current period).

•Provision for loan losses increased $108 million. The provision for loan losses of $155 million in the current period included $17 million associated with loan originations and $138 million primarily the result of elevated delinquency balances as well as our forecasted macroeconomic outlook. The provision for loan losses of $47 million in the year-ago period included $21 million related to lowering the expected recovery rate on defaulted loans, $15 million associated with loan originations and $11 million related to a general reserve build.

- Excluding $1 million and $21 million, respectively, related to the change in the net charge-off rate on defaulted loans, net charge-offs were $95 million, up $21 million from $74 million.
- Private Education Loan delinquencies greater than 90 days: $433 million, up $56 million from $377 million.
- Private Education Loan forbearances: $239 million, down $206 million from $445 million.

•Expenses increased $1 million primarily as a result of higher marketing spend associated with higher loan origination volume.

Key performance metrics are as follows:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Segment net interest margin	2.39%	2.84%	2.48%	2.91%
Private Education Loans (including Refinance Loans):				
Private Education Loan spread	2.48%	2.94%	2.58%	3.02%
Provision for loan losses	$ 155	$ 47	$ 207	$ 74
Net charge-offs[1]	$ 95	$ 74	$ 246	$ 240
Net charge-off rate[1]	2.48%	1.87%	2.14%	1.98%
Greater than 30-days delinquency rate	6.1%	5.3%	6.1%	5.3%
Greater than 90-days delinquency rate	2.8%	2.4%	2.8%	2.4%
Forbearance rate	1.5%	2.8%	1.5%	2.8%
Average Private Education Loans	$ 15,894	$ 16,587	$ 16,014	$ 16,968
Ending Private Education Loans, net	$ 15,456	$ 16,005	$ 15,456	$ 16,005
Private Education Refinance Loans:				
Net charge-offs	$ 19	$ 13	$ 53	$ 36
Greater than 90-days delinquency rate	.8%	.6%	.8%	.6%
Average balance of Private Education Refinance Loans	$ 8,649	$ 8,552	$ 8,549	$ 8,669
Ending balance of Private Education Refinance Loans	$ 8,571	$ 8,405	$ 8,571	$ 8,405
Private Education Refinance Loan originations	$ 528	$ 262	$ 1,442	$ 712

[1] Excludes $1 million and $21 million of charge-offs on the expected future recoveries of previously fully charged-off loans in third-quarters 2025 and 2024, respectively, as a result of increasing the net charge-off rate on defaulted loans.

Net Interest Margin

The following table details the net interest margin.

	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Private Education Loan yield	6.90%	7.52%	7.00%	7.54%
Private Education Loan cost of funds	(4.42)	(4.58)	(4.42)	(4.52)
Private Education Loan spread	2.48	2.94	2.58	3.02
Other interest-earning asset spread impact	(.09)	(.10)	(.10)	(.11)
Net interest margin[1]	2.39%	2.84%	2.48%	2.91%

[1] The average balances of the interest-earning assets for the respective periods are:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Private Education Loans	$ 15,894	$ 16,587	$ 16,014	$ 16,968
Other interest-earning assets	487	485	486	533
Total Private Education Loan interest-earning assets	$ 16,381	$ 17,072	$ 16,500	$ 17,501

The 45 basis point decrease in the net interest margin in third-quarter 2025 is primarily the result of an $18 million decrease (44 basis points) in loan discount amortization mostly related to a decrease in prepayment rate assumptions used to amortize loan discount. In addition, the continued shift of the Refinance Loan portfolio becoming a higher percentage of the overall Private Education Loan portfolio and the Refinance Loan portfolio earning a lower net interest margin compared to the legacy portfolio reduces the overall net interest margin.

As of September 30, 2025, our Private Education Loan portfolio totaled $15.5 billion, comprised of $8.6 billion of refinance loans and $6.9 billion of non-refinance loans. The weighted-average life of these portfolios as of September 30, 2025 was 5 years and 4 years, respectively, assuming a CPR of 10% and 8%, respectively. Prior to third-quarter 2025, the CPR assumption was 10% for both refinance and non-refinance loans.

Provision for Loan Losses

The provision for Private Education Loan losses increased $108 million. The provision for loan losses of $155 million in third quarter 2025 included $17 million associated with loan originations and $138 million primarily the result of elevated delinquency balances as well as our forecasted macroeconomic outlook. The provision for loan losses of $47 million in the year-ago period included $21 million related to lowering the expected recovery rate on defaulted loans, $15 million associated with loan originations and $11 million related to a general reserve build.

Operating Expenses

Operating expenses for our consumer lending segment include costs to originate, acquire, service and collect on our consumer loan portfolio. Operating expenses increased $1 million primarily as a result of higher marketing spend associated with higher loan origination volume.

Business Processing Segment

The following table presents Core Earnings results for our Business Processing segment.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024	Nine Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024
Business processing revenue	$ —	$ 70	(100)%	$ 23	$ 228	(90)%
Gain on sale of subsidiary	—	219	(100)	—	219	(100)%
Total other income	—	289	(100)%	23	447	(95)%
Direct operating expenses	—	57	(100)	20	188	(89)
Income before income tax expense	—	232	(100)	3	259	(99)
Income tax expense	—	54	(100)	1	60	(98)
Net income	$ —	$ 178	(100)%	$ 2	$ 199	(99)%

Comparison of Third-Quarter 2025 Results with Third-Quarter 2024

•With the sale of our government services business in February 2025, Navient no longer provides business processing segment services. Navient provided certain transition services (reflected in the Other segment) in connection with the sale of our business processing businesses. The transition services related to the sale of our healthcare services business ended in May 2025 and as of October 2025 we have no further obligations to provide transition services for our government services business.

Key performance metrics are as follows:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Revenue from government services	$ —	$ 42	$ 23	$ 140
Revenue from healthcare services	—	28	—	88
Total fee revenue	$ —	$ 70	$ 23	$ 228
Gain on sale of subsidiary	—	219	—	219
Total revenue	$ —	$ 289	$ 23	$ 447
EBITDA[(1)]	$ —	$ 233	$ 3	$ 262
EBITDA margin[(1)]	—%	81%	13%	59%

[(1)] Item is a non-GAAP financial measure. For a description and reconciliation, see “Non-GAAP Financial Measures.”

Other Segment

The following table presents Core Earnings results for our Other segment.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024	Nine Months Ended September 30, 2025	2024	% Increase (Decrease) 2025 vs. 2024
Net interest loss after provision for loan losses	$ (17)	$ (22)	(23)%	$ (53)	$ (68)	(22)%
Other revenue	10	10	—	44	16	175
Expenses:						
Unallocated shared services operating expenses:						
Unallocated information technology costs	19	21	(10)	60	63	(5)
Unallocated corporate costs	25	42	(40)	84	119	(29)
Total unallocated shared services operating expenses	44	63	(30)	144	182	(21)
Restructuring/other reorganization expenses	4	18	(78)	6	35	(83)
Total expenses	48	81	(41)	150	217	(31)
Loss before income tax benefit	(55)	(93)	(41)	(159)	(269)	(41)
Income tax benefit	(13)	(21)	(38)	(36)	(61)	(41)
Net loss	$ (42)	$ (72)	(42)%	$ (123)	$ (208)	(41)%

Net Interest Loss after Provision for Loan Losses

Net interest loss after provision for loan losses is due to the negative carrying cost of our corporate liquidity portfolio. The amount of the net interest loss is primarily a result of the size of the liquidity portfolio as well as the cost of funds of the debt funding the corporate liquidity portfolio.

Other Revenue

All revenue and expense in connection with the transition services we performed related to the outsourcing of loan servicing and divestiture of our Business Processing segment are included in the Other segment.

Unallocated Shared Services Operating Expenses

Unallocated shared services operating expenses are costs primarily related to information technology costs related to infrastructure and operations, stock-based compensation expense, accounting, finance, legal, compliance and risk management, regulatory-related expenses, human resources, certain executive management, the Board of Directors, and transition services discussed above under "Other Revenue." Regulatory-related expenses include actual settlement amounts as well as third-party professional fees we incur in connection with such regulatory matters and are presented net of any insurance reimbursements for covered costs related to such matters. Expenses decreased $19 million from third-quarter 2024, primarily as a result of a $13 million decrease in regulatory-related expenses. Regulatory-related expenses were $1 million and $14 million in third quarters 2025 and 2024, respectively, with third-quarter 2024 including a contingency loss accrual of $18 million related to the $120 million settlement agreement entered into with the CFPB in September 2024. The remaining $6 million decrease in expenses primarily related to cost reduction efforts in connection with the various strategic initiatives that have been and continue to be implemented to simplify the Company, reduce our expense base and enhance our flexibility.

See “Note 10 – Commitments, Contingencies and Guarantees” for a discussion of legal and regulatory matters where it is reasonably possible that a loss contingency exists. The Company is unable to anticipate the timing of a resolution or the impact that certain matters may have on the Company’s consolidated financial position, liquidity, results of operation or cash flows. As a result, it is not possible at this time to estimate a range of potential exposure, if any, for amounts that may be payable in connection with certain matters and reserves have not been established. It is possible that an adverse ruling or rulings may have a material adverse impact on the Company.

Restructuring/Other Reorganization Expenses

These expenses decreased $14 million primarily due to a decrease in severance-related costs incurred in connection with the various strategic initiatives that have been and continue to be implemented to simplify the Company, reduce our expense base and enhance our flexibility.

Financial Condition

This section provides information regarding the balances, activity and credit performance metrics of our education loan portfolio.

Summary of Our Education Loan Portfolio

Ending Education Loan Balances, net

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
			September 30, 2025		
Total education loan portfolio:					
In-school[1]	$ 8	$ —	$ 8	$ 105	$ 113
Grace, repayment and other[2]	10,731	18,399	29,130	15,757	44,887
Total	10,739	18,399	29,138	15,862	45,000
Allowance for loan losses	(150)	(36)	(186)	(406)	(592)
Total education loan portfolio	$ 10,589	$ 18,363	$ 28,952	$ 15,456	$ 44,408
% of total FFELP	37%	63%	100%		
% of total	24%	41%	65%	35%	100%

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
			December 31, 2024		
Total education loan portfolio:					
In-school[1]	$ 9	$ —	$ 9	$ 95	$ 104
Grace, repayment and other[2]	11,233	19,790	31,023	16,062	47,085
Total	11,242	19,790	31,032	16,157	47,189
Allowance for loan losses	(139)	(41)	(180)	(441)	(621)
Total education loan portfolio	$ 11,103	$ 19,749	$ 30,852	$ 15,716	$ 46,568
% of total FFELP	36%	64%	100%		
% of total	24%	42%	66%	34%	100%

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
			September 30, 2024		
Total education loan portfolio:					
In-school[1]	$ 10	$ —	$ 10	$ 92	$ 102
Grace, repayment and other[2]	11,462	20,230	31,692	16,384	48,076
Total	11,472	20,230	31,702	16,476	48,178
Allowance for loan losses	(136)	(44)	(180)	(471)	(651)
Total education loan portfolio	$ 11,336	$ 20,186	$ 31,522	$ 16,005	$ 47,527
% of total FFELP	36%	64%	100%		
% of total	24%	42%	66%	34%	100%

[1] Loans for customers still attending school and are not yet required to make payments on the loan.

[2] Includes loans in deferment or forbearance.

Education Loan Activity

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
	Three Months Ended September 30, 2025				
Beginning balance	$ 10,797	$ 18,821	$ 29,618	$ 15,530	$ 45,148
Acquisitions (originations and purchases)[1]	—	—	—	687	687
Capitalized interest and premium/discount amortization	126	122	248	33	281
Refinancings and consolidations to third parties	(119)	(148)	(267)	(63)	(330)
Repayments and other	(215)	(432)	(647)	(731)	(1,378)
Ending balance	$ 10,589	$ 18,363	$ 28,952	$ 15,456	$ 44,408

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
	Three Months Ended September 30, 2024				
Beginning balance	$ 11,796	$ 21,144	$ 32,940	$ 16,238	$ 49,178
Acquisitions (originations and purchases)[1]	—	—	—	407	407
Capitalized interest and premium/discount amortization	129	121	250	46	296
Refinancings and consolidations to third parties	(274)	(600)	(874)	(52)	(926)
Repayments and other	(315)	(479)	(794)	(634)	(1,428)
Ending balance	$ 11,336	$ 20,186	$ 31,522	$ 16,005	$ 47,527

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
	Nine Months Ended September 30, 2025				
Beginning balance	$ 11,103	$ 19,749	$ 30,852	$ 15,716	$ 46,568
Acquisitions (originations and purchases)[1]	—	—	—	1,790	1,790
Capitalized interest and premium/discount amortization	393	374	767	125	892
Refinancings and consolidations to third parties	(305)	(386)	(691)	(172)	(863)
Repayments and other	(602)	(1,374)	(1,976)	(2,003)	(3,979)
Ending balance	$ 10,589	$ 18,363	$ 28,952	$ 15,456	$ 44,408

(Dollars in millions)	FFELP Stafford and Other	FFELP Consolidation Loans	Total FFELP Loans	Private Education Loans	Total Portfolio
	Nine Months Ended September 30, 2024				
Beginning balance	$ 13,564	$ 24,361	$ 37,925	$ 16,902	$ 54,827
Acquisitions (originations and purchases)[1]	—	—	—	1,017	1,017
Capitalized interest and premium/discount amortization	384	388	772	152	924
Refinancings and consolidations to third parties	(1,505)	(3,024)	(4,529)	(151)	(4,680)
Repayments and other	(1,107)	(1,539)	(2,646)	(1,915)	(4,561)
Ending balance	$ 11,336	$ 20,186	$ 31,522	$ 16,005	$ 47,527

[1] Includes the origination of $54 million and $47 million of Private Education Refinance Loans in the third-quarters of 2025 and 2024, respectively, and $200 million and $138 million in the nine months ended September 30, 2025 and 2024, respectively, that refinanced FFELP and Private Education Loans that were on our balance sheet

FFELP Loan Portfolio Performance

(Dollars in millions)	September 30, 2025 Balance	%	December 31, 2024 Balance	%	September 30, 2024 Balance	%
Loans in-school/grace/deferment[1]	$ 1,276		$ 1,262		$ 1,342	
Loans in forbearance[2]	3,726		4,365		4,978	
Loans in repayment and percentage of each status:						
Loans current	19,766	81.9%	20,675	81.4%	21,975	86.6%
Loans delinquent 31-60 days[3]	1,062	4.4	1,479	5.8	948	3.7
Loans delinquent 61-90 days[3]	769	3.2	1,043	4.1	599	2.4
Loans delinquent greater than 90 days[3]	2,539	10.5	2,208	8.7	1,860	7.3
Total FFELP Loans in repayment	24,136	100%	25,405	100%	25,382	100%
Total FFELP Loans	29,138		31,032		31,702	
FFELP Loan allowance for losses	(186)		(180)		(180)	
FFELP Loans, net	$ 28,952		$ 30,852		$ 31,522	
Percentage of FFELP Loans in repayment		82.8%		81.9%		80.1%
Delinquencies as a percentage of FFELP Loans in repayment		18.1%		18.6%		13.4%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		13.4%		14.7%		16.4%

[1] Loans for customers who may still be attending school or engaging in other permitted educational activities and are not yet required to make payments on their loans, e.g., residency periods for medical students or a grace period for bar exam preparation, as well as loans for customers who have requested and qualify for other permitted program deferments such as military, unemployment, or economic hardships.

[2] Loans for customers who have used their allowable deferment time or do not qualify for deferment, that need additional time to obtain employment or who have temporarily ceased making payments due to hardship or other factors such as disaster relief.

[3] The period of delinquency is based on the number of days scheduled payments are contractually past due.

Private Education Loan Portfolio Performance

(Dollars in millions)	September 30, 2025 Balance	%	December 31, 2024 Balance	%	September 30, 2024 Balance	%
Loans in-school/grace/deferment[1]	$ 402		$ 372		$ 372	
Loans in forbearance[2]	239		422		445	
Loans in repayment and percentage of each status:						
Loans current	14,291	93.9%	14,419	93.9%	14,827	94.7%
Loans delinquent 31-60 days[3]	315	2.1	319	2.1	282	1.8
Loans delinquent 61-90 days[3]	182	1.2	206	1.3	173	1.1
Loans delinquent greater than 90 days[3]	433	2.8	419	2.7	377	2.4
Total Private Education Loans in repayment	15,221	100%	15,363	100%	15,659	100%
Total Private Education Loans	15,862		16,157		16,476	
Private Education Loan allowance for losses	(406)		(441)		(471)	
Private Education Loans, net	$ 15,456		$ 15,716		$ 16,005	
Percentage of Private Education Loans in repayment		96.0%		95.1%		95.0%
Delinquencies as a percentage of Private Education Loans in repayment		6.1%		6.1%		5.3%
Loans in forbearance as a percentage of loans in repayment and forbearance		1.5%		2.7%		2.8%
Percentage of Private Education Loans with a cosigner[4]		32%		32%		33%

[1] Loans for customers who are attending school or are in other permitted educational activities and are not yet required to make payments on their loans, e.g., loans for customers who have requested and qualify for other permitted program deferments such as various military eligible deferments.

[2] Loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors such as disaster relief consistent with established loan program servicing policies and procedures.

[3] The period of delinquency is based on the number of days scheduled payments are contractually past due.

[4] Excluding Private Education Refinance Loans, which do not have a cosigner, the cosigner rate was 67%, 66% and 66% for third-quarter 2025, fourth-quarter 2024 and third-quarter 2024, respectively.

Allowance for Loan Losses

(Dollars in millions)	Three Months Ended September 30, 2025 FFELP Loans	2025 Private Education Loans	2025 Total	2024 FFELP Loans	2024 Private Education Loans	2024 Total
Allowance at beginning of period	$ 182	$ 348	$ 530	$ 194	$ 493	$ 687
Total provision	13	155	168	(5)	47	42
Charge-offs:						
Gross charge-offs	(9)	(111)	(120)	(9)	(85)	(94)
Expected future recoveries on current period gross charge-offs	—	16	16	—	11	11
Total[1]	(9)	(95)	(104)	(9)	(74)	(83)
Adjustment resulting from the change in charge-off rate[2]	—	(1)	(1)	—	(21)	(21)
Net charge-offs	(9)	(96)	(105)	(9)	(95)	(104)
Decrease in expected future recoveries on previously fully charged-off loans[3]	—	(1)	(1)	—	26	26
Allowance at end of period (GAAP)	186	406	592	180	471	651
Plus: expected future recoveries on previously fully charged-off loans[3]	—	173	173	—	185	185
Allowance at end of period excluding expected future recoveries on previously fully charged-off loans (Non-GAAP Financial Measure)[4]	$ 186	$ 579	$ 765	$ 180	$ 656	$ 836
Net charge-offs as a percentage of average loans in repayment, excluding the net adjustment resulting from the change in charge-off rate (annualized)[2]	.15%	2.48%		.14%	1.87%	
Net adjustment resulting from the change in charge -off rate as a percentage of average loans in repayment (annualized)[2]	—%	.02%		—%	.53%	
Net charge-offs as a percentage of average loans in repayment (annualized)	.15%	2.50%		.14%	2.40%	
Allowance coverage of charge-offs (annualized)[4]	5.1	1.5	(Non-GAAP)	5.0	1.7	(Non-GAAP)
Allowance as a percentage of the ending total loan balance[4]	.6%	3.7%	(Non-GAAP)	.6%	4.0%	(Non-GAAP)
Allowance as a percentage of the ending loans in repayment[4]	.8%	3.8%	(Non-GAAP)	.7%	4.2%	(Non-GAAP)
Ending total loans	$ 29,138	$ 15,862		$ 31,702	$ 16,476	
Average loans in repayment	$ 24,527	$ 15,259		$ 25,866	$ 15,856	
Ending loans in repayment	$ 24,136	$ 15,221		$ 25,382	$ 15,659	

[1] Charge-offs are reported net of expected recoveries. For Private Education Loans, we charge off the estimated loss of a defaulted loan balance by charging off the entire defaulted loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as "expected future recoveries on previously fully charged-off loans." For FFELP Loans, the recovery is received at the time of charge-off.

[2] Related to increasing the net charge-off rate on defaulted Private Education Loans and the resulting reduction in the balance of expected future recoveries on previously fully charged-off loans.

[3] At the end of each month, for Private Education Loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance by charging off the entire loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as “expected future recoveries on previously fully charged-off loans.” If actual periodic recoveries are less than expected, the difference is immediately reflected as a reduction to expected future recoveries on previously fully charged-off loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. The following table summarizes the activity in the expected future recoveries on previously fully charged-off loans

(Dollars in millions)	Three Months Ended September 30, 2025	2024
Beginning of period expected future recoveries on previously fully charged-off loans	$ 172	$ 211
Expected future recoveries of current period defaults	16	11
Recoveries (cash collected)	(9)	(10)
Charge-offs (as a result of lower recovery expectations)	(6)	(27)
End of period expected future recoveries on previously fully charged-off loans	$ 173	$ 185
Change in balance during period	$ 1	$ (26)

[4] The allowance used for these metrics excludes the expected future recoveries on previously fully charged-off loans to better reflect the current expected credit losses remaining in the portfolio.

(Dollars in millions)	Nine Months Ended September 30, 2025 FFELP Loans	2025 Private Education Loans	2025 Total	2024 FFELP Loans	2024 Private Education Loans	2024 Total
Beginning balance	$ 180	$ 441	$ 621	$ 215	$ 617	$ 832
Total provision	29	207	236	(6)	74	68
Charge-offs:						
Gross charge-offs	(23)	(285)	(308)	(29)	(272)	(301)
Expected future recoveries on current period gross charge-offs	—	39	39	—	32	32
Total[1]	(23)	(246)	(269)	(29)	(240)	(269)
Adjustment resulting from the change in charge-off rate[2]	—	(2)	(2)	—	(21)	(21)
Net charge-offs	(23)	(248)	(271)	(29)	(261)	(290)
Decrease in expected future recoveries on previously fully charged-off loans[3]	—	6	6	—	41	41
Allowance at end of period (GAAP)	186	406	592	180	471	651
Plus: expected future recoveries on previously fully charged-off loans[3]	—	173	173	—	185	185
Allowance at end of period excluding expected future recoveries on previously fully charged-off loans (Non-GAAP Financial Measure)[4]	$ 186	$ 579	$ 765	$ 180	$ 656	$ 836
Net charge-offs as a percentage of average loans in repayment, excluding the net adjustment resulting from the change in the charge-off rate (annualized)[2]	.13%	2.14%		.14%	1.98%	
Net adjustment resulting from the change in charge-off rate as a percentage of average loans in repayment (annualized)[2]	—%	.02%		—%	.17%	
Net charge-offs as a percentage of average loans in repayment (annualized)	.13%	2.16%		.14%	2.15%	
Allowance coverage of charge-offs (annualized)[4]	5.8	1.7	(Non-GAAP)	4.7	1.8	(Non-GAAP)
Allowance as a percentage of the ending total loan balance[4]	.6%	3.7%	(Non-GAAP)	.6%	4.0%	(Non-GAAP)
Allowance as a percentage of the ending loans in repayment[4]	.8%	3.8%	(Non-GAAP)	.7%	4.2%	(Non-GAAP)
Ending total loans	$ 29,138	$ 15,862		$ 31,702	$ 16,476	
Average loans in repayment	$ 25,036	$ 15,368		$ 27,697	$ 16,265	
Ending loans in repayment	$ 24,136	$ 15,221		$ 25,382	$ 15,659	

[1] Charge-offs are reported net of expected recoveries. For Private Education Loans, we charge off the estimated loss of a defaulted loan balance by charging off the entire defaulted loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as "expected future recoveries on previously fully charged-off loans." For FFELP Loans, the recovery is received at the time of charge-off.

[2] Related to increasing the net charge-off rate on defaulted Private Education Loans and the resulting reduction in the balance of expected future recoveries on previously fully charged-off loans.

[3] At the end of each month, for Private Education Loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance by charging off the entire loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as “expected future recoveries on previously fully charged-off loans.” If actual periodic recoveries are less than expected, the difference is immediately reflected as a reduction to expected future recoveries on previously fully charged-off loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. The following table summarizes the activity in the expected future recoveries on previously fully charged-off loans

(Dollars in millions)	Nine Months Ended September 30, 2025	2024
Beginning of period expected future recoveries on previously fully charged-off loans	$ 179	$ 226
Expected future recoveries of current period defaults	39	32
Recoveries (cash collected)	(30)	(31)
Charge-offs (as a result of lower recovery expectations)	(15)	(42)
End of period expected future recoveries on previously fully charged-off loans	$ 173	$ 185
Change in balance during period	$ (6)	$ (41)

[4] The allowance used for these metrics excludes the expected future recoveries on previously fully charged-off loans to better reflect the current expected credit losses remaining in the portfolio.

Liquidity and Capital Resources

Funding and Liquidity Risk Management

The following "Liquidity and Capital Resources" discussion concentrates primarily on our Federal Education Loans and Consumer Lending segments. Our Business Processing segment required minimal liquidity and funding.

We define liquidity as cash and high-quality liquid assets that we can use to meet our cash requirements. Our two primary liquidity needs are: (1) servicing our debt and (2) our ongoing ability to meet our cash needs for running the operations of our businesses (including derivative collateral requirements) throughout market cycles, including during periods of financial stress. Secondary liquidity needs, which can be adjusted as needed, include the origination of Private Education Loans, acquisitions of Private Education Loan portfolios, acquisitions of companies, the payment of common stock dividends and the repurchase of our common stock. To achieve these objectives, we analyze and monitor our liquidity needs and maintain excess liquidity and access to diverse funding sources including the issuance of unsecured debt and the issuance of secured debt primarily through asset-backed securitizations and/or other financing facilities.

We define our liquidity risk as the potential inability to meet our obligations when they become due without incurring unacceptable losses or inability to invest in future asset growth and business operations at reasonable market rates. Our primary liquidity risk relates to our ability to service our debt, meet our other business obligations and to continue to grow our business. The ability to access the capital markets is impacted by general market and economic conditions, our credit ratings, as well as the overall availability of funding sources in the marketplace. In addition, credit ratings may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions.

Credit ratings and outlooks are opinions subject to ongoing review by the rating agencies and may change, from time to time, based on our financial performance, industry and market dynamics and other factors. Other factors that influence our credit ratings include the rating agencies' assessment of the general operating environment, our relative positions in the markets in which we compete, reputation, liquidity position, the level and volatility of earnings, corporate governance and risk management policies, capital position and capital management practices. A negative change in our credit rating could have a negative effect on our liquidity because it might raise the cost and availability of funding and potentially require additional cash collateral or restrict cash currently held as collateral on existing borrowings or derivative collateral arrangements. It is our objective to improve our credit ratings so that we can continue to efficiently access the capital markets even in difficult economic and market conditions. We have unsecured debt totaling $5.3 billion at September 30, 2025. Three credit rating agencies currently rate our long-term unsecured debt at below investment grade.

We expect to fund our ongoing liquidity needs, including the repayment of $0.5 billion of senior unsecured notes that mature in the short term (i.e., over the next 12 months) and the remaining $4.8 billion of senior unsecured notes that mature in the long term (from 2026 to 2043 with 69% maturing by 2031), through a number of sources. These sources include our cash on hand, unencumbered FFELP Loan and Private Education Refinance Loan portfolios (see "Sources of Primary Liquidity" below), the predictable operating cash flows provided by operating activities, the repayment of principal on unencumbered education loan assets, and the distribution of overcollateralization from our securitization trusts. We may also, depending on market conditions and availability, draw down on our secured FFELP Loan and Private Education Loan asset-backed commercial paper (ABCP) facilities, issue term ABS, enter into additional Private Education Loan and FFELP Loan ABS repurchase facilities, or issue additional unsecured debt.

We originate Private Education Loans (a portion of which is obtained through a forward purchase agreement). We also have purchased and may purchase, in future periods, Private Education Loan portfolios from third parties. Those originations and purchases are part of our ongoing liquidity needs. We purchased 2.0 million shares of common stock for $26 million in the third quarter of 2025 and have $26 million of unused share repurchase authority as of September 30, 2025.

Sources of Primary Liquidity

(Dollars in millions)	September 30, 2025	December 31, 2024	September 30, 2024
Ending Balances:			
Unrestricted cash	$ 571	$ 722	$ 1,143
Unencumbered FFELP Loans	58	232	199
Unencumbered Private Education Refinance Loans	515	242	395
Total	$ 1,144	$ 1,196	$ 1,737

	Three Months Ended			Nine Months Ended	
(Dollars in millions)	September 30, 2025	December 31, 2024	September 30, 2024	September 30, 2025	September 30, 2024
Average Balances:					
Unrestricted cash	$ 604	$ 737	$ 1,129	$ 640	$ 1,004
Unencumbered FFELP Loans	52	316	179	99	148
Unencumbered Private Education Refinance Loans	592	433	446	542	297
Total	$ 1,248	$ 1,486	$ 1,754	$ 1,281	$ 1,449

Sources of Additional Liquidity

Liquidity may also be available under our secured credit facilities. Maximum borrowing capacity under the FFELP Loan and Private Education Loan ABCP facilities will vary and be subject to each agreement's borrowing conditions, including, among others, facility size, current usage and availability of qualifying collateral from unencumbered loans. The following tables detail the additional borrowing capacity of these facilities with maturity dates ranging from November 2025 to April 2027.

(Dollars in millions)	September 30, 2025	December 31, 2024	September 30, 2024
Ending Balances:			
FFELP Loan ABCP facilities	$ 178	$ 424	$ 422
Private Education Loan ABCP facilities	1,882	1,490	1,921
Total	$ 2,060	$ 1,914	$ 2,343

	Three Months Ended			Nine Months Ended	
(Dollars in millions)	September 30, 2025	December 31, 2024	September 30, 2024	September 30, 2025	September 30, 2024
Average Balances:					
FFELP Loan ABCP facilities	$ 184	$ 423	$ 419	$ 250	$ 412
Private Education Loan ABCP facilities	1,695	1,799	2,079	1,586	1,770
Total	$ 1,879	$ 2,222	$ 2,498	$ 1,836	$ 2,182

At September 30, 2025, we had a total of $2.8 billion of unencumbered tangible assets inclusive of those listed in the table above as sources of primary liquidity. Total unencumbered education loans comprised $1.3 billion of our unencumbered tangible assets of which $1.3 billion and $58 million related to Private Education Loans and FFELP Loans, respectively. In addition, as of September 30, 2025, we had $4.7 billion of encumbered net assets (i.e., overcollateralization) in our various financing facilities (consolidated variable interest entities). We enter into repurchase facilities at times to borrow against the encumbered net assets of these financing vehicles. As of September 30, 2025, $0.6 billion of repurchase facility borrowings were outstanding.

The following table reconciles encumbered and unencumbered assets and their net impact on total Tangible Equity.

(Dollars in billions)	September 30, 2025	December 31, 2024
Net assets of consolidated variable interest entities (encumbered assets) — FFELP Loans	$ 2.7	$ 2.8
Net assets of consolidated variable interest entities (encumbered assets) — Private Education Loans	2.0	2.0
Tangible unencumbered assets[1]	2.8	2.9
Senior unsecured debt	(5.3)	(5.4)
Mark-to-market on unsecured hedged debt[2]	—	.2
Other liabilities, net	(.2)	(.3)
Total Tangible Equity [3]	$ 2.0	$ 2.2

[1] Excludes goodwill and acquired intangible assets.

[2] At September 30, 2025 and December 31, 2024, there were $(53) million and $(181) million, respectively, of net gains (losses) on derivatives hedging this debt in unencumbered assets, which partially offset these gains (losses).

[3] Item is a non-GAAP financial measure. For a description and reconciliation, see "Non-GAAP Financial Measures."

Borrowings

Ending Balances

	September 30, 2025			December 31, 2024		
(Dollars in millions)	Short Term	Long Term	Total	Short Term	Long Term	Total
Unsecured borrowings:						
Senior unsecured debt	$ 505	$ 4,800	$ 5,305	$ 553	$ 4,806	$ 5,359
Total unsecured borrowings	505	4,800	5,305	553	4,806	5,359
Secured borrowings:						
FFELP Loan securitizations	113	25,989	26,102	41	28,268	28,309
Private Education Loan securitizations	535	10,321	10,856	631	10,338	10,969
FFELP Loan ABCP facilities	1,872	313	2,185	1,586	74	1,660
Private Education Loan ABCP facilities	1,784	—	1,784	2,274	—	2,274
Other	113	39	152	54	40	94
Total secured borrowings	4,417	36,662	41,079	4,586	38,720	43,306
Core Earnings basis borrowings[1]	4,922	41,462	46,384	5,139	43,526	48,665
Adjustment for GAAP accounting treatment	(2)	(48)	(50)	(5)	(342)	(347)
GAAP basis borrowings	$ 4,920	$ 41,414	$ 46,334	$ 5,134	$ 43,184	$ 48,318

Average Balances

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
(Dollars in millions)	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Unsecured borrowings:								
Senior unsecured debt	$ 5,304	8.38%	$ 5,856	9.19%	$ 5,380	8.46%	$ 5,857	9.23%
Total unsecured borrowings	5,304	8.38	5,856	9.19	5,380	8.46	5,857	9.23
Secured borrowings:								
FFELP Loan securitizations	26,662	5.41	30,361	6.53	27,344	5.50	32,711	6.43
Private Education Loan securitizations	10,711	3.69	11,832	3.82	10,713	3.67	11,838	3.68
FFELP Loan ABCP facilities	1,885	5.71	1,626	6.88	1,810	5.78	1,760	6.94
Private Education Loan ABCP facilities	1,990	6.28	1,741	7.59	2,132	6.32	2,045	7.39
Other	132	3.04	117	(.29)	110	1.76	109	(1.69)
Total secured borrowings	41,380	5.01	45,677	5.87	42,109	5.08	48,463	5.80
Core Earnings basis borrowings[1]	46,684	5.39	51,533	6.24	47,489	5.46	54,320	6.17
Adjustment for GAAP accounting treatment	—	.04	—	.16	—	.06	—	.09
GAAP basis borrowings	$ 46,684	5.43%	$ 51,533	6.40%	$ 47,489	5.52%	$ 54,320	6.26%

[1] Item is a non-GAAP financial measure. For a description and reconciliation, see "Non-GAAP Financial Measures." The differences in derivative accounting give rise to the difference above.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). A discussion of our critical accounting policies, which includes the allowance for loan losses, goodwill impairment assessment, premium and discount amortization, and the impact of the SDR Plan on our accounting policies and estimates, can be found in our 2024 Form 10-K.

Non-GAAP Financial Measures

In addition to financial results reported on a GAAP basis, Navient also provides certain performance measures which are non-GAAP financial measures. We present the following non-GAAP financial measures: (1) Core Earnings, (2) Tangible Equity (as well as the Adjusted Tangible Equity Ratio), (3) EBITDA for the Business Processing segment, and (4) Allowance for Loan Losses Excluding Expected Future Recoveries on Previously Fully Charged-off Loans. Definitions for the non-GAAP financial measures and reconciliations are provided below, except that reconciliations of forward-looking non-GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of certain items, including, but not limited to, the impact of any mark-to-market gains/losses resulting from our use of derivative instruments to hedge our economic risks.

1. Core Earnings

We prepare financial statements and present financial results in accordance with GAAP. However, we also evaluate our business segments and present financial results on a basis that differs from GAAP. We refer to this different basis of presentation as Core Earnings. We provide this Core Earnings basis of presentation on a consolidated basis and for each business segment because this is what we review internally when making management decisions regarding our performance and how we allocate resources. We also refer to this information in our presentations with credit rating agencies, lenders and investors. Because our Core Earnings basis of presentation corresponds to our segment financial presentations, we are required by GAAP to provide certain Core Earnings disclosures in the notes to our consolidated financial statements for our business segments.

Core Earnings are not a substitute for reported results under GAAP. We use Core Earnings to manage our business segments because Core Earnings reflect adjustments to GAAP financial results for two items, discussed below, that can create significant volatility mostly due to timing factors generally beyond the control of management. Accordingly, we believe that Core Earnings provide management with a useful basis from which to better evaluate results from ongoing operations against the business plan or against results from prior periods. Consequently, we disclose this information because we believe it provides investors with additional information regarding the operational and performance indicators that are most closely assessed by management. When compared to GAAP results, the two items we remove to result in our Core Earnings presentations are:

(1)Mark-to-market gains/losses resulting from our use of derivative instruments to hedge our economic risks that do not qualify for hedge accounting treatment or do qualify for hedge accounting treatment but result in ineffectiveness; and

(2)The accounting for goodwill and acquired intangible assets.

While GAAP provides a uniform, comprehensive basis of accounting, for the reasons described above, our Core Earnings basis of presentation does not. Core Earnings are subject to certain general and specific limitations that investors should carefully consider. For example, there is no comprehensive, authoritative guidance for management reporting. Our Core Earnings are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. Accordingly, our Core Earnings presentation does not represent a comprehensive basis of accounting. Investors, therefore, may not be able to compare our performance with that of other financial services companies based upon Core Earnings. Core Earnings results are only meant to supplement GAAP results by providing additional information regarding the operational and performance indicators that are most closely used by management, our Board of Directors, credit rating agencies, lenders and investors to assess performance.

The following tables show our consolidated GAAP results, Core Earnings results (including for each reportable segment) along with the adjustments made to the income/expense items to reconcile the consolidated GAAP results to the Core Earnings results as required by GAAP and reported in “Note 11 — Segment Reporting.”

	Three Months Ended September 30, 2025								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	Adjustments Additions/ (Subtractions)	Total Adjustments [1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 760					$ 484	$ 276	$ —	$ —
Cash and investments	21					10	5	—	6
Total interest income	781					494	281	—	6
Total interest expense	639					429	183	—	23
Net interest income (loss)	142	$ 4	$ —	$ 4	$ 146	65	98	—	(17)
Less: provisions for loan losses	168				168	13	155	—	—
Net interest income (loss) after provisions for loan losses	(26)					52	(57)	—	(17)
Other income (loss):									
Servicing revenue	13					10	3	—	—
Asset recovery and business processing revenue	—					—	—	—	—
Other revenue (loss)	6					—	—	—	10
Total other income	19	(4)	8	4	23	10	3	—	10
Expenses:									
Direct operating expenses	61					16	45	—	—
Unallocated shared services expenses	44					—	—	—	44
Operating expenses	105	—	—	—	105	16	45	—	44
Goodwill and acquired intangible asset impairment and amortization	1	—	(1)	(1)	—	—	—	—	—
Restructuring/other reorganization expenses	4	—	—	—	4	—	—	—	4
Total expenses	110	—	(1)	(1)	109	16	45	—	48
Income (loss) before income tax expense (benefit)	(117)	—	9	9	(108)	46	(99)	—	(55)
Income tax expense (benefit)[2]	(31)	—	6	6	(25)	11	(23)	—	(13)
Net income (loss)	$ (86)	$ —	$ 3	$ 3	$ (83)	$ 35	$ (76)	$ —	$ (42)

[1] Core Earnings adjustments to GAAP:

	Three Months Ended September 30, 2025		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 4	$ —	$ 4
Total other income (loss)	4	—	4
Goodwill and acquired intangible asset impairment and amortization	—	(1)	(1)
Total Core Earnings adjustments to GAAP	$ 8	$ 1	9
Income tax expense (benefit)			6
Net income (loss)			$ 3

[2] Income taxes are based on a percentage of net income before tax for the individual reportable segment.

(Dollars in millions)	Total GAAP	Reclassifications	Adjustments Additions/ (Subtractions)	Total Adjustments[1]	Total Core Earnings	Reportable Segments: Federal Education Loans	Reportable Segments: Consumer Lending	Reportable Segments: Business Processing	Reportable Segments: Other
	Three Months Ended September 30, 2024								
Interest income:									
Education loans	$ 905					$ 591	$ 314	$ —	$ —
Cash and investments	43					25	6	—	12
Total interest income	948					616	320	—	12
Total interest expense	828					576	198	—	34
Net interest income (loss)	120	$ 8	$ 12	$ 20	$ 140	40	122	—	(22)
Less: provisions for loan losses	42				42	(5)	47	—	—
Net interest income (loss) after provisions for loan losses	78					45	75	—	(22)
Other income (loss):									
Servicing revenue	13					11	2	—	—
Asset recovery and business processing revenue	70					—	—	70	—
Other revenue	(26)					—	—	—	10
Gain on sale of subsidiary	219					—	—	219	—
Total other income	276	(8)	44	36	312	11	2	289	10
Expenses:									
Direct operating expenses	121					20	44	57	—
Unallocated shared services expenses	63					—	—	—	63
Operating expenses	184	—	—	—	184	20	44	57	63
Goodwill and acquired intangible asset impairment and amortization	140	—	(140)	(140)	—	—	—	—	—
Restructuring/other reorganization expenses	18	—	—	—	18	—	—	—	18
Total expenses	342	—	(140)	(140)	202	20	44	57	81
Income (loss) before income tax expense (benefit)	12	—	196	196	208	36	33	232	(93)
Income tax expense (benefit)[2]	14	—	34	34	48	9	6	54	(21)
Net income (loss)	$ (2)	$ —	$ 162	$ 162	$ 160	$ 27	$ 27	$ 178	$ (72)

[1] Core Earnings adjustments to GAAP:

(Dollars in millions)	Three Months Ended September 30, 2024: Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 20	$ —	$ 20
Total other income (loss)	36	—	36
Goodwill and acquired intangible asset impairment and amortization	—	(140)	(140)
Total Core Earnings adjustments to GAAP	$ 56	$ 140	196
Income tax expense (benefit)			34
Net income (loss)			$ 162

[2] Income taxes are based on a percentage of net income before tax for the individual reportable segment.

	Nine Months Ended September 30, 2025								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	Adjustments Additions/ (Subtractions)	Total Adjustments [1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 2,297					$ 1,459	$ 838	$ —	$ —
Cash and investments	64					30	15	—	19
Total interest income	2,361					1,489	853	—	19
Total interest expense	1,961					1,321	547	—	72
Net interest income (loss)	400	$ 15	$ 6	$ 21	$ 421	168	306	—	(53)
Less: provisions for loan losses	236				236	29	207	—	—
Net interest income (loss) after provisions for loan losses	164					139	99	—	(53)
Other income (loss):									
Servicing revenue	40					32	8	—	—
Asset recovery and business processing revenue	23					—	—	23	—
Other revenue	10					(1)	1	—	44
Total other income (loss)	73	(15)	49	34	107	31	9	23	44
Expenses:									
Direct operating expenses	189					54	115	20	—
Unallocated shared services expenses	144					—	—	—	144
Operating expenses(2)	333	—	—	—	333	54	115	20	144
Goodwill and acquired intangible asset impairment and amortization	2	—	(2)	(2)	—	—	—	—	—
Restructuring/other reorganization expenses	6	—	—	—	6	—	—	—	6
Total expenses	341	—	(2)	(2)	339	54	115	20	150
Income (loss) before income tax expense (benefit)	(104)	—	57	57	(47)	116	(7)	3	(159)
Income tax expense (benefit)(3)	(29)	—	18	18	(11)	27	(3)	1	(36)
Net income (loss)	$ (75)	$ —	$ 39	$ 39	$ (36)	$ 89	$ (4)	$ 2	$ (123)

[1] Core Earnings adjustments to GAAP:

	Nine Months Ended September 30, 2025		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 21	$ —	$ 21
Total other income (loss)	34	—	34
Goodwill and acquired intangible asset impairment and amortization	—	(2)	(2)
Total Core Earnings adjustments to GAAP	$ 55	$ 2	57
Income tax expense (benefit)			18
Net income (loss)			$ 39

[2] Income taxes are based on a percentage of net income before tax for the individual reportable segment.

	Nine Months Ended September 30, 2024								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	Adjustments Additions/ (Subtractions)	Total Adjustments[1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 2,819					$ 1,861	$ 958	$ —	$ —
Cash and investments	129					75	20	—	34
Total interest income	2,948					1,936	978	—	34
Total interest expense	2,547					1,810	597	—	102
Net interest income (loss)	401	$ 28	$ 10	$ 38	$ 439	126	381	—	(68)
Less: provisions for loan losses	68				68	(6)	74	—	—
Net interest income (loss) after provisions for loan losses	333					132	307	—	(68)
Other income (loss):									
Servicing revenue	48					39	9	—	—
Asset recovery and business processing revenue	228					—	—	228	—
Other revenue	33					5	1	—	16
Gain on sale of subsidiary	219					—	—	219	—
Total other income	528	(28)	17	(11)	517	44	10	447	16
Expenses:									
Direct operating expenses	351					53	110	188	—
Unallocated shared services expenses	182					—	—	—	182
Operating expenses	533	—	—	—	533	53	110	188	182
Goodwill and acquired intangible asset impairment and amortization	145	—	(145)	(145)	—	—	—	—	—
Restructuring/other reorganization expenses	35	—	—	—	35	—	—	—	35
Total expenses	713	—	(145)	(145)	568	53	110	188	217
Income (loss) before income tax expense (benefit)	148	—	172	172	320	123	207	259	(269)
Income tax expense (benefit)[2]	41	—	33	33	74	28	47	60	(61)
Net income (loss)	$ 107	$ —	$ 139	$ 139	$ 246	$ 95	$ 160	$ 199	$ (208)

[1] Core Earnings adjustments to GAAP:

	Nine Months Ended September 30, 2024		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 38	$ —	$ 38
Total other income (loss)	(11)	—	(11)
Goodwill and acquired intangible asset impairment and amortization	—	(145)	(145)
Total Core Earnings adjustments to GAAP	$ 27	$ 145	172
Income tax expense (benefit)			33
Net income (loss)			$ 139

[2] Income taxes are based on a percentage of net income before tax for the individual reportable segment.

The following discussion summarizes the differences between Core Earnings and GAAP net income and details each specific adjustment required to reconcile our Core Earnings segment presentation to our GAAP earnings.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
GAAP net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Core Earnings adjustments to GAAP:				
Net impact of derivative accounting	8	56	55	27
Net impact of goodwill and acquired intangible assets	1	140	2	145
Net income tax effect	(6)	(34)	(18)	(33)
Total Core Earnings adjustments to GAAP	3	162	39	139
Core Earnings net income (loss)	$ (83)	$ 160	$ (36)	$ 246

(1) **Derivative Accounting:** Core Earnings exclude periodic gains and losses that are caused by the mark-to-market valuations on derivatives that do not qualify for hedge accounting treatment under GAAP, as well as the periodic mark-to-market gains and losses that are a result of ineffectiveness recognized related to effective hedges under GAAP. Under GAAP, for our derivatives that are held to maturity, the mark-to-market gain or loss over the life of the contract will equal $0. In our Core Earnings presentation, we recognize the economic effect of these hedges, which generally results in any net settlement cash paid or received being recognized ratably as an interest expense or revenue over the hedged item's life.

The accounting for derivatives requires that changes in the fair value of derivative instruments be recognized currently in earnings, with no fair value adjustment of the hedged item, unless specific hedge accounting criteria are met. The gains and losses recorded in "Gains (losses) on derivative and hedging activities, net" and interest expense (for qualifying fair value hedges) are primarily caused by interest rate and foreign currency exchange rate volatility and changing credit spreads during the period as well as the volume and term of derivatives not receiving hedge accounting treatment. We believe that our derivatives are effective economic hedges, and as such, are a critical element of our interest rate and foreign currency risk management strategy. However, some of our derivatives do not qualify for hedge accounting treatment and the stand-alone derivative is adjusted to fair value in the income statement with no consideration for the corresponding change in fair value of the hedged item. See our 2024 Form 10-K for further discussion.

The table below quantifies the adjustments for derivative accounting between GAAP and Core Earnings net income.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Core Earnings derivative adjustments:				
(Gains) losses on derivative and hedging activities, net, included in other income	$ 4	$ 36	$ 34	$ (11)
Plus: (Gains) losses on fair value hedging activity included in interest expense	(2)	10	—	5
Total (gains) losses in GAAP net income	2	46	34	(6)
Plus: Reclassification of settlement income (expense) on derivative and hedging activities, net[1]	4	8	15	28
Mark-to-market (gains) losses on derivative and hedging activities, net[2]	6	54	49	22
Other derivative accounting adjustments[3]	2	2	6	5
Total net impact of derivative accounting	$ 8	$ 56	$ 55	$ 27

[1] Derivative accounting requires net settlement income/expense on derivatives that do not qualify as hedges to be recorded in a separate income statement line item below net interest income. Under our Core Earnings presentation, these settlements are reclassified to the income statement line item of the economically hedged item. For our Core Earnings net interest income, this would primarily include reclassifying the net settlement amounts related to certain of our interest rate swaps to debt interest expense. The table below summarizes these net settlements on derivative and hedging activities and the associated reclassification on a Core Earnings basis.

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Reclassification of settlements on derivative and hedging activities:				
Net settlement income (expense) on interest rate swaps reclassified to net interest income	$ 4	$ 8	$ 15	$ 28
Total reclassifications of settlement income (expense) on derivative and hedging activities	$ 4	$ 8	$ 15	$ 28

[2] "Mark-to-market (gains) losses on derivative and hedging activities, net" is comprised of the following:

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Fair value hedges	$ 2	$ 11	$ 9	$ 9
Foreign currency hedges	(4)	(1)	(9)	(4)
Other[a]	8	44	49	17
Total mark-to-market (gains) losses on derivative and hedging activities, net	$ 6	$ 54	$ 49	$ 22

(a) Primarily derivatives that are used to economically hedge the origination of fixed rate Private Education Loans that don't qualify for hedge accounting. We believe that these derivatives are effective economic hedges, and as such, are a critical element of our interest rate risk management strategy.

[3] Other derivative accounting adjustments consist of adjustments related to certain terminated derivatives that did not receive hedge accounting treatment under GAAP but were economic hedges under Core Earnings and, as a result, such gains or losses are amortized into Core Earnings over the life of the hedged item.

Cumulative Impact of Derivative Accounting under GAAP compared to Core Earnings

As of September 30, 2025, derivative accounting has decreased GAAP equity by approximately $37 million as a result of cumulative net mark-to-market losses (after tax) recognized under GAAP, but not in Core Earnings. The following table rolls forward the cumulative impact to GAAP equity due to these after-tax mark-to-market net gains and losses related to derivative accounting.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Beginning impact of derivative accounting on GAAP equity	$ (30)	$ 12	$ 8	$ (1)
Net impact of net mark-to-market gains (losses) under derivative accounting[(1)]	(7)	(49)	(45)	(36)
Ending impact of derivative accounting on GAAP equity	$ (37)	$ (37)	$ (37)	$ (37)

[(1)] Net impact of net mark-to-market gains (losses) under derivative accounting is composed of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Total pre-tax net impact of derivative accounting recognized in net income[(2)]	$ (8)	$ (56)	$ (55)	$ (27)
Tax and other impacts of derivative accounting adjustments	2	14	14	7
Change in mark-to-market gains (losses) on derivatives, net of tax recognized in other comprehensive income	(1)	(7)	(4)	(16)
Net impact of net mark-to-market gains (losses) under derivative accounting	$ (7)	$ (49)	$ (45)	$ (36)

[(2)] See "Core Earnings derivative adjustments" table above.

Hedging Embedded Floor Income

We use pay-fixed swaps and fixed rate debt to economically hedge embedded Floor Income in our FFELP Loans. Historically, we have used these instruments on a periodic basis and depending upon market conditions and pricing, we may enter into additional hedges in the future. Under GAAP, the pay-fixed swaps are accounted for as cash flow hedges. The table below shows the amount of hedged Floor Income that will be recognized in Core Earnings in future periods based on these hedge strategies.

(Dollars in millions)	**September 30, 2025**	**September 30, 2024**
Total hedged Floor Income, net of tax[(1)(2)]	$ 31	$ 50

[(1)] $41 million and $65 million on a pre-tax basis as of September 30, 2025 and September 30, 2024, respectively.

[(2)] Of the $31 million as of September 30, 2025, approximately $4 million, $14 million, $7 million and $6 million will be recognized as part of Core Earnings net income in the remainder of 2025, 2026, 2027 and 2028, respectively.

(2) Goodwill and Acquired Intangible Assets: Our Core Earnings exclude goodwill and intangible asset impairment and the amortization of acquired intangible assets. The following table summarizes the goodwill and acquired intangible asset adjustments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	**2025**	**2024**	**2025**	**2024**
Core Earnings goodwill and acquired intangible asset adjustments	$ 1	$ 140	$ 2	$ 145

2. Tangible Equity and Adjusted Tangible Equity Ratio

Adjusted Tangible Equity Ratio measures the ratio of Navient's Tangible Equity to its tangible assets. We adjust this ratio to exclude the assets and equity associated with our FFELP Loan portfolio because FFELP Loans are no longer originated and the FFELP Loan portfolio bears a 3% maximum loss exposure under the terms of the federal guaranty. Management believes that excluding this portfolio from the ratio enhances its usefulness to investors. Management uses this ratio, in addition to other metrics, for analysis and decision making related to capital allocation decisions. The Adjusted Tangible Equity Ratio is calculated as:

(Dollars in millions)	September 30, 2025	September 30, 2024
Navient Corporation's stockholders' equity	$ 2,439	$ 2,694
Less: Goodwill and acquired intangible assets	435	438
Tangible Equity	2,004	2,256
Less: Equity held for FFELP Loans	145	158
Adjusted Tangible Equity	$ 1,859	$ 2,098
Divided by:		
Total assets	$ 49,306	$ 53,440
Less:		
Goodwill and acquired intangible assets	435	438
FFELP Loans	28,952	31,522
Adjusted tangible assets	$ 19,919	$ 21,480
Adjusted Tangible Equity Ratio	9.3%	9.8%

3. Earnings before Interest, Taxes, Depreciation and Amortization Expense (EBITDA)

This measures the operating performance of the Business Processing segment and is used by management and equity investors to monitor operating performance and determine the value of those businesses. EBITDA for the Business Processing segment is calculated as:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	2025	2024	2025	2024
Pre-tax income	$ —	$ 232	$ 3	$ 259
Plus:				
Depreciation and amortization expense[1]	—	1	—	3
EBITDA	$ —	$ 233	$ 3	$ 262
Divided by:				
Total revenue	$ —	$ 289	$ 23	$ 447
EBITDA margin	—%	81%	13%	59%

[1] There is no interest expense in this segment.

4. Allowance for Loan Losses Excluding Expected Future Recoveries on Previously Fully Charged-off Loans

The allowance for loan losses on the Private Education Loan portfolio used for the three credit metrics below excludes the expected future recoveries on previously fully charged-off loans to better reflect the current expected credit losses remaining in connection with the loans on balance sheet that have not charged off. That is, as of September 30, 2025, the $579 million Private Education Loan allowance for loan losses excluding expected future recoveries on previously fully charged-off loans represents the current expected credit losses that remain in connection with the $15,862 million Private Education Loan portfolio. The $173 million of expected future recoveries on previously fully charged-off loans, which is collected over an average 15-year period, mechanically is a reduction to the overall allowance for loan losses. However, it is not related to the $15,862 million Private Education Loan portfolio on our balance sheet and, as a result, management excludes this impact to the allowance to better evaluate and assess our overall credit loss coverage on the Private Education Loan portfolio. We believe this provides a more meaningful and holistic view of the available credit loss coverage on our non-charged-off Private Education Loan portfolio. We believe this information is useful to our investors, lenders and rating agencies.

Allowance for Loan Losses Metrics – Private Education Loans

(Dollars in millions)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Allowance at end of period (GAAP)	$ 406	$ 471	$ 406	$ 471
Plus: expected future recoveries on previously fully charged-off loans	173	185	173	185
Allowance at end of period excluding expected future recoveries on previously fully charged-off loans (Non-GAAP Financial Measure)	$ 579	$ 656	$ 579	$ 656
Ending total loans	$ 15,862	$ 16,476	$ 15,862	$ 16,476
Ending loans in repayment	$ 15,221	$ 15,659	$ 15,221	$ 15,659
Net charge-offs	$ 96	$ 95	$ 248	$ 261
Allowance coverage of charge-offs (annualized):				
GAAP	1.1	1.2	1.2	1.3
Adjustment[1]	.4	.5	.5	.5
Non-GAAP Financial Measure[1]	1.5	1.7	1.7	1.8
Allowance as a percentage of the ending total loan balance:				
GAAP	2.6%	2.9%	2.6%	2.9%
Adjustment[1]	1.1	1.1	1.1	1.1
Non-GAAP Financial Measure[1]	3.7%	4.0%	3.7%	4.0%
Allowance as a percentage of the ending loans in repayment:				
GAAP	2.7%	3.0%	2.7%	3.0%
Adjustment[1]	1.1	1.2	1.1	1.2
Non-GAAP Financial Measure[1]	3.8%	4.2%	3.8%	4.2%

[1] The allowance used for these credit metrics excludes the expected future recoveries on previously fully charged-off loans. See discussion above.

Legal Proceedings

For a discussion of legal matters as of September 30, 2025, please refer to “Note 10 – Commitments, Contingencies and Guarantees” to our consolidated financial statements included in this report, which is incorporated into this item by reference.

Risk Factors

The risk factors disclosed in our 2024 Form 10-K should be considered together with information included in this Form 10-Q. We believe there have been no material changes to the risk factors previously disclosed in our 2024 Form 10-K.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity Analysis

Our interest rate risk management seeks to limit the impact of movements in interest rates on our results of operations and financial position. The following tables summarize the potential effect on earnings over the next 12 months and the potential effect on fair values of balance sheet assets and liabilities at September 30, 2025 and 2024, based upon a sensitivity analysis performed by management assuming a hypothetical increase and decrease in market interest rates of 100 basis points. The earnings sensitivities assume an immediate increase and decrease in market interest rates of 100 basis points and are applied only to financial assets and liabilities, including hedging instruments, that existed at the balance sheet date and do not take into account any new assets, liabilities or hedging instruments that may arise over the next 12 months.

	As of September 30, 2025 Impact on Annual Earnings If: Interest Rates		As of September 30, 2024 Impact on Annual Earnings If: Interest Rates	
(Dollars in millions, except per share amounts)	Increase 100 Basis Points	Decrease 100 Basis Points	Increase 100 Basis Points	Decrease 100 Basis Points
Effect on Earnings:				
Change in pre-tax net income before mark-to-market gains (losses) on derivative and hedging activities	$ (12)	$ 35	$ (13)	$ 28
Mark-to-market gains (losses) on derivative and hedging activities	43	(46)	66	(70)
Increase (decrease) in income before taxes	$ 31	$ (11)	$ 53	$ (42)
Increase (decrease) in net income after taxes	$ 24	$ (8)	$ 41	$ (32)
Increase (decrease) in diluted earnings per common share	$ .24	$ (.09)	$ .38	$ (.30)

	At September 30, 2025 Interest Rates:					
		Change from Increase of 100 Basis Points		Change from Decrease of 100 Basis Points		
(Dollars in millions)	Fair Value	$	%	$	%	
Effect on Fair Values:						
Assets						
Education Loans	$ 43,693	$ (70)	—%	$ 98	—%	
Other earning assets	2,019	—	—	—	—	
Other assets	2,879	12	—	92	3	
Total assets gain/(loss)	$ 48,591	$ (58)	—%	$ 190	—%	
Liabilities						
Interest-bearing liabilities	$ 45,679	$ (230)	(1)%	$ 245	1%	
Other liabilities	533	76	14	26	5	
Total liabilities (gain)/loss	$ 46,212	$ (154)	—%	$ 271	1%	

	At December 31, 2024 Interest Rates:					
		Change from Increase of 100 Basis Points		Change from Decrease of 100 Basis Points		
(Dollars in millions)	Fair Value	$	%	$	%	
Effect on Fair Values:						
Assets						
Education Loans	$ 46,133	$ (63)	—%	$ 90	—%	
Other earning assets	2,246	—	—	—	—	
Other assets	2,975	52	(2)	20	1	
Total assets gain/(loss)	$ 51,354	$ (11)	—%	$ 110	—%	
Liabilities						
Interest-bearing liabilities	$ 47,505	$ (226)	—%	$ 241	1%	
Other liabilities	830	105	13	(35)	(4)	
Total liabilities (gain)/loss	$ 48,335	$ (121)	—%	$ 206	—%	

A primary objective in our funding is to minimize our sensitivity to changing interest rates by generally funding our floating rate education loan portfolio with floating rate debt and our fixed rate education loan portfolio with fixed rate debt although we can have a mismatch at times. In addition, we can have a mismatch in the index (including the frequency of reset) of floating rate debt versus floating rate assets. In addition, due to the ability of some FFELP Loans to earn Floor Income, we can have a fixed versus floating mismatch in funding if the education loan earns at the fixed borrower rate and the funding remains floating. We use pay-fixed swaps and fixed rate debt to economically hedge embedded Floor Income in our FFELP Loans. Historically, we have used these instruments on a periodic basis and depending upon market conditions and pricing, we may enter into additional hedges in the future. The result of these hedging transactions is to fix the relative spread between the education loan asset rate and the funding instrument rate.

In the preceding tables, under the scenario where interest rates increase or decrease by 100 basis points, the change in pre-tax net income before the mark-to-market gains (losses) on derivative and hedging activities is primarily due to the impact of (i) a portion of our unhedged FFELP Loans being in a fixed-rate mode due to Floor Income, while being funded with variable rate debt; (ii) certain FFELP fixed rate loans becoming variable interest rate loans when variable interest rates rise above a certain level (Special Allowance Payment or “SAP”). When these loans are funded with fixed rate debt (as we do for a portion of the portfolio to economically hedge Floor Income) we earn additional interest income when earning the higher variable rate that is in effect; and (iii) a portion of our variable rate assets being funded with fixed rate liabilities. Item (i) will generally cause income to decrease when interest rates increase and income to increase when interest rates decrease. Item (ii) and (iii) have the opposite effect. The change due to the interest rate scenario where interest rates increase by 100 basis points in the current period is primarily a result of item (i) having a more significant impact than item (ii) and (iii) as a result of interest rates being lower compared to the prior period. The change due to the interest scenario where interest rates decrease by 100 basis points in the current period is primarily a result of item (i) having a more significant impact than item (ii) and (iii) as a result of interest rates being lower compared to the prior period. The relative changes from the prior period are primarily the result of interest rates being lower in the current period.

In the preceding tables, under the scenario where interest rates increase or decrease by 100 basis points, the change in mark-to-market gains (losses) on derivative and hedging activities in both periods is primarily due to (i) the notional amount and remaining term of our derivative portfolio and related hedged debt and (ii) the interest rate environment. In both periods, the mark-to-market gains (losses) are primarily related to derivatives that don't qualify for hedge accounting that are used to economically hedge the origination of fixed rate Private Education Loans. As a result of not qualifying for hedge accounting, there is not an offsetting mark-to-market adjustment of the hedged item in this analysis.

In addition to interest rate risk addressed in the preceding tables, we are also exposed to risks related to foreign currency exchange rates. Foreign currency exchange risk is primarily the result of foreign currency denominated debt issued by us. When we issue foreign denominated corporate unsecured and securitization debt, our policy is to use cross-currency interest rate swaps to swap all foreign currency denominated debt payments (fixed and floating) to USD SOFR using a fixed exchange rate. In the tables above, there would be an immaterial impact on earnings if exchange rates were to decrease or increase, due to the terms of the hedging instrument and hedged items matching. The balance sheet interest-bearing liabilities would be affected by a change in exchange rates; however, the change would be materially offset by the cross-currency interest rate swaps in other assets or other liabilities. In certain economic environments, volatility in the spread between spot and forward foreign exchange rates has resulted in mark-to-market impacts to current period earnings which have not been factored into the above analysis. The earnings impact is noncash, and at maturity of the instruments the cumulative mark-to-market impact will be zero. Navient has not issued foreign currency denominated debt since 2008.

Asset and Liability Funding Gap

The table below presents our assets and liabilities (funding) arranged by underlying indices as of September 30, 2025. Management analyzes interest rate risk and in doing so includes all derivatives that are economically hedging our debt whether they qualify as effective hedges or not (Core Earnings basis). Accordingly, we present the asset and liability funding gap on a Core Earnings basis. The difference between the asset and the funding is the funding gap for the specified index. This represents our exposure to interest rate risk in the form of basis risk and repricing risk, which is the risk that the different indices may reset at different frequencies or may not move in the same direction or at the same magnitude.

Index (Dollars in billions)	Frequency of Variable Resets	Assets	Funding	Funding Gap
3 month Treasury bill	weekly	$ 1.5	$ —	$ 1.5
3 month Treasury bill	annual	.1	—	.1
Prime	annual	.1	—	.1
Prime	quarterly	.7	—	.7
Prime	monthly	2.7	—	2.7
3 month Term SOFR	quarterly	.1	1.0	(.9)
3 month Term SOFR [1]	monthly	—	.5	(.5)
1 month Term SOFR	monthly	1.8	.6	1.2
Overnight SOFR [2]	daily	27.2	27.6	(.4)
Non Discrete reset [1]	monthly	—	4.3	(4.3)
Non Discrete reset [3]	daily/weekly	2.0	—	2.0
Fixed Rate [4]		13.1	15.3	(2.2)
Total		$ 49.3	$ 49.3	$ —

[1] Funding includes debt related to Repurchase Facilities.

[2] The assets are indexed to 30-day average overnight SOFR. A portion of the funding uses the daily average of overnight SOFR from a period preceding the accrual period of the asset ("lookback debt"). Funding includes $13.0 billion of 30-day average SOFR lookback debt and $12.7 billion of 90-day average SOFR lookback debt.

[3] Assets include restricted and unrestricted cash equivalents and other overnight type instruments. Funding includes the obligation to return cash collateral held related to derivatives exposures.

[4] Assets include receivables and other assets (including goodwill and acquired intangibles). Funding includes other liabilities and stockholders' equity.

We use interest rate swaps and other derivatives to achieve our risk management objectives. Our asset liability management strategy is to match assets with debt (in combination with derivatives) that have the same underlying index and reset frequency or, when economical, have interest rate characteristics that we believe are highly correlated. Interest earned on our FFELP Loans is primarily indexed to 30-day average overnight SOFR, which is reset daily, and our cost of funds is primarily indexed to overnight SOFR but resetting at different times than the asset. A source of variability in FFELP net interest income could also be Floor Income we earn on certain FFELP Loans. Pursuant to the terms of the FFELP, certain FFELP Loans can earn interest at the stated fixed rate of interest as underlying debt interest rate expense remains variable. We refer to this additional spread income as “Floor Income.” Floor Income can be volatile since it is dependent on interest rate levels. We frequently hedge this volatility to lock in the value of the Floor Income over the term of the contract. Interest earned on our Private Education Refinance Loans is generally fixed rate with the related cost of funds generally fixed rate as well. Interest earned on the remaining Private Education Loans is generally indexed to either one-month Prime or term SOFR rates and our cost of funds is primarily indexed to one-month or three-month term SOFR. The use of funding with index types and reset frequencies that are different from our assets exposes us to interest rate risk in the form of basis and repricing risk. This could result in our cost of funds not moving in the same direction or with the same magnitude as the yield on our assets. While we believe this risk is low, as all of these indices are short-term with rate movements that are highly correlated over a long period of time, market disruptions (which have occurred in prior years) can lead to a temporary divergence between indices resulting in a negative impact to our earnings.

Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information relating to our purchases of shares of our common stock in the three months ended September 30, 2025.

(In millions, except per share data)	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1][2]	Approximate Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs[1]
Period:				
July 1 — July 31, 2025	.4	$ 13.99	.4	$ 46
August 1 — August 31, 2025	.9	12.75	.9	$ 35
September 1 — September 30, 2025	.7	13.21	.7	$ 26
Total third-quarter 2025	2.0	$ 13.19	2.0	

[1] In December 2021, our Board of Directors approved a $1 billion multi-year share repurchase program and in October 2025 approved a new $100 million multi-year share repurchase program. The share repurchase programs do not have an expiration date. The new share repurchase program, which is effectively immediately, is in addition to the approximately $26 million of unused authorization as of September 30, 2025.

[2] On June 16, 2025, the Company entered into a "Rule 10b5-1 trading arrangement" intended to satisfy the affirmative defense conditions of Rule 10b5-1, pursuant to which the Company will purchase the applicable shares during second-quarter 2025 from June 17, 2025 to June 30, 2025. This plan terminates by its terms on July 31, 2025. On September 16, 2025, the Company entered into a "Rule 10b5-1 trading arrangement" intended to satisfy the affirmative defense conditions of Rule 10b5-1, pursuant to which the Company will purchase the applicable shares during third-quarter 2025 from September 17, 2025 to September 30, 2025. This plan terminates by its terms on November 28, 2025.

Other Information

Director and Officer Trading Arrangements

During the quarter ended September 30, 2025, none of the Company's directors or officers who are subject to the filing requirements of Section 16 of the Securities and Exchange Act adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K, Item 408.

Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive and Principal Financial Officers, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of September 30, 2025. Based on this evaluation, our Principal Executive and Principal Financial Officers concluded that, as of September 30, 2025, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to our management, including our Principal Executive and Principal Financial Officers as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Exhibits

10.1*	Agreement EX-10.1 and Release, dated as of August 8, 2025, by and between Navient Corporation and its affiliates and David Green.
31.1*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith
** Furnished herewith

Financial Statements

NAVIENT CORPORATION

CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)
(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
FFELP Loans (net of allowance for losses of $186 and $180, respectively)	$ 28,952	$ 30,852
Private Education Loans (net of allowance for losses of $406 and $441, respectively)	15,456	15,716
Investments	147	143
Cash and cash equivalents	571	722
Restricted cash and cash equivalents	1,301	1,381
Goodwill and acquired intangible assets, net	435	437
Other assets	2,444	2,538
Total assets	$ 49,306	$ 51,789
Liabilities		
Short-term borrowings	$ 4,920	$ 5,134
Long-term borrowings	41,414	43,184
Other liabilities	533	830
Total liabilities	46,867	49,148
Commitments and contingencies		
Equity		
Series A Junior Participating Preferred Stock, par value $0.20 per share; 2 million shares authorized at December 31, 2021; no shares issued or outstanding	—	—
Common stock, par value $0.01 per share, 1.125 billion shares authorized: 467 million and 465 million shares issued, respectively	4	4
Additional paid-in capital	3,398	3,380
Accumulated other comprehensive income (net of tax expense (benefit) of $(1) and $1, respectively)	(1)	3
Retained earnings	4,573	4,697
Total stockholders' equity before treasury stock	7,974	8,084
Less: Common stock held in treasury at cost: 369 million and 362 million shares, respectively	(5,535)	(5,443)
Total equity	2,439	2,641
Total liabilities and equity	$ 49,306	$ 51,789

Supplemental information — assets and liabilities of consolidated variable interest entities:

	September 30, 2025	December 31, 2024
FFELP Loans	$ 28,894	$ 30,620
Private Education Loans	14,023	14,638
Restricted cash	1,299	1,364
Other assets, net	1,338	1,224
Short-term borrowings	4,304	4,532
Long-term borrowings	36,600	38,497
Net assets of consolidated variable interest entities	$ 4,650	$ 4,817

See accompanying notes to consolidated financial statements.

NAVIENT CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest income:				
FFELP Loans	$ 484	$ 591	$ 1,459	$ 1,861
Private Education Loans	276	314	838	958
Cash and investments	21	43	64	129
Total interest income	781	948	2,361	2,948
Total interest expense	639	828	1,961	2,547
Net interest income	142	120	400	401
Less: provisions for loan losses	168	42	236	68
Net interest income (loss) after provisions for loan losses	(26)	78	164	333
Other income (loss):				
Servicing revenue	13	13	40	48
Asset recovery and business processing revenue	—	70	23	228
Other income	10	10	44	22
Gain on sale of subsidiary	—	219	—	219
Gains (losses) on derivative and hedging activities, net	(4)	(36)	(34)	11
Total other income	19	276	73	528
Expenses:				
Salaries and benefits	32	72	116	259
Other operating expenses	73	112	217	274
Total operating expenses	105	184	333	533
Goodwill and acquired intangible asset impairment and amortization expense	1	140	2	145
Restructuring/other reorganization expenses	4	18	6	35
Total expenses	110	342	341	713
Income (loss) before income tax expense (benefit)	(117)	12	(104)	148
Income tax expense (benefit)	(31)	14	(29)	41
Net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Basic earnings (loss) per common share	$ (.87)	$ (.02)	$ (.75)	$ .97
Average common shares outstanding	98	108	100	111
Diluted earnings (loss) per common share	$ (.87)	$ (.02)	$ (.75)	$ .95
Average common and common equivalent shares outstanding	98	108	100	112
Dividends per common share	$ .16	$ .16	$ .48	$ .48

See accompanying notes to consolidated financial statements.

NAVIENT CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Net changes in cash flow hedges, net of tax[(1)]	(1)	(7)	(4)	(16)
Total comprehensive income (loss)	$ (87)	$ (9)	$ (79)	$ 91

[(1)] See "Note 5 – Derivative Financial Instruments."

See accompanying notes to consolidated financial statements.

NAVIENT CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share amounts)
(Unaudited)

	Common Stock Shares								
	Issued	Treasury	Outstanding	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Equity
Balance at June 30, 2024	465,108,131	(355,698,037)	109,410,094	$ 4	$ 3,367	$ 10	$ 4,710	$ (5,343)	$ 2,748
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	—	—	(2)	—	(2)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(7)	—	—	(7)
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	(9)
Cash dividends:									
Common stock ($.16 per share)	—	—	—	—	—	—	(17)	—	(17)
Dividend equivalent units related to employee stock-based compensation plans	—	—	—	—	—	—	(1)	—	(1)
Issuance of common shares	103,110	—	103,110	—	2	—	—	—	2
Stock-based compensation expense	—	—	—	—	5	—	—	—	5
Common stock repurchased	—	(2,144,494)	(2,144,494)	—	—	—	—	(33)	(33)
Shares repurchased related to employee stock-based compensation plans	—	(5,230)	(5,230)	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	(1)	(1)
Balance at September 30, 2024	465,211,241	(357,847,761)	107,363,480	$ 4	$ 3,374	$ 3	$ 4,690	$ (5,377)	$ 2,694
Balance at June 30, 2025	466,596,429	(367,165,391)	99,431,038	$ 4	$ 3,394	$ —	$ 4,674	$ (5,508)	$ 2,564
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	—	—	(86)	—	(86)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(1)	—	—	(1)
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	(87)
Cash dividends:	—								
Common stock ($.16 per share)	—	—	—	—	—	—	(16)	—	(16)
Dividend equivalent units related to employee stock-based compensation plans	—	—	—	—	—	—	1	—	1
Issuance of common shares	77,436	—	77,436	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	4	—	—	—	4
Common stock repurchased	—	(1,971,465)	(1,971,465)	—	—	—	—	(26)	(26)
Shares repurchased related to employee stock-based compensation plans	—	(30,304)	(30,304)	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	(1)	(1)
Balance at September 30, 2025	466,673,865	(369,167,160)	97,506,705	$ 4	$ 3,398	$ (1)	$ 4,573	$ (5,535)	$ 2,439

See accompanying notes to consolidated financial statements.

NAVIENT CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share amounts)
(Unaudited)

	Common Stock Shares					Accumulated Other			
	Issued	Treasury	Outstanding	Common Stock	Additional Paid-In Capital	Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Equity
Balance at December 31, 2023	463,715,048	(350,210,737)	113,504,311	$ 4	$ 3,353	$ 19	$ 4,638	$ (5,254)	$ 2,760
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	—	—	107	—	107
Other comprehensive income (loss), net of tax	—	—	—	—	—	(16)	—	—	(16)
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	91
Cash dividends:									
Common stock ($.48 per share)	—	—	—	—	—	—	(53)	—	(53)
Dividend equivalent units related to employee stock-based compensation plans	—	—	—	—	—	—	(2)	—	(2)
Issuance of common shares	1,496,193	—	1,496,193	—	4	—	—	—	4
Stock-based compensation expense	—	—	—	—	17	—	—	—	17
Common stock repurchased	—	(7,162,403)	(7,162,403)	—	—	—	—	(114)	(114)
Shares repurchased related to employee stock-based compensation plans	—	(474,621)	(474,621)	—	—	—	—	(7)	(7)
Other	—	—	—	—	—	—	—	(2)	(2)
Balance at September 30, 2024	465,211,241	(357,847,761)	107,363,480	$ 4	$ 3,374	$ 3	$ 4,690	$ (5,377)	$ 2,694
Balance at December 31, 2024	465,308,901	(362,283,344)	103,025,557	$ 4	$ 3,380	$ 3	$ 4,697	$ (5,443)	$ 2,641
Comprehensive income (loss):									
Net income (loss)	—	—	—	—	—	—	(75)	—	(75)
Other comprehensive income (loss), net of tax	—	—	—	—	—	(4)	—	—	(4)
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	(79)
Cash dividends:	—								
Common stock ($.48 per share)	—	—	—	—	—	—	(48)	—	(48)
Dividend equivalent units related to employee stock-based compensation plans	—	—	—	—	—	—	(1)	—	(1)
Issuance of common shares	1,364,964	—	1,364,964	—	2	—	—	—	2
Stock-based compensation expense	—	—	—	—	16	—	—	—	16
Common stock repurchased	—	(6,434,857)	(6,434,857)	—	—	—	—	(85)	(85)
Shares repurchased related to employee stock-based compensation plans	—	(448,959)	(448,959)	—	—	—	—	(6)	(6)
Other	—	—	—	—	—	—	—	(1)	(1)
Balance at September 30, 2025	466,673,865	(369,167,160)	97,506,705	$ 4	$ 3,398	$ (1)	$ 4,573	$ (5,535)	$ 2,439

See accompanying notes to consolidated financial statements.

NAVIENT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30, 2025	2024
Cash flows from operating activities		
Net income (loss)	$ (75)	$ 107
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Gain) on sale of subsidiary	—	(219)
Goodwill and acquired intangible asset impairment and amortization expense	2	145
Stock-based compensation expense	16	17
Mark-to-market (gains) losses on derivative and hedging activities, net	109	87
Provisions for loan losses	236	68
Decrease in accrued interest receivable	76	341
(Decrease) in accrued interest payable	(41)	(53)
(Increase) decrease in other assets	(13)	111
(Decrease) in other liabilities	(43)	(153)
Total adjustments	342	344
Net cash provided by operating activities	267	451
Cash flows from investing activities		
Education loans originated and acquired	(1,790)	(1,017)
Proceeds from payments on education loans	3,721	8,217
Other investing activities, net	9	—
Disposal of subsidiaries, net of cash and restricted cash disposed of	25	359
Net cash provided by investing activities	1,965	7,559
Cash flows from financing activities		
Borrowings collateralized by loans in trust - issued	1,622	1,106
Borrowings collateralized by loans in trust - repaid	(3,967)	(8,289)
Asset-backed commercial paper conduits, net	35	(609)
Long-term unsecured notes issued	495	—
Long-term unsecured notes repaid	(554)	(7)
Other financing activities, net	39	(44)
Common stock repurchased	(85)	(114)
Common dividends paid	(48)	(53)
Net cash used in financing activities	(2,463)	(8,010)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	(231)	—
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	2,103	2,793
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 1,872	$ 2,793
Supplemental disclosure of cash flow information:		
Cash disbursements made (refunds received) for:		
Interest paid	$ 1,979	$ 2,531
Income taxes paid [1]	$ 25	$ 31
Income taxes refunds received	$ (5)	$ (2)
Reconciliation of the Consolidated Statements of Cash Flows to the Consolidated Balance Sheets:		
Cash and cash equivalents	$ 571	$ 1,143
Restricted cash and restricted cash equivalents	1,301	1,650
Total cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	$ 1,872	$ 2,793

[1] For the nine months ended September 30, 2025 and 2024, the income taxes paid include $23 million and $0 million, respectively, for transferable tax credits purchased, net of discount. In the current period, the $23 million paid was for $25 million of transferable credits at a $2 million discount. The credit was used to reduce income tax liabilities from prior tax years in the current year provision.

See accompanying notes to consolidated financial statements.

1. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited, consolidated financial statements of Navient have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. The consolidated financial statements include the accounts of Navient and its majority-owned and controlled subsidiaries and those Variable Interest Entities (VIEs) for which we are the primary beneficiary, after eliminating the effects of intercompany accounts and transactions. In the opinion of management, all adjustments considered necessary for a fair statement of the results for the interim periods have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Operating results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results for the year ending December 31, 2025 or for any other period. These unaudited financial statements should be read in conjunction with the audited financial statements and related notes included in our 2024 Form 10-K. Definitions for certain capitalized terms used but not otherwise defined in this Form 10-Q can be found in our 2024 Form 10-K.

Recently Issued Accounting Pronouncements

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes – Improvements to Income Tax Disclosures,” which requires companies to disclose additional information in specified categories regarding reconciliation of the effective tax rate to the statutory rate for federal, state, and foreign income taxes. The ASU also eliminates certain existing disclosure requirements related to uncertain tax positions and unrecognized deferred tax liabilities. The guidance is effective for fiscal years beginning after January 1, 2025. Although early adoption is permitted, we will implement the guidance in our 2025 annual Form 10-K filing.

2. Allowance for Loan Losses

Allowance for Loan Losses Roll Forward

	Three Months Ended September 30,					
(Dollars in millions)	FFELP Loans	2025 Private Education Loans	Total	FFELP Loans	2024 Private Education Loans	Total
Allowance at beginning of period	$ 182	$ 348	$ 530	$ 194	$ 493	$ 687
Total provision	13	155	168	(5)	47	42
Charge-offs:						
Gross charge-offs	(9)	(111)	(120)	(9)	(85)	(94)
Expected future recoveries on current period gross charge-offs	—	16	16	—	11	11
Total[1]	(9)	(95)	(104)	(9)	(74)	(83)
Adjustment resulting from the change in charge-off rate[2]	—	(1)	(1)	—	(21)	(21)
Net charge-offs	(9)	(96)	(105)	(9)	(95)	(104)
Decrease in expected future recoveries on previously fully charged-off loans[3]	—	(1)	(1)	—	26	26
Allowance at end of period	$ 186	$ 406	$ 592	$ 180	$ 471	$ 651
Net charge-offs as a percentage of average loans in repayment, excluding the net adjustment resulting from the change in charge-off rate (annualized)[2]	.15%	2.48%		.14%	1.87%	
Net adjustment resulting from the change in charge -off rate as a percentage of average loans in repayment (annualized)[2]	—%	.02%		—%	.53%	
Net charge-offs as a percentage of average loans in repayment (annualized)	.15%	2.50%		.14%	2.40%	
Ending total loans	$ 29,138	$ 15,862		$ 31,702	$ 16,476	
Average loans in repayment	$ 24,527	$ 15,259		$ 25,866	$ 15,856	
Ending loans in repayment	$ 24,136	$ 15,221		$ 25,382	$ 15,659	

[1] Charge-offs are reported net of expected recoveries. For Private Education Loans, we charge off the estimated loss of a defaulted loan balance by charging off the entire defaulted loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as "expected future recoveries on previously fully charged-off loans." For FFELP Loans, the recovery is received at the time of charge-off.

[2] Related to increasing the net charge-off rate on defaulted Private Education Loans and the resulting reduction in the balance of expected future recoveries on previously fully charged-off loans.

[3] At the end of each month, for Private Education Loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance by charging off the entire loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as “expected future recoveries on previously fully charged-off loans.” If actual periodic recoveries are less than expected, the difference is immediately reflected as a reduction to expected future recoveries on previously fully charged-off loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. The following table summarizes the activity in the expected future recoveries on previously fully charged-off loans

	Three Months Ended September 30,	
(Dollars in millions)	2025	2024
Beginning of period expected future recoveries on previously fully charged-off loans	$ 172	$ 211
Expected future recoveries of current period defaults	16	11
Recoveries (cash collected)	(9)	(10)
Charge-offs (as a result of lower recovery expectations)	(6)	(27)
End of period expected future recoveries on previously fully charged-off loans	$ 173	$ 185
Change in balance during period	$ 1	$ (26)

2. Allowance for Loan Losses (Continued)

Allowance for Loan Losses Roll Forward

	Nine Months Ended September 30,					
(Dollars in millions)	FFELP Loans	2025 Private Education Loans	Total	FFELP Loans	2024 Private Education Loans	Total
Allowance at beginning of period	$ 180	$ 441	$ 621	$ 215	$ 617	$ 832
Total provision	29	207	236	(6)	74	68
Charge-offs:						
Gross charge-offs	(23)	(285)	(308)	(29)	(272)	(301)
Expected future recoveries on current period gross charge-offs	—	39	39	—	32	32
Total[1]	(23)	(246)	(269)	(29)	(240)	(269)
Adjustment resulting from the change in charge-off rate[2]	—	(2)	(2)	—	(21)	(21)
Net charge-offs	(23)	(248)	(271)	(29)	(261)	(290)
Decrease in expected future recoveries on previously fully charged-off loans[3]	—	6	6	—	41	41
Allowance at end of period	$ 186	$ 406	$ 592	$ 180	$ 471	$ 651
Net charge-offs as a percentage of average loans in repayment, excluding the net adjustment resulting from the change in charge-off rate (annualized)[2]	.13%	2.14%		.14%	1.98%	
Net adjustment resulting from the change in charge -off rate as a percentage of average loans in repayment (annualized)[2]	—%	.02%		—%	.17%	
Net charge-offs as a percentage of average loans in repayment (annualized)	.13%	2.16%		.14%	2.15%	
Ending total loans	$ 29,138	$ 15,862		$ 31,702	$ 16,476	
Average loans in repayment	$ 25,036	$ 15,368		$ 27,697	$ 16,265	
Ending loans in repayment	$ 24,136	$ 15,221		$ 25,382	$ 15,659	

[1] Charge-offs are reported net of expected recoveries. For Private Education Loans, we charge off the estimated loss of a defaulted loan balance by charging off the entire defaulted loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as "expected future recoveries on previously fully charged-off loans." For FFELP Loans, the recovery is received at the time of charge-off.

[2] Related to increasing the net charge-off rate on defaulted Private Education Loans and the resulting reduction in the balance of expected future recoveries on previously fully charged-off loans.

[3] At the end of each month, for Private Education Loans that are 212 days past due, we charge off the estimated loss of a defaulted loan balance by charging off the entire loan balance and estimating recoveries on a pool basis. These estimated recoveries are referred to as “expected future recoveries on previously fully charged-off loans.” If actual periodic recoveries are less than expected, the difference is immediately reflected as a reduction to expected future recoveries on previously fully charged-off loans. If actual periodic recoveries are greater than expected, they will be reflected as a recovery through the allowance for Private Education Loan losses once the cumulative recovery amount exceeds the cumulative amount originally expected to be recovered. The following table summarizes the activity in the expected future recoveries on previously fully charged-off loans

	Nine Months Ended September 30,	
(Dollars in millions)	2025	2024
Beginning of period expected future recoveries on previously fully charged-off loans	$ 179	$ 226
Expected future recoveries of current period defaults	39	32
Recoveries (cash collected)	(30)	(31)
Charge-offs (as a result of lower recovery expectations)	(15)	(42)
End of period expected future recoveries on previously fully charged-off loans	$ 173	$ 185
Change in balance during period	$ (6)	$ (41)

2. Allowance for Loan Losses (Continued)

Key Credit Quality Indicators

We assess and determine the collectability of our education loan portfolios by evaluating certain risk characteristics we refer to as key credit quality indicators. Key credit quality indicators are incorporated into the allowance for loan losses calculation.

FFELP Loans

FFELP Loans are substantially insured and guaranteed as to their principal and accrued interest in the event of default. The key credit quality indicators are loan status and loan type.

	FFELP Loan Delinquencies					
	September 30, 2025		December 31, 2024		September 30, 2024	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 1,276		$ 1,262		$ 1,342	
Loans in forbearance[2]	3,726		4,365		4,978	
Loans in repayment and percentage of each status:						
Loans current	19,766	81.9%	20,675	81.4%	21,975	86.6%
Loans delinquent 31-60 days[3]	1,062	4.4	1,479	5.8	948	3.7
Loans delinquent 61-90 days[3]	769	3.2	1,043	4.1	599	2.4
Loans delinquent greater than 90 days[3]	2,539	10.5	2,208	8.7	1,860	7.3
Total FFELP Loans in repayment	24,136	100%	25,405	100%	25,382	100%
Total FFELP Loans	29,138		31,032		31,702	
FFELP Loan allowance for losses	(186)		(180)		(180)	
FFELP Loans, net	$ 28,952		$ 30,852		$ 31,522	
Percentage of FFELP Loans in repayment		82.8%		81.9%		80.1%
Delinquencies as a percentage of FFELP Loans in repayment		18.1%		18.6%		13.4%
FFELP Loans in forbearance as a percentage of loans in repayment and forbearance		13.4%		14.7%		16.4%

[1] Loans for customers who may still be attending school or engaging in other permitted educational activities and are not yet required to make payments on their loans, e.g., residency periods for medical students or a grace period for bar exam preparation, as well as loans for customers who have requested and qualify for other permitted program deferments such as military, unemployment, or economic hardships.

[2] Loans for customers who have used their allowable deferment time or do not qualify for deferment, that need additional time to obtain employment or who have temporarily ceased making full payments due to hardship or other factors such as disaster relief consistent with established loan program servicing policies and procedures.

[3] The period of delinquency is based on the number of days scheduled payments are contractually past due.

Loan type:

(Dollars in millions)	September 30, 2025	September 30, 2024	Change
Stafford Loans	$ 9,528	$ 10,168	$ (640)
Consolidation Loans	16,649	18,369	(1,720)
Rehab Loans	2,961	3,165	(204)
Total loans, gross	$ 29,138	$ 31,702	$ (2,564)

2. Allowance for Loan Losses (Continued)

Private Education Loans

The key credit quality indicators are credit scores (FICO scores), loan status, loan seasoning, certain loan modifications, the existence of a cosigner and school type. The FICO score is the higher of the borrower or co-borrower score and is updated at least every six months while school type is assessed at origination. The other Private Education Loan key quality indicators are updated quarterly.

Private Education Loan Credit Quality Indicators by Origination Year
September 30, 2025

(Dollars in millions)	2025	2024	2023	2022	2021	Prior	Total	% of Total
Credit Quality Indicators								
FICO Scores:								
640 and above	$ 1,566	$ 1,082	$ 592	$ 1,109	$ 2,853	$ 6,688	$ 13,890	88%
Below 640	25	50	48	104	166	1,579	1,972	12
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
Loan Status:								
In-school/grace/ deferment/forbearance	$ 73	$ 94	$ 53	$ 46	$ 75	$ 300	$ 641	4%
Current/90 days or less delinquent	1,517	1,032	577	1,150	2,919	7,593	14,788	93
Greater than 90 days delinquent	1	6	10	17	25	374	433	3
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
Seasoning[1]:								
1-12 payments	$ 1,527	$ 595	$ 25	$ 19	$ 9	$ 26	$ 2,201	14%
13-24 payments	—	458	330	37	33	36	894	6
25-36 payments	—	—	243	336	80	75	734	5
37-48 payments	—	—	—	791	1,443	131	2,365	15
More than 48 payments	—	—	—	—	1,418	7,848	9,266	58
Loans in-school/ grace/deferment	64	79	42	30	36	151	402	2
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
Certain Loan Modifications[2]:								
Modified	$ —	$ 14	$ 32	$ 104	$ 213	$ 4,933	$ 5,296	33%
Non-Modified	1,591	1,118	608	1,109	2,806	3,334	10,566	67
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
Cosigners:								
With cosigner[3]	$ 318	$ 329	$ 212	$ 129	$ 66	$ 4,017	$ 5,071	32%
Without cosigner	1,273	803	428	1,084	2,953	4,250	10,791	68
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
School Type:								
Not-for-profit	$ 1,500	$ 1,069	$ 604	$ 1,148	$ 2,842	$ 7,185	$ 14,348	90%
For-profit	91	63	36	65	177	1,082	1,514	10
Total	$ 1,591	$ 1,132	$ 640	$ 1,213	$ 3,019	$ 8,267	$ 15,862	100%
Allowance for loan losses							(406)	
Total loans, net							$ 15,456	
Charge-Offs	$ —	$ (4)	$ (4)	$ (10)	$ (19)	$ (211)	$ (248)	

[1] Number of months in active repayment for which a scheduled payment was received.

[2] Loan Modifications represents the historical definition of a troubled debt restructuring (TDR) prior to the implementation of ASU No. 2022-02 on January 1, 2023. Any loan that meets the historical definition of a TDR retains that classification for the life of the loan (including loans that met that definition after January 1, 2023). This includes loans given rate modifications, term extensions or forbearance greater than 3 months in the prior 24-month period. This classification is not intended to reconcile in any way to the modification disclosures required under ASU No. 2022-02.

[3] Excluding Private Education Refinance Loans, which do not have a cosigner, the cosigner rate was 67% for total loans at September 30, 2025.

2. Allowance for Loan Losses (Continued)

	Private Education Loan Credit Quality Indicators by Origination Year September 30, 2024							
(Dollars in millions)	2024	2023	2022	2021	2020	Prior	Total	% of Total
Credit Quality Indicators								
FICO Scores:								
640 and above	$ 868	$ 802	$ 1,391	$ 3,448	$ 1,062	$ 7,140	$ 14,711	89%
Below 640	14	23	77	139	32	1,480	1,765	11
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
Loan Status:								
In-school/grace/ deferment/forbearance	$ 58	$ 70	$ 67	$ 88	$ 18	$ 516	$ 817	5%
Current/90 days or less delinquent	823	750	1,389	3,480	1,071	7,769	15,282	93
Greater than 90 days delinquent	1	5	12	19	5	335	377	2
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
Seasoning[1]:								
1-12 payments	$ 830	$ 430	$ 29	$ 21	$ 3	$ 42	$ 1,355	8%
13-24 payments	—	337	413	63	9	55	877	6
25-36 payments	—	—	982	1,704	22	97	2,805	17
37-48 payments	—	—	—	1,754	521	180	2,455	15
More than 48 payments	—	—	—	—	531	8,081	8,612	52
Loans in-school/ grace/deferment	52	58	44	45	8	165	372	2
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
Certain Loan Modifications[2]:								
Modified	$ —	$ 8	$ 75	$ 174	$ 55	$ 5,400	$ 5,712	35%
Non-Modified	882	817	1,393	3,413	1,039	3,220	10,764	65
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
Cosigners:								
With cosigner[3]	$ 208	$ 257	$ 162	$ 84	$ 20	$ 4,630	$ 5,361	33%
Without cosigner	674	568	1,306	3,503	1,074	3,990	11,115	67
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
School Type:								
Not-for-profit	$ 642	$ 780	$ 1,390	$ 3,377	$ 1,045	$ 7,380	$ 14,614	89%
For-profit	240	45	78	210	49	1,240	1,862	11
Total	$ 882	$ 825	$ 1,468	$ 3,587	$ 1,094	$ 8,620	$ 16,476	100%
Allowance for loan losses							(471)	
Total loans, net							$ 16,005	
Charge-Offs	$ —	$ (3)	$ (8)	$ (13)	$ (3)	$ (234)	$ (261)	

[1] Number of months in active repayment for which a scheduled payment was received.

[2] Loan Modifications represents the historical definition of a troubled debt restructuring (TDR) prior to the implementation of ASU 2022-02 on January 1, 2023. Any loan that meets the historical definition of a TDR retains that classification for the life of the loan (including loans that met that definition after January 1, 2023). This includes loans given rate modifications, term extensions or forbearance greater than 3 months in the prior 24-month period. This classification is not intended to reconcile in any way to the new modification disclosures required under ASU 2022-02.

[3] Excluding Private Education Refinance Loans, which do not have a cosigner, the cosigner rate was 66% for total loans at September 30, 2024.

2. Allowance for Loan Losses (Continued)

	Private Education Loan Delinquencies					
	September 30, 2025		December 31, 2024		September 30, 2024	
(Dollars in millions)	Balance	%	Balance	%	Balance	%
Loans in-school/grace/deferment[1]	$ 402		$ 372		$ 372	
Loans in forbearance[2]	239		422		445	
Loans in repayment and percentage of each status:						
Loans current	14,291	93.9%	14,419	93.9%	14,827	94.7%
Loans delinquent 31-60 days[3]	315	2.1	319	2.1	282	1.8
Loans delinquent 61-90 days[3]	182	1.2	206	1.3	173	1.1
Loans delinquent greater than 90 days[3]	433	2.8	419	2.7	377	2.4
Total loans in repayment	15,221	100%	15,363	100%	15,659	100%
Total loans	15,862		16,157		16,476	
Allowance for losses	(406)		(441)		(471)	
Loans, net	$ 15,456		$ 15,716		$ 16,005	
Percentage of loans in repayment		96.0%		95.1%		95.0%
Delinquencies as a percentage of loans in repayment		6.1%		6.1%		5.3%
Loans in forbearance as a percentage of loans in repayment and forbearance		1.5%		2.7%		2.8%

[1] Loans for customers who are attending school or are in other permitted educational activities and are not yet required to make payments on their loans, e.g., loans for customers who have requested and qualify for other permitted program deferments such as various military eligible deferments.

[2] Loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors such as disaster relief consistent with established loan program servicing policies and procedures.

[3] The period of delinquency is based on the number of days scheduled payments are contractually past due.

Loan Modifications to Borrowers Experiencing Financial Difficulty

We adjust the terms of Private Education Loans for certain borrowers when we believe such changes will help our customers better manage their student loan obligations, achieve better outcomes and increase the collectability of the loans. These changes generally take the form of a temporary interest rate reduction, a temporary forbearance of payments, a temporary interest-only payment, and a temporary interest rate reduction with a permanent extension of the loan term. The effect of modifications of loans made to borrowers who are experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance. The model design predicts borrowers that will have financial difficulty in the future and require loan modification and increased life of loan default risk.

Under our current forbearance practices, temporary hardship forbearance of payments generally cannot exceed 12 months over the life of the loan. However, exceptions can be made in cases where borrowers have shown the ability to make a substantial number of monthly principal and interest payments and in those cases borrowers can be granted up to 24 months of hardship forbearance over the life of the loan. We offer other administrative forbearances (e.g., death and disability, bankruptcy, military service, and disaster forbearance) that are either required by law (such as the Servicemembers Civil Relief Act) or are considered separate from our active loss mitigation programs and therefore are not considered to be loan modifications requiring disclosure under ASU No. 2022-02.

FFELP Loans are at least 97 percent guaranteed as to their principal and accrued interest by the federal government in the event of default and, therefore, we do not deem FFELP Loans as nonperforming from a credit risk perspective at any point in their life cycle prior to claim payment and continue to accrue interest on those loans through the date of claim. Further, FFELP loan modification events are either legal entitlements subject to regulatory-driven eligibility criteria or addressed in the promissory note terms, so we do not consider these events as a component of our loan modification programs.

2. Allowance for Loan Losses (Continued)

The following tables show the amortized cost basis as of September 30, 2025 and 2024 of the loans to borrowers experiencing financial difficulty that were modified during the respective period.

	Three Months Ended September 30, 2025					
	Loan Modifications Made to Borrowers Experiencing Financial Difficulty					
(Dollars in millions)	Interest Rate Reductions[1]		More Than an Insignificant Payment Delay [2]		Combination Rate Reduction and Term Extension	
Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type
Private Education Loans	$ 599	3.8%	$ 298	1.9%	$ 33	.2%

	Three Months Ended September 30, 2024					
	Loan Modifications Made to Borrowers Experiencing Financial Difficulty					
(Dollars in millions)	Interest Rate Reductions[1]		More Than an Insignificant Payment Delay [2]		Combination Rate Reduction and Term Extension	
Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type
Private Education Loans	$ 551	3.3%	$ 294	1.8%	$ 39	.2%

	Nine Months Ended September 30, 2025					
			More Than an Insignificant Payment Delay [2]		Combination Rate Reduction and Term Extension	
(Dollars in millions)	Interest Rate Reductions[1]					
Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type
Private Education Loans	$ 1,554	9.8%	$ 734	4.6%	$ 87	.5%

	Nine Months Ended September 30, 2024					
			More Than an Insignificant Payment Delay [2]		Combination Rate Reduction and Term Extension	
(Dollars in millions)	Interest Rate Reductions[1]					
Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type	Amortized Cost	% of Loan Type
Private Education Loans	$ 1,511	9.2%	$ 770	4.7%	$ 108	.7%

[1] As of September 30, 2025 and 2024, there was $1.0 billion and $1.1 billion, respectively, of loans in the interest rate reduction program.

[2] More Than an Insignificant Payment Delay includes loans granted more than 3 months of short-term interest only payments or hardship forbearance.

2. Allowance for Loan Losses (Continued)

For those loans modified in the three and nine months ended September 30, 2025 and 2024, the following tables show the impact of such modification.

Three Months Ended September 30, 2025

Loan Type	Interest Rate Reductions	More Than an Insignificant Payment Delay	Combination Rate Reduction and Term Extension
Private Education Loans	Reduced the weighted average contractual rate from 12.3% to 5.4%	Added an average 5 months to the remaining life of the loans	Added an average 6 years to the remaining life of the loans and reduced the weighted average contractual rate from 12% to 5.2%.

Three Months Ended September 30, 2024

Loan Type	Interest Rate Reductions	More Than an Insignificant Payment Delay	Combination Rate Reduction and Term Extension
Private Education Loans	Reduced the weighted average contractual rate from 13.2% to 5.5%	Added an average 5 months to the remaining life of the loans	Added an average 7 years to the remaining life of the loans and reduced the weighted average contractual rate from 12.7% to 5.4%.

Nine Months Ended September 30, 2025

Loan Type	Interest Rate Reductions	More Than an Insignificant Payment Delay	Combination Rate Reduction and Term Extension
Private Education Loans	Reduced the weighted average contractual rate from 12.3% to 5.4%	Added an average 7 months to the remaining life of the loans	Added an average 7 years to the remaining life of the loans and reduced the weighted average contractual rate from 12.1% to 5.4%.

Nine Months Ended September 30, 2024

Loan Type	Interest Rate Reductions	More Than an Insignificant Payment Delay	Combination Rate Reduction and Term Extension
Private Education Loans	Reduced the weighted average contractual rate from 13.3% to 5.4%	Added an average 5 months to the remaining life of the loans	Added an average 7 years to the remaining life of the loans and reduced the weighted average contractual rate from 12.7% to 5.3%.

2. Allowance for Loan Losses (Continued)

The following table provides the amount of loan modifications for which a charge-off or payment default occurred in the respective period and within 12 months of the loan receiving a loan modification. We define payment default as 60 days or more past due for purposes of this disclosure. We closely monitor performance of the loans to borrowers experiencing financial difficulty that are modified to understand the effectiveness of the modification efforts.

(Dollars in millions)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Modified loans (amortized cost) [1]	$ 142	$ 127	$ 345	$ 284
Payment default (par)	$ 145	$ 129	$ 353	$ 290
Charge-offs (par)	$ 19	$ 12	$ 44	$ 14

[1] For the three months ended September 30, 2025 and 2024, the modified loans include $95 million and $96 million, respectively, of Interest Rate Reduction, $7 million and $6 million, respectively, of Combination Rate Reduction and Term Extension, and $40 million and $25 million, respectively, of More Than Insignificant Payment Delay. For the nine months ended September 30, 2025 and 2024, the modified loans include $242 million and $216 million, respectively, of Interest Rate Reduction, $15 million and $14 million, respectively, of Combination Rate Reduction and Term Extension, and $88 million and $54 million, respectively, of More Than Insignificant Payment Delay.

The following table provides the performance and related loan status of Private Education Loans that have been modified within the 12 months prior to September 30, 2025 and the 12 months prior to December 31, 2024, respectively.

(Dollars in millions)	Payment Status (Amortized Cost) Twelve Months Ended
Loan Status	**September 30, 2025** / **December 31, 2024**
Loans in school/deferment	$ 23 / $ 21
Loans in forbearance	81 / 162
Loans current	2,080 / 2,037
Loans delinquent 31 - 60 days	190 / 172
Loans delinquent 61 - 90 days	109 / 117
Loans delinquent greater than 90 days	177 / 186
Total modified loans	$ 2,660 / $ 2,695

3. Borrowings

The following table summarizes our borrowings.

	September 30, 2025			December 31, 2024		
(Dollars in millions)	Short Term	Long Term	Total	Short Term	Long Term	Total
Unsecured borrowings:						
Senior unsecured debt	$ 505	$ 4,800	$ 5,305	$ 553	$ 4,806	$ 5,359
Total unsecured borrowings	505	4,800	5,305	553	4,806	5,359
Secured borrowings:						
FFELP Loan securitizations[1][2]	113	25,989	26,102	41	28,268	28,309
Private Education Loan securitizations[3]	535	10,321	10,856	631	10,338	10,969
FFELP Loan ABCP facilities[4]	1,872	313	2,185	1,586	74	1,660
Private Education Loan ABCP facilities[4]	1,784	—	1,784	2,274	—	2,274
Other[5]	113	39	152	54	40	94
Total secured borrowings	4,417	36,662	41,079	4,586	38,720	43,306
Total before hedge accounting adjustments	4,922	41,462	46,384	5,139	43,526	48,665
Hedge accounting adjustments	(2)	(48)	(50)	(5)	(342)	(347)
Total	$ 4,920	$ 41,414	$ 46,334	$ 5,134	$ 43,184	$ 48,318

[1] Includes $113 million and $41 million of short-term debt and $0 million and $87 million of long-term debt related to the FFELP Loan ABS repurchase facilities (FFELP Loan Repurchase Facilities) as of September 30, 2025 and December 31, 2024, respectively.

[2] Includes defaulted FFELP secured debt tranches with a remaining principal amount of $1.1 billion as of September 30, 2025 as a result of not maturing by their respective contractual maturity dates. Notices were delivered to the trustee, rating agencies and bondholders alerting them to these maturity date defaults. At this time, it is expected the bonds will be paid in full between 2027 and 2037. There is no impact to the principal amount owed or the coupon at which the bonds accrue, and there is no revised contractual maturity date.

[3] Includes $535 million and $631 million of short-term debt related to the Private Education Loan ABS repurchase facilities (Private Education Loan Repurchase Facilities) as of September 30, 2025 and December 31, 2024, respectively.

[4] ABCP Facilities include $870 million and $167 million of gross issuances in the three months ended September 30,2025 and 2024, respectively,and $675 million and $153 million of gross paydowns in the three months ended September 30,2025 and 2024, respectively. ABCP facilities include $1.8 billion and $689 million of gross issuance in the nine months ended September 30, 2025 and 2024, respectively, and $1.8 billion and $1.3 billion of gross paydowns in the nine months ended September 30, 2025 and 2024, respectively.

[5] "Other" primarily includes the obligation to return cash collateral held related to derivative exposure.

3. Borrowings (Continued)

Variable Interest Entities

We consolidated the following financing VIEs as of September 30, 2025 and December 31, 2024, as we are the primary beneficiary. As a result, these VIEs are accounted for as secured borrowings.

	September 30, 2025						
	Debt Outstanding			Carrying Amount of Assets Securing Debt Outstanding			
(Dollars in millions)	Short Term	Long Term	Total	Loans	Cash	Other Assets	Total
Secured Borrowings — VIEs:							
FFELP Loan securitizations	$ 113	$ 25,989	$ 26,102	$ 26,744	$ 811	$ 1,143	$ 28,698
Private Education Loan securitizations	535	10,321	10,856	12,066	348	130	12,544
FFELP Loan ABCP facilities	1,872	313	2,185	2,150	62	108	2,320
Private Education Loan ABCP facilities	1,784	—	1,784	1,957	78	33	2,068
Total before hedge accounting adjustments	4,304	36,623	40,927	42,917	1,299	1,414	45,630
Hedge accounting adjustments	—	(23)	(23)	—	—	(76)	(76)
Total	$ 4,304	$ 36,600	$ 40,904	$ 42,917	$ 1,299	$ 1,338	$ 45,554

	December 31, 2024						
	Debt Outstanding			Carrying Amount of Assets Securing Debt Outstanding			
(Dollars in millions)	Short Term	Long Term	Total	Loans	Cash	Other Assets	Total
Secured Borrowings — VIEs:							
FFELP Loan securitizations	$ 41	$ 28,268	$ 28,309	$ 28,983	$ 901	$ 1,211	$ 31,095
Private Education Loan securitizations	631	10,338	10,969	12,054	335	113	12,502
FFELP Loan ABCP facilities	1,586	74	1,660	1,637	53	78	1,768
Private Education Loan ABCP facilities	2,274	—	2,274	2,584	75	66	2,725
Total before hedge accounting adjustments	4,532	38,680	43,212	45,258	1,364	1,468	48,090
Hedge accounting adjustments	—	(183)	(183)	—	—	(244)	(244)
Total	$ 4,532	$ 38,497	$ 43,029	$ 45,258	$ 1,364	$ 1,224	$ 47,846

4. Divestitures

As it relates to our Business Processing Healthcare Services reporting unit, on September 19, 2024, Navient completed the sale of its membership interest in Xtend, LLC, which comprised the Company's healthcare services business, resulting in a $219 million gain on sale. As a result, $112 million of goodwill and acquired intangible assets were a part of our basis in this entity, and these assets were therefore removed from our balance sheet upon the sale.

On December 19, 2024, Navient entered into an agreement to sell its government services businesses. During the fourth quarter of 2024, our government services businesses met the criteria for held for sale classification. The basis of these subsidiaries was written down to their estimated sales price or fair value less cost to sell, which was equal to the estimated net sales price resulting in a $28 million loss, which is presented in the "Gain on sale of subsidiaries, net" line in the statement of income. In February 2025, Navient completed the sale of its government services businesses for net consideration of $44 million, which constitutes the remainder of the Business Processing segment.

There was no revenue in the Business Processing segment in the third quarter of 2025. The $70 million of revenue in the Business Processing segment in the third quarter of 2024 included $27 million related to healthcare services and $43 million related to government services, of which $6 million, $19 million and $18 million related to federal government, state and local government, and tolling authorities clients, respectively.

The $23 million of revenue in the Business Processing segment in the nine months ended September 30, 2025 was related to government services, of which $4 million, $8 million and $11 million related to federal government, state and local government, and tolling authorities clients, respectively. The $228 million of revenue in the Business Processing segment in the nine months ended September 30, 2024 included $88 million related to healthcare services and $140 million related to government services of which $35 million, $54 million and $51 million related to federal government, state and local government, and tolling authorities clients, respectively.

5. Derivative Financial Instruments

Summary of Derivative Financial Statement Impact

The following tables summarize the fair values and notional amounts of all derivative instruments and their impact on net income and other comprehensive income.

Impact of Derivatives on Balance Sheet

		Cash Flow		Fair Value[3]		Trading		Total	
(Dollars in millions)	Hedged Risk Exposure	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024
Fair Values[1]									
Derivative Assets:									
Interest rate swaps	Interest rate	$ —	$ —	$ 45	$ 25	$ —	$ —	$ 45	$ 25
Cross-currency interest rate swaps		—	—	3	—	—	—	3	—
Total derivative assets[2]		—	—	48	25	—	—	48	25
Derivative Liabilities:									
Interest rate swaps	Interest rate	—	—	—	—	—	—	—	—
Cross-currency interest rate swaps	Foreign currency and interest rate	—	—	(79)	(244)	—	—	(79)	(244)
Total derivative liabilities[2]		—	—	(79)	(244)	—	—	(79)	(244)
Net total derivatives		$ —	$ —	$ (31)	$ (219)	$ —	$ —	$ (31)	$ (219)

[1] Fair values reported are exclusive of collateral held and pledged and accrued interest. Assets and liabilities are presented without consideration of master netting agreements. Derivatives are carried on the balance sheet based on net position by counterparty under master netting agreements and classified in other assets or other liabilities depending on whether in a net positive or negative position.

[2] The following table reconciles gross positions without the impact of master netting agreements to the balance sheet classification:

	Other Assets		Other Liabilities	
(Dollar in millions)	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Gross position	$ 48	$ 25	$ (79)	$ (244)
Impact of master netting agreements	—	—	—	—
Derivative values with impact of master netting agreements (as carried on balance sheet)	48	25	(79)	(244)
Cash collateral (held) pledged	(39)	(26)	40	30
Net position	$ 9	$ (1)	$ (39)	$ (214)

[3] The following table shows the carrying value of liabilities in fair value hedges and the related fair value hedging adjustments to these liabilities:

	As of September 30, 2025		As of December 31, 2024	
(Dollar in millions)	Carrying Value	Hedge Basis Adjustments	Carrying Value	Hedge Basis Adjustments
Short-term borrowings	$ 497	$ (2)	$ 495	$ (5)
Long-term borrowings	$ 4,699	$ (51)	$ 4,517	$ (345)

5. Derivative Financial Instruments (Continued)

The above fair values include adjustments when necessary for counterparty credit risk.

	Cash Flow		Fair Value		Trading		Total	
(Dollars in billions)	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2024
Notional Values:								
Interest rate swaps	$ .9	$ .1	$ 4.1	$ 4.1	$ 1.0	$ 2.2	$ 6.0	$ 6.4
Cross-currency interest rate swaps	—	—	1.2	1.3	—	—	1.2	1.3
Total derivatives	$ .9	$ .1	$ 5.3	$ 5.4	$ 1.0	$ 2.2	$ 7.2	$ 7.7

Mark-to-Market Impact of Derivatives on Statements of Income

	Total Gains (Losses)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	2025	2024	2025	2024
Fair Value Hedges:				
Interest Rate Swaps				
Gains (losses) recognized in net income on derivatives	$ 19	$ 135	$ 128	$ 87
Gains (losses) recognized in net income on hedged items	(21)	(146)	(137)	(96)
Net fair value hedge ineffectiveness gains (losses)	(2)	(11)	(9)	(9)
Cross-currency interest rate swaps				
Gains (losses) recognized in net income on derivatives	(1)	59	168	26
Gains (losses) recognized in net income on hedged items	5	(58)	(159)	(22)
Net fair value hedge ineffectiveness gains (losses)	4	1	9	4
Total fair value hedges[1][2]	2	(10)	—	(5)
Cash Flow Hedges:				
Total cash flow hedges[2]	—	—	—	—
Trading:				
Interest rate swaps	(4)	(36)	(34)	11
Total trading derivatives[3]	(4)	(36)	(34)	11
Mark-to-market gains (losses) recognized	$ (2)	$ (46)	$ (34)	$ 6

[1] Recorded in interest expense in the consolidated statements of income.

[2] The accrued interest income (expense) on fair value hedges and cash flow hedges is recorded in interest expense and is excluded from this table.

[3] Recorded in "gains (losses) on derivative and hedging activities, net" in the consolidated statements of income.

5. Derivative Financial Instruments (Continued)

Impact of Derivatives on Other Comprehensive Income (Equity)

(Dollars in millions)	Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024
Total gains (losses) on cash flow hedges	$ —	$ (1)	$ (3)	$ 3
Reclassification adjustments for derivative (gains) losses included in net income (interest expense)[1]	(1)	(6)	(1)	(19)
Net changes in cash flow hedges, net of tax	$ (1)	$ (7)	$ (4)	$ (16)

[1] Includes net settlement income/expense.

Collateral

The following table details collateral held and pledged related to derivative exposure between us and our derivative counterparties:

(Dollars in millions)	September 30, 2025	December 31, 2024
Collateral held:		
Cash (obligation to return cash collateral is recorded in short-term borrowings)	$ 39	$ 26
Securities at fair value — corporate derivatives (not recorded in financial statements)[1]	—	—
Securities at fair value — on-balance sheet securitization derivatives (not recorded in financial statements)[2]	—	—
Total collateral held	$ 39	$ 26
Derivative asset at fair value including accrued interest	$ 47	$ 33
Collateral pledged to others:		
Cash (right to receive return of cash collateral is recorded in investments)	$ 40	$ 30
Total collateral pledged	$ 40	$ 30
Derivative liability at fair value including accrued interest and premium receivable	$ 85	$ 250

[1] The Company has the ability to sell or re-pledge securities it holds as collateral.

[2] The trusts do not have the ability to sell or re-pledge securities they hold as collateral.

Our corporate derivatives contain credit contingent features. At our current unsecured credit rating, we have fully collateralized our corporate derivative liability position (including accrued interest and net of premiums receivable) of $0 with our counterparties. Downgrades in our unsecured credit rating would not result in any additional collateral requirements. Trust related derivatives do not contain credit contingent features related to our or the trusts' credit ratings. At September 30, 2025 and December 31, 2024, we had a net positive exposure (derivative gain positions to us less collateral which has been posted by counterparties to us) related to Navient Corporation derivatives of $5 million and $9 million, respectively. The trusts are not required to post collateral to the counterparties. At September 30, 2025 and December 31, 2024, the net positive exposure on swaps in securitization trusts was $3 million and $0 million, respectively.

6. Other Assets

The following table provides the detail of our other assets.

(Dollars in millions)	September 30, 2025	December 31, 2024
Accrued interest receivable	$ 1,657	$ 1,733
Benefit and insurance-related investments	459	459
Income tax asset, net	150	120
Derivatives at fair value	48	25
Accounts receivable	15	49
Fixed assets	27	52
Other	88	100
Total	$ 2,444	$ 2,538

7. Stockholders' Equity

The following table summarizes common share repurchases, issuances and dividends paid.

(Dollars and shares in millions, except per share amounts)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Common stock repurchased[1]	2.0	2.1	6.4	7.2
Common stock repurchased (in dollars)[1]	$ 26	$ 33	$ 85	$ 114
Average purchase price per share[1]	$ 13.19	$ 15.37	$ 13.21	$ 15.91
Remaining common stock repurchase authority[1]	$ 26	$ 176	$ 26	$ 176
Shares repurchased related to employee stock-based compensation plans[2]	—	—	.4	.5
Average purchase price per share[2]	$ —	$ —	$ 13.80	$ 16.04
Common shares issued[3]	.1	.1	1.4	1.5
Dividends paid	$ 16	$ 17	$ 48	$ 53
Dividends per share	$ .16	$ .16	$ .48	$ .48

[1] Common shares purchased under our share repurchase program. Our Board of Directors authorized a $1 billion multi-year share repurchase program in December 2021 and authorized a new $100 million share repurchase program in October 2025. The new share repurchase program, which is effective immediately, is in addition to the approximately $26 million of unused authorization as of September 30, 2025.

[2] Comprises shares withheld from the vesting of restricted stock for employees' tax withholding obligations.

[3] Common shares issued under our various compensation and benefit plans.

The closing price of our common stock on September 30, 2025 was $13.15.

8. Earnings (Loss) per Common Share

Basic earnings (loss) per common share (EPS) are calculated using the weighted average number of shares of common stock outstanding during each period. A reconciliation of the numerators and denominators of the basic and diluted EPS calculations on a GAAP basis follows.

(In millions, except per share data)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Numerator:				
Net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Denominator:				
Weighted average shares used to compute basic EPS	98	108	100	111
Effect of dilutive securities:				
Dilutive effect of restricted stock, restricted stock units, performance stock units, and Employee Stock Purchase Plan (ESPP)[1]	—	—	—	1
Dilutive potential common shares[2]	—	—	—	1
Weighted average shares used to compute diluted EPS	98	108	100	112
Basic earnings (loss) per common share	$ (.87)	$ (.02)	$ (.75)	$ .97
Diluted earnings (loss) per common share	$ (.87)	$ (.02)	$ (.75)	$ .95

[1] Includes the potential dilutive effect of additional common shares that are issuable upon the vesting of restricted stock, restricted stock units and performance stock units and the outstanding commitment to issue shares under the ESPP, determined by the treasury stock method.

[2] For the three months ended September 30, 2025 and 2024, approximately 2 million and 2 million shares, respectively, were outstanding but not included in the computation of diluted earnings per share because they were anti-dilutive. For the nine months ended September 30, 2025 and 2024, securities covering approximately 2 million and 0 million shares, respectively, were outstanding but not included in the computation of diluted earnings per share because they were anti-dilutive

9. Fair Value Measurements

We use estimates of fair value in applying various accounting standards in our financial statements. We categorize our fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. The fair value of the items discussed below are separately disclosed in this footnote.

During the three and nine months ended September 30, 2025, there were no significant transfers of financial instruments between levels, or changes in our methodology used to value our financial instruments.

The following table summarizes the valuation of our financial instruments that are marked-to-market on a recurring basis. During the third quarters of 2025 and 2024, there were no significant transfers of financial instruments between levels.

	Fair Value Measurements on a Recurring Basis							
	September 30, 2025				December 31, 2024			
(Dollars in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivative instruments:[1]								
Interest rate swaps	$ —	$ 45	$ —	$ 45	$ —	$ 25	$ —	$ 25
Cross-currency interest rate swaps	—	—	3	3	—	—	—	—
Total derivative assets[2]	—	45	3	48	—	25	—	25
Total	$ —	$ 45	$ 3	$ 48	$ —	$ 25	$ —	$ 25
Liabilities[3]								
Derivative instruments[1]								
Interest rate swaps	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Cross-currency interest rate swaps	—	—	(79)	(79)	—	—	(244)	(244)
Total derivative liabilities[2]	—	—	(79)	(79)	—	—	(244)	(244)
Total	$ —	$ —	$ (79)	$ (79)	$ —	$ —	$ (244)	$ (244)

[1] Fair value of derivative instruments excludes accrued interest and the value of collateral.

[2] See "Note 5 – Derivative Financial Instruments" for a reconciliation of gross positions without the impact of master netting agreements to the balance sheet classification.

[3] Borrowings which are the hedged item in a fair value hedge relationship and which are adjusted for changes in value due to benchmark interest rates only are not carried at full fair value and not reflected in this table.

9. Fair Value Measurements (Continued)

The following tables summarize the change in balance sheet carrying value associated with level 3 financial instruments carried at fair value on a recurring basis.

	Three Months Ended September 30,							
	2025 Derivative instruments				2024 Derivative instruments			
(Dollars in millions)	Interest Rate Swaps	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments	Interest Rate Swaps	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments
Balance, beginning of period	$ —	$ (75)	$ —	$ (75)	$ (1)	$ (222)	$ —	$ (223)
Total gains/(losses):								
Included in earnings[1]	—	(10)	—	(10)	—	49	—	49
Included in other comprehensive income	—	—	—	—	—	—	—	—
Settlements	—	9	—	9	—	9	—	9
Transfers in and/or out of level 3	—	—	—	—	1	—	—	1
Balance, end of period	$ —	$ (76)	$ —	$ (76)	$ —	$ (164)	$ —	$ (164)
Change in mark-to-market gains/(losses) relating to instruments still held at the reporting date[2]	$ —	$ (1)	$ —	$ (1)	$ —	$ 58	$ —	$ 58

	Nine Months Ended September 30,							
	2025 Derivative instruments				2024 Derivative instruments			
(Dollars in millions)	Interest Rate Swaps	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments	Interest Rate Swaps	Cross Currency Interest Rate Swaps	Other	Total Derivative Instruments
Balance, beginning of period	$ —	$ (244)	$ —	$ (244)	$ (1)	$ (189)	$ —	$ (190)
Total gains/(losses):								
Included in earnings[1]	—	142	—	142	—	(3)	—	(3)
Included in other comprehensive income	—	—	—	—	—	—	—	—
Settlements	—	26	—	26	—	28	—	28
Transfers in and/or out of level 3	—	—	—	—	1	—	—	1
Balance, end of period	$ —	$ (76)	$ —	$ (76)	$ —	$ (164)	$ —	$ (164)
Change in mark-to-market gains/(losses) relating to instruments still held at the reporting date[2]	$ —	$ 168	$ —	$ 168	$ —	$ 25	$ —	$ 25

[1] "Included in earnings" is comprised of the following amounts recorded in the specified line item in the consolidated statements of income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	2025	2024	2025	2024
Gains (losses) on derivative and hedging activities, net	$ —	$ —	$ —	$ —
Interest expense	(10)	49	142	(3)
Total	$ (10)	$ 49	$ 142	$ (3)

[2] Recorded in "gains (losses) on derivative and hedging activities, net" in the consolidated statements of income for interest rate swaps. Recorded in interest expense for cross-currency interest rate swaps in fair value hedges.

9. Fair Value Measurements (Continued)

The following table presents the significant inputs that are unobservable or from inactive markets used in the recurring valuations of the level 3 financial instruments detailed above.

(Dollars in millions)	Fair Value at September 30, 2025	Valuation Technique	Input	Range and Weighted Average
Derivatives				
Cross-currency interest rate swaps	$ (76)	Discounted cash flow	Constant Prepayment Rate	5%
Total	(76)			

The following table summarizes the fair values of our financial assets and liabilities, including derivative financial instruments.

	September 30, 2025			December 31, 2024		
(Dollars in millions)	Fair Value	Carrying Value	Difference	Fair Value	Carrying Value	Difference
Earning assets						
FFELP Loans	$ 28,538	$ 28,952	$ (414)	$ 30,766	$ 30,852	$ (86)
Private Education Loans	15,155	15,456	(301)	15,367	15,716	(349)
Cash and investments	2,019	2,019	—	2,246	2,246	—
Total earning assets	45,712	46,427	(715)	48,379	48,814	(435)
Interest-bearing liabilities						
Short-term borrowings	4,930	4,920	(10)	5,144	5,134	(10)
Long-term borrowings	40,749	41,414	665	42,361	43,184	823
Total interest-bearing liabilities	45,679	46,334	655	47,505	48,318	813
Derivative financial instruments						
Interest rate swaps	45	45	—	25	25	—
Cross-currency interest rate swaps	(76)	(76)	—	(244)	(244)	—
Excess of net asset fair value over carrying value			$ (60)			$ 378

10. Commitments, Contingencies and Guarantees

Legal Proceedings

We and our subsidiaries and affiliates are subject to various claims, lawsuits and other actions that arise in the normal course of business. We believe that these claims, lawsuits and other actions will not, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations, except as otherwise disclosed. Most of these matters are claims including individual and class action lawsuits relating to loan servicing or business processing and which allege violations of state or federal laws in connection with servicing or collection activities on education loans and other debts.

In the ordinary course of our business, the Company and our subsidiaries and affiliates receive information and document requests and investigative demands from various entities including State Attorneys General, U.S. Attorneys, legislative committees, individual members of Congress and administrative agencies. These requests may be informational, regulatory or enforcement in nature and may relate to our business practices, the industries in which we operate, or companies with whom we conduct business. Generally, our practice has been and continues to be to cooperate with these bodies and to be responsive to any such requests.

The number of these inquiries and the volume of related information demands have normalized at elevated levels and therefore the Company must continue to expend time and resources to timely respond to these requests which may, depending on their outcome, result in payments of restitution, fines and penalties.

Contingencies

In the ordinary course of business, we and our subsidiaries are defendants in or parties to pending and threatened legal actions and proceedings including actions brought on behalf of various classes of claimants. These actions and proceedings may be based on alleged violations of consumer protection, securities, employment and other laws. In certain of these actions and proceedings, claims for substantial monetary damage are asserted against us and our subsidiaries. We and our subsidiaries are also subject to potential unasserted claims by third parties.

10. Commitments, Contingencies and Guarantees (Continued)

In the ordinary course of business, we and our subsidiaries are subject to regulatory examinations, information gathering requests, inquiries and investigations. In connection with formal and informal inquiries in these cases, we and our subsidiaries receive requests, subpoenas and orders for documents, testimony and information in connection with various aspects of our regulated activities.

In view of the inherent difficulty of predicting the outcome of litigation and regulatory matters, we may not be able to predict what the eventual outcome of the pending matters will be, what the timing or the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties, if any, related to each pending matter may be.

The Company accrues a liability for litigation, regulatory matters, and unasserted contract claims when those matters present loss contingencies that are both probable and reasonably estimable. When loss contingencies are not both probable and reasonably estimable, we do not accrue a liability. Based on current knowledge, management does not believe that loss contingencies, if any, arising from pending investigations, litigation or regulatory matters will have a material adverse effect on our consolidated financial position, liquidity, results of operations or cash flows, except as otherwise disclosed.

The Company evaluates its outstanding legal and regulatory matters each reporting period, and makes adjustments to the accrued liabilities for such matters, upward or downward, as appropriate, based on the relevant facts and circumstances. The Company's accrued liabilities and estimated range of possible losses pertaining to certain matters can involve significant judgment given factors such as: the varying stages of the proceedings; the existence of numerous yet to be resolved issues; the breadth of the claims (often spanning multiple years and wide ranges of business activities); unspecified damages, civil money penalties or fines and/or the novelty of the legal issues presented; and the attendant uncertainty of the various potential outcomes of such proceedings, including where the Company has made assumptions concerning future rulings by the court or other adjudicator, or about the behavior or incentives of adverse parties or regulatory authorities. Various aspects of the legal proceedings underlying these estimates will change from time to time. Actual losses therefore may vary significantly from any estimates.

Regulatory Matters

The Company has been named as defendant in a number of putative class action and other cases alleging violations of various state and federal consumer protection laws including the Telephone Consumer Protection Act (TCPA), the Consumer Financial Protection Act of 2010 (CFPA), the Fair Credit Reporting Act (FCRA), the Fair Debt Collection Practices Act (FDCPA), in adversarial proceedings under the U.S. Bankruptcy Code, and various state consumer protection laws. At this point in time, the Company is unable to anticipate the timing of a resolution or the impact that these legal proceedings may have on the Company’s consolidated financial position, liquidity, results of operation or cash flows. As a result, it is not possible at this time to estimate a range of potential exposure, if any, for amounts that may be payable in connection with these matters and loss contingency accruals have not been established. It is possible that an adverse ruling or rulings may have a material adverse impact on the Company.

In addition, Navient and its subsidiaries are subject to examination or regulation by various federal regulatory, state licensing or other regulatory agencies as part of its ordinary course of business including the SEC, CFPB, FFIEC and ED. Items or matters similar to or different from those described above may arise during the course of those examinations. We also routinely receive inquiries or requests from various regulatory entities or bodies or government agencies concerning our business or our assets. Generally, the Company endeavors to cooperate with each such inquiry or request.

11. Segment Reporting

We monitor and assess our ongoing operations and results based on the following three reportable operating segments: Federal Education Loans, Consumer Lending, and Other. As of February 2025, we had divested our Business Processing segment.

These segments meet the quantitative thresholds for reportable operating segments. Accordingly, the results of operations of these reportable operating segments are presented separately. The underlying operating segments are used by the Company's chief operating decision maker, our chief executive officer, to manage the business, review operating performance and allocate resources, and qualify to be aggregated as part of the primary reportable operating segments. As discussed further below, we measure the profitability of our operating segments based on Core Earnings net income. Accordingly, information regarding our reportable operating segments' net income is provided on a Core Earnings basis.

Federal Education Loans Segment

Navient owns and manages FFELP Loans and is the master servicer on this portfolio. We generate revenue primarily through net interest income on our FFELP Loans.

The following table includes asset information for our Federal Education Loans segment.

(Dollars in millions)	September 30, 2025	December 31, 2024
FFELP Loans, net	$ 28,952	$ 30,852
Cash and investments[1]	875	955
Other	1,834	1,818
Total assets	$ 31,661	$ 33,625

[1] Includes restricted cash and investments.

Consumer Lending Segment

Navient owns and manages Private Education Loans and is the master servicer for these portfolios. Through our Earnest brand, we also refinance and originate in-school Private Education Loans. "Refinance" Private Education Loans are loans where a borrower has refinanced their education loans, and "In-school" Private Education Loans are loans originally made to borrowers while they are attending school. We generate revenue primarily through net interest income on our Private Education Loan portfolio.

The following table includes asset information for our Consumer Lending segment.

(Dollars in millions)	September 30, 2025	December 31, 2024
Private Education Loans, net	$ 15,456	$ 15,716
Cash and investments[1]	533	524
Other	554	569
Total assets	$ 16,543	$ 16,809

[1] Includes restricted cash and investments.

11. Segment Reporting (Continued)

Business Processing Segment

In September 2024, Navient completed the sale of Xtend, which comprised the Company's healthcare services business in its Business Processing segment. In February 2025, Navient completed the sale of its government services businesses, which constituted the remainder of the Business Processing segment.

Prior to the sale of its healthcare and government services businesses, Navient provided business processing solutions such as omnichannel contact center services, workflow processing, and revenue cycle optimization. We leveraged the same expertise and intelligent tools we use to deliver successful results for portfolios we own. Our support enabled our clients to ensure better constituent outcomes, meet rapidly changing needs, improve technology, reduce operating expenses, manage risk and optimize revenue opportunities. Our clients included:

- **Government:** We offered our solutions to federal agencies, state governments, tolling and parking authorities, and other public sector clients.
- **Healthcare:** Our clients included hospitals, hospital systems, medical centers, large physician groups, other healthcare providers and public health departments.

At September 30, 2025 and December 31, 2024, the Business Processing segment had total assets of $0 and $103 million, respectively.

Other Segment

This segment consists of our corporate liquidity portfolio, gains and losses incurred on the repurchase of debt, unallocated expenses of shared services (which includes regulatory expenses) and restructuring/other reorganization expenses. Additionally, the segment contains the revenue and expenses in connection with the transition services we have performed related to the outsourcing of loan servicing and divestiture of our Business Processing segment.

Unallocated shared services expenses are comprised of costs primarily related to information technology costs related to infrastructure and operations, stock-based compensation expense, accounting, finance, legal, compliance and risk management, regulatory-related expenses, human resources, certain executive management and the Board of Directors. Regulatory-related expenses include actual settlement amounts as well as third-party professional fees we incur in connection with such regulatory matters and are presented net of any insurance reimbursements for covered costs related to such matters.

At September 30, 2025 and December 31, 2024, the Other segment had total assets of $1.1 billion and $1.3 billion, respectively.

11. Segment Reporting (Continued)

Measure of Profitability

We prepare financial statements and present financial results in accordance with GAAP. However, we also evaluate our business segments and present financial results on a basis that differs from GAAP. We refer to this different basis of presentation as Core Earnings. We provide this Core Earnings basis of presentation on a consolidated basis and for each business segment because this is what we review internally when making management decisions regarding our performance and how we allocate resources. We also refer to this information in our presentations with credit rating agencies, lenders and investors. Because our Core Earnings basis of presentation corresponds to our segment financial presentations, we are required by GAAP to provide Core Earnings disclosure in the notes to our consolidated financial statements for our business segments.

Core Earnings are not a substitute for reported results under GAAP. We use Core Earnings to manage our business segments because Core Earnings reflect adjustments to GAAP financial results for two items, discussed below, that can create significant volatility mostly due to timing factors generally beyond the control of management. Accordingly, we believe that Core Earnings provide management with a useful basis from which to better evaluate results from ongoing operations against the business plan or against results from prior periods. Consequently, we disclose this information because we believe it provides investors with additional information regarding the operational and performance indicators that are most closely assessed by management. When compared to GAAP results, the two items we remove to result in our Core Earnings presentations are:

1. Mark-to-market gains/losses resulting from our use of derivative instruments to hedge our economic risks that do not qualify for hedge accounting treatment or do qualify for hedge accounting treatment but result in ineffectiveness; and

2. The accounting for goodwill and acquired intangible assets.

While GAAP provides a uniform, comprehensive basis of accounting, for the reasons described above, our Core Earnings basis of presentation does not. Core Earnings are subject to certain general and specific limitations that investors should carefully consider. For example, there is no comprehensive, authoritative guidance for management reporting. Our Core Earnings are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. Accordingly, our Core Earnings presentation does not represent a comprehensive basis of accounting. Investors, therefore, may not be able to compare our performance with that of other financial services companies based upon Core Earnings. Core Earnings results are only meant to supplement GAAP results by providing additional information regarding the operational and performance indicators that are most closely used by management, our Board of Directors, credit rating agencies, lenders and investors to assess performance.

11. Segment Reporting (Continued)

Segment Results and Reconciliations to GAAP

	Three Months Ended September 30, 2025								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	Adjustments Additions/ (Subtractions)	Total Adjustments [1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 760					$ 484	$ 276	$ —	$ —
Cash and investments	21					10	5	—	6
Total interest income	781					494	281	—	6
Total interest expense	639					429	183	—	23
Net interest income (loss)	142	$ 4	$ —	$ 4	$ 146	65	98	—	(17)
Less: provisions for loan losses	168				168	13	155	—	—
Net interest income (loss) after provisions for loan losses	(26)					52	(57)	—	(17)
Other income (loss):									
Servicing revenue	13					10	3	—	—
Asset recovery and business processing revenue	—					—	—	—	—
Other revenue (loss)	6					—	—	—	10
Total other income	19	(4)	8	4	23	10	3	—	10
Expenses:									
Direct operating expenses	61					16	45	—	—
Unallocated shared services expenses	44					—	—	—	44
Operating expenses[2]	105	—	—	—	105	16	45	—	44
Goodwill and acquired intangible asset impairment and amortization	1	—	(1)	(1)	—	—	—	—	—
Restructuring/other reorganization expenses	4	—	—	—	4	—	—	—	4
Total expenses	110	—	(1)	(1)	109	16	45	—	48
Income (loss) before income tax expense (benefit)	(117)	—	9	9	(108)	46	(99)	—	(55)
Income tax expense (benefit)[3]	(31)	—	6	6	(25)	11	(23)	—	(13)
Net income (loss)	$ (86)	$ —	$ 3	$ 3	$ (83)	$ 35	$ (76)	$ —	$ (42)

[1] Core Earnings adjustments to GAAP:

	Three Months Ended September 30, 2025		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 4	$ —	$ 4
Total other income (loss)	4	—	4
Goodwill and acquired intangible asset impairment and amortization	—	(1)	(1)
Total Core Earnings adjustments to GAAP	$ 8	$ 1	9
Income tax expense (benefit)			6
Net income (loss)			$ 3

[2] Reportable segment significant operating expenses are comprised of:

	Three Months Ended September 30, 2025				
(Dollars in millions)	Federal Education Loans	Consumer Lending	Business Processing	Other	Total
Servicing expenses	$ 16	$ 12	$ —	$ —	$ 28
Information technology expenses	—	8	—	19	27
Corporate expenses	—	—	—	21	21
Other/remaining expenses	—	25	—	4	29
Operating expenses	$ 16	$ 45	$ —	$ 44	$ 105

[3] Income taxes are based on a percentage of net income before tax for the individual reportable segment

11. Segment Reporting (Continued)

	Three Months Ended September 30, 2024								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassifications	Adjustments Additions/ (Subtractions)	Total Adjustments[1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 905					$ 591	$ 314	$ —	$ —
Cash and investments	43					25	6	—	12
Total interest income	948					616	320	—	12
Total interest expense	828					576	198	—	34
Net interest income (loss)	120	$ 8	$ 12	$ 20	$ 140	40	122	—	(22)
Less: provisions for loan losses	42				42	(5)	47	—	—
Net interest income (loss) after provisions for loan losses	78					45	75	—	(22)
Other income (loss):									
Servicing revenue	13					11	2	—	—
Asset recovery and business processing revenue	70					—	—	70	—
Other revenue	(26)					—	—	—	10
Gain on sale of subsidiary	219					—	—	219	—
Total other income	276	(8)	44	36	312	11	2	289	10
Expenses:									
Direct operating expenses	121					20	44	57	—
Unallocated shared services expenses	63					—	—	—	63
Operating expenses[2]	184	—	—	—	184	20	44	57	63
Goodwill and acquired intangible asset impairment and amortization	140	—	(140)	(140)	—	—	—	—	—
Restructuring/other reorganization expenses	18	—	—	—	18	—	—	—	18
Total expenses	342	—	(140)	(140)	202	20	44	57	81
Income (loss) before income tax expense (benefit)	12	—	196	196	208	36	33	232	(93)
Income tax expense (benefit)[3]	14	—	34	34	48	9	6	54	(21)
Net income (loss)	$ (2)	$ —	$ 162	$ 162	$ 160	$ 27	$ 27	$ 178	$ (72)

[1] Core Earnings adjustments to GAAP:

	Three Months Ended September 30, 2024		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 20	$ —	$ 20
Total other income (loss)	36	—	36
Goodwill and acquired intangible asset impairment and amortization	—	(140)	(140)
Total Core Earnings adjustments to GAAP	$ 56	$ 140	196
Income tax expense (benefit)			34
Net income (loss)			$ 162

[2] Reportable segment significant operating expenses are comprised of:

	Three Months Ended September 30, 2024				
(Dollars in millions)	Federal Education Loans	Consumer Lending	Business Processing	Other	Total
Servicing expenses	$ 18	$ 14	$ —	$ 4	$ 36
Information technology expenses	1	8	3	21	33
Corporate expenses	1	1	1	23	26
Other/remaining expenses	—	21	53	15	89
Operating expenses	$ 20	$ 44	$ 57	$ 63	$ 184

[3] Income taxes are based on a percentage of net income before tax for the individual reportable segment

11. Segment Reporting (Continued)

	Nine Months Ended September 30, 2025								
						Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	Adjustments Additions/ (Subtractions)	Total Adjustments [1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 2,297					$ 1,459	$ 838	$ —	$ —
Cash and investments	64					30	15	—	19
Total interest income	2,361					1,489	853	—	19
Total interest expense	1,961					1,321	547	—	72
Net interest income (loss)	400	$ 15	$ 6	$ 21	$ 421	168	306	—	(53)
Less: provisions for loan losses	236				236	29	207	—	—
Net interest income (loss) after provisions for loan losses	164					139	99	—	(53)
Other income (loss):									
Servicing revenue	40					32	8	—	—
Asset recovery and business processing revenue	23					—	—	23	—
Other revenue	10					(1)	1	—	44
Total other income (loss)	73	(15)	49	34	107	31	9	23	44
Expenses:									
Direct operating expenses	189					54	115	20	—
Unallocated shared services expenses	144					—	—	—	144
Operating expenses[2]	333	—	—	—	333	54	115	20	144
Goodwill and acquired intangible asset impairment and amortization	2	—	(2)	(2)	—	—	—	—	—
Restructuring/other reorganization expenses	6	—	—	—	6	—	—	—	6
Total expenses	341	—	(2)	(2)	339	54	115	20	150
Income (loss) before income tax expense (benefit)	(104)	—	57	57	(47)	116	(7)	3	(159)
Income tax expense (benefit)[3]	(29)	—	18	18	(11)	27	(3)	1	(36)
Net income (loss)	$ (75)	$ —	$ 39	$ 39	$ (36)	$ 89	$ (4)	$ 2	$ (123)

[1] Core Earnings adjustments to GAAP:

	Nine Months Ended September 30, 2025		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 21	$ —	$ 21
Total other income (loss)	34	—	34
Goodwill and acquired intangible asset impairment and amortization	—	(2)	(2)
Total Core Earnings adjustments to GAAP	$ 55	$ 2	57
Income tax expense (benefit)			18
Net income (loss)			$ 39

[2] Reportable segment significant operating expenses are comprised of:

	Nine Months Ended September 30, 2025				
(Dollars in millions)	Federal Education Loans	Consumer Lending	Business Processing	Other	Total
Servicing expenses	$ 50	$ 40	$ —	$ 5	$ 95
Information technology expenses	—	25	1	60	86
Corporate expenses	2	1	—	64	67
Other/remaining expenses	2	49	19	15	85
Operating expenses	$ 54	$ 115	$ 20	$ 144	$ 333

[3] Income taxes are based on a percentage of net income before tax for the individual reportable segment

11. Segment Reporting (Continued)

	Nine Months Ended September 30, 2024								
			Adjustments Additions/			Reportable Segments			
(Dollars in millions)	Total GAAP	Reclassi-fications	(Subtractions)	Total Adjustments [1]	Total Core Earnings	Federal Education Loans	Consumer Lending	Business Processing	Other
Interest income:									
Education loans	$ 2,819					$ 1,861	$ 958	$ —	$ —
Cash and investments	129					75	20	—	34
Total interest income	2,948					1,936	978	—	34
Total interest expense	2,547					1,810	597	—	102
Net interest income (loss)	401	$ 28	$ 10	$ 38	$ 439	126	381	—	(68)
Less: provisions for loan losses	68				68	(6)	74	—	—
Net interest income (loss) after provisions for loan losses	333					132	307	—	(68)
Other income (loss):									
Servicing revenue	48					39	9	—	—
Asset recovery and business processing revenue	228					—	—	228	—
Other revenue	33					5	1	—	16
Gain on sale of subsidiary	219					—	—	219	—
Total other income (loss)	528	(28)	17	(11)	517	44	10	447	16
Expenses:									
Direct operating expenses	351					53	110	188	—
Unallocated shared services expenses	182					—	—	—	182
Operating expenses[2]	533	—	—	—	533	53	110	188	182
Goodwill and acquired intangible asset impairment and amortization	145	—	(145)	(145)	—	—	—	—	—
Restructuring/other reorganization expenses	35	—	—	—	35	—	—	—	35
Total expenses	713	—	(145)	(145)	568	53	110	188	217
Income (loss) before income tax expense (benefit)	148	—	172	172	320	123	207	259	(269)
Income tax expense (benefit)[3]	41	—	33	33	74	28	47	60	(61)
Net income (loss)	$ 107	$ —	$ 139	$ 139	$ 246	$ 95	$ 160	$ 199	$ (208)

[1] Core Earnings adjustments to GAAP:

	Nine Months Ended September 30, 2024		
(Dollars in millions)	Net Impact of Derivative Accounting	Net Impact of Goodwill and Acquired Intangibles	Total
Net interest income (loss) after provisions for loan losses	$ 38	$ —	$ 38
Total other income (loss)	(11)	—	(11)
Goodwill and acquired intangible asset impairment and amortization	—	(145)	(145)
Total Core Earnings adjustments to GAAP	$ 27	$ 145	172
Income tax expense (benefit)			33
Net income (loss)			$ 139

[2] Reportable segment significant operating expenses are comprised of:

	Nine Months Ended September 30, 2024				
(Dollars in millions)	Federal Education Loans	Consumer Lending	Business Processing	Other	Total
Servicing expenses	$ 40	$ 40	$ —	$ 4	$ 84
Information technology expenses	7	22	12	63	104
Corporate expenses	3	3	3	72	81
Other/remaining expenses	3	45	173	43	264
Operating expenses	$ 53	$ 110	$ 188	$ 182	$ 533

[3] Income taxes are based on a percentage of net income before tax for the individual reportable segment

11. Segment Reporting (Continued)

Summary of Core Earnings Adjustments to GAAP

(Dollars in millions)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
GAAP net income (loss)	$ (86)	$ (2)	$ (75)	$ 107
Core Earnings adjustments to GAAP:				
Net impact of derivative accounting[(1)]	8	56	55	27
Net impact of goodwill and acquired intangible assets[(2)]	1	140	2	145
Net tax effect[(3)]	(6)	(34)	(18)	(33)
Total Core Earnings adjustments to GAAP	3	162	39	139
Core Earnings net income (loss)	$ (83)	$ 160	$ (36)	$ 246

[(1)] **Derivative accounting:** Core Earnings exclude periodic gains and losses that are caused by the mark-to-market valuations on derivatives that do not qualify for hedge accounting treatment under GAAP as well as the periodic mark-to-market gains and losses that are a result of ineffectiveness recognized related to effective hedges under GAAP. Under GAAP, for our derivatives that are held to maturity, the mark-to-market gain or loss over the life of the contract will equal $0. In our Core Earnings presentation, we recognize the economic effect of these hedges, which generally results in any net settlement cash paid or received being recognized ratably as an interest expense or revenue over the hedged item's life.

[(2)] **Goodwill and acquired intangible assets:** Our Core Earnings exclude goodwill and intangible asset impairment and amortization of acquired intangible assets.

[(3)] **Net tax effect:** Such tax effect is based upon our Core Earnings effective tax rate for the year.

SIGNATURES

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

NAVIENT CORPORATION
(Registrant)

By: /s/ JOE FISHER
Joe Fisher
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: October 29, 2025

APPENDIX A

FORM 10-Q CROSS-REFERENCE INDEX

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Exhibit 10.1

AGREEMENT AND RELEASE

Navient Corporation and its subsidiaries, predecessors, and affiliates, including but not limited to Earnest LLC (collectively "Navient") and I, David Green (Navient and I may be referred to herein as the "Parties"), have reached the following understanding and agreement regarding the termination of my employment effective **August 1, 2025** ("Termination Date"). In exchange for the Plan Benefits and other consideration listed below, I agree to comply fully with the terms of this Agreement and Release ("Agreement and Release").

Any non-disclosure provision in the Agreement and Release does not prohibit or restrict me (or my attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, any self-regulatory organization or state or federal regulatory authority, regarding this release or its underlying facts or circumstances. Any cooperation provision in the Agreement and Release does not require me to contact Navient regarding the subject matter of any such communications before engaging in such communications.

In exchange for my agreement, Navient agrees to provide me with the Plan Benefits and other consideration listed below, to which I am not otherwise entitled.

(1)**Plan Benefits:** Unless I have revoked this Agreement and Release pursuant to Section (8) below, pursuant to the Navient Corporation Executive Severance Plan for Senior Officers or Navient Corporation Severance Plan for Employees of Earnest LLC as applicable ("Plan"), Navient will pay me severance in the following manner: A total amount of **$1,292,886** less withholding taxes and other deductions required by law (the "Plan Benefits"). Such severance payment will be made in a single lump sum payment as soon as practicable following the 7-day revocation period described in Section (8) below and no later than the sixtieth calendar day after my Termination Date, subject in all cases to the provisions of the Plan.

(a)Rehiring: If I am rehired as an employee of Navient or any of its subsidiaries or affiliates within the 12-month period following my termination, I hereby agree to repay the Plan Benefits, divided by 12 multiplied by the number of months remaining in the 12-month period following my termination, adjusted and reduced by the amount of taxes paid and withheld on that sum, within 30 days of rehiring, as a condition of rehire to Navient.

(b)Medical/Dental/Vision Continuation: My current medical, dental and vision coverage will continue through the end of the month in which my Termination Date occurs. The first day of the month following my termination, **August 1, 2025**, I may be eligible to continue my current medical, dental and vision coverage through the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). If I become eligible for coverage under any other group health plan, I may not be eligible for Navient COBRA coverage. If I am eligible and I properly elect COBRA continuation coverage, Navient will subsidize my coverage by paying the employer portion of the total cost of my medical, dental and vision insurance premiums for the period of **September 1, 2025** through **February 28, 2027**. My right to continue medical, dental and/or vision coverage may extend for a maximum period of 18 months under COBRA.

(c)Benefit Programs: I waive future coverage and benefits under all Navient disability programs, but this Agreement and Release does not affect my eligibility for other Navient medical, dental, vision, life insurance, retirement, and other benefit plans. Whether I sign this Agreement and Release or not, I understand that my rights and continued participation in those plans will be governed by their terms, and that I generally will become ineligible for them shortly after my termination, after which I may be able to purchase continued coverage under certain of such plans. I understand that, except for the benefits that may be due under the deferred compensation, equity or 401(k) savings plans to which I may be entitled under Navient's standard employee benefit plans for similarly situated employees and executives, I will

not receive any other wage, paid time off, or other similar payments from Navient or any of the entities discussed in Section (2).

Subject to any earlier payment provisions set forth above, and except for the benefits and payments described in 1(b) (Medical/Dental/Vision continuation) and 1(c) (Benefit Programs), all payments or reimbursements described in this Section (1) shall be paid to me no earlier than the eighth calendar day after my signature on this Agreement and Release, and not later than the sixtieth calendar day after my Termination Date.

(2)**Release:** In consideration of the Plan Benefits described above, I agree to release Navient, and all of its subsidiaries, affiliates, predecessors, successors, and all related companies, and all of its former and current officers, employees, directors, and employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs) of any of them (collectively, "Released Parties") from all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which I now have or may have had through the date I sign this Agreement and Release, except claims that the law does not permit me to waive by signing this Agreement and Release. This release includes every such dispute I have with the Released Parties, whether or not I have filed a claim, charge, complaint, or action on such dispute. This release includes, but is not limited to, all common law contract, tort, or other claims I might have, as well as all claims I might have under the Age Discrimination in Employment Act (ADEA), the Worker Adjustment and Retraining Notification Act (WARN), Title VII of the Civil Rights Act of 1964; Sections 1981 through 1988 of Title 42 of the United States Code; The Employee Retirement Income Security Act of 1974 ("ERISA") (except for any vested benefits under any tax qualified benefit plan); The Immigration Reform and Control Act; The Americans with Disabilities Act of 1990; The Age Discrimination in Employment Act of 1967 ("ADEA"); The Worker Adjustment and Retraining Notification Act; The Fair Credit Reporting Act; The Family and Medical Leave Act; The Equal Pay Act; The Genetic Non-Discrimination Act of 2008; The Families First Coronavirus Response Act; Any other federal, state or local law, rule, regulation, or ordinance that legally may be released; Any public policy, contract (express and implied), tort, or common law; Any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters; California Family Rights Act – Cal. Gov't Code § 12945.2; California Fair Employment and Housing Act – Cal. Gov't Code § 12900 et seq.; California Unruh Civil Rights Act – Cal. Civ. Code § 51 et seq.; Statutory Provisions Regarding the Confidentiality of AIDS Information – Cal. Health & Safety Code § 120775 et seq.; California Confidentiality of Medical Information Act – Cal. Civ. Code § 56 et seq.; California Parental Leave Law – Cal. Lab. Code § 230.7 et seq.; California Military Personnel Bias Law – Cal. Mil. & Vet. Code § 394; The California Occupational Safety and Health Act, as amended, and any applicable regulations thereunder; The California Consumer Credit Reporting Agencies Act – Cal. Civ. Code § 1785 et seq.; California Investigative Consumer Reporting Agencies Act – Cal. Civ. Code § 1786 et. seq.; California Civil Code § 1542; California Code of Civil Procedure § 1001; California Civil Code § 1670.11; California Paid Sick Leave Laws, Cal. Lab. Code §§ 246-249; California Apprenticeship Program Bias Law, Cal. Lab. Code § 3070 et seq.; California Wage Payment Act, and Cal. Lab. Code; California Equal Pay Law, Cal. Lab. Code § 1197.5 et seq.; California Whistleblower Protection Law, Cal. Lab. Code § 1102.5; Statutory Provision Regarding California Family and Medical Leave, Cal. Lab. Code § 233; Statutory Provisions Regarding California Electronic Monitoring of Employees, Cal. Lab. Code § 435 et seq.; California Political Activities of Employees Act, Cal. Lab. Code § 1101 et seq.; California Domestic Violence Victim Employment Leave Act, Cal. Lab. Code §230.1; California Voting Leave Law, Cal. Elec. Code § 14350 et seq.; California Court Leave Law, Cal. Lab. Code § 230; California WARN Act, Cal. Lab. Code § 1400 et seq.; Those other provisions of the California Labor Code that lawfully may be released; Los Angeles AIDS-Based Discrimination Ordinance, Los Angeles Municipal Ordinance §45.80 et seq.; San Francisco AIDS-Based Discrimination Ordinance, §3801 et seq.; Those provisions of the California Labor Code that lawfully may be released; and any other federal, state or local laws, to the maximum extent permitted by law. I also agree that the scope of this release does not apply to any claims for indemnification of my reasonable expenses incurred for Navient under California Labor Code § 2802. Moreover, nothing in this Agreement and Release prohibits or prevents me from testifying in any administrative, legislative, or judicial proceeding concerning alleged criminal conduct or sexual harassment on the part of Navient or any agents or employees of Navient, when I have been required or requested to attend the

proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

Waiver of California Civil Code section 1542: To effect a full and complete general release as described above, I expressly waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows: A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, I expressly acknowledge this Agreement and Release is intended to include in its effect, without limitation, all claims I do not know or suspect to exist in my favor at the time of signing this Agreement and Release, and that this Agreement and Release contemplates the extinguishment of any such claims. I warrant I have read this Agreement and Release, including this waiver of California Civil Code section 1542, and that I have consulted with or had the opportunity to consult with counsel of my choosing about this Agreement and Release and specifically about the waiver of section 1542, and that I understand this Agreement and Release and the section 1542 waiver, and so I freely and knowingly enter into this Agreement and Release.

I further acknowledge that I later may discover facts different from or in addition to those I now know or believe to be true regarding the matters released or described in this Agreement and Release, and even so I agree that the releases and agreements contained in this Agreement and Release shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. I expressly assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Agreement and Release or with regard to any facts now unknown to me relating thereto. I further waive any right to payment of attorneys' fees, which I may have incurred. It is understood and agreed that by entering into this Agreement and Release, Navient does not admit any violation of law and has entered into this Agreement and Release solely in the interest of resolving finally all disputes, claims and issues relating to my employment and separation.

Navient and I expressly agree that nothing in this Agreement and Release shall preclude my participation as a member of a class in any suit or regulatory action brought against the Released Parties arising out of or relating to any alleged securities violations or diminution in the value of Navient securities.

Navient agrees that the release under this Section (2) shall not cover, and I reserve and do not waive, my rights, directly or indirectly, to seek further indemnification and/or contribution under the By-Laws of Navient. Navient hereby reaffirms that I am entitled to indemnification after termination of my employment, for actions taken in my capacity as an officer of Navient Corporation or applicable Navient Corporation subsidiaries under the bylaws of the applicable subsidiary or Navient Corporation (subject to the provisions of the By-Laws, which limit indemnity in certain circumstances).

(3)**Covenant Not To Sue:** I agree not to sue the Released Parties with respect to any claims, demands, liabilities or obligations released by this Agreement and Release. The Parties agree, however, that nothing contained in this covenant not to sue or elsewhere in this Agreement and Release shall:

(a)prevent me from challenging, under the Older Workers Benefits Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of my release of any age claims in this Agreement and Release before a court, the Equal Employment Opportunity Commission ("EEOC"), or any other federal, state, or local agency;

(b)prevent me from enforcing any future claims or rights that arise under the Age Discrimination in Employment Act ("ADEA") after I have signed this Agreement and Release; or

(c)prohibit or restrict me from: (i) making any disclosure of information required or permitted by

law; (ii) filing a charge, testifying in, providing information to, or assisting in an investigation or proceeding brought by any governmental or regulatory body or official; or (iii) testifying, participating in, or otherwise assisting in a proceeding relating to an alleged violation of any federal or state employment law or any federal law relating to fraud or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

Except with respect to the proviso in Section (2) regarding alleged securities violations and notwithstanding anything to the contrary in this paragraph, and subject to any legal restrictions, I hereby waive and release any right to receive any personal relief (for example, money) as a result of any investigation or proceeding of the U.S. Department of Labor, U.S. Department of Education OIG, EEOC, Consumer Financial Protection Bureau, or any federal, state, or local government agency or court, to the maximum extent permitted by law.

(4)**Additional Representations and Promises:** I further acknowledge and agree that:

(a)I will return all Navient and Released Parties' property (e.g., laptop, mobile phone) in my possession or control to them.

(b)I have disclosed to Navient any information I have concerning any conduct involving Navient that I have reason to believe may be unlawful or that involves any false claims to the United States. Other than such disclosures, I hereby represent and warrant that I have not reported any illegal or potentially illegal conduct or activities to any supervisor, manager, department head, human resources representative, director, officer, agent, or any other representative of Navient, any member of the legal or compliance departments, or to the Code of Business Conduct hotline and have no knowledge of any such illegal or potentially illegal conduct or activities. Subject to the provisions of this Agreement and Release and the law, I promise to cooperate fully in any investigation Navient undertakes into matters occurring during my employment with Navient. I understand that nothing in this Agreement and Release prevents me from cooperating with any U.S. government investigation. In addition, to the fullest extent permitted by law, I hereby irrevocably assign to the U.S. government any right I might have to any proceeds or awards in connection with any false claims' proceedings against Navient.

(c)If I breach any provisions of this Agreement and Release, I agree that I will pay for all costs incurred by any of the Released Parties, or any entities or individuals covered by this Agreement and Release, including reasonable attorneys' fees, in defending against my claim and seeking to uphold my release.

(d)I agree to keep the financial terms of this Agreement and Release completely confidential except as may be required or permitted by statute, regulation, or court order. Notwithstanding the foregoing, I may disclose such information to my immediate family and professional representatives, so long as they are informed and agree to be bound by this confidentiality clause. This Agreement and Release shall not be offered or received in evidence in any action or proceeding in any court, arbitration, administrative agency, or other tribunal for any purpose whatsoever other than to carry out or enforce the provisions of this Agreement and Release, except as required by law.

(e)Subject to the provisions of this Agreement and Release and the law, I agree not to defame or maliciously disparage Navient, its business practices, products, and services, any of the Released Parties, or any other entity or person covered by this Agreement and Release.

(f)I understand that Navient in the future may change employee benefits or pay. I understand that my job may be refilled.

(g)I have not suffered any job-related wrongs or injuries, such as any type of discrimination, for which I might still be entitled to compensation or relief in the future. I have properly reported all hours that I have worked, and I have been paid all wages, overtime, commissions, compensation, benefits, and other amounts that Navient or any of the Released Parties should have paid me in the past, other than with respect to any benefit plan termination or distributions authorized as of the date of this Agreement and Release. I have received from Navient and Released Parties all rights and benefits, if any, potentially due to me pursuant to the FMLA.

(h)I intentionally am releasing claims that I do not know I might have and that, with hindsight, I might regret having released. I have not assigned or given away any of the claims that I am releasing.

(i)If Navient or I successfully assert that any provision in this Agreement and Release is void, the rest of the Agreement and Release shall remain valid and enforceable unless the other party to this Agreement and Release elects to cancel it. If this Agreement and Release is cancelled by me, I will repay the Plan Benefits I received for signing it.

(j)If I initially did not think any representation I am making in this Agreement and Release was true, or if I initially was uncomfortable making it, I resolved all my concerns before signing this Agreement and Release. I have carefully read this Agreement and Release, I fully understand what it means, I am entering into it knowingly and voluntarily, and all my representations in it are true. Navient would not have signed this Agreement and Release but for my promises and representations.

(5)**Arbitration of Disputes:** Except with respect to the proviso in Section (2) concerning securities litigation, Navient and I agree to resolve any disputes we may have with each other through final and binding arbitration, to the fullest extent permitted by law. For example, I am agreeing to arbitrate any dispute about the validity of this Agreement and Release, which means that an Arbitrator and not another tribunal will decide issues of arbitrability and of liability with respect to any claim I may bring; provided, however, that Navient may pursue a temporary restraining order and/or preliminary injunctive relief, with expedited discovery where necessary, in a court of competent jurisdiction to protect common law or contractual trade secret or confidential information rights and to enforce the post-employment restrictions referenced in Section (6). I also agree to resolve through final and binding arbitration any disputes I have with any other Released Party who elects to arbitrate those disputes under this subsection, to the fullest extent permitted by law. Arbitrations shall be conducted by JAMS (also known as Judicial Arbitration & Mediation Services) in accordance with its employment dispute resolution rules. This agreement to arbitrate does not apply to government agency proceedings, but does apply to any action I might bring, including but not limited to any lawsuit related to a government agency proceeding, to the fullest extent permitted by law. By agreeing to this Agreement and Release, I understand that I am waiving my right to a jury trial.

(6)**Confidentiality and Intellectual Property:** Except as required or permitted by statute, regulation, or court order, or pursuant to written consent given by Navient's General Counsel, I agree not to disclose to anyone else any of the information or materials which are proprietary or trade secrets of Navient or are otherwise confidential. In addition, in consideration of the Plan Benefits described above, I hereby acknowledge and agree to the Agreement Regarding Confidentiality attached hereto as Appendix A, the purpose of which is to protect to the maximum extent permitted by law Navient's protectable business interests. Nothing in this Agreement and Release shall be construed as prohibiting or otherwise restricting me from lawfully reporting waste, fraud, or abuse related to the performance of a U.S. government contract to a designated investigative or law enforcement representative of a federal department or agency authorized to receive such information (e.g., an agency Office of the Inspector General), nor does this Agreement and Release prohibit me from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings. I am not required to notify Navient of any such communications; provided, however, that nothing herein authorizes the disclosure of information I obtained through a communication that was subject to the attorney-client privilege. I understand that I shall not be held criminally or civilly liable under

any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In the event that the Board of Directors of Navient or its successor reasonably determines that I have violated any of the post-employment restrictions of the Agreement and Release or if a court at my request determines that all or a substantial part of such restrictions are held to be unenforceable, I will return to Navient 50% (less withholdings previously withheld by law) of the Plan Benefits. The illegality, unenforceability, or ineffectiveness of any provision of this Section (6) shall not affect the legality, enforceability, or effectiveness of any other provision of this Agreement and Release. Notwithstanding the confidentiality provisions identified in Section 4(d) of this Agreement and Release, I may disclose my Navient restrictive covenants to prospective employers and agree that Navient may provide a copy of this Agreement and Release to my prospective or future employers.

(7)**Review Period:** I hereby acknowledge (a) that I initially received a copy of the original draft of this Agreement and Release on or before August 1, 2025; (b) that I was offered a period of 45 calendar days to review and consider it; (c) that I understand I could use as much of the 45 calendar day period as I wish prior to signing; and (d) that I was strongly encouraged to consult with an attorney in writing before signing this Agreement and Release, and understood whether or not to do so was my decision. I waive any rights to further time to consider the Agreement and Release.

(8)**Revocation of Claims:** I understand that I may revoke the waiver of the Age Discrimination in Employment Act (ADEA) claims made in this Agreement and Release within seven (7) days of my signing. If I exercise this right to revoke, my waiver and release of claims under ADEA shall not be effective or enforceable and I will not receive 70% of the cash Plan Benefits described in Section (1) above. Revocation of claims can be made by delivering a written notice of revocation to Patty McKeown, VP & Chief Human Resources Officer, Navient, 13865 Sunrise Valley Drive, Herndon, VA 20171.

(9)I acknowledge that I have read and understand all the provisions of this Agreement and Release. This Agreement and Release represents the entire agreement between the Parties concerning the subject matter hereof and shall not be altered, amended, modified, or otherwise changed except by a writing executed by both Parties. I understand and agree that this Agreement and Release, except for claims under the ADEA, which may be revoked as set out in Section (8), is final and binding when executed by me. I sign this document freely, knowingly, and voluntarily. I acknowledge that I have not relied upon any representation or statement, written or oral, not set forth in this Agreement and Release. If any provision of this Agreement and Release is held by a court of competent jurisdiction or by an arbitrator to be unenforceable or contrary to law, the remainder of that provision and the remaining provisions of this Agreement and Release will remain in full force and effect to the maximum extent permitted by applicable law. If this Agreement and Release is held to be unenforceable or contrary to law, I agree to repay the Plan Benefit I received. This Agreement and Release is governed by federal laws and the laws of the State of Delaware.

(10)In addition, in consideration of the Plan Benefits and other consideration described above, and subject to the provisions of this Agreement and Release and the law, I agree to cooperate with Navient, its affiliates, and its legal counsel in any legal proceedings currently pending or brought in the future against Navient, including, but not limited to: (1) participation as a witness; (2) drafting, producing, and reviewing documents; (3) assisting with interviews, depositions, discovery, hearings, and trial; and (4) contacting Navient. In the event I am requested, with reasonable notice, to travel as part of this litigation cooperation, Navient agrees to pay my reasonable out of pocket expenses.

Before you sign this Agreement and Release, please take it home, read through each section and carefully consider it. Navient recommends that you discuss it with your personal attorney (any personal attorney fees are not covered under the terms of this agreement). You have up to 45 calendar days to consider this Agreement and Release. You may not make any changes to the terms of this Agreement and Release. By signing this Agreement and Release, you will be waiving any claims whether known or unknown. At any point during the 45-day review period described above in Section (7) and before the end of the 7-day revocation period described above in Section (8), Navient may withdraw and rescind this Agreement and Release.

/s/ DAVID GREEN
David Green
October 8, 2025

/s/ PATTY MCKEOWN
Patty McKeown
VP & Chief Human Resources Officer
October 8, 2025

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Yowan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Navient Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DAVID YOWAN

David Yowan
Chief Executive Officer
(Principal Executive Officer)
October 29, 2025

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joe Fisher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Navient Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOE FISHER

Joe Fisher
Chief Financial Officer
(Principal Financial and Accounting Officer)
October 29, 2025

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Navient Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Yowan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ DAVID YOWAN

David Yowan
Chief Executive Officer
(Principal Executive Officer)
October 29, 2025

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Navient Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joe Fisher, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ JOE FISHER

Joe Fisher
Chief Financial Officer
(Principal Financial and Accounting Officer)
October 29, 2025