



AIG Retirement Services Engages Savi to Help Alleviate the Financial Stress of Student Loan Debt

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Program developed to help nonprofit and public service employees take control of student loans, navigate loan forgiveness programs and improve financial security

HOUSTON--(BUSINESS WIRE)--Jun. 9, 2020-- AIG Retirement Services, a leading retirement plan provider for tax-exempt and public sector employers, today announced it has engaged Savi, a social impact technology firm, to provide nonprofit and public service employees with an online tool to navigate government loan forgiveness programs and help them take control of their student loan debt and improve their future financial security.

"Our work with Savi comes at a critical and challenging time. Many employees of nonprofit and government entities carry student loan debt and are either unaware of or confused when navigating the Public Service Loan Forgiveness Program," said Rob Scheinerman, Chief Executive Officer of AIG Retirement Services. "We understand the long-term impact student loan debt can have on financial and retirement security, which is why we are proud to be working with Savi to help employers empower their workforce to take control of their student loan debt. The new program can chart the path for nonprofit and public service employees to loan forgiveness, helping to improve their financial future and creating enhanced flexibility around other goals, including saving for retirement."

The current environment threatens to exacerbate what was already a large challenge. The Federal Reserve estimates that the nation's collective student loan debt is \$1.6 trillion,¹ and the Congressional Budget Office projects an average of \$100 billion each year in new federal student loan debt for the next five years.² More than one in six American adults carry a federal student loan,³ and the average federal student loan borrower carries over \$35,000 in debt.⁴

This problem is particularly acute for the 34 million government and nonprofit employees,⁵ some of whom may be eligible for Public Service Loan Forgiveness, a federal program that eliminates all remaining federal student debt after 120 months of qualifying payments have been made.⁶ To date, the program has experienced high rejection rates for applicants, with less than two percent of applications being approved as of April 30, 2020.⁷ For many, this is due to incomplete applications and lack of understanding of program requirements.

AIG Retirement Services and Savi seek to improve and simplify the experience for public service employees by providing an end-to-end digital process that helps:

- determine qualification for student loan forgiveness
- identify potential savings
- navigate through enrollment
- maintain eligibility
- provide a clear path to applying for full forgiveness

For employees of nonprofit and public sector AIG Retirement Services clients that are offering the new student debt solution, this unique technology will be available on their employer's retirement plan website. This service also provides Savi's analysis of government rules concerning student loan debt, including new provisions in the CARES Act.

"Public service employees deserve better and more personalized information about how to manage and repay their student loan debt," said Tobin Van Ostern, Savi Co-Founder. "With our step-by-step technology solution, borrowers see the full picture of what they owe and then choose the best strategy to manage that debt responsibly. We're excited to be working with AIG Retirement Services clients and the public service employees who contribute so much to our communities."

1 Consumer Credit G.19. Federal Reserve. <https://www.federalreserve.gov/releases/g19/current/default.htm>

2 Income-Driven Repayment Plans for Student Loans: Budgetary Costs and Policy Options. Congressional Budget Office. <https://www.cbo.gov/system/files/2020-02/55968-CBO-IDRP.pdf>

3 Center for Microeconomic Data, Federal Reserve Bank of New York, <https://www.newyorkfed.org/microeconomics/topics/student-debt>

4 Federal Student Aid Portfolio Summary, Office of Federal Student Aid, U.S. Department of Education, <https://studentaid.gov/data-center/student/portfolio>

5 U.S. Bureau of Labor Statistics, U.S. Department of Labor, <https://www.bls.gov/emp/tables/employment-by-major-industry-sector.htm> and <https://www.bls.gov/bdm/nonprofits/nonprofits.htm>

6 Public Service Loan Forgiveness Qualifying Payments, Office of Federal Student Aid, U.S. Department of Education, <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service#qualifying-payments>

7 Public Service Loan Forgiveness (PSLF) Program Data, Office of Federal Student Aid, U.S. Department of Education, <https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>

About Savi

Savi is a social impact technology startup based in Washington, D.C. that is working to solve the student debt crisis affecting 46 million borrowers by helping them discover the best repayment and loan forgiveness options. Founded by long-time student loan experts and advocates, Savi is a Public Benefit Corporation that has identified for borrowers more than \$200 million in projected forgiveness. Savi works with employers, membership organizations, and financial institutions to provide the service as a unique student loan benefit. Additional information can be found at www.bysavi.com

About AIG Retirement Services

For more than half a century, AIG Retirement Services has served as a leading defined contribution retirement plan provider for tax-exempt and public sector employers, including healthcare, K-12, higher education, government, religious, charitable and other nonprofit organizations. AIG Retirement Services has more than \$100 billion in total assets under administration, managing thousands of plans serving approximately 1.8 million participants. It includes the VALIC family of companies: The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company. Additional information can be found at www.aig.com/RetirementServices.

About AIG

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