

Summer

# Unlocking Public Service Loan Forgiveness

A High-Impact Benefit for the States

April 2025

Introducing



Michelle Tran

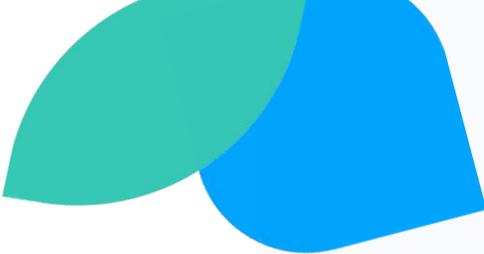
SVP, Partnerships

Rich Williams

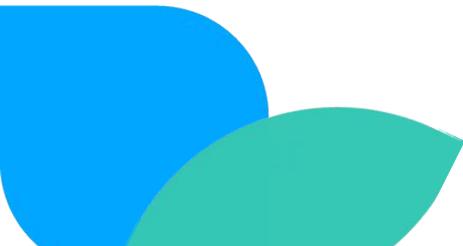
Chief Customer Officer



Summer



# Agenda



- About Summer

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- Student Loans and Employer Opportunities

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- Public Service Loan Forgiveness (PSLF)

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- How Summer Can Help

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- Q&A

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# About Summer

Summer's mission is to improve financial wellness by tackling student debt from start to finish.

Summer simplifies college cost planning & student loan repayment to **maximize savings** for individuals and families, that **increases retention and productivity** with **rapid implementation** for employers.

Summer is a trusted partner to many leading institutions:



Summer



Summer has generated over  
**\$1,800,000,000**  
in total projected savings



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# Student Loans and Employer Opportunities



## THE PROBLEM

# College is expensive and paying for it is difficult



### Saving for College

Employees and families stressed while saving for college for their kids

**70%**

expect to cover more than half of the cost of college for their kids



College



### Paying for College

Employees and families struggling to pay off student debt

Average payment  
**\$400/mo**

Financial stressor and second largest payment after rent

Only  
**50%**

Of borrowers are actually able to paying down student debt.

## THE PROBLEM

# Student loan borrowers face a steep cliff

- Loan payments and credit consequences resumed for 43M people for the first time in five years, at a time of inflation and economic uncertainty
- Student loan borrowers are receiving bills for **\$400/month on average** now loans are due, having a significant impact on financial health
- 82% of borrowers say student debt is their **top financial concern** – holding them back from saving for retirement and other goals
- Nearly three-quarters of employees are **willing to leave** their current employer for one that offers better financial benefits



# The impact of wage garnishment is significant

Department to resume debt collection activities on 5M borrowers **May 5**. Another 9M more will default this summer if they don't take immediate action.

### Why this matters

- **Costly mistakes:** Employees incur thousands of dollars annually in unnecessary penalties through negative credit, wage garnishment, and collection fees sap their income and savings.
- **Lower productivity and retention.** Financial stress hurts productivity and increases turnover.
- **Urgent timeline.** Employers have a short window to proactively help their employees.
- **Be a hero.** This is a hero moment for employers – by helping employees will boost morale, retention, and your reputation.

### How Summer can help

- **Default Prevention.** Summer ensures employees access affordable plans, avoiding default.
- **Stops Collections.** Summer halts wage garnishment and resolves collection issues.
- **Immediate Expert Support.** Fast launch before ~10M more defaults in Sept, easing HR burden.

## THE PROBLEM

# Repaying student loans is as complicated as tax filing but with less help

**150+** Number of federal and state savings programs

**50** States that offer loan forgiveness programs

**70%**

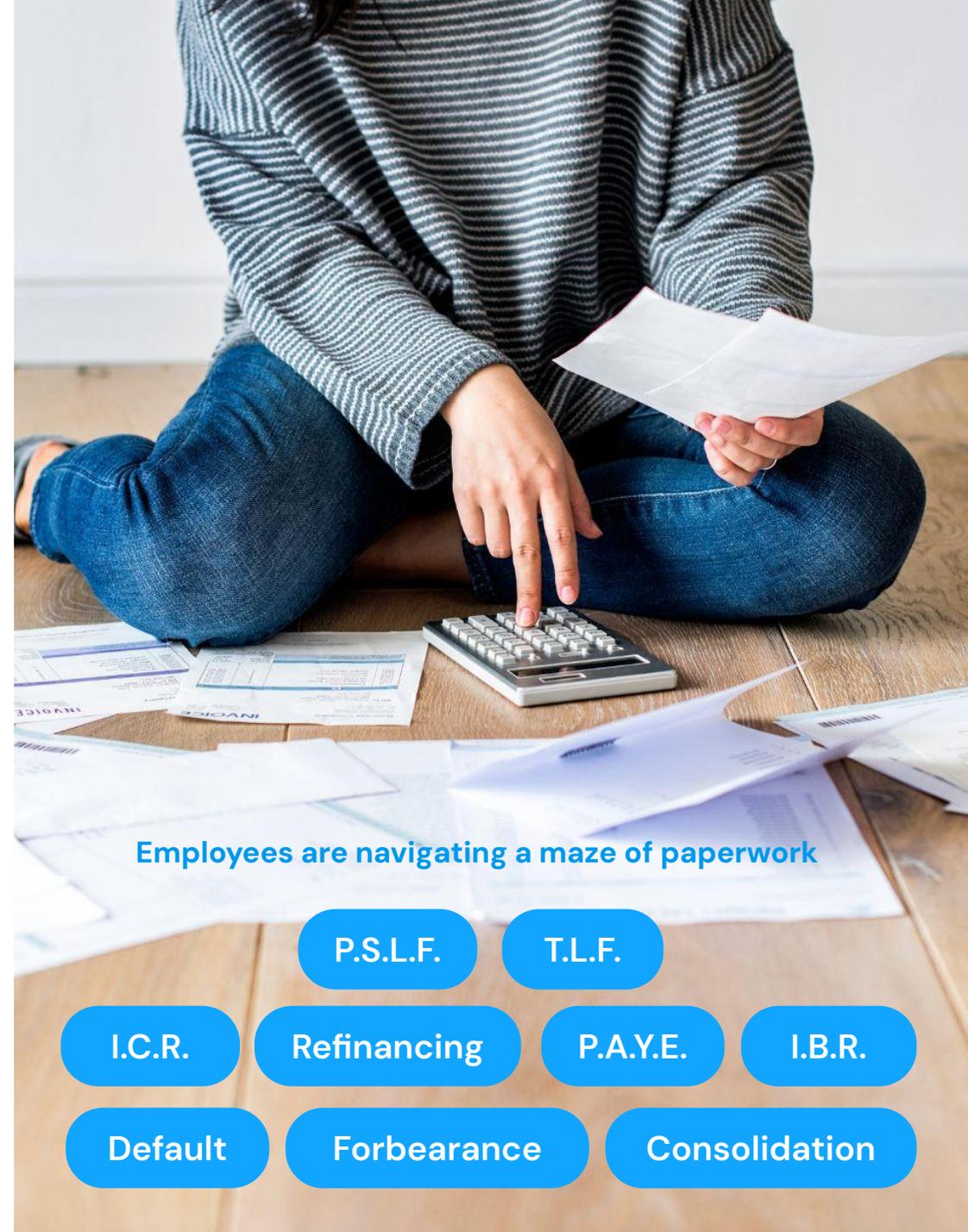
of borrowers are eligible for federal and state savings programs

Yet only

**15%**

of total borrowers have participated. **Billions of dollars are being left on the table.**

Sources: U.S. Department of Education, Pew, NY Times



Employees are navigating a maze of paperwork

P.S.L.F.

T.L.F.

I.C.R.

Refinancing

P.A.Y.E.

I.B.R.

Default

Forbearance

Consolidation

# State employers **have a key advantage**

- All of your full time employees with student debt are eligible for debt erasure through **Public Service Loan Forgiveness (PSLF)**
- When combined with income-driven repayment (IDR), borrowers save enough money each month to be **equivalent to a pay raise**
- However, these programs have been hard to manage and access without expert help
- Summer's tools help increase adoption, streamline the certification process for HR, and boost retention (we've seen a **20% improvement** for employees who use Summer's tools)



# Enrolling in IDR is the equivalent to a pay raise

What is IDR? Income Driven Repayment (IDR) plans are designed to make federal student loan repayment more affordable for borrowers with varying incomes.

Borrowers on IDR plans **must recertify their income and family size annually** to ensure their monthly payments remain aligned with their current circumstances.

**Meet Sarah.**  
She earns \$90,000/year

Her monthly take home pay is:

Summer saves her **\$342/month.**  
Now her new take home pay is:

That's the equivalent to a **pay raise!**



**\$5,474**



**\$5,816**



**+6% ↑**

## THE PROBLEM

# Navigating policy changes

## What a new administration means for student loans

- **Payments are due, consequences are enforced:**  
10m+ borrowers saw 150 – 200 credit score drop.  
Wage garnishment and other fines starting soon.
- **Deleting Dept of ED doesn't delete debt:**  
Borrowers have fewer options, less accurate information, long wait times. Costly mistakes are common.
- **PSLF and IDR are law:** But changes to other programs mean more borrowers, more debt, higher payments.



# Public Service Loan Forgiveness (PSLF)



# What is PSLF?



## The Basics

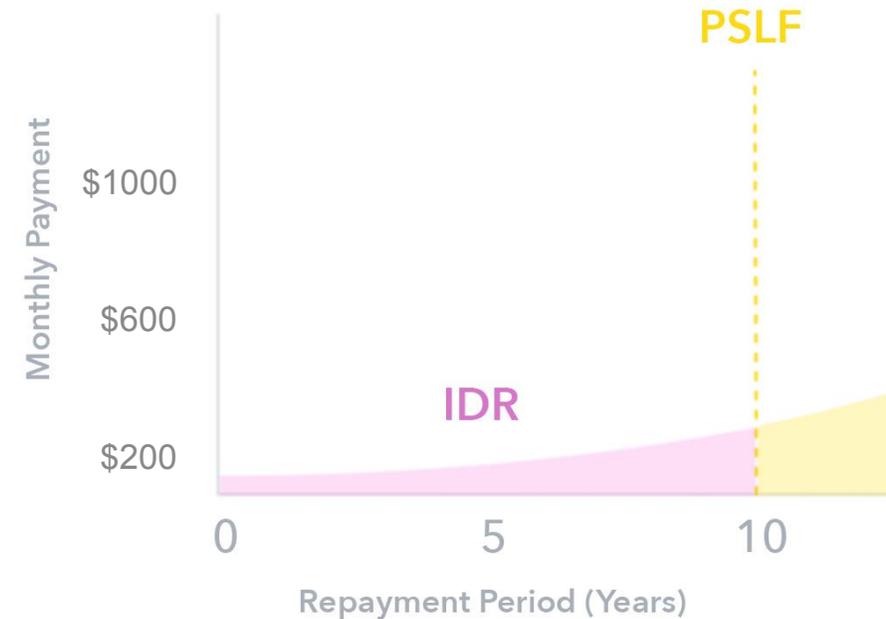
- ✓ **The best deal in the student loan world:** When borrowers work and pay their loans for ten years, the rest is forgiven tax free. Summer sees an average of **\$60k forgiven** per person.
- ✓ **A fully funded program** of the federal government. There are no caps or maximums.
- ✓ **Still not widely adopted:** It's estimated that only 15% of eligible employees have applied.
- ✓ **Still hard to access:** Even after recent expansions, the rejection rate is high. There are lots of underlying requirements that are hard to navigate.

# What is standing in the way?

## Blockers to forgiveness

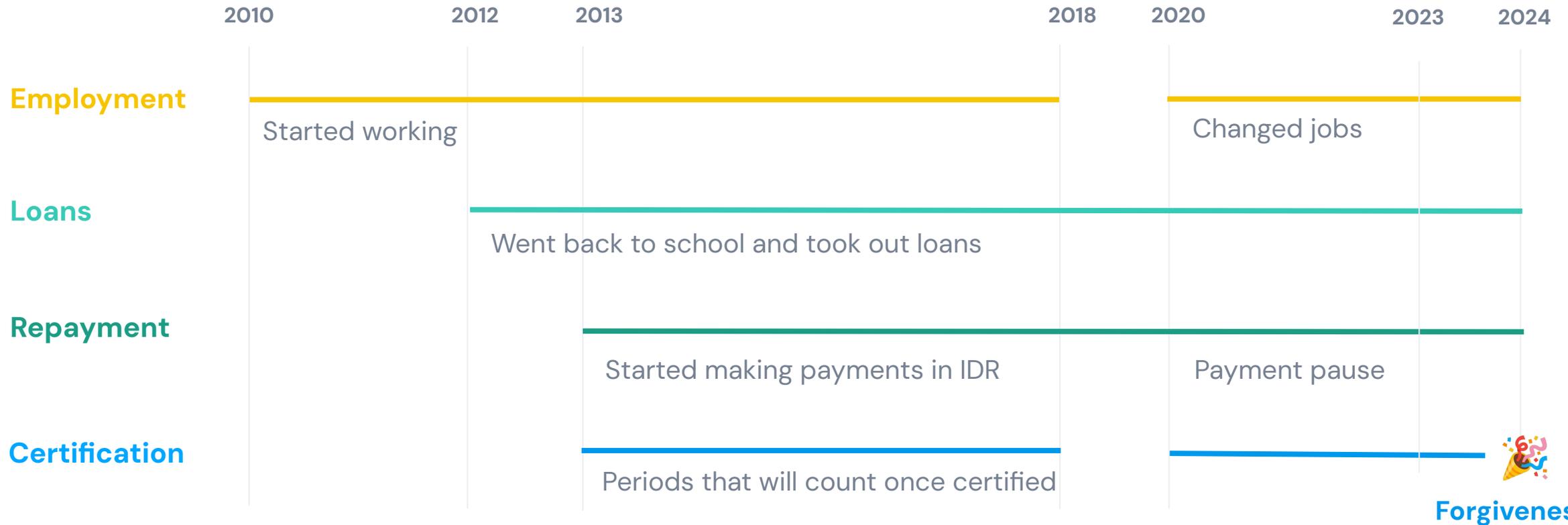
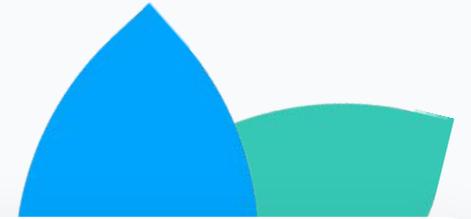
- ✘ **Requires employer signature:** To certify employment, borrowers must submit forms for every public sector employer they've worked for.
- ✘ **Forms are rejected** for small reasons or rejected incorrectly, and servicer transfers can cause delays and lost paperwork. 95% rejection historically.
- ✘ **Requires multiple federal programs:** PSLF requires that borrowers also enroll in an income-driven repayment (IDR) plan and sometimes consolidate their loans. But IDR and PSLF make a great team.

PSLF provides forgiveness after ten years  
IDR lowers monthly payments in the meantime



# The Path to Forgiveness

PSLF requires meeting multiple overlapping requirements



# How Summer Can Help



# Groups you can help in your state



## Student Loan Borrowers

About 35% of state and local government employees have student loan debt.. This is notably higher than the estimated 20% of the general U.S. adult population carrying such debt.



## Parents and Upskillers

21% of workers intend to take out a student loan for a child or dependent in the next five years; even those who aren't taking out debt need to plan for college expenses.



## Underrepresented Groups

Student debt exacerbates inequalities: women hold almost 2/3 of all loan debt. Black borrowers hold \$25k more debt than white counterparts.



# Tools for States

Meet the moment at a critical time



Provide access to **optimization** tools and unlimited expert help for federal loan programs, getting out of default, and refinancing



**Contribute directly** to student loans or reimburse tuition expenses (or both) up to \$5,250 for tax advantages



Match student loan payments toward retirement plans under **Secure 2.0** to maintain plan participation

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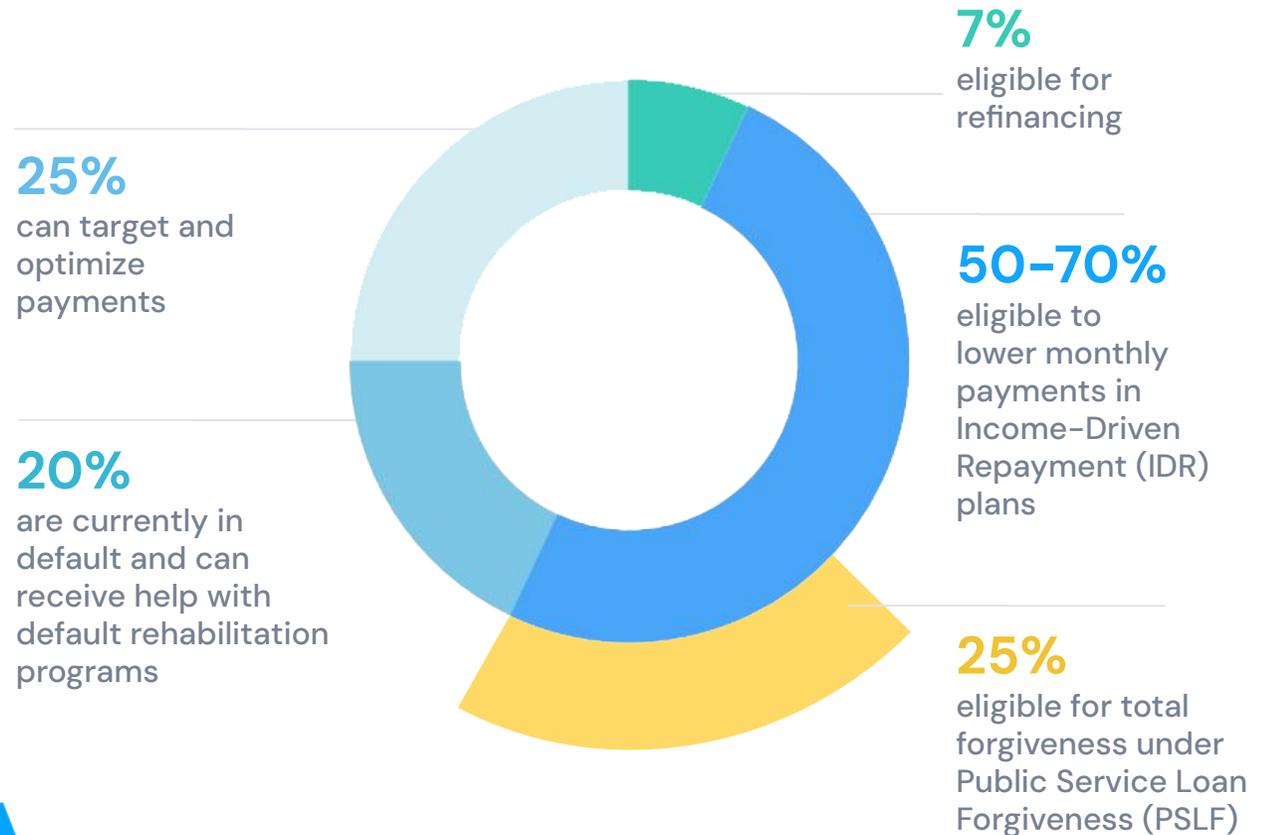


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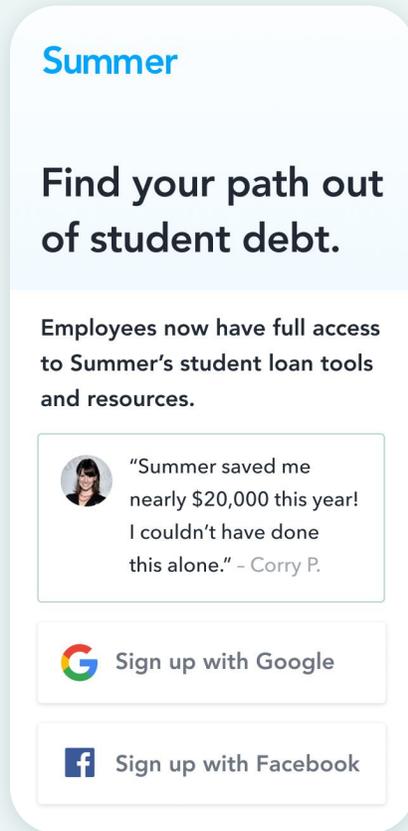
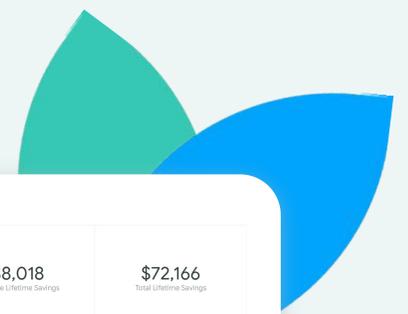
# Every user receives a customized savings recommendation

Summer's best-in-class tools are uniquely equipped to help borrowers through every stage of their student loan journey – no matter their income or credit score.

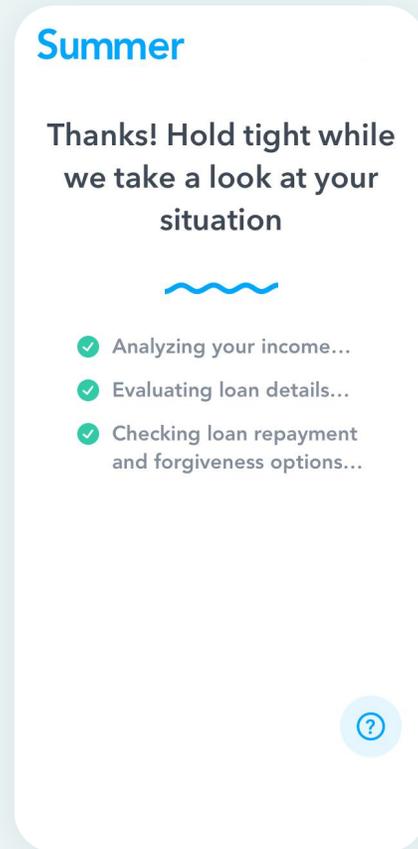
Unlock an average savings of \$278 per month to apply to other financial goals.



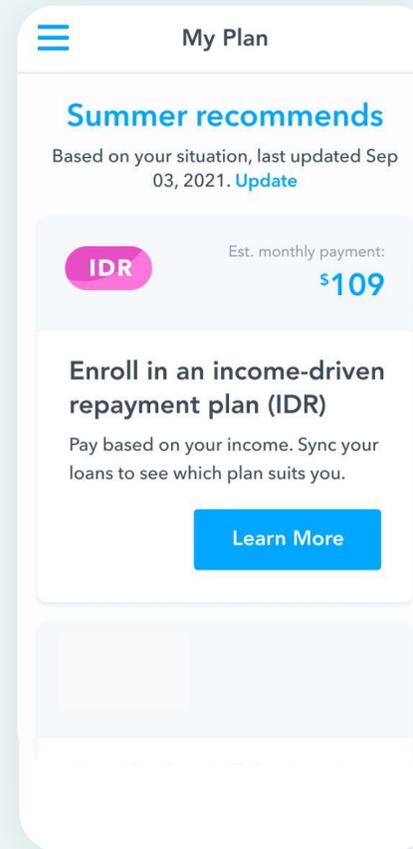
# A seamless user experience grounded in employee impact



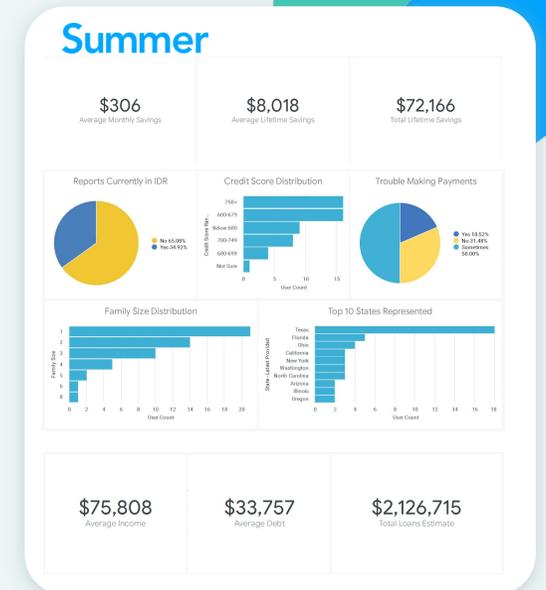
Partner introduces Summer. User navigates to a co-branded registration page.



Summer provides custom student loan savings recommendation.



User completes enrollment and realizes savings. User manages their loans on an ongoing basis.



Summer reports back to Partner on events and outcomes.

# Summer's PSLF Tools

## End-to-end expertise and facilitation

- ✓ **Customized recommendations** based on individual loan data for PSLF, IDR, and consolidation
- ✓ **Digital** and **secure** enrollment, submission, and recertification – no more paper trails that include employee personal information
- ✓ **Up to the minute responses** to federal policy changes and **increase in application approval** rate
- ✓ Unlimited access to a **team of experts** who are well versed not just in the policy, but in the way it's actually applied in the real world
- ✓ **HR tools** for streamlined and secure form management and online signatures

The image displays two overlapping screenshots of the Summer PSLF Tools interface. The background screenshot is a desktop view titled "Public Service Loan Forgiveness" for "Eagle Ridge Academy" from "Jan 11, 2017 – Jan 11, 2018". It features a navigation bar with "Your Employment", "Your Loan Eligibility", and "Submit Your Application". The main content area is titled "Your Loan Eligibility from Jan 11, 2017 to Jan 11, 2018:" and includes a table of loan data.

Loan Type	Status	Repayment Plan	Interest Rate	Current Balance
Direct Stafford Unsubsidized \$23,000 borrowed in Feb 2013	In Repayment	Unknown	7%	\$11,200
Direct Stafford Unsubsidized \$10,000 borrowed in Aug 2013	In Repayment	REPAYE	4%	\$8,800
Direct Stafford Unsubsidized \$15,000 borrowed in Feb 2014	In Repayment	REPAYE	5%	\$12,900
Direct Stafford Unsubsidized \$20,000 borrowed in Sep 2014	In Repayment, Default, In...	REPAYE	6%	\$10,500
Direct Stafford Unsubsidized \$14,000 borrowed in Jan 2015	Default	Extended Graduated	7%	\$2,100

Below the table, there is a section titled "What will happen with my ineligible loans?" with a note: "Even if some of your loans and repayments appear to be ineligible during this period, we can submit your application. FedLoan Servicing will confirm how many qualifying payments you made in this period. Still have questions?"

The foreground screenshot is a mobile app view titled "Public Service Loan Forgiveness". It features a "Recommended" section with a checkmark icon and text: "PSLF is a federal program for borrowers who work in Public Service. It forgives any remaining federal student debt after 120 qualifying payments." Below this is a "My PSLF Certifications" section with a "Loan Forgiveness Tracker" and a "+ Add Another" button. The last updated date is "Sep 6, 2019". A card for "Eagle Ridge Academy Charter School" is shown with the period "Jan 2017 – Jan 2018" and an "Edit" button. At the bottom, a "WHAT'S NEXT?" section suggests to "Consolidate your loans to maximize forgiveness".

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# Case Study: City of Alexandria, Virginia

## Measuring Success and Value

Total Employee  
Adoption Rate

18%



Turnover Reduction  
for Summer Users

20%



Average Monthly  
Savings

\$317



Employee  
Satisfaction Rate

100%



**Dr. Grace Ingram**

Head of Employee Wellbeing

“Using Public Service Loan Forgiveness in the nonprofit sector as an attraction and retention tool is everything.

In the 2.5 years we have been partnered with Summer we have received an outpouring of love from our employees. We have changed lives for the better and in the words of some we have helped them ‘hit the lottery’ by receiving student loan forgiveness.”

# Convenient, compliant contracting with Sourcwell

Sourcwell awarded Summer from among 20 vendor applicants via a rigorous RFP review process, which examined financial viability, performance standards, depth and breadth of services, and marketing plan among other criteria to meet local procurement requirements.

- ✓ Trusted and familiar procurement process satisfies competitive bid requirements
- ✓ Cooperative purchasing guarantees convenient contracting and competitive pricing
- ✓ Sourcwell is an eight-time earner of the “Achievement of Excellence in Procurement” award

The Sourcwell logo is positioned on the right side of the slide, partially overlapping a decorative graphic of stylized leaves in dark blue, light blue, and teal. The logo itself consists of the word "Sourcwell" in a sans-serif font, followed by a square icon containing a stylized 'X' or network pattern in shades of blue and orange.

Sourcwell

Awarded Contract

Contract #031623-SMR

## Making the promise of PSLF a reality

“

To all those at Summer who have taken up this mighty crusade on our behalf, you changed our lives, and you did it with confidence, grace, understanding, and knowledge that no one else we ever met had.



**Richard**

Valdosta State University

Total Forgiveness

**\$103,000**

“

This picture reflects the joy and gratitude I felt when I received my long awaited student loan forgiveness letter from Mohela. Without the assistance of Summer I could not have done it. Thank you for all your help through a difficult and frustrating process.



**Vivian**

NY Department of Labor

Total Forgiveness

**\$175,000**

# Summer



# Questions?

Feel free to reach out:

[michelle@meetsummer.com](mailto:michelle@meetsummer.com)

