



**Creating a Campus-Wide
Default Prevention and Financial Literacy Task Force**

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FAME Wednesday Webinar

- Maine's Story
- Making Your Case
- Understand Who and Why?
- Create a Default Prevention Task Force
- Tips for Creating and Implementing Your Plan
- Best Practices in Default Prevention
- Additional Resources

- Average debt for the class of 2012 was **\$29,352** (7th highest)
- Maine's FY 2011 3-year CDR **12.8%** compared to the national rate of **13.7%** and FAME's rate of **7.1%**
- Median earnings with a bachelor's degree is **\$40,466** (5th lowest)
- **9.1%** unemployment rate for young adults (20-24)
- **Nine of 37 colleges in Maine have a 3-year CDR greater than 20%**

- Develop a fact sheet for your school
- Tell the story for your student
- Explain impact of loan default for borrowers, institution, alumni giving, taxpayers, etc...
- Demonstrate the ROI for default prevention efforts

Understand Who and Why?

- Do you understand who defaults and why?
- What factors impact success?
- What information might be helpful?
- Understanding these factors will help you determine the right method and time to intervene.

- Conduct thorough research to understand risk factors such as:
 - At-risk programs
 - Enrollment patterns
 - Withdrawn students – official vs. unofficial
 - Graduation/completion data
 - FAFSA data, including completion date
 - Average debt
 - First-generation/low-income
 - Other considerations?

- Financial issues
- Lack of family support
- Children/childcare
- Disabilities
- Transportation/housing issues
- No campus connection
- Job placement challenges
- Lack of information

Create a Default Prevention Task Force

- Who are the important players on your campus?
 - Financial Aid Office
 - Admissions/enrollment management
 - Faculty
 - Academic advising/student affairs
 - Billing Office
 - Student retention/services office
 - Job placement/career counseling
 - Students
 - High level support is critical
 - Marketing department

Create a Default Prevention Task Force

- Your task force should include a diverse group of individuals. First steps might include:
 - Selecting a standing meeting date/time, at least quarterly (monthly may be required initially).
 - Deciding who will be responsible for creating the agenda, minutes, and who will follow-up on agreed upon assignments.
 - Discuss the issue (who and why)
 - Brainstorm default prevention strategies.
 - Discuss and understand the resources available to students across campus.
 - Develop a collective impact approach – multiple offices supporting the same goal and outcome.

Tips for Creating and Implementing Your Plan

- Start small and focus on making incremental change
- Focus your efforts
- Invest in proactive approaches
- Education and counseling is key
- Don't reinvent the communications wheel
- Utilize technology and social media
- Each office should “own” one strategy
- Incorporate measurable objectives and steps for improvement

Best Practices in Default Prevention

- Target your efforts to those most at risk
- Increase opportunities for in-person counseling
- Accurate and timely enrollment reporting
- Implement an early warning system
- Continue to ask questions – both of students and administration
- Create a withdrawal handout/buckslip

Best Practices in Default Prevention

- Collect contact information annually
 - Implement a policy to verify address any time a student calls or visits an office on campus
- Additional counseling for students at or close to aggregate
- Private loan counseling
- Develop a return-to-school philosophy
- Outbound calling campaigns/email/letter during grace
- Financial literacy
- Utilize outside resources

Consider a Refresh of Your Communication Strategies

- Review and evaluate all email/mail/and web content
- Be sure that information is clear, engaging, and easy to access.
 - Review web navigation
 - Use bullets, remove unnecessary words, eliminate jargon and acronyms
 - Consider implementing a texting strategy

- FAME College Access and Financial Education
- SALT
- FSA Default Prevention Assessment Tool
 - <http://ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>
- Financial Awareness Counseling on StudentLoans.gov
- National Student Loan Data System
- FSA Cohort Default Rate Guide
 - <http://www.ifap.ed.gov/drmaterials/finalcdrg.html>
- Electronic Announcement – Delinquency Prevention Activities
 - <http://www.ifap.ed.gov/eannouncements/060310LoanServicingInfoDelinqPr eventAct.html>
- Electronic Announcement (EA) – Loan Servicing Information
 - <http://www.ifap.ed.gov/eannouncements/032610LoanServicingInfoFe dOwn.html>
- IFAP Default Prevention Resources



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