

## IMPACT: CASE STUDY

# How Summer Helps Borrowers Secure Student Loan Forgiveness

## A Nation Buried in Student Debt

As the costs of college have increased over the last several decades, students and families have sought out ways to cover these costs. Many students take out student loans or other forms of financial aid to afford their education. Today, student loan debt is estimated to be \$1.75 trillion total, with an average of nearly \$29,000 owed per borrower. The federal Student Loan Debt Relief program offers up to \$20,000 for those with past student loans, but it has a few drawbacks: It doesn't cover all debt for most Americans, has strict income and loan type requirements, and is already facing legal challenges before its implementation.

[Summer](#), a fintech company and participant in the 2020 [Financial Solutions Lab](#) Accelerator program, developed technology to analyze an individual's student loans and provide customized recommendations to reduce or eliminate the loan amount. During the COVID-19 pandemic, Summer set out to help people navigate the barrage of information and policy changes related to student debt.

## Customer Spotlight: Performing Public Service While Drowning in Debt

Like many Americans, Nicole needed financial support to attend school. She took out a Federal Family Education Loan (FFEL) loan in 2005, which was consolidated into several Direct loans in 2015 – loans that totaled almost \$150,000. Nicole has worked full time in public service since 2006, both at the Catholic Charities Headstart Diocese of Cleveland and at the Cleveland Metropolitan School District. She found herself drowning in debt and was unable to navigate the world of student loan forgiveness.

Under prior Public Service Loan Forgiveness (PSLF) rules, only her employment after the consolidation in 2015 would qualify toward the required 10-year timeline. Nicole had already made more than half of the payments toward the 120 qualifying monthly payments the program requires and had been certifying her employment.

## Simplifying the Student Debt Relief Journey

Summer's technology and team stepped in to help Nicole navigate her student debt relief options, which included:

- Submitting an updated employment certification under the new PSLF waiver
- Receiving \$148,967 in loan forgiveness
- Improving her credit score 70 points following the loan forgiveness

Summer's work helping individuals navigate and reduce student loan debt goes beyond Nicole's individual experience. To date, Summer has helped borrowers:



[→ Learn More About Summer](#)



The [Financial Solutions Lab](#) (FSL) was established in 2014 to cultivate, support, and scale innovative ideas that help improve financial health. FSL focuses on solutions addressing acute and persistent financial health challenges faced by low- to moderate-income individuals, Black and Latinx communities, and other underserved consumers.

The Financial Health Network manages the Financial Solutions Lab in collaboration with founding partner JPMorgan Chase and with support from Prudential Financial.