S&P Global
Ratings

Research

Presale:

Navient Private Education Refi Loan Trust 2020-H

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Preliminary Rating

Class	Preliminary rating	Interest rate(i)	Preliminary amount (mil. $)
A	AAA (sf)	Fixed	885.7
B	NR	Fixed	69.5

Note: This presale report is based on information as of Oct. 28, 2020. The rating shown is preliminary. Subsequent information may result in the assignment of a final rating that differs from the preliminary rating. Accordingly, the preliminary rating should not be construed as evidence of the final rating. (i)The interest rates will be determined on the pricing date. NR--Not rated.

Profile

Expected closing date	Nov. 17, 2020.
Collateral	Private student loans.
Sponsor, servicer, and administrator	Navient Solutions LLC.
Subservicer	Earnest Operations LLC.
Depositor	Navient Credit Funding LLC.
Trustee and bank account provider (underlying trust)	The Bank of New York Mellon Trust Co. N.A.
Paying agent (underlying trust and issuing trust), indenture trustee, and bank account provider (issuing trust)	The Bank of New York Mellon.
Delaware trustee (underlying trust and issuing trust)	BNY Mellon Trust of Delaware.
Underwriters	BofA Securities Inc., Barclays Capital Inc., J.P. Morgan Securities LLC, RBC Capital Markets LLC, and Credit Suisse Securities (USA) LLC.

Credit Enhancement Summary

	Navient Private Education Refi Loan Trust								
	2020-H	2020-G	2020-F	2020-E(i)	2020-D	2020-B	2019-G	2019-F	2019-E
Subordination (% of the initial bond balance)									
Class A	7.28	7.18	7.18	7.81	7.83	6.22	7.15	5.29	8.26
Class B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Credit Enhancement Summary (cont.)

	Navient Private Education Refi Loan Trust								
	2020-H	**2020-G**	**2020-F**	**2020-E(i)**	**2020-D**	**2020-B**	**2019-G**	**2019-F**	**2019-E**
Overcollateralization									
Initial class A O/C (% of the initial pool balance)	10.75	9.50	9.50	10.45	10.45	9.50	10.42	8.61	12.38
Initial class B O/C (% of the initial pool balance)	3.74	2.50	2.50	2.85	2.85	3.51	3.52	3.51	4.50
Target O/C for class A and B (% of the outstanding pool balance)	5.50	4.40	4.40	4.40	4.40	5.50	5.50	5.50	6.75
O/C floor for class A and B (% of the initial pool balance)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.50
Class A reserve target balance (% of the initial note balance)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Class A reserve floor (% of the initial note balance)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Class B reserve target balance (% of the current note balance)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Class B reserve floor balance (% of the initial note balance)	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.25	0.15
Principal payment priority	Fully sequential	Fully sequential	Fully sequential	Fully sequential	Fully sequential	Fully sequential	Fully sequential	Fully sequential	Fully sequential

Note: Comparison to prior deals backed 100% by loans originated by Earnest Operations LLC. (i)NaviRefi student loan collateral.
O/C--Overcollateralization.

Rationale

The preliminary rating assigned to Navient Private Education Refi Loan Trust 2020-H's (Navient 2020-H's) private education loan-backed senior class A notes reflects our view of:

- The approximately 18.0%-19.9% credit support available based on our 'AAA' stressed break-even cash flow scenarios, which provides coverage of 8.0x-8.9x our base-case net loss rate assumption of 2.25% (see the Expected Default Rate and Break-Even Cash Flow Results sections below for more details).
- Our base-case default rate assumption of 3.00%, which we increased from the 2.75% assumed pre-COVID-19 for Navient refinanced loan pools to account for the uncertain macroeconomic environment that student loan borrowers will be exposed to (see the Credit Analysis section below). Accordingly, our 'AAA' cumulative default rate assumption increased to 15.00% from 13.75%.
- The initial class A overcollateralization of approximately 10.75%. The class A overcollateralization is defined as the excess of the pool balance over the class A note balance, divided by the pool balance.
- The approximately 7.28% class B subordination for the class A notes. The class B subordination is defined as the class B note balance divided by the total note balance.
- The fully funded class A and B reserve accounts, which equal 0.25% of the initial respective note balances.
- The transaction's fully sequential payment structure, which builds overcollateralization for the class A and B notes to the greater of 5.5% of the current pool balance and $14,885,351 (1.5% of the initial pool balance).
- The characteristics of the loan pool obligors, including a weighted average FICO credit score of 777, a weighted-average gross income of $159,367, and a weighted-average debt-to-income ratio of 33.09%, calculated as of the Sept. 23, 2020, cutoff date.
- The timely interest and principal payments made by the final maturity dates in cash flow runs that simulated our 'AAA' rating stress scenarios.
- A scenario analysis, which indicates that under moderately stressful economic conditions ('BBB' stress scenario), the rating on the class A notes would not decline more than one and three rating categories, from the preliminary 'AAA (sf)' rating in the first and third years, respectively, consistent with the credit stability section of "S&P Global Ratings Definitions," published Aug. 7, 2020.
- The transaction's legal structure.

S&P Global Ratings acknowledges a high degree of uncertainty about the evolution of the coronavirus pandemic. The current consensus among health experts is that COVID-19 will remain a threat until a vaccine or effective treatment becomes widely available, which could be around mid-2021. We are using this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

In addition to cash flow runs incorporating stressed levels of forbearance and deferral, which all paid timely interest and principal payments by the legal final maturity date, we conducted further liquidity analysis to assess the impact of a temporary decrease in loan principal and interest payments over the next several months as a result of COVID-19 pandemic. Based on this analysis, we believe the transaction has sufficient liquidity to cover its bond interest and expenses during that period of time. We are also monitoring government proposals that are intended to provide relief to student loan obligors and would either reduce or temporarily delay obligors' student loan payments. We will continue to monitor these proposals as they develop and assess their impact on the transaction.

Changes From Navient 2020-G

Structural and credit enhancement changes from Navient 2020-G, the previous transaction rated by S&P Global Ratings backed 100% by loans originated by Earnest Operations LLC, include the following:

- The initial class A overcollateralization increased to 10.75% from 9.50%.
- The overcollateralization target for the transaction increased to 5.50% from 4.40%.
- The initial class A parity level increased to 112.3% from 110.8%.
- The subordinated class B note amount increased to 7.3% from 7.2% of the initial bond balance.

In addition, the Navient 2020-H collateral pool includes approximately 25% variable interest rate loans whereas the Navient 2020-G pool contained none.

Transaction Summary

The issuer expects to use the transaction's proceeds to acquire approximately $992,356,751 (calculated as of the cutoff date) of private student loans from the depositor. These loans are not guaranteed or reinsured under the Federal Family Education Loan Program (FFELP) or any other federal student loan program. The loans were originated by Earnest Operations LLC under the Earnest student loan refinancing program. Loans in the collateral pool consist of 75.0% fixed interest rate and 25.0% variable interest rate loans.

Navient 2020-H incorporates the following structural features:

- Senior class A notes will be approximately 92.7% of the total note issuance, with class B representing the other 7.3%. All of the notes will be fixed interestrate notes.
- Initial overcollateralization for the class A and B notes of approximately 3.7% building to a target of 5.5% of the current pool balance (subject to a floor of 1.5% of the initial pool balance). After meeting the overcollateralization target, the transaction structure pays certain fees and expenses. If any funds remain after these payments, they will be released to the residual certificateholders.
- Initial overcollateralization for the class A notes will be approximately 10.75%.
- At closing, the trust will use a portion of the notes' proceeds to deposit $2,214,250 (0.25% of the initial class A note balance) into a class A reserve account. The class A reserve account target balance will be maintained at 0.25% of the initial class A note balance. The trust will replenish the reserve account balance to the required level on each distribution date if any funds remain after items 1-2 in the payment waterfall are paid (see table 1). The funds in the reserve account will generally be available to pay items 1-2 of the payment waterfall and the class A notes' principal on the legal final maturity dates.
- At closing, the trust will use a portion of the notes' proceeds to deposit $173,750 (0.25% of the

initial class B note balance) into a class B reserve account. The class B reserve account target balance will be maintained at the greater of 0.25% of the initial current class B note balance and $104,250. The trust will replenish the reserve account balance to the required level on each distribution date if any funds remain after items 1-5 in the payment waterfall are paid (see table 1). The funds in the class B reserve account will generally be available to pay items 1 and 5 of the payment waterfall and the class B notes' principal on the legal final maturity dates.

Payment Structure

The trust will make payments on the notes from collections on a pool of private student loans on the 15th day of each month (or the following business day) beginning in January 2021. The trust will make the payments in a specified priority (see table 1).

Table 1

Payment Waterfall

Priority	Payment
1	Senior transaction fees first to the trustees, and then pro rata to the servicer and administrator(i).
2	Interest payments to the class A noteholders.
3	If necessary, replenish the class A reserve account to the required level.
4	To the class A noteholders, the first-priority principal distribution amount, if any(ii).
5	Interest payments to the class B noteholders.
6	If necessary, replenish the class B reserve account to the required level.
7	Regular principal distribution amount to the class A noteholders and then to the class B noteholders(iii).
8	Additional principal distribution amount, if any, to the class A noteholders and then to the class B noteholders(iv).
9	Subordinate transaction fees, pro rata to the servicer and administrator(v).
10	To Navient Corp., repay all accrued interest on and the unpaid principal amounts borrowed under the revolving credit agreement.
11	Any remaining amounts to the issuing trust for the distribution to the residual certificateholders.

(i)Senior transaction fees includes the trustees' fees and extraordinary expenses (not to exceed $150,000 in any calendar year unless there is an event of default), the administrator fees ($6,667 per month), and the primary servicer fee (1/12th of an amount not to exceed 0.50% of the trust student loans' outstanding principal balance). In our cash flow scenarios, we modeled the payment of the trustee fees and extraordinary expenses at 1/12th of $150,000 per month. (ii)The first-priority principal distribution amount provides additional protection to the class A notes by making additional principal payments if the class A notes are undercollateralized. (iii)The regular principal distribution amount is designed to build the notes' overcollateralization amount to the 5.50% target of the current pool balance from 3.74% at closing. Additionally, the target overcollateralization is subject to a floor of $14,885,351 (1.50% of the initial pool balance). (iv)The additional principal distribution amount is designed to distribute 100% of available funds remaining after items 1-7 in the waterfall to the noteholders, in sequential order, as accelerated principal payments and when the note factor is 10%. (v)Subordinate transaction fees includes extraordinary expenses of the servicer and administrator.

Transaction Overview

Concurrently on the closing date:

- The issuing trust will (Navient Private Education Refi Loan Trust 2020-H) acquire the grantor trust certificate from the depositor (Navient Credit Funding LLC) via a certificate transfer agreement in exchange for cash raised by the note offering. The grantor trust certificate represents the entire beneficial ownership interest in the grantor trust (Navient Private

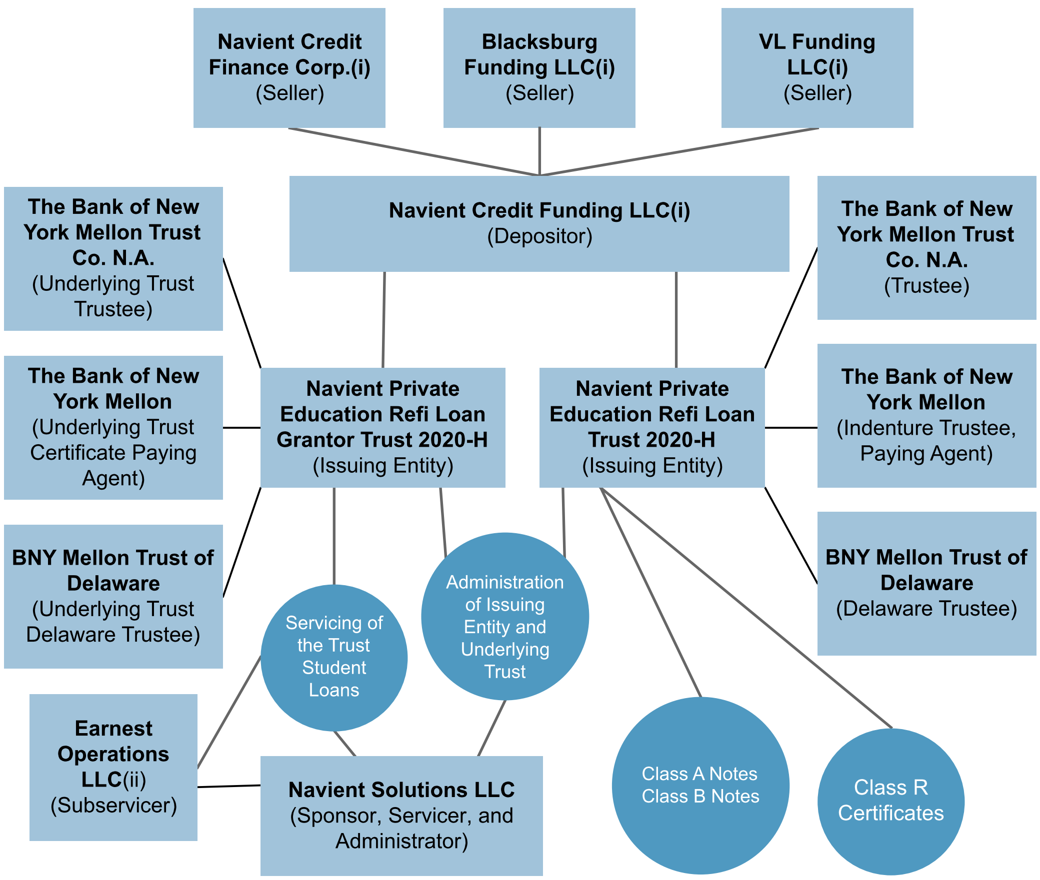
Education Refi Loan Grantor Trust 2020-H).

- The depositor will acquire the portfolio of private education student loans in separate transactions from the sellers under separate purchase agreements in exchange for cash received from the issuing trust.
- The grantor trust will acquire the portfolio of private education student loans from the depositor via a sale agreement in exchange for the grantor trust certificate sold to the issuing trust.

The transaction structure is shown in chart 1.

Chart 1

Transaction Structure



(i)Each of these entities is a direct or indirect wholly owned subsidiary of Navient Corp. (ii)This entity is an indirect majority-owned subsidiary of Navient Corp.

Pool Analysis

The noteholders will receive payments primarily from collections on a pool of prime refinance private student loans originated by Earnest Operations LLC. Table 2 outlines the Navient 2020-H initial pool characteristics as of the cutoff date.

Table 2

Navient 2020-H Initial Pool Characteristics

As of Sept. 23, 2020	
Total principal amount ($)	992,356,751
Fixed-rate loans (%)	75.0
Variable-rate loans (%)	25.0
Total number of loans	12,513
Average principal balance per loan ($)	79,306
Weighted average interest rate on fixed-rate loans (%)	4.13
Weighted average interest rate on variable-rate loans (%)	2.09
Weighted average remaining term (months)(i)	132
Obligor characteristics at origination	
Weighted average age	33
Weighted average months since graduation(ii)	64
Weighted average borrower annual income(iii)	159,367
Weighted average free cash flow(iv)	5,267
Weighted average debt-to-income ratio(v)	33.1
% using ACH (% of the pool)	98.6
Loan status(% of the pool)	
Repayment	99.5
Grace	0.0
Deferment	0.2
Forbearance	0.3
Degree level at origination (% of the pool)	
Advanced degrees(vi)	70.7
Bachelor's/other degrees	26.5
Parent loan	2.9
Credit score (% of the pool)(vii)	
740 and higher	81.2
700-739	13.8
670-699	4.1
640-669	1.0
639 and lower	0.0
Annual borrower income (% of the pool)	
$300,000 and higher	11.2
$150,000-$299,999	29.5
$75,000-$149,999	39.7
$74,999 and lower	19.6

Table 2

Navient 2020-H Initial Pool Characteristics (cont.)

Free cash flow (% of the pool)(iv)	
$5,000 and higher	40.5
$2,500-$4,999	37.0
$1,000-$2,499	20.7
$999 and lower	1.8

(i)The remaining term includes the number of months during which a borrower is scheduled to be in repayment, deferment, forbearance, or grace status, if applicable. (ii)The number of months since graduation based on the graduation date reported by borrowers in their applications. Excludes parent loans. (iii)The income used to underwrite borrowers' applications. Excludes parent loans. (iv)The borrower's tax-adjusted monthly income minus actual observed expenses at the time of their application. (v)The debt-to-income ratio based on information used to underwrite borrowers' applications. (vi)The loan pool does not include any loans to obligors with dental degrees. (vii)Credit scores are statistical credit models developed by FICO. ACH--Automated Clearing House.

In response to the COVID-19 pandemic, the servicer has implemented a Coronavirus Disaster Forbearance Program. Through June 30, 2020, the program offered up to three months of disaster forbearance to borrowers who requested it and indicated a COVID-19-related need. Starting on July 1, 2020, the servicer modified the program to offer one month of disaster forbearance to borrowers who request it and indicate a COVID-19-related need. During the disaster forbearance period, loan interest continues to accrue and is owed at the conclusion of the forbearance period but is not capitalized. Forbearance granted under the program will not count toward the maximum amount of 12 months of forbearance permitted over the life of the loan. The servicer has indicated that it will continue to monitor the disaster forbearance program to determine if it will be continued in the future.

Historically, forbearance has been an effective default prevention tool that allowed student loan borrowers experiencing temporary economic hardship to avoid default and resume their regular loan payments several months later. We believe that it can still serve this function and perhaps more so for high credit quality refinance loan obligors. However, given the unique economic environment caused by the COVID-19 pandemic, it remains unclear how borrowers in COVID-19 forbearance will ultimately perform. Generally, we expect that more borrowers will use forbearance and remain in forbearance for a longer period of time as borrowers seek more flexibility in managing their financial resources during this uncertain time.

Prior to the COVID-19 pandemic, Navient's Private Education Refi Loan Trusts' forbearance rates were very low (below 1.0%), consistent with the high credit quality of the trusts' refi loan obligors. Since the onset of the COVID-19 pandemic in mid-March and through May 2020, the trusts' forbearance rates increased significantly. Since that time, forbearance rates have declined to levels just slightly above their pre-COVID-19 levels.

The monthly forbearance rates in the existing Navient refi loan trusts are shown in table 3.

Table 3

Navient Private Education Refi Loan Trusts' Forbearance Rates

	(% of pool balance)						
Series	As of Feb. 29, 2020	As of March 31, 2020	As of April 30, 2020	As of May 31, 2020	As of June 30, 2020	As of July 31, 2020	As of Aug 31, 2020
2018-A	0.5	4.0	8.2	9.0	4.0	1.6	0.9
2018-C	0.8	4.5	10.5	10.4	4.4	2.1	1.5
2018-E	0.5	4.9	11.6	11.4	5.8	2.9	1.6

Table 3

Navient Private Education Refi Loan Trusts' Forbearance Rates (cont.)

	(% of pool balance)						
Series	As of Feb. 29, 2020	As of March 31, 2020	As of April 30, 2020	As of May 31, 2020	As of June 30, 2020	As of July 31, 2020	As of Aug 31, 2020
2019-A	0.9	4.7	11.8	11.7	5.2	2.7	1.4
2019-C	0.5	4.9	10.0	9.7	3.9	2.1	1.1
2019-E	0.5	4.4	10.5	10.5	4.7	2.6	2.0
2019-F	0.6	4.9	10.4	10.1	4.0	2.0	1.3
2019-G	0.2	4.5	10.7	10.7	4.4	2.0	1.4
2020-B	N/A	4.2	10.4	10.2	3.7	1.4	0.8

N/A--Not applicable.

Expected Default Rate: 3.00%

To derive our cumulative base-case default rate assumption for the transaction, we considered the historical performance data for the loan originator as well as the macroeconomic conditions caused by the COVID-19 pandemic, which will likely present employment challenges for some student loan borrowers and result in higher levels of delinquencies and defaults. We increased our cumulative base-case default rate assumption for this pool approximately 10% above what it would otherwise have been in the absence of COVID-19 pandemic-related factors. This increase reflects the uncertain macroeconomic environment that student loan borrowers will be exposed to over the next 12 months.

We also considered the extensive loan-level pool data provided by the sponsor that enabled a granular analysis of the loan pool's credit quality. Furthermore, we analyzed credit characteristics of the originator's managed portfolio relative to performance data for similar loan types from other issuers (see table 4). We adjusted our analysis to reflect the Navient 2020-H's pool composition. Based on this data, we assumed a base-case default rate of 3.00% of the initial pool balance; assuming a 25% recovery rate implies a base case net loss rate for this pool of 2.25%.

Table 4

Initial Pool Characteristics

	Navient Private Education Refi Loan Trust								
	2020-H	2020-G	2020-F	2020-E(i)	2020-D	2020-B	2019-G	2019-F	2019-E
Aggregate outstanding principal balance (mil. $)	992.4	806.6	800.8	513.8	831.2	737.8	412.9	592.1	560.4
Avg. outstanding principal balance per borrower ($)	79,541	73,875	75,775	40,393	72,329	77,498	79,179	70,971	69,390
Weighted avg. interest rate on fixed-rate loans (%)(ii)	4.13	4.82	4.78	5.33	4.75	4.84	4.83	5.10	5.46
Weighted avg. gross annual income ($)	159,367	141,381	133,761	141,462	128,652	132,101	138,729	132,174	135,054
Weighted avg. original FICO score	777	764	763	781	763	760	765	763	760
Weighted avg. obligor age	33	33	32	32	32	32	33	32	33

Table 4

Initial Pool Characteristics (cont.)

	Navient Private Education Refi Loan Trust								
	2020-H	2020-G	2020-F	2020-E(i)	2020-D	2020-B	2019-G	2019-F	2019-E
FICO distribution at origination (%)									
740 and above	81	70	70	79	70	67	72	70	67
700-739	14	20	21	17	21	22	20	20	21
670-699	4	8	7	5	7	8	7	8	10
650-669	1	2	2	0	2	2	2	2	3
600-649	0	0	0	0	0	0	0	0	0
Below 600	0	0	0	0	0	0	0	0	0
Degree level (%)									
Advanced	71	64	65	54	63	64	66	61	60
Undergraduate/other	29	36	35	46	37	36	34	39	40

Note: Comparison to prior deals backed 100% by loans originated by Earnest Operations LLC. (i)NaviRefi student loan collateral. (ii)The weighted average interest rate on variable-rate loans is 2.09%

Cash Flow Modeling Assumptions And Results

We modeled Navient 2020-H transaction to simulate stress scenarios that we believe are commensurate with the assigned preliminary rating (see table 5).

Table 5

Stressed Cash Flow Modeling Assumptions For 'AAA' Scenarios

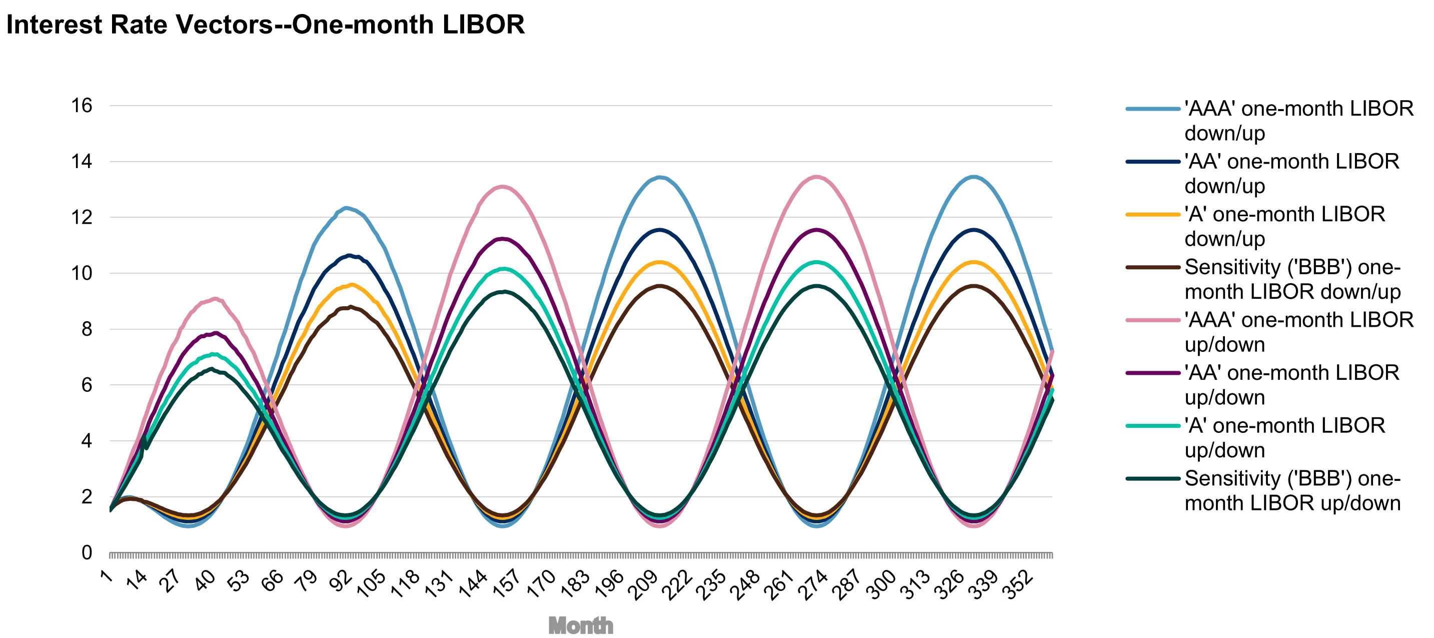
Preliminary rating	AAA (sf)
Overall cumulative default rate (%)	15.00(i)
Cumulative default timing–-fast scenario per year (approximate %)(ii)	20/20/20/20/20
Cumulative default timing–-slow scenario per year (approximate %)(ii)	15/15/15/15/10/10/10/10
Cumulative recovery rate (%)	10.0
Cumulative recovery rate timing per year (approximate %)	1.0/1.0/1.0/1.0/1.0/1.0/1.0/1.0/1.0/1.0
Voluntary prepayment rate per year (% CPR)(iii)	5/6/7/8/9/10 for the transaction's remaining life
Voluntary prepayment rate--high prepayment scenario per year (% CPR)(iii)	5% in year one, 6% in year two, 7% in year three, and 20% thereafter
Deferment % per year	1% of loans go into deferment for 36 months--the maximum period permitted by the loan program policy
Forbearance % per year	1.4% of loans go into forbearance for 15 months

(i)The default rates achieved in the 'AAA' break-even scenarios were in the 18.0%-19.9% range (see the 'AAA' Stressed Cash Flow Results section below). (ii)We ran separate fast and slow default timing scenarios. (iii)We ran standard and high prepayment speeds in the credit scenarios. CPR--Constant prepayment rate.

We used a credit rating model based on the Cox-Ingersoll-Ross framework to simulate interest rate scenarios for the stress levels commensurate to the rating of the liabilities. Each rating scenario employs two patterns:

- Rising then falling interest rates (up/down curve), and
- Falling then rising interest rates (down/up curve) (see chart 2).

Chart 2



Basis Risk

Approximately 25.0% of the Navient 2020-H pool balance consists of loans with interest rates indexed to one-month LIBOR, with the remaining 75.0% of pool balance made up of loans with fixed interest rates. All of the notes issued by the Navient 2020-H trust will have fixed interest rates. To stress the basis risk in this transaction, we ran additional stress scenarios where we assumed the one-month LIBOR rate was 0.0% for the transaction's life, used a fast default curve, and ran other 'AAA' stress assumptions. Under all of these additional cash flow scenarios, the class A notes received interest payments due on every distribution date and principal payments by the notes' maturity dates.

'AAA' Stressed Cash Flow Results

We stressed the cumulative default rates for the pool at approximately 15.00% according to the assigned preliminary 'AAA (sf)' rating. We derived the recovery, voluntary prepayment, deferral, and forbearance rate stresses from our review of the originator's and the industry's historical performance data, which we adjusted to reflect the Navient 2020-H pool's composition and the assigned preliminary ratings. Under the above stress assumptions, we expect that the Navient 2020-H transaction will pay all timely interest and note principal by the legal final maturity dates.

In addition, we ran cash flow scenarios with no prepayments and no defaults as well as no prepayments and an expected level of defaults. For the latter, we ran fast and slow default curves, leaving all other 'AAA' assumptions unchanged to ensure that all of the notes would be retired by their maturity dates. In all of these liquidity cash flow scenarios, the class A notes received interest payments due on every distribution date and principal payments by the notes' maturity dates.

Break-Even Cash Flow Results

In addition to 'AAA' cash flow scenarios using the 'AAA' default rate assumptions, we ran break-even cash flow scenarios that maximized the default rate while maintaining all other assumptions at the 'AAA' level. In the 'AAA' break-even scenarios, the Navient 2020-H transaction absorbed cumulative defaults in the 20.0-22.2 range and cumulative net losses in the 18.0%-19.9% range. These break-even results provided coverage of approximately 8.0x-8.9x of our base-case net loss rate of 2.25%. In each of the break-even scenarios, the transaction paid timely interest and note principal by the legal final maturity date.

Sensitivity Cash Flow Analysis

In addition to the 'AAA' stressed and break-even cash flows, we ran cash flow scenarios to assess the stability of the assigned preliminary rating under moderate stress conditions ('BBB' stress scenarios). We believe that in a moderate stress scenario, default rates would be lower and recovery rates would be higher than those in a 'AAA' stress scenario (see table 6).

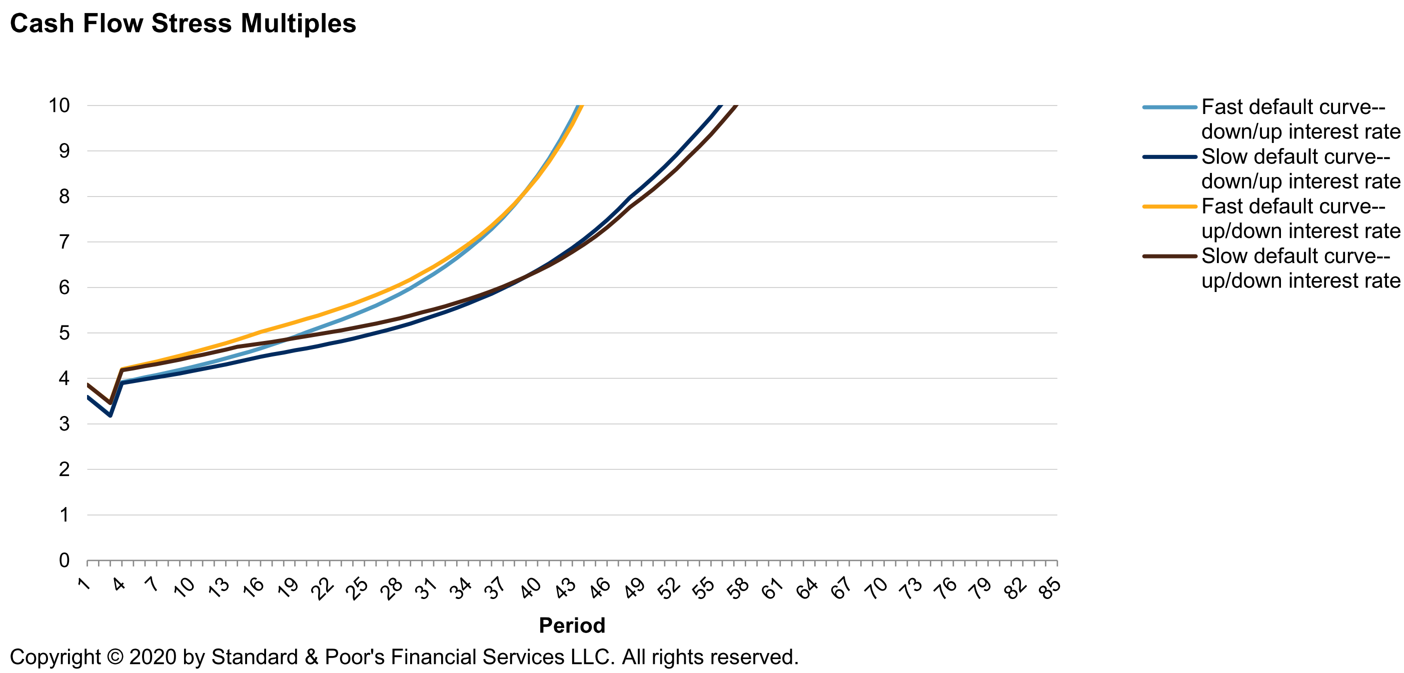
Table 6

Sensitivity Cash Flow Modeling Assumptions

Overall cumulative default rate (%)	6.75
Cumulative default timing--fast scenario per year (approximate %)(i)	20/20/20/20/20
Cumulative default timing--slow scenario per year (approximate %)(i)	15/15/15/15/10/10/10/10
Cumulative recovery rate (%)	17.5
Cumulative recovery rate timing per year (approximate %)	1.75/1.75/1.75/1.75/1.75/1.75/1.75/1.75/1.75/1.75
Voluntary prepayment rate per year (% CPR)	2/3/4/5/6/7 for the transaction's remaining life
Deferment % per year	1% of loans to obligors without graduate degrees go into deferment for 36 months--the maximum period permitted by the loan program policy
Forbearance % per year	1.4% of loans go into forbearance for 15 months
(i)We ran separate fast and slow default scenarios. CPR--Constant prepayment rate.	

Under these moderate stress scenarios, the class A credit enhancement coverage of the remaining net losses built over time (see Chart 3).

Chart 3



At closing, the class A notes have an approximate 3.7x coverage multiple of remaining net losses. The class A coverage multiple increases to approximately 4.5x after one year and thereafter rises for the life of the transaction. Based on these cash flow scenarios, we would expect our rating on the class A notes to remain within one rating category of our preliminary 'AAA (sf)' rating in the first year.

Navient Corp.

According to a plan approved by its board of directors, SLM Corp. (Legacy SLM) separated its loan management, servicing, and asset recovery business, now known as Navient Corp., effective April 30, 2014. The education loan management business includes the following:

- Legacy SLM portfolios of FFELP loans and certain existing private education loans (all originated by Navient affiliates or Sallie Mae Bank on or before April 30, 2014);
- Other interest-earning assets;
- An education loan servicing platform that services FFELP and private education loans, including the FFELP and private education loans to be owned by each issuing entity and loans held by third parties; and
- Related collection activities on those loans.

In 2017, Navient Corp. acquired Earnest Inc. Earnest Operations LLC, an affiliate of Navient Solutions Inc. (Navient Solutions; formerly known as Sallie Mae Inc.), originates private credit student loans made to refinance borrowers' existing student loans. Earnest Operations LLC will act as the subservicer for this transaction.

Navient Solutions LLC

Navient Solutions LLC (Navient Solutions) acts as the sponsor of Navient Corp.'s student loan securitization program. Navient Solutions is a wholly owned subsidiary of Navient Corp., and it acts as the principal management company for most of Navient Corp.'s business activities. Navient Solutions' servicing division manages and operates the loan servicing functions for Navient Corp. and its affiliates.

Navient Solutions acts as administrator for each trust sponsored by the depositor and its affiliates. Navient Solutions services the vast majority of student loans owned by Navient Corp. and its affiliates. Its loan servicing centers are located in Indiana and Pennsylvania. As servicer, Navient Solutions may delegate or subcontract its duties as servicer, but no delegation or subcontract will relieve Navient Solutions of its liability under the servicing agreement. As of June 30, 2020, Navient Solutions has sponsored approximately 204 student loan securitizations, involving approximately 147 FFELP student loan transactions and approximately 57 private education loan transactions. Navient Solutions does not own loans. As the sponsor and administrator of the company's student loan securitization program, Navient Solutions selects portfolios of loans owned by its affiliates to be sold to the trust and structures each transaction.

Navient Credit Funding LLC

Navient Credit Funding LLC (formerly known as SLM Education Credit Funding LLC) will be the depositor. Navient Credit Finance Corp. (formerly known as SLM Education Credit Finance Corp.) is the sole member of Navient Credit Funding LLC. The depositor is a special-purpose entity created to perform limited activities for the loan securitization program, including transferring loans from Navient Credit Finance Corp. and the other loan sellers to the issuing trusts.

Related Criteria

- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
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- Criteria | Structured Finance | ABS: Methodology And Assumptions For U.S. Private Student Loan ABS Credit Analysis, Feb. 13, 2013
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- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- U.S. Election: Promises, Policy, And The Potential Effects On The Economy And Corporate Credit, Oct. 19, 2020
- U.S. Biweekly Economic Roundup: U.S. Consumer Spending Continues To Outperform Expectations, Oct. 16, 2020
- A Double-Digit Rebound Has Begun, But It's No Time To Celebrate, Oct. 6, 2020
- COVID-19 Is Testing The Resilience Of Global Structured Finance, May 18, 2020
- Effects Of COVID-19 On U.S. Student Loan ABS, April 30, 2020
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016