



Default Management Plan

Policies and Procedures Manual

**Revised
4/1/2019**

Default Management Plan

Delgado Community College helps students develop the professional and personal skills to succeed in life and gain a broader perspective on their experiences. We support our students in multiple ways throughout their college journey, including after graduation. Default management is one aspect of this holistic effort designed to help students thrive academically, establish careers, and repay their loans in a timely manner.

We offer this plan in a spirit of proactive support for our students and borrowers and to enhance the value of our services as a higher education institution helping individuals earn an associate degree, technical diploma or certification.

Plan Objectives

This plan defines a framework for addressing the needs of our student borrowers at key points. It also documents our default management efforts in terms of analysis, goal-setting, resource allocation, and lines of accountability. On an annual basis, this plan will be revisited and revised in light of changing borrower needs and to track goal progression.

This Default Management Plan is designed to help:

- Reduce Delgado Community College's cohort default rate and ensure continued eligibility to participate in Title IV programs;
- Inform student borrowers of their rights and responsibilities through loan counseling;
- Raise student retention and completion rates with the assistance of departments campus-wide; and
- Educate students regarding financial literacy and debt management, including the consequences of a defaulted student loan.

Best Practices in Default Prevention

Delgado Community College works with its students and borrowers to prevent, manage, and reduce default in the following ways and areas:

- Communication with borrowers at key decision points
- Financial literacy programs
- Maintain effective communication campus-wide
- Focus on retention and student success

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- Identify and counsel at-risk students
- Use timely and accurate enrollment reporting
- Review NSLDS and repayment information to ensure accuracy

Entrance and exit counseling — Delgado Community College requires entrance counseling to be electronically completed annually at the time a student takes out a new loan. Students who graduate, withdraw, or drop below half-time enrollment are required to complete exit counseling. Exit counseling provides students with information on loan indebtedness and repayment options. Delgado Community College works with National Student Clearinghouse to aid in keeping students account current.

Timely enrollment status reporting — Delgado Community College adheres to the regulatory requirements for reporting student enrollment status, ensuring that NSLDS has the most accurate information possible.

Retention and completion efforts — the financial aid office is one of five departments that consults with a student who is considering withdrawal from a course or the institution. At that time, the student is counseled on the consequences of withdrawal, the reasons for the withdrawal request, and the institution's satisfactory academic progress (SAP) policies.

Unofficial withdrawals — The Registrar's office is notified when a student fails to attend class. This information is relayed to the financial aid office with hopes of communicating with the student early during the *unofficial* withdrawal process.

Student/borrower communications — Delgado Community College frequently uses large, public monitors located in the Student Life and Student Services buildings to display messages regarding various topics that relate to a student's attendance and financial aid. We also use email, post information in classroom building, and provide announcements on students' LOLA accounts regarding pertinent financial aid matters.

Financial Literacy—Partners with LOSFA to provide resources and workshops for Financial Literacy to our students.

Promoting Student Success — Early- and Late-Stage Enrollment

Delgado Community College strives to shape a successful student experience so that borrowers are prepared to establish a career, manage their debt effectively, and understand their options should financial obstacles appear. To that end, we stress borrower support and intervention in multiple forms, including education, counsel, and resources.

In AY 19-20:

- **Performing a borrower cohort analysis** — Delgado Community College will identify appropriate campus resources for collecting data to help in identifying institutional and demographic characteristic of “high-risk” students as well as students who are

successfully managing repayment. Delgado Community College will review and analyze this data on an annual basis.

- High-risk students may include, but are not limited to:
 - Students who are less successful than others in degree completion,
 - Students who fail to make satisfactory academic progress, and
 - Students who take developmental coursework.
- **Serving high-risk students** — Delgado Community College will use emails and/or phone calls to communicate with students who have been identified, based on particular variables, as being at risk for becoming delinquent on student loan repayment.
- **Managing data**
 - *Transfer monitoring* — Delgado Community College will use the NSLDS Transfer Monitoring List to ensure that enrollment data is correct for transfer students.
 - *Review of NSLDS data* — Delgado Community College will review its NSLDS Date Entered Repayment report (DER001) and/or its 24 or 36 Month Repayment Info Loan Detail report (DRC015 and DRC016) on at least a semi-annual basis in order to resolve inaccurate data in a timely manner.
 - *CDR challenges* — when the school's draft CDR is issued, Delgado Community College will review the Loan Record Detail Report to minimize inaccurate cohort data. The school will also perform a review of defaulted borrowers in the draft CDR as it may reveal cases that warrant the filing of an Inaccurate Data Challenge with the data manager.
 - *Accurate and timely enrollment reporting* — Delgado Community College will adhere to a schedule of reporting changes in enrollment status, which is usually more frequent than the required minimum.
- **Financial aid packaging philosophy** — Delgado Community College will review its packaging philosophy on an annual basis to evaluate potential impact on the school's CDR (i.e., Inceptia)
- **Expanded entrance counseling**— In accordance with federal regulations §682.604(f), all first-time, undergraduate Federal Student loan borrowers are required to complete entrance counseling. Delgado Community College has enhanced required entrance counseling by including information on budgeting, financial literacy, and repayment plan options. This part of the counseling will occur electronically and will be provided regularly based on changing regulations and interest rates.
- **Interim counseling** — Students will be sent regular communication via Salesforce. Delgado Community College will encourage borrowers to:

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- Review their current student loan indebtedness using NSLDS;
 - Access a loan repayment calculator to estimate a monthly payment for each available repayment plan;
 - Research potential earnings after program completion/graduation; and
 - Access consumer credit reports in order to obtain information about any private student loan and consumer debt.
- **Exit Counseling** — In accordance with federal regulations §682.604(g), Delgado Community College provides exit counseling either in person or electronically to all borrowers who graduate, drop below half-time, or withdraw from the school. If a borrower does not complete exit counseling within 30 days of being notified to complete counseling, Delgado Community College will provide written exit counseling materials by email. Exit counseling materials will include information on debt management, including budgeting.
 - **SAP monitoring** — Delgado Community College will review its SAP policy on at least an annual basis to ensure compliance with current regulatory requirements.
 - **Career skills and placement focus** — Our career placement center will help students estimate their earning potential given field of study, consider the job market, and ensure academic preparation is sufficient to gaining marketability.
 - **Student engagement in the campus community & Student Life Events, etc** — we will focus on collaborating with on-campus student services groups to create an environment that welcomes and engages students from every background. Our focus is on offering positive experiences that persuade students to complete their degree, diploma, or certificate.
 - **Support for early-withdrawals** — through the official withdrawal process, a student will be required to contact the financial aid office as early as possible in order to receive information on exit counseling. The student will be instructed to complete exit counseling online.
 - Students who stop-out/drop-out (unofficial withdrawals) will be notified of the requirement to complete exit counseling. The student will be encouraged to complete exit counseling electronically, or will be emailed exit counseling materials if electronic
 - **Default management resources** — Delgado Community College will continue to seek resources to manage its default management efforts.

Mobilizing Campus Support

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Delgado Community College is committed to creating a campus culture that values borrower success and that integrates default aversion efforts in all appropriate areas. To that end, we will pursue the following activities to gain faculty and staff buy-in and to enlist support as needed:

- **Departmental education** — we will provide via the web departmental education to campus administration about the impact of the CDR on our institution's eligibility to participate in the Title IV programs. Annually, we will also provide communications to each campus department on progress in default aversion goals.
- **Annual default aversion training** — We will train staff on the basics of default management, including the CDR process, borrower counseling, using NSLDS reports, and contacting Title IV servicers.
- **CDR monitoring and delinquency reporting** — Delgado Community College will use the reporting functionality within USA Funds Borrower Connect to evaluate and monitor CDR performance.
- **Collaboration with the Registrar** — Delgado Community College will work with the Registrar's Office to confirm graduation and withdrawal dates of student loan borrowers and to ensure proper and timely processing of return of Title IV funds.

Default Management goals — AY 2019-20

- Developed a process for delivery of financial literacy training for students by using LOSFA.
- Work with Third Party to provide letters to all students who go into repayment.
- Work with Advising office to incorporate Loan limit education into the current 4-point academic plan creating an academic and financial plan through graduation for students.