Proactive Credit Risk and Recovery Strategies for the Student Loan Resumption Era

How alternative data, predictive insights and early intervention can help protect share of wallet as federal repayments resume.

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Set a proactive credit risk strategy as student loan repayment resumption introduces new risks

As of July 1, 2026, borrowers enrolled in the SAVE (Saving on a Valuable Education) income-driven repayment plan are now required to select a different repayment option.[1] Federal loan servicers began sending borrower notices in July, giving them 90 days after notification to choose a new repayment plan.[2]

7 MILLION consumers in the expired **SAVE plan**

Student loan payments are evolving, and for the approximately 7 million consumers in the expired SAVE plan whose payments may have been in deferral, those obligations are now coming due. According to a new report, many consumers now have more loan obligations to pay, leaving servicing and recovery teams and lenders with a smaller share of the consumer share of wallet to collect on.[3] This development leaves credit risk managers facing evolving risk factors, changing payment priorities and increasing delinquency risk across credit cards, auto loans, personal loans and other consumer obligations.

The most successful servicing and recovery organizations aren't waiting to react to missed payments — they are taking steps now to identify risk earlier, improve consumer engagement and prioritize outreach using predictive data and real-time consumer insights.

Concentrating on efficiencies with continuously up-to-date contact data

Servicing and recovery teams are constantly expected to recover more with less staff and increasingly limited budgets. Lenders and servicing teams need to improve efficiencies across the account life cycle as they navigate the impact of student loan repayment resumption and rising consumer debt stress. One key tactic to focus on is improving consumer engagement.

Consumer Data

Improve engagement with robust, enriched and more up-to-date consumer data.

Compliance

Effectively balance compliance with FDCPA and digital communication laws.

Multichannel Outreach

Deploy multichannel outreach that adapts to consumer preferences.

Refinement of Strategy

Review data and feedback for continuous refinement of strategy.

Improving recovery results by focusing on likely repayments first

Prioritization is becoming mission critical as consumers begin facing additional repayment pressures. A best practice for organizations to focus on is more proactively identifying borrowers who may be most likely to repay their debt.

Teams need to leverage solutions and tools that help:

- **Identify a borrower's overall credit obligations**
- **Assess financial capacity**
- **Prioritize accounts based on risk and collectability**
- **Monitor changes that may indicate increasing financial stress**

Borrowers who successfully managed prior loan obligations may represent stronger repayment candidates, despite increased student loan burdens, and lenders can capitalize on these opportunities to collect.

Tailoring account management strategies by taking advantage of deeper consumer visibility

Traditional credit data doesn't always provide a complete picture of repayment behavior. Organizations can better understand a consumer's broader economic standing and tailor their account management approach by leveraging highly predictive alternative data insights.

Leveraging proactive solutions and better-informed processes helps personalize and refine account strategies by enabling teams to effectively:

- **Evaluate the likelihood of future payment performance**
- **Segment borrowers by repayment propensity**
- **Focus collector efforts on higher-value opportunities**

Improving the ability to distinguish borrowers experiencing temporary cash flow pressure from those exhibiting more serious repayment risk can inform a more targeted account management approach as millions of borrowers begin adjusting to resumed student loan payments.

35% higher paid rate

One consumer debt collection management firm used LexisNexis® RiskView™ Payment Score and achieved a 35% higher paid rate in top 10% of scores and collected close to $500,000 more paid dollars in the top 10% of scores, a 9% increase.[4]

Minimizing servicing and recovery impacts with proactive portfolio monitoring

Many organizations and lenders are concerned about the secondary effects of student loan resumption. Consumers may need to utilize other forms of credit for household expenses as paying back student loan debt becomes a renewed priority. Additional borrowing and financial stress may also increase delinquency on other loan payments and bills.

Proactive portfolio monitoring is a key part of early-stage distress detection. Servicing and recovery teams can move toward less reactive, more strategic portfolio management by proactively monitoring address, employment, liens and judgments, bankruptcy, death and other life events related to servicing and collections.

Optimizing recovery outcomes
with a future-forward credit risk strategy

Successful servicing and recovery strategies require earlier visibility, better borrower intelligence and more precise prioritization. This especially matters now as consumers balance the tensions between resumed student loan obligations and regular household expenses.

Future-forward organizations focus on building better efficiencies across the account life cycle by automating monitoring and review, reducing manual skip-tracing efforts and increasing right-party contact from the start. Credit risk management solutions combining borrower location data, portfolio monitoring, credit insight and payment propensity analytics can deliver a competitive advantage as student loans repayments crowd into already burdened consumer budgets.

> *Stay ready for the challenges related to the resumption of student loan repayments with a proactive strategy designed to create a more customer-centric experience and maximize recovery outcomes.*

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Get the strategies you need to navigate rising delinquency risk and improve performance as student loan payments compete for borrowers' attention.

Visit risk.lexisnexis.com/insights-resources/e-book/proactive-credit-strategies.

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Sources:

[1] https://studentaid.gov/announcements-events/idr-court-actions
[2] https://www.cnbc.com/2026/07/06/student-loan-servicers-save-plan-exit-notices.html
[3] https://www.studentdebtcrisis.org/post/new-report-reveals-student-loan-borrowers-to-pay-additional-500-per-month-upon-exiting-the-save-plan
[4] *RiskView Payment Score Case Study*

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