

Private Loans v Public Loans

All about the Credit Check:

Sallie Mae, or SLM Corp., a former state-owned enterprise, is the leading private lender for student loans. Sallie Mae makes loans that aren't backed by the government and packages the loans into securities, which are sold in tranches (or bundles) to investors.

Packages of student loans are being marketed as asset-backed securities known as SLABS.

SLABS have enticed investors due to some structural guarantees—some worry that these instruments may adversely affect the economy.

After The Biden administration responded by rolling out a new program called Saving on a Valuable Education (SAVE). The plan allows eligible borrowers to reduce their monthly payments, shorten the maximum period for loan repayment, and avoid some interest charges.

[Link in the Comments to see view the SLABS](#)

<https://www.salliemae.com/investors/asset-backed-securities/>

I handle a lot of private loan lawsuits. Easy to win.

It is always bad to be in Default. It is good to be sued.

Here is why:

In recent years, Wall Street banks have stopped securitizing loans because federal backing of private loans was eliminated. The Federal Family Education Loan Program (FFELP), which ended in 2010, was a government-sponsored platform that subsidized and reinsured the loans, essentially guaranteeing that these loans would be paid back.⁹

As you can imagine, the expiration of the Federal Family Education Loan Program put a damper on student loan securitization. However, the popularity of these securities has recovered using private student loans.²

FFELP: Securitized

Does the company contacting you have a Mini Miranda warning on the letter. This communication is from a debt collector and we are collecting a debt. Any information obtained will be used for that purpose.

Keep a Paper Trail, Register by Mail.

Is it a servicer or a debt collector. Servicers service the debt for themselves or the Original Creditor with a debt, not in default. If a new company shows up after the debt is in default, chances are you are dealing with a debt collector.

Again, it is important to ferret out if the student loan debt is being handled by a debt collector or servicer as servicers are not regulated.

Here is something to remember. If you have a new company show up for your student loan debt and they are on your credit-make them prove they have a right to collect on the debt by sending a validation letter. They are not allowed to continue any collection until the debt is validated.

Take you through the Validation Letter now: