

Sallie Mae snafu causes credit scores to sink

A coding error by the nation's largest student lender made some student loan repayments appear delinquent overnight.

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NEW YORK (CNNMoney.com) -- As many as 1 million borrowers from Sallie Mae, the nation's largest student lender, may have seen their credit score plunge overnight after a coding error made some student loan repayments appear delinquent.

The error occurred in a routine transfer of account information to the credit bureaus, and was discovered on Friday, but by the time Sallie Mae notified the agencies, Equifax had already posted the information.

As a result, the accounts of some student loan borrowers with graduated loan repayment schedules were shown to be behind on their payments, causing the borrower's credit score to plunge immediately.

According to Tom Joyce, a spokesman for Sallie Mae, less than 10 percent, or 1 million, of Sallie Mae's borrowers were impacted.

Of those people, Joyce said it was unclear how many had been delinquent already.

The credit ratings have now been restored, according to Joyce, and there will be no negative repercussions on borrowers going forward.

"We certainly and fully understand the importance of one's credit rating and we worked with urgency to resolve this situation," Joyce said.

Calls to Equifax were not immediately returned.

Those who think they may be affected are encouraged to call 1-888-2-sallie. For those in the process of trying to get loans, Sallie Mae has offered to supply credit references on request.

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